

**PIKE DELTA YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**SCHEDULE OF REVENUE, 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.**



**Forecast Provided By  
Pike-Delta-York Local School District  
Finance Office  
Matt A. Feasel, Treasurer/CFO**

**May 2023**

# Pike-Delta-York Local School District

Fulton County

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
<b>Revenues</b>										
1.010	4,576,841	4,697,956	4,717,193	1.5%	4,659,234	4,729,123	4,800,060	4,872,061	4,945,142	
1.020	665,846	748,821	803,653	9.9%	783,556	775,720	767,963	760,284	752,681	
1.030	-	-	127,315	0.0%	1,494,256	2,450,761	2,745,603	2,935,143	3,012,786	
1.035	7,016,976	7,170,016	6,437,496	-4.0%	6,695,015	6,695,015	6,695,015	6,695,015	6,695,015	
1.040	169,688	150,818	479,765	103.5%	389,753	389,753	389,753	389,753	389,753	
1.045	-	-	-	0.0%	0	0	0	0	0	
1.050	543,687	549,254	558,348	1.3%	564,148	572,611	581,200	589,918	598,767	
1.060	963,096	798,307	550,040	-24.1%	899,477	908,472	917,556	926,732	935,999	
1.070	<b>13,936,134</b>	<b>14,115,172</b>	<b>13,673,810</b>	<b>-0.9%</b>	<b>15,485,438</b>	<b>16,521,455</b>	<b>16,897,150</b>	<b>17,168,906</b>	<b>17,330,142</b>	
<b>Other Financing Sources</b>										
2.010	-	-	-	0.0%	0.00	0.00	0.00	0.00	0.00	
2.020	-	-	-	0.0%	0.00	0.00	0.00	0.00	0.00	
2.040	-	-	-	0.0%	0.00	0.00	0.00	0.00	0.00	
2.050	123,404	39,444	12,245	-68.5%	0.00	5,000.00	5,000.00	5,000.00	5,000.00	
2.060	1,983	175,181	4,850	4318.5%	303.00	0.00	0.00	0.00	0.00	
2.070	<b>125,387</b>	<b>214,625</b>	<b>17,095</b>	<b>-10.4%</b>	<b>303</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	
2.080	<b>14,061,521</b>	<b>14,329,797</b>	<b>13,690,905</b>	<b>-1.3%</b>	<b>15,485,741</b>	<b>16,526,455</b>	<b>16,902,150</b>	<b>17,173,906</b>	<b>17,335,142</b>	
<b>Expenditures</b>										
3.010	7,812,664	7,868,215	7,934,747	0.8%	8,455,871	8,709,547	8,970,834	9,239,959	9,517,157	
3.020	3,355,414	3,358,548	3,524,274	2.5%	3,760,655	3,929,884	4,106,729	4,291,532	4,484,651	
3.030	2,846,213	3,152,302	1,959,380	-13.5%	1,963,521	2,042,063	2,164,587	2,294,462	2,432,130	
3.040	439,496	356,044	431,749	1.1%	394,456	414,179	434,888	456,632	479,464	
3.050	14,464	3,827	1,820	-63.0%	1,052	5,000	5,000	5,000	5,000	
3.060	0	0	0	0.0%	0	0	0	0	0	
Debt Service:										
4.010	0	0	0	0.0%	0	0	0	0	0	
4.020	0	0	0	0.0%	0	0	0	0	0	
4.030	0	0	0	0.0%	0	0	0	0	0	
4.040	0	0	0	0.0%	0	0	0	0	0	
4.050	0	0	0	0.0%	0	0	0	0	0	
4.055	0	0	0	0.0%	0	0	0	0	0	
4.060	0	0	0	0.0%	0	0	0	0	0	
4.300	195,226	161,656	165,080	-7.5%	187,510	189,385	191,279	193,192	195,124	
4.500	<b>14,663,477</b>	<b>14,900,592</b>	<b>14,017,050</b>	<b>-2.2%</b>	<b>14,763,065</b>	<b>\$15,290,057</b>	<b>15,873,316</b>	<b>16,480,776</b>	<b>17,113,526</b>	
<b>Other Financing Uses</b>										
5.010	186,866	-	-	0.0%	0	0	0	0	0	
5.020	39,444	12,245	-	-84.5%	10,000	10,000	10,000	10,000	10,000	
5.030	-	-	-	0.0%	0	0	0	0	0	
5.040	<b>226,310</b>	<b>12,245</b>	<b>-</b>	<b>-97.3%</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	
5.050	<b>14,889,787</b>	<b>14,912,837</b>	<b>14,017,050</b>	<b>-2.9%</b>	<b>14,773,065</b>	<b>15,300,057</b>	<b>15,883,316</b>	<b>16,490,776</b>	<b>17,123,526</b>	
6.010	<b>(828,266)</b>	<b>(583,040)</b>	<b>(326,145)</b>	<b>-36.8%</b>	<b>712,677</b>	<b>1,226,397</b>	<b>1,018,833</b>	<b>683,129</b>	<b>211,617</b>	
7.010	2,244,224	1,415,958	832,918	-39.0%	506,773	1,219,450	2,445,847	3,464,680	4,147,810	
7.020	<b>1,415,958</b>	<b>832,918</b>	<b>506,773</b>	<b>-40.2%</b>	<b>1,219,450</b>	<b>2,445,847</b>	<b>3,464,680</b>	<b>4,147,810</b>	<b>4,359,426</b>	
8.010	32,839	16,624	34,461	29.0%	-	-	-	-	-	
<b>Reservation of Fund Balance</b>										
9.010	-	-	-	0.0%	-	-	-	-	-	
9.020	-	-	-	0.0%	-	-	-	-	-	
9.030	-	-	-	0.0%	-	-	-	-	-	
9.040	-	-	-	0.0%	-	-	-	-	-	
9.045	-	-	-	0.0%	-	-	-	-	-	
9.050	-	-	-	0.0%	-	-	-	-	-	
9.060	-	-	-	0.0%	-	-	-	-	-	
9.070	-	-	-	0.0%	-	-	-	-	-	
9.080	-	-	-	0.0%	-	-	-	-	-	
10.010	<b>1,383,119</b>	<b>816,294</b>	<b>472,312</b>	<b>-41.6%</b>	<b>1,219,450</b>	<b>2,445,847</b>	<b>3,464,680</b>	<b>4,147,810</b>	<b>4,359,426</b>	
<b>Revenue from Replacement/Renewal Levies</b>										
11.010	-	-	-	0.0%	-	-	-	-	-	
11.020	-	-	-	0.0%	-	-	-	-	-	
11.300	-	-	-	0.0%	-	-	-	-	-	
12.010	<b>1,383,119</b>	<b>816,294</b>	<b>472,312</b>	<b>-41.6%</b>	<b>1,219,450</b>	<b>2,445,847</b>	<b>3,464,680</b>	<b>4,147,810</b>	<b>4,359,426</b>	
<b>Revenue from New Levies</b>										
13.010	-	-	-	0.0%	-	-	-	-	-	
13.020	-	-	-	0.0%	-	-	-	-	-	
13.030	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
14.010	-	-	-	0.0%	-	-	-	-	-	
15.010	<b>1,383,119</b>	<b>816,294</b>	<b>472,312</b>	<b>-41.6%</b>	<b>1,219,450</b>	<b>2,445,847</b>	<b>3,464,680</b>	<b>4,147,810</b>	<b>4,359,426</b>	
20.010	109	109	110		109	112	113	115	116	
20.015	1086	1086	1097		1086	1119	1130	1141	1153	

# Pike-Delta-York Local School District

Fulton County

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended June 30 from, Nov 2022- vs. May 2023 Forecast

