

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

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES  
IN FUND BALANCES FOR THE FISCAL YEARS ENDED  
JUNE 30, 2019, 2020 and 2021 ACTUAL  
FORECASTED FISCAL YEARS ENDING  
JUNE 30, 2022 THROUGH 2026.**



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

*May 2022*

# Pike-Delta-York Local School District

Fulton County

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2019, 2020 and 2021 Actual;  
Forecasted Fiscal Years Ending June 30, 2022 Through 2026

	Actual				Average Change	Forecasted				
	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021			Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
<b>Revenues</b>										
1.010	\$4,477,061	\$4,576,841	\$4,697,956	2.4%	\$4,717,193	\$4,811,763	\$4,908,222	\$5,006,403	\$5,106,533	
1.020	706,854	665,846	748,821	3.3%	803,653	809,624	819,668	831,790	844,371	
1.030	-	-	-	0.0%	127,315	1,556,075	2,450,761	2,745,603	2,935,143	
1.035	7,286,108	7,016,976	7,170,016	-0.8%	6,359,214	6,373,093	6,373,093	6,373,093	6,373,093	
1.040	168,909	169,688	150,818	-5.3%	386,832	339,846	339,846	339,846	339,846	
1.045	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0	
1.050	548,948	543,687	549,254	0.0%	558,348	640,251	649,964	660,557	670,565	
1.060	973,929	963,096	798,307	-9.1%	529,170	984,462	994,307	1,004,250	1,014,292	
1.070	<b>14,161,809</b>	<b>13,936,134</b>	<b>14,115,172</b>	<b>-0.2%</b>	<b>13,481,725</b>	<b>15,515,114</b>	<b>16,535,861</b>	<b>16,961,542</b>	<b>17,283,843</b>	
<b>Other Financing Sources</b>										
2.010	-	-	-	0.0%	-	-	-	-	-	
2.020	-	-	-	0.0%	-	-	-	-	-	
2.040	-	-	-	0.0%	-	-	-	-	-	
2.050	94,383	123,404	39,444	-18.6%	25,000	25,000	25,000	25,000	25,000	
2.060	28,497	1,983	175,181	4320.5%	-	-	-	-	-	
2.070	<b>122,880</b>	<b>125,387</b>	<b>214,625</b>	<b>36.6%</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	
2.080	<b>14,284,689</b>	<b>14,061,521</b>	<b>14,329,797</b>	<b>0.2%</b>	<b>13,506,725</b>	<b>15,540,114</b>	<b>16,560,861</b>	<b>16,986,542</b>	<b>17,308,843</b>	
<b>Expenditures</b>										
3.010	7,794,608	7,812,664	7,868,215	0.5%	7,934,712	8,172,753	8,417,936	8,670,474	8,930,588	
3.020	3,231,912	3,355,414	3,358,548	2.0%	3,548,758	3,708,452	3,875,332	4,049,722	4,231,960	
3.030	3,186,247	2,846,213	3,152,302	0.0%	1,775,457	1,846,475	1,920,334	1,997,147	2,077,033	
3.040	473,737	439,496	356,044	-13.1%	411,304	431,869	453,463	476,136	499,943	
3.050	6,663	14,464	3,827	21.8%	10,000	10,000	10,000	10,000	10,000	
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	167,634	195,226	161,656	-0.4%	161,909	163,528	165,163	166,815	168,483	
4.500	<b>14,860,801</b>	<b>14,663,477</b>	<b>14,900,592</b>	<b>0.1%</b>	<b>13,842,140</b>	<b>\$14,333,077</b>	<b>14,842,227</b>	<b>15,370,293</b>	<b>15,918,007</b>	
<b>Other Financing Uses</b>										
5.010	220,453	186,866	-	-57.6%	0	0	0	0	0	
5.020	123,313	39,444	12,245	-68.5%	25,000	25,000	25,000	25,000	25,000	
5.030	-	-	-	0.0%	0	0	0	0	0	
5.040	<b>343,766</b>	<b>226,310</b>	<b>12,245</b>	<b>-64.4%</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	
5.050	<b>15,204,567</b>	<b>14,889,787</b>	<b>14,912,837</b>	<b>-1.0%</b>	<b>13,867,140</b>	<b>14,358,077</b>	<b>14,867,227</b>	<b>15,395,293</b>	<b>15,943,007</b>	
6.010	<b>(919,878)</b>	<b>(828,266)</b>	<b>(583,040)</b>	<b>-19.8%</b>	<b>(360,415)</b>	<b>1,182,037</b>	<b>1,693,633</b>	<b>1,591,248</b>	<b>1,365,837</b>	
7.010	3,164,101	2,244,223	1,415,957	-33.0%	832,917	472,502	1,654,539	3,348,173	4,939,421	
7.020	<b>2,244,223</b>	<b>1,415,957</b>	<b>832,917</b>	<b>-39.0%</b>	<b>472,502</b>	<b>1,654,539</b>	<b>3,348,173</b>	<b>4,939,421</b>	<b>6,305,258</b>	
8.010	23,139	32,839	16,624	-3.7%	-	-	-	-	-	
<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>2,221,084</b>	<b>1,383,118</b>	<b>816,293</b>	<b>-39.4%</b>	<b>472,502</b>	<b>1,654,539</b>	<b>3,348,173</b>	<b>4,939,421</b>	<b>6,305,258</b>	
<b>Revenue from Replacement/Renewal Levies</b>										
11.010	-	-	-	0.0%	-	-	-	-	-	
11.020	-	-	-	0.0%	-	-	-	-	-	
11.300	-	-	-	0.0%	-	-	-	-	-	
12.010	<b>2,221,084</b>	<b>1,383,118</b>	<b>816,293</b>	<b>-39.4%</b>	<b>472,502</b>	<b>1,654,539</b>	<b>3,348,173</b>	<b>4,939,421</b>	<b>6,305,258</b>	
<b>Revenue from New Levies</b>										
13.010	-	-	-	0.0%	-	-	-	-	-	
13.020	-	-	-	0.0%	-	-	-	-	-	
13.030	-	-	-	0.0%	-	-	-	-	-	
14.010	-	-	-	0.0%	-	-	-	-	-	
15.010	<b>2,221,084</b>	<b>1,383,118</b>	<b>816,293</b>	<b>-39.4%</b>	<b>472,502</b>	<b>1,654,539</b>	<b>3,348,173</b>	<b>4,939,421</b>	<b>6,305,258</b>	
20.010	109	109	109		109	111	112	113	115	
20.015	1086	1086	1086		1086	1108	1119	1130	1141	

