East Knox Local School District

Knox County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2022, 2023 and 2024 Actual;
Forecasted Fiscal Years Ending June 30, 2025 Through 2029

		Actual				Forecasted				
		Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Average Change	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
	Revenues									
1.010	General Property Tax (Real Estate)	$7,357,190	$7,491,002	$9,023,751	11.14%	$10,221,050	$10,309,510	$9,787,697	$9,453,565	$9,545,049
1.020	Tangible Personal Property Tax	448,552	513,876	579,584	13.68%	594,770	600,346	589,434	585,133	596,456
1.030	Income Tax									
1.035	Unrestricted State Grants-in-Aid	3,088,721	3,098,237	3,087,622	-0.02%	2,517,546	3,062,410	3,060,410	3,060,731	3,061,053
1.040	Restricted State Grants-in-Aid	180,291	163,524	248,815	21.43%	844,893	176,000	180,000	180,000	180,000
1.045	Restricted Federal Grants-in-Aid - SFSF									
1.050	State Share of Local Property Taxes	893,451	899,209	1,072,343	9.95%	1,218,630	1,231,190	1,169,206	1,130,169	1,143,151
1.060	All Other Revenues	495,608	959,454	1,237,563	61.29%	1,123,437	1,058,437	1,008,437	958,437	958,437
1.070	*Total Revenues*	12,463,813	13,125,302	15,249,678	10.75%	16,520,326	16,437,894	15,795,184	15,368,036	15,484,145
	Other Financing Sources									
2.010	Proceeds from Sale of Notes									
2.020	State Emergency Loans and Advancements (Approved)									
2.040	Operating Transfers-In	50,000	50,000	50,000		50,000	50,000	50,000	50,000	50,000
2.050	Advances-In									
2.060	All Other Financing Sources	30,762	3,520	9,833	45.39%	1,611				
2.070	*Total Other Financing Sources*	80,762	53,520	59,833	-10.97%	51,611	50,000	50,000	50,000	50,000
2.080	*Total Revenues and Other Financing Sources*	12,544,575	13,178,822	15,309,511	10.61%	16,571,937	16,487,894	15,845,184	15,418,036	15,534,145
	Expenditures									
3.010	Personal Services	4,565,308	4,698,738	5,592,970	10.98%	6,258,117	6,547,188	6,906,562	7,149,515	7,531,647
3.020	Employees' Retirement/Insurance Benefits	2,179,606	2,158,217	2,654,537	11.01%	3,122,551	3,345,684	3,552,562	3,750,523	4,072,324
3.030	Purchased Services	2,113,956	2,767,866	3,140,780	22.20%	3,394,226	3,593,937	3,773,634	3,962,316	4,160,432
3.040	Supplies and Materials	336,616	405,236	497,957	21.63%	648,168	626,095	651,139	677,184	704,272
3.050	Capital Outlay	35,793	103,400	184,302	133.56%	51,772				
3.060	Intergovernmental									
	Debt Service:									
4.010	Principal-All (Historical Only)									
4.020	Principal-Notes									
4.030	Principal-State Loans									
4.040	Principal-State Advancements									
4.050	Principal-HB 264 Loans									
4.055	Principal-Other									
4.060	Interest and Fiscal Charges									
4.300	Other Objects	118,061	173,180	237,864	42.02%	248,806	253,779	258,855	264,032	269,313
4.500	*Total Expenditures*	9,349,340	10,306,637	12,308,410	14.83%	13,723,640	14,366,683	15,142,753	15,803,570	16,737,988
	Other Financing Uses									
5.010	Operating Transfers-Out	50,000	50,000	65,000	15.00%	50,000	50,000	50,000	50,000	50,000
5.020	Advances-Out									
5.030	All Other Financing Uses									
5.040	*Total Other Financing Uses*	50,000	50,000	65,000	15.00%	50,000	50,000	50,000	50,000	50,000
5.050	*Total Expenditures and Other Financing Uses*	9,399,340	10,356,637	12,373,410	14.83%	13,773,640	14,416,683	15,192,753	15,853,570	16,787,988
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	3,145,235	2,822,185	2,936,101	-3.12%	2,798,297	2,071,211	652,431	-435,533	-1,253,843
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	9,843,373	12,988,608	15,810,793	26.84%	18,746,894	21,545,191	23,616,402	24,268,833	23,833,299
7.020	*Cash Balance June 30*	12,988,608	15,810,793	18,746,894	20.15%	21,545,191	23,616,402	24,268,833	23,833,299	22,579,456
8.010	*Estimated Encumbrances June 30*	124,694	248,763	136,162	27.12%	125,000	125,000	125,000	125,000	125,000
	Reservation of Fund Balance									
9.010	Textbooks and Instructional Materials									
9.020	Capital Improvements									
9.030	Budget Reserve									
9.040	DPIA									
9.045	Fiscal Stabilization									
9.050	Debt Service									
9.060	Property Tax Advances									
9.070	Bus Purchases									
9.080	*Subtotal*									
10.010	*Fund Balance June 30 for Certification of Appropriations*	12,863,914	15,562,030	18,610,732	20.28%	21,420,191	23,491,402	24,143,833	23,708,299	22,454,456
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal									
11.020	Property Tax - Renewal or Replacement							708,000	1,200,000	1,200,000
11.300	Cumulative Balance of Replacement/Renewal Levies							708,000	1,908,000	3,108,000
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	12,863,914	15,562,030	18,610,732	20.28%	21,420,191	23,491,402	24,851,833	25,616,299	25,562,456
	Revenue from New Levies									
13.010	Income Tax - New									
13.020	Property Tax - New									
13.030	Cumulative Balance of New Levies									
14.010	Revenue from Future State Advancements									
15.010	*Unreserved Fund Balance June 30*	12,863,914	15,562,030	18,610,732	20.28%	21,420,191	23,491,402	24,851,833	25,616,299	25,562,456
	ADM Forecasts									
20.010	Kindergarten - ADM Count					68	75	75	75	75
20.015	Grades 1-12 - ADM Count					899	895	879	887	892