		<b>FY 2023 - Forecasted</b>			
		Nov 2022	May 2023	Variance	
					Var. %
<b>Revenues</b>					
1.010	General Property Tax (Real Estate)	4,787,950	4,659,234	-128,716	-2.69%
1.020	Public Utility Personal Property Tax	811,689	783,556	-28,133	-3.47%
1.030	Income Tax	1,556,075	1,494,256	-61,819	-3.97%
1.035	Unrestricted State Grants-in-Aid	6,538,629	6,695,015	156,386	2.39%
1.040	Restricted State Grants-in-Aid	388,377	389,753	1,375	0.35%
1.045	Restricted Federal Grants In Aid	0	0	0	0.00%
1.050	Property Tax Allocation	566,723	564,148	-2,575	-0.45%
1.060	All Other Revenues	896,668	899,477	2,809	0.31%
1.070	<b>Total Revenues</b>	<b>15,546,111</b>	<b>15,485,438</b>	<b>-60,673</b>	<b>-0.39%</b>
<b>Other Financing Sources</b>					
2.010	Proceeds from Sale of Notes	0	0	0	0.00%
2.020	State Emergency Loans and Advancements (Approved)	0	0	0	0.00%
2.040	Operating Transfers-In	0	0	0	0.00%
2.050	Advances-In	0	0	0	0.00%
2.060	All Other Financing Sources	0	303	303	0.00%
2.070	<b>Total Other Financing Sources</b>	<b>0</b>	<b>303</b>	<b>303</b>	<b>0.00%</b>
2.080	<b>Total Revenues and Other Financing Sources</b>	<b>15,546,111</b>	<b>15,485,741</b>	<b>-60,370</b>	<b>-0.39%</b>
<b>Expenditures</b>					
3.010	Personal Services	8,320,818	8,455,871	135,053	1.62%
3.020	Employees' Retirement/Insurance Benefits	3,840,342	3,760,655	-79,688	-2.08%
3.030	Purchased Services	2,037,755	1,963,521	-74,234	-3.64%
3.040	Supplies and Materials	453,336	394,456	-58,880	-12.99%
3.050	Capital Outlay	10,000	1,052	-8,948	-89.48%
3.060	Intergovernmental	0	0	0	
	Debt Service:				
4.010	Principal-All (Historical Only)	0	0	0	0.00%
4.020	Principal-Notes	0	0	0	0.00%
4.030	Principal-State Loans	0	0	0	0.00%
4.040	Principal-State Advancements	0	0	0	0.00%
4.050	Principal-HB 264 Loans	0	0	0	0.00%
4.060	Interest and Fiscal Charges	0	0	0	0.00%
4.300	Other Objects	166,731	187,510	20,779	12.46%
4.500	<b>Total Expenditures</b>	<b>14,828,983</b>	<b>14,763,065</b>	<b>-65,918</b>	<b>-0.44%</b>
<b>Other Financing Uses</b>					
5.010	Operating Transfers-Out	0	0	0	0.00%
5.020	Advances-Out	0	10,000	10,000	0.00%
5.030	All Other Financing Uses	0	0	0	0.00%
5.040	<b>Total Other Financing Uses</b>	<b>0</b>	<b>10,000</b>	<b>\$10,000</b>	<b>0.00%</b>
5.050	<b>Total Expenditures and Other Financing Uses</b>	<b>14,828,983</b>	<b>14,773,065</b>	<b>(\$55,918)</b>	<b>-0.38%</b>
6.010	<b>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>	<b>717,129</b>	<b>712,677</b>	<b>(4,452)</b>	<b>-0.62%</b>
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	506,773	506,773	0	0.00%
7.020	<b>Cash Balance June 30</b>	<b>1,223,902</b>	<b>1,219,450</b>	<b>4,452-</b>	<b>-0.36%</b>

**Pike-Delta-York Local School District – Fulton County**  
**Notes to the Five Year Forecast**  
**General Fund Only**  
**May 2023**

**Introduction to the Five Year Forecast**

A forecast is somewhat like a future painting based on a snapshot of today. That snapshot, however, will be adjusted because the further into the future the forecast extends, the more likely it is that the projections will deviate from experience. A variety of events will ultimately impact the latter years of the forecast, such as state budgets (adopted every two years), tax levies (new/renewal/replacement), salary increases, or businesses moving in or out of the district. The five-year forecast is a crucial management tool and must be updated periodically. The five-year forecast enables district management teams to examine future years' projections and identify when challenges will arise. This then helps district management to be proactive in meeting those challenges. School districts are encouraged to update their forecasts with ODE when events significantly change their forecast or, at a minimum, when required under the statute.

In a financial forecast, the numbers only tell a small part of the story. For the numbers to be meaningful, the reader must review and consider the Assumptions of the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are fundamental to understanding the rationale of the numbers, particularly when a significant increase or decrease is reflected.

Since the preparation of a meaningful five-year forecast is as much an art as it is a science and entails many intricacies, it is recommended that you contact the Treasurer/Chief Fiscal Officer of the school district with any questions you may have. The Treasurer/CFO submits the forecast, but the Board of Education is recognized as ultimately responsible for the development of the forecast and the official owner.

Here are three essential purposes or objectives of the five-year forecast:

- (1) To engage the local board of education and the community in 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.

O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five (5) year financial forecast by November 30, 2022, and May 31, 2023, for the fiscal year 2023 (July 1, 2022, to June 30, 2023). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The fiscal year 2023 (July 1, 2022-June 30, 2023) is the first year of the five-year forecast and is considered the baseline year. Our forecast is updated to reflect the most current economic data available for the November 2022 filing.

**May 2023 Updates:**

**Revenues FY23**

The overview of revenues shows that we are substantially on target with original estimates at this point in the year. Total General Fund revenues (line 1.07) are estimated to be just \$ 60,673 less than the November forecasted amount of \$ 15,546,111. This indicates the November forecast was 99.6% accurate.

Overall, revenue projections have shifted but not changed significantly from the November of 2022 forecast primarily due to changes made with the state foundation funding formula. Forecasted revenue for fiscal year 2022-23 has been adjusted by only \$ 4,452.01 since the November of 2022 projections.

The addition of income tax proceeds beginning in fiscal year 2021-22, changes proposed with the state's fair funding recently passed legislation and the donation agreement with North Star BlueScope has created some optimism within these revenue projections. We still have to remain on the conservative side but there are some real possibilities of potential growth within this forecast.

Line 1.01 and 1.02 - Property tax revenues represents 35.15% of our revenue. We've reduced the original November estimate by 2.8% or \$ 156,849 less than our original \$ 5,599,639. The real estate collection was fairly close to what we anticipated but it is extremely difficult to estimate delinquencies. Eventually those funds will be collected and it simply becomes a timing issue. The public utility collection fell short of our estimates by almost four (3.47%) percent or just \$ 28,133. Our estimates are 97.2% accurate for FY23 and should mean future projections should be on target as well.

Line 1.035 and 1.04 - State Aid continues the implementation of the Fair School Funding Plan (FSFP), which has caused significant changes to the way our state revenues are calculated. We are estimating our state aid to be \$ 7,084,768 which is \$ 157,761 higher than the original estimate for FY23. We are extremely pleased that we were able to be that accurate for FY23. We are currently on the formula and are projecting to remain as a formula district for FY24 through FY27.

Overall, revenue projections are right where we thought they would be for the current fiscal year. To be 99.61% accurate on revenue projections is right where we want to be. We do not want to over-estimate but to be close enough to portray a realistic financial picture. All areas of revenue are tracking as anticipated for FY23 based on our November projections.

### **Expenditures FY23**

Total General Fund expenditures (line 4.5) appear to be right on target with what we projected in November. Salary estimates from November were increased by \$ 135,053 or 1.62% to reflect more current information. Fringe benefits are running a little less than we originally anticipated with a variance at 2.08%. Our contracted services category reflects reductions over the original November estimates. Supplies and materials and capital outlay have also been reduced to more accurately reflect what has transpired during the current fiscal year. As expenses have shifted, the total budget has not changed significantly from the November projections. Projected expenditures have been decreased by just \$ 65,918 or .44%. We still anticipate less than historical expenditure levels over the next year or so. General Fund expenditures are currently estimated at \$ 14,763,065 or \$ 746,015 or 5.32% higher than fiscal year 2021-22 expense levels due to staffing adjustments and health insurance increases. The forecast has expenditures increasing at an annual average percentage rate of 4.09%. After the current fiscal year, that average declines to 3.76% for the remaining four years of the projections. The utilization of grant dollars has been and will continue to be used when possible to reduce general fund expenses. Federal funding will end in July of 2024.

### **Unreserved Ending Cash Balance**

We don't expect significant if any changes from our November forecast. We've addressed the current fiscal year projections with ten (10) months of actual data and two months of projections. It appears we will be extremely close to our November projections and estimated cash balance. Revenue projections have been prepared with a degree of conservatism and expenditures with a little more optimism. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2027 if assumptions we

have made for property tax collections, state aid in future state budgets, and expenditure assumptions remain close to our estimates.

