Louisville City School District

Stark County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2020, 2021 and 2022 Actual;
Forecasted Fiscal Years Ending June 30, 2023 Through 2027

MAY 2023		Actual				Forecasted				
		Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Average Change	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
	Revenues									
1.010	General Property Tax (Real Estate)	$8,648,693	$8,705,519	$10,225,476	9.1%	$11,876,385	$11,229,103	$10,780,019	$11,184,341	$10,220,760
1.020	Tangible Personal Property Tax	920,898	1,096,420	1,354,252	21.3%	1,348,025	1,332,958	1,329,812	1,347,782	1,264,282
1.035	Unrestricted State Grants-in-Aid	13,951,414	14,298,341	14,108,288	0.6%	14,315,405	14,808,822	14,896,565	15,043,681	15,192,268
1.040	Restricted State Grants-in-Aid	282,139	283,106	971,032	121.7%	934,557	939,332	944,204	949,172	954,240
1.050	Property Tax Allocation	1,326,891	1,330,482	1,423,387	3.6%	1,509,868	1,481,065	1,483,670	1,547,734	1,581,050
1.060	All Other Revenues	1,642,663	1,872,689	808,559	-21.4%	993,357	981,500	980,500	985,000	984,500
1.070	*Total Revenues*	26,772,698	27,586,557	28,890,994	3.9%	30,977,597	30,772,780	30,414,770	31,057,710	30,197,100
	Other Financing Sources									
2.050	Advances-In	27,500	346,897	141,499	551.1%					
2.060	All Other Financing Sources	158,353	140,713	29,498	-45.1%	64,250	58,500	58,500	58,500	58,500
2.070	*Total Other Financing Sources*	185,853	487,610	170,997		64,250	58,500	58,500	58,500	58,500
2.080	*Total Revenues and Other Financing Sources*	26,958,551	28,074,167	29,061,991	3.8%	31,041,847	30,831,280	30,473,270	31,116,210	30,255,600
	Expenditures									
3.010	Personnel Services	15,338,201	15,195,641	16,263,305	3.0%	17,513,258	18,435,887	19,198,271	19,733,585	20,252,640
3.020	Employees' Retirement/Insurance Benefits	6,232,356	6,254,798	6,645,210	3.3%	7,620,437	8,126,930	8,625,790	9,111,873	9,627,166
3.030	Purchased Services	3,674,624	3,790,139	3,014,701	-8.7%	3,336,556	3,303,320	3,395,359	3,443,693	3,508,790
3.040	Supplies and Materials	554,175	468,288	971,630	46.0%	1,257,467	1,035,500	872,500	875,000	877,500
3.050	Capital Outlay	364,708	178,788	627,751	100.1%	552,017	490,200	483,500	486,500	489,500
	Debt Service:									
4.055	Principal-Other	168,684	178,937	92,588	-21.1%	64,990	44,416			
4.060	Interest and Fiscal Charges	9,868	8,960	2,899	-38.4%	2,388	502			
4.300	Other Objects	335,972	375,024	384,726	7.1%	398,175	379,950	379,950	380,414	380,414
4.500	*Total Expenditures*	26,678,588	26,450,574	28,002,810	2.5%	30,745,288	31,816,705	32,955,370	34,031,065	35,136,010
	Other Financing Uses									
5.010	Transfers-Out	32,953	79,668	85,000	74.2%					
5.020	Advances-Out	334,897	3,500		-99.5%					
5.040	*Total Other Financing Uses*	367,850	83,168	85,000						
5.050	*Total Expenditures and Other Financing Uses*	27,046,438	26,533,742	28,087,810	2.0%	30,745,288	31,816,705	32,955,370	34,031,065	35,136,010
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	87,887-	1,540,425	974,181	-944.7%	296,559	985,425-	2,482,100-	2,914,855-	4,880,410-
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	5,728,942	5,641,055	7,181,480	12.9%	8,155,661	8,452,220	7,466,795	4,984,695	2,069,840
7.020	*Cash Balance June 30*	5,641,055	7,181,480	8,155,661	20.4%	8,452,220	7,466,795	4,984,695	2,069,840	2,810,570-
8.010	*Estimated Encumbrances June 30*	590,758	558,695	651,790	5.6%	231,702				
	Reservation of Fund Balance									
9.070	Bus Purchases	31,824								
9.080	*Subtotal*	31,824								
10.010	*Fund Balance June 30 for Certification of Appropriations*	5,018,473	6,622,785	7,503,871	22.6%	8,220,518	7,466,795	4,984,695	2,069,840	2,810,570-
	Revenue from Replacement/Renewal Levies									
11.020	Property Tax - Renewal or Replacement						917,500	1,835,000	1,835,000	3,116,000
11.300	Cumulative Balance of Replacement/Renewal Levies						917,500	2,752,500	4,587,500	7,703,500
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	5,018,473	6,622,785	7,503,871	22.6%	8,220,518	8,384,295	7,737,195	6,657,340	4,892,930
15.010	*Unreserved Fund Balance June 30*	5,018,473	6,622,785	7,503,871	22.6%	8,220,518	8,384,295	7,737,195	6,657,340	4,892,930
	ADM Forecasts									
20.010	Kindergarten - October Count	181	201	225	11.5%	209	210	215	222	225
20.015	Grades 1-12 - October Count	2,621	2,595	2,575	-0.9%	2553	2563	2558	2553	2548

