

**BEAVER LOCAL SCHOOL DISTRICT - COLUMBIANA 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**



**Forecast Provided By**  
**Beaver Local School District**  
**Treasurer's Office**  
**Mrs. Stacy Williams, Treasurer**  
**May 11, 2020**

**Beaver LocalSchools  
Columbiana County**

Schedule of Revenues, 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 2024

	Actual				Average Change	Forecasted				
	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019			Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2022	Fiscal Year 2024
<b>Revenues</b>										
1.010 General Property Tax (Real Estate)	\$5,271,329	\$5,329,601	\$5,345,447	0.70%	\$5,589,627	\$5,833,281	\$5,827,427	\$5,884,006	\$5,928,426	
1.020 Tangible Personal Property	\$625,907	\$673,079	\$759,586	10.19%	\$830,920	\$820,771	\$833,031	\$846,472	\$859,892	
1.030 Income Tax	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	
1.035 Unrestricted State Grants-in-Aid	\$9,482,392	\$9,604,845	\$9,480,869	0.00%	\$9,135,776	\$8,487,006	\$9,444,690	\$9,468,162	\$9,469,130	
1.040 Restricted State Grants-in-Aid	\$175,698	\$195,781	\$153,509	-5.08%	\$152,677	\$152,689	\$152,689	\$152,689	\$152,689	
1.045 Restricted Fed. SFSF Fd. 532 FY10&11/Ed	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	
1.050 Property Tax Allocation	\$860,631	\$855,818	\$869,283	0.51%	\$820,231	\$877,542	\$876,033	\$884,748	\$893,414	
1.060 All Other Revenues	\$2,063,715	\$2,436,498	\$2,702,101	14.48%	\$2,627,728	\$2,654,005	\$2,680,544	\$2,707,348	\$2,734,422	
1.070 <i>Total Revenues</i>	\$18,479,672	\$19,095,622	\$19,310,795	2.23%	\$19,156,959	\$18,825,294	\$19,814,414	\$19,943,425	\$20,037,973	
<b>Other Financing Sources</b>										
2.010 Proceeds from Sale of Notes	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	
2.020 State Emergency Loans and Advancement	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	
2.040 Operating Transfers-In	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	
2.050 Advances-In	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	
2.060 All Other Financing Sources	\$5,730	\$8,390	\$32,673	167.93%	\$78,886	\$8,390	\$8,390	\$8,390	\$8,390	
2.070 <i>Total Other Financing Sources</i>	\$5,730	\$8,390	\$32,673	167.93%	\$78,886	\$8,390	\$8,390	\$8,390	\$8,390	
2.080 <i>Total Revenues and Other Financing Sources</i>	\$18,485,402	\$19,104,012	\$19,343,468	2.30%	\$19,235,845	\$18,833,684	\$19,822,804	\$19,951,815	\$20,046,363	
<b>Expenditures</b>										
3.010 Personal Services	\$9,105,899	\$9,187,561	\$9,336,924	1.26%	\$9,307,953	\$9,408,268	\$9,793,133	\$9,876,053	\$9,974,030	
3.020 Employees' Retirement/Insurance Benefits	\$3,895,107	\$4,006,760	\$4,296,680	5.05%	\$4,238,545	\$4,407,702	\$4,730,683	\$4,933,166	\$5,146,495	
3.030 Purchased Services	\$3,653,276	\$3,757,747	\$3,505,394	-1.93%	\$3,253,689	\$3,094,573	\$3,865,441	\$3,546,763	\$3,592,667	
3.040 Supplies and Materials	\$777,564	\$781,506	\$848,464	4.54%	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	
3.050 Capital Outlay	\$438,781	\$302,884	\$489,533	15.33%	\$551,689	\$649,278	\$570,575	\$480,758	\$394,343	
3.060 Intergovernmental	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	
Debt Service:				0.00%						
4.010 Principal-All (Historical Only)	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	
4.020 Principal-Notes	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	
4.030 Principal-State Loans	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	
4.040 Principal-State Advancements	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	
4.050 Principal-HB 264 Loans	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	
4.055 Principal-Other	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	
4.060 Interest and Fiscal Charges	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	
4.300 Other Objects	\$705,243	\$533,534	\$505,773	-14.78%	\$512,893	\$520,125	\$527,472	\$534,936	\$542,518	
4.500 <i>Total Expenditures</i>	\$18,575,870	\$18,569,992	\$18,982,768	1.10%	\$18,364,769	\$18,579,947	\$19,987,304	\$19,871,676	\$20,150,053	
<b>Other Financing Uses</b>										
5.010 Operating Transfers-Out	\$82,696	\$185,130	\$87,056	35.45%	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	
5.020 Advances-Out	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	
5.030 All Other Financing Uses	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	
5.040 <i>Total Other Financing Uses</i>	\$82,696	\$185,130	\$87,056	35.45%	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	
5.050 <i>Total Expenditures and Other Financing Uses</i>	\$18,658,566	\$18,755,122	\$19,069,824	1.10%	\$18,424,769	\$18,639,947	\$20,047,304	\$19,931,676	\$20,210,053	
6.010 <i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</i>	(\$173,164)	\$348,890	\$273,644	-161.52%	\$811,076	\$193,737	(\$224,500)	\$20,139	(\$163,690)	
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	\$451,099	\$277,935	\$626,825	43.57%	\$900,469	\$1,711,545	\$1,905,282	\$1,680,782	\$1,700,921	
7.020 <i>Cash Balance June 30</i>	\$277,935	\$626,825	\$900,469	84.59%	\$1,711,545	\$1,905,282	\$1,680,782	\$1,700,921	\$1,537,231	
8.010 <i>Estimated Encumbrances June 30</i>	\$11,883	\$0	\$0	0.00%	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	
<b>Reservation of Fund Balance</b>										
9.010 Textbooks and Instructional Materials	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	
9.020 Capital Improvements	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	

**Beaver LocalSchools  
Columbiana County**

Schedule of Revenues, 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 2024

	Actual				Average Change	Forecasted				
	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019			Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2022	Fiscal Year 2024
9.030 Budget Reserve	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	
9.040 DPIA	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	
9.045 Fiscal Stabilization	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	
9.050 Debt Service	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	
9.060 Property Tax Advances	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	
9.070 Bus Purchases	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	
9.080 <i>Subtotal</i>	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	
<i>Fund Balance June 30 for Certification of Appropriations</i>	\$266,052	\$626,825	\$900,469	89.63%	\$1,686,545	\$1,880,282	\$1,655,782	\$1,675,921	\$1,512,231	
<b>Revenue from Replacement/Renewal Levies</b>										
11.010 Income Tax - Renewal	\$0			0.00%	\$0	\$0	\$0	\$0	\$0	
11.020 Property Tax - Renewal or Replacement	\$0			0.00%	\$0	\$0	\$0	\$0	\$0	
11.300 Cumulative Balance of Replacement/Rene	\$0			0.00%	\$0	\$0	\$0	\$0	\$0	
12.010 <i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>	\$266,052	\$626,825	\$900,469	89.63%	\$1,686,545	\$1,880,282	\$1,655,782	\$1,675,921	\$1,512,231	
<b>Revenue from New Levies</b>										
13.010 Income Tax - New				0.00%	\$0	\$0	\$0	\$0	\$0	
13.020 Property Tax - New				0.00%	\$0	\$0	\$0	\$0	\$0	
13.030 Cumulative Balance of New Levies	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	
14.010 Revenue from Future State Advancements				0.00%	\$0	\$0	\$0	\$0	\$0	
15.010 <i>Unreserved Fund Balance June 30</i>	\$266,052	\$626,825	\$900,469	89.63%	\$1,686,545	\$1,880,282	\$1,655,782	\$1,675,921	\$1,512,231	

