Hudson City School District
Five Year Forecast & Assumptions

November, 2019

Phillip D. Butto IV, Chief Financial Officer

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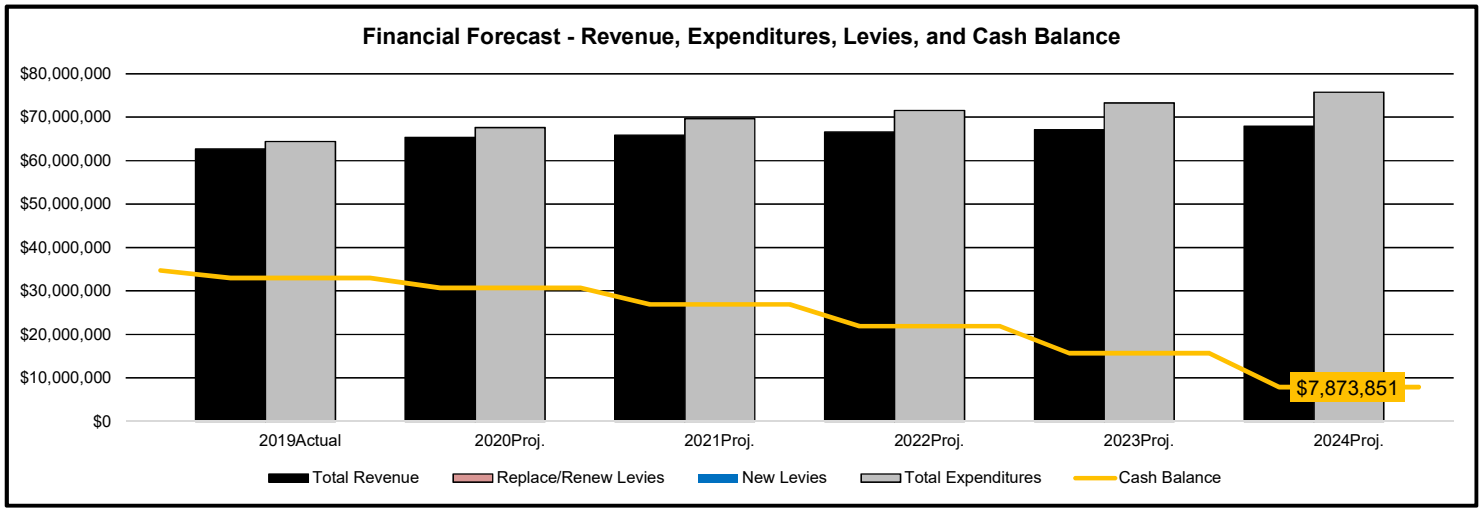
Forecast Purpose/Objectives

Ohio Department of Education's purposes/objectives for the five-year forecast are:

1. To engage the local board of education and the community in the long range planning and discussions of financial issues facing the school district.
2. To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate."
3. To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems.

Forecast Methodology - This forecast is prepared based upon historical trends and current factors. This information is then extrapolated into estimates for subsequent years. The forecast variables can change multiple times throughout the fiscal year and while cash flow monitoring helps to identify unexpected variances no process is guaranteed. The intent is to provide the district's financial trend over time and a roadmap for decisions aimed at encouraging financial sustainability and stability.

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HUDSON CITY SCHOOL DISTRICT - - SUMMIT COUNTY

Financial Forecast	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Beginning Balance	32,984,748	30,679,829	26,906,715	21,905,011	15,702,587
+ Revenue	65,339,386	65,888,244	66,553,153	67,124,170	67,923,639
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(67,644,305)	(69,661,357)	(71,554,857)	(73,326,594)	(75,752,375)
= Revenue Surplus or Deficit	(2,304,919)	(3,773,113)	(5,001,704)	(6,202,424)	(7,828,736)
Ending Balance with renewal levies Note: Not Reduced for Encumbrances	30,679,829	26,906,715	21,905,011	15,702,587	7,873,851

Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	(2,304,919)	(3,773,113)	(5,001,704)	(6,202,424)	(7,828,736)
Ending Balance w/o Levies	30,679,829	26,906,715	21,905,011	15,702,587	7,873,851

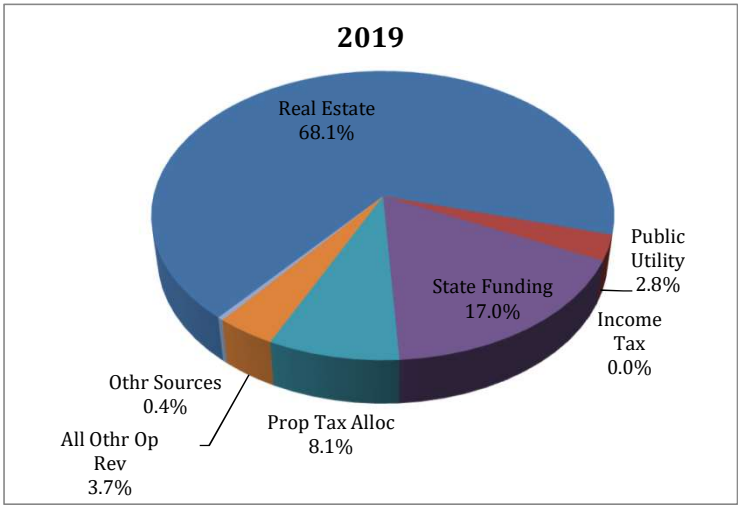
Executive Summary:

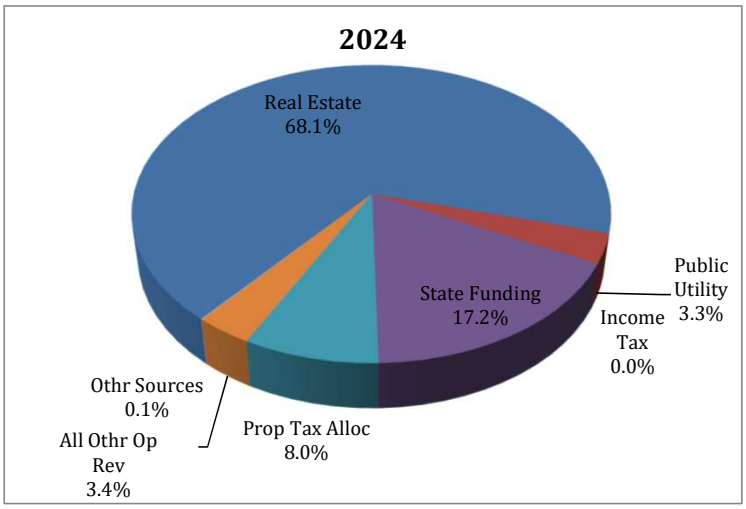
As a tool, the five year forecast provides a financial "barometer" that highlights pressures and trends that need to be addressed by a district based on a given set of assumptions. These assumptions change over time. Because of this it may be necessary to update the forecast in between official submissions if a particular assumption has a material affect on decision making . The following assumptions for each line item were developed based on best financial data available as of October 18, 2019. As shown in the summary above, operatine expednitures are projected to exceed operating revenues beginning in the current fislcal year. This operating deficit trend is projected to continue and compound throughout the forecast period through FY2024. While the district's General Fund cash reserve is currently very healthy, consistent operating deficits will significantly degrade that balance. Action by the district will need to be taken in the form of both a reexamination of district expenditures and a future operating levy.

As we look on to Fiscal Year 2021 and beyond, the district will continue to monitor its financial position, looking for opportunities to more efficiently utilize resources, and reduce expenditures in an effort reduce its operating deficit and preserve its cash position.