5.15.2023

See accompanying summary of significant forecast assumptions and accounting policies.
Includes: General fund, Emergency Levy fund and any portion of Debt Service fund related to General fund debt.

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LOUISVILLE CITY SCHOOL DISTRICT
Stark County, Ohio

Notes to the Five Year Forecast
May 2023

Derek L. Nottingham, Treasurer

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OVERVIEW

While the Louisville City School District is focused on providing excellent educational programming for students, the District is also committed to fiscal responsibility and transparency. The five year forecast is required by State law to be updated and filed with the Ohio Department of Education twice each fiscal year. It is a valuable tool for assessing the District's financial outlook, which aids the Board of Education and administration in making decisions with regards to all district operations while focusing on continued financial sustainability. The Louisville City Board of Education has a long history of a strong commitment to providing the best opportunities for the students of Louisville while being fiscally responsible with public funds and support from the community.

REVENUES

1.010 General Property (Real Estate) Tax

Real Estate Tax is the second highest revenue source for the Louisville City School District's general operating fund. These revenues are generated from both the District's inside and outside (voted) millage.

In November 2017, the District's emergency levy (originally passed in 2013) was renewed for another 5 year term which will end with tax year 2022 (collection year 2023). As such, the forecast shows the final collection for this levy in fiscal year 2024. The District will only receive a half years' worth of the property tax in fiscal year 2024 and no related property tax in fiscal years 2025 and beyond unless it is renewed again. The tax revenue that would be collected for the second half of fiscal year 2024 and the full fiscal years 2025-2027, assuming the renewal, is presented on line 11.020 of the forecast. The District will have one more opportunity (November 2023) to renew this levy before it expires.

In May 2021, the District passed a new five year emergency operating levy which generates $2,562,000 annually starting with tax year 2021 (collection year 2022). This new revenue is vital for the continued operations of the District. At expiration, the levy will collect the final half years' worth of the levy in fiscal year 2027 unless it is renewed. As such, the property tax revenue decreases beginning in fiscal year 2027 with the assumed renewal presented on line 11.020 of the forecast.

Although the District saw its total valuation drop from $341 million to $313 million during the 2012 sexennial reappraisal, Stark County completed the triennial update process in tax year 2015 which resulted in the District's assessed valuation increasing to $358 million (which was only slightly greater than the pre-recession values in 2006). Tax year 2018 was another reappraisal year resulting in an increase in assessed valuation to a total of $408,110,230. Calendar year 2021 was the latest triennial update, and the District's assessed valuation increased a total of 17.4 percent over the 2018 valuation which brought the total assessed value to $479,298,350. Tax year 2022 increased slightly to $482,350,750.