**Forecast Risks and Uncertainty:**

A five-year financial forecast has risks and uncertainty not only due to economic uncertainties noted above but also due to state legislative changes that will occur in the spring of 2023 and 2025 due to deliberation of the following two (2) state biennium budgets for FY24-25 and FY26-27, both of which affect this five-year forecast. We have estimated revenues and expenses based on the best data available and the laws in effect at this time. The items below give a short description of the current issues and how they may affect our forecast long term:

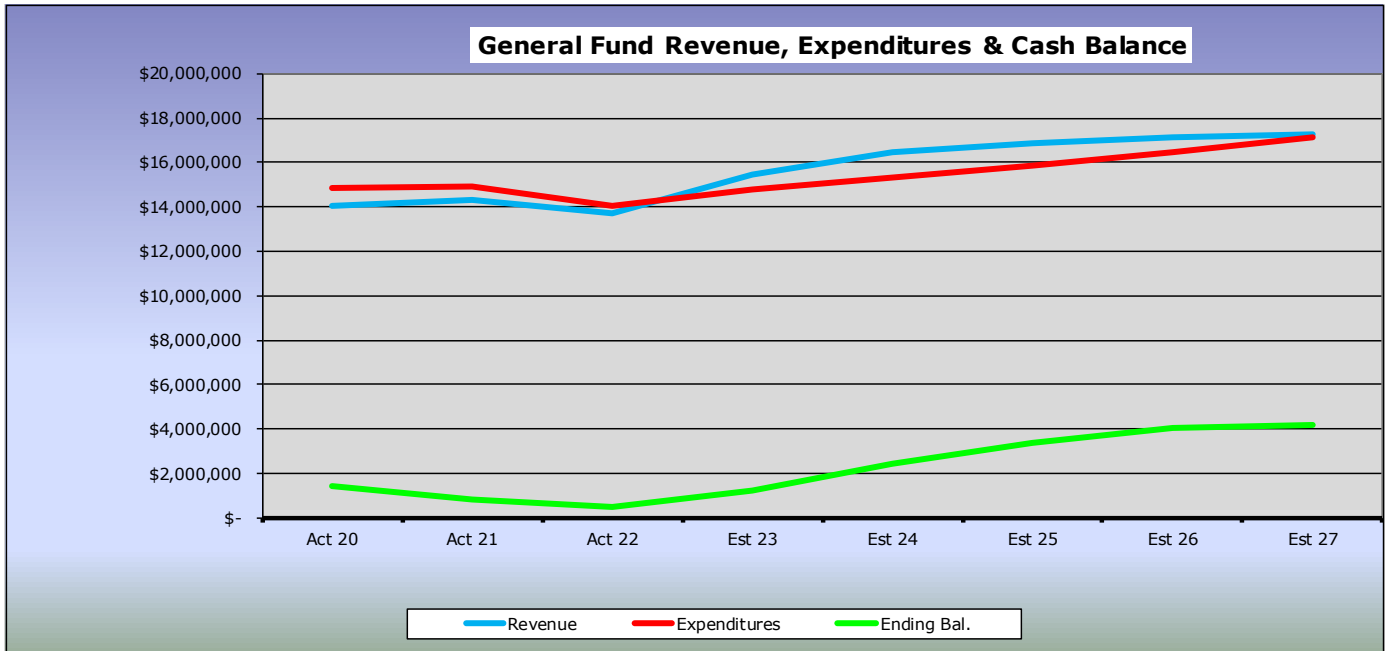
1. The current proposed state budget for FY24-25, HB33 was introduced on February 15, 2023, and proposes to continue the implementation of the Fair School Funding Plan (FSFP). In the initial proposal of HB33, the base cost statewide factors are the area of most significance and remain at FY18 levels. Formula districts would benefit from the continued phase-in of the FSFP, while ensuring districts would receive at least FY21 foundation funding. Certainty surrounding these and other significant funding components will not likely be known until late June 2023, after the filing of this forecast. We will be closely monitoring the progress of HB33 as it works its way through the legislative process.
2. The legislature has introduced House Bill 1 (HB1), proposing to modify the property taxation law and Ohio income tax rates. Proposed changes to the existing law include applying a single income tax rate of 2.75%, eliminating the 10% property tax rollback reimbursement, revising the 2.5% owner-occupied property tax rollback to be a flat \$125 credit, indexing the homestead exemption amounts to inflation, and reducing the property tax assessment percentage for Class I and II property from 35% to 31.5% to offset the 10% rollback which would be paid by local taxpayers. HB1 as currently written, would increase the effective rates for local property owners through HB920 due to the reduction in the assessed valuation for Class I and II property. HB920, enacted in 1976, states that voted school district levies collect the amount of tax revenues stated on the ballot at the time of passage and no more. The “effective” millage rate on voted levies will decrease as property values grow. If HB1 causes the assessed property values to decrease by changing the taxable values from 35% to 31.5%, this would cause “effective” millage rates and increase local taxpayers’ property tax liability in nearly all cases. Taxpayers would, however, see a reduction in their tax liability on inside millage, which local governments are granted by the Ohio Constitution, and would also be a direct loss of revenue for our district. The House Ways and Means Committee had its fifth hearing regarding HB1 on Mar. 28, 2023. As this bill is facing opposition from various entities due to the significant implications to the taxable valuation of property statewide, it will remain an area of increased risk and uncertainty and will be closely monitored to determine who the outcome will be.
3. The State Budget represents over fifty (51.36%) percent of district revenues and is an area of risk to revenue. The future risk comes in FY22 and beyond if the state economy stalls or worsens and the funding formula in future state budgets reduces funding to our district. There are two futu The current proposed state budget for FY24-25, HB33 was introduced on February 15, 2023, and proposes to continue the implementation of the Fair School Funding Plan (FSFP). In the initial proposal of HB33, the base cost statewide factors are the area of most significance and remain at FY18 levels. Formula districts would benefit from the continued phase-in of the FSFP, while ensuring districts would receive at least FY21 foundation funding. Certainty surrounding these and other significant funding components will not likely be known until late June 2023, after the filing of this forecast. We will be closely monitoring the progress of HB33 as it works its way through the legislative process.

4. Our district experienced a reappraisal in 2020 for collection in calendar year 2021. The district experienced minimal valuation growth as the result of this reappraisal. Total valuation increased by .17% or just 339,320. The changes authorized by HB49 to CAUV values lowered those values by an estimated 30% beginning with counties experiencing a reappraisal or update in Tax Year 2020. It is anticipated this reduction will be mostly offset by HB920 as rates will adjust up if net values for Class I are lower. It is also expected that cuts in CAUV will shift a larger tax burden to residential taxpayers which may be an unintended consequence of the legislature responding to agricultural interests. There is however always a minor risk that the district could sustain a reduction in values in the next appraisal update but we do not anticipate that at this time.
- 1) The community supported the renewal of the two emergency levies in November of 2018. Those levies were due to expire at the end of 2019. These levies were renewed as a “substitute levy” that will generate revenue growth and the district’s property valuation grows and as tax abatements expire. These levies are five (5) year levies that began in January of 2020 and expire in December of 2024. Calendar year 2020 were the “capture” year for the replacement substitute levy. New construction and properties coming off or abatement programs in 2021 should generate 6.90 mills of additional revenue having limited experience with the recently approved substitute levy, we have not projected significant changes during the forecasted period. As a result of the above listed factors, we have projected a two (1.00%) growth real estate collections and public utility collections for the next five (5) years of the forecast.
- I. HB110 direct pays costs associated with open enrollment, community and STEM schools, and for all scholarships including EdChoice Scholarships. These costs will no longer be deducted from our state aid. However, there still are education option programs such as College Credit Plus which continue to be deducted from state aid which will increase costs to the district. Expansion or creation of programs that are not directly paid by the state of Ohio can exposes the district to new expenditures that are not currently in the forecast. We are monitoring closely any new threats to our state aid and increased costs as any new proposed laws are introduced in the legislature.
- 2) Labor relations in our district have been strained due to the lack of adequate funding but we all continue working for the best interest of students and realizing the resource challenges we face. We believe as we move forward our positive working relationship will continue and will only grow stronger.

The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information please feel free to contact Matt A. Feasel, CFO/Treasurer of the Pike Delta York Local School District at (419) 822-3391.