Five-Year Forecast
Assumptions
November 2024

The East Knox Local School District Board of Education approved the Five-Year Forecast at their regular meeting on November 14, 2024.

REVENUE ASSUMPTIONS

GENERAL PROPERTY TAX (REAL ESTATE)

Real Estate Value Assumptions:

Property values are established each year by the County Auditor based on new construction and complete or updated values. A general reappraisal is mandated by Ohio law every six years with a three-year midpoint update. Property taxes are levied and assessed on a calendar year basis while the district's fiscal year (FY) runs from July through June. Property tax revenue received during calendar year 2024 (the collection year) for real property represents collections of 2023 taxes (the tax year).

Property taxes are applied to real property, public utility personal property, and manufactured homes which are located within the school district. The District receives property taxes from Knox, Coshocton, and Licking Counties. Approximately 97% of the tax collections are from Knox County and the remaining 3% coming from taxpayers in Licking and Coshocton Counties.

The district passed a 4.4 mill ten-year emergency operating levy in November 2016 that generates $1.2 million per year and collections started January 1, 2017. This was the 10th attempt at passing an operating levy since 2010.

Tax collections for FY22 increased by 8.6%. This was an additional $579,000 in revenue compared to FY21. Tax revenue collections are projected to average 1.33% change over the next five years. The minimal change is because the emergency levy from 2016 will be up for renewal. Until that levy is renewed, it is required to reflect those potential lost tax receipts in Line 11.02. This first impacts the forecast in FY27 with a projected loss of $708,000 and the an additional $1,200,000 in FY28.

It is important to note that Knox County just had a triennial update for 2023. The value increase in Knox County was 43% and 43% overall for the district. This had a significant impact on our FY24 tax collections. The real estate collections increased by $1.5 million and are projected to increase by another $1,200,000 in FY25. It is unknown how this will impact the district long-term. There have been proposals at the state level to help taxpayers with these monumental increases. At the moment, the projections hesitantly project the tax revenue increases to be maintained.

TANGIBLE PERSONAL PROPERTY TAX

The District also receives public utility real and personal property taxes. These tax receipts are reflected in Line 1.020. The collections increased by 7.5% in 2022, 14.5% in 2023, and 12.8% in 2024. In 2025 collections are estimated to increase by 2.6% or $15,000. The majority of the District's Tangible Personal Property Tax revenue is from Public Utilities.

UNRESTRICTED GRANTS-IN-AID

State Revenue Estimates:

State revenue is reflected in Line 1.035. The District receives around $65,000 per year in casino tax funding. The District anticipates no increase in state funding in the remaining years of the forecast due to flat enrollment and current state funding methods used. The district decided to participate in the Community Eligibility Provision Program beginning with the 2024-2025 school year. This results in all our students being reported as economically disadvantaged. As a result, our funding for Disadvantaged Pupil Impact Aid (DPIA) increased by $588,000. This funding moved from unrestricted grants in aid to restricted grants in aid. As of October 2024, the district is still on the transitional aid guarantee for state funding for $91,000. In the end, the DPIA funds have no net impact on the state funding received in FY25.