**Pike-Delta-York Local School District – Fulton County**  
**Notes to the Five Year Forecast**  
**General Fund Only**  
**May 2022**

**Introduction to the Five Year Forecast**

A forecast is somewhat like a painting of the future based upon a snapshot of today. That snapshot, however, will be adjusted and the further into the future the forecast extends, the more likely it is that the projections will deviate from actual 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 viewed as a key management tool and must be updated periodically. In Ohio, most school districts understand how they will manage their finances in the current year. The five-year forecast encourages 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 take place that will significantly change their forecast or, at a minimum, when required under 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 to the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are especially important 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 or Board of Education (BOE) of the individual school district with any questions you may have. The Treasurer or CFO submits the forecast, but the BOE is recognized as ultimately responsible for the development of the forecast and the official owner.

Here are at least three 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, 2021, and May 31, 2022 for fiscal year 2022 (July 1, 2021 to June 30, 2022). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Fiscal year 2022 (July 1, 2021-June 30, 2022) is the first year of the five-year forecast and is considered the baseline year. Our forecast is being updated to reflect the most current economic data available to us for the May 2022 filing.

**Economic Outlook**

This five-year forecast is being filed during the recovery from the COVID-19 Pandemic which began in early 2020. The effects of the pandemic continue to impact our state, country and our globalized economy. Inflation during April hit a 40 year high not seen since the early 1980's. While increased inflation impacting district costs are expected to continue in the short term, it remains to be seen if these costs are transitory or will last over the

next few years which could have a significant impact on our forecast in addition to negative effects on state and local funding.

While all school districts are being aided by three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER) which began in fiscal year 2020, the most recent allocation of ESSER funds must be spent or encumbered by September 30, 2024.

Data and assumptions noted in this forecast are based on the best and most reliable data available to us as of the date of this forecast.

## **May 2022 Updates:**

### **Revenues FY22:**

The overview of revenues shows that we were right where we thought we would be in terms of our revenue projections. Total General Fund revenues (line 1.07) are estimated to be \$ 13,481,725 or .7% higher than the November forecasted amount of \$ 13,382,157. This indicates the November forecast was 99.993% accurate.

Property Taxes – (Line 1.01 and 1.02) - Property tax revenues represent our second largest source of revenues at 41% and was estimated to be \$ 5,551,969. Since 100% of the annual collections has been received, the 2021-22 estimate has been revised to the actual collection of \$ 5,520,846. This represents a variance of \$ 31,123 or .56%. This means that we were 99.994% accurate on the real estate estimate.

Income Tax (Line 1.03) – The district started collecting proceeds from a one (1.00%) percent income tax levy in January of 2022. Initial estimates for the initial April of 2022 collection was \$ 104,774. The actual collection was \$ 127,315 or 21.5% higher than we anticipated.

