

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



**Forecast Provided By  
Huber Heights City School District  
Treasurer's Office  
Gina M. Gagliano, CPA, Treasurer/CFO  
(937) 237 - 4126  
May 13, 2021**

# Huber Heights City School District

Montgomery County

Schedule of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Years Ended June 30, 2018, 2019 and 2020 Actual;

Forecasted Fiscal Years Ending June 30, 2021 Through 2025

	Actual				Average Change	Forecasted				
	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020			Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
<b>Revenues</b>										
1.010	General Property Tax (Real Estate)	\$ 25,135,533	\$ 25,377,479	\$ 25,971,944	1.65%	\$26,220,602	\$26,691,631	\$26,722,484	\$26,932,702	\$27,109,635
1.020	Public Utility Personal Property Tax	889,693	884,563	941,756	2.94%	983,449	1,005,991	1,035,116	1,064,241	1,093,366
1.035	Unrestricted State Grants-in-Aid	34,793,555	35,987,742	35,123,144	0.51%	35,612,117	36,098,715	36,103,980	36,109,327	36,114,759
1.040	Restricted State Grants-in-Aid	1,248,186	1,150,597	949,385	-12.65%	949,381	949,381	949,381	949,381	949,381
1.045	Restricted Federal Grants In Aid	0	0	0	0.00%	0	0	0	0	0
1.050	Property Tax Allocation	3,986,418	3,964,848	4,313,901	4.13%	4,036,000	4,129,150	4,134,844	4,170,683	4,206,340
1.060	All Other Revenues	4,298,181	4,554,607	4,924,955	7.05%	2,991,067	2,941,170	2,945,943	2,950,840	2,955,863
1.070	<b>Total Revenues</b>	<b>70,351,566</b>	<b>71,919,836</b>	<b>72,225,085</b>	<b>1.33%</b>	<b>70,792,616</b>	<b>71,816,038</b>	<b>71,891,748</b>	<b>72,177,174</b>	<b>72,429,344</b>
<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 Advancements (Approved)	0	0	0	0.00%	0	0	0	0	0
2.040	Operating Transfers-In	812,005	0	0	0.00%	0	0	0	0	0
2.050	Advances-In	348,092	701,704	524,000	38.13%	1,095,650	700,000	300,000	300,000	300,000
2.060	All Other Financing Sources	75,006	10,562	422	-90.96%	1,795,718	10,562	10,562	10,562	10,562
2.070	<b>Total Other Financing Sources</b>	<b>1,235,103</b>	<b>712,266</b>	<b>524,422</b>	<b>-34.35%</b>	<b>2,891,368</b>	<b>710,562</b>	<b>310,562</b>	<b>310,562</b>	<b>310,562</b>
2.080	<b>Total Revenues and Other Financing Sources</b>	<b>71,586,669</b>	<b>72,632,102</b>	<b>72,749,507</b>	<b>0.81%</b>	<b>73,683,984</b>	<b>72,526,600</b>	<b>72,202,310</b>	<b>72,487,736</b>	<b>72,739,906</b>
<b>Expenditures</b>										
3.010	Personal Services	34,162,768	35,949,847	37,734,650	5.10%	40,626,478	42,049,963	43,761,481	45,326,591	46,930,647
3.020	Employees' Retirement/Insurance Benefits	12,799,177	13,405,178	15,408,436	9.84%	16,689,429	17,413,092	18,606,423	19,794,663	21,078,244
3.030	Purchased Services	10,366,405	10,011,029	9,509,791	-4.22%	9,874,213	10,152,134	10,359,184	10,573,204	10,794,378
3.040	Supplies and Materials	1,543,458	1,542,418	1,507,836	-1.15%	1,758,409	1,187,593	1,225,086	1,264,135	1,304,807
3.050	Capital Outlay	17,064	324,774	337,475	903.59%	231,352	238,293	245,442	252,805	260,389
3.060	Intergovernmental	0	0	0	0.00%	0	0	0	0	0
<b>Debt Service:</b>										
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	2,900,251	3,074,338	2,734,746	-2.52%	2,211,994	2,070,443	2,158,056	2,249,497	2,344,934
4.500	<b>Total Expenditures</b>	<b>61,789,123</b>	<b>64,307,584</b>	<b>67,232,934</b>	<b>4.31%</b>	<b>71,391,875</b>	<b>73,111,519</b>	<b>76,355,673</b>	<b>79,460,895</b>	<b>82,713,399</b>
<b>Other Financing Uses</b>										
5.010	Operating Transfers-Out	912,005	100,000	165,000	-12.02%	200,000	950,000	950,000	950,000	950,000
5.020	Advances-Out	701,704	524,000	1,095,650	41.88%	700,000	300,000	300,000	300,000	300,000
5.030	All Other Financing Uses	0	152	(10,873)	0.00%	0	0	0	0	0
5.040	<b>Total Other Financing Uses</b>	<b>1,613,709</b>	<b>624,152</b>	<b>1,249,777</b>	<b>19.46%</b>	<b>900,000</b>	<b>1,250,000</b>	<b>1,250,000</b>	<b>1,250,000</b>	<b>1,250,000</b>
5.050	<b>Total Expenditures and Other Financing Uses</b>	<b>63,402,832</b>	<b>64,931,736</b>	<b>68,482,711</b>	<b>3.94%</b>	<b>72,291,875</b>	<b>74,361,519</b>	<b>77,605,673</b>	<b>80,710,895</b>	<b>83,963,399</b>
6.010	<b>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>	<b>8,183,837</b>	<b>7,700,366</b>	<b>4,266,796</b>	<b>-25.25%</b>	<b>1,392,109</b>	<b>(1,834,918)</b>	<b>(5,403,362)</b>	<b>(8,223,159)</b>	<b>(11,223,493)</b>
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	37,954,155	46,137,992	53,838,358	19.13%	58,105,154	59,497,263	57,662,345	52,258,982	44,035,824
7.020	<b>Cash Balance June 30</b>	<b>46,137,992</b>	<b>53,838,358</b>	<b>58,105,154</b>	<b>12.31%</b>	<b>59,497,263</b>	<b>57,662,345</b>	<b>52,258,982</b>	<b>44,035,824</b>	<b>32,812,331</b>
8.010	<b>Estimated Encumbrances June 30</b>	<b>583,032</b>	<b>954,884</b>	<b>660,134</b>	<b>16.46%</b>	<b>600,000</b>	<b>600,000</b>	<b>600,000</b>	<b>600,000</b>	<b>600,000</b>
10.010	<b>Fund Balance June 30 for Certification of Appropriations</b>	<b>45,554,960</b>	<b>52,883,474</b>	<b>57,445,020</b>	<b>12.36%</b>	<b>58,897,263</b>	<b>57,062,345</b>	<b>51,658,982</b>	<b>43,435,824</b>	<b>32,212,331</b>
<b>Revenue from Replacement/Renewal Levies</b>										
11.010	Income Tax - Renewal	0	0	0	0.00%	0	0	0	0	0
11.020	Property Tax - Renewal or Replacement	0	0	0	0.00%	0	0	0	0	0
11.300	<b>Cumulative Balance of Replacement/Renewal Levies</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
12.010	<b>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</b>	<b>45,554,960</b>	<b>52,883,474</b>	<b>57,445,020</b>	<b>12.36%</b>	<b>58,897,263</b>	<b>57,062,345</b>	<b>51,658,982</b>	<b>43,435,824</b>	<b>32,212,331</b>

