BEDFORD CITY SCHOOL DISTRICT-CUYAHOGA 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 JUNE 30, 2025



Forecast Provided By
Bedford City School District
Treasurer's Office
Mr. Bill Parkinson, Treasurer
May 6, 2021

Bedford City School District
Cuyahoga 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
	Revenues									
1.010	General Property Tax (Real Estate)	27,844,278	26,826,586	27,048,210	-1%	27,008,300	27,856,650	28,645,120	28,690,110	28,743,250
1.020	Public Utility Personal Property Tax	5,284,725	5,951,383	6,165,416	8%	6,580,540	6,968,030	7,175,030	7,399,190	7,623,350
1.030	Income Tax	0	0	0	0%	0	0	0	0	0
1.035	Unrestricted State Grants-in-Aid	8,251,657	8,459,767	7,630,933	-4%	8,189,440	8,417,550	8,413,540	8,409,490	8,405,390
1.040	Restricted State Grants-in-Aid	948,552	950,737	934,821	-1%	707,740	713,260	718,830	724,460	730,140
1.045	Restricted Federal Grants-in-Aid	0	0	0	0%	0	0	0	0	0
1.050	Property Tax Allocation	6,707,530	6,255,345	5,800,932	-7%	5,355,680	4,952,850	4,543,900	4,060,380	3,576,000
1.060	All Other Revenues	3,423,291	3,003,689	3,413,689	1%	2,485,800	2,490,160	2,512,990	2,536,050	2,559,340
1.070	**Total Revenues**	**52,460,033**	**51,447,507**	**50,994,001**	**-1%**	**50,327,500**	**51,398,500**	**52,009,410**	**51,819,680**	**51,637,470**
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	0	0	0	0%	0	0	0	0	0
2.020	State Emergency Loans and Advancements	0	0	0	0%	0	0	0	0	0
2.040	Operating Transfers-In	0	0	0	0%	110,460	50,000	50,000	50,000	50,000
2.050	Advances-In	2,566,000	1,400,350	3,000,000	34%	4,230,000	1,000,000	1,000,000	1,000,000	1,000,000
2.060	All Other Financing Sources	372,436	260,411	425,792	17%	964,370	2,000	2,000	2,000	2,000
2.070	**Total Other Financing Sources**	**2,938,436**	**1,660,761**	**3,425,792**	**31%**	**5,304,830**	**1,052,000**	**1,052,000**	**1,052,000**	**1,052,000**
2.080	**Total Revenues and Other Financing Sources**	**55,398,469**	**53,108,268**	**54,419,793**	**-1%**	**55,632,330**	**52,450,500**	**53,061,410**	**52,871,680**	**52,689,470**
	Expenditures									
3.010	Personal Services	27,180,300	27,078,764	27,899,348	1%	28,209,570	29,451,930	29,951,680	30,426,130	30,860,050
3.020	Retirement and Insurance Benefits	9,908,415	10,384,418	10,513,627	3%	10,414,370	11,154,140	11,667,930	12,201,030	12,759,020
3.030	Purchased Services	8,000,318	8,322,908	8,534,097	3%	8,654,320	9,924,770	9,908,630	10,145,390	10,388,520
3.040	Supplies and Materials	1,662,719	1,482,795	1,312,076	-11%	1,781,470	2,009,580	1,480,020	1,507,390	1,735,300
3.050	Capital Outlay	741,822	987,998	1,056,579	20%	212,150	5,000	325,000	325,000	325,000
3.060	Intergovernmental	0	0	0	0%	0	0	0	0	0
	Debt Service:				0%					
4.010	Principal-All (Historical Only)	270,767	281,884	293,456	4%	0	0	0	0	0
4.020	Principal-Notes	0	0	0	0%	0	0	0	0	0
4.030	Principal-State Loans	0	0	0	0%	0	0	0	0	0
4.040	Principal-State Advancements	0	0	0	0%	0	0	0	0	0
4.050	Principal-HB 264 Loans	0	0	0	0%	350,500	46,000	47,000	48,000	49,000
4.055	Principal-Other	0	0	0	0%	0	0	0	0	0
4.060	Interest and Fiscal Charges	47,280	36,163	24,591	-28%	23,720	10,110	9,020	7,910	6,770
4.300	Other Objects	792,588	719,026	794,515	1%	796,520	785,280	802,730	826,020	849,990
4.500	**Total Expenditures**	**48,604,209**	**49,293,956**	**50,428,289**	**2%**	**50,442,620**	**53,386,810**	**54,192,010**	**55,486,870**	**56,973,650**
	Other Financing Uses									
5.010	Operating Transfers-Out	966,025	489,655	417,754	-32%	242,330	50,000	50,000	50,000	50,000
5.020	Advances-Out	3,340,350	1,710,000	3,371,000	24%	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
5.030	All Other Financing Uses	0	0	0	0%	100	100	100	100	100
5.040	**Total Other Financing Uses**	**4,306,375**	**2,199,655**	**3,788,754**	**12%**	**1,242,430**	**1,050,100**	**1,050,100**	**1,050,100**	**1,050,100**
5.050	**Total Expenditures and Other Financing Uses**	**52,910,584**	**51,493,611**	**54,217,043**	**1%**	**51,685,050**	**54,436,910**	**55,242,110**	**56,536,970**	**58,023,750**
6.010	**Excess of Revenues & Other Financing Sources over (under) Expenditures & Other Financing Uses**	**2,487,885**	**1,614,657**	**202,750**	**-61%**	**3,947,280**	**(1,986,410)**	**(2,180,700)**	**(3,665,290)**	**(5,334,280)**
7.010	**Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies**	**14,203,378**	**16,691,263**	**18,305,920**	**14%**	**18,508,670**	**22,455,950**	**20,469,540**	**18,288,840**	**14,623,550**
7.020	**Cash Balance June 30**	**16,691,263**	**18,305,920**	**18,508,670**	**5%**	**22,455,950**	**20,469,540**	**18,288,840**	**14,623,550**	**9,289,270**
8.010	Estimated Encumbrances June 30	1,678,040	1,153,981	1,711,783	9%	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000