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Revenue Sources and Forecast Year-Over-Year Projected Overview





**Projected % trends include renewal levies*

	Prev. 5-Year Avg. Annual Change	PROJECTED Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	5-Year Avg. Annual Change
Revenue:							
1.010-Real Estate	1.26%	4.08%	1.22%	1.20%	0.99%	1.32%	1.76%
1.020-Public Utility	24.46%	23.08%	4.63%	5.00%	5.00%	5.00%	8.54%
1.030-Income Tax	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.035-State Funding	0.45%	6.23%	0.17%	0.01%	0.01%	0.01%	1.29%
1.040-Restricted Aid	139.62%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.045-Restr Federal SFSF	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.050-Property Tax Alloc	-5.31%	0.79%	1.14%	1.14%	0.88%	1.27%	1.04%
1.060-All Other Operating	6.36%	-1.16%	-1.16%	-1.15%	-1.15%	1.05%	-0.71%
1.070-Total Revenue	0.97%	4.40%	1.04%	1.01%	0.86%	1.19%	1.70%
2.070-Total Other Sources	71.87%	-20.66%	-67.91%	0.00%	0.00%	0.00%	-17.71%
2.080-Total w/Other Srcs	1.00%	4.30%	0.84%	1.01%	0.86%	1.19%	1.64%

Revenue Summary:

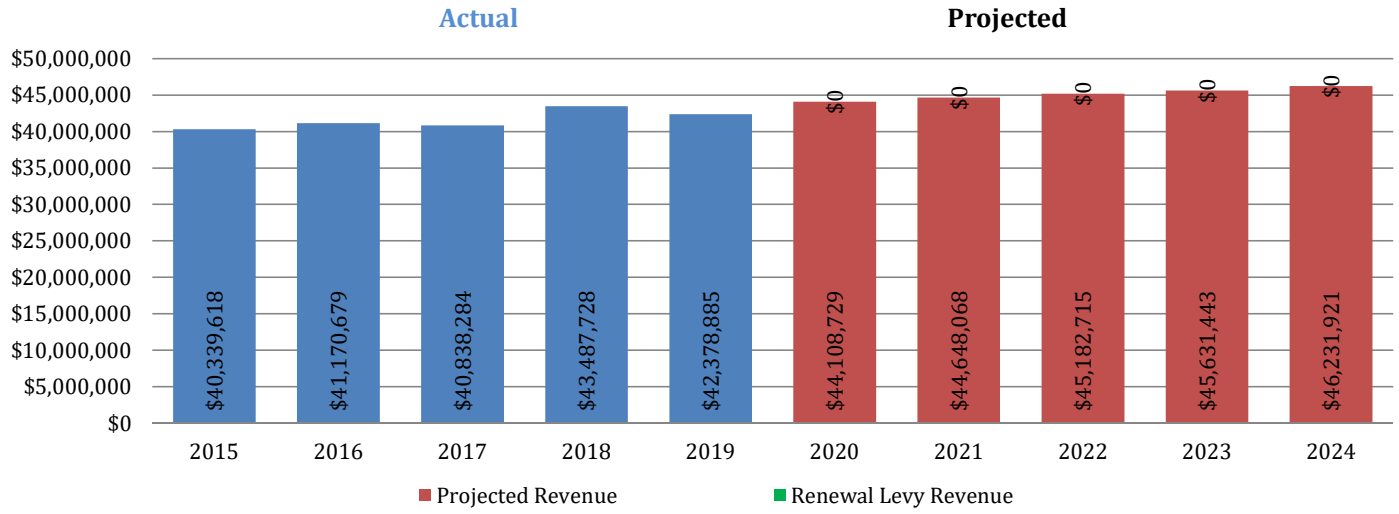
The district's largest revenue source, real estate, is expected to grow at an average annual rate of just 1.76%. While property values do increase the district's real estate revenue does not increase accordingly due to the reduction of tax rates by HB 920.

Overall revenue is projected to grow just 1.64% annually through 2024 while expenditure growth is projected to be 3.30% annually. Please see the individual revenue notes for the detailed assumptions on each revenue category.

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1.010 - General Property Tax (Real Estate)

Revenue collected from taxes levied by a school district by the assessed valuation of real property using effective tax rates for class I (residential/agricultural) and class II (business).



		FORECASTED				
	2019	2020	2021	2022	2023	2024
Total With Renewal Levies	42,378,885	44,108,729	44,648,068	45,182,715	45,631,443	46,231,921
YOY $ Change	(1,108,844)	1,729,844	539,339	534,647	448,728	600,478
YOY % Change	-2.5%	4.1%	1.2%	1.2%	1.0%	1.3%

Percentage of Total Revenue	67.6%	67.5%	67.8%	67.9%	68.0%	68.1%

Values, Tax Rates and Gross Collections							Gross Collection Rate
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	Including Delinquencies
2018	1,089,291,000	11,945,020	42.17	0.05	62.18	(0.42)	99.3%
2019	1,099,441,032	10,150,032	42.23	0.06	61.72	(0.46)	100.4%
2020	1,164,118,612	64,677,580	40.26	(1.97)	60.87	(0.85)	100.4%
2021	1,174,950,309	10,831,697	40.31	0.06	60.42	(0.45)	100.4%
2022	1,185,897,247	10,946,937	40.37	0.06	59.98	(0.45)	100.4%
2023	1,281,533,279	95,636,032	37.72	(2.65)	58.88	(1.09)	100.4%

1.010 General Property Taxes (Real Estate):

A. New Construction – Valuation increases from Class I/Class II new construction have averaged 1%/2% over the last four years. We are not expecting this to change significantly in the coming years. We will assume a .9%(Class I)/1.37% (Class II) increase in new construction each year. Collection rates continue to remain high with an overall collection rate of 98%.

B. Reappraisal/Update – With the 2017 Triennial Update property values are looking very healthy. Reappraisal of property in 2020 is currently projected at 5.5% (Residential) and 1.5% (Commercial) based on historical figures.

Real estate tax revenue comprised 67.5% of the district's revenue in 2020. Tax rates and property values are its key components. Residential values increased by $104,143,210 or 12.9% in tax year 2017 due to the Summit county auditor Triennial Update. At the same time, residential tax rates declined 4.85 mills from 46.97 to 42.12. The reduction in millage is due to House Bill 920 which limits inflationary growth in real estate revenue from inflationary valuation increases. The district's last new levy was for 4.9 mills and began generating revenue in 2012. Currently, no new levies are modeled in this forecast.

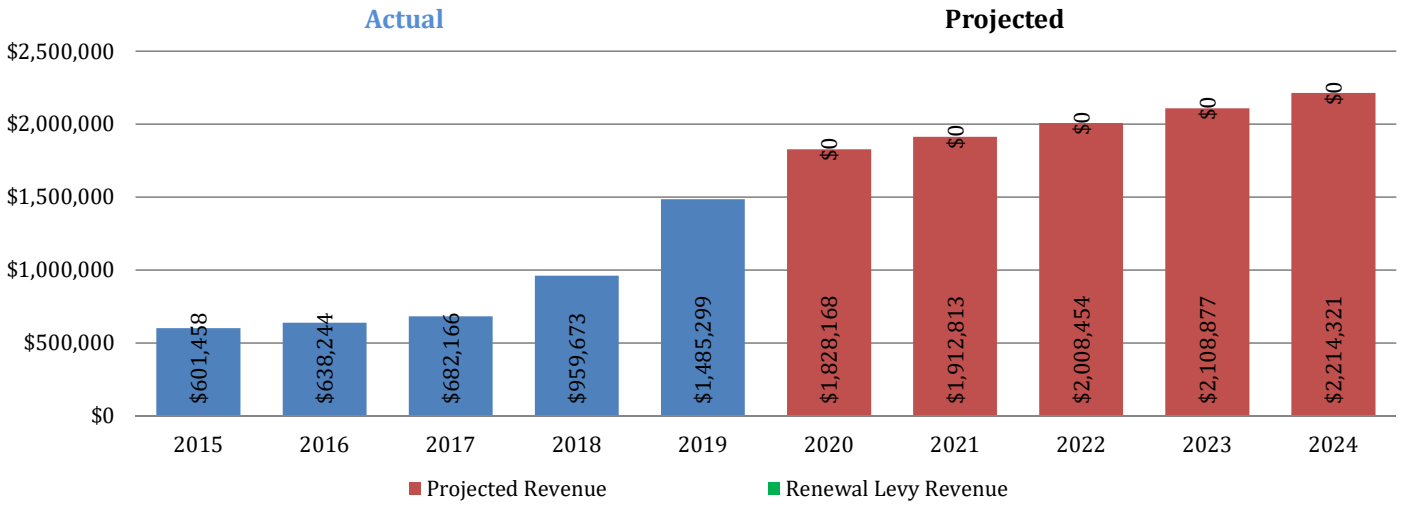
Note: Due to federal law changes, the spring / fall collection split was significantly altered in 2018. While the collection rate was consistent with prior years the timing of when those collections caused the early collection of property taxes in FY2018.

**Projected % trends include renewal levies*

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1.020 - Public Utility Personal Property

Revenue generated from public utility personal property valuations multiplied by the district's full voted tax rate.



		FORECASTED				
	2019	2020	2021	2022	2023	2024
Total With Renewal Levies	1,485,299	1,828,168	1,912,813	2,008,454	2,108,877	2,214,321
YOY $ Change	525,626	342,869	84,645	95,641	100,423	105,444
YOY % Change	54.8%	23.1%	4.6%	5.0%	5.0%	5.0%
Percentage of Total Revenue	2.4%	2.8%	2.9%	3.0%	3.1%	3.3%

Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2018	20,598,140	6,984,380	86.93	-	100.0%
2019	21,467,382	869,242	86.93	-	100.0%
2020	22,540,751	1,073,369	86.93	-	100.0%
2021	23,667,788	1,127,038	86.93	-	100.0%
2022	24,851,178	1,183,389	86.93	-	100.0%
2023	26,093,736	1,242,559	86.93	-	100.0%

1.020 Public Utility Personal Property Taxes:

In 2020, Public utility property (gas lines, power grids, etc.) generated 2.8% of the district's revenue. The valuation is taxed at the district's full voted tax rate which is 86.93 mills ($8.63 per $1,000 of assessed valuation). Public Utility values grew by $5.1 million in 2017 and $6.9 million in 2018. This growth contributed to a significant increase in PUPP revenue between 2017 and 2020.
Currently, we know that part of this growth is due to infrastructure investments by first energy and local utilities. Values in 2019 grew at a lower 4.22% indicating a pull back from previous year's growth rates. For this reason we are projecting the growth rate to be at 5%, which is more in line with recent trends occurring in neighboring districts.

