

WASHINGTON LOCAL SCHOOL DISTRICT

LUCAS COUNTY

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

	Actual				Average Change	Forecasted				
	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023		Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	
Revenues										
1.010 General Property Tax (Real Estate)	\$39,754,005	\$41,605,245	\$42,525,384	3.4%	\$42,862,785	\$43,818,760	\$44,093,444	\$44,366,337	\$44,366,337	
1.020 Tangible Personal Property Tax					1,341					
1.030 Income Tax										
1.035 Unrestricted State Grants-in-Aid	28,858,652	29,145,961	28,105,762	-1.3%	32,349,207	32,349,207	32,349,207	32,349,207	32,349,207	
1.040 Restricted State Grants-in-Aid	2,383,517	2,377,823	3,444,012	22.3%	3,768,812	3,768,812	3,768,812	3,768,812	3,768,812	
1.045 Restricted Federal Grants-in-Aid - SF5F										
1.050 Property Tax Allocation	6,877,871	6,422,437	5,889,883	-7.5%	5,356,968	5,047,407	4,592,846	4,138,285	4,138,285	
1.060 All Other Revenues	3,069,615	3,088,785	2,641,283	-6.9%	3,599,000	3,593,000	3,393,000	2,993,000	2,993,000	
1.070 Total Revenues	80,943,660	82,640,251	82,606,324	1.0%	87,938,113	88,577,186	88,197,309	87,615,641	87,615,641	
Other Financing Sources										
2.010 Proceeds from Sale of Notes										
2.020 State Emergency Loans and Advancements (Approved)										
2.040 Operating Transfers-In										
2.050 Advances-In	400,000	400,000	400,000		400,000					
2.060 All Other Financing Sources	5,206,733	3,836,641	3,363,457	-19.3%	2,125,664	1,202,376	2,028,970	2,028,970	2,028,970	
2.070 Total Other Financing Sources	5,606,733	4,236,641	3,763,457	-17.8%	2,525,664	1,202,376	2,028,970	2,028,970	2,028,970	
2.080 Total Revenues and Other Financing Sources	86,550,393	86,876,892	86,369,781	-0.1%	90,463,777	89,779,562	90,226,279	89,644,611	89,644,611	
Expenditures										
3.010 Personal Services	49,655,494	47,275,004	49,114,751	-0.5%	51,400,480	53,481,386	57,715,358	58,611,816	58,611,816	
3.020 Employees' Retirement/Insurance Benefits	18,635,285	17,072,738	16,423,499	-6.1%	18,370,874	19,407,406	21,512,487	22,208,137	22,208,137	
3.030 Purchased Services	13,293,646	13,782,170	8,490,726	-17.4%	11,093,970	11,321,820	11,647,320	11,778,192	11,778,192	
3.040 Supplies and Materials	2,281,337	1,691,332	2,295,599	4.9%	3,624,163	3,378,393	3,344,280	3,344,280	3,344,280	
3.050 Capital Outlay	1,329,251	1,180,244	1,079,960	-9.9%	815,179	774,000	1,478,280	1,478,280	1,478,280	
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	1,465,313	956,418	935,626	-18.5%	1,106,522	1,104,500	1,104,500	1,104,500	1,104,500	
4.500 Total Expenditures	86,660,326	81,957,906	78,340,161	-4.9%	86,411,188	89,467,505	96,802,225	98,525,205	98,525,205	
Other Financing Uses										
5.010 Operating Transfers-Out	246,196	102,601	36,500	-61.4%	40,000	40,000	40,000	40,000	40,000	
5.020 Advances-Out	400,000	400,000	400,000							
5.030 All Other Financing Uses										
5.040 Total Other Financing Uses	646,196	502,601	436,500	-17.7%	40,000	40,000	40,000	40,000	40,000	
5.050 Total Expenditures and Other Financing Uses	87,306,522	82,460,507	78,776,661	-5.0%	86,451,188	89,507,505	96,842,225	98,565,205	98,565,205	
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	756,129	4,416,385	7,593,120	-306.1%	4,012,589	272,057	6,615,946	8,920,594	8,920,594	
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	26,471,785	25,715,656	30,132,041	7.2%	37,725,161	41,737,750	42,009,807	35,393,861	26,473,267	
7.020 Cash Balance June 30	25,715,656	30,132,041	37,725,161	21.2%	41,737,750	42,009,807	35,393,861	26,473,267	17,552,673	
8.010 Estimated Encumbrances June 30	725,055	1,127,551	1,498,358	44.2%	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	
Reservation of Fund Balance										
9.010 Textbooks and Instructional Materials										
9.020 Capital Improvements										
9.030 Budget Reserve	3,625,000	3,625,000	3,625,000		4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	
9.040 PBA										
9.045 Fiscal Stabilization										
9.050 Debt Service										
9.060 Property Tax Advances										
9.070 Bus Purchases										
9.080 Subtotal	3,625,000	3,625,000	3,625,000		4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	
10.010 Fund Balance June 30 for Certification of	21,365,601	25,379,490	32,601,803	23.6%	36,437,750	36,709,807	30,093,861	21,173,267	12,252,673	
Revenue from Replacement/Renewal Levies										
11.010 Income Tax - Renewal										
11.020 Property Tax - Renewal or Replacement										
11.300 Cumulative Balance of Replacement/Renewal Levies										
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	21,365,601	25,379,490	32,601,803	23.6%	36,437,750	36,709,807	30,093,861	21,173,267	12,252,673	
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	21,365,601	25,379,490	32,601,803	23.6%	36,437,750	36,709,807	30,093,861	21,173,267	12,252,673	
ADM Forecasts										
20.010 Kindergarten - October Count	558	434	524	-0.7%	480	500	500	500	500	
20.015 Grades 1-12 - October Count	6,474	6,309	6,372	-0.8%	6,395	6,395	6,395	6,395	6,395	
State Fiscal Stabilization Funds										
21.010 Personal Services SF5F										
21.020 Employees Retirement/Insurance Benefits SF5F										
21.030 Purchased Services SF5F										
21.040 Supplies and Materials SF5F										
21.050 Capital Outlay SF5F										
21.060 Total Expenditures - SF5F										