**Beaver Local School District – Columbiana County**  
**Notes to the Five Year Forecast**  
**General Fund Only**  
**May 11, 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**

This five-year forecast is filed in the midst of a health and financial struggle that encompasses our state, country and global economy. The district is following events and video conferences daily to help determine how to maintain continuity of services to our students and staff as we play a vital role in our community. State and local resources are going to be under extreme stress as we continue through and eventually recover from the pandemic. We have drawn upon our experiences in projecting revenues and expenses from the Great Recession of 2008, but there is no historic data or situation to compare to what the district is facing now. That makes it extremely challenging to project where our finances will be through fiscal year 2024 as noted in this forecast. Given the requirement in Ohio Law that we file a forecast in May that goes through June 2024, we are using the best and most recent reliable data available to us.

**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 \$19,156,959 or .4% lower than the November forecasted amount of \$19,234,040.

The decrease in revenue estimate is due to the decrease from state foundation of 3.47% which affected the positive change in revenue that would have seen a slight increase in real estate taxes due to new construction and an increase in PUPP. This decrease will have a negative effect on revenues through the entire forecast period.

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 \$18,364,769 for FY20 which is below the original estimate of \$18,547,582 in the November forecast. The expenditure lines most significantly below projections are Purchased Services (line 3.03) due to utility savings and state foundation deductions coming in under budget. This will have a positive effect on the long term forecast.

### **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 \$1.6 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.

### **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 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 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:

- I. Property tax collections are the second largest revenue source for the school system. The housing market in our district is stable. We project continued growth in appraised values every three (3) years and new construction growth with continued modest increases in local taxes if the COVID-19 pandemic ends in May as projected and the economy recovers quickly as anticipated. Total local revenues which are predominately local taxes equate to 46% of the district's resources. We believe that current collections in the August 2020 settlement may fall due to current record unemployment, but that longer term there is a low risk that local collections would fall below projections throughout the forecast.
- II. Columbiana County went through a reappraisal update in 2019 for collection in 2020. The district experienced increases for Class I of \$23.9 million and a slight decrease in Class II value with a total increase in values of \$23.8 million. The next reappraisal will occur in 2022 for collection in 2023 with modest increases in values of 2% for Class I and 1% for Class II. There is however always a minor risk that the district could sustain a reduction in values in the next reappraisal but we do not anticipate that at this time.
- III. The State Budget represents 52.77% of district revenues and is an area of risk to revenue. The state has made a reduction for the last six weeks of FY20 of 3.47% of the districts state foundation aid, we expect that there will be another 10% 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 following the pandemic as expected 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.
- IV. 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 2019-21 school years, even though funding for our students was not increased to our district for this biennium budget. We continue to watch closely the EdChoice Voucher legislation. HB197 passed in March 2020 freezes EdChoice eligibility of 517 buildings for the school year of 2019-2020. The district does not have any school building designated as under performing 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 monitoring any new threats to our state aid and increased costs very closely.

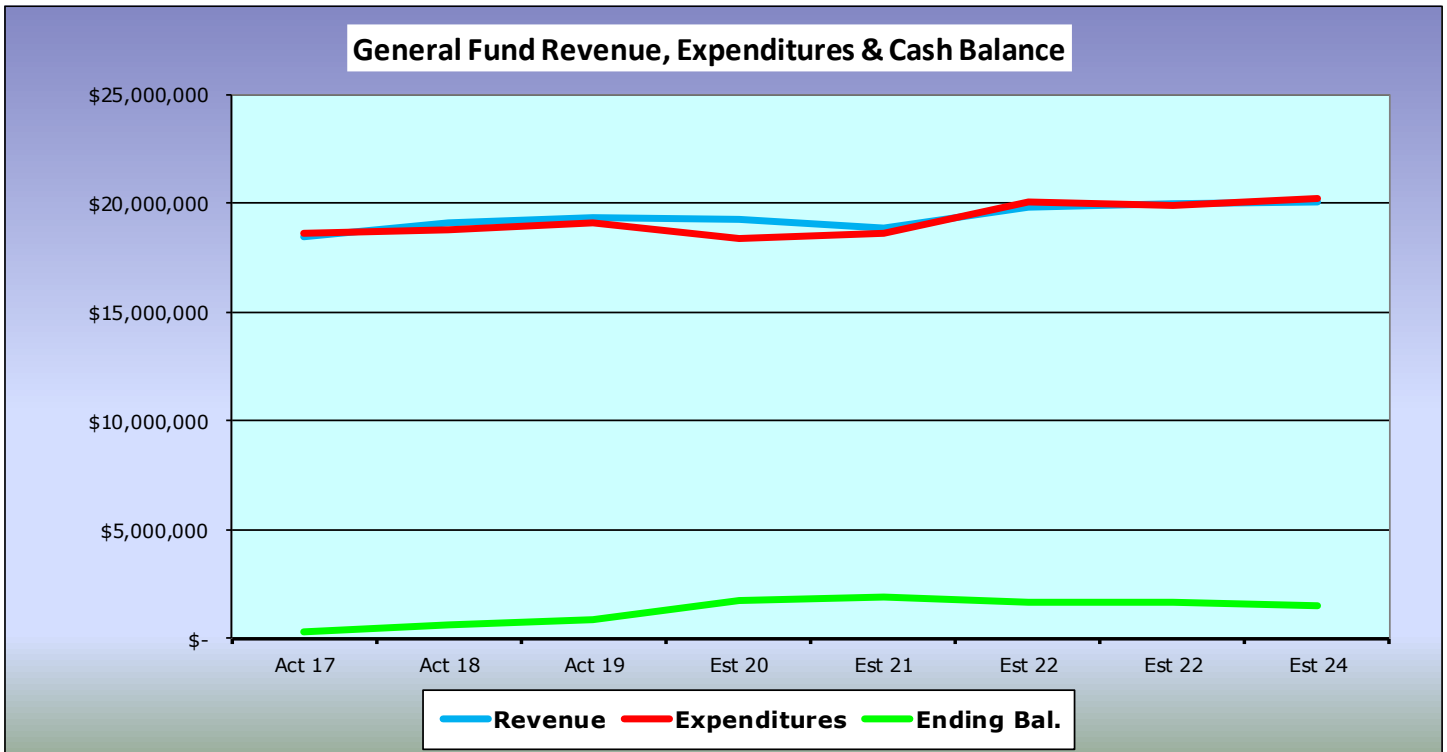
- V. HB166 the current state budget for FY20-21 has frozen funding for all school districts in Ohio at their FY19 level with the only exception being the addition of Enrollment Growth Supplement money for a small number of growing districts. The only increase in funding to all districts in Ohio is restricted use money for Student Wellness and Success which is restricted in use and must be placed in Fund 467 and is not General Fund money and thus not included in the forecast. We have assumed this money will not continue after FY22.
- VI. The district's emergency levy of \$1,200,000 was passed in November 2008 and renewed on May 7, 2019 and with last collection in 2024. The renewal of this levy is necessary to keep the district financially healthy long term.
- VII. Labor relations in the district have been very 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 strong 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 Stacy Williams, Treasurer of Beaver Local Schools at 330-385-6831.