**Huber Heights City School District-Montgomery County**  
**Notes to the Five Year Forecast**  
**General Fund Only**  
**May 13, 2021**

**Introduction to the Five Year Forecast**

School districts are required to file a five (5) year financial forecast by November 30, 2020, and May 31, 2021 for fiscal year 2021 (July 1, 2020 to June 30, 2021). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Fiscal year 2021 (July 1, 2020-June 30, 2021) is the first year of the five-year forecast and is considered the baseline year. Our forecast is being updated to reflect the most current economic data available to us for the May 2021 filing.

**Economic Outlook**

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

**May 2021 Updates:**

**Revenues FY21:**

The overview of revenues shows that we are substantially on target with original estimates at this point in the year. Total General Fund revenues (line 1.07) are estimated to be \$70,792,616 or 1% higher than the November forecasted amount of \$70,049,008. This indicates the November forecast was 99% accurate.

State Aide, as noted above, began the year with continued cuts at the FY20 level; however, on January 22, 2021 Governor DeWine reinstated funding of approximately 53% of those reductions thus having a positive impact of \$537,228 for our district's revenue.

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

**Expenditures FY21:**

Total General Fund expenditures (line 4.5) are estimated to be \$71,391,875 for FY21 which is below the original estimate of \$73,709,185 in the November forecast. The expenditure lines most significantly below projections) are Personnel Services (line 3.01) and Supplies and Materials (line 3.04).

**Unreserved Ending Cash Balance:**

With revenues increasing over estimates and expenditures ending below estimates, our ending unreserved cash balance June 30, 2021 is anticipated to be roughly \$58.1 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2025 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:**

A five year financial forecast has risks and uncertainty not only due to economic uncertainties noted above but also due to state legislative changes that will occur in the summer of 2021 and 2023 due to deliberation of the next two (2) state biennium budgets for FY22-23 and FY24-25, both of which affect this five year forecast. We have estimated revenues and expenses based on the best data available to us and the laws in effect at this time. The items below give a short description of the current issues and how they may affect our forecast long term:

- I. Montgomery County went through an appraisal update in tax year 2017 the values on which 2018 tax collections were based. Class I values increased \$29.6 million to a total value of \$566 million and Class II values decreased \$3.4 million to a value of \$123 million as a result of the 2017 appraisal update. A reappraisal update took place during calendar year 2020. As a result of the update, there was an unprecedented increase of 18.03% or \$102.7 million in Class I values. Class II values increased 4.7% or \$6.1 million. Overall Class I and Class II property values increased 17.4% A reappraisal updated will take place in tax year 2023 for collection in 2024. An overall 7.0% increase in property value is projected as a result of the update.
- II. HB166 the current state budget for FY20-21 initially froze funding for all school districts in Ohio at their FY19 level with two exceptions; student wellness and success funding (SWSF) and enrollment growth supplement funds. Student Wellness and Success is new revenue to school districts in FY20 and FY21 but is restricted in use and must be placed in Fund 467 and are NOT General Fund revenue and consequently not included in this forecast. The current proposed state budget for FY22 - FY23 is Sub. HB110 and it includes increases for SWSF for each year of the biennium budget along with guarantees that no district will receive less funding than they received in FY21. We have assumed this money will continue through FY25. Enrollment Growth Supplement money is paid to a small number of growing districts and Sub. HB110 also proposes these funds be continued in FY22 and FY23 at current FY21 levels. We have assumed these funds will continue at the guarantee level through FY25.
- III. While state foundation funding was initially guaranteed at the FY19 level, the Coronavirus Pandemic caused the most rapid and largest decrease of employment in history. In order to balance the State Budget on May 6, 2020 the Governor ordered a \$300.5 million reduction of state foundation funding to school districts by the end of June 2020. These cuts were to continue through FY21 as well, however the Governor subsequently reinstated \$160 million of these reductions to school districts in an executive order dated January 22, 2021. With the economy rebounding from the sharp drop in employment in March and April 2020 and state tax revenues well above estimates for FY21, we anticipate funding will remain unchanged for the rest of FY21. Governor DeWine submitted his FY22-FY23 biennial budget (Sub. HB110) which returns state foundation funding to schools at their FY19 funded level. The biennial budget is now working its way through the legislative process. HB1, also known as the Fair School Funding Bill, was introduced on February 4, 2021 and will work its way through the legislative process where it has been combined with Sub. HB110. The certainty of foundation funding levels will not likely be known until late June 2021. At this time the FY19 funding level is the basis for districts state funding in FY22 and FY23. We believe Ohio's economy will continue to improve through FY21 and that FY22-25 will see funding returned to the FY19 levels at a minimum. We will not project an increase beyond the FY19 levels at this time until the state budget it known for FY22 and FY23.
- IV. The State Budget represents 57% of district revenues and is an area of risk to revenue. The future risk comes in FY22 and beyond if the state economy stalls or worsens and the funding formula in future state budgets reduces 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