Bedford City School District
Cuyahoga 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
	Reservation of Fund Balance									
9.010	Textbooks and Instructional Materials	0	0	0	0%	0	0	0	0	0
9.020	Capital Improvements	0	0	0	0%	0	0	0	0	0
9.030	Budget Reserve	0	0	0	0%	0	0	0	0	0
9.040	DPIA	0	0	0	0%	0	0	0	0	0
9.045	Fiscal Stabilization	0	0	0	0%	0	0	0	0	0
9.050	Debt Service	0	0	0	0%	0	0	0	0	0
9.060	Property Tax Advances	0	0	0	0%	0	0	0	0	0
9.070	Bus Purchases	0	0	0	0%	0	0	0	0	0
9.080	Subtotal	0	0	0	0%	0	0	0	0	0
10.010	**Fund Balance June 30 for Certification of Appropriations**	**15,013,223**	**17,151,939**	**16,796,887**	**6%**	**20,955,950**	**18,969,540**	**16,788,840**	**13,123,550**	**7,789,270**
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal	0	0	0	0%	0	0	0	0	0
11.020	Property Tax - Renewal or Replacement	0	0	0	0%	0	0	0	0	0
11.300	***Cumulative Balance of Replacement/Renewal Levies***	***0***	***0***	***0***	***0%***	***0***	***0***	***0***	***0***	***0***
12.010	**Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations**	**15,013,223**	**17,151,939**	**16,796,887**	**6%**	**20,955,950**	**18,969,540**	**16,788,840**	**13,123,550**	**7,789,270**
	Revenue from New Levies									
13.010	Income Tax - New	0	0	0	0%	0	0	0	0	0
13.020	Property Tax - New	0	0	0	0%	0	0	0	0	0
13.030	***Cumulative Balance of New Levies***	***0***	***0***	***0***	***0%***	***0***	***0***	***0***	***0***	***0***
14.010	Revenue from Future State Advancements	0	0	0	0%	0	0	0	0	0
15.010	**Unreserved Fund Balance June 30**	**15,013,223**	**17,151,939**	**16,796,887**	**6%**	**20,955,950**	**18,969,540**	**16,788,840**	**13,123,550**	**7,789,270**
20.010	Kindergarten -ADM count	193	211	213		206	206	206	206	206
20.015	Grades -ADM count	2,942	2,937	2,866		2,829	2,792	2,756	2,720	2,685

Bedford City School District – Cuyahoga County
Notes to the Five Year Forecast
General Fund Only
May 6, 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, supplant salaries, offset additional staff necessary to meet our educational needs, 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 $50,327,500 or 3.07% lower than the November forecasted amount of $51,922,382. This indicates the November forecast was 96.93% 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 54.84% of those reductions thus having a positive impact of $353,101 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 $50,442,620 for FY21 which is below the original estimate of $53,382,818 in the November forecast. The expenditure lines most significantly below projections are Personnel Services (line 3.01) due to lower than anticipated step increases, overtime, and supplemental contract payments and Other Expenses (line 4.3) due to not needing to utilize budgeted contingency funds. This will have a positive effect on the long term forecast.

Unreserved Ending Cash Balance:
With revenues decreasing over estimates and expenditures ending below estimates, our ending unreserved cash balance June 30, 2021 is anticipated to be roughly $21 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 spring 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:

1) 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 is NOT General Fund revenue and consequently not included in this forecast. The current proposed state budget for FY22-23 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.

2) 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 FY22-23 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 is known for FY22 and FY23.

3) HB166, the current state budget that ends June 30, 2021 continues the TPP Fixed Rate Reimbursement phase-out contained in SB208 that will lower the payment each year by the amount raised by five-eights (5/8) of 1 mill based on the 3 year average of Tax Year 14-16 assessed district values. We have estimated that this phase out will continue in our projections until TPP is finally gone in FY28 based on our estimates.

5) The State Budget represents 28.3% 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.

6) Property tax collections is the largest single 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. Total local revenues, which are predominately local taxes, equate to 71.7% of the district's resources. Collection rates for the 1st half 2020 collection, collected in 2021 did not show sharp declines due to increased delinquencies. We believe there is a low risk that local collections would fall below projections in the forecast.

7) Cuyahoga County experienced a full reappraisal in the 2018 tax year to be collected in FY19. The 2018 update increased overall assessed values by $49.9 million or an increase of 8.14%. A reappraisal update will occur in tax year 2021 for collection in FY22. We anticipate value increases for Class I and II property by $26.2 million for an overall increase of 4%. There is however always a minor risk that the district could sustain a reduction in values in the next appraisal update but we do not anticipate that at this time.

8) We are currently analyzing a potential ballot issue for new operating funds. District leadership will continue to prioritize programming and align student needs with expectations of the community. Legislative changes at the State level have continued to shift funding responsibility to the local tax payer.