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

**WASHINGTON LOCAL SCHOOL DISTRICT
FIVE-YEAR FORECAST – NOVEMBER 2022 – ASSUMPTIONS**

REVENUE

Elementary and Secondary School Emergency Relief (ESSER) funds have had a significant positive impact on our General Fund budget. We are expecting to receive \$22.5 million in ESSER funds over 3 years (FY 2022, 2023 and 2024). These funds, under current Federal requirements, are required to be expended by September 30, 2024.

These funds have been or will be used for summer camps, professional development, STEM supplies, permanent daily building substitutes, kindergarten instruction aides, staff retention bonus, bus purchases, classroom furniture, 6th grade camp, safety and security, and musical instruments. Not only have these funds addressed student learning loss during COVID but also helped to reduce expenditures in the General Fund and our Permanent Improvement Fund too.

We have expended \$13.4 million in ESSER funds as of October 31, 2022. For 2022/2023 we have budgeted \$5.3 million for new personnel (new employees who have not replaced contracted employees from the previous fiscal year) that would have been charged to the General Fund without ESSER funding. In addition, we have budgeted \$1.4 million for special education and instructional purchased services, supplies and computers. These expenditures will continue to be funded but will be recorded in the General Fund once ESSER funds are liquidated.

Due to current ESSER budget shortfalls, personnel costs of \$661,000 (full year) was moved to General Fund in 2022/2023 beginning November 1, 2022 as well as nursing services for the full year (\$75,000). Also Certified Occupational Therapists (3) will be moved to the General Fund in 2023/2024. We are currently estimating \$4.6 million in personnel costs and \$750,000 for technology moving from the ESSER fund to the General Fund in 2024/2025.