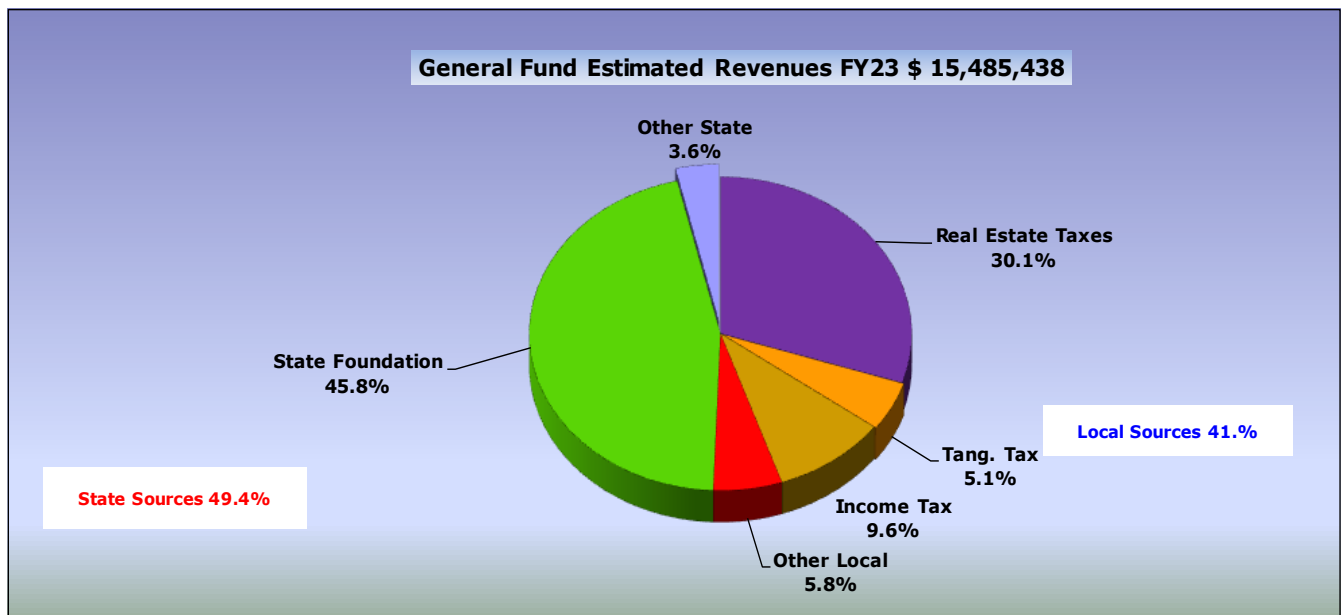
# Pike Delta York Local Schools

## Cash Position Statement May 2023



# Pike Delta York Local Schools

## Estimated General Fund Revenue May 2023





## ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR 2022	TAX YEAR 2023	TAX YEAR 2024	TAX YEAR 2025	TAX YEAR 2026
<u>Classification</u>	<u>COLLECT 2023</u>	<u>COLLECT 2024</u>	<u>COLLECT 2025</u>	<u>COLLECT 2026</u>	<u>COLLECT 2027</u>
Res./Ag.	\$155,311,110	\$160,025,688	\$161,932,402	\$166,310,150	\$170,775,453
Comm./Ind.	\$28,538,220	\$28,823,602	\$29,111,838	\$29,402,957	\$29,696,986
Public Utility Personal Property (PUPP)	\$16,701,884	\$16,534,865	\$16,369,517	\$16,205,821	\$16,043,763
Total Assessed Value	<u>\$200,551,214</u>	<u>\$205,384,155</u>	<u>\$207,413,756</u>	<u>\$211,918,928</u>	<u>\$216,516,202</u>

Property Values are established each year by the County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. Fulton County experienced a reappraisal for the 2020 tax year to be collected in 2021.

Public Utility Personal Property (PUPP) values have increased an average of \$ 313,865 over the past four years as a result of reinvestments being made by utilities statewide. We remain somewhat conservative in our projections and have projected valuation increases of 100,000 for each year of the forecast.

CAUV values represent 29.64% of Class I residential agricultural values. HB49 authorized a reduction in CAUV computations that will result in these values falling on average by 30%. These reductions will occur as districts experience their next reappraisal or update cycle. We will experience this in the Tax Year 2020 reappraisal. A reduction of value has been weighted in to our average Class I value change in 2019. This will cause a shift in taxes from agricultural taxpayers to residential taxpayers but should not result in lower taxes to our district.

The district is at the twenty (20.00) mill floor. As a result, any growth in valuation should result in the district receiving additional funds from real estate taxes.

## ESTIMATED REAL ESTATE TAX (Line # 1.010)

<u>Source</u>	FY23	FY24	FY25	FY26	FY27
Real Estate Taxes	<u>\$4,659,234</u>	<u>\$4,730,269</u>	<u>\$4,803,325</u>	<u>\$4,877,388</u>	<u>\$4,952,435</u>

### **Summary of Real Estate Values & Taxes – Line # 1.010**

Property tax collections are a major revenue source for the local portion of the district’s revenue. The continued issue of tax abatements within the village is to be of concern regarding future property tax growth. The minimal growth that the district used to experience from new construction will disappear as new homeowners apply for and receive 100% abatements. The village has granted approximately thirty-six (36) residential & commercial 100% ten (10) year tax abatements with an estimated value of \$ 21,927,689 and an estimated tax loss of \$ 287,632.38 to the district. This would be the equivalent of a 1.46 mill property tax levy. The district will continue to monitor potential future abatements and the affects it will have on district taxpayers.

Local property tax revenues account for 35.157% of the district’s resources. Fulton County completed a property reappraisal in 2021. Collections on these updated values are being collected in calendar year 2022. The district experienced a minimal increase of just \$ 339,320 in value or .17%. The 2015 valuation reappraisal, the district experienced a 13.23% increase in valuations throughout the district.

The district experienced additional revenue as a result of the NEXUS pipeline being completed. It is estimated that the district received approximately \$ 306,000 with the addition of the NEXUS pipeline value. This collection is based on the assessed value of \$ 5,919,410 which represents 61.49% of the original assessed value of \$ 9,626,120. Nexus had lost two appeals of the original value to the Ohio Department of Taxation and a decision was handed down in July of 2022 as to a fair and equitable value that both the ODOT and NEXUS agreed to. Just when we thought the end was in sight, the Lorain County Auditor filed an appeal with the courts claiming that the value was not high enough and seeking a more favorable judgement. We have applied a depreciation factor of 1% to account for the NEXUS value adjustments to be conservative.

The community supported the renewal of the two emergency levies in November of 2018. Those levies were due to expire at the end of 2019. These levies were renewed as a “substitute levy” that will generate revenue growth and the district’s property valuation grows and as tax abatements expire. Calendar year 2020 was the “capture” year for the replacement substitute levy. New construction and properties coming off of abatement programs in 2021 should generate 6.90 mills of additional revenue. Having limited experience with the recently approved substitute levy, we have not projected significant changes during the forecasted period. As a result of the above listed factors, we have projected a One and one-half (1.50%) growth in real estate collections and a one (1.00%) percent valuation reduction in public utility collections for the next five (5) years of the forecast.

**New Tax Levies – Line #13.030**

No new levies are modeled in this forecast.

**ESTIMATED PERSONAL PROPERTY TAX (Line # 1.020)**

<u>Source</u>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>
Public Utility Personal Property	\$783,556	\$748,497	\$720,012	\$691,447	\$662,972

**Summary of Public Utility Personal Property Taxes – Line # 1.020**

The district experienced additional revenue as a result of the NEXUS pipeline being completed. It is estimated that the district received approximately \$ 306,000 with the addition of the NEXUS pipeline value. This collection is based on the assessed value of \$ 5,919,410 which represents 61.49% of the original assessed value of \$ 9,626,120. Nexus had lost two appeals of the original value to the Ohio Department of Taxation and a decision was handed down in July of 2022 as to a fair and equitable value that both the ODOT and NEXUS agreed to. Just when we thought the end was in sight, the Lorain County Auditor filed an appeal with the courts claiming that the value was not high enough and seeking a more favorable judgement.

**ESTIMATED SCHOOL DISTRICT INCOME TAX (Line # 1.030)**

<u>Source</u>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>
SDIT Collection	\$1,494,256	\$2,450,761	\$2,745,603	\$2,935,143	\$3,012,786

**Summary of the School District Income Tax –Line # 1.030**

The Pike Delta York Local School district community supported a one (1.00%) percent five (5) year traditional school district income tax levy on May 4<sup>th</sup>, 2021. The levy was designated for operations and became effective on January 1<sup>st</sup> of 2022. It is estimated that the levy will generate \$ 2,047,352 annually. The income tax levy is administered through the Department of Taxation. The collections are distributed to the district on a quarterly basis. The first distribution was received by the district on April 29<sup>th</sup>, 2022. The district received 96.03% or \$

1,494,256 of the projected \$ 1,556,075 for the 2022-23 fiscal year. It takes approximately eighteen months for the district to receive the full collection. It is estimated that we will receive 106.3% in fiscal year 2023-24 and 113.20% in fiscal year 2024-25. We have projected an annual growth rate of five (5.00%) annually for the life of this forecast. The levy will expire in December of 2026.