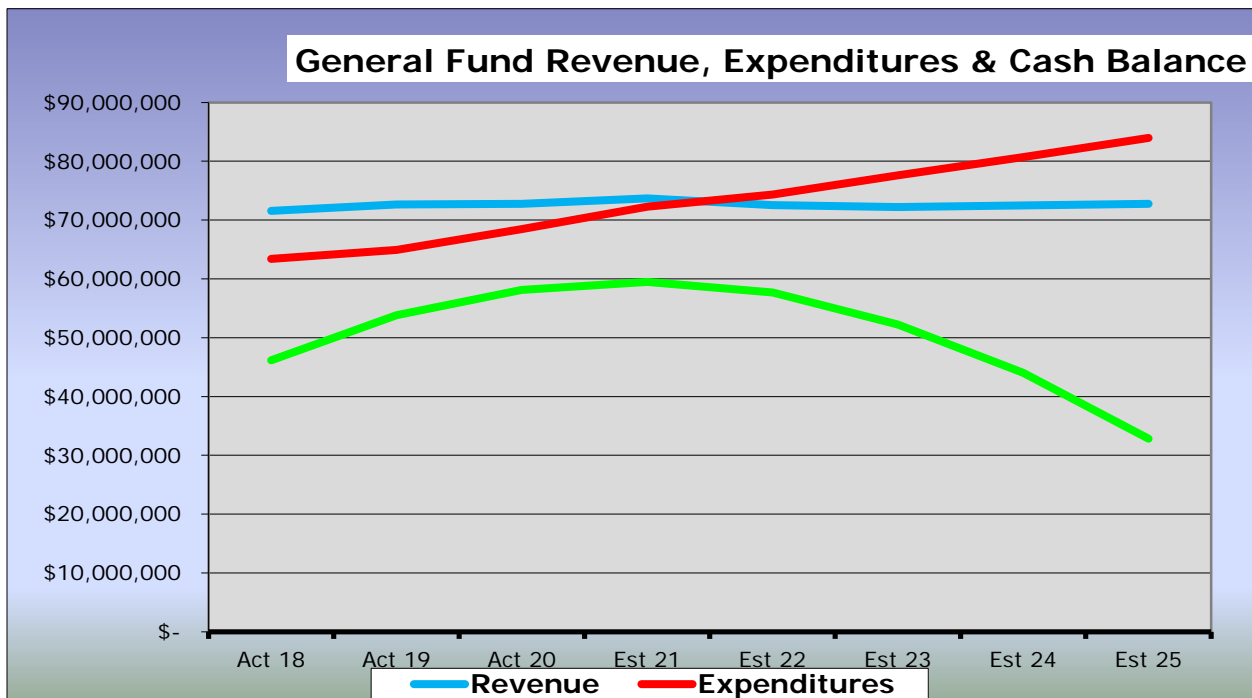
through FY25. We have projected our state funding to be in line with the FY19 funding level FY22 through FY25, which we feel is conservative and should be close to whatever the state approves for the new FY22-23 biennium budget. We will adjust the forecast in future years as we have data to help guide this decision.

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. These are examples of school choice programs that increase with each biennium budget and costs the district money. Expansion or creation of programs such as these can expose 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 as the proposed new state budget bill Sub. HB110 moves through the legislative process.

- V. Labor relations in the district have been 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.

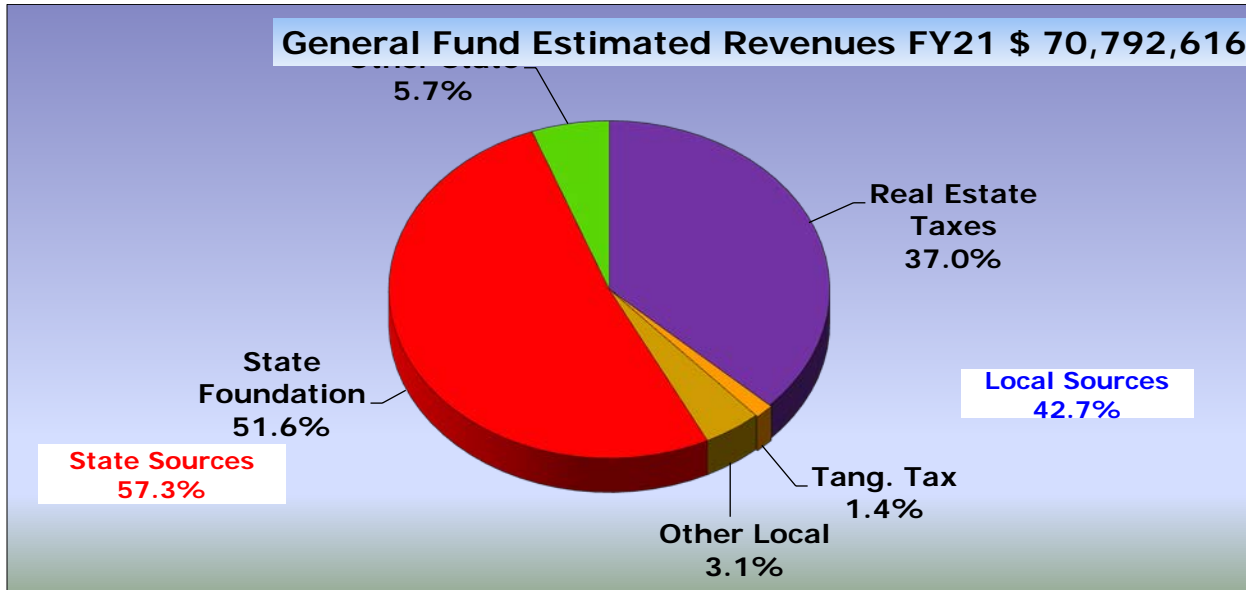
If you would like further information please feel free to contact me – Ms. Gina Gagliano, Treasurer/CFO of Huber Heights City School District at 937-237-4126.