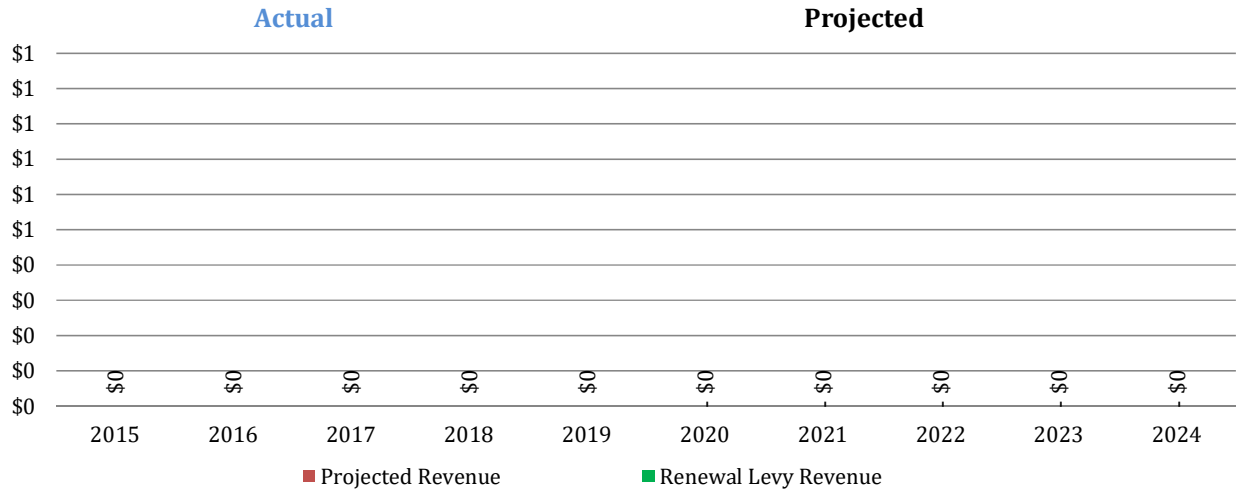
Personal Tangible Taxes - Tangible personal property was completely phased out in tax year 2010. The revenue lost due to phasing out the tax was reimbursed by the Department of Education at 100% through FY11. With HB 64, the 2015-16 biennial budget, the Governor made it clear he was not going to support this tax and opted to shift this tax burden from businesses to residential taxpayers. The state reimbursement of this tax (which amounts to $401,000 in FY17 and appears on line 1.050) is now completely phased out.

**Projected % trends include renewal levies*

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1.030 - Income Tax

Revenue collected from income tax earmarked specifically to support schools with a voter approved tax by residents of the school district; separate from federal, state and municipal income taxes.



		FORECASTED				
	2019	2020	2021	2022	2023	2024
Total	-	-	-	-	-	-
YOY $ Change	-	-	-	-	-	-
YOY % Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

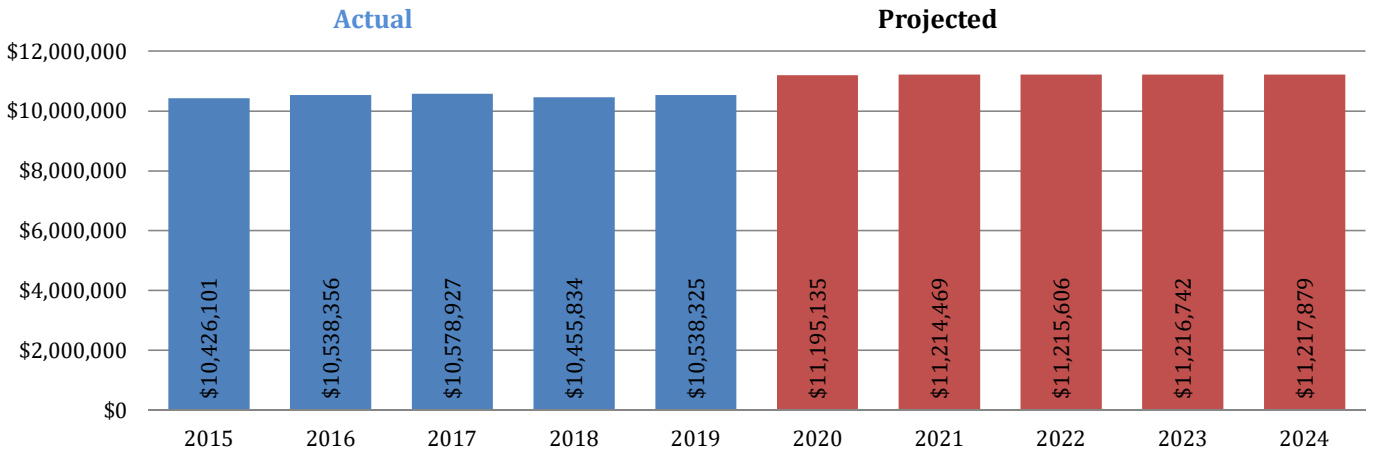
NOTE: The district does not collect an income tax

**Projected % trends include renewal levies*

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1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



		FORECASTED				
	2019	2020	2021	2022	2023	2024
Total	Total	11,195,135	11,214,469	11,215,606	11,216,742	11,217,879
YOY $ Change	82,491	656,810	19,334	1,137	1,137	1,137
YOY % Change	0.8%	6.2%	0.2%	0.0%	0.0%	0.0%
Percentage of Total Revenue	16.8%	17.1%	17.0%	16.9%	16.7%	16.5%
Base Aid	10,705,154	10,705,154	10,705,154	10,705,154	10,705,154	10,705,154
Student Wellness Aid		124,138	181,403	182,280	183,156	184,033
Supplemental Aid - Wellness & Growing		36,394	54,591	54,591	54,591	54,591
Enrollment	4,477	4,503	4,525	4,546	4,568	4,590

1.035 Unrestricted/Restricted Grants-in-Aid:

Currently, there is no working state funding formula in this fiscal year. All districts in the state are operating under the same funding received under the previous formula. Under that formula, Hudson was considered a "Guarantee" district. "Guarantee" districts receive a supplement ($1,984,000 for Hudson) to hold them harmless from the declines in funding that would normally happen under the working state funding formula. Due to the fact that Hudson has been on the "Guarantee" for a number of years and will likely continue to be on the Guarantee, state funding is projected at about $11 million annually. This formula amount, supported by the Guarantee, represents 17% of the district's total operating revenue. The State is currently considering a new funding formula under HB 305. Projections under this new formula have the district receiving a slight increase in revenue. Long term funding implications are not yet known. This legislation is not factored in the forecast.

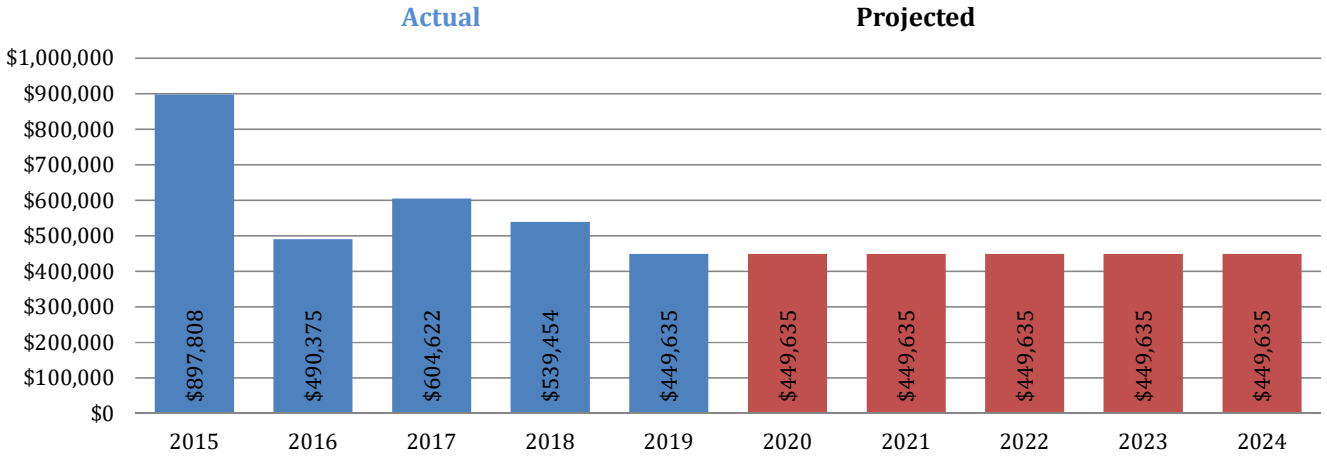
In the 2020/2021 biennium, the state provided all districts with limited additional funding the in the form of Safety & Wellness Funding. Hudson will receive approximately $124,000 in FY 2020 and $181,000 in FY 2021 and beyond. These funds are accounted for in Fund 467, outside of the General Fund and this forecast.