**ESTIMATED UNRESTRICTED STATE FOUNDATION (Line # 1.035)**

<u>Source</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
Basic Aid-Unrestricted	\$6,287,767	\$6,287,767	\$6,287,767	\$6,287,767	\$6,287,767
Additional Aid Items	\$239,596	\$239,596	\$239,596	\$239,596	\$239,596
Basic Aid-Unrestricted Subtotal	\$6,527,364	\$6,527,364	\$6,527,364	\$6,527,364	\$6,527,364
Ohio Casino Commission ODT	\$77,651	\$77,651	\$77,651	\$77,651	\$77,651
Catastrophic Aid	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000
Total Unrestricted State Aid Line # 1.035	<u>\$6,695,015</u>	<u>\$6,695,015</u>	<u>\$6,695,015</u>	<u>\$6,695,015</u>	<u>\$6,695,015</u>

**Summary of Unrestricted State Funding – Line # 1.035**

The full release of the new Fair School Funding Plan formula occurred in March 2022 and was amended in HB583 passed in June 2022. Full calculations of the new formula were not available for nearly all of last fiscal year. We have projected FY23 funding based on the September 2022 foundation settlement and funding factors.

Our district is currently a **formula** district in FY23 and is expected to continue on the formula in FY24-FY27 on the new Fair School Funding Plan (FSFP). The state foundation funding formula has gone through many changes in recent years. The most recent funding formula began in FY14 and was dropped in FY19 after six (6) years, followed by no foundation formula for two (2) years in FY20 and FY21, and now HB110, as amended by HB583, implements the newest and possibly the most complicated funding formula in recent years for FY22 and FY23. The current formula introduces many changes to how state foundation is calculated and expenses deducted from state funding which will potentially make the actual five-year forecast look different with estimates FY23 through FY27 compared to actual data FY20 through FY21 on Lines 1.035, 1.04, 1.06 and 3.03 of the forecast.

**Overview of Key Factors that Influence State Basic Aid in the Fair School Funding Plan**

- A. Student Population and Demographics
- B. Property Valuation Per Pupil
- C. Personal Income of District Residents Per Pupil
- D. Historical Funding - CAPS and Guarantees from prior funding formulas “Funding Bases” for guarantees.

**Base Cost Approach - Unrestricted Basic Aid Foundation Funding**

The new funding formula uses FY18 statewide average district costs and developed a base cost approach that includes minimum service levels and student teacher ratios to calculate a unique base cost for each district. Newer more up to date state wide average costs will not update for FY23 and remains frozen at FY18 levels, while other factors impacting a districts local capacity will update for FY23. Base costs per pupil includes funding for five (5) areas:

- 1. Teacher Base Cost (4 subcomponents)
- 2. Student Support (7 subcomponents-including a restricted Student Wellness component)
- 3. District Leadership & Accountability (7 subcomponents)
- 4. Building Leadership & Operations (3 subcomponents)
- 5. Athletic Co-curricular (contingent on participation)

### State Share Percentage – Unrestricted Basic Aid Foundation Funding

Once the base cost is calculated, which is currently at a state wide average of \$7,350.77 per pupil in FY22, the FSFP calculates a state share percentage (SSP) calculation. The state share percentage in concept will be higher for districts with less capacity (lower local wealth) and be a lower state share percentage for districts with more capacity (higher local wealth). The higher the district's ability to raise taxes based on local wealth the lower the state share percentage. The state share percentage will be based on 60% property valuation of the district, 20% on federally adjusted gross income and 20% on federal median income, as follows:

1. 60% based on most recent three (3) year average assessed values or the most recent year, whichever is lower divided by base students enrolled.
2. 20% based on most recent three (3) year average federal adjusted gross income of districts residents or the most recent year, whichever is lower divided by base students enrolled.
3. 20% based on most recent year federal median income of district residents multiplied by number of returns in that year divided by base students enrolled.
4. When the weighted values are calculated and item 1 through 3 above added together the total is then multiplied by a Local Share Multiplier Index from 0% for low wealth districts to a maximum of 2.5% for wealthy districts.

When the unrestricted base cost is determined and multiplied by the state share percentage, the resulting amount is multiplied by the current year enrolled students (including open enrolled students being educated in each district), and finally multiplied by the local share multiplier index for each district. The result is the local per pupil capacity amount of the base per pupil funding amount.

### **Categorical State Aid**

In addition to the base state foundation funding calculated above the FSFP also has unrestricted categorical funding and new restricted funding beginning in FY22, some of which will have the state share percentage applied to these calculations as noted below:

#### Unrestricted Categorical State Aid

1. Targeted Assistance/Capacity Aid – Provides additional funding based on a wealth measure using 60% weighted on property value and 40% on income. Uses current year enrolled average daily membership (ADM). Also will provide supplemental targeted assistance to lower wealth districts whose enrolled ADM is less than 88% of their total FY19 ADM.
2. Special Education Additional Aid – Based on six (6) weighted funding categories of disability and moved to a weighted funding amount and not a specific amount. An amount of 10% will be reduced from all district's calculation to be used toward the state appropriation for Catastrophic Cost reimbursement.
3. Transportation Aid – Funding based on all resident students who ride including preschool students and those living within 1 mile of school. Provides supplemental transportation for low density districts. Increases state minimum share to 29.17% in FY22 and 33.33% in FY23.

#### Restricted Categorical State Aid

1. Disadvantage Pupil Impact Aid (DPIA)- Formerly Economically Disadvantaged Funding is based on number and concentration of economically disadvantaged students compared to state average and multiplied by \$422 per pupil. Phase in increases are limited to 0% for FY22 and 14% in FY23.
2. English Learners – Based on funded categories based on time student enrolled in schools and multiplied by a weighted amount per pupil.
3. Gifted Funds –Based on average daily membership multiplied by a weighted amount per pupil.
4. Career-Technical Education Funds – Based on career technical average daily membership and five (5) weighted funding categories students enrolled in.

5. Student Wellness & Success Funding – moved into DPIA funding, is restricted funding and will be spent on same initiatives and requirements that were previously designated under the stand alone fund.

#### State Funding Phase-In FY22 and FY23 and Guarantees

HB110 provides funding for FY22 and FY23. While the FSFP was presented as a six (6) year phase-in plan, the state legislature approved the first two (2) years of the funding plan. The FSFP does not include caps on funding, rather it will include a general phase-in percentage for most components in the amount of 16.67% in FY22 and 33.33% in FY23. DPIA funding will be phased in 0% in FY22 and 14% in FY23. Transportation categorical funds will not be subject to a phase in.

HB110 includes “formula transition aid” which is a guarantee. There are actually three (3) guarantees in both temporary and permanent law to ensure that no district will get less funds in FY21 than they received in FY21. The guarantee level of funding for FY21 is a calculated funding guarantee level based on full state funding cuts from May 2020 restored, net of transfers and deductions, plus Student Wellness and Success funds (based on FY21 SWSF amounts), enrollment growth supplement funds paid in FY21 and special education preschool and special education transportation additional aid items.

#### Student Wellness and Success (Restricted Fund 467)

In FY20 and FY21 HB166, provided Student Wellness and Success Funds (SWSF) to be deposited in a Special Revenue Fund 467. HB110 the new state budget has essentially eliminated these funds by merging them into state aid and wrapped into the expanded funding and mission of DPIA funds noted above and on Line 1.04 below. Any remaining funds in Special Revenue Fund 467 will be required to be used for the restricted purposes governing these funds until spent fully.

#### Future State Budgets Projections Beyond FY23

Our funding status for the FY24-26 will depend on two (2) new state budgets which are unknown. There is no guarantee that the current Fair School Funding Plan in HB110 will be funded or continued beyond FY23. For this reason, funding is held constant FY23 through FY26.

#### **Casino Revenue**

On November 3, 2009 Ohio voters passed the Ohio casino ballot issue. This issue allowed for the opening of four (4) casinos one each in Cleveland, Toledo, Columbus and Cincinnati. Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% GCR that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31<sup>st</sup> of January and August each year which began for the first time on January 31, 2013.

Casino revenue fell slightly in FY21 due to COVID-19 and Casinos closing for a little over two months. We have increases the amount in FY22 back to pre-pandemic FY20 levels as Casino revenues appear to have dipped largely due to their closure and not in response to the economic downturn. Prior to COVID-19 closure, casino revenues were growing modestly as the economy improved. Original projections for FY22-26 estimated a .4% decline in pupils to 1,778,441 and GCR increasing to \$106.35 million or \$59.80 per pupil. We believe FY22 Casino revenues will resume their historical growth rate.