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



**Revenue Assumptions**

**Estimated General Fund Revenues**



**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. Montgomery County went through an appraisal update in tax year 2017 which was collected in 2018. Class I values increased \$29.6 million to a total value of \$566 million and Class II values decreased \$3.4 million to a value of \$123 million. A reappraisal update took place during calendar year 2020. As a result of the update, there was an unprecedented increase of 18.03% or \$102.7 million in Class I values. Class II values increased 4.7% or \$6.1 million. Overall Class I and Class II property values increased 17.4%. A reappraisal updated will take place in tax year 2023 for collection in 2024. An overall 7.0% increase in property value is projected as a result of the update.

HB49 authorized a reduction in CAUV computations that will result in CAUV values falling on average by 30%. These reductions will occur as districts experience their next reappraisal or update cycle. CAUV values represent less than 1% of the District’s Class I residential agricultural values, therefore there will be no significant effect on our tax payers or tax revenues.

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

	Actual	Estimated	Estimated	Estimated	Estimated
	TAX YEAR2020	TAX YEAR2021	TAX YEAR2022	TAX YEAR2023	TAX YEAR2024
<u>Classification</u>	<u>COLLECT 2021</u>	<u>COLLECT 2022</u>	<u>COLLECT 2023</u>	<u>COLLECT 2024</u>	<u>COLLECT 2025</u>
Res./Ag.	\$678,528,360	\$679,178,360	\$679,828,360	\$734,864,629	\$735,514,629
Comm./Ind.	141,887,720	141,587,720	141,287,720	143,813,474	143,513,474
Public Utility Personal Property (PUPP)	<u>17,020,230</u>	<u>17,520,230</u>	<u>18,020,230</u>	<u>18,520,230</u>	<u>19,020,230</u>
Total Assessed Value	<u>\$837,436,310</u>	<u>\$838,286,310</u>	<u>\$839,136,310</u>	<u>\$897,198,333</u>	<u>\$898,048,333</u>

**ESTIMATED REAL ESTATE TAX (Line #1.010)**

Source	FY 21	FY 22	FY 23	FY 24	FY 25
Estimated Property Taxes	<u>\$26,220,602</u>	<u>\$26,691,631</u>	<u>\$26,722,484</u>	<u>\$26,932,702</u>	<u>\$27,109,635</u>

Property tax levies are estimated to be collected at 97.75% of the annual amount. We are allowing for a 2.25% delinquency rate although our historical collection rate for current taxes is almost 99%. Typically, 53.9% of the new residential/agriculture (Res/Ag) and commercial/industrial (Comm/Ind) is expected to be collected in the February tax settlements and 46.1% is expected to be collected in the August tax settlements. Public utility tax settlements (PUPP) are estimated to be received 50% in February and 50% in August.

**Renewal and Replacement Levies – Line #11.02**

No renewal or replacement levies are modeled in this forecast.

**New Tax Levies – Line #13.030**

No new levies are modeled in this forecast.

**Estimated Tangible Personal Tax – Line#1.020**

The phase out of tangible personal property tax (TPP) began in fiscal year 2006. The TPP was eliminated after fiscal year 2011. Any revenues received in this line at Public Utility Personal Property taxes which are collected at the districts gross tax rates not subject to reduction factors.

Source	FY 21	FY 22	FY 23	FY 24	FY 25
Public Utility Taxes	<u>\$983,449</u>	<u>\$1,005,991</u>	<u>\$1,035,116</u>	<u>\$1,064,241</u>	<u>\$1,093,366</u>

**State Foundation Revenue Estimates**

**A) Unrestricted State Foundation Revenue – Line #1.035**

The amounts estimated for state funding are based on HB166 which on May 6, 2020 was cut and then funding partially restored by executive order signed January 22, 2021 by the Governor. Initially state aid funding for all 610 traditional school districts and 49 Joint Vocational and Career Centers was frozen for FY20 & FY21 at the FY19 funding level. The State Foundation Funding Formula used since FY14 was dropped in FY20 after six (6) years. HB1, aka the Fair School Funding plan, is currently being considered by the legislature and has been combined with Sub. HB110 and will produce a successor funding formula for the FY22-23 biennium budget. Currently Sub. HB110, the proposed budget, projects funding for districts at FY19 guarantee amounts for FY22 and FY23. For this reason we have projected state aid flat at the FY19 funding level through FY25 as we have nothing authoritative to rely on at this time.

**Foundation Funding Partially Restored January 22, 2021 for FY21**

On January 22, 2021 the Governor signed an executive order reinstating \$160 million of previous cuts to public schools thus reducing the cuts in FY21. At this time the state funding for FY21 is being reduced \$442,332 from the FY19 amount.

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

Nearly all of the new funding for K-12 public education in the FY20-21 Executive Budget is provided through a formula allocating \$250 million in FY20 and \$358 million in FY21 based upon each district’s percentage of students in households at or below 185% of the Federal Poverty Level (FPL) and the total number of students enrolled in each district. In FY21, proposed funding ranges from \$30 per student to \$360 per student. All schools and students are to receive a minimum additional funding of \$36,000 in FY21. All districts are guaranteed to get 131% of what they received in FY20, and the proposed state budget (Sub. HB110) is

guaranteeing all districts will get 100% of what they received in FY21 for FY22 and FY23. Our district is estimated to receive \$1,520,532 in FY21. Money will be received twice each year in October and February. These dollars are to be deposited in a Special Revenue Fund 467 and are restricted to expenses that follow a plan developed in coordination with two approved community partner organizations per HB110.

