

**BUCYRUS CITY SCHOOL DISTRICT-CRAWFORD COUNTY  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES  
IN FUND BALANCES FOR THE FISCAL YEARS ENDED  
JUNE 30, 2015, 2016 and 2017 ACTUAL  
FORECASTED FISCAL YEARS ENDING  
JUNE 30, 2018 THROUGH 2022**



**Forecast Provided By  
Bucyrus City School District  
Treasurer's Office  
Ryan Cook, Treasurer/CFO**

**May 24, 2018**

# BUCYRUS CITY SCHOOLS Crawford County

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2015, 2016, 2017  
Forecasted Fiscal Year Ending June 30, 2018 through 2022

	Actual				Average Change	Forecasted				
	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017			Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
<b>Revenues</b>										
1.010	General Property Tax (Real Estate)	3,581,113	3,430,933	3,536,384	-0.6%	3,424,122	3,592,035	3,608,785	3,632,436	3,665,720
1.020	Tangible Personal Property	377,828	373,983	309,675	-9.1%	358,916	339,255	347,381	356,867	366,182
1.030	Income Tax	0	0	0	0.0%	0	0	0	0	0
1.035	Unrestricted State Grants-in-Aid	9,551,303	11,120,189	11,514,088	10.0%	11,796,296	11,750,694	11,766,455	11,749,793	11,702,479
1.040	Restricted State Grants-in-Aid	483,013	481,045	483,626	0.1%	334,253	337,531	340,841	344,185	347,562
1.045	Restricted Fed. SFSF Fd. 532 FY10&11/Ed Jobs Fd.504 FY12	0	0	0	0.0%	0	0	0	0	0
1.050	Property Tax Allocation	823,859	814,235	804,564	-1.2%	785,656	748,064	721,176	695,114	656,061
1.060	All Other Revenues	1,044,514	1,332,412	1,222,230	9.6%	1,263,384	1,197,914	1,172,056	1,183,601	1,195,262
1.070	<b>Total Revenues</b>	<b>15,861,630</b>	<b>17,552,797</b>	<b>17,870,567</b>	<b>6.2%</b>	<b>17,962,627</b>	<b>17,965,493</b>	<b>17,956,694</b>	<b>17,961,996</b>	<b>17,933,266</b>
<b>Other Financing Sources</b>										
2.010	Proceeds from Sale of Notes	-	-	-	0.0%	-	-	-	-	-
2.020	State Emergency Loans and Advancements (Approved)	-	-	-	0.0%	-	-	-	-	-
2.040	Operating Transfers-In	-	-	-	0.0%	601,448	-	-	-	-
2.050	Advances-In	-	-	-	0.0%	-	-	-	-	-
2.060	All Other Financing Sources	30,854	104,957	43,090	90.6%	43,963	6,000	6,000	6,000	6,000
2.070	<b>Total Other Financing Sources</b>	<b>30,854</b>	<b>104,957</b>	<b>43,090</b>	<b>90.6%</b>	<b>645,411</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>
2.080	<b>Total Revenues and Other Financing Sources</b>	<b>15,892,484</b>	<b>17,657,754</b>	<b>17,913,657</b>	<b>6.3%</b>	<b>18,608,038</b>	<b>17,971,493</b>	<b>17,962,694</b>	<b>17,967,996</b>	<b>17,939,266</b>
<b>Expenditures</b>										
3.010	Personal Services	\$7,191,224	\$6,905,042	\$6,879,729	-2.2%	\$7,200,165	\$7,344,831	\$7,628,408	\$7,952,313	\$8,289,314
3.020	Employees' Retirement/Insurance Benefits	3,010,260	3,202,768	3,218,102	3.4%	3,539,054	3,824,307	4,203,420	\$4,646,729	\$5,146,610
3.030	Purchased Services	4,657,459	4,341,469	4,575,822	-0.7%	4,768,189	5,028,988	5,241,516	\$5,463,356	\$5,694,923