With reappraisal increases, the District hit the 20 mill floor on Class I property for the first time in fiscal year 2019. Based on state law, the District's effective millage for voted operating levies cannot be reduced below a 20 mill threshold. As a result, the District will receive increased tax revenue to maintain the minimum effective millage level.

Modest increases to account for other inflationary increases and new construction have been taken into account each year of the forecast.

1.020 Tangible Personal Property Tax

This line item reflects the taxes raised from the only companies still required to pay tangible personal property tax: utility companies. Gradual growth is assumed moving forward. Modest increases for current public utility tax collections has been forecasted for fiscal years 2023 through 2027.

The District has a portion of the Nexus Pipeline running through it. Since the pipeline became operational in calendar year 2018, the related valuation was reported for the first time on the calendar year 2019 tax duplicate. In early October 2019, the State of Ohio finalized the pipeline's valuation and forwarded it to the County Auditor. Per the County Auditor's Office, the valuation for the District's portion of the pipeline was $10,516,050 to generate approximately $495,000 in new general fund revenue for the district in calendar year 2020. Public utility personal property tax is depreciated over time, so this annual revenue yield will be reduced each year until it reaches the threshold established by State statute.

Although the District did receive the first payment of the pipeline tax revenue in fiscal year 2020, it was significantly reduced due to the valuation appeal filed by Nexus in an effort to reduce the valuation by over 50 percent. The State of Ohio ruled that the valuation should not be reduced, but another appeal was filed. This second appeal was resolved recently at a reduced valuation, but another appeal initiated by a county auditor has been filed, so there is still uncertainty related to where this will end up and what the actual revenue is that will be collected. For now, the forecasted amounts include the reduced estimates.

1.035 Unrestricted Grants-in-Aid

Unrestricted Grants-in-Aid is the District's largest revenue source and is determined by the state funding formula for schools in Ohio. Over the past decade or so, there have been several changes in the funding formula, but none that addressed the unconstitutionality of it as determined by the Ohio Supreme Court in the late 1990's and early 2000's. In response to this, approximately five years ago, two Ohio legislators at the time, Republican House member Bob Cupp and Democrat House member John Patterson engaged educational leaders and stakeholders across the State in an effort to develop a new formula that would not only address the unconstitutionality but that would be logically structured to provide for the various components of cost involved with a student's education. After much work this formula, called the Fair School Funding Plan, was ultimately included in the State's most recent biennium budget covering fiscal years 2022 and 2023; however, the formula is not being fully funded yet. In the original proposal, the formula was going to be phased in over a six year period. The final version of the current biennium budget does not commit to the formula or phase in past the two years of the biennium budget, but it is being funded based on that original concept. The state budget process began a few month ago when the Governor released his budget for the next biennium covering fiscal years 2024 and 2025. A House version was just released in late April, so the Senate is now work through the process before a final budget determination is made by June 30, 2023.

One significant change in the formula is funding all students educated by the District instead of the previous method of funding resident students and transferring funds to account for students who are open enrolled (in and out) and those attending charter/community/STEM schools. Another change in the formula shifts a portion of the state fund allocations from unrestricted to restricted. The District continues to be on the formula guarantee which ensures the state funding is not reduced below what was received in the previous school

year. As such, the forecast is showing only modest increases for each of the next two bienniums.

In addition to state foundation revenue, casino tax revenue is included on this revenue line item which accounted for $148,841 in fiscal year 2020, $114,207 in fiscal year 2021, and $173,474 in fiscal year 2022. The fiscal year 2021 drop is related to the casinos being shut down for a portion of the year due to the COVID-19 pandemic. For fiscal year 2023, casino tax totaled $183,151 which is the highest amount received to date.