RESTRICTED GRANTS-IN-AID

Line 1.040 now consists of career technical, economic disadvantaged, gifted, English Learners, and Student Success and Wellness funding. These funds are restricted in their use to a specific purpose. These funds total about $846,000 IN FY25. There is a large increase as mentioned previously due to the DPIA funds. There was an additional one-time contribution from ODEW of $54,451 for high quality instructional materials in FY24. In FY25 there is a one-time anticipated payment of $81,275 for Science of Reading stipends that ODEW reimbursed for stipends paid to our staff. It is expected that the DPIA funding calculations will change in FY26 so these funds have been allocated back into the unrestricted funding. The total restricted funding amounts are projected to remain flat otherwise.

STATE SHARE OF LOCAL PROPERTY TAXES

State Rollback, Homestead:

The Rollback and Homestead are reimbursements from the state for tax relief given to owner-occupied residences equaling 12.5% of the gross property taxes charged residential taxpayers and up to 10% for commercial and industrial taxpayers. Tax relief is also granted to qualified elderly and disabled homeowners based on their income. These amounts grow in proportion to the Real Estate tax receipts based on Residential/Agricultural and Commercial/Industrial property classifications. The reimbursements fluctuate each year as property values increase/decrease and can be seen in line item 1.050. There was a 19.25% increase in FY24 due to the property value increase. FY27 and FY28 has a projected reduction because the emergency levy will be up for renewal. The proceeds from the renewal are reflected in Line 11.02. New levies such as the one approved in November 2016 do not receive the Rollback credits, but they do receive the Homestead credit.

ALL OTHER REVENUES

Interest Income:
The District has been working with a public funds investing company since August 2017 to expand investment options. There was a $419,000 increase in interest earnings in FY23 due to rising rates and proper investing and an additional $205,000 increase in FY24. There was a total of $723,000 in interest earnings for FY24. The revenue has projected to be flat in this area, but it will likely fluctuate as the rates decrease over time.

Other Miscellaneous revenue:
The District has received significant funding for the past few years for Medicaid reimbursements. The District participates in the Medicaid School Program (MSP). Through this program the District is able to bill the state for services such as physical therapy, speech, and occupational therapy provided to Medicaid eligible students.

OTHER FINANCING SOURCES

In FY17 the district established a severance set aside fund within the general fund. This was a requirement by the Auditor of State's Office in order to be released from Fiscal Emergency. The District receives refunds from previous year expenditures, such as BWC refunds and other miscellaneous receipts, such as the sale of District property that is receipted into Line 2.07.

EXPENDITURE ASSUMPTIONS

PERSONAL SERVICES

This line item includes salaries paid to all employees including part-time, supplemental, and substitute pay. The teacher's association and the Board of Education agreed to a three-year contract with a 3% base salary increase in FY21 and a salary re-opener in FY22 and FY23. In March 2021 the board approved base salary increases of 2.25% for FY22 for all staff and 2.25% for FY23 for certified staff. Salaries for the next three years have been negotiated and are as follows: FY24-4%, FY25-3%, and FY26-3%. This includes an added work day to the teacher contract. In addition, certified staff will receive retention bonuses of $1,500 per year if employment is maintained.

Salary costs increased by .48% in FY22, 2.9% in FY23, and 19% in FY24. The average salary increase is projected to increase 6% each year through the remainder of the forecast. The district received nearly $250,000 in ESSER funds and $1.4 million in ESSER II funds. In FY22 approximately $168,000 in salaries came from ESSER II funds for general fund positions. The funding of these four positions continued into FY23 with ESSER funds. An additional position was also added for FY23. These five positions were added back into the general fund in FY24. There was a high rate of teacher and administrator resignation and retirement between FY21 and FY22 and again between FY22 and FY23. This provided additional savings in salary costs. The district added one special education secretary in FY22 and two special education teachers in FY23. Also, an additional science teacher at the JR/SR High was added in FY24 and two additional special education teachers were added. Also, previously contracted occupational therapy and nursing services were hired "in house." These costs moved from purchased services to personal services. $215,550 was added into the forecast in FY24 for previously funded ESSER II positions and $35,706 in FY25. This is four general education teachers and one curriculum director/assistant principal. In addition, $113,971 has been added back in for FY25 for two additional elementary classroom teachers. These were ESSER positions that the BOE voted to maintain for FY25. In FY25, an elementary social worker was added, an online teacher/monitor was added, and the district anticipates paying for $70,000 in Science of Reading stipends which are reimbursed by ODEW.