### General Fund Revenue, Expenditure and Ending Cash Balance

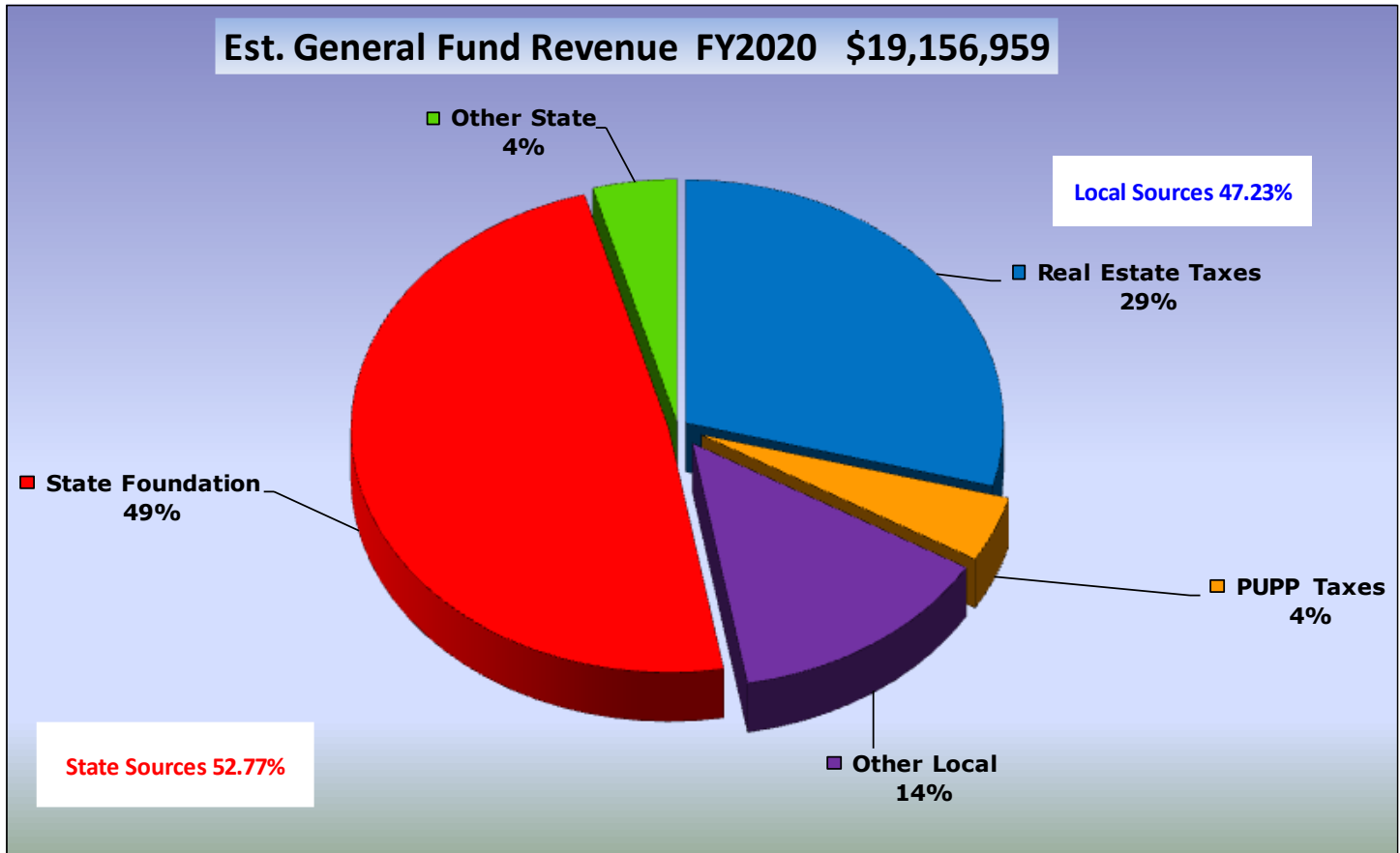
The graph below shows in summary the forecasted revenue, expenses and ending balance of the district's General Fund for the period FY20-24, with actual data provided for FY17-19.





## Revenue Assumptions

### Estimated General Fund Revenue for FY20



#### Real Estate Value Assumptions – Line #1.010

Property Values are established each year by the County Auditor based on new construction and complete reappraisal or updated values. The update for the real estate values for 2019 collected in 2020 was very favorable for the district. There was an 11.77% increase for Class I which was a \$23.9 million value increase and a decrease in Class II of -0.27% for a \$-109,680 value decrease.

The next full reappraisal will occur in 2022 for collection in 2023 for which we are estimating a 2% increase in residential/agriculture and a 1% increase for commercial/industrial property. We anticipate Residential/Agricultural and Commercial/Industrial values to increase \$2.82 million or 1.8% overall.

CAUV values represent 20.11% of Class I residential agricultural values. HB49 authorized a reduction in CAUV computations that will result in these values falling on average by 30%. These reductions will occur as our district experience their next reappraisal or update cycle. We experienced this in the Tax Year 2019 triennial update. A reduction of value has been weighted in to our average Class I value change in 2019 which we expected to decrease those values. However, we have seen an increase in overall Class I valuation during this update.

**ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS**

<u>Classification</u>	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR 2019	TAX YEAR 2020	TAX YEAR 2021	TAX YEAR 2022	TAX YEAR 2023
	<u>COLLECT 2020</u>	<u>COLLECT 2021</u>	<u>COLLECT 2022</u>	<u>COLLECT 2023</u>	<u>COLLECT 2024</u>
Res./Ag.	\$229,005,500	\$229,463,390	\$229,921,280	\$234,977,596	\$235,435,486
Comm./Ind.	\$43,235,210	\$43,375,210	\$43,515,210	\$44,090,362	\$44,230,362
Public Utility Personal Property (PUPP)	\$27,409,360	\$27,909,360	\$28,409,360	\$28,909,360	\$29,409,360
Tangible Personal Property (TPP)	\$0	\$0	\$0	\$0	\$0
Total Assessed Value	<u>\$299,650,070</u>	<u>\$300,747,960</u>	<u>\$301,845,850</u>	<u>\$307,977,318</u>	<u>\$309,075,208</u>

**Estimated Real Estate Tax (Line #1.010)**

<u>Category</u>	FY20	FY21	FY22	FY23	FY24
Real Estate Taxes to Line #1.010	<u>\$5,589,627</u>	<u>\$5,833,281</u>	<u>\$5,827,427</u>	<u>\$5,884,006</u>	<u>\$5,928,426</u>

Property tax levies are estimated to be collected at 96.5% of the annual amount due. Delinquent taxes are being collected which increase our actual collection rate to approximately 97.66% of actual taxes. In general 56.53% are collected in February and 43.47% are collected in August settlements.

Due to the COVID-19 pandemic we may see a decrease in taxes received in August 2020 due to the higher unemployment causing the constituents to not be able to make real estate tax payments on time. If taxes are not paid on time in 2020, then in future years the amount of delinquencies will be increased and we will need to monitor this for each forecast period for the next couple of years.

**Estimated Public Utility Personal Property Tax – Line #1.020**

The amounts noted on Line 1.02 in the forecast are public utility personal property taxes (PUPP) which increased in value for 2018 collected in 2019 by \$4,593,240 and we expect our values to continue to grow by \$500,000 each year of the forecast based on historic trends. Public Utility Personal Property (PUPP taxes) is estimated to be received 50% in February and 50% in August settlement from the County Auditor.

<u>Category</u>	FY20	FY21	FY22	FY23	FY24
Public Utility Taxes PUPP	<u>\$830,920</u>	<u>\$820,771</u>	<u>\$833,031</u>	<u>\$846,472</u>	<u>\$859,892</u>

**Renewal of Property Tax Levy – Line #11.020**

The collection of the 5.3 mill emergency levy will expire on December 31, 2024, which is not included in this forecast.

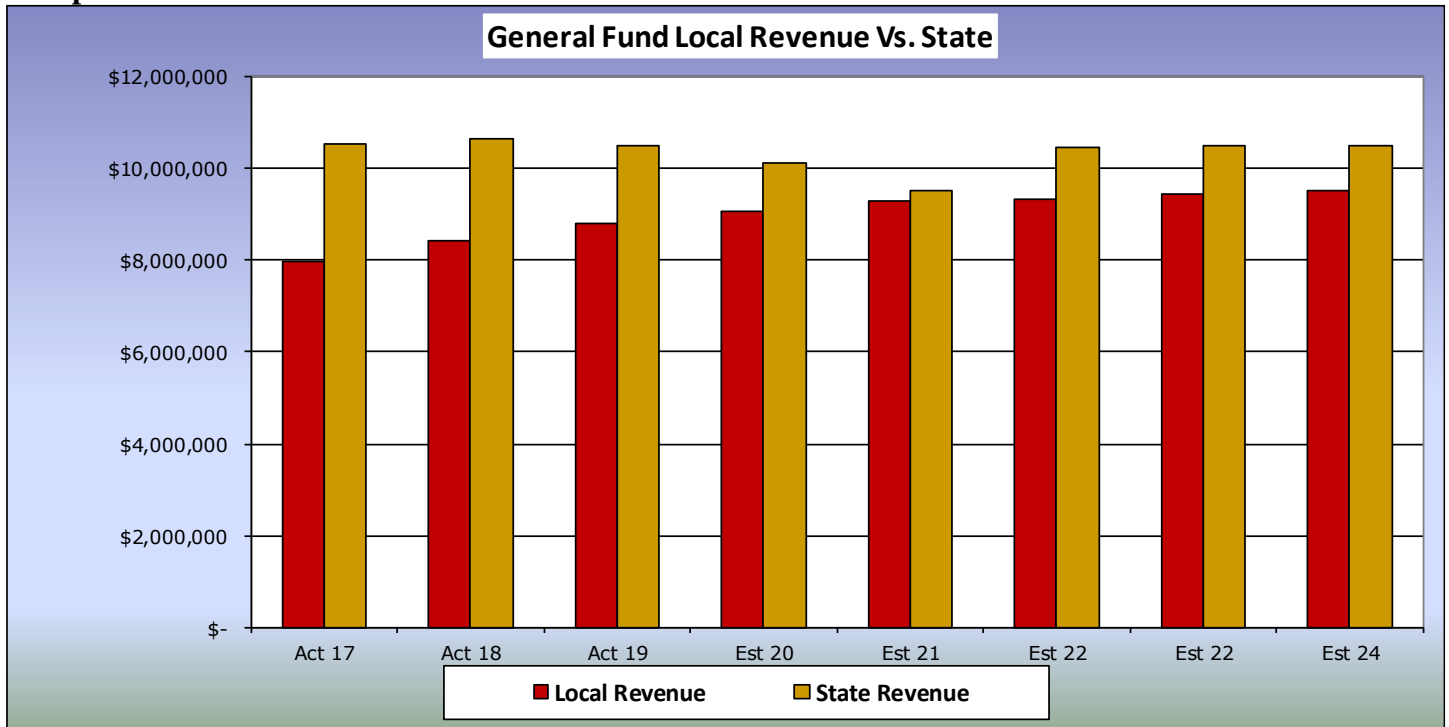
**New Tax Levies – Line #13.030**

No new levies are modeled in this forecast at this time.

**School District Income Tax – Line #1.03**

The school district has no income tax levy at this time.

**Comparison of Local Revenue and State Revenue:**



**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 basically 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. For this reason, we have projected state aid flat through FY24 as we have nothing authoritative to rely on at this time.

Due to the COVID-19 pandemic state funding has been cut for FY20 by \$327,519 or a 3.47% in the last three payments of the fiscal year and we expect another cut of \$943,013 or 10% in FY21 with future state revenues that could be reduced as a result of the pandemic.

The district received adjustments that decreased the amount for FY19 in FY20 by \$5,856 that will be used for the funding amounts in FY20 and FY21.

**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 \$436,208 in FY20 and \$640,264 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:

**A. 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

**B. 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.

**Future State Budgets:** Our funding status for the FY22-24 will depend on two (2) new state budgets which are unknown. Prior to COVID-19 the district would have seen no growth in state funding for the FY20-21 due to the proposed decreases we are not increasing the state funding for any year of the forecast. 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 31<sup>st</sup> 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 \$54.12 per pupil. Due to the COVID-19 closing the casinos in 2020 we are reducing the amount of funding in FY21 by 40% then increasing in FY22 by 25%, FY23 by 32% and 1% in FY24 as we go through the next few years we will adjust as the funding information is available.