This line item has been greatly impacted as a result of the coronavirus pandemic. The economic impact of the shut down and stay-at-home order in Ohio was significant for the state. As a measure to counteract budget shortfalls on the state level, funding reductions were enacted and public school districts' funding is taking a major hit. Louisville received a fiscal year 2020 funding cut of $488,218 which accounted for 3.5 percent of the District's annual state foundation funding. Although this funding cut was originally slated to stay the same for fiscal year 2021, the State made a mid-year adjustment to reduce our funding cut down to $220,460.

1.040 Restricted Grants-in-Aid

Restricted Grants-in-Aid previously only included state funding for both Career and Technical Education and Economically Disadvantaged Aid. With the new funding formula, restricted funds have been expanded to include the following: DPIA (economically disadvantaged), Career Tech, Gifted, English Language Learners, and Student Wellness and Success. The state has established guidelines for what specifically these dollars can be used for. Under the previous funding formula, the District received $113,606 in Career and Technical Education Funding and $116,083 in economically disadvantaged funding in fiscal year 2021. The new state formula calculated/provided the following restricted funding amounts for fiscal year 2022:

DPIA/Economically Disadvantaged	$115,104
Career Tech	$93,566
Gifted	$143,656
English Language Learners	$3,971
Student Wellness and Success	$509,137

Revenue from Catastrophic Aide, a State partial-reimbursement program for high cost special needs student, is also included on this line item. The District received $46,232, $53,417, and $109,625 in fiscal years 2020, 2021 and 2022, respectively. For forecasting purposes, the District is forecasting $80,000 each year of the forecast period.

1.050 Property Tax Allocation

This allocation includes state reimbursements for Homestead Exemption and 10%/2.5% Rollback. Homestead and Rollback are state deductions taxpayers receive on their local property taxes based on certain requirements. The State, in turn, reimburses the District for revenue lost from these deductions. In the 2014-15 biennium, the State made some very drastic changes to these allocations. New levies passed after November 2013 are no longer eligible for the rollback exemption. Fortunately, the District's 2013 emergency levy was not impacted by this when it renewed in 2017 since it is was a renewal of the same levy with no modifications. The 2021 emergency operating levy is not eligible for rollback based on this change in the law, but it does receive revenue through the homestead exemption.

Historically, this line item mirrors line 1.010 in growth or decline because it is a function of property tax collections.

1.060 All Other Operating Revenue

Traditionally, the largest revenue item classified here was funding for open enrollment students. In fiscal years 2019, 2020 and 2021, the District received $849,138, $872,579, and $844,197, respectively for open enrollment tuition. However, as discussed above, the new state funding formula has changed the methodology of funding students not based on their district of residence as it has been in the past. Instead, it is now funding students where they are educated which means the State is funding us directly for students open-enrolled into our District, so no accounting for tuition is required. This is the major reason there is a very large decrease in this revenue line item between fiscal years 2021 and 2022.

Another revenue stream included in this category is the collection of fees charged to students who participate in sports and other activities. These fees help cover the cost of offering extracurricular programming and only cover a small portion of total cost. The total amount collected from these fees was $68,018 in 2020. Due the failure of the levy attempts, pay to participate fees were increased in fiscal year 2021 generating $160,702. However, with the passage of the new emergency operating levy, these fees were reduced back to FY20 levels collecting $81,626 in fiscal year 2022. Forecasted amounts are to remain the same in fiscal year 2022 which a slight increase in following years due to an inflationary increase in the fee structure.

The District also receives reimbursements from Medicaid for a small portion of the costs incurred providing services to special needs students. Average projected revenues over the forecast period are $170,000 each year for Medicaid reimbursements.

Investment earnings accounted for $157,237 is fiscal year 2019, $140,666 in fiscal year 2020, $56,765 in fiscal year 2021, and $46,029 in fiscal year 2022. This revenue stream had been increasing significantly over the past few years based on a recovering market and a more robust investment plan. However, investment earnings in fiscal years 2021 and 2022 decreased primarily due to the market impact of the pandemic. Fortunately, it seems like the market is significantly improving, so the forecast is anticipating significant growth in fiscal year 2023 and beyond.