State Foundation (Line 1.035 and 1.040) - State Aide began the year with a completely new funding formula with only Legislative Service Commission (LSC) estimates to anticipate our funding for FY22 and FY23. The LSC estimated provided little to no detail on how the funding level was calculated. The November forecast used components of the LSC simulations of HB110 funding in order to project anticipated funding. In January of 2022 the first formula calculations were released in part by the Ohio Department of Education. While there are still details unpublished at this time we can see that through early April our state aid is estimated to be \$6,359,214 which is \$ 304,429 less than the original estimate for FY22. We are pleased that with very little detail we were able to be 95.43 % accurate for FY22. We are currently on formula. Preliminary numbers indicate we will could potentially switch over to the guarantee for the second year of the biennium.

All Other Revenues (Line 1.060) - Other revenues are up \$ 171,016 over the original estimates primarily due to receipts from a revenue sharing agreement being negotiated with the Village of Delta, some miscellaneous donations being received and an insurance claim being reimbursed.

### **Expenditures FY22:**

Total General Fund expenditures (line 4.5) are estimated to be 13,867,140 for FY22 which is \$ 627,847 or almost five (4.94%) percent higher than the original estimate of \$ 13,214,294 from the November forecast, which is roughly 95.29% on target with original estimates. Salaries were the most significant area presenting a variance. Staffing adjustments, certified educational advancements and substitute costs affected the updated projections. A larger than anticipated health insurance increase in January of 2022 has affected the initial projections from November. Increases in special needs services have affected the purchased service line item. .

All other areas of expenses are expected to run on target with original projections for the year.

### **Unreserved Ending Cash Balance:**

With the exception of the current fiscal year, revenue projections will finally exceed estimated expenditures, something that this district has not seen in some time. Real estate adjustments along with the passage of a new income tax collection have provided the resources necessary to provide some financial stability. Through the life of this forecast, revenue is projected to increase at an average annual rate of 4.07% while expenditures were projected to increase at the average rate of 1.44%, 3.55% after the current fiscal year. Our ending unreserved cash balance June 30, 2022 is anticipated to be roughly \$ 472,503. This is still a challenging situation but the 2022-23 financial projections present a more favorable situation with the collection of the recently approved income tax. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2026 if the 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 next 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 to us and the laws in effect at this time. The items below give a short description of the current issues and how they may affect our forecast long term:

- 1) HB110, the current state budget, implements what has been referred to as the Fair School Funding Plan (FSFP) for FY22 and FY23. The actual release of the new Fair School Funding Plan formula calculations was delayed until January 2022. The FSFP has many significant changes to the way foundation revenues are calculated for school districts and how expenses are charged off. State foundation basic aid will be calculated on a base cost methodology with funding paid to the district where a student is enrolled to be educated. There will be no separate open enrollment revenue payments to school districts beginning in FY22. There will also be direct funding to the district where students are educated for expenses previously deducted from districts state foundation funding for open enrollment, community schools, STEM schools and scholarship recipients. The initial impact on the forecast will be noticed that the historic actual costs for FY19 through FY21 on the forecast will potentially reflect different trends on Lines 1.035, 1.04, 1.06 and 3.03 beginning in FY22. Longer term there may be adjustments to state aid for FY23 as the Ohio Department of Education resolves issues and possible unintended consequences as they create and implement the numerous changes to the complicated new formula. Our state aid projections have been based on the best information on the new HB110 formula available as of this forecast.
- 2) 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 future State Biennium Budgets covering the period from FY22-23 and FY24-25 in this forecast. Future uncertainty in both the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long range through FY25. We have projected our state funding to be in line with the FY19 funding level FY22 through FY25, which we feel is conservative and should be close to whatever the state approves for the new FY22-23 biennium budget. We will adjust the forecast in future years as we have data to help guide this decision.
- 3) 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.