<u>Category</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Basic Aid-Unrestricted	\$8,944,081	\$8,334,431	\$9,277,445	\$9,277,445	\$9,277,445
Additional Aid Items	\$93,894	\$93,894	\$93,894	\$93,894	\$93,894
Basic Aid-Unrestricted Subtotal	\$9,037,975	\$8,428,325	\$9,371,339	\$9,371,339	\$9,371,339
Ohio Casino Commission ODT	<u>\$97,801</u>	<u>\$58,681</u>	<u>\$73,351</u>	<u>\$96,823</u>	<u>\$97,791</u>
<b>Total Unrestricted State Aid Line # 1.035</b>	<u>\$9,135,776</u>	<u>\$8,487,006</u>	<u>\$9,444,690</u>	<u>\$9,468,162</u>	<u>\$9,469,130</u>

**B) Restricted State Revenues – Line #1.040**

HB49 continues funding two restricted sources of revenues to school district which are Economic Disadvantaged Funding and Career Technical Education funding.

<u>Category</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Economically Disadvantaged Aid	\$143,562	\$143,574	\$143,574	\$143,574	\$143,574
Career Tech - Restricted	<u>\$9,115</u>	<u>\$9,115</u>	<u>\$9,115</u>	<u>\$9,115</u>	<u>\$9,115</u>
<b>Total Restricted State Revenues Line #1.040</b>	<u>\$152,677</u>	<u>\$152,689</u>	<u>\$152,689</u>	<u>\$152,689</u>	<u>\$152,689</u>

**C) Restricted Federal Grants in Aid – Line #1.045**

There is no further federal funding projected for this forecast.

**Summary of State Foundation Revenues – Lines #1.035, 1.040, & 1.045**

<u>SUMMARY</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Unrestricted Line # 1.035	\$9,135,776	\$8,487,006	\$9,444,690	\$9,468,162	\$9,469,130
Restricted Line # 1.040	\$152,677	\$152,689	\$152,689	\$152,689	\$152,689
Rest. Fed. Grants - Ed Jobs Line #1.045	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Total State Foundation Revenue</b>	<u>\$9,288,453</u>	<u>\$8,639,695</u>	<u>\$9,597,378</u>	<u>\$9,620,850</u>	<u>\$9,621,818</u>

**State Taxes Reimbursement/Property Tax Allocation – Line #1.05**

**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 who are disabled regardless of income. Effective September 29, 2013 HB59 changes 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, increase the taxes collected locally on taxpayers.

**b) Tangible Personal Property Reimbursements – Fixed Rate**

The district does not receive any Fixed Rate reimbursements for Tangible Personal Property.

**c) Tangible Personal Property Reimbursements – Fixed Sum**

The district does not receive any Fixed Sum reimbursements for Tangible Personal Property.

**Summary of State Tax Reimbursement – Line #1.050**

<u>Category</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Rollback and Homestead	\$820,231	\$877,542	\$876,033	\$884,748	\$893,414
TPP Reimbursement - Fixed Rate	\$0	\$0	\$0	\$0	\$0
TPP Reimbursement - Fixed Sum	\$0	\$0	\$0	\$0	\$0
<b>Tax Reimb./Prop. Tax Allocations #1.050</b>	<u>\$820,231</u>	<u>\$877,542</u>	<u>\$876,033</u>	<u>\$884,748</u>	<u>\$893,414</u>

**Other Local Revenues – Line #1.060**

This line of the forecast includes open enrollment, rentals, student fees, tuitions, federal funds, and interest income. We are increasing each area of revenue to grow by 1% annually.

<u>Category</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Open Enrollment	\$2,080,524	\$2,101,329	\$2,122,342	\$2,143,565	\$2,165,001
Interest	\$600	\$606	\$612	\$618	\$624
Tuition SF-14 & SF-14H	\$250,116	\$252,617	\$255,143	\$257,694	\$260,271
Class & ExtraCurricular Fees	\$68,155	\$68,837	\$69,525	\$70,220	\$70,922
Other Income, Medicaid Reimb. and rentals	<u>\$228,333</u>	<u>\$230,616</u>	<u>\$232,922</u>	<u>\$235,251</u>	<u>\$237,604</u>
<b>Total Line # 1.060</b>	<u>\$2,627,728</u>	<u>\$2,654,005</u>	<u>\$2,680,544</u>	<u>\$2,707,348</u>	<u>\$2,734,422</u>

**Short-Term Borrowing – Lines #2.010 & Line #2.020**

The district does not have any short term borrowing projected for the forecast.

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

The district is not forecasting transfers/advances for the remainder of the forecast period as noted below. The refund of prior years expenditures are for payments that were from previous years that we are paid for during the current year.

**All Other Financial Sources – Line #2.060**

The Refund of Prior year expenses are for expenditures charged in a prior fiscal year. The district has received two refunds from BWC during FY20, the first in the fall and then the second one in April to help employers with expenses from COVID-19 pandemic. The district does not expect to receive this amount in the future years of the forecast.

<u>Category</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Refund of prior years expenditures Line 2.06	\$78,886	\$8,390	\$8,390	\$8,390	\$8,390