This line item also includes casino revenue which is estimated to be about $52.00 per student in 2019 the amount in 2018 was $49.50 per student and $49.79 per student in 2017.

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1.040 & 1.045 - Restricted Grants-in-Aid

Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



		FORECASTED				
	2019	2020	2021	2022	2023	2024
Total	449,635	449,635	449,635	449,635	449,635	449,635
YOY $ Change	(89,819)	(0)	-	-	-	-
YOY % Change	-16.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Revenue	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%

1.040 Restricted Grants-In-Aid:

Restricted grants included in this category are:

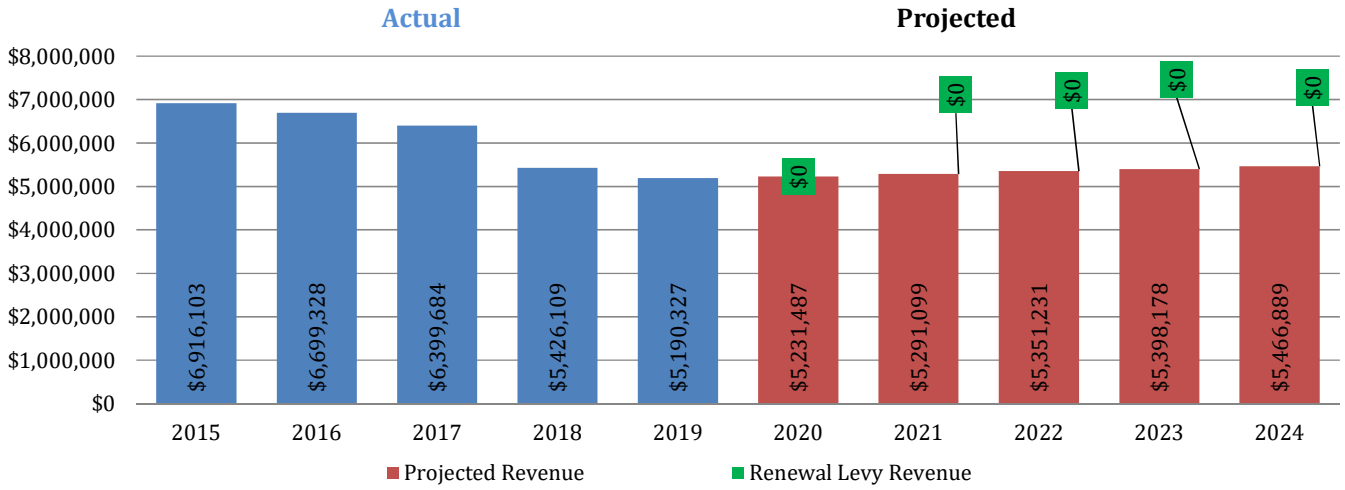
A. Catastrophic Aid: Supplemental funding for special education students. with high expenditure handicaps. Catastrophic aide totaled $511,432 for FY2018 and $330,682 for FY2019. We expect this amount to fluctuate year to year depending on special education enrollment and level of service. Conservatively we are projecting this to be $330,000 annually.

B. Career tech funding – funding for students attending career technical eligible programs within the district.

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1.050 - Property Tax Allocation

Includes funds received for Tangible Personal Property Tax Reimbursement, Electric Deregulation, Homestead and Rollback.



		FORECASTED				
	2019	2020	2021	2022	2023	2024
Total With Renewal Levies	5,190,327	5,231,487	5,291,099	5,351,231	5,398,178	5,466,889
YOY $ Change	(235,782)	41,160	59,612	60,132	46,947	68,711
YOY % Change	-4.3%	0.8%	1.1%	1.1%	0.9%	1.3%
Percentage of Total Revenue	8.3%	8.0%	8.0%	8.0%	8.0%	8.0%
% of Residential Real Estate 10% Rollback	9.99%	9.99%	9.99%	9.99%	9.99%	9.99%
% of Residential Real Estate 2.5% Rollback	2.23%	2.23%	2.23%	2.23%	2.23%	2.23%
% of Residential Real Estate Homestead	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%

1.050 Property Tax Allocation:

A. Homestead & Roll back – This represents the states reimbursement to school districts for the 12.5% owner/occupied and Homestead tax credits tax breaks given to tax payers at the local level. Even though these funds are received from the state, they are calculated as local property taxes and, in essence, represent local effort. Homestead and Rollback makes up 8.3% of total district revenue. The state legislated that future levies would not include the 12.5% owner/occupied tax credit, this will increase the local taxpayer cost of any future levies that are passed.

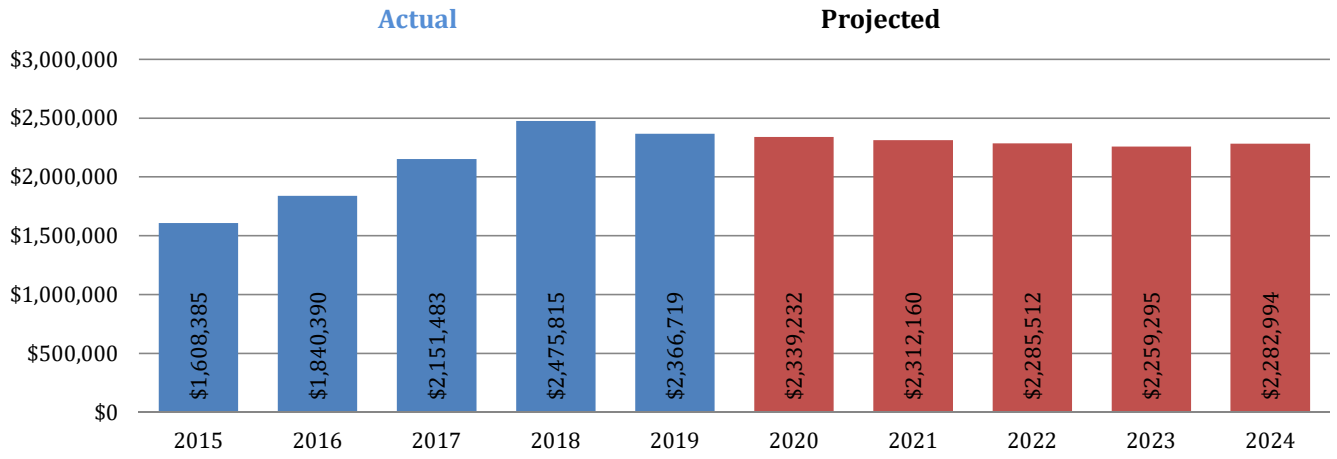
B. Personal Tangible Phase Out Reimbursements – Direct reimbursements from the state for the phase out of personal tangible taxes (a business tax) were recorded here in prior years. Total personal tangible funding, $4.1 million, was completely eliminated by the state from FY11 to FY 18 as noted on line 1.02. The elimination of this tax has resulted in a shifting of the tax burden from businesses to residents.
In 2015, the district also received $1,828,367 in tangible personal property (TPP) reimbursement for Ohio's 2005 tax reform which removed this local source of taxation and replaced it with a reimbursement. The personal tangible tax and reimbursement was $4,085,069 in 2011, and has been reduced to a final payment of $265,650 in FY 2018. There is no TPP reimbursement in 2019 and beyond which explains the decrease reflected in the bar chart.

**Projected % trends include renewal levies*

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1.060 - All Other Operating Revenues

Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.



		FORECASTED				
	2019	2020	2021	2022	2023	2024
Total	2,366,719	2,339,232	2,312,160	2,285,512	2,259,295	2,282,994
YOY $ Change	(109,096)	(27,487)	(27,072)	(26,648)	(26,217)	23,699
YOY % Change	-4.4%	-1.2%	-1.2%	-1.2%	-1.1%	1.0%
Percentage of Total Revenue	3.8%	3.6%	3.5%	3.4%	3.4%	3.4%

1.060 All Other Revenue:

All other revenue was 3.8% of the district's total 2019 operating revenue and is comprised of tuition payments, extracurricular and classroom fees, interest income, etc. Kindergarten tuition is the largest single tuition source of revenue.