The State did approve a new school funding formula, Fair School Funding Plan. Unfortunately, they only approved the plan for two years and are phasing in the Fair School Funding Plan. The Legislature had an opportunity to continue the phasing in of the formula in year 3, but did not. Therefore, we are freezing our state aid in 2023/2024 at the 2022/2023 level.

Franklin Park Mall latest property valuation/tax appeal has been settled. Unfortunately, we do expect future appeals. The Mall's valuation decreased by nearly \$100 million. The Tax Increment Financing revenue decline has been significant since the tax appeals started several years ago. In 2019/2020 we annually received \$4.7 million in Tax Increment Financing payments (includes non-Franklin Park parcels) and will now be receiving \$1.8 million in 2025.

Real Estate Taxes

We had a 14.9% increase in valuation for calendar year 2021 **which increased our 2022 real estate tax collections**. Franklin Park Mall has also received a refund from

their real estate taxes paid (\$300,00). We are hopeful that due to HB 920, that total real estate taxes' revenue would not be significantly impacted by the lower valuation.

We received \$39.8 million in 2020 (1/2 of November 2019 levy) and \$41.6 million (full year of 2019 levy) in 2021, and \$42.5 million in 2022.

We are forecasting \$42.9 million 2023, \$43.8 million in 2024, and \$44.1 million in 2025 and \$44.4 million in 2026 and 2027. This increase reflects the county-wide revaluation for 2021 (collection CY 2022), the expiration of 15-year tax abatements, as well as a Franklin Park Mall refund.

The estimating of delinquent taxes to be paid is also difficult to forecast as payments have been fluctuating year to year, and settlement to settlement. Washington Local is still experiencing significant commercial tax appeals. We have been successful in defending many of these tax appeals but unsuccessful in others. These tax appeals not only cause tax refunds but also lower future property tax collections.

On the contrary, we continue to receive a few increases in valuations as commercial property is sold within our district and we are successful in appealing their valuations as well as commercial property additions. **In 2022 (tax collection January 2023), the Costco and the related area development abatement as well as two Jeep related suppliers' abatements will end and real estate taxes will begin to be paid.** This will bring an annual increase in our real estate collection based on current valuation and a reduction in our abatement revenue. However, Costco and the other related property owners appealed their property tax values to the Board of Tax Appeals. If successful this will result in refunds and a lower tax collection going forward. In January 2024 we will be receiving a tax payment from General Motors due to the expiration of the 2006 property tax abatement. However, the amount of taxes to be paid is unknown, as the current valuation is not accurate.

Our total assessed valuation has decreased from \$1.25 billion in calendar year 2006 to \$908 million in calendar year 2011 to \$778 million in calendar year 2012 (and 2013) and declined again to \$762 million in calendar year 2017. In calendar year 2018 we received our first increase (6.3%) in property valuation since 2006. Our current valuation for 2021 is \$932 million.

Personal Property Taxes

Personal property tax revenue was \$11.8 million in 2005, \$10 million in 2006, \$8.9 million in 2007, \$7.3 million in 2008, \$3.3 million in 2009, \$1,325 in 2014, \$25,598 in 2015, \$1,379 in 2016, \$0 in 2017 and 2018, \$346 in 2019 and \$0 in 2020 and 2021. The significant decline in personal property tax payments is directly due to the affects of HB 66. This revenue source is now insignificant. Since it is subject to delinquencies only and any payments are sporadic, we are projecting \$0 in 2022 and future years for delinquent personal property tax collections. **As this revenue will not be coming back, this will always be a major revenue loss for our district.**

State Aid

Our enrollment (attending Washington Local Schools) was previously increasing from 6,700 in FY 2011, 6,875 in FY 2013, 7,081 in FY 2016, but then began to decline. In FY 2019 enrollment was 7,044, in FY 2020 our enrollment was 7,032, in FY 2021 was 6,743, and FY 2022 was 6,896 (include 228 open enrolled students at year end). In 2023 we have 6,875 students which currently includes 193 open enrolled students. Open enrollment is expected to generate an additional \$450,000

in annual revenue. As the State is phasing in the new formula, we are receiving \$2,426 per student for these open enrolled students.