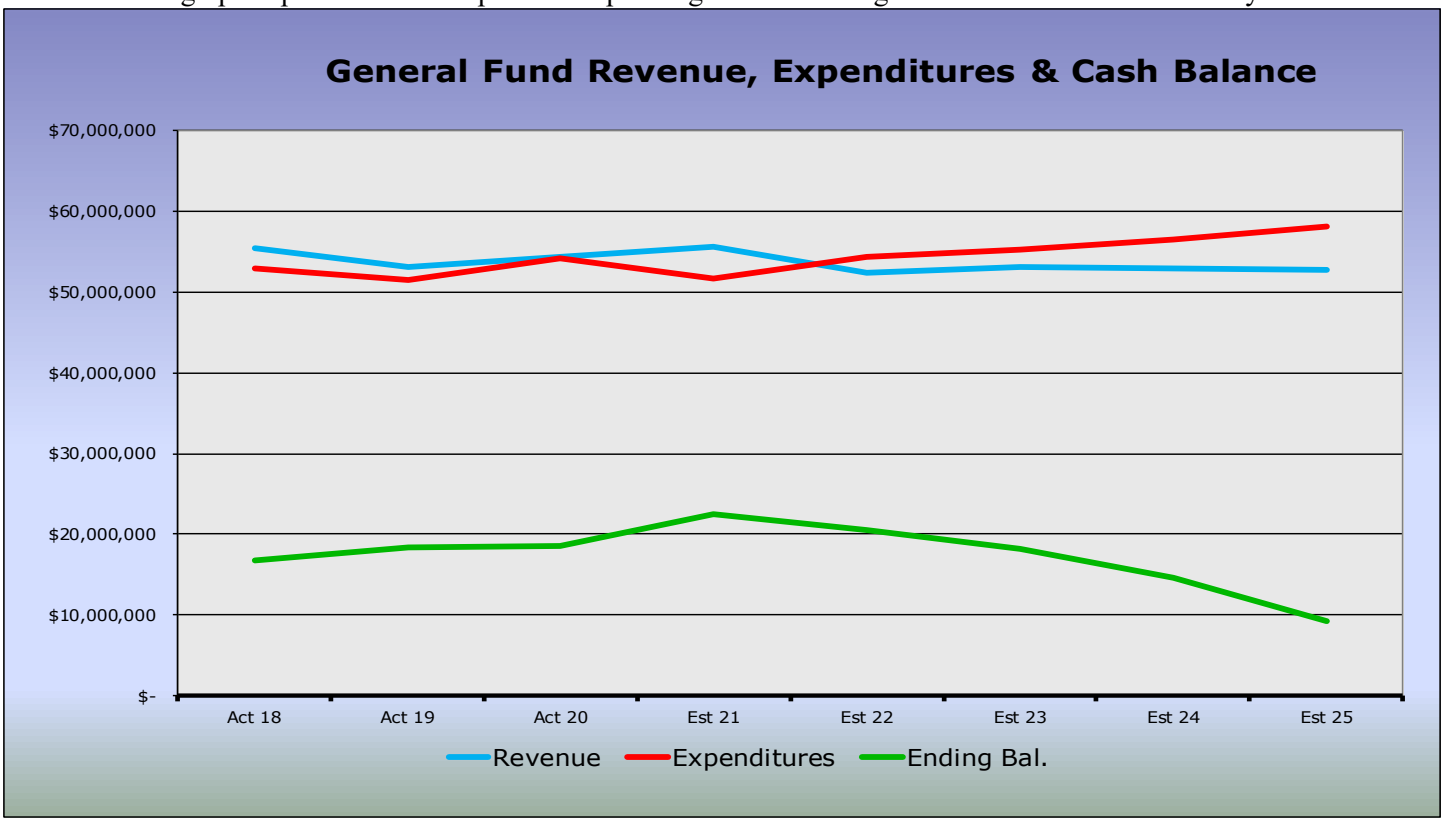
9) HB166 continues the many provisions contained in prior state biennium budgets that will continue to draw funds away from our district through continuing school choice programs such as College Credit Plus, Community Schools and increases in per pupil scholarship amounts deducted from our state aid 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 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 as the proposed new state budget bill Sub. HB110 moves through the legislative process.

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

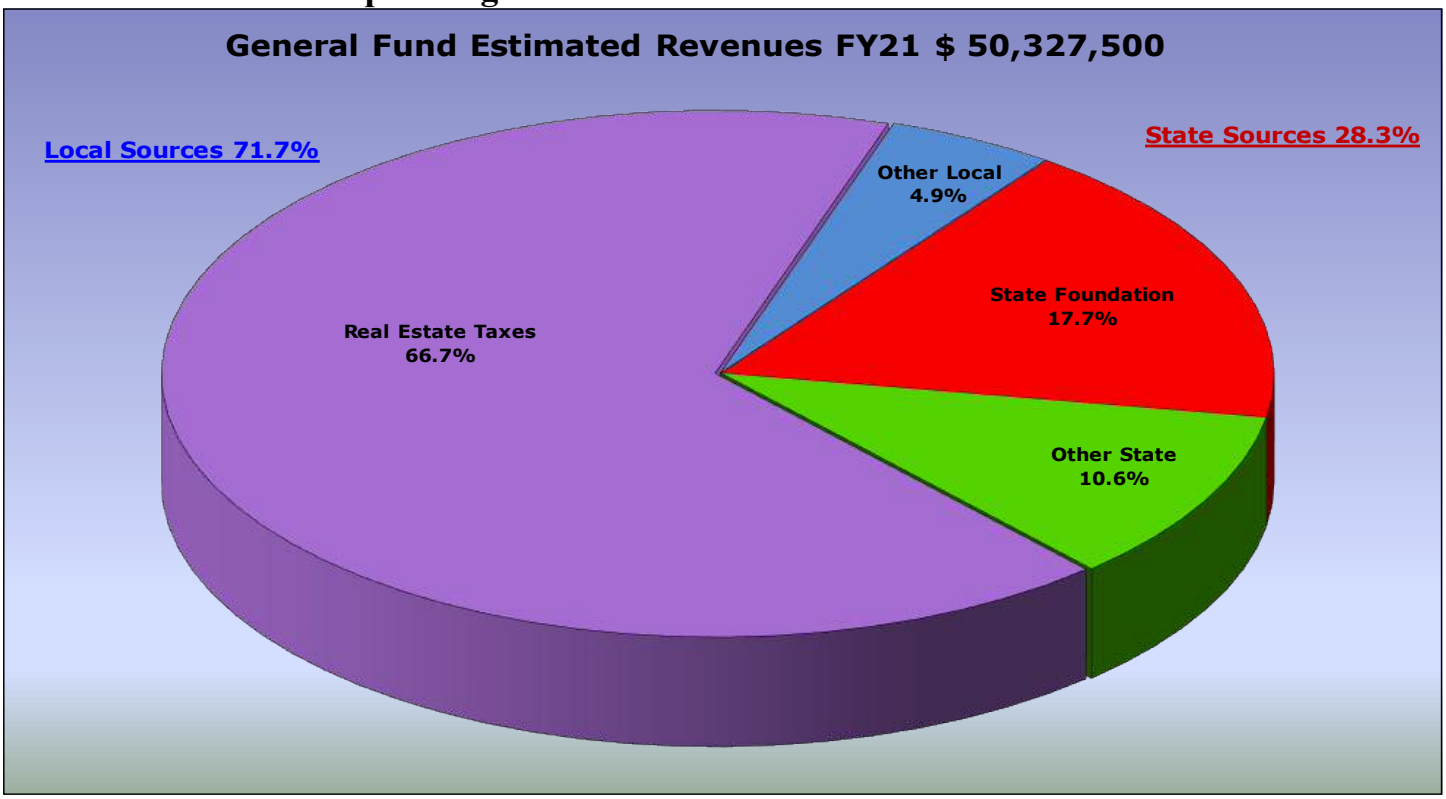
The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information please feel free to contact Mr. Bill Parkinson, Treasurer.