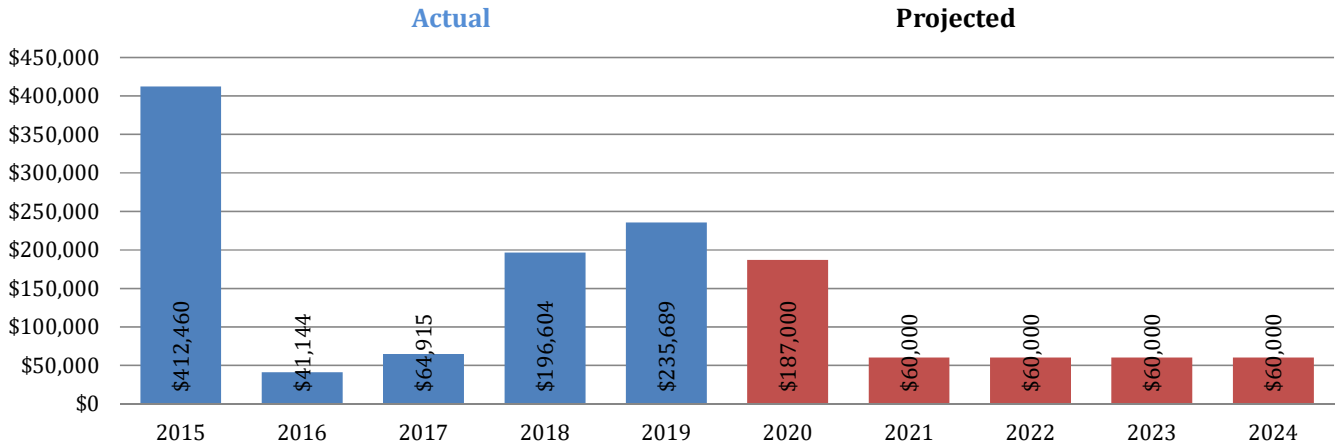
Revenue increased in 2017 and 2018 because of an increase in interest income and also tuition revenue. We expect interest income to be significantly reduced in FY 2020 and beyond.

The district's payment-in-lieu-of-taxes (PILOT) revenue is projected to decline from 2018's $658,751 to $458,751 in 2019. The PILOT payments are projected to grow 1.5% per year in 2020 through 2023.

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2.070 - Total Other Financing Sources

Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.



		FORECASTED				
	2019	2020	2021	2022	2023	2024
Total	235,689	187,000	60,000	60,000	60,000	60,000
YOY $ Change	39,084	(48,689)	(127,000)	-	-	-
YOY % Change	19.9%	-20.7%	-67.9%	0.0%	0.0%	0.0%
Percentage of Total Revenue	0.4%	0.3%	0.1%	0.1%	0.1%	0.1%
Transfers In	-	-	-	-	-	-
Advances In	-	-	-	-	-	-

2.070 Total Other Financing Sources:

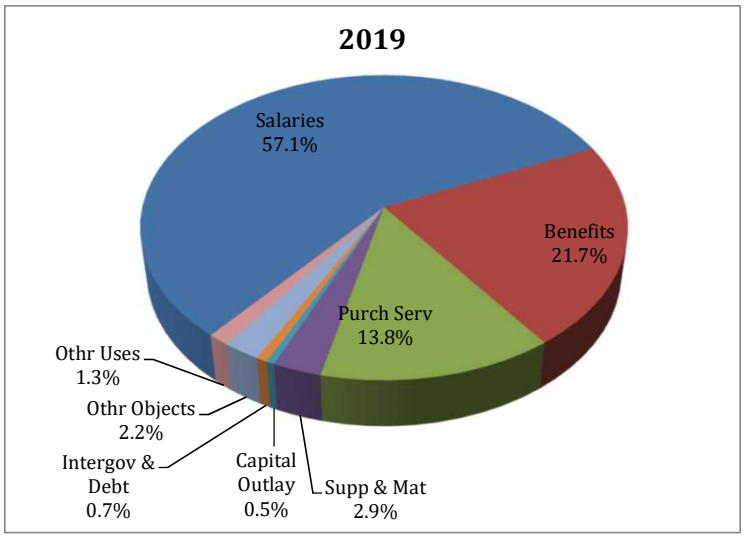
Items included here can represent amounts refunded from a prior year such as Medicaid funding, Retirement system refunds or BWC refunds.

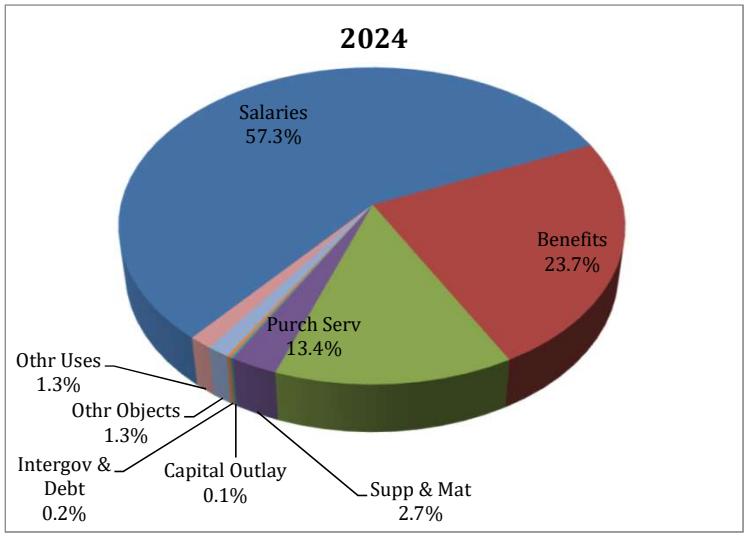
The district received a Bureau of Workers' Compensation (BWC) refund of premium amounting to $174,452 in 2018 and $165,000 in 2019. There is no continuation of this revenue in the forecast beyond FY20, but the BWC can recommend future refunds based on reserves.

The forecast includes a conservative placeholder amount of $60,000 based on historical trends.

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Expenditure Categories and Forecast Year-Over-Year Projected Overview





	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	
Expenditures:							
3.010-Salaries	2.05%	4.13%	3.25%	3.24%	3.15%	3.03%	3.36%
3.020-Benefits	4.29%	9.34%	4.11%	4.12%	4.13%	4.12%	5.16%
3.030-Purchased Services	3.37%	9.63%	1.13%	1.14%	1.15%	1.16%	2.84%
3.040-Supplies & Materials	0.44%	8.84%	0.25%	0.25%	0.25%	0.25%	1.97%
3.050-Capital Outlay	40.25%	-71.42%	6.01%	5.81%	5.63%	5.46%	-9.70%
3.060-Intergov	n/a	-100.00%	n/a	n/a	n/a	n/a	-100.00%
4.010-4.060-Debt	-0.03%	-1.38%	0.81%	-0.50%	-57.28%	0.00%	-11.67%
4.300-Other Objects	8.45%	-38.81%	2.69%	2.69%	2.69%	2.15%	-5.72%
4.500-Total Expenditures	2.74%	4.83%	3.03%	3.03%	2.66%	2.94%	3.30%
5.040-Total Other Uses	310.91%	21.73%	0.00%	-18.35%	-13.15%	41.02%	6.25%
5.050-Total w/Other Uses	2.99%	5.05%	2.98%	2.72%	2.48%	3.31%	3.31%

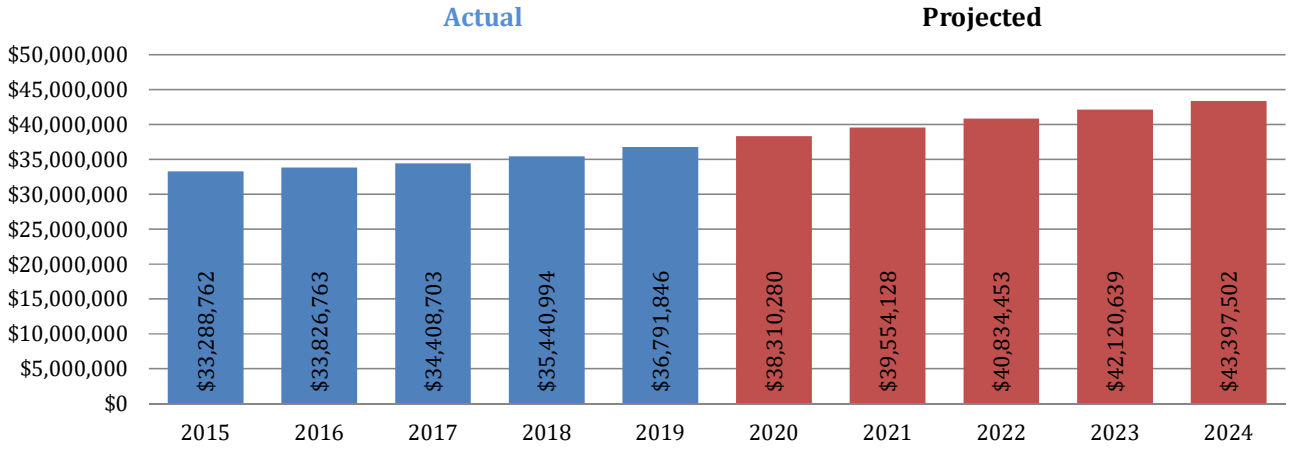
Expenditure Summary:

The cost of providing services to students is expected to grow at an average annual rate of 3.31% through 2023. Salaries and benefit comprise about 80% of the district's overall budget. The cost of health insurance for employees is projected to grow at an average annual rate of 8% in 2020 and 6.0% per year thereafter. Combined with salary driven benefit cost (retirement) the benefits category is projected to grow 4.1% annually on average through 2024.