**Future State Budgets:**

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

**Casino Revenue**

On November 3, 2009 Ohio voters passed the Ohio casino ballot issue. This issue allowed for the opening of four (4) casinos one each in Cleveland, Toledo, Columbus and Cincinnati. As of March 4, 2013 all four (4) casinos were open for business and generating Gross Casino Tax Revenues (GCR). Thirty-three percent (33%) of the gross casino revenue 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.

Due to the COVID-19, casinos were closed from March 12, to June 18, 2020. We are reducing the amount of funding in FY21 by 26% then increasing the amount in FY22 back to FY20 levels as Casino revenues appear to have dipped largely due to their closure and not in response to the economic downturn. Prior to COVID-19 closure, casino revenues were growing modestly as the economy improved. Original projections for FY21-25 estimated a .4% decline in pupils to 1,778,441 and GCR increasing to \$95.5 million or \$53.75 per pupil. We believe it will be FY22 when revenues return to the post COVID-19 level.

<u>Source</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
Basic Aid-Unrestricted	\$34,536,380	\$34,944,176	\$34,944,176	\$34,944,176	\$34,944,176
Additional Aid Items	836,083	836,083	836,083	836,083	836,083
Basic Aid-Unrestricted Subtotal	\$35,372,463	\$35,780,259	\$35,780,259	\$35,780,259	\$35,780,259
Ohio Casino Commission ODT	239,654	318,456	323,721	329,068	334,500
Total Unrestricted State Aid Line # 1.035	<u>\$35,612,117</u>	<u>\$36,098,715</u>	<u>\$36,103,980</u>	<u>\$36,109,327</u>	<u>\$36,114,759</u>

**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 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 FY21-25.

<u>Source</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
Economically Disadvantaged Aid	\$806,837	\$806,837	\$806,837	\$806,837	\$806,837
Career Tech - Restricted	142,544	142,544	142,544	142,544	142,544
Total Restricted State Revenues Line #1.040	<u>\$949,381</u>	<u>\$949,381</u>	<u>\$949,381</u>	<u>\$949,381</u>	<u>\$949,381</u>

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

No amounts are included throughout the forecast period.



## 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 to 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.

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 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 had 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.

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

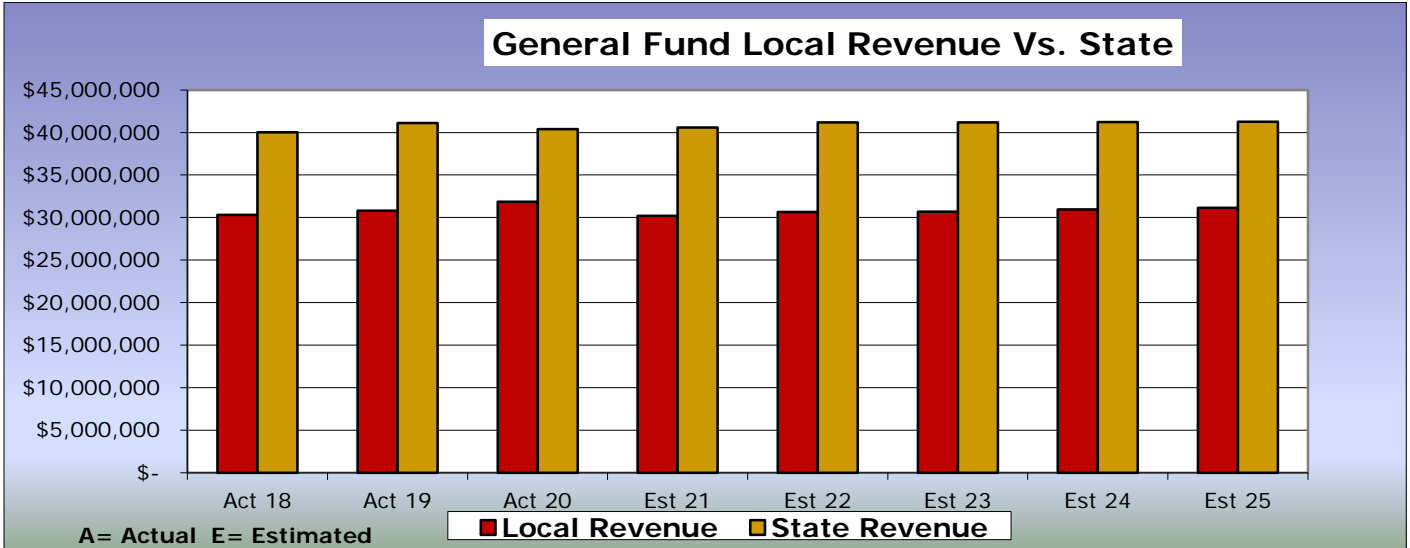
<u>Source</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
Rollback and Homestead	<u>\$4,036,000</u>	<u>\$4,129,150</u>	<u>\$4,134,844</u>	<u>\$4,170,683</u>	<u>\$4,206,340</u>

### Other Local Revenues – Line #1.060

Tuition is forecasted to increase slightly for fiscal years 2020 through 2024. The District also received payments in lieu of taxes (TIF payments) from various companies in order to alleviate the loss of property taxes. These payments are expected to increase slightly across the forecast. 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. The remaining other local revenue sources are expected to remain constant from FY21 to FY25.