General Fund Revenue, Expenditures and Ending Cash Balance Actual FY18-20 and Estimated FY21-25

The graph captures in one snapshot the operating scenario facing the District over the next few years.



Revenue Assumptions
Operating Revenue Sources General Fund FY21



Real Estate Value Assumptions – Line # 1.010

Property Values are established each year by the County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. Cuyahoga County experienced a reappraisal for the 2018 tax year to be collected in 2019. Residential values increased 8.14%or $49.9 million due to the reappraisal update led by an improving housing market. New construction in residential property was up .05% or $156,590 in assessed value. Commercial/industrial values increased 7.97% or $21,109,780, but increased overall by $16.4 million due to increased Board of Revision and changes to Exempt Property.

A reappraisal update will occur in 2021 for collection in 2022 for which we are estimating a 4% increase in residential and a 4% increase for commercial/industrial property. We anticipate Residential/Agricultural and Commercial/Industrial values to increase $26.2 million or 4% overall.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Actual TAX YEAR2020 COLLECT 2021	Estimated TAX YEAR2021 COLLECT 2022	Estimated TAX YEAR2022 COLLECT 2023	Estimated TAX YEAR2023 COLLECT 2024	Estimated TAX YEAR2024 COLLECT 2025
Res./Ag.	$375,916,160	$391,502,810	$392,052,810	$392,602,810	$397,078,830
Comm./Ind.	279,701,290	291,089,340	291,289,340	291,489,340	291,689,340
Public Utility Personal Property (PUPP)	91,465,520	94,465,520	97,465,520	100,465,520	103,465,520
Total Assessed Value	$747,082,970	$777,057,670	$780,807,670	$784,557,670	$792,233,690

ESTIMATED REAL ESTATE TAX - Line #1.010

Source	FY21	FY22	FY23	FY24	FY25
General Property Taxes	$27,008,300	$27,856,650	$28,645,120	$28,690,110	$28,743,250

Estimated Real Estate Tax Collection

Property tax levies are estimated to be collected at 96% of the annual amount. This allows 4% delinquency factor. Lower collection rates predicted due to the COVID-19 pandemic and economic slowdown did not occur as advised by the County Auditor. In general, 55% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 45% collected in the August tax settlement. Public Utility tax settlements (PUPP taxes) are estimated to be received 52% in February and 48% in August settlement from the County Auditor and are noted in Line #1.02 totals below.

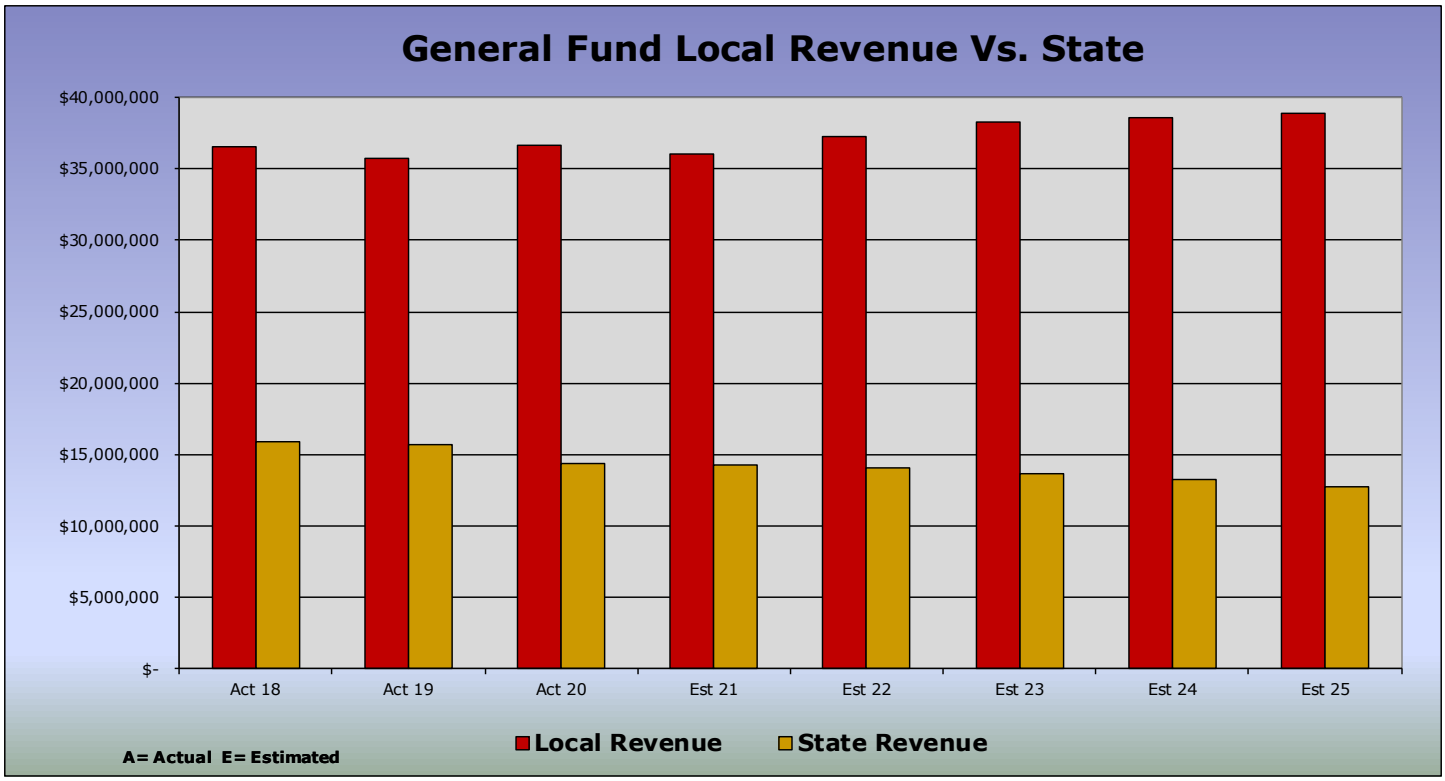
New Tax Levies – Line #13.030

The district is not forecasting new levies at this time.