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3.010 - Personnel Services

Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.



		FORECASTED				
	2019	2020	2021	2022	2023	2024
Total	36,791,846	38,310,280	39,554,128	40,834,453	42,120,639	43,397,502
YOY $ Change	1,350,852	1,518,434	1,243,848	1,280,325	1,286,186	1,276,863
YOY % Change	3.8%	4.1%	3.2%	3.2%	3.1%	3.0%
Percentage of Total Budget	57.1%	56.6%	56.8%	57.1%	57.4%	57.3%

3.01 Personal Services:

A. Fiscal Year 2020: The amounts for salaries and benefits are based on existing negotiated agreements through FY20. Fiscal Year 2021-24: Salaries will depend on the next negotiated agreement that will cover the period of FY21-23. A placeholder base increase factor of 2% is included in fiscal years 2021 to 2024.

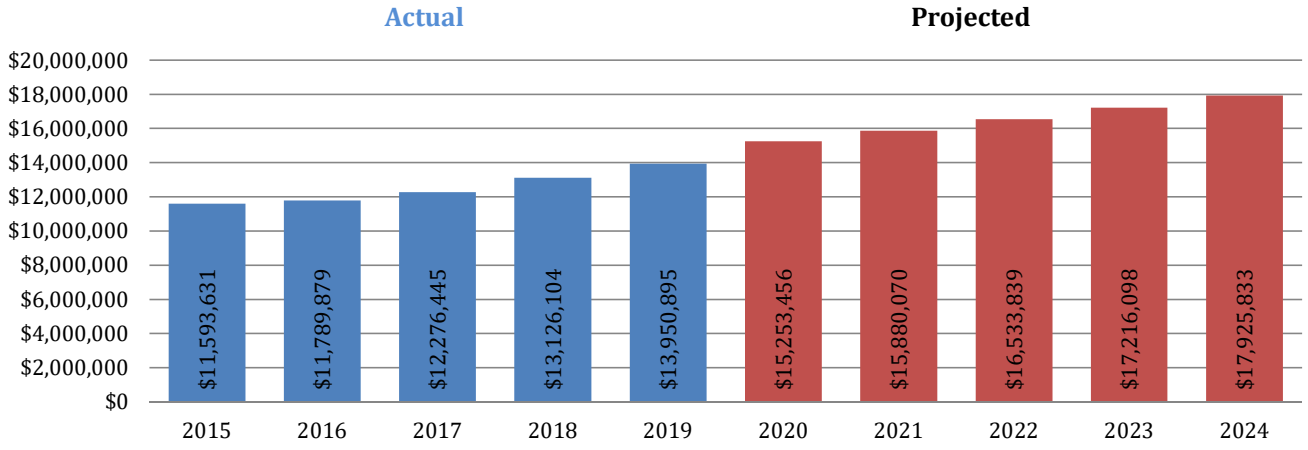
B. Step increases are projected through the forecast period at the following rates: FY21: 2.01% FY22: 1.83% FY23: 1.71% FY24: 1.55%

C. Retirements in recent years resulted in a significant decrease in salaries and benefits. Future retirements will be projected for savings as we receive retirement confirmations through the year. Over the last three years there were an average of 7 retirements per year. This average was used as a retirement assumption through the forecast period with savings forecasted for lower cost replacement teachers. We also assumed one new additional teaching position per year due to recent enrollment increase trends.

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3.020 - Employees' Benefits

Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.



		FORECASTED				
	2019	2020	2021	2022	2023	2024
Total	13,950,895	15,253,456	15,880,070	16,533,839	17,216,098	17,925,833
YOY $ Change	824,791	1,302,561	626,614	653,769	682,259	709,735
YOY % Change	6.3%	9.3%	4.1%	4.1%	4.1%	4.1%

Percentage of Total Budget	21.7%	22.5%	22.8%	23.1%	23.5%	23.7%

3.020 Employee Retirement & Benefits:

A. Employee benefits for retirement and Medicare are driven by salaries. Changes in salaries will be proportionately reflected in these salary driven benefits.

B. Workers compensation costs are showing some signs of decline as the districts workers compensation discount rate has improved slightly. Workers Comp refunds issued by the state are recognized as revenue.

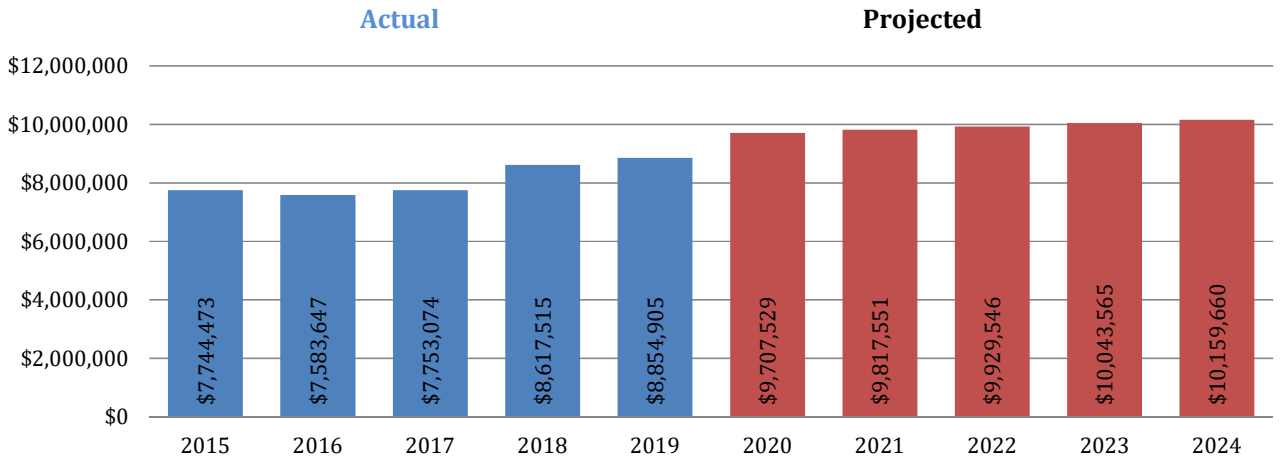
C. Health Insurance: A little over one-fifth of the district's operating budget is spent on fringe benefits. Health insurance is about half of the total fringe benefits cost. The district is self-insured. The district's self-insurance reserve fund has taken a hit over the last two years due to increasing claims. The districts insurance committee recommended increases of 9% on January 1, 2019 and 8.0% on January 1, 2020. Insurance increases for projected years are forecasted at 6% per year. Historical district insurance trends show increases between 4 and 5%.

D. Retirements: See 3.01. The district may see some additional retirements in the next few years that could produce savings.

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3.030 - Purchased Services

Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, and other services which the school district may purchase.



		FORECASTED				
	2019	2020	2021	2022	2023	2024
Total	8,854,905	9,707,529	9,817,551	9,929,546	10,043,565	10,159,660
YOY $ Change	237,390	852,624	110,022	111,995	114,019	116,095
YOY % Change	2.8%	9.6%	1.1%	1.1%	1.1%	1.2%

Percentage of Total Budget	13.8%	14.4%	14.1%	13.9%	13.7%	13.4%

3.030 Purchased Services:

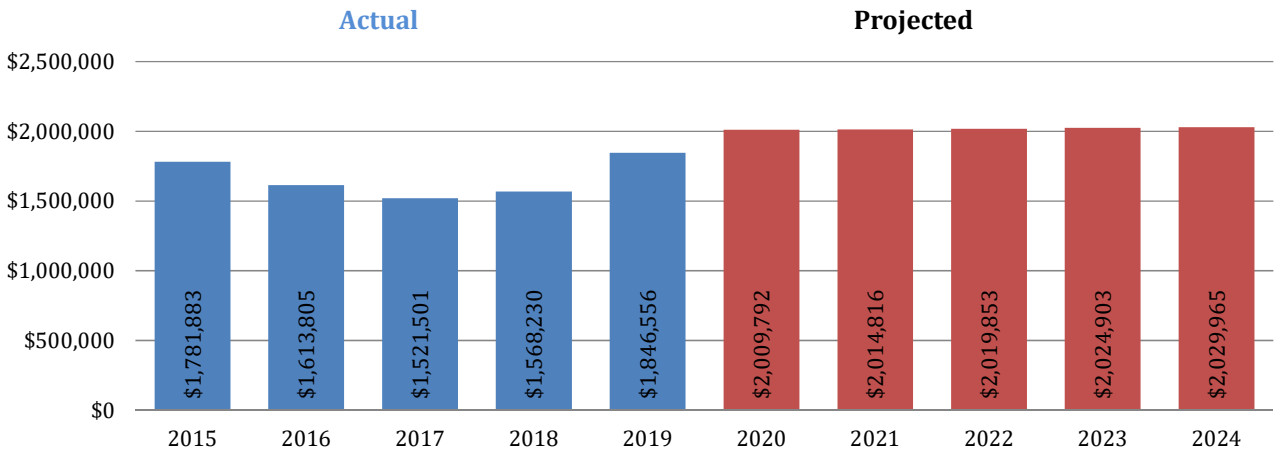
Purchased services comprise about 14.4% of the district's budget and is comprised of expenditures for services such as student tuition, utilities, transportation, and professional services. Transportation cost is the single largest component of the purchased services category. Tuition paid out has increased dramatically in recent years. In addition, a material and significant expense for the district are special education contracted services. These special education tuition expenses are extremely volatile and can vary greatly from one year to the next depending on enrollment fluctuations and the change in services needed. This line item also includes utilities and other such expenses that are more difficult to control.