<u>Source</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
Tuition SF-14 & SF-14H	\$762,825	\$766,639	\$770,472	\$774,324	\$778,196
Interest	540,000	480,600	475,794	471,036	466,326
TIF & PILOT Payments	568,892	574,581	580,327	586,130	591,991
Student Fees	199,292	199,292	199,292	199,292	199,292
Medicaid, other Income and rentals	<u>920,058</u>	<u>920,058</u>	<u>920,058</u>	<u>920,058</u>	<u>920,058</u>
Total Line # 1.060	<u>\$2,991,067</u>	<u>\$2,941,170</u>	<u>\$2,945,943</u>	<u>\$2,950,840</u>	<u>\$2,955,863</u>

## Comparison of Local Revenue and State Revenue



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

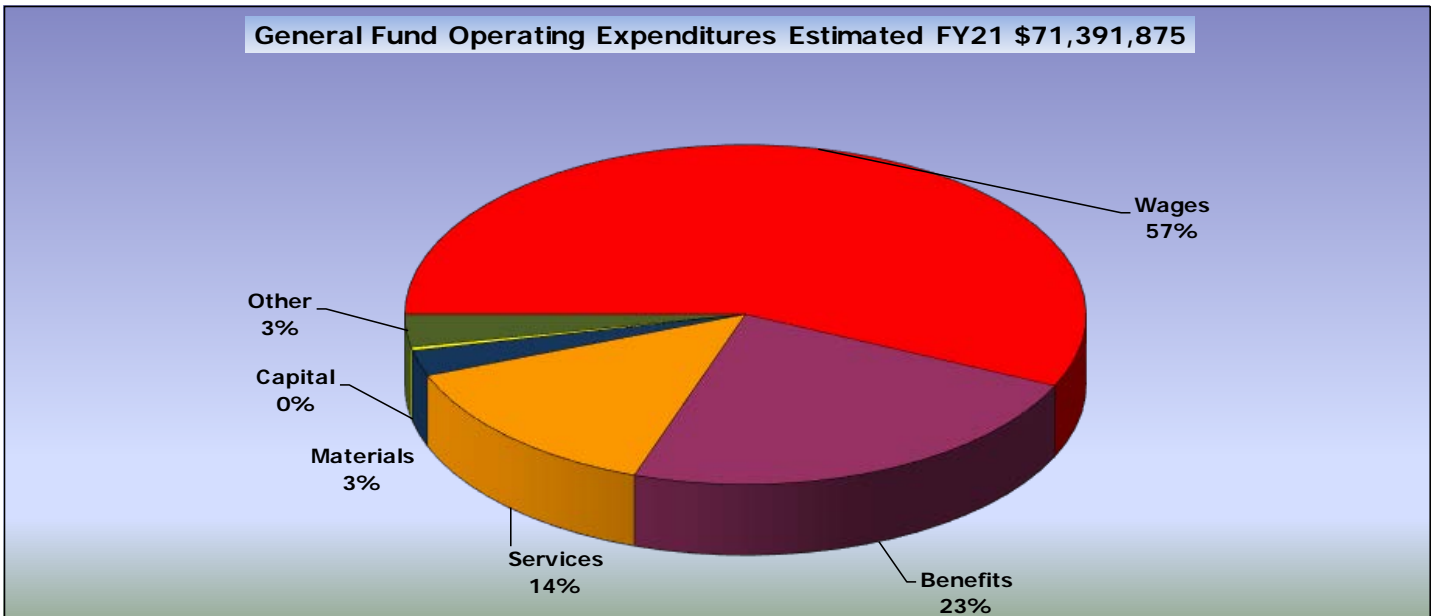
There is no short term borrowing planned for in this forecast at this time from any sources.

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

Other financing sources consist of transfers and advances. Transfers are permanent reallocation of funds and advances are those funds that the school district anticipates will be re-paid during the forecasted period. Advances are made from the general fund to other funds, primarily to cover grant monies that are not received as of fiscal year end. Advances are forecasted based on the historical timeliness of grant monies not received at fiscal year-end.

## Expenditures Assumptions

### Estimated General Fund Expenditures



#### Wages – Line #3.010

The model reflects a base increase of 2.5% for FY 21-25. Additionally, the model reflects known or anticipated growth in FY22.

<u>Source</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
Base Wages	\$38,066,741	\$39,018,410	\$40,840,633	\$42,567,890	\$44,144,587
Steps & Training	0	700,000	700,000	700,000	700,000
Growth/Attrition	0	126,110	-10,984	-200,000	-200,000
Substitutes	1,189,548	1,201,443	1,213,457	1,225,592	1,237,848
Supplemental Pay	441,099	575,000	589,375	604,109	619,212
Severance Pay/Other Compensation	929,090	429,000	429,000	429,000	429,000
<b>Total Wages Line #3.010</b>	<u>\$40,626,478</u>	<u>\$42,049,963</u>	<u>\$43,761,481</u>	<u>\$45,326,591</u>	<u>\$46,930,647</u>

#### Fringe Benefits Estimates Line 3.02

This area of the forecast captures all costs associated with benefits and retirement costs, of which all benefits except health insurance are directly related to the 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. The model also includes an estimate for the annual surcharge due to the School Employees Retirement System.

**Insurance**

The estimated increase for medical and dental insurance is 7.5% for FY21-FY22 and 10% for FY23-FY25. The increases include adjustments for inflation and the most current research of where premiums will be going in the future.

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.

**B) Workers Compensation & Unemployment Compensation**

Workers Compensation is estimated at 0.7% of wages which is consistent with past forecasts. Unemployment Compensation has been negligible and is anticipated to remain as such as we plan our staffing needs carefully.