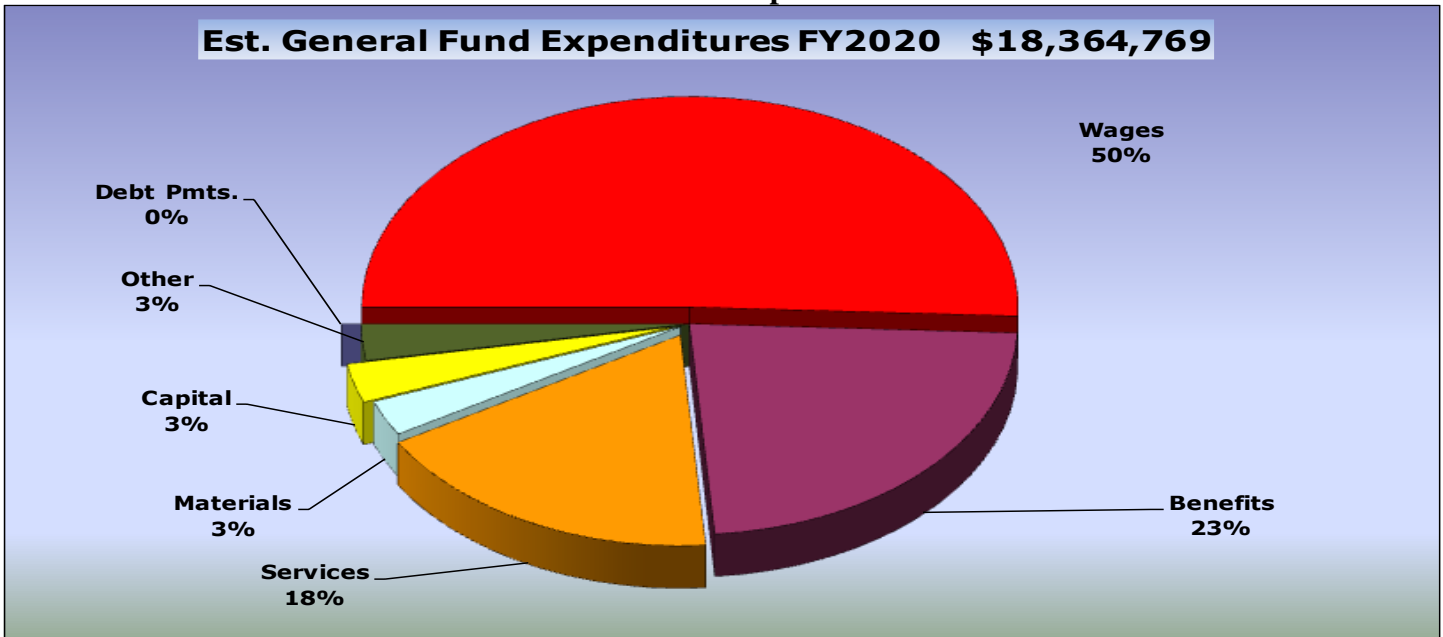






## Expenditures Assumptions

### Estimated General Fund Expenditures for FY20:



#### Wages – Line #3.010

The district finalized the BLEA agreement with increases of 3% base in FY20, 1% base in FY21 and 2% base in FY22, there is no base increase forecasted in FY23-FY24. The district includes step increases for each year of the forecast which are approximately 1% of the base wage. The district expects to reduce staff in FY20 two teachers, less one teacher in each year FY21 and FY22, and 1 bus route in FY20. The district is recoding staff that meet the plan from General Fund to Student Wellness Success Fund in FY20 and FY21 and will be returning the expenditures in FY23.

<u>Category</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Base Wages	\$8,817,420	\$8,848,491	\$8,944,212	\$9,324,435	\$9,402,668
Increases/ Merit Based Pay	\$264,523	\$88,174	\$176,970	\$0	\$0
Steps & Training/Performance Based Pay	\$88,174	\$88,174	\$88,485	\$89,442	\$93,244
Replacement Staff	\$0	\$0	\$0	\$0	\$0
Unfunded Recapture	(\$180,000)	(\$1,800)	\$181,800	\$0	\$0
Substitutes & Extra Curricular	\$459,462	\$464,057	\$468,697	\$473,384	\$478,118
Severance	\$0	\$0	\$0	\$0	\$0
Staff Retirements/RIF/Replacements	(\$141,626)	(\$78,827)	(\$67,032)	(\$11,209)	\$0
<b>Total Wages Line 3.010</b>	<u>\$9,307,953</u>	<u>\$9,408,268</u>	<u>\$9,793,133</u>	<u>\$9,876,053</u>	<u>\$9,974,030</u>

#### Fringe Benefits Estimates Line #3.02

This area of the forecast captures all costs associated with benefits and retirement costs, where all except health insurance are directly related to wages paid.

##### A) STRS/SERS

The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System or the School Employees Retirement System as required by Ohio law.



**B) Insurance**

The district in including an increase of 2% in FY20 and anticipates a 6% increase for FY21 through FY24.

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.

**C) Workers Compensation & Unemployment Compensation**

Workers Compensation is expected to increase at a rate of .61% of wages in FY20-FY24 as positive claim experience has held costs down. Unemployment Compensation is estimated to be \$256 based on historic trends for the FY20-FY24.

**D) Medicare**

Medicare will continue to increase at the rate of increase of wages. 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 of staff that were hired prior to 1986.

**Estimated Fringe Benefits – Line #3.020**

<u>Category</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
STRS/SERS	\$1,360,426	\$1,374,672	\$1,429,177	\$1,443,257	\$1,457,482
Insurances	\$2,755,237	\$2,905,966	\$3,108,254	\$3,292,731	\$3,490,295
Workers Comp/Unemployment	\$39,176	\$39,413	\$39,652	\$39,892	\$40,134
Medicare	\$123,189	\$127,134	\$131,355	\$135,041	\$136,339
Other/Tuition	<u>(\$39,483)</u>	<u>(\$39,483)</u>	<u>\$22,245</u>	<u>\$22,245</u>	<u>\$22,245</u>
<b>Total Line 3.020</b>	<u>\$4,238,545</u>	<u>\$4,407,702</u>	<u>\$4,730,683</u>	<u>\$4,933,166</u>	<u>\$5,146,495</u>

**Purchased Services – Line #3.030**

Utilities, Tuition, Insurances and other services make up this area of the forecast. We are using an inflation rate of 2% for most costs within this area. Open Enrollment and Community School tuition deductions which are the largest expenditures in this area are increasing them by 2% for FY20-FY24. The utilities are another large expense for the district and are being increased by 3% each of the years in the forecast for the annual increase.

We are reducing costs in purchase services for FY20 and FY21 for the 467 Fund that can be recoded for SRO’s and other items that will be returned to the General Fund in FY22.

<u>Category</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Repairs, insurance, rentals, and other	\$302,060	\$308,101	\$314,263	\$320,548	\$326,959
Professional Services	\$624,176	\$636,660	\$649,393	\$662,381	\$675,629
Other Tuition	\$136,679	\$139,413	\$142,201	\$145,045	\$147,946
Jon Peterson & Autism Scholarship	\$64,025	\$65,306	\$66,612	\$67,944	\$69,303
Community School	\$264,745	\$270,040	\$275,441	\$280,950	\$286,569
Open Enrollment Deduction	\$1,524,373	\$1,524,373	\$1,524,373	\$1,524,373	\$1,524,373
Utilities	\$499,230	\$514,207	\$529,633	\$545,522	\$561,888
Supplant to Student Wellness Fund 467	<u>(\$161,599)</u>	<u>(\$363,526)</u>	<u>\$363,526</u>	<u>\$0</u>	<u>\$0</u>
<b>Total Line 3.030</b>	<u>\$3,253,689</u>	<u>\$3,094,573</u>	<u>\$3,865,441</u>	<u>\$3,546,763</u>	<u>\$3,592,667</u>

**Supplies and Materials – Line #3.040**

This category of expenses includes textbooks, copy paper, maintenance supplies and materials, bus fuel, etc.

<u>Category</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Supplies	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000

**Equipment – Line #3.050**

The district is increasing capital outlay by 3% each year of the forecast. Due to the way the district is posting the athletic note it is included in Capital Outlay, the note will be paid in full in 2022. The district expects to purchase one bus in FY20, FY22, FY24 and two buses in FY21, FY23.