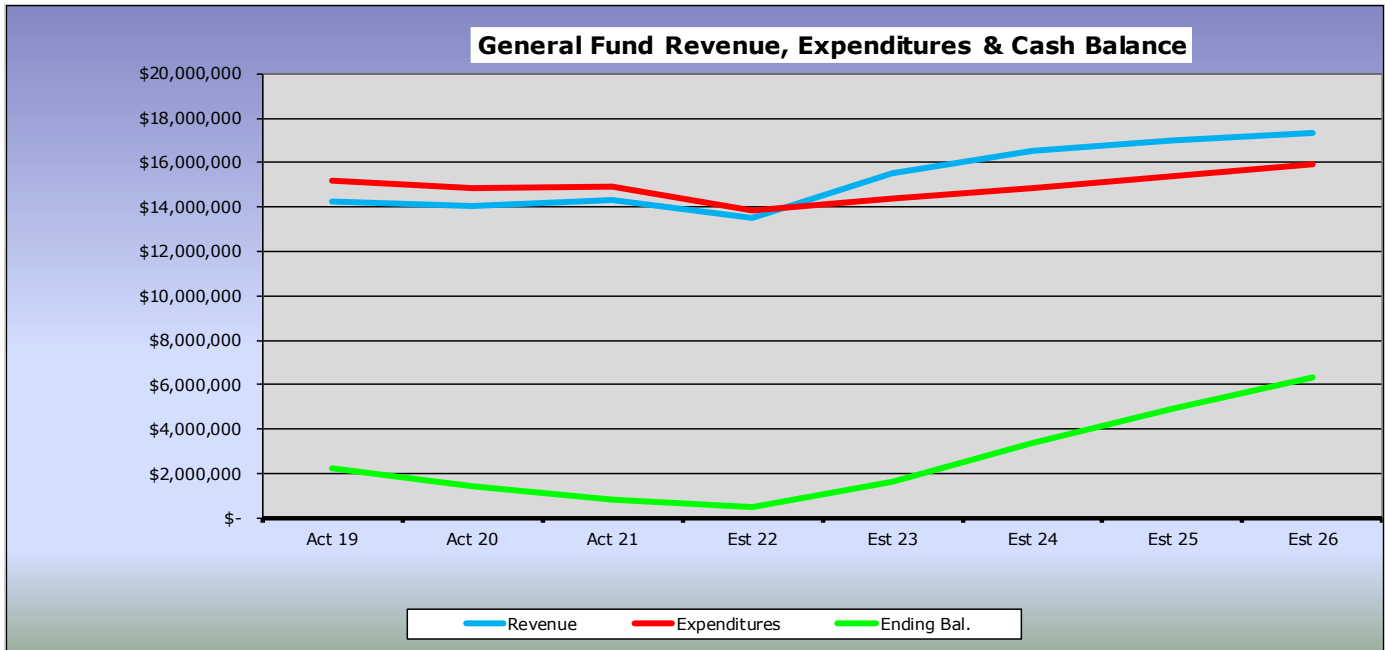
- 4) The community supported the renewal of the two emergency levies that were combined and originally approved by voters on May 6, 2014. These levies were renewed in November of 2018 as a “substitute levy” that will generate revenue growth and the district’s property valuation grows and as tax abatements expire. No additional growth from this levy has been projected within this update. These levies are five (5) year levies that began in January of 2020 and expire in December of 2024.
- 5) 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 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 (2.00%) growth real estate collections and public utility collections for the next five (5) years of the forecast.
- 6) 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.
- 7) 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