Our enrollment continues to decline and the Ohio Facilities Construction Commission has forecasted our enrollment to continue to decline by another 200 students in future years. Also, we only had 434 kindergarten students in September 2020 and 480 kindergarten students in September 2022. As state funding is based upon enrollment, these low enrollment numbers are very alarming, especially as our staffing continues to increase each year.

We were \$11.1 million over the state mandated cap in 2014, \$10.1 million in 2015, \$13.3 million in 2016, \$13.0 million in 2017, \$14.9 million in 2018, \$14.5 million in 2019, and \$15.2 million in 2020 and 2021. 2020 and 2021 increased due to the State reducing our state aid in May 2020 by \$685,784 annually. Even under the new school funding formula, as it is being phased in, we are not being fully funded. If we were fully funded, we would be receiving an additional \$17.9 million in state aid.

The Great Recession had a significant negative impact on our district as our property values have significantly declined and state funding was reduced.

However, it can also be stated the State Legislature had a more significant negative impact on our district with the elimination of the Personal Property Tax and capped State funding.

Under past school funding legislation, the additional students we previously enrolled, combined with the decreasing assessed valuation **would have resulted in a significant increase in state aid revenue for the past few years.** However, as the State was developing a new school funding model, our state aid was less than if the previous school funding formula was being utilized. There was a new school funding formula in 2014 (currently in use) for public schools in Ohio that recognizes our increasing enrollment and significant property valuation decreases. However, the increase in our funding based on the new state aid formula system **was capped** at 6.25% in 2014, 10.5% in 2015, 7.5% in 2016, 7.5% in 2017, 3.0% in 2018 and 2019. The effect of the cap reduced our state aid by \$11.1 million in 2014, \$10.1 million in 2015, \$13.3 million in 2016, \$13.0 million in 2017, \$14.9 million in 2018, \$14.5 million in 2019, and \$15.2 million in 2020 and 2021.

Unrestricted State Aid (Includes Casino Funding)

We received \$28.9 million (\$377,699) in 2020, \$29.1 million (\$286,353) in 2021, and \$28.1 million (\$428,186) in 2022. We are forecasting \$32.3 million (\$460,000) in 2023 and all future years.

We are hopeful the state will fully fund the new school funding but we have not forecasted any increase from current law as the state legislature has the opportunity to have the phase-in in current law, but chose not to do that.

Casino revenue is also recorded as State Aid. Two casinos began operating in Ohio in the spring of 2012, another in October 2012, and the fourth casino began operation in March 2013. The public school districts' share of this revenue is distributed in January and August of each year; the first payment was made in January 2013. The payment is based on the public school's enrollment. Due to COVID-19, casino closings and restrictions, significantly reduced casino's revenue.

We received casino revenue of \$370,082 in 2019, \$377,699 in 2020, \$286,353 in 2021, and \$428,186 in 2022. We are forecasting \$460,000 in 2023 and all future years.

Restricted State Aid

Similar funding sources and new funding sources was created with the previous state funding system that began in 2022.

The Economic Disadvantaged funding (now called Disadvantaged Pupil Impact Aid) was \$838,818 in 2020, \$834,044 in 2021, and \$779,991 in 2022. We are forecasting \$928,771 in 2023 and all future years.

Career-Tech funding was \$1.4 million in 2020 and 2021 and \$1.3 million in 2022 and we are forecasting \$1.3 million in 2023 and all future years.

Student Wellness funding was \$833,402 in 2022 and we are forecasting \$982,538 in 2023 and all future years.

Gifted funding was \$257,049 in 2022 and we are forecasting \$281,185 in 2023 and all future years.

English Learners funding was \$42,400 in 2022 and we are forecasting 42,274 in 2023 and all future years.