<u>Category</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Capital Outlay	\$265,962	\$273,941	\$282,159	\$290,624	\$299,343
Athletic Note	\$196,117	\$196,117	\$196,117	\$0	\$0
Replacement Bus Purchases	\$89,610	\$179,220	\$92,298	\$190,134	\$95,000
<b>Total Line 3.050</b>	<b>\$551,689</b>	<b>\$649,278</b>	<b>\$570,575</b>	<b>\$480,758</b>	<b>\$394,343</b>

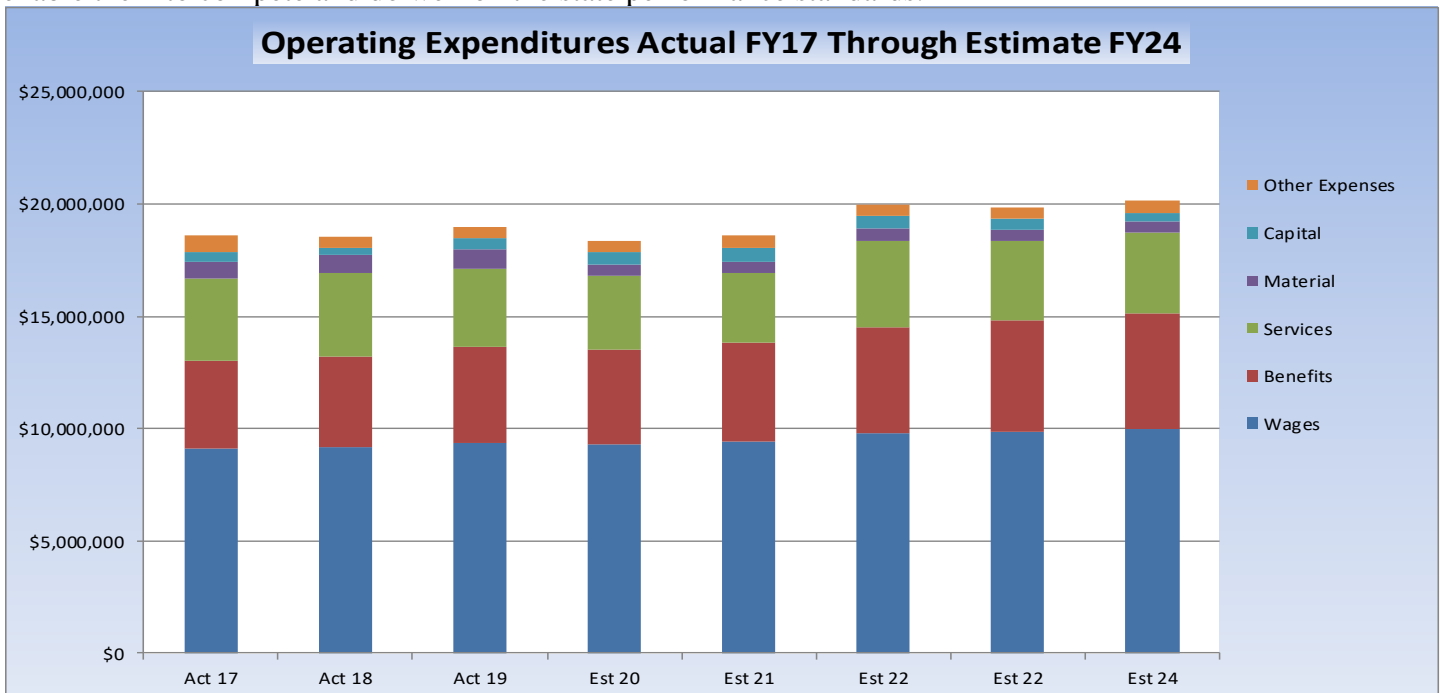
**Other Expenses – Line #4.300**

This category of expenses is primarily fees to the county auditor and treasurer for collecting property taxes. The other expenses within this category are ESC deduction from state foundation, district liability insurance and dues.

<u>Category</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
County Auditor & Treasurer Fees	\$137,773	\$140,528	\$143,339	\$146,206	\$149,130
Other expenses	\$72,620	\$74,072	\$75,553	\$77,064	\$78,605
ESC Deduction	\$302,500	\$305,525	\$308,580	\$311,666	\$314,783
<b>Total Line 4.300</b>	<b>\$512,893</b>	<b>\$520,125</b>	<b>\$527,472</b>	<b>\$534,936</b>	<b>\$542,518</b>

**Operating Expenditures Actual FY17-FY19 and Estimated FY20-FY24**

As the graph below indicates we have been diligent at reducing costs in reaction to lower and flat state revenues. We are gaining control over our expenses while attempting to balance student academic needs to enable them to compete and do well on the state performance standards.



**Debt Service – Line #4.050; #4.060;**

The district just completed the notes on the athletics complex for \$1.2 million dollars. The district is paying this in Capital Outlay area.

**Transfers Out & Advances Out – Line #5.010**

This account group covers fund to fund transfers 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. The district anticipates transferring \$60,000 to food service in FY20 through FY24.

Category	FY20	FY21	FY22	FY23	FY24
Operating Transfers Out Line #5.010	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Advances Out Line #5.020	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<u>\$60,000</u>	<u>\$60,000</u>	<u>\$60,000</u>	<u>\$60,000</u>	<u>\$60,000</u>

**Encumbrances –Line #8.010**

The district expects to have \$25,000 of outstanding orders each year of the forecast.