## **RESTRICTED STATE REVENUES (Line # 1.040)**

<u>Source</u>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>
DPIA	\$52,999	\$52,999	\$52,999	\$52,999	\$52,999
Career Tech	\$54,999	\$54,999	\$54,999	\$54,999	\$54,999
Gifted	\$75,603	\$75,603	\$75,603	\$75,603	\$75,603
ESL	\$7,573	\$7,573	\$7,573	\$7,573	\$7,573
Student Wellness	\$198,579	\$198,579	\$198,579	\$198,579	\$198,579
Total Restricted State Revenues Line #1.040	<u>\$389,753</u>	<u>\$389,753</u>	<u>\$389,753</u>	<u>\$389,753</u>	<u>\$389,753</u>

### **Summary of Restricted State Funding – Line #1.040**

HB110 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding) and Career Technical funding. In addition, there have been new restricted funds added as noted above under “Restricted Categorical Aid” for Gifted, English Learners (ESL) and Student Wellness. The amount of DPIA is limited to 0% phase in growth for FY22 and 14% in FY23.

## **RESTRICTED FEDERAL GRANTS-IN-AID (Line # 1.045)**

No federal unrestricted grants are projected FY21-25.

## **PROPERTY TAX ALLOCATION (Line # 1.050)**

<u>Source</u>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>
Rollback and Homestead	\$564,148	\$572,772	\$581,684	\$590,720	\$599,874

### **Summary of Rollback and Homestead Reimbursement – Line #1.050**

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

Homestead Exemptions are also credits paid to the district from the state of Ohio for qualified elderly and disabled. In 2007 HB119 expanded the Homestead Exemption for all seniors over age 65 or older or who are disabled regardless of income. Effective September 29, 2013 HB59 changes the requirement for Homestead Exemptions. Individual taxpayers who do not currently have their Homestead Exemption approved or those who do not get a new application approved for tax year 2013, and who become eligible thereafter, will only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who currently have their Homestead Exemption as of September 29, 2013 will not lose it going forward and will not have to meet the new income qualification. This will reduce homestead reimbursements to the district, and as with the rollback reimbursements above, increase the taxes collected locally on taxpayers. **On the District revenue, if an existing levy is not renewed we would never regain this revenue on any levies in the future.**

## **OTHER LOCAL REVENUES (Line # 1.060)**

<u>Source</u>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>
Open Enrollment Tuition	\$0	\$0	\$0	\$0	\$0
Interest	\$50,000	\$50,500	\$51,005	\$51,515	\$52,030
Tax Incentive Agreements	\$501,168	\$501,168	\$474,754	\$474,754	\$474,754
Tuition SF-14 & SF-14H	\$123,000	\$124,230	\$125,472	\$126,727	\$127,994
Other Income, Rentals and Fees	\$225,309	\$232,574	\$266,325	\$273,736	\$281,220
Total Other Local Revenue Line #1.060	<u>\$899,477</u>	<u>\$908,472</u>	<u>\$917,556</u>	<u>\$926,732</u>	<u>\$935,999</u>

### **Summary of Other Revenues – Line # 1.060**

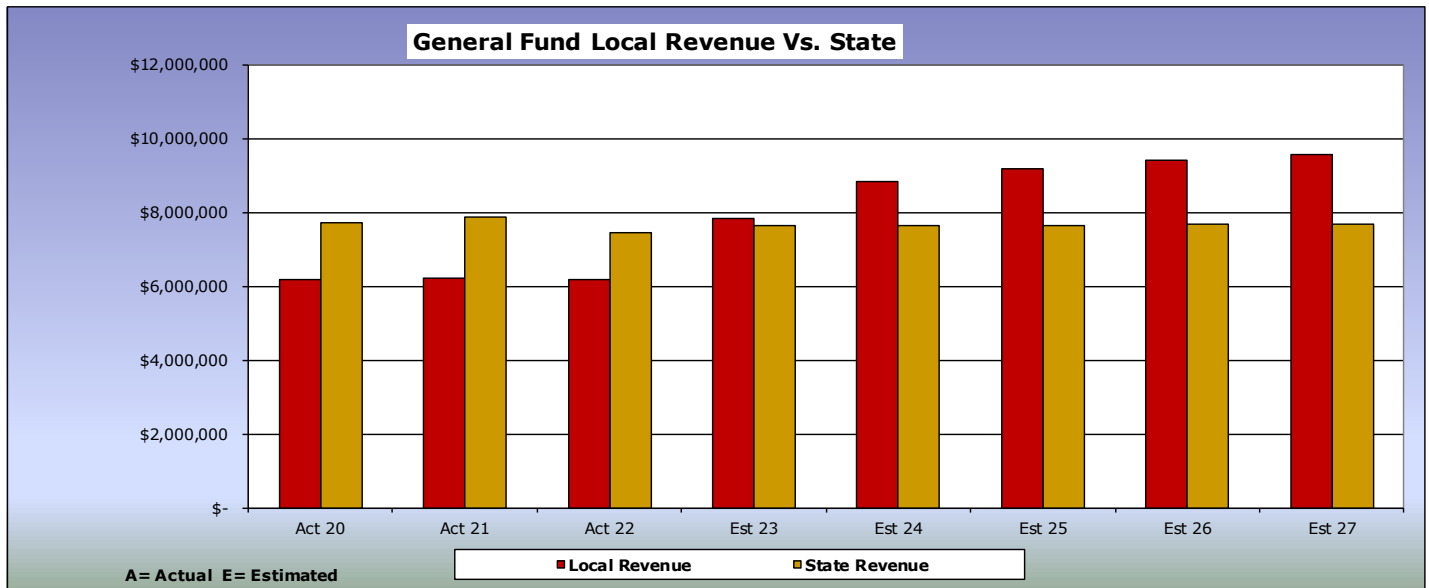
Local revenue are receipts that come to the district at the local level other than real estate taxes. Interest income, local tuition, pay to participate fees and facility rental fees are just a couple of examples. Interest income has decreased significantly as a result of the pandemic. Interest income for the current fiscal year was originally projected \$ 50,000 for the current fiscal year. Interest rates have risen and our cash flow has grown giving us more opportunities for growth in this area. We have revised our original projection for interest income to \$ 132,814 since at the time this forecast was being prepared, the district had already collected \$ 99,814. I think it is prudent to remain with our original position of gradual increases in the remaining four years of the forecast. We continue to work with Red Tree Investments to maximize our investment opportunities and diversify our portfolio. Security of the public funds collected by the district is the top priority of this office.

Donation agreements are also accounted for within this area. The District currently has several donation agreements in place. Fulton County Processing has actually had three donation agreements in place over the years. The first one was entered into in 2008 with payments beginning in 2010. The final payment for the first donation agreement was received in fiscal year 2019-20. The second agreement was entered into in with a donation amount of \$26,414 that will expire in 2024 and the third, recently negotiated CRA began this calendar year and is estimated to bring approximately \$ 10,000 annually to the district.

The District approved an agreement with Nature Fresh Farms and received the first payment of \$ 25,679.56 in February of 2017. The District received the second payment of \$ 23,625.00 in February of 2018, \$ 21,707 in FY19, \$19,970 in FY20, \$ 18,397 in FY21, \$ 16,925 in FY22 and \$ 15,571 in FY23 and decreasing 8% annually until February of 2030. Future donation agreements with Nature Fresh for their continued expansion evaporated due to the fact that the Village of Delta operates under a Pre1994 provision of tax abatement legislation. The original donation agreement that was negated by the village was estimated at \$ 3.2 million dollars over a twenty-three (23) year period.

The District was able to negotiate a donation agreement with North Star/BlueScope on the estimated \$ 750,000,000 additions to its current facility. Construction began in January of 2020 and was completed and operational in 2022. This placed an abated value on the 2022 tax year payable in 2023. The district received the first donation of \$ 451,530.28 in agreement on February 13<sup>th</sup> of 2023.

## COMPARISON OF STATE & LOCAL REVENUE



### ESTIMATED SHORT TERM BORROWING (Line # 2.010 & 2.020)

The district has not borrowed so this line is not used.

### ESTIMATED NON-OPERATING RECEIPTS (Line # 2.040 & 2.050)

<u>Source</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
Transfers In - Line 2.040	\$0	\$0	\$0	\$0	\$0
Advance Returns - Line 2.050	\$0	\$5,000	\$5,000	\$5,000	\$5,000
<b>Total Transfer &amp; Advances In</b>	<u>\$0</u>	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$5,000</u>

#### **Summary of Transfers & Advances – Line # 2.040 & # 2.050**

These are non-operating revenues which are the repayment of short term loans to other funds over the previous fiscal year and reimbursements for expenses received for a previous fiscal year in the current fiscal year. All advances over year end are planned to be returned in the succeeding fiscal year.

Workers Compensation issued a refund recently due to claims being significantly less than expected. It is not anticipated that we will see any type of rate increase for calendar year 2021. A second rebate of \$ 131,683 was received in December of 2020 and is included in the current forecast.

### ESTIMATED ALL OTHER FINANCING SOURCES (Line # 2.060)

This funding source is typically a refund of prior year expenditures that is very unpredictable. We will estimate these payments when we have solid data with which to do so.