3.040	Supplies and Materials	212,569	252,748	230,331	5.0%	\$466,848	490,190	514,700	540,435	567,457
3.050	Capital Outlay	88,920	346,860	122,661	112.7%	\$764,000	105,000	195,000	73,000	325,000
3.060	Intergovernmental	-	-	-	0.0%	-	-	-	-	-
Debt Service:										
4.010	Principal-All (Historical Only)	-	-	-	0.0%	-	-	-	-	-
4.020	Principal-Notes	-	-	-	0.0%	-	-	-	-	-
4.030	Principal-State Loans	-	-	-	0.0%	-	-	-	-	-
4.040	Principal-State Advancements	-	-	-	0.0%	-	-	-	-	-
4.050	Principal-HB 264 Loans	-	-	-	0.0%	-	-	-	-	-
4.055	Principal-Other	-	-	-	0.0%	-	-	-	-	-
4.060	Interest and Fiscal Charges	-	-	-	0.0%	-	-	-	-	-
4.300	Other Objects	443,458	694,339	771,035	33.8%	\$801,280	\$832,760	\$865,527	\$899,636	\$935,141
4.500	<b>Total Expenditures</b>	<b>\$15,603,890</b>	<b>15,743,226</b>	<b>15,797,680</b>	<b>0.6%</b>	<b>17,539,536</b>	<b>17,626,076</b>	<b>18,648,571</b>	<b>19,575,469</b>	<b>20,958,445</b>
<b>Other Financing Uses</b>										
5.010	Operating Transfers-Out	-	100,000	161,497	0.0%	601,448	-	-	-	-
5.020	Advances-Out	125,000	-	-	0.0%	-	-	-	-	-
5.030	All Other Financing Uses	5	300	-	2900.0%	57,072	-	-	-	-
5.040	<b>Total Other Financing Uses</b>	<b>125,005</b>	<b>100,300</b>	<b>161,497</b>	<b>20.6%</b>	<b>658,520</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
5.050	<b>Total Expenditures and Other Financing Uses</b>	<b>15,728,895</b>	<b>15,843,526</b>	<b>15,959,177</b>	<b>0.7%</b>	<b>18,198,056</b>	<b>17,626,076</b>	<b>18,648,571</b>	<b>19,575,469</b>	<b>20,958,445</b>
6.010	<i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</i>	163,589	1,814,228	1,954,480	508.4%	409,982	345,417	(685,877)	(1,607,473)	(3,019,179)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	4,035,098	4,198,687	6,012,915	23.6%	7,967,395	8,377,377	8,722,794	8,036,917	6,429,444
7.020	<b>Cash Balance June 30</b>	<b>4,198,687</b>	<b>6,012,915</b>	<b>7,967,395</b>	<b>37.9%</b>	<b>8,377,377</b>	<b>8,722,794</b>	<b>8,036,917</b>	<b>6,429,444</b>	<b>3,410,265</b>
8.010	<b>Estimated Encumbrances June 30</b>	<b>180,154</b>	<b>399,894</b>	<b>484,718</b>	<b>71.6%</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>
<b>Reservation of Fund Balance</b>										
9.010	Textbooks and Instructional Materials	-	-	-	0.0%	-	-	-	-	-
9.020	Capital Improvements	-	-	-	0.0%	-	-	-	-	-
9.030	Budget Reserve	-	-	-	0.0%	-	-	-	-	-
9.040	DPIA	-	-	-	0.0%	-	-	-	-	-
9.045	Fiscal Stabilization	-	-	-	0.0%	-	-	-	-	-
9.050	Debt Service	-	-	-	0.0%	-	-	-	-	-
9.060	Property Tax Advances	-	-	-	0.0%	-	-	-	-	-
9.070	Bus Purchases	-	-	-	0.0%	-	-	-	-	-
9.080	<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
10.010	<b>Fund Balance June 30 for Certification of Appropriations</b>	<b>4,018,533</b>	<b>5,613,021</b>	<b>7,482,677</b>	<b>36.5%</b>	<b>8,277,377</b>	<b>8,622,794</b>	<b>7,936,917</b>	<b>6,329,444</b>	<b>3,310,265</b>