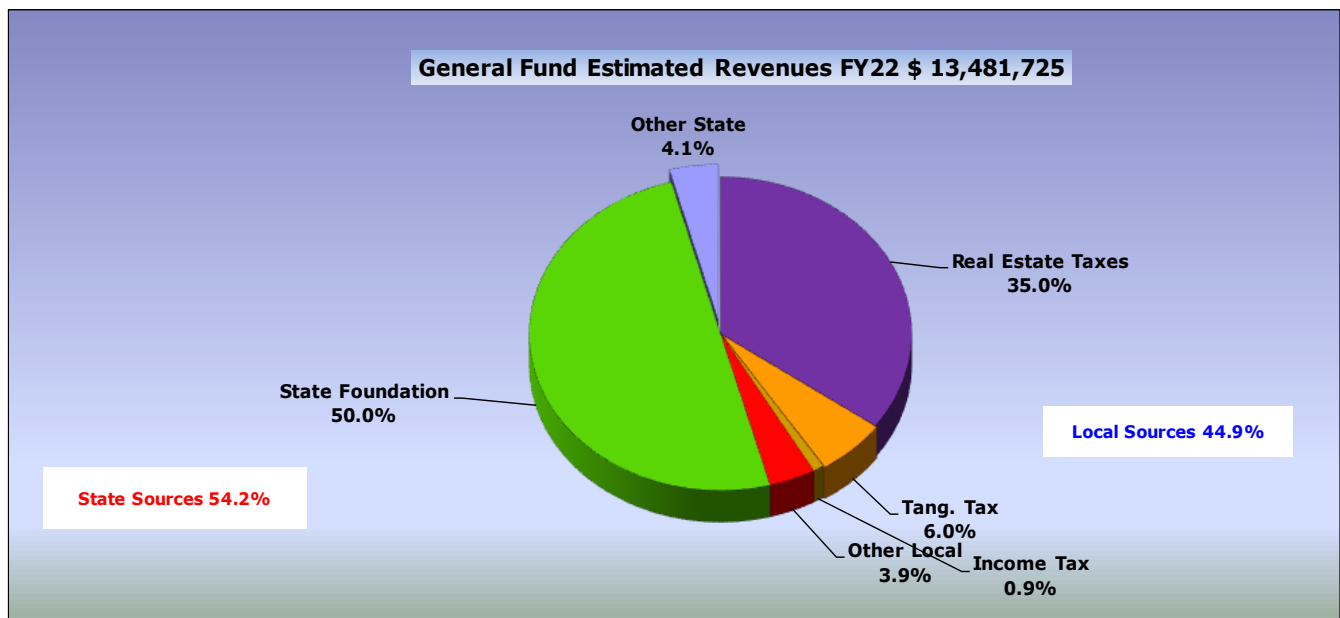
### May 2022



# Pike Delta York Local Schools

## Estimated General Fund Revenue

### May 2022



## **ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS**

	Actual	Estimated	Estimated	Estimated	Estimated
	TAX YEAR 2021	TAX YEAR 2022	TAX YEAR 2023	TAX YEAR 2024	TAX YEAR 2025
<u>Classification</u>	<u>COLLECT 2022</u>	<u>COLLECT 2023</u>	<u>COLLECT 2024</u>	<u>COLLECT 2025</u>	<u>COLLECT 2026</u>
Res./Ag.	\$153,973,660	\$155,327,462	\$160,042,449	\$161,949,498	\$166,327,588
Comm./Ind.	\$27,885,390	\$28,164,244	\$28,445,886	\$28,730,345	\$29,017,649
Public Utility Personal Property (PUPP)	\$16,870,590	\$17,040,170	\$17,290,170	\$17,549,523	\$17,812,765
Total Assessed Value	<u>\$198,729,640</u>	<u>\$200,531,876</u>	<u>\$205,778,505</u>	<u>\$208,229,366</u>	<u>\$213,158,002</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>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Real Estate Taxes	<u>\$4,717,193</u>	<u>\$4,811,763</u>	<u>\$4,908,222</u>	<u>\$5,006,403</u>	<u>\$5,106,533</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. At the time of this forecast being prepared, 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 41% of the district’s resources. Fulton County just completed a property reappraisal. Collections on these updated values are being collected in calendar year 2021. 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 has lost two appeals of the original value to the Ohio Department of Taxation and has filed their final appeal that is scheduled to be heard in February of 2022.

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 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 (2.00%) growth rate for real estate collections and a one (1.00%) percent rate of growth rate for the 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>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>
Public Utility Personal Property	\$803,653	\$809,624	\$819,668	\$831,790	\$844,371

**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 has lost two appeals of the original value to the Ohio Department of Taxation and has filed their final appeal was scheduled to be heard in February of 2022 but an extension was granted. It is unknown when a final determination will be made.

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

<u>Source</u>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>
SDIT Collection	\$127,315	\$1,556,075	\$2,450,761	\$2,745,603	\$2,935,143

**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 6.22% or

\$ 127,315 on April 29<sup>th</sup>. It takes approximately eighteen months for the district to receive the full collection. It is estimated that we will receive 76.3% in fiscal year 2022-23 and 106.3% 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>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Basic Aid-Unrestricted	\$6,006,052	\$6,024,669	\$6,024,669	\$6,024,669	\$6,024,669
Additional Aid Items	\$245,093	\$245,381	\$245,381	\$245,381	\$245,381
Basic Aid-Unrestricted Subtotal	\$6,251,144	\$6,270,050	\$6,270,050	\$6,270,050	\$6,270,050
Ohio Casino Commission ODT	\$76,070	\$77,160	\$77,160	\$77,160	\$77,160
Catastrophic Aid	\$32,000	\$25,883	\$25,883	\$25,883	\$25,883
Total Unrestricted State Aid Line # 1.035	<u>\$6,359,214</u>	<u>\$6,373,093</u>	<u>\$6,373,093</u>	<u>\$6,373,093</u>	<u>\$6,373,093</u>

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

The partial release of the new Fair School Funding Plan formula occurred in January 2022 half way through FY22, and as of the date of this forecast there are still some detailed calculations not released. We have projected FY22 and FY23 funding based on the April 2022 foundation settlement and funding factors.

Our district is currently a **formula** district in FY22 and a guarantee district in FY23 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 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 FY22 through FY26 compared to actual data FY19 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>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
DPIA	\$59,938	\$54,438	\$54,438	\$54,438	\$54,438
Career Tech	\$52,114	\$37,030	\$37,030	\$37,030	\$37,030
Gifted	\$72,924	\$49,027	\$49,027	\$49,027	\$49,027
ESL	\$8,165	\$5,534	\$5,534	\$5,534	\$5,534
Student Wellness	\$193,691	\$193,817	\$193,817	\$193,817	\$193,817
Total Restricted State Revenues Line #1.040	<u>\$386,832</u>	<u>\$339,846</u>	<u>\$339,846</u>	<u>\$339,846</u>	<u>\$339,846</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>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Rollback and Homestead	\$558,348	\$640,251	\$649,964	\$660,557	\$670,565

**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>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Open Enrollment Tuition	\$0	\$0	\$0	\$0	\$0
Interest	\$25,000	\$25,500	\$25,755	\$26,013	\$26,273
Tax Incentive Agreements	\$52,643	\$450,000	\$454,500	\$459,045	\$463,635
Tuition SF-14 & SF-14H	\$124,303	\$126,789	\$128,057	\$129,338	\$130,631
Other Income, Rentals and Fees	\$327,224	\$382,173	\$385,995	\$389,855	\$393,753
Total Other Local Revenue Line #1.060	<u>\$529,170</u>	<u>\$984,462</u>	<u>\$994,307</u>	<u>\$1,004,250</u>	<u>\$1,014,292</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 has been projected at 78% of our investment earning from the 2020-21 fiscal year. Our cash flow will continue to increase expanding our investment opportunities. Staying on the conservative side for this update, 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.