## **Expenditure Assumptions**

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

### **ESTIMATED PERSONAL SERVICES (Line # 3.010)**

<u>Source</u>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>
Base Wages	\$8,455,871	\$8,709,547	\$8,970,834	\$9,239,959	\$9,517,157
ESSER & S.W.S.F. Charge-off's	\$0	\$0	\$0	\$0	\$0
Wages and Salary Line # 3.01	<u>\$8,455,871</u>	<u>\$8,709,547</u>	<u>\$8,970,834</u>	<u>\$9,239,959</u>	<u>\$9,517,157</u>

Collective bargaining agreements were finally completed in the spring of 2021. Three year agreements were ratified with the P-D-Y Education Association and the OAPSE classified staff. Salary schedules were adopted for the teaching staff that reflect increase of 2.00% for the 2021-22 school year, 2.50% for the 2022-23 school year and 3.00% for the 2023-24 school year. The classified (OAPSE) staff were awarded 2.00% increases in each of the three years of the contract. Historically we have seen the salary line item of the budget increase at an average of 2.96% over the last five years. These figures are based on salaries paid to all staff including certified, classified, supplementals, administrators, substitutes, aides, etc. For the purposes of this forecast, a three (3.00%) percent salary adjustment has been projected for the life of this forecast to allow for salary increases, step increases, educational adjustments and increases in sub costs.

### **ESTIMATED FRINGE BENEFITS (Line # 3.020)**

<u>Source</u>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>
A) STRS/SERS	\$1,352,939	\$1,393,528	\$1,435,333	\$1,478,393	\$1,522,745
B) Insurance's	\$2,180,668	\$2,304,615	\$2,434,822	\$2,571,586	\$2,715,225
C) Workers Comp/Unemployment	\$33,823	\$34,838	\$35,883	\$36,960	\$38,069
D) Medicare	\$122,610	\$126,288	\$130,077	\$133,979	\$137,999
E) Tuition Reimbursement	\$70,614	\$70,614	\$70,614	\$70,614	\$70,614
Total Fringe Benefits Line #3.020	<u>\$3,760,655</u>	<u>\$3,929,884</u>	<u>\$4,106,729</u>	<u>\$4,291,532</u>	<u>\$4,484,651</u>

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

This area of the forecast captures all costs associated with benefits and retirement costs, which all except health insurance are directly related to the wages paid.

#### **A.) STRS/SERS**

The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System or the School Employees Retirement System as required by Ohio law.

#### **B.) Insurance**

The Northern Buckeye Health Plan Board of Directors have addressed rates for the calendar year 2023. Medical plans were increased. The traditional fully insured plan increased 6% while the high deductible plan increased 13.0%. Dental premiums were increased \$1.00 per month while vision and life insurance were not adjusted for

the 2023 calendar year. The increases include adjustments for inflation and the function of the health insurance committee to maintain control of costs.

Over the past two plan years, claims have increased and have resulted in increases of premiums to cover the plan. The 2022-23 fiscal year has been projected with current staffing levels and enrollment levels. Staffing reductions and alternative (grants, Student Wellness and Success, etc.) funding has been utilized when applicable and permissible for the 2020-21, 2021-22 and 2022-23 fiscal years. It appears we could be looking at a significant rate increase for our health insurance coverage over the next couple of years. A six (6.00%) percent inflation rate has been applied to the final four years of the forecast.

**C.) Workers Compensation & Unemployment Compensation**

Workers Compensation issued a refund recently due to claims being significantly less than expected. It is not anticipated that we will see any type of rate increase for calendar year 2021. A second rebate of \$ 131,683 was received in December of 2020 and is included in the current forecast. The district has committed to the Northern Buckeye Education Council’s consortium for 2021. Unemployment Compensation has been negligible and is anticipated to remain as such as we plan our staffing needs carefully.

**D.) Medicare**

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

This forecast has been projected with current staffing levels and enrollment levels. Staffing reductions and alternative (grants, Student Wellness and Success, etc.) funding has been utilized when applicable and permissible for the 2021-22 and 2022-23 fiscal years. A four and a half (4.5%) percent inflation rate has been applied to the final four years of the forecast.

**ESTIMATED PURCHASED SERVICES (Line # 3.030)**

<u>Source</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
Base Services	\$355,464	\$369,683	\$391,864	\$415,375	\$440,298
Instructional Services	\$695,930	\$723,767	\$767,193	\$813,225	\$862,018
ESSER & S.W.S.F. Charge-off's	\$0	\$0	\$0	\$0	\$0
Building and Maintenance	\$207,867	\$216,183	\$229,154	\$242,903	\$224,264
Open Enrollment Deductions	\$0	\$0	\$0	\$0	\$0
Community School Deductions	\$0	\$0	\$0	\$0	\$0
Other Tuition Including Ed Scholarship	\$271,160	\$282,006	\$298,927	\$316,862	\$335,874
Utilities	\$433,100	\$450,424	\$477,449	\$506,096	\$536,462
Total Purchased Services Line #3.030	<u>\$1,963,521</u>	<u>\$2,042,063</u>	<u>\$2,164,587</u>	<u>\$2,294,462</u>	<u>\$2,432,130</u>

**Summary of Purchased Services – Line #3.030**

This has been the most volatile area of the budget in recent years. This area includes expenses that are performed by individuals and/or companies not employed by the district. They include expenses related to utilities, professional development, tuition, legal services, property and fleet insurance and special needs services performed by the educational service center. These expenses have accounted for twenty (20%) percent of the budget in the past. HB110, the new state budget will impact this are of the budget beginning in FY22 as the Ohio Department of Education will begin to direct pay these costs to the educating districts for open enrollment, community and STEM schools, and for scholarships granted students to be educated elsewhere, as opposed to deducting these amounts from our state foundation funding and shown here as expenses. College Credit Pus,

excess costs and other tuition costs will continue to draw funds away from the district, which will continue in this area and have been adjusted based on historical trend. Purchased services now reflect just 13% of the budget.

We have closely monitored this area of the budget and have made every attempt to control these costs. We have projected an annual increase of four (4.00%) percent for the first two years of this forecast and six (6.0%) for the final three years due to the expiration of ESSER funding and those expenses returning to the general fund.

**ESTIMATED SUPPLIES & MATERIALS (Line # 3.040)**

<u>Source</u>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>
Supplies & Materials	\$394,456	\$414,179	\$434,888	\$456,632	\$479,464

**Summary of Supplies & Materials – Line # 3.040**

This category is self-explanatory. Instructional supplies, office supplies, testing supplies, technology, custodial, transportation and fuel are all tracked through this line item. We have reduced this are of the budget for the current fiscal year and have built in a moderate annual increase to account for one-to-one technology purchases.

**ESTIMATED CAPITAL OUTLAY (Line # 3.050)**

<u>Source</u>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>
Capital Outlay	\$1,052	\$5,000	\$5,000	\$5,000	\$5,000
Replacement Bus Purchases	\$0	\$0	\$0	\$0	\$0
Total Equipment Line #3.050	<u>\$1,052</u>	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$5,000</u>

**Summary of Capital Outlay – Line # 3.050**

The administration has prepared a five-year capital project plan and have continued to update this plan annually. The plan addresses the needs of the district to address the needs of maturing facilities and transportation fleet. Technology is another area that continually presents challenges. Inside millage (2.00 mills) was transferred earlier this year, from the general fund, to generate a funding source for capital projects. General fund dollars will no longer be needed to fund these needed repairs and renovations and were projected to be transferred to the permanent improvement fund to meet future transportation needs and building maintenance.

**ESTIMATED OTHER OBJECTS (Line # 4.300)**

<u>Source</u>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>
County Auditor & Treasurer Fees	\$114,705	\$115,852	\$117,011	\$118,181	\$119,362
Income Tax Adm. Fee	\$22,414	\$22,638	\$22,865	\$23,093	\$23,324
Other Expenses	\$50,391	\$50,895	\$51,404	\$51,918	\$52,437
Total Other Expenses Line #4.300	<u>\$187,510</u>	<u>\$189,385</u>	<u>\$191,279</u>	<u>\$193,192</u>	<u>\$195,124</u>

**Summary of Other Objects – Line # 4.300**

The category of Other Objects consists primarily of the County ESC deductions for specialized services provided to the District. Auditor & Treasurer fees, that are related to the collection of real estate taxes, membership fees, employee bonding and miscellaneous collection fees are classified within this area. Currently, we are projecting a one (1.00%) percent increase for this line item to cover the additional cost of the income tax administrative fee.