## BUCYRUS CITY SCHOOLS Crawford County

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2015, 2016, 2017  
Forecasted Fiscal Year Ending June 30, 2018 through 2022

	Actual			Average Change	Forecasted					
	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017		Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	
<b>Revenue from Replacement/Renewal Levies</b>										
11.010	Income Tax - Renewal	-	-	0.0%	-	-	-	-	-	
11.020	Property Tax - Renewal or Replacement	-	-	0.0%	-	-	-	-	-	
11.300	Cumulative Balance of Replacement/Renewal Levies	-	-	0.0%	-	-	-	-	-	
12.010	<i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>	4,018,533	5,613,021	7,482,677	36.5%	8,277,377	8,622,794	7,936,917	6,329,444	3,310,265
<b>Revenue from New Levies</b>										
13.010	Income Tax - New	-	-	0.0%	-	-	-	-	-	
13.020	Property Tax - New	-	-	0.0%	-	-	-	-	-	
13.030	Cumulative Balance of New Levies	-	-	0.0%	-	-	-	-	-	
14.010	Revenue from Future State Advancements	-	-	0.0%	-	-	-	-	-	
15.010	<i>Unreserved Fund Balance June 30</i>	4,018,533	5,613,021	7,482,677	36.5%	8,277,377	8,622,794	7,936,917	6,329,444	3,310,265

**Bucyrus City School District – Crawford County**  
**Notes to the Five Year Forecast**  
**General Fund Only**  
**May 24, 2018**

**Introduction to the Five Year Forecast**

All school districts in Ohio are required to file a five (5) year forecast by October 31, and May 31, in each fiscal year. The five year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Fiscal year 2018 (July 1, 2017-June 30, 2018) 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 2018 filing.

**Revenues:**

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 \$17,962,627 or .72% lower than the October forecasted amount of \$18,093,098. This indicates the October forecast of revenue receipts was 99.28% accurate.

Property tax collections for 1<sup>st</sup> half 2018 were off historic levels and our projections. We believe an increase in delinquencies occurred and will correct itself in August 2018 collections.

**Expenditures:**

Total General Fund expenditures (line 4.5) are estimated to be \$17.5 million for FY18 which is higher the original estimate of \$17.3 million in the October forecast. The expenditure line most significantly above projections is capital outlay (line 3.05) due to roof repairs.

**Unreserved Ending Cash Balance:**

With overall revenue being slightly higher and overall expenditures higher than estimates we expect our unencumbered ending cash balance to end around \$8,277,377 for FY18.

**Forecast Risks and Uncertainty:**

A five year financial forecast has risks and uncertainty not only due to economic uncertainties but also due to state legislative changes that will occur in the spring of 2019 and 2021 due to deliberation of the next two (2) state biennium budgets for FY20-21 and FY22-23, both of which affect this five year forecast. We have estimated revenues and expenses based on the best data available to us at the time of this forecast. The items below give a short description of the current issues and how they may affect our forecast long term:

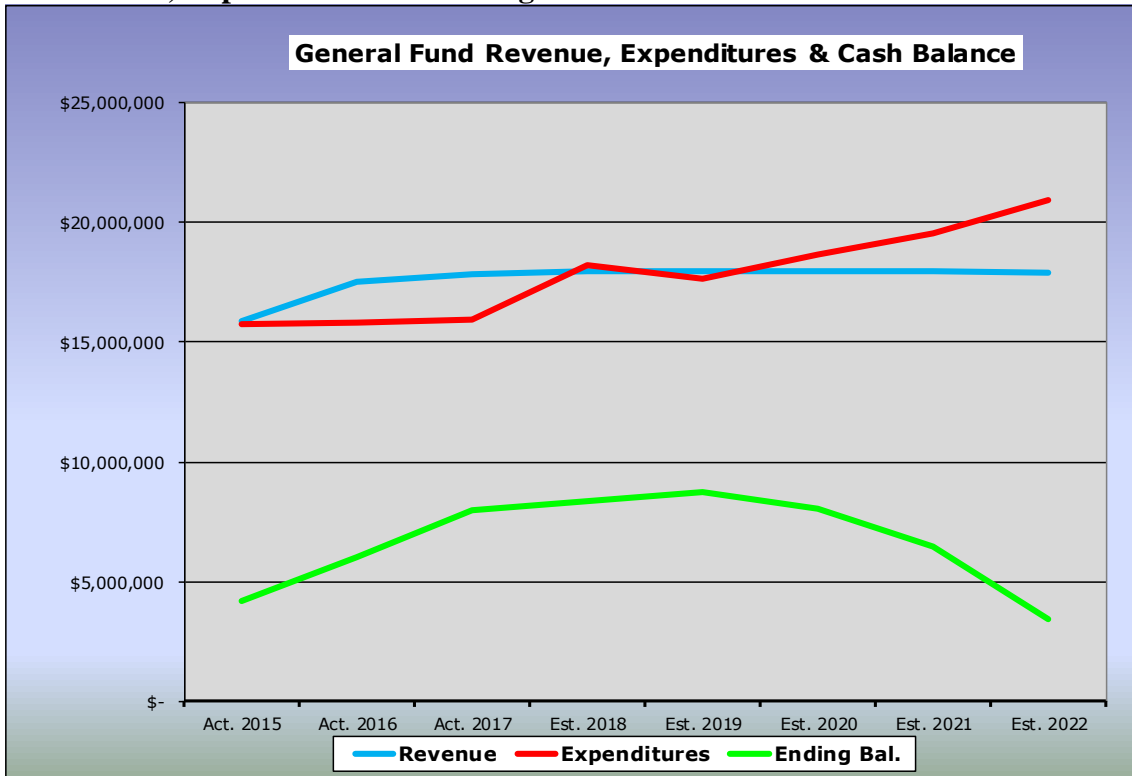
- 1) Crawford County experienced a reappraisal update in the 2015 tax year which was collected in FY16. In 2016 our district values fell by just less than 1% at .84%. This was not the small increase we anticipated but the decline was very small and shows values have leveled out and should continue at their current levels or increase slightly over time. Declines in value pose only an inside millage risk to lower income as our emergency levy establishes a floor which we can not collect below and our other outside millages have room to roll up in response to value decreases.
- 2) The State Budget represents 72% of district revenues, which means it is a significant area of risk to revenue. The risk comes in FY20 and beyond if the state economy worsens or if future state budgets reduce funding to our District. There are two future State Biennium Budgets covering the period from FY20-21 and FY22-23 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 FY22.

- 3) HB 49 has continued the Fixed Sum TPP phase out over five years through FY21. There will be no fixed sum TPP reimbursement in FY22. Districts will not lose money due to the phase out. The amount of money the state is cutting as its reimbursement will be added on the local fixed sum millage and collected in local property taxes. This is directly shifting the burden to local tax payers by the state cut in fixed sum TPP reimbursement.
- 4) There are many provisions in the current state budget bill HB49 that will continue to draw funds from our District through continuing school choice programs such as College Credit Plus and increases in amounts deducted from our state aid in the 2017-18 school years. The cost of each Peterson Special Needs voucher and Autism Scholarship Program increased sharply in FY16 from \$20,000 each to \$27,000, a 35% increase. College Credit Plus costs continue to increase as this program becomes more understood. These are examples of new choice programs that cost the district money. Expansion or creation of programs such as these exposes the district to new expenditures that are not currently in the forecast. We are monitoring any new threats to our state aid revenue or that could increase costs.
- 5) Patient Protection and Affordable Care Act (PPACA) – This program was approved March 23, 2010 along with the Health Care and Education Reconciliation Act. Many of the provision of this federal statute were implemented January 1, 2015. Implementation of these provisions has increased costs by as much as 2%. There are numerous new regulations that potentially will require added staff time, at least initially due to increased demands, and it is likely that additional employees will be added to coverage that do not have coverage now. We are not certain what these added costs may be but there are “taxes” mandated by the act which we are aware of. Longer-term, a significant concern is the 40% “Cadillac Tax” but in December 2017 this was delayed until 2022 by congress. This tax would be imposed on plans in 2018 whose value of benefits exceeds \$10,200 for individual plans and \$27,500 for family plans. The rules and implementation of the PPACA is an ongoing issue we are watching closely to evaluate the effect on our district.
- 6) Labor relations in the district have been very amicable with all parties working for the best interest of students and realizing the resource challenges the district faces. We believe as the district moves forward a strong working relationship will continue.