In response to the pandemic, the State of Ohio issued the District a dividend in the amount of $219,413 from the Ohio Bureau of Workers' Compensation. Previously, these dividends were processed as refunds from previously paid premiums the District paid; these were receipted into line 2.060 as refunds. However, this dividend was not a refund, so it was receipted here. This unexpected revenue accounts for the majority of the increased revenue on this line item in fiscal year 2021. No future dividends of this nature are projected in any of the forecasted fiscal years.

2.050 Advances-In

Advance-in receipts are included in fiscal years 2020 through 2022. This is the anticipated return of various advance-out expenditures.

2.060 All Other Financing Sources

Other miscellaneous reimbursements and refunds are included on this line. In fiscal year 2020, the District received two large rebates from the BWC in the amounts of $76,890 and $79,000. The District also received a large e-rate federal reimbursement in the amount of $81,011 for eligible technology purchases in fiscal year 2020. Fiscal year 2021 accounts for an additional BWC refund received in the amount of $56,146. Fiscal year 2022 accounts for an e-rate federal reimbursement of $28,842. Forecasted revenues for this line have been projected at approximately $58,500 each year.

EXPENDITURES

3.010 Personal Services

Personnel Service expenditures include employee salaries and stipends. Since the District is primarily a service agency, this is the largest expenditure category. In May 2018, the District settled an early settlement agreement with the Louisville Education Association for the period July 1, 2019 through June 30, 2022. Related salary increases were as follows: 2% base increase with step plus a 1% lump sum in fiscal year 2020, 2.5% base increase with step plus a 1% lump sum in fiscal year 2021, and 3% base increase with step in fiscal year 2022. In May 2022, the District and union settled a new contract for the period of July 1, 2022 through June 30, 2025. Related salary increases were 3.0% base increases with steps for each year of the contract. Fiscal years 2026 through 2027 are forecasted with the following annual base increases (with steps): 2.0% and 2.0%.

The District settled the labor contract with classified staff in October 2016. Their contract included wage increases including steps, a 0.5% base increase on July 1, 2016 increased to 1.0% on January 1, 2017, a 1.5% base increase in fiscal year 2018, and 2% base increases in both fiscal years 2019 and 2020. In addition, a 1% lump sum payment was included in fiscal years 2020. In August 2018, the District settled an early settlement agreement with the classified staff for the period July 1, 2021 through June 30, 2023 mirroring the certified settlement for fiscal years 2021 and 2022. Fiscal year 2023 includes a “me too” clause related to salary as it will be negotiated with the teachers. These are incorporated into the forecasted amounts for the respective fiscal years. The District is currently in contract negotiations with OAPSE for a new contract effective July 1, 2023. Although the salary outcome is unknown at this time, for purposes of this forecast, fiscal years 2024 through 2027 are forecasted with the same base increases as listed above for the certified staff.

Due to previous failed levy attempts, a reduction plan was enacted in fiscal year 2021. These reductions included 1 administrative position, 12 certified positions, and 23 classified positions. The related expenditures reductions are included on the forecast in fiscal year 2021. With the passage of the new emergency operating levy, many, but not all, of these positions were reinstated for fiscal year 2022 and are forecasted to remain in future years.

3.020 Employees’ Retirement/Insurance Benefits

The District's second highest expenditure is Employees' Retirement/Insurance Benefits which includes Board-paid pension benefits, medicare, and worker's compensation, as well as the Board-paid share of Medical, Prescription, Dental, Vision and Life insurances.

Pension, medicare, and workers' compensation are all percentage based and are calculated based on the forecasted salaries.