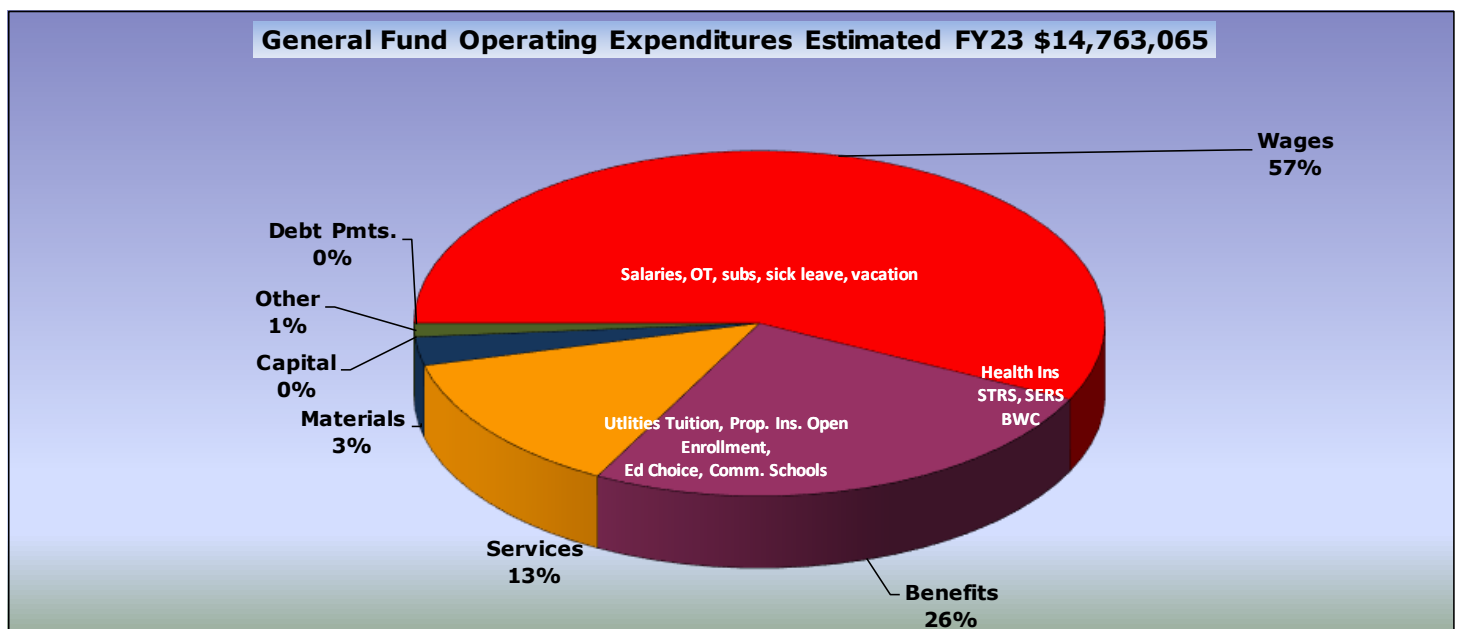
## ESTIMATED TRANSFERS & ADVANCES (Line # 5.01 - 5.04)

Source	FY23	FY24	FY25	FY26	FY27
Operating Transfers Out Line #5.010	\$0	\$0	\$0	\$0	\$0
Advances Out Line #5.020	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Total Transfer & Advances Out	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>

### Summary of Transfers & Advances – Line # 5.010 & 5.020

Non-operating expenses are to account for financial necessities of the overall operation of the district. Occasionally, various programs within the district require fiscal assistance throughout the year. A temporary advance of funds may be necessary to cover a temporary cash deficit. In fiscal year 2020 the general fund advanced approximately \$ 226,309 to various funds to cover a temporary deficit as a result of cash flow. Those advances have been returned to the general fund. With the effects of the COVID-19 pandemic, additional funds will be needed to finance deficits created within the food service fund.

## GENERAL FUND EXPENDITURE ESTIMATES



## ESTIMATED ENCUMBRANCES (Line # 8.010)

	FY23	FY24	FY25	FY26	FY27
Estimated Encumbrances	\$0	\$0	\$0	\$0	\$0

### Summary of Encumbrances – Line # 8.010

These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered.

## **ESTIMATED EXPENDITURES (Line # 5.050)**

### **Summary of Estimated Expenditures – Line # 5.050**

General Fund expenditures are currently estimated at \$ 14,773,065 or \$ 756,015 or 5.39% higher than fiscal year 2021-22 expense levels due to staffing adjustments and health insurance increases. The forecast has expenditures increasing at an annual average percentage rate of 4.09%. After the current fiscal year, that average declines to 3.76% for the remaining four years of the projections. The utilization of grant dollars has been and will continue to be used when possible to reduce general fund expenses.

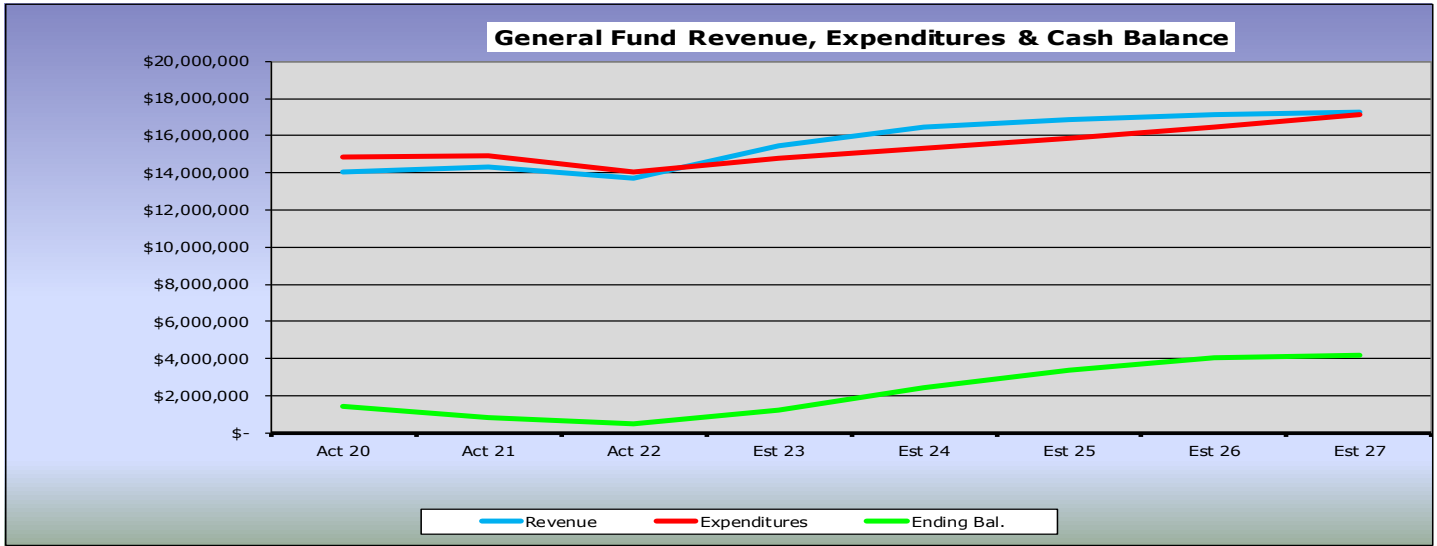
## **ESTIMATED ENDING CASH BALANCE (Line # 15.010)**

	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>
Ending Unencumbered Cash Balance	<u>\$1,219,450</u>	<u>\$2,419,931</u>	<u>\$3,394,562</u>	<u>\$4,014,984</u>	<u>\$4,145,291</u>

### **Summary of the Ending Cash Balance – Line # 15.010**

Ultimately, everyone looks at the “Bottom-Line” when looking at any financial document. As we indicated earlier in these assumptions, this is the best estimate that we can make at the present time. These projections can change almost immediately due to the needs of our students, the state budget, who can or cannot pay their property taxes or more unfunded mandates place on the local taxpayers by our legislative body. The COVID-19 pandemic has created situations that we have never seen before. We need to continue to utilize this forecast as a planning document and constantly monitor our progress on a monthly basis. Financial stability is crucial in addressing the future needs and plans for meeting the instructional needs of our students and community while preparing for those unforeseen circumstances that occasionally present themselves. It is inevitable that additional revenue is needed to maintain our current programs. We have done what we can at this point to meet those needs. The passage of the 1.00% traditional income tax and the transfer of inside millage will generate additional dollars to help “close the gap”. Now, we have to slowly transition back to the point of financial solvency and we believe that the attached financial plan does just that.

# GENERAL FUND CASH FLOW PROJECTIONS Fiscal Years 2019 thru 2026



## TRUE DAYS ENDING CASH BALANCE

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