The financial forecast presents, to the best of the Bucyrus City School District Board of Education's knowledge and belief, the expected revenues, expenditures, and operating balance of the General Fund. Accordingly, the forecast reflects the Board of Education's judgment of the expected conditions and its expected course of action as of the date of this forecast. The assumptions disclosed herein are those that management believes are significant to the forecast. Differences between the forecasted and actual results will usually arise because events and circumstances frequently do not occur as expected.

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 Mr. Ryan Cook, Treasurer of the Bucyrus City Schools 419-562-4045.

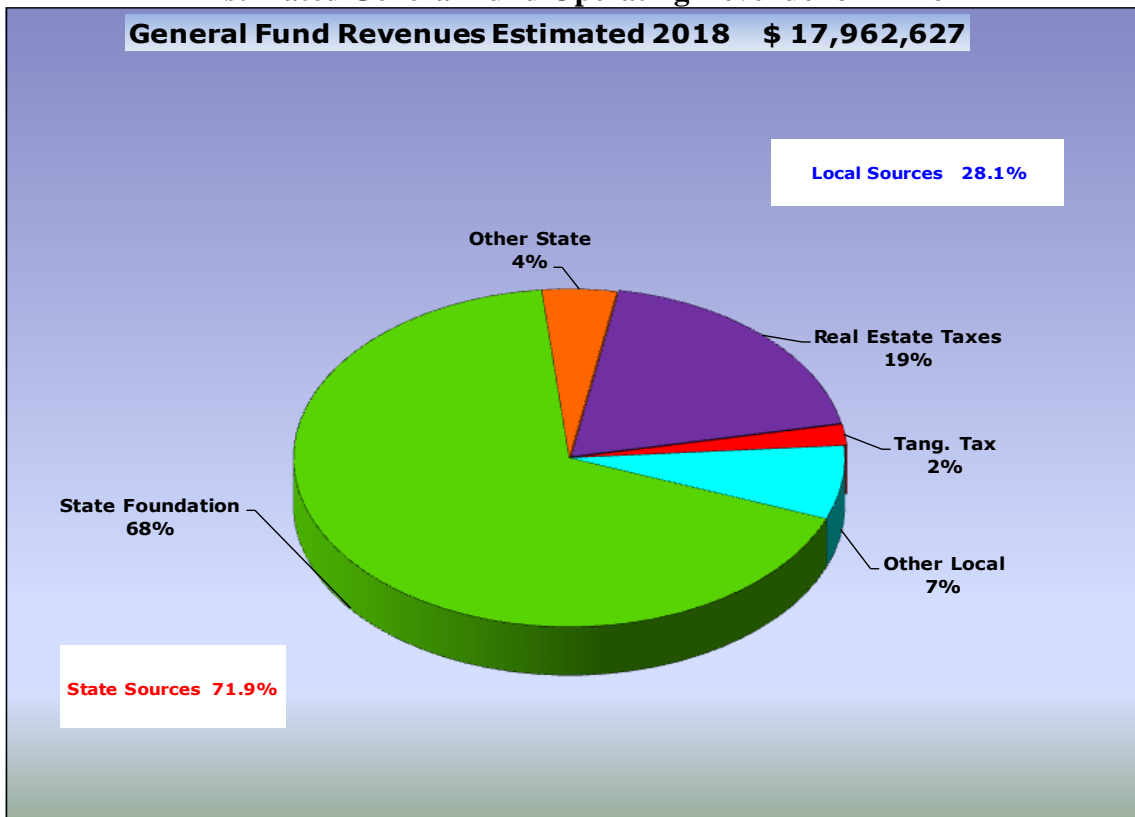
**General Fund Revenue, Expenditures and Ending Cash Balance Actual FY15-17 and Estimated FY18-22**