Estimated Public Utility Personal Tax – Line#1.020

Amounts noted below are public utility tangible personal property (PUPP) tax payments from public utilities. The values for PUPP are noted on the table above under Public Utility (PUPP), which were $91.5 million in assessed values in 2020 and are collected at the district's gross voted millage rate. Collections are typically 52% in February and 48% in August along with the real estate settlements from the county auditor. The values in 2020 increased by 1.01% or $7,365,980, and are expected to grow by $3 million each year of the forecast.

Source	FY21	FY22	FY23	FY24	FY25
Public Utility Personal Property (Line#1.020)	$6,580,540	$6,968,030	$7,175,030	$7,399,190	$7,623,350
Total Line # 1.020	$6,580,540	$6,968,030	$7,175,030	$7,399,190	$7,623,350



State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045

Current State Funding Model Per HB166 Through June 30, 2021

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 may 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 Reduction and HB164 for FY20

In FY20 the Governor ordered a reduction of state foundation funding by $300.5 million to be reduced from districts bi-monthly payments by the end of June 2020. The reductions were made using an equalized per-pupil approach which resulted in districts with less local capacity to raise revenue to receive smaller percentage decreases. The state-share index that was last calculated in FY19 was used to apportion the FY20 ordered reduction to traditional public-school districts.

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 $643,830 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 $862,969 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 Sub. HB110.

At this time our district is spending money in our General Fund that is servicing student needs as identified in 3317.26 (B) which we will recode to Fund 467, but we will also add some new initiatives out of Fund 467 according to our approved plan. The General Fund reflects the reduction of these expenses for FY20 and FY21, and since Sub. HB110 provides that these funds will continue in FY22 and FY23 at FY21 levels at a minimum, we have left these expenses in Fund 467 for the remainder of the forecast.

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. Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% GCR that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31st of January and August each year which began for the first time on January 31, 2013.

Due to the COVID-19 pandemic, casinos were closed from March 12, to June 18, 2020. We are reducing the amount of funding in FY21 by 22.9% 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.

Source	FY21	FY22	FY23	FY24	FY25
Basic Aid-Unrestricted	$7,283,470	$7,568,680	$7,563,110	$7,557,480	$7,551,800
Other Adjustments	142,620	142,620	142,620	142,620	142,620
Additional Aid Items	408,760	408,760	408,760	408,760	408,760
Basic Aid-Unrestricted Subtotal	$7,834,850	$8,120,060	$8,114,490	$8,108,860	$8,103,180
Catestrophic & Medicaid Reimbursement	230,850	138,570	138,570	138,570	138,570
Ohio Casino Commission ODT	123,740	158,920	160,480	162,060	163,640
Total Unrestricted State Aid Line # 1.035	$8,189,440	$8,417,550	$8,413,540	$8,409,490	$8,405,390

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.

Source	FY21	FY22	FY23	FY24	FY25
Economically Disadvantaged Aid	$551,590	$557,110	$562,680	$568,310	$573,990
Career Tech - Restricted & Catastrophic	156,150	156,150	156,150	156,150	156,150
Total Restricted State Revenues Line #1.040	$707,740	$713,260	$718,830	$724,460	$730,140

C) Restricted Federal Grants in Aid – line #1.045

No federal unrestricted grants are projected FY21-25.

Summary of State Foundation Revenues	FY21	FY22	FY23	FY24	FY25
Unrestricted Line # 1.035	$8,189,440	$8,417,550	$8,413,540	$8,409,490	$8,405,390
Restricted Line # 1.040	707,740	713,260	718,830	724,460	730,140
Rest. Fed. Grants - SFSF & Ed Jobs Line #1.045	0	0	0	0	0
Total State Foundation Revenue	$8,897,180	$9,130,810	$9,132,370	$9,133,950	$9,135,530

State Taxes Reimbursement/Property Tax Allocation
Rollback and Homestead Reimbursement
Rollback funds are reimbursements paid to the district from Ohio for tax credits given owner occupied residences equaling 12.5% of the gross property taxes charged residential taxpayers on tax levies passed prior to September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013 which is the effective date of HB59. HB66, the FY06-07 budget bill, previously eliminated 10% rollback on Class II (commercial and industrial) property.

Homestead Exemptions are credits paid to the district from the state of Ohio for qualified elderly and disabled. In 2007, HB119 expanded the Homestead Exemption for all seniors 65 years of age or older or who are disabled regardless of income. Effective September 29, 2013, HB59 changed the requirement for Homestead Exemptions. Individual taxpayers who do not currently have their Homestead Exemption approved or those who do not get a new application approved for tax year 2013, and who become eligible thereafter will only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who 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 generally reduce homestead reimbursements to the district over time, and as with the rollback reimbursements above, the state is increasing the tax burden on our local taxpayers.

b) Tangible Personal Property Reimbursements – Fixed Rate
State budget bill HB153 slashed these reimbursements to our district after FY12, reducing our state revenue each year starting in FY13. HB64, the FY16 -17 state budget, reinstituted the phase out of TPP reimbursements to districts beginning in FY16, which included a TPP Supplement Payment for some districts. We were not eligible for TPP Supplemental Payments as our state foundation aid grew by enough to offset the loss in TPP.

Beginning in FY18, SB 208 amended HB64 and became effective February 15, 2016. SB 208 provides that beginning in FY18, the TPP Fixed Rate funding will be phased out at 5/8ths (62.5%) of what 1 mill would raise in local taxes on the three (3) year average of TY14-16 assessed values. Based on our calculations, we will receive TPP Phase out payments FY21 through FY26. We project with the new phase-out calculation that TPP Fixed Rate reimbursements will be fully phased out for our district in 2028.

c) Tangible Personal Property Reimbursements – Fixed Sum
The district does not receive fixed sum reimbursements.