Projections are based on input from the building principals and supervisors as well as historical patterns. Inflationary increases are built in at 2.6%.

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3.040 - Supplies & Materials

Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



		FORECASTED				
	2019	2020	2021	2022	2023	2024
Total	1,846,556	2,009,792	2,014,816	2,019,853	2,024,903	2,029,965
YOY $ Change	278,326	163,236	5,024	5,037	5,050	5,062
YOY % Change	17.7%	8.8%	0.2%	0.2%	0.3%	0.2%

Percentage of Total Budget	2.9%	3.0%	2.9%	2.8%	2.8%	2.7%

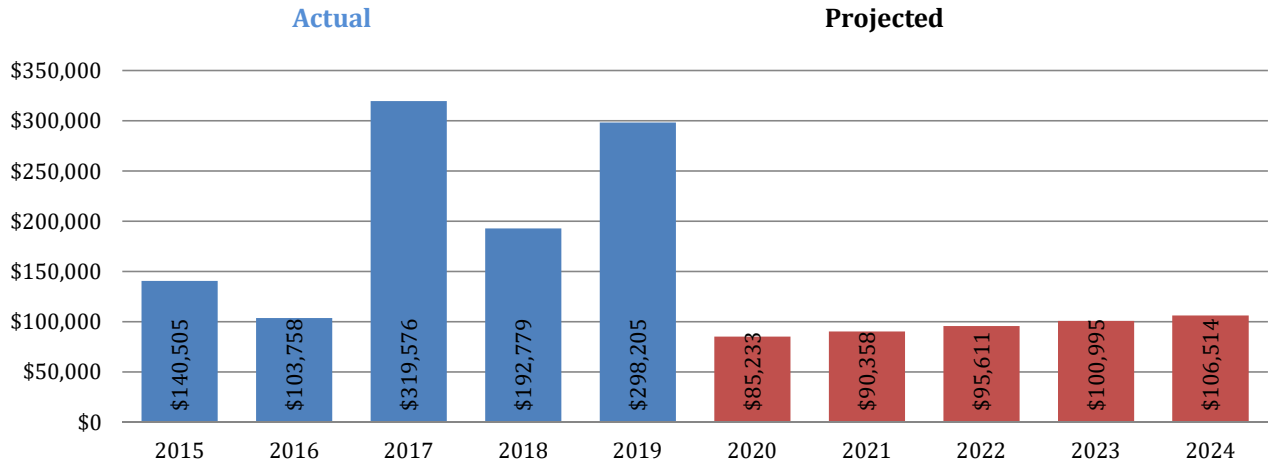
3.05 Supplies and Materials:

Supplies and materials represent about 3% of the district budget and include expenditures for instructional, maintenance, and office supplies. Projections are based on input from district administration as well as historical patterns. Supply increases between FY18 and FY19 are due to a scheduled increases in instructional supplies. Future annual inflationary increases are built in at .25%.

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3.050 - Capital Outlay

This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



		FORECASTED				
	2019	2020	2021	2022	2023	2024
Total	298,205	85,233	90,358	95,611	100,995	106,514
YOY $ Change	105,426	(212,972)	5,125	5,253	5,384	5,519
YOY % Change	54.7%	-71.4%	6.0%	5.8%	5.6%	5.5%

Percentage of Total Budget	0.5%	0.1%	0.1%	0.1%	0.1%	0.1%

3.060 Capital Outlay:

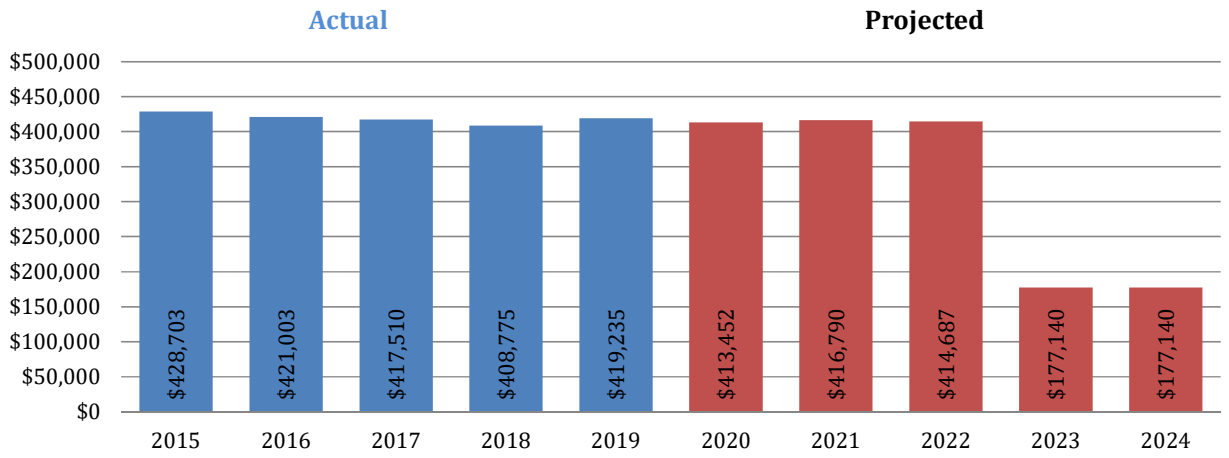
Capital outlay is just 0.1% of the district's general fund budget. This represents a relatively low percentage of the district budget and is comparably low to other districts. This is due to the districts 1.5 mill Permanent Improvement fund. The Permanent Improvement fund supplements the operating capital expenditures and we expect this continue through the forecasted period. However, future projections are based on input from the building principals and supervisors as well as historical patterns.

New academic initiatives may require an additional investment in Capital Outlay. One such initiative is providing IPAD's to each student in the Middle School and High school. In addition, as the district completes its Strategic Plan new capital initiatives may be needed based on student need.

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3.060-4.060 - Intergovernmental & Debt

These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.



		FORECASTED				
	2019	2020	2021	2022	2023	2024
Total	419,235	413,452	416,790	414,687	177,140	177,140
YOY $ Change	10,460	(5,783)	3,338	(2,103)	(237,547)	-
YOY % Change	2.6%	-1.4%	0.8%	-0.5%	-57.3%	0.0%
Percentage of Total Budget	0.7%	0.6%	0.6%	0.6%	0.2%	0.2%

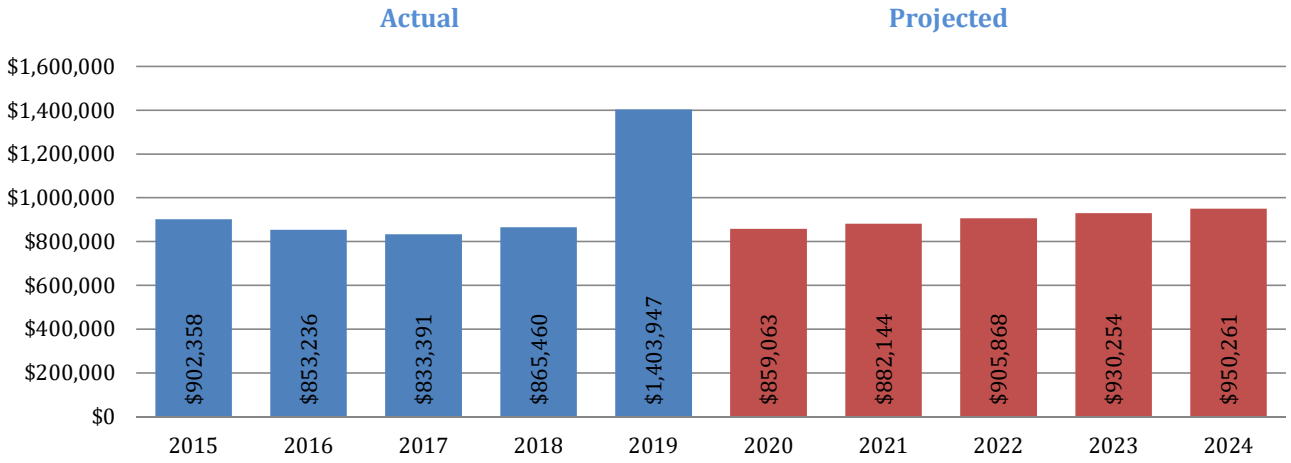
4.050 Other Objects:

This represents district debt service funded by the General Fund. Typically unvoted notes and bonds are funded from either the General Fund or a district Permanent Improvement Fund. Hudson has two HB 264 energy conservation loans. The first HB 264 loan will be fully paid in FY 2022 which explains the reduction in FY 2023 reflected above. The second HB 264 loan originated in 2009 and will be fully paid in FY 2025.