Insurance is calculated based on assumed annual increases to the premium. For fiscal years 2021, 2022, and 2023, premiums increased by 3.85 percent, 3.90 percent and 7.35 percent, respectively. Premiums for fiscal year 2024 are scheduled to increase by 7.98%. For fiscal years 2025 and beyond, the premiums for medical/prescription coverage are projected to increase by 8 percent each year. Another factor with the forecasted insurance amounts deals with premium holidays. Since the health plan is partially self-funded, based on the claims experience, each year the plan reserves are analyzed and if the reserves are higher than the required limit, the plan can and has awarded premium holidays, or a specified number of months where the premiums are waived. Two months of premium holidays were approved for fiscal year 2019 to be taken in fiscal year 2020. The District was awarded two premium holidays for fiscal year 2020 to be taken in fiscal year 2021, two premium holidays for fiscal year 2021 to be taken in fiscal year 2022, and one premium holiday for fiscal year 2022 to be taken in fiscal year 2023. These financial savings related to these premium holidays are included in the forecast. Although not yet awarded, one premium holiday has been forecasted in fiscal years 2024, 2025, 2026 and 2027.

3.030 Purchased Services

Purchased Services include utilities, tuition, property insurance, health services, repair services, and other contracted services. In addition to these, the State deductions for Community Schools and Open Enrolled Out students are included here for fiscal years 2021 and prior.

The District's utility costs are forecasted with inflationary increases. Although rates continue to increase, the District has implemented and continues to implement measures to improve utility consumption throughout the District.

A few of the high dollar costs in this expenditure category revolve around special education. The District contracts for occupation therapy, physical therapy, interpreter services, and other excess costs and tuition related to the District's special education needs. These are expenditures that are needed to service the specific needs of current students and can fluctuate greatly from one year to the next. The District is seeing an increase in these costs in the current fiscal year and is forecasting these expenditure to continue to rise.

The District incurs costs related to the College Credit Plus program and must pay credit hour costs and class textbooks. The tuition cost is projected at average of $112,500 for fiscal years 2023 and beyond.

Due to the pandemic shut down, the District did realize some savings in purchased service expenditures in fiscal year 2020 including costs associated with substitute teachers and utilities.

As discussed previously, the tuition related to Open Enrolled students has changed with the new State funding formula. This also applies to tuition related to students attending community schools. These tuition expenses that traditionally were reported within this expenditure category are falling off in fiscal year 2022 as students will now be funded where they are being educated instead of based on their district of residence. This accounts for the large decrease in this line item between fiscal years 2021 and 2022.

3.040 Supplies and Materials

Supplies and Materials include not only instructional supplies, textbooks, and office supplies but also custodial supplies, transportation supplies, and bus fuel.

For fiscal years 2020, 2021 and 2022, fuel costs totaled $114,566, $90,287 and $198,121, respectively. Due to the pandemic shutdown, fuel costs were reduced since the District did not run buses for the last two and a half months of school in fiscal year 2020. Due to failed levy attempts, transportation in the District was reduced to state minimums in fiscal year 2021 meaning no high school busing and students in grades K-8 only being transported if they live greater than 2 miles from the school building they attend. This accounts for the large decrease of this expenditure in fiscal year 2021. With the passage of the new emergency operating levy, bussing was restored for fiscal year 2022. Also, due to market conditions, fuel costs significantly increased in fiscal year 2022 and are projected to remain close to $215,000 each year of the forecast.

General supply expenditures were reduced significantly in both fiscal years 2020 and 2021. The reduction in fiscal year 2020 was due to the mandatory school closure related to the COVID pandemic, and the reduction in fiscal year 2021 was a result of federal stimulus dollars granted to the District used to offset custodial, nursing, and other related supplies. A large increase in fiscal year 2022 was realized in instructional supplies as the District is eliminating student fees and making these expenditures part of the general operating budget as was promised with the passage of the new emergency operating levy. Due to recent inflation, all supply costs have increased. Also, several waves of curriculum adoptions are significantly increasing costs on this line item in fiscal year 2023 and fiscal year 2024.

3.050 Capital Outlay

Capital outlay includes building equipment, technology equipment, musical instruments, and buses/vehicles.

The total capital outlay expense is forecasted as the District continues to prioritize and budget for various capital improvement, technology and building equipment needs throughout the forecast period. Beginning in fiscal year 2023, two buses will be purchased each year as opposed to four buses being purchased every other year as it has been done over the past eight years.