Summary of State Tax Reimbursement – Line #1.050

Source	FY21	FY22	FY23	FY24	FY25
Rollback and Homestead	$2,392,920	$2,409,110	$2,419,350	$2,423,830	$2,429,800
b) TPP Reimbursement - Fixed Rate	2,962,921	2,543,736	2,124,552	1,636,547	1,146,199
c) TPP Reimbursement - Fixed Sum	(160)	0	0	0	0
Total Tax Reimb./Prop. Tax Allocations #1.050	$5,355,680	$4,952,850	$4,543,900	$4,060,380	$3,576,000

Other Local Revenues – Line #1.060
All other local revenue encompasses any type of revenue that does not fit into the above lines. The main sources of revenue in this area are open enrollment, tuition from the State, interest, Medicaid reimbursements, and general rental fees. Beginning in FY21 interest is expected to decline due to fed rate reductions which will impact our earning capability in this area. Pay to participate fees and rentals are expected to be lower due to COVID-19 restrictions and lower participation. All other revenues are expected to continue on historic trends this line also includes Bureau of Workers Compensation (BWC) dividend payments to reduce the reserves held by BWC. In FY20 the district received $361,042 for Policy Year 2017 and 2018 from the BWC and received $182,852 dividend payment in October 2020 for Policy Year 2019. Due to the uncertainty of these distributions in the future, any amounts received in the current FY will not be anticipated in the following FY. This accounts for the decrease that appears in FY22. The district previously coded Manufactured Home settlements for the county Auditor in this section. It should be noted that this will now be reflected in line #1.01 of the forecast. In FY20 this collection was $41,509. This area also saw decreases in FY21, when compared to the November forecast, due to reductions in anticipated Excess Cost and tuition revenues.

Source	FY21	FY22	FY23	FY24	FY25
Tuitions	$1,993,900	$1,993,900	$2,013,840	$2,033,980	$2,054,320
Interest	50,000	50,000	50,000	50,000	50,000
Rentals, Student Fees, Preschool & Misc.	284,940	289,300	292,190	295,110	298,060
TIF Payments	156,960	156,960	156,960	156,960	156,960
Total Other Local Revenue Line #1.060	$2,485,800	$2,490,160	$2,512,990	$2,536,050	$2,559,340

Short-Term Borrowing – Lines #2.010 & Line #2.020
Short term borrowing is not projected in this forecast.

Transfers In / Return of Advances – Line #2.040 & Line #2.050
Transfers are made to cover negative fund balances or to establish reserve accounts. At this time the district is not anticipating Transfers out of the General Fund. Advances are non-operating revenues which are the repayment of short term loans to other funds over the previous fiscal year and reimbursements for expenses received for a previous fiscal year in the current fiscal year. The advances out in the precious FY are planned to be repaid in following FY21-25. This line will decrease FY22-25 due to reduced advances at fiscal year-end.

Source	FY21	FY22	FY23	FY24	FY25
Transfers In - Line 2.040	$110,460	$50,000	$50,000	$50,000	$50,000
Advance Returns - Line 2.050	4,230,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Transfer & Advances In	$4,340,460	$1,050,000	$1,050,000	$1,050,000	$1,050,000

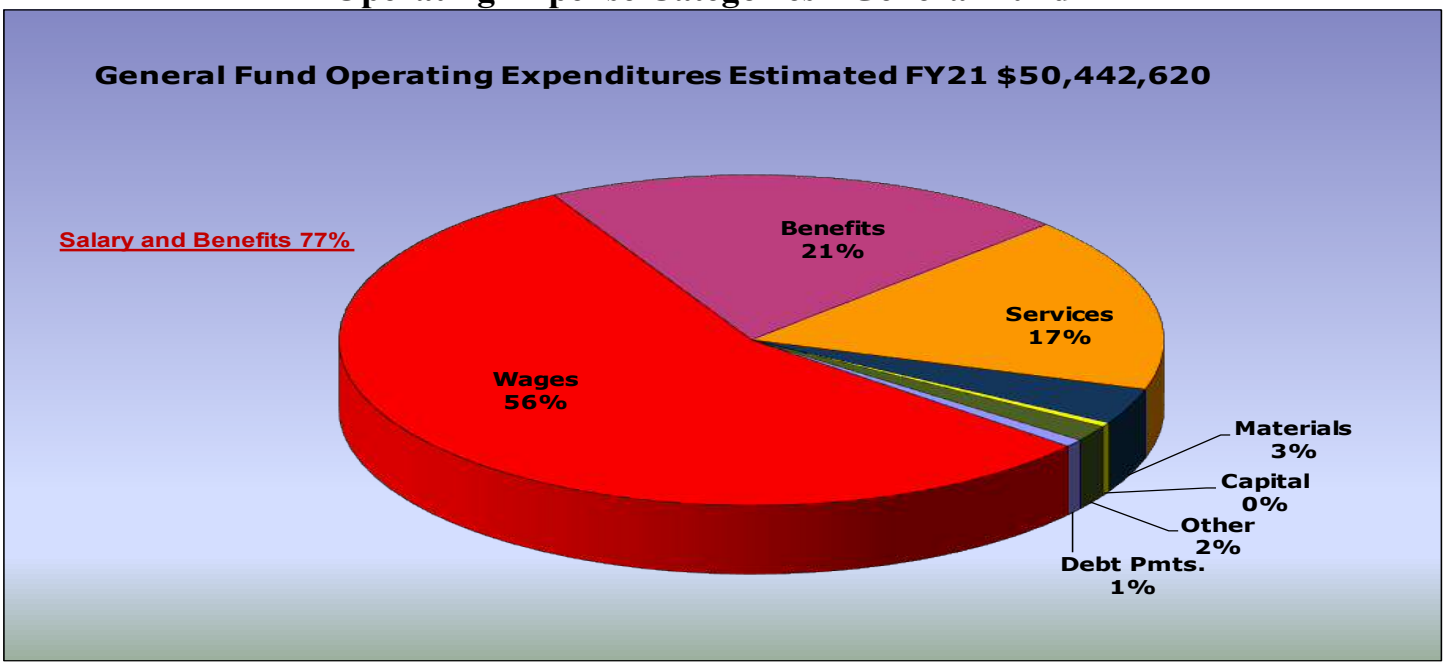
All Other Financial Sources – Line #2.060
This funding source is typically a refund of prior year expenditures and sales of assets which is very unpredictable.

Source	FY21	FY22	FY23	FY24	FY25
Sale of Personal Property	$980	$1,000	$1,000	$1,000	$1,000
Refund of prior years expenditures	963,390	1,000	1,000	1,000	1,000
Total Other Financing Sources Line #2.060	$964,370	$2,000	$2,000	$2,000	$2,000

Expenditures Assumptions

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

All Operating Expense Categories - General Fund FY21



Wages – Line #3.010

Negotiations with bargaining unit members resulted in an agreement to include base increases of 2% for FY20 including step increases. This was extended an additional two years to include base increases of 2% for FY21 and 2% for FY22, while insurance waiver stipends and Severance has been estimated at $273,950 for FY21, and $782,460 in FY22. This is anticipated to decrease FY23-25. The current Certified and Classified contracts are set to expire at the end of FY22 contract year. Negotiations for FY23-25 will begin in the spring of 2022. The forecast as presented reflects a 0% base increase for planning purposes only at this time.