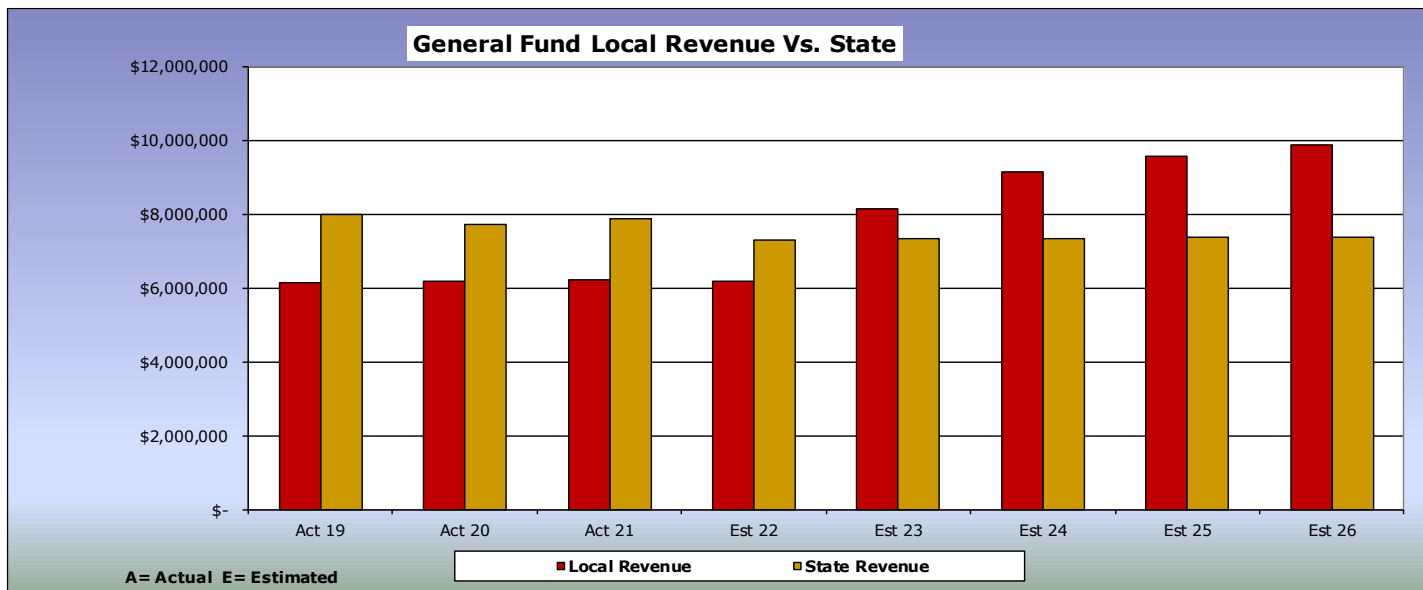
Donation agreements are also accounted for within this area. The District currently has several donation agreements in place. Fulton County Processing has actually had three donation agreements in place over the years. The first one was entered into in 2008 with payments beginning in 2010. The final 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 \$ 36,900 annually to the district.

Worthington Industries tax abatement proceeds have been part of the local receipts and as a result, these projections have declined due to the fact that this abatement will no longer be collected. Upon the expiration of these agreements, the values of these properties have been added to the tax duplicate and should be included in general property tax in FY22.

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 and \$ 16,925 in FY22 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 with a completion date estimated at December of 2021. This would place a non-abated value on the 2022 tax year payable in 2023. It is estimated that the district would receive the first donation agreement in February of 2023 or the 2022-23 fiscal year.

## 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)

Source	FY22	FY23	FY24	FY25	FY26
Transfers In - Line 2.040	\$0	\$0	\$0	\$0	\$0
Advance Returns - Line 2.050	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
<b>Total Transfer &amp; Advances In</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$25,000</b>