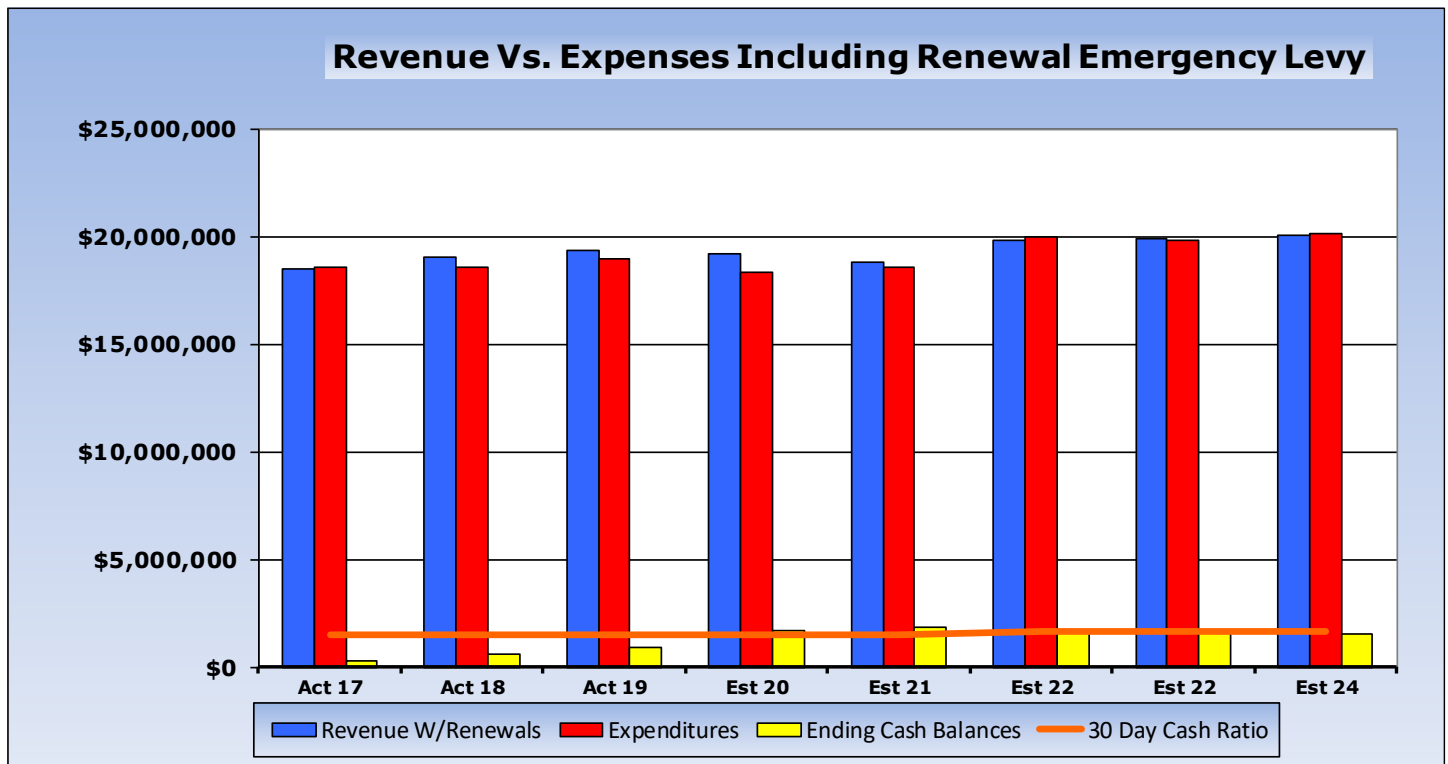
**Reservations of Fund Balance – Line #9.080**

The district does not plan on any reservations during the remainder of the forecast.

**Ending Unencumbered Cash Balance “The Bottom-line” – Line #15.010**

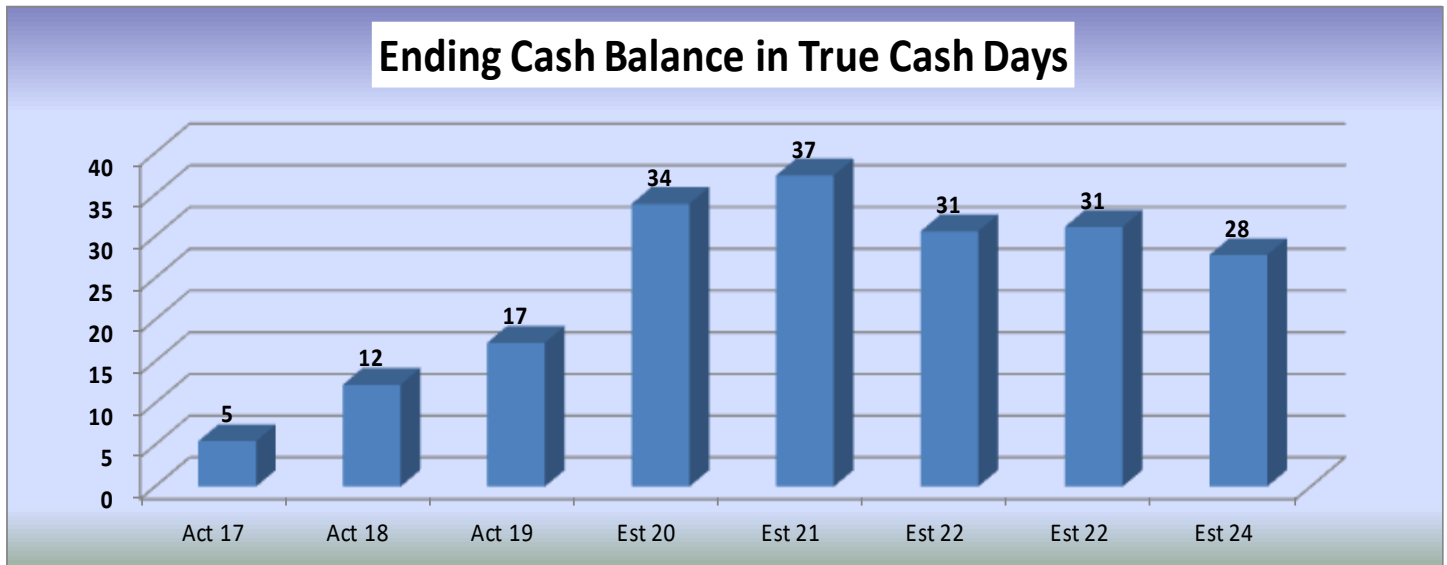
This amount must not go below \$-0- or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of \$10,000, unless an alternate 412 certificate can be issued under new provisions established by HB153. These totals include the levy renewal.

	FY20	FY21	FY22	FY23	FY24
Ending Cash Balance - Line #15.010	<u>\$1,686,545</u>	<u>\$1,880,282</u>	<u>\$1,655,782</u>	<u>\$1,675,921</u>	<u>\$1,512,231</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. The district True Cash Days in the chart below shows that the district does not meet the 60 day recommendation of True Cash Balance.



## CONCLUSION

The administration is very appreciative and is very thankful to the voters for the approval of the renewal of the emergency levy in May 2019 for five more years; as this will allow the district to plan the future for our students.

The Beaver Local School district is fortunate that the district will not receive any less funding from the state than it has received in the past prior to the COVID-19 pandemic. Being that 52.77% of the funding for the district is from state dollars this increase is very beneficial to the overall operations for the education of our students.

The district administration notes that this current state biennium budget is why we have to be mindful and watch each state budget carefully as HB166 has not provided new unrestricted operating funds. Future state biennium budgets could affect us positively or negatively for FY22 through FY24, especially with the COVID-19 pandemic reducing the districts state foundation payments in FY20 and projected decreases in FY21.

The district will receive funding through the CARES Act of approximately \$327,342 that is to be used for help due to the COVID-19. However, we have not received how these funds will be dispersed or if they will be included with the districts five-year forecast. We will monitor this and all other funding that is affecting our forecast from the pandemic.

As the administration plans for the future they will need to make sure that the district is able to obtain positive cash balance throughout the forecast. They will need to review the expenditures based on the current revenues in able to obtain this.

As you read through the notes and review the forecast, remember that the forecast is based on the information that is known at the time that it is prepared.