**C) Medicare**

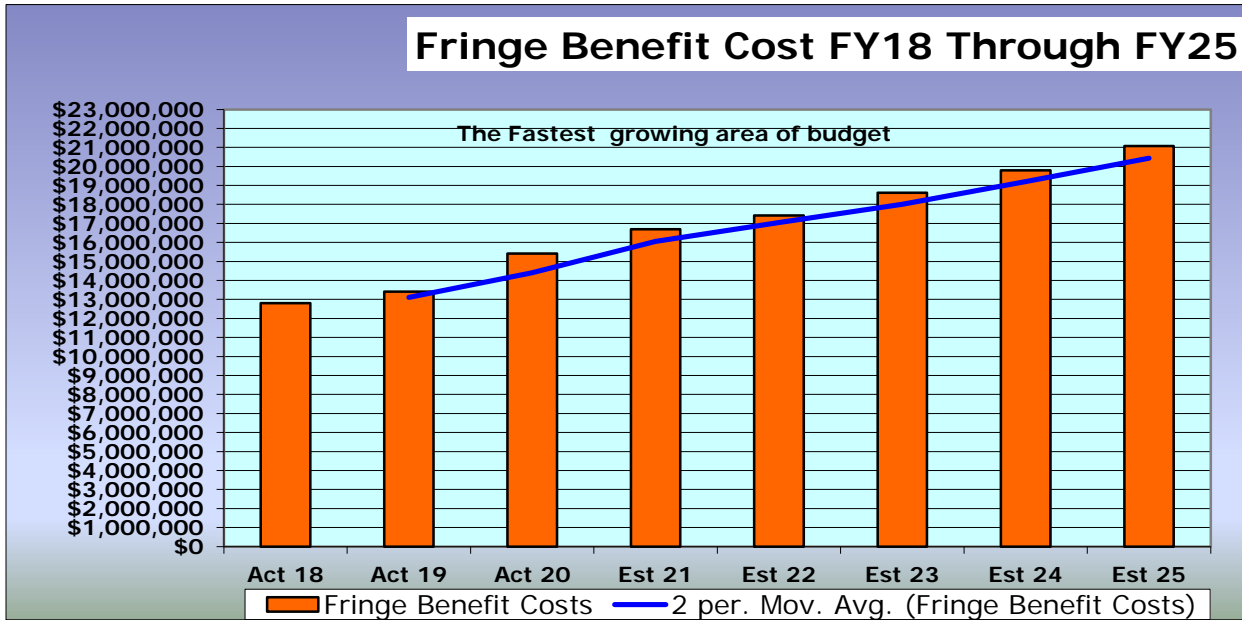
Medicare will continue to increase at the rate of increase of wages. Contributions are 1.45% for all new employees to the district on or after April 1, 1986. These amounts are growing at the general growth rate of wages.

**Summary of Fringe Benefits – Line #3.020**

<u>Source</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
A) Retirement	\$5,844,068	\$5,826,934	\$6,066,548	\$6,285,663	\$6,510,231
B) Insurance	9,928,395	10,542,883	11,444,252	12,361,363	13,365,891
C) Workers Comp/Unemployment	327,882	433,551	461,081	490,402	521,628
D) Medicare	589,084	609,724	634,541	657,236	680,494
Total Fringe Benefits Line #3.020	<u>\$16,689,429</u>	<u>\$17,413,092</u>	<u>\$18,606,423</u>	<u>\$19,794,663</u>	<u>\$21,078,244</u>

**Fringe Benefits Actual Fiscal Year 2018 through Fiscal Year 2020 and  
Estimated Fiscal Year 2021 through Fiscal Year 2025**

The graph below notes that health care is becoming an area for which expenditures are outpacing inflation. The federal Affordable Care Act and the increase in claims will require management to control the cost of health care.



**Purchased Services – Line #3.030**

Purchased services include expenditures for utilities, professional development and state foundation deductions for tuition-type students, including open enrollment, community school, scholarships and college credit plus. Estimates for this line item were based upon historical trends and estimated service needs. A 3-4% increase was incorporated throughout the forecast from FY21 – FY25 for inflationary purposes; with the exception of community school deduction expenditures for which the model shows a slight decrease due to the decrease in students enrolled in community schools.

<u>Source</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
Base Services	\$199,286	\$279,286	\$359,286	\$439,286	\$519,286
Professional Services	1,345,812	1,345,812	1,345,812	1,345,812	1,345,812
Open Enrollment Deduction	1,225,000	1,261,750	1,299,603	1,338,591	1,378,749
Community School Deductions	2,777,000	2,721,460	2,667,031	2,613,690	2,561,416
Other Tuition Including Ed Scholarship	1,731,024	1,782,955	1,836,444	1,891,537	1,948,283
Copier Lease	229,914	243,709	258,331	273,831	290,261
Utilities	1,193,808	1,229,622	1,266,511	1,304,506	1,343,641
Trans/Property Maintenance and Repair	1,172,369	1,287,540	1,326,166	1,365,951	1,406,930
<b>Total Purchased Services Line #3.030</b>	<b>\$9,874,213</b>	<b>\$10,152,134</b>	<b>\$10,359,184</b>	<b>\$10,573,204</b>	<b>\$10,794,378</b>

**Supplies and Materials – Line #3.040**

An overall inflation of 3.0% is being estimated for this category of expenses, as well as the District’s five year plans for technology and textbook adoptions. FY 21 includes a more expensive textbook adoption including math and science textbooks.

<u>Source</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
Supplies, Technology & Curriculum	\$243,833	\$243,833	\$243,833	\$243,833	\$243,833
Textbooks	\$1,122,576	\$540,000	\$565,380	\$591,953	\$619,775
Transportation Fuel and Supplies	<u>392,000</u>	<u>403,760</u>	<u>415,873</u>	<u>428,349</u>	<u>441,199</u>
Total Supplies Line #3.040	<u>\$1,758,409</u>	<u>\$1,187,593</u>	<u>\$1,225,086</u>	<u>\$1,264,135</u>	<u>\$1,304,807</u>

**Capital Outlay – Line # 3.050**

Costs in FY 21-25 include purchasing equipment for students and staff and is based on the District’s five-year plans for bus purchases, capital improvements and technology. These types of purchases will be made out of ESSER funds for FY 22 and Permanent Improvement for FY 23-25.