Catastrophic Cost

This funding reimburses the expenses for special education students that exceed a certain dollar amount threshold to educate each year, which is generally around \$30,000 per year per student. We received \$179,488 in 2020, \$178,577 in 2021, and \$221,398 in 2022. We are forecasting \$221,000 in 2023 and all future years.

Property Tax Allocation

Property tax allocation includes the personal property tax loss (hold harmless) payments being made to the district from the State. These payments are **only partially** replacing the personal property taxes we would have received prior to HB 66.

As our personal property tax revenue was significant, previously the personal property tax loss payments were also significant. We received \$8.7 million in 2011. HB 1 extended the hold harmless provisions of HB 66 until 2013 and we were expected to receive \$8.7 million in 2012 and 2013. However, due to legislative changes, these payments were reduced to \$7.4 million in 2012 and \$6.1 million in 2013. Again due to recent legislative changes, these payments were reduced another time to \$5.2 million in 2016 and \$4.3 million in 2017. **These payments will continue to decrease approximately \$480,000 each year beginning in 2018 until they are eliminated.** We received \$2.9 million in 2020, \$2.4 million in 2021, and \$1.9 million in 2022. We are forecasting \$1.5 million in 2023, \$1.0 million in 2024, \$0.5 million in 2025, and only \$23,283 in 2026.

Homestead exemption and rollback receipts are recorded in Property Tax Allocation. The homestead and rollback were \$4.0 million in 2020 and 2021 and \$3.9 million in 2022. We are forecasting \$3.9 million in 2023 and \$4.1 million in 2024 and all future years.

Other Revenue

Abatement Revenue

Due to the elimination of the personal property tax, abatement revenue pertaining to personal property was also eliminated. Abatement revenue was \$3.3 million (\$1.9 million from Daimler Chrysler) in 2005, \$2.7 million (\$1.7 million from Daimler Chrysler) in 2006, \$1.8 million (\$1.2 million from Daimler Chrysler) in 2007, \$1.1 million in 2008, \$430,000 in 2012, \$253,227 in 2015, \$515,140 in 2020, \$531,575 in 2021, and \$293,297 in 2022. We are forecasting \$293,297 in 2023 and all future years.

The majority of the significant (over \$1 million) abatement payments we previously received were formerly based on personal property. As the personal property tax has been eliminated, less abatement payments are being made. **The State is not reimbursing for these lost abatement payments.**

Tax Increment Financing (TIF) Payments

We receive payments for the Daimler Chrysler plant expansion (expires 2029 & 2030) and Franklin Park Mall (expires 2035) for Tax Increment Financing (TIF) abatements. We received \$4.7 million in 2020, \$3.3 million in 2021, and \$3.0 million in 2022.

These payments were significantly reduced due to the reduction in Franklin Park Mall assessed valuation and refunds due to the valuation reduction. We are forecasting \$1.8 million in 2023, \$.9 million in 2024, and \$1.8 million in 2025 and in all future years.

Interest Revenue

As interest rates have been increasing significantly, our interest earning will be increasing as well. Interest earnings were \$543,895 in 2020, \$77,722 in 2021, and \$103,555 in 2022. We are forecasting interest earnings to be \$1.5 million in 2023, \$1.6 million in 2024, \$1.4 million in 2025, and \$1.0 million in 2026 and 2027.

Other Financing Sources

Transfers-In/Advances-In

We annually make advances to the Food Service Fund and the Federal Funds to maintain a positive fund balance. As these advances are loans, they are returned each year. Beginning with FY 2023, advances will no longer be made as they are no longer required. We have received in the General Fund advances previously provided to other funds in the amount of \$400,000 in 2020, 2021, 2022, and 2023.