EMPLOYEES' RETIREMENT/INSURANCE BENEFITS

This line item includes State Teachers Retirement System and School Employees Retirement System contributions, Medicare, Workers Compensation, unemployment and medical, dental, vision, and life insurance premiums. Any increase/decrease in wages increases/decreases the District's liability for retirement, Medicare, and worker's compensation. This is reflected in the amounts for FY25-29 due to projected salary and step increases each year.

The insurance rate increase was 0% in FY22, 10.27% in FY23, 9.6% in FY24, and 3.7% in FY25. FY25 through FY29, benefits are projected to increase by an average of 9% as payroll costs and medical costs increase. There were several new positions added in FY24 (as mentioned above) that account for new employees on insurance and ESSER funds were exhausted. In addition, the district federal grants for Title I and IDEA were cut for FY24 due to federal budget cuts. As a result, $120,000 in costs that would normally funded with federal funds for special education and economically disadvantaged, are being paid from the general fund. In October 2024, there were 37 single plans and 52 family plans for the general fund. The district retained two ESSER positions for FY25 when the funds expired. This has added an additional $80,000 to the benefit costs per year.

PURCHASED SERVICES

This line is used to account for all service related expenditures of the General Fund. This area consists of educational service center charges for services such as preschool, educational aides, Knox Learning Center and special education units housed off campus. Other costs accounted for here are charges from META for student and fiscal support, technology support, postage, professional development, and utility charges such as telephone, electric, garbage, water and sewer, and heating.

There was a 30% increase in FY23 due to the addition of a second School Resource Officer, increased ESC costs due to increasing the pay rate for educational aides, the cost of having the ESC preschools on campus, and the overall increased cost of ESC services ($508,000), and additional costs for special education tuition and transportation at other facilities ($125,000). There was a 14% increase in FY24. This increase is due to the following: utilities for the new building and addition, legal services, special education student transportation and tuition, special education consultants for behavior and vision services, a superintendent search consulting fees, and special education settlement agreement payments. There is a 6% increase projected in the remaining years

of the forecast. In addition, funds were added in FY25 due to online Spanish instruction being paid through a contract service.

SUPPLIES and MATERIALS

This line is used to account for all material and supply purchases. The major components of this section are classroom instructional materials, instructional software, janitorial and maintenance supplies, office supplies and diesel fuel. For FY23, there was a 20% increase in supply costs. This includes $14,000 in diesel fuel and an additional $22,000 for instructional supplies, curriculum, and software. For FY24, there was a 23% increase mostly for instructional supplies, curriculum, and software. A portion of these funds are budgets that have existed in the past, but went unspent and portion reflects new purchases that were previously out of ESSER grant funds such as APEX and NWEA/MAP programming. There is an additional 30% increase budgeted for FY25 due to anticipated instructional software and supply purchases. $50,000 of this is for high quality instructional materials that ODEW gave the district funds for last year that are restricted to their spending. Average increases of 4.0% are projected for the remaining years.

CAPITAL OUTLAY

This line item is used to account for capital expenditures. There are not usually many expenditures budgeted here because all purchases are made from the permanent improvement fund. The voters approved a 3 Mill Permanent Improvement Levy in March 2008. This levy generates over $700,000 in revenue per year to be used for capital expenditures. In FY23, the BOE committed $103,400 to a cellular infrastructure project at the JR/SR High. In FY24, the district used general funds to purchase technology devices ($64,000) and concealed weapon detection systems ($121,000). In FY25, the district plans to spend just under $50,000 on a replacement mobile radio system for the district.

OTHER OBJECTS

This line is used to account mainly for charges from the Knox County Educational Service Center for a per pupil charge, county auditor and treasurer fees that are a percentage of tax collections, advertising delinquent tax fees, and financial audit fees. County auditor and treasurer fees are usually about 2% of collections. The only projected fluctuation in this area relates to the county auditor and treasurer fees.

OTHER FINANCING USES

This line includes any transfers or advances to other funds. In 2017, the district established a severance set aside fund. The District uses this fund to plan for and pay future severance expenses upon retirement from the district. The Board of Education transferred $15,000 to the athletic fund in FY24 due to a shortage of funds.

This five-year forecast is available at the East Knox Local School District's website in the Board Section. **www.ekschools.org.**