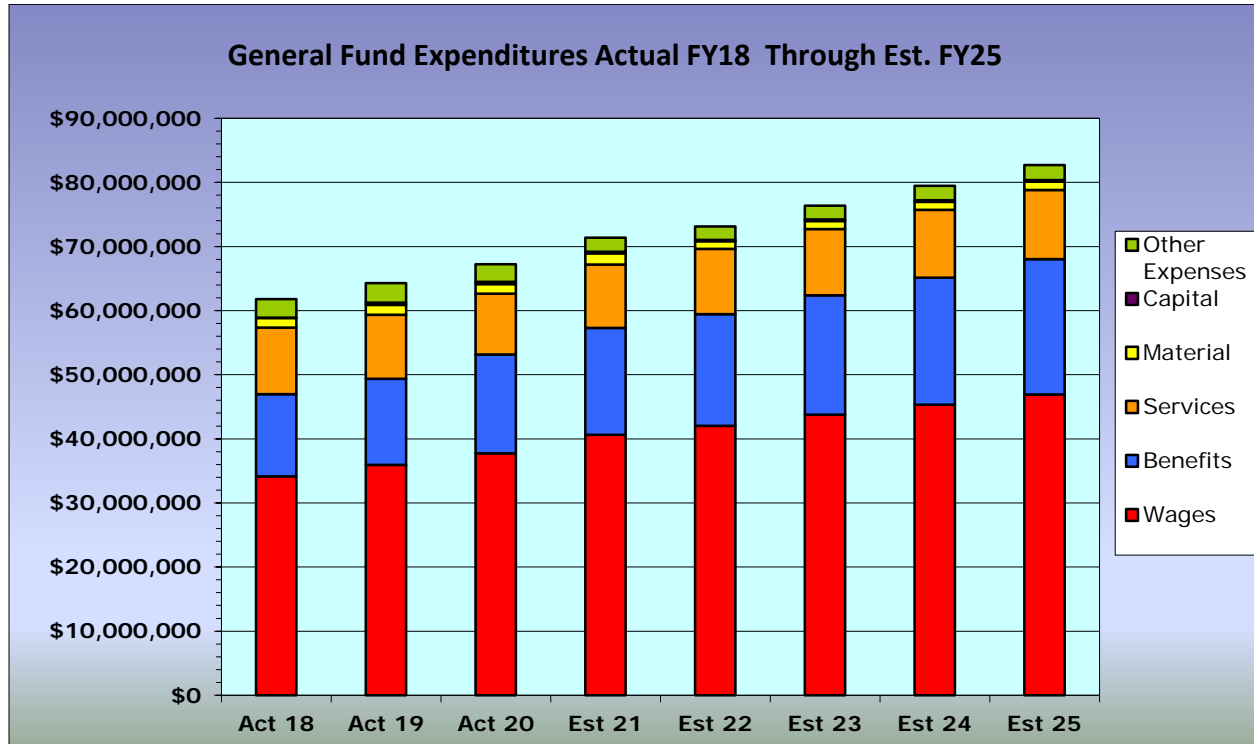
<u>Source</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
Capital Outlay	\$231,352	\$238,293	\$245,442	\$252,805	\$260,389
Replacement Bus Purchases	\$0	\$0	\$0	\$0	\$0
Total Equipment Line #3.050	<u>\$231,352</u>	<u>\$238,293</u>	<u>\$245,442</u>	<u>\$252,805</u>	<u>\$260,389</u>

**Other Expenses – Line #4.300**

The category of Other Expenses consists primarily of the County ESC deductions for specialized services provided to the District and Auditor & Treasurer (A&T) fees. Auditor and Treasurer Fees will increase sharply anytime a new operating levy is collected. Also new construction will cause A&T fees to increase as more dollars are collected. County Auditor & Treasurer Fees in FY 21 reflect a return of prior year expenditures from the Montgomery County Auditor. We do not expect this return in FY 22 – FY 25/

<u>Source</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
County Auditor & Treasurer Fees	\$237,000	\$450,000	\$463,500	\$477,405	\$491,727
County ESC	1,858,059	1,500,000	1,570,500	1,644,314	1,721,596
Other expenses	116,935	120,443	124,056	127,778	131,611
Total Other Expenses Line #4.300	<u>\$2,211,994</u>	<u>\$2,070,443</u>	<u>\$2,158,056</u>	<u>\$2,249,497</u>	<u>\$2,344,934</u>

**Total Expenditure Categories Actual Fiscal Year 2018 through Fiscal Year 2020 and  
Estimated Fiscal Year 2021 through Fiscal Year 2025**



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

This account group covers fund to fund transfers and end of year short term loans (advances) from the General Fund to other funds until they have received reimbursements to repay the General Fund. Transfers are permanent reallocation of funds. Advances have limited impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund. FY 22 reflects an increase in Operating Transfers out to cover deficit spending in the Nutrition Services Fund.

Source	FY 21	FY 22	FY 23	FY 24	FY 25
Operating Transfers Out Line #5.010	\$200,000	\$950,000	\$950,000	\$950,000	\$950,000
Advances Out Line #5.020	700,000	300,000	300,000	300,000	300,000
<b>Total Transfer &amp; Advances Out</b>	<b>\$900,000</b>	<b>\$1,250,000</b>	<b>\$1,250,000</b>	<b>\$1,250,000</b>	<b>\$1,250,000</b>

**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.

	FY 21	FY 22	FY 23	FY 24	FY 25
Estimated Encumbrances	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000

**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 Ohio Revised Code section 5705.412, punishable by personal liability of \$10,000, unless an alternative “412” certificate can be issued pursuant to House Bill 153 effective September 30, 2011. Based on the chart immediately below, unencumbered fund balance will be positive throughout the forecast. In addition, Board policy requires cash reserves equal 4 months of operating expenditures. Based on the chart immediately below, cash reserves are in compliance with Board policy throughout FY25.

	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
Ending Unencumbered Cash Balance	<u>\$58,897,263</u>	<u>\$57,062,345</u>	<u>\$51,658,982</u>	<u>\$43,435,824</u>	<u>\$32,212,331</u>