Source	FY21	FY22	FY23	FY24	FY25
Base Wages	$26,004,050	$27,304,250	$28,669,470	$29,529,550	$30,415,440
Increases	520,080	546,090	0	0	0
All Staff - Steps and Training	780,120	819,130	860,080	885,890	912,460
Substitutes	240,840	0	0	0	0
Supplementals	390,530	0	0	0	0
Severance/Insurance Opt Out	273,950	782,460	422,130	10,690	(467,850)
Total Wages Line 3.010	$28,209,570	$29,451,930	$29,951,680	$30,426,130	$30,860,050

Fringe Benefits Estimates

This area of the forecast captures all costs associated with benefits and retirement costs. These payments along with healthcare costs are included in the table below.

A) STRS/SERS will increase as Wages Increase

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 district is required to pay SERS Surcharge which is an additional employer charge based on the salaries of lower-paid members, which is exclusively used to fund health care.

B) Insurance

At this time we are estimating an increase of 5% for FY21-25 which reflects trend and the likely increase in health care costs as a result of actual claims incurred. This is based on our current employee census and claims data. The current contract states that any increase of more than 5% in healthcare will result in plan design changes to reduce the cost by 5%. If the Insurance Committee cannot come to consensus then they must take the recommendation of the healthcare committee consultant.

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 (aka "Cadillac Tax"), the Health Insurance Industry Fee (aka the Health Insurer Tax), and the Medical Device Tax. These added costs are no longer an uncertainty factor for our health care costs in the forecast.

C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to be about .64% of wages FY21-25. Unemployment is expected to remain at a very low level FY21-25. However, in FY21 the district is seeing an increase due to qualification rules if employees held other positions outside of the district. We are anticipating this to be a one-time increase due to the shutdowns in the spring of 2020 from COVID-19. The district is a direct reimbursement employer, which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment.

D) Medicare

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

Summary of Fringe Benefits – Line #3.020

Source	FY21	FY22	FY23	FY24	FY25
A) STRS/SERS	$4,384,030	$4,510,420	$4,645,730	$4,785,100	$4,928,660
B) Insurance's	5,308,970	5,776,420	6,272,240	6,797,850	7,354,740
C) Workers Comp/Unemployment	183,650	191,660	194,880	197,940	200,740
D) Medicare	409,040	427,060	434,300	441,190	447,470
Other Adjustments	128,680	248,580	120,780	(21,050)	(172,590)
Total Fringe Benefits Line #3.020	$10,414,370	$11,154,140	$11,667,930	$12,201,030	$12,759,020

Purchased Services – Line #3.030

Open enrollment, community schools and other tuition costs continue to draw funds away from the district, which are major expenditures in this area and have been adjusted based on historical trend. In FY21, open enrollment deductions decreased slightly, but are expected to grow moderately due to slower growth of students leaving our district and smaller increases in per pupil scholarship from the state which will flow through our funding formula to these schools. FY21 is seeing a large increase to the Community School payments due to students electing to enroll in virtual options during the pandemic. It is assumed this will continue through the forecasted period.

Source	FY21	FY22	FY23	FY24	FY25
410 - Professional Services	$1,472,000	$1,047,850	$1,068,810	$1,090,190	$1,111,990
420 - Property Services	1,260,180	1,033,460	1,054,130	1,075,210	1,096,710
430 - Travel & Meeting	68,700	98,700	65,000	65,000	65,000
440 - Communications	267,120	260,400	265,610	270,920	276,340
450 - Utilities	1,122,200	1,055,850	1,078,450	1,101,530	1,125,100
460 - Contracted Services	165,230	203,860	207,940	212,100	216,340
470 - Tuition Payments	5,469,230	5,234,650	5,391,690	5,553,440	5,720,040
480 - Transportation Services	123,930	490,000	277,000	277,000	277,000
490 - Other Services	52,000	0	0	0	0
Other Adjustments	(1,346,270)	0	0	0	0
Contingency	0	500,000	500,000	500,000	500,000
Total Purchased Services Line #3.030	$8,654,320	$9,924,770	$9,908,630	$10,145,390	$10,388,520

Supplies and Materials – Line #3.040

Expenses which are characterized by curricular supplies, testing supplies, copy paper, maintenance and custodial supplies, materials, and bus fuel.

Source	FY21	FY22	FY23	FY24	FY25
510 - General Supplies	$713,990	$605,740	$550,790	$561,810	$573,050
520 - Textbooks	467,010	294,100	100,000	100,000	300,000
530 - Library Supplies	13,190	37,500	11,000	11,000	11,000
540 - Newspapers & Periodicals	4,370	1,440	2,000	2,040	2,080
550 - Resale	1,120	0	0	0	0
560 - Student Snacks	680	1,000	1,000	1,000	1,000
570 - Maintenance & Repair	657,630	700,000	490,000	499,800	509,800
580 - Vehicle Maintenance	323,340	340,000	310,350	316,560	322,890
590 - Other Supplies and Materials	66,270	29,800	14,880	15,180	15,480
Other Adjustments	(466,130)	0	0	0	0
Total Supplies Line #3.040	$1,781,470	$2,009,580	$1,480,020	$1,507,390	$1,735,300

Equipment – Line # 3.050

The District does not anticipate costs increasing significantly in this line because most capital outlay is paid by the Permanent Improvement Fund. This line is utilized for purchases of technology, equipment, buses, and vehicles

Source	FY21	FY22	FY23	FY24	FY25
630 - Improvements	$15,000	$0	$0	$0	$0
640 - Equipment	158,020	5,000	75,000	75,000	75,000
650 - Vehicles	0	0	100,000	100,000	100,000
660 - School Buses	50,960	0	150,000	150,000	150,000
Adjustments	(11,830)	0	0	0	0
Total Equipment Line #3.050	$212,150	$5,000	$325,000	$325,000	$325,000

Principal and Interest Payment – Lines # 4.05 and 4.06

This section is made up of payments for HB264 debt payments. Chanel Limited Tax General Obligation (LTGO) debt will make a final payment in FY21 which causes the decrease in FY22. Remaining payments are on the HB264 note.