#### **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>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>
Base Wages	\$8,104,262	\$8,172,753	\$8,417,936	\$8,670,474	\$8,930,588
ESSER & S.W.S.F. Charge-off's	-\$169,550	\$0	\$0	\$0	\$0
Wages and Salary Line # 3.01	<u>\$7,934,712</u>	<u>\$8,172,753</u>	<u>\$8,417,936</u>	<u>\$8,670,474</u>	<u>\$8,930,588</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>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>
A) STRS/SERS	\$1,296,682	\$1,307,641	\$1,346,870	\$1,387,276	\$1,428,894
B) Insurance's	\$2,037,084	\$2,181,415	\$2,304,530	\$2,433,842	\$2,569,650
C) Workers Comp/Unemployment	\$31,739	\$32,691	\$33,672	\$34,682	\$35,722
D) Medicare	\$115,053	\$118,505	\$122,060	\$125,722	\$129,494
E) Tuition Reimbursement	\$68,200	\$68,200	\$68,200	\$68,200	\$68,200
Total Fringe Benefits Line #3.020	<u>\$3,548,758</u>	<u>\$3,708,452</u>	<u>\$3,875,332</u>	<u>\$4,049,722</u>	<u>\$4,231,960</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 2022. Medical plans were increased. The traditional fully insured plan increased 8% while the high deductible plan increased 9.25%. Dental, vision and life insurance was not adjusted for the 2022 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 2021-22 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 and 2021-22 fiscal years. It appears we will be looking at a significant rate increase for our health insurance coverage over the next couple of years. A little larger than three (3.18%) 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>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Base Services	\$416,503	\$433,163	\$450,490	\$468,510	\$487,250
Instructional Services	\$574,703	\$597,691	\$621,599	\$646,463	\$672,321
ESSER & S.W.S.F. Charge-off's	(\$14,033)	\$0	\$0	\$0	\$0
Building and Maintenance	\$201,551	\$209,613	\$217,998	\$283,430	\$224,264
Open Enrollment Deductions	\$35,496	\$36,916	\$38,392	\$39,928	\$41,525
Community School Deductions	\$13,353	\$13,887	\$14,443	\$15,021	\$15,622
Other Tuition Including Ed Scholarship	\$181,587	\$188,851	\$196,405	\$204,261	\$212,432
Utilities	\$366,296	\$366,353	\$381,007	\$396,248	\$412,097
Total Purchased Services Line #3.030	<u>\$1,775,457</u>	<u>\$1,846,475</u>	<u>\$1,920,334</u>	<u>\$1,997,147</u>	<u>\$2,077,033</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 area 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.

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 over the life of this forecast.

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

<u>Source</u>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>
Supplies & Materials	\$411,304	\$431,869	\$453,463	\$476,136	\$499,943

#### **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>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>
Capital Outlay	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Replacement Bus Purchases	\$0	\$0	\$0	\$0	\$0
Total Equipment Line #3.050	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</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>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>
County Auditor & Treasurer Fees	\$117,392	\$118,566	\$119,751	\$120,949	\$122,158
ESSER & S.W.S.F. Adjustments	\$0	\$0	\$0	\$0	\$0
Other Expenses	\$44,517	\$44,962	\$45,412	\$45,866	\$46,325
Total Other Expenses Line #4.300	<u>\$161,909</u>	<u>\$163,528</u>	<u>\$165,163</u>	<u>\$166,815</u>	<u>\$168,483</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.

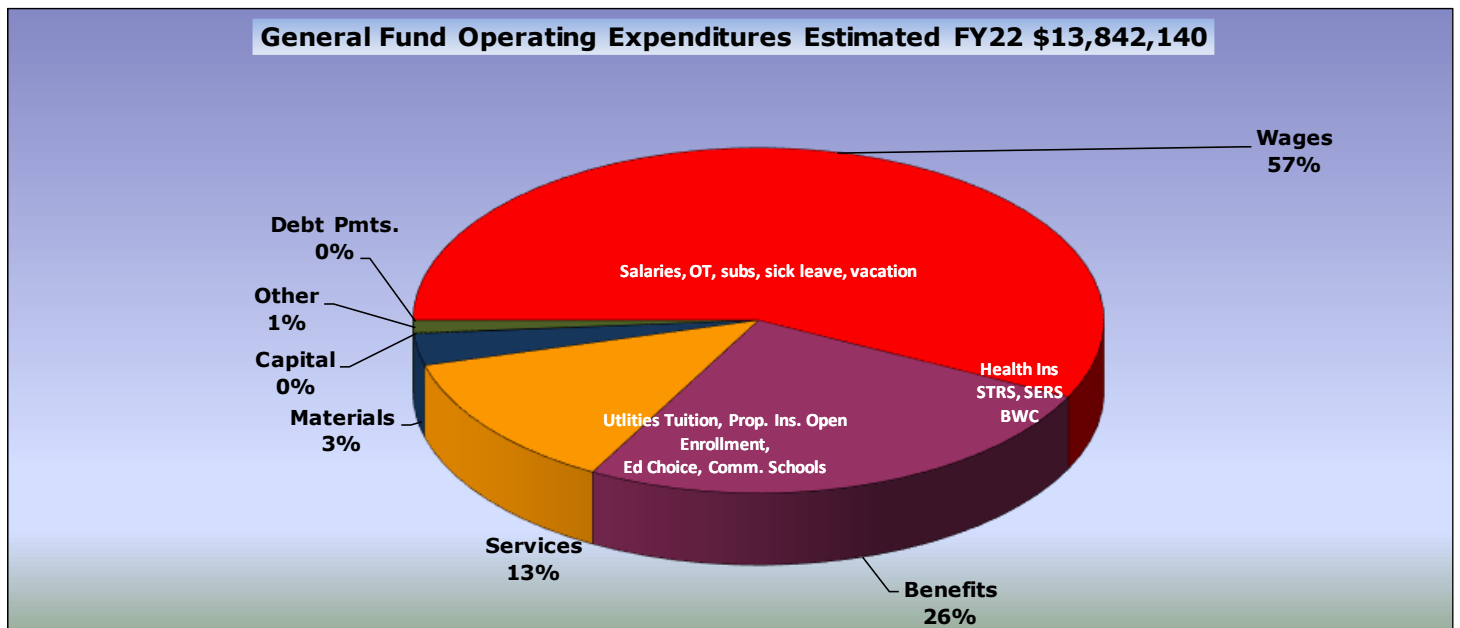
**ESTIMATED TRANSFERS & ADVANCES (Line # 5.01 - 5.04)**