EXPENDITURES

We will continue to annually appropriate (budget) at 100 percent. However, as we do not expend 100 percent of our budget, we reduced individual line items by percentage amounts ranging between .5% and 8.5% to reduce our total forecasted expenditures by a total of 2.0% for 2023 and all future years. Therefore, we are forecasting to expend 98.0% of our budget in 2023 and all future years. We expended 98.2% in 2016, 97.9% in 2017, 97.4% in 2018, 98.5% in 2019, 97.4% in 2020, 96.5% in 2021, and 91.9% in 2022.

We have maintained 2027 expenditures (and revenue) unchanged from 2026 based upon the difficulty of forecasting expenditures (and revenue) four years from now.

We currently have \$5.4 million in personnel costs (Salary and Benefits) being charged to the ESSER funds which expire in 2024. We anticipate \$4.6 million of these personnel costs and \$750,000 in technology equipment expenditures to be charged to the General Fund in 2025 when the ESSER funding ends.

Personal Services

Based on the negotiated agreements teachers and non-teaching received a 3% increase in 2017 and a 2.5% increase in 2018. These salary increases were offset by increases in employee monthly contributions and reductions in the healthcare coverage. Administrators received 1% increase in 2017 and 2018.

In 2019 and 2020 all employees received a 2% base increase. Also, all special education teachers (83), beginning in 2019 received a \$1,500 stipend. However, in 2021, this stipend was eliminated during TAWLS negotiations.

In 2021, employees received a 0% base increase. TAWLS members began receiving longevity stipends due to contract settlement. These stipends will be paid to employees who are not receiving steps and will be paid in 2021, 2022, and 2023. OAPSE employees will be paid a lump sum (distributed evenly among all members) of \$56,250 (all funds) in 2021 and 2022. These stipends are being funded by the elimination of the special education teacher stipend of \$1,500, increase in employee healthcare copays, and a reduction from 100% to 90% of all supplemental contracts issued to non-Washington Local Employees.

Per current negotiated agreements, we are forecasting a 2% base increase and step increases of 2.5% in 2022, 2023, and 2024. **In 2025, we are forecasting a base increase of 0% and step increase of 2.25% in 2025 and all future years.**

In 2016, a reduction in classroom aides' hours from eight hours per day to seven hours per day occurred. In 2016 we added 2 part-time secretaries, 3.4 tutors, as well as bus monitors during the school year. In 2017 we hired (General Fund only) 4 Instructor/Tutors, 1 Proficiency Tutor, 2 teachers, and due to grant restrictions needed to move 1 teacher to the General Fund. We also added 2 half-time custodians (elementary building addition) and 1 classroom aide. We also made a \$250 payment in 2017 to all employees (excluding administrators) per the negotiated agreements.

In 2018, we eliminated all proficiency tutor positions which included 13 General Fund proficiency tutor positions. We also eliminated 2 secretary positions and 1 coordinator position. These staff reductions were partially offset by the addition of 1 administrator (Attendance Specialist) and 5 classroom aides.

In 2019, we increased special education supervisors from 10 month employees to 12 month employees. We added 2 special education teachers, 1 special education tutor, 2 classroom aides, and 1 elementary teacher. The special education tutors and classroom aides were charged to Federal Grants for 2019 and 2020.

In 2020 we only added 2 half-time aides and 1 safety aide.

In 2020/2021 we budgeted in June 2020 for a reduction of one administrator, curriculum consultant (partially replaced with a purchased service), a librarian, a health teacher, elementary teacher, a CTC teacher, a career coordinator, ½ secretary,

and a custodian. We did add ½ administrator, a special education teacher, and 1 CTC teacher (partially funded by Perkins Grant).

If an unfilled contracted employee position from the prior year or a new contracted employee position was created in 2021/2022, these positions were charged to the ESSER Fund.

In 2022/2023 we added a Workforce Development Specialist. Also due to the ESSER Fund budget shortfall, we returned positions that were previously in the General Fund prior to the Covid related reductions. In 2021, due to remote learning, we had numerous positions that were not needed and went unfilled during that fiscal year. In 2022 and 2023, when these positions (seven) were now filled, these previously unfilled positions were charged to ESSER. On November 1, 2022 we returned two associate principals, two counselors, orchestra teacher, dean, and mechanic (seven positions) to the General Fund.