Source	FY21	FY22	FY23	FY24	FY25
HB 264 Principal Line # 4.050	$350,500	$46,000	$47,000	$48,000	$49,000
Source	FY21	FY22	FY23	FY24	FY25
Interest HB 264 Total Line #4.060	$23,720	$10,110	$9,020	$7,910	$6,770

Other Expenses – Line #4.300

This category of expenses is primarily fees to the county auditors and treasurers for collecting property taxes. The other expense category is several small expenses with the largest being district liability insurance and dues and fees to organization such as OSBA.

Source	FY21	FY22	FY23	FY24	FY25
840 - Dues and Fees	725,170	703,600	724,710	746,450	768,840
850 - Insurance	67,450	76,000	77,520	79,070	80,650
870 - Taxes and Assessments	2,000	680	500	500	500
880 - Awards and Prizes	1,900	0	0	0	0
890 - Other + Adjustments	0	5,000	0	0	0
Total Other Expenses Line #4.300	$796,520	$785,280	$802,730	$826,020	$849,990

Transfers Out/Advances Out – Line# 5.010

This account group covers fund to fund transfer and end of year short term loans or advances from the General Fund to other funds until they have received reimbursements and can repay the General Fund. Advanced funds are anticipated to be paid back in full in the next fiscal year.

Source	FY21	FY22	FY23	FY24	FY25
Operating Transfers Out Line #5.010	$242,330	$50,000	$50,000	$50,000	$50,000
Advances Out Line #5.020	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Transfer & Advances Out	$1,242,330	$1,050,000	$1,050,000	$1,050,000	$1,050,000

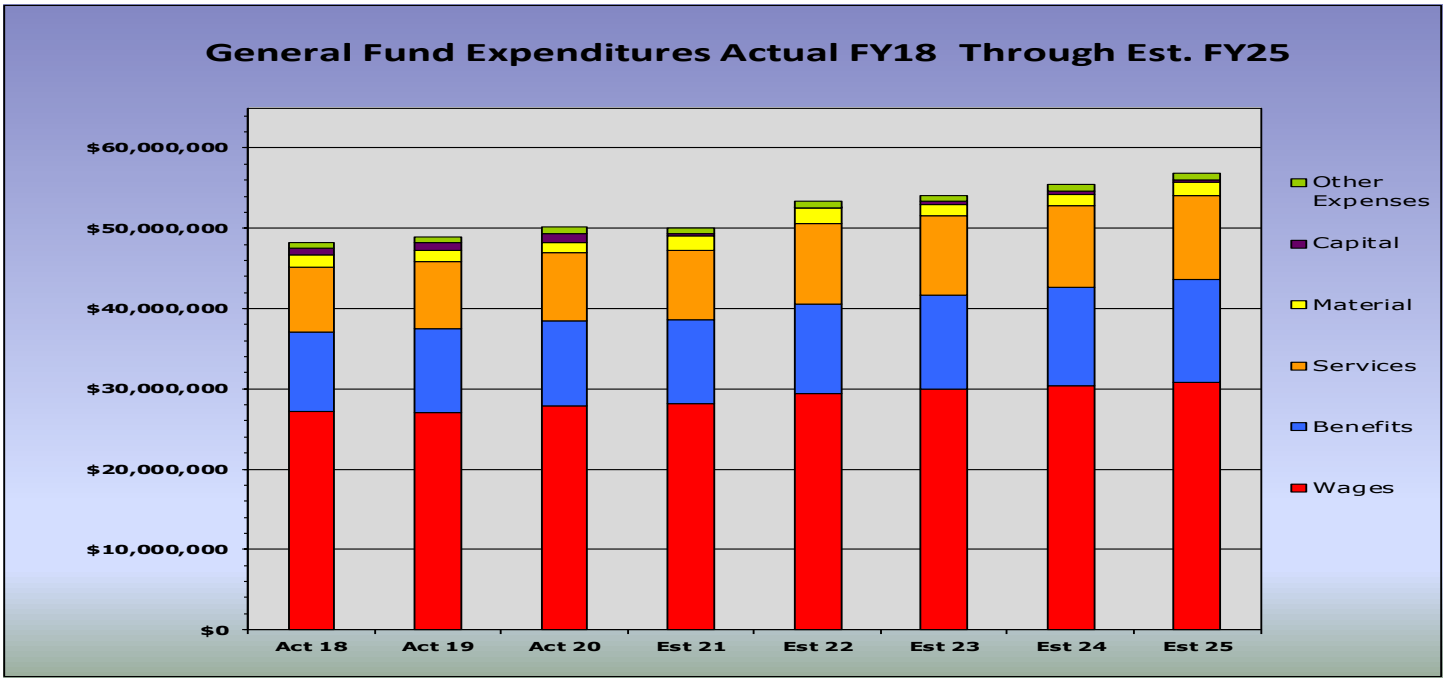
Encumbrances –Line#8.010

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.

	FY21	FY22	FY23	FY24	FY25
Estimated Encumbrances	$1,500,000	$1,500,000	$1,500,000	$1,500,000	$1,500,000

Operating Expenditures Actual FY18 through FY20 and Estimated FY21-25

As the graph on the following page indicates, we have been diligent at reducing costs in reaction to lower and flat state revenues in the past. We are maintaining control over our expenses while balancing student academic needs to enable them to excel and do well on state performance standards.



Ending Unencumbered Cash Balance – Line#15.010

This amount must not go below $0 or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of $10,000. It is recommended by the GFOA and other authoritative sources that a district maintains a minimum of thirty (30) day cash balance, which is about $4.2 million for our district.

	FY21	FY22	FY23	FY24	FY25
Ending Unencumbered Cash Balance	$20,955,950	$18,969,540	$16,788,840	$13,123,550	$7,789,270

True Cash Days Ending Balance

Another way to look at ending cash is to state it in 'True Cash Days". In other words, how many days could the district operate at year end if no additional revenues were received. This is the Current Years Ending Cash Balance divided by (Current Years Expenditures/365 days) = number of days the district could operate without additional resources or a severe resource interruption. The government finance officers association recommends no less than two (2) months or 60 days cash is on hand at year end but could be more depending on each districts complexity and risk factors for revenue collection. This is calculated including transfers as this is a predictable funding source for other funds such as capital, athletics and severance reserves.