<u>Source</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Operating Transfers Out Line #5.010	\$0	\$0	\$0	\$0	\$0
Advances Out Line #5.020	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Total Transfer & Advances Out	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$25,000</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)**

	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
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 \$ 13,867,140 or \$ 1,045,697 or 7.01% less than the fiscal year 2020-21 expense levels. The forecast has expenditures increasing at an annual average percentage rate of 3.55%. The utilization of grant dollars has been and will continue to be used when possible to reduce general fund expenses.

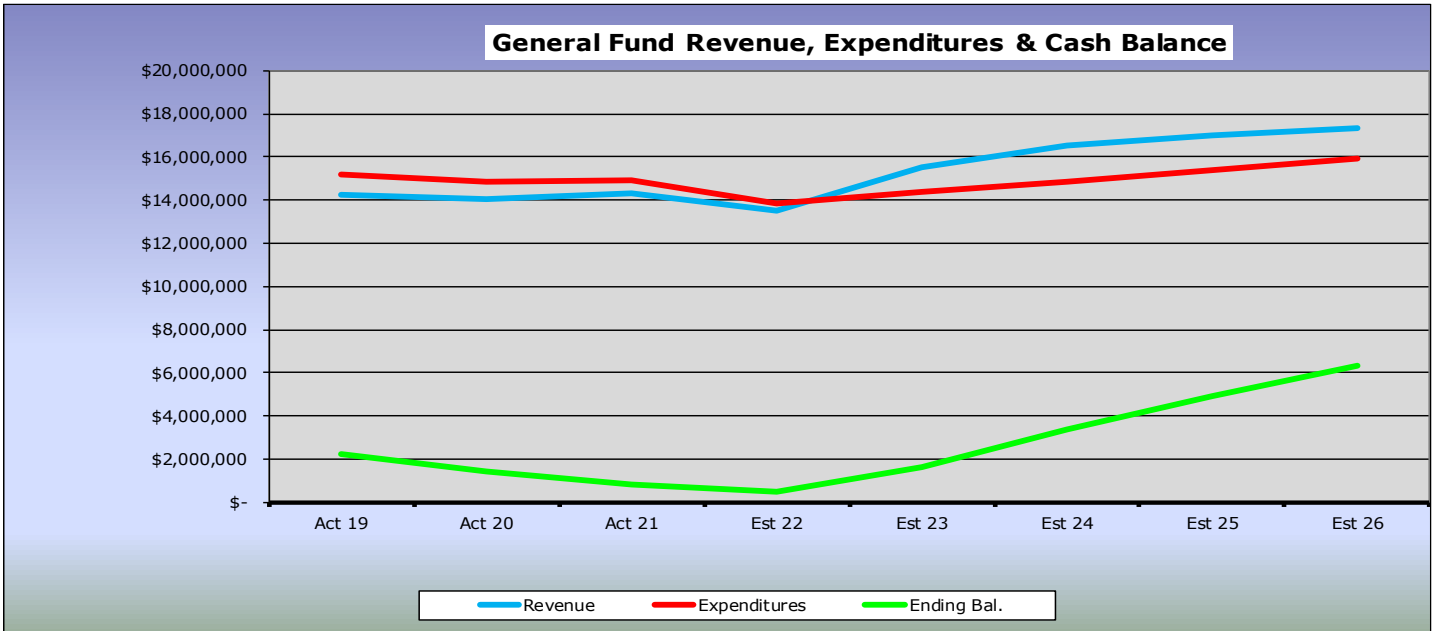
## **ESTIMATED ENDING CASH BALANCE (Line # 15.010)**

	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>
Ending Unencumbered Cash Balance	<u>\$472,502</u>	<u>\$1,654,539</u>	<u>\$3,348,173</u>	<u>\$4,939,421</u>	<u>\$6,305,258</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.