4.055/ Principal
4.060 Interest and Fiscal Charges

The District purchased four buses through a lease-purchase agreement in October 2017. The amounts included as principal and interest correlate specifically to the payments required per those agreement. In fiscal year 2020, the District was able to secure grant funds in the amount of $256,536 to cover 49 percent of the cost of 6 buses, essentially allowing six buses to be purchased for the cost of three. The remaining 51 percent was financed through a lease-purchase agreement.

4.300 Other Objects

The Other Object expenditure category includes audit fees, liability insurance, ESC deductions, and County Auditor/Treasurer fees. These costs are forecasted to remain consistent through the forecast period.

5.010 Transfers-Out

In fiscal years 2021 and 2022, the District transferred $48,500 and $85,000, respectively, to cover deficit balances in the general athletic fund mostly due to the reduced ticket revenue for games due to COVID restrictions.

5.010 Advances-Out

In fiscal year 2019, an advance to the permanent improvement fund was made in relation to the final payment for the turf replacement. The permanent improvement fund will repay this advance back to the general fund by the end of the current fiscal year. Also, an advance of $95,000 was made to the District's food service fund due to a negative cash balance in fiscal year 2019. This will also be repaid by the end of the current fiscal year. In fiscal year 2020, the District advanced $256,536 to EPA School Bus Purchase Grant fund, $12,861 to the CARES Act fund, and $4,000 to the food service fund to offset revenue timing issues related to the end of the fiscal year.

CASH BALANCE

6.010 Excess of Revenues and Other Financing Sources over/(under) Expenditures and Other and Other Financing Uses

This line is the most important line on the forecast and is a good measure of the District's financial health. A positive balance indicates revenues are sufficient to cover expenditures on an annual basis. As demonstrated on the forecast, the District experienced deficit spending in fiscal year 2020. Deficit spending was forecasted to continue based on the fact that revenue increases were not keeping pace with inflationary expenditure increases. In response to this, the Board of Education decided to request a new emergency operating levy. When the first attempts were unsuccessful, the District had to implement budget reductions to reduce spending in fiscal year 2021. On May 4, 2021, the emergency operating levy was approved by District voters; the levy generates $2,562,000 annually starting in collection year 2022. Due to the levy passage, many of the budget reduction measures were reinstated in fiscal year 2022.

The Board of Education and District leadership have worked for many years to run the District as efficiently as possible while providing for all of the needs of students and will continue to provide the best opportunities for students with the resources available.

7.020 Cash Balance June 30

This line shows the District's ongoing general fund cash balance based on actual and forecasted revenues and expenditures without the renewal of the District's emergency operating revenues. As such, the forecast clearly demonstrates the need for these levies and shows that without the renewal of these levies, the District will be facing a deficit cash balance by the end of the five year forecast period.

8.010 Estimated Encumbrances June 30

Actual encumbrances outstanding at the end of the completed fiscal years are shown on the forecast. No encumbrances are shown for any of the forecasted years as total expenditures are captured within the fiscal year expenditures above on the forecast with the exception of $231,702 for fiscal year 2023. This amount relates to a purchase of two buses which have been ordered but will not be received and paid for until sometime in fiscal year 2024.

11.020 Property Tax – Renewal of Replacement

See explanation above under 1.010.

12.010/ Fund Balance June 30 Certificate of Contracts, Salary Schedules & Other Obligations
15.010 Unreserved Fund Balance June 30

At the end of fiscal year 2022, the District had a general fund unreserved fund balance of $7,503,871. Based on the forecasted revenues and expenditures, the District is forecast to maintain a positive cash balance throughout the forecast period provided the expiring emergency operating levies are renewed.

ADM FORECASTS

20.010/ Kindergarten
20.015 Grades 1-12

Prior to the current school year, state funding was calculated with an ADM (Average Daily Membership) and only included resident students. With the new funding formula, enrollment will be used instead. Enrollment is the actual number of students the District is educating. As such, the numbers forecasted from fiscal year 2023 and beyond correlate to enrollment.