In 2024 we are forecasting no staffing increases. However, we may have up to 3 special education long-term substitutes converted to contracted employees.

Beginning in 2025, ESSER salary expenditures of \$3.2 million will be charged to the General Fund.

Benefits

In 2014 we became partially self-insured for our healthcare due to our insurance carrier's request of a 16.8% increase in our premium healthcare rates.

Healthcare costs increased by 13.8% in 2014, 8.22% in 2015, 3.74% in 2016, 4.0% in 2017, 3.5% in 2018. **In January 2019 we reduced our healthcare premium by 10% and by another 10% in July 2020.** These reductions were based on the solvency of our self-funded healthcare fund.

Based on negotiated agreements we have made significant changes to our benefits and increased the employees' monthly contributions, this has slowed our healthcare increases.

We have increased our healthcare premiums by nearly 20% (Single-37% and Family-17%). This is due to the significant increase in 2021/2022 insurance claims resulting in a \$2.8 million loss in our fund. We have forecasted a 7.5% increase in 2023/2024 and 5% increase in 2025 and all future years. As we are self-funded, we will continue to monitor our self-funded health claims' cost.

We are also self-funded for dental insurance. We previously decreased our rates by 10% in 2018/2019 and by another 10% in 2020/2021. Due to the current Dental Fund balance, we reduced our dental rates by 10% in 2023.

The Workers' Compensation forecasted expenditures have stabilized even as our salary costs have increased. We have been very proactive with our workers' compensation in the past few years and it appears our efforts are generating savings to the district and we are now in the OSBA Workers' Compensation pool.

The payments (premiums and paid claims) made to Bureau of Workers' Compensation have been steady the past few years. Our total worker's compensation costs reached a high of \$804,676 in 2010. In recent years it has been \$228,551 in

2020, \$228,391 in 2021, and \$147,966 in 2022. Workers' compensation rates are declining but we have had a few significant claims recently including lost time claims. We are forecasting our workers' compensation costs, premiums and paid claims at \$230,000 in 2023 and all future years.

We also received \$153,298 (all funds) for a one-time rebate in 2014 and \$161,781 (all funds) in 2015 for past workers' compensation costs. We also received a rebate of \$194,099 in 2018, \$203,815 in 2019 and \$205,888 in 2020. **In 2021 we received 2 payments totaling \$1.3 million.** These payments are recorded as other revenue.

In previous years, Unemployment Compensation has been very minimal. In FY 2020 our unemployment increased (Covid related) to \$30,208 in 2021, and decreased to \$1,617 in 2022. We are forecasting minimal claims in 2023 and all future years.

Beginning in 2025, ESSER benefit expenditures of \$1.4 million will be charged to the General Fund.

Purchased Services

The Lake Erie Educational Service Center (ESC) contract charges were \$2.0 million in 2020, \$2.1 million in 2021, and \$1.9 million in 2022 due to the significant decline in students enrolled in the ESC programs at Westwood.

We are experiencing increases due to additional services (staffing) being added and provided by the ESC. We expect the ESC contract to be \$2.3 million in 2023 and increasing to \$2.5 million in 2024 and \$2.65 million in all future years. In addition to the contract charges, there are other instructional purchased services (mostly ESC) of \$791,854 in 2020, \$670,109 in 2021 and \$794,530 in 2022. We are forecasting \$1.1 million in 2023 and all future years.

Based on the change in school funding we no longer will be charged for open enrollment students, charter school students, and scholarship students. We also will not receive funds for these students, however, as we were a capped district, we technically did not receive funding for these students.

Our open enrollment, charter school, and tuition expenditures were \$5.5 million in 2021.