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4.300 - Other Objects

Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



		FORECASTED				
	2019	2020	2021	2022	2023	2024
Total	1,403,947	859,063	882,144	905,868	930,254	950,261
YOY $ Change	538,487	(544,884)	23,081	23,724	24,386	20,007
YOY % Change	62.2%	-38.8%	2.7%	2.7%	2.7%	2.2%

Percentage of Total Budget	2.2%	1.3%	1.3%	1.3%	1.3%	1.3%

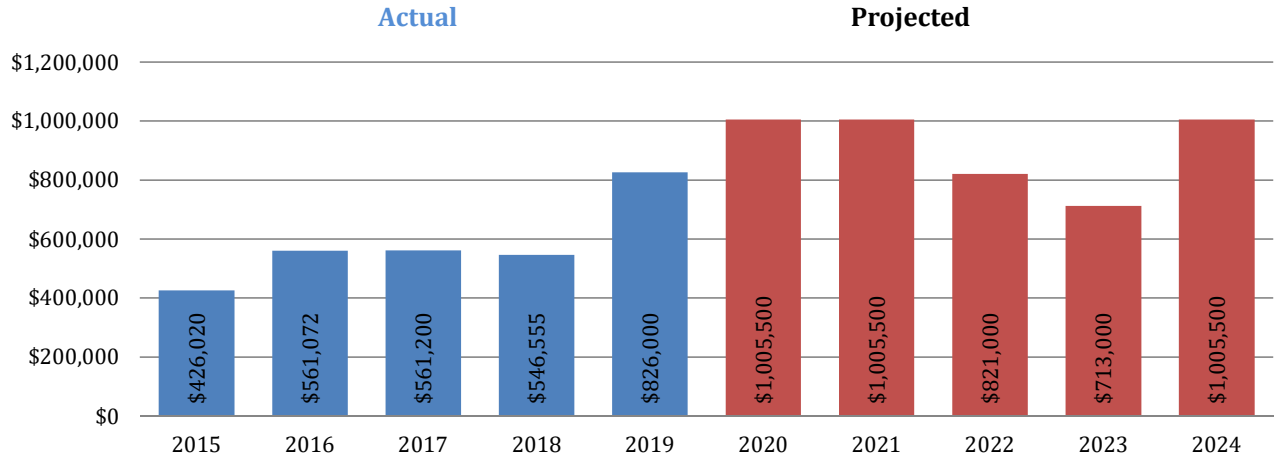
4.030 Other Objects:

Also included on this line are payments made to other governmental entities for certain fees including county auditor fees. Expenditures represent 1.3% of the district budget and expect this level to be consistent through the forecast period.

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5.040 - Total Other Financing Uses

Operating transfers-out, advances out to other funds, and all other general fund financing uses.



		FORECASTED				
	2019	2020	2021	2022	2023	2024
Total	826,000	1,005,500	1,005,500	821,000	713,000	1,005,500
YOY $ Change	279,445	179,500	-	(184,500)	(108,000)	292,500
YOY % Change	51.1%	21.7%	0.0%	-18.3%	-13.2%	41.0%
Percentage of Total Budget	**1.3%**	**1.5%**	**1.4%**	**1.1%**	**1.0%**	**1.3%**
Transfers Out	825,000	1,004,500	1,004,500	820,000	712,000	1,004,500
Advances Out	-	-	-	-	-	-

5.010 Transfers / Advances:

This line item includes amounts forecasted for transfers and advances. Transfers are expenditures for the one-time movement of funds from the general operating fund to other district funds; usually to make up for short falls in those funds. Advances are expenditures for loans made from the general fund to other funds. It is a good policy to ensure that funds are loaned out and repaid within the same fiscal year.

In recent years, the district has made an annual transfer to help out the district Athletic fund. Efforts are in place to closely monitor the district Athletic Fund and improve its standing to reduce or eliminate these transfers.

The district also makes an annual transfer to the district's building fund (004) to fund the district's capital improvement plan. The amount for this purpose is currently at projected at $500,000 each year. Fiscal year 2019 also included a one-time transfer of $100,000 for technology related expenses.

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HUDSON CITY SCHOOL DISTRICT - - SUMMIT COUNTY

Five Year Forecast

	Actual	FORECASTED				
Fiscal Year:	2019	2020	2021	2022	2023	2024
Revenue:						
1.010 - General Property Tax (Real Estate)	42,378,885	44,108,729	44,648,068	45,182,715	45,631,443	46,231,921
1.020 - Public Utility Personal Property	1,485,299	1,828,168	1,912,813	2,008,454	2,108,877	2,214,321
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	10,538,325	11,195,135	11,214,469	11,215,606	11,216,742	11,217,879
1.040 - Restricted Grants-in-Aid	449,635	449,635	449,635	449,635	449,635	449,635
1.050 - Property Tax Allocation	5,190,327	5,231,487	5,291,099	5,351,231	5,398,178	5,466,889
1.060 - All Other Operating Revenues	2,366,719	2,339,232	2,312,160	2,285,512	2,259,295	2,282,994
1.070 - Total Revenue	62,409,191	65,152,386	65,828,244	66,493,153	67,064,170	67,863,639
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-
2.050 - Advances-In	-	-	-	-	-	-
2.060 - All Other Financing Sources	235,689	187,000	60,000	60,000	60,000	60,000
2.070 - Total Other Financing Sources	235,689	187,000	60,000	60,000	60,000	60,000
2.080 - Total Rev & Other Sources	62,644,880	65,339,386	65,888,244	66,553,153	67,124,170	67,923,639
Expenditures:						
3.010 - Personnel Services	36,791,846	38,310,280	39,554,128	40,834,453	42,120,639	43,397,502
3.020 - Employee Benefits	13,950,895	15,253,456	15,880,070	16,533,839	17,216,098	17,925,833
3.030 - Purchased Services	8,854,905	9,707,529	9,817,551	9,929,546	10,043,565	10,159,660
3.040 - Supplies and Materials	1,846,556	2,009,792	2,014,816	2,019,853	2,024,903	2,029,965
3.050 - Capital Outlay	298,205	85,233	90,358	95,611	100,995	106,514
Intergovernmental & Debt Service	419,235	413,452	416,790	414,687	177,140	177,140
4.300 - Other Objects	1,403,947	859,063	882,144	905,868	930,254	950,261
4.500 - Total Expenditures	63,565,589	66,638,805	68,655,857	70,733,857	72,613,594	74,746,875
Other Financing Uses						
5.010 - Operating Transfers-Out	825,000	1,004,500	1,004,500	820,000	712,000	1,004,500
5.020 - Advances-Out	-	-	-	-	-	-
5.030 - All Other Financing Uses	1,000	1,000	1,000	1,000	1,000	1,000
5.040 - Total Other Financing Uses	826,000	1,005,500	1,005,500	821,000	713,000	1,005,500
5.050 - Total Exp and Other Financing Uses	64,391,589	67,644,305	69,661,357	71,554,857	73,326,594	75,752,375
6.010 - Excess of Rev Over/(Under) Exp	(1,746,710)	(2,304,919)	(3,773,113)	(5,001,704)	(6,202,424)	(7,828,736)
7.010 - Cash Balance July 1 (No Levies)	34,731,457	32,984,748	30,679,829	26,906,715	21,905,011	15,702,587
7.020 - Cash Balance June 30 (No Levies)	32,984,748	30,679,829	26,906,715	21,905,011	15,702,587	7,873,851
		Reservations				
8.010 - Estimated Encumbrances June 30	-	-	-	-	-	-
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	32,984,748	30,679,829	26,906,715	21,905,011	15,702,587	7,873,851
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Renewal Levies		-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-
12.010 - Fund Bal June 30 for Cert of Obligations	32,984,748	30,679,829	26,906,715	21,905,011	15,702,587	7,873,851
Revenue from New Levies						
13.010 & 13.020 - New Levies		-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	32,984,748	30,679,829	26,906,715	21,905,011	15,702,587	7,873,851

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