Electric and natural gas charges were \$1.9 million in 2009 (our peak), \$1.2 million in 2020, \$928,316 in 2021, and \$1.0 million in 2022. We are forecasting electric and natural gas charges of \$1.3 million in 2023, \$1.5 million in 2024, and \$1.6 million in 2025 and all future years. As natural gas rates were at historical lows, the past few years have had much lower utility costs than would normally be expected. However, natural gas rates continue to increase. It is unknown the impact of our utility costs with the construction of the two elementary buildings and the closure of three elementary buildings.

Beginning in 2025, ESSER purchased service expenditures of \$400,000 will be charged to the General Fund.

Supplies

We continue to review our budgets each year which have resulted in lower actual expenditures in these budgets than forecasted. We do not expect this to continue into future years as we purchase new curriculum materials. There are materials being purchased with ESSER Funds which may lower supply expenditures.

	<u>Actual 2020</u>	<u>Actual 2021</u>	<u>Actual 2022</u>	<u>Budget 2023</u>
Instructional Supplies	\$ 799,880	\$ 565,595	\$ 807,457	\$1,020,000
Software Expenditures	\$ 115,199	\$ 171,259	\$ 99,514	\$ 127,000
Maintenance Supplies	\$ 742,695	\$ 514,301	\$ 645,088	\$ 790,000
Bus Maintenance & Fuel	\$ 322,102	\$ 262,962	\$ 431,997	\$ 675,000
Textbooks	\$ 69,769	\$ 18,249	\$ 219,523	\$ 672,000

We are forecasting our instructional supplies to be \$1 million, software to be \$200,000 (and \$175,000 in 2025 and future years), maintenance supplies to be \$790,000, and bus maintenance supplies and fuel to be \$600,000 in 2024 and all future years. We are forecasting our textbooks to be \$675,000 in 2024 and in all future years. However, beginning in 2025, ESSER expenditures of \$50,000 will be in addition to the previous supply category amounts.

Capital Outlay

Our Capital Outlay was \$1.3 million in 2020, \$1.2 million in 2021, and \$1.1 million in 2022. We are forecasting to expend \$.8 million in 2023 and all future years.

Beginning in 2025, the ESSER capital outlay expenditures of \$750,000 per year will be charged to the General Fund. This will increase our capital out to \$1.6 million in 2025 and all future years.

Other Objects

These are mainly Lucas County auditor/treasurer fees.

Our auditor/treasurer fees were \$752,004 in 2020, \$717,258 in 2021, and \$719,779 in 2022. We have forecasted these fees to be \$775,000 in 2023 and all future years.

Other Financing Uses

Transfers

We annually make transfers to various high school activity funds and the Employee Recognition Fund. These two transfers totaled \$18,000 in 2020, \$28,000 in 2021, and \$36,500 in 2022. We are forecasting \$40,000 in 2022 and all future years for these transfers.

In 2016, based on the losses experienced in the Food Service Fund, we permanently transferred \$185,000 from the General Fund to the Food Service Fund. In 2017 we transferred \$235,355, \$253,056 in 2019, \$228,196 in 2020, and \$74,601 in 2021. Due to increased revenue and a decline in staffing, we do not anticipate any transfers to the Food Service Fund during this forecast.

In total, we are forecasting total transfers to be \$40,000 in 2023 and in all future years.

Advances - Out

Advances (loans) to Food Service and Grant Funds were made in the amount of \$400,000 for 2020, 2021 and 2022 to maintain a positive fund balance in these funds. These were returned annually to the General Fund and will remain unchanged at \$400,000. We do not expect to make any advances out during this forecast.

Budget Reserve (Rainy Day Fund)

The Board of Education has previously authorized a Budget Reserve in the amount of \$1,800,000. **After the passage of our November 2014 levy, the Board increased the Budget Reserve to \$3,625,000 in 2015.** In October 2022, the Board increased the Budget Reserve to \$4.3 million. This Budget Reserve is maintained for all future years. Washington Local School District is one of the few districts in Northwest Ohio, and possibly the State, that has always maintained a rainy day fund.