**REVENUE ASSUMPTIONS**

**Estimated General Fund Operating Revenue for FY18**

**General Fund Revenues Estimated 2018 \$ 17,962,627**



**Real Estate Value Assumptions – Line # 1.010**

Property Values are established each year by the County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. A reappraisal of the district property value occurred in 2012 for collection in calendar year 2013. Residential/agricultural values decrease overall by 11.83% while commercial/industrial values fell by 14.5% and Public Utility Personal Property values increased by 7.4%. Overall values fell \$15,984,110 or an overall average of 11.5%. The 2015 update saw values decline by .84%. The County will go through a full reappraisal in tax year 2018 for collection in 2019 for which we are estimating an overall increase of 2% and believe those values will remain steady through 2022.

HB49 authorized a reduction in CAUV computations that will result in CAUV values falling on average by 30%. These reductions will occur as districts experience their next reappraisal or update cycle. CAUV values represent less than 1% of the District’s Class I residential agricultural values, therefore there will be no significant effect on our tax payers or tax revenues.

As a reminder Tangible Personal Property (TPP) values were reduced to \$-0- in 2011 as a result of HB 66.

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

Classification	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR 2017 Collect 2018	TAX YEAR 2018 Collect 2019	TAX YEAR 2019 Collect 2020	TAX YEAR 2020 Collect 2021	TAX YEAR 2021 Collect 2022
Res./Ag.	\$89,191,520	\$90,925,350	\$90,875,350	\$90,825,350	\$92,591,857
Comm./Ind.	22,471,491	22,441,491	22,411,491	22,381,491	22,351,491
PUPP	6,452,520	6,602,520	6,752,520	6,902,520	7,052,520
Tangible (TPP)	0	0	0	0	0
Total Assessed Value	<u>\$118,115,531</u>	<u>\$119,969,361</u>	<u>\$120,039,361</u>	<u>\$120,109,361</u>	<u>\$121,995,868</u>

**ESTIMATED REAL ESTATE TAX (Line #1.010)**

Source	FY18	FY19	FY20	FY21	FY22
Est. Property Tax Line #1.010	<u>\$3,424,122</u>	<u>\$3,592,035</u>	<u>\$3,608,785</u>	<u>\$3,632,436</u>	<u>\$3,665,720</u>

Property tax levies are estimated to be collected at 97% of the annual amount. In general, 54% of the new Res/Ag. and Comm/Ind. is expected to be collected in February tax settlements and 46% collected in August tax settlements. Public Utility tax settlements (PUPP taxes) are estimated to be received 50% in February and 50% in August settlement from the Crawford County Auditor. As previously noted, TPP taxes ceased to be collected after FY11.

**Renewal and Replacement Levies – Line #11.02**

The district currently does not have any levies that expire.

**New Tax Levies – Line #13.030**

No new levies are modeled in this forecast.

**Estimated Tangible Personal Tax – Line#1.020**

The phase out of TPP taxes as noted earlier began in FY06. HB66 was adopted in June 2005 and the provisions of the legislation have estimated that the locally collected tangible personal property tax would be eliminated after FY11. Only Public Utility Personal Property taxes are collected in Line 1.02.

<u>Source</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>
Public Utility Tax	\$358,916	\$339,255	\$347,381	\$356,867	\$366,182
Total Line # 1.020	<u>\$358,916</u>	<u>\$339,255</u>	<u>\$347,381</u>	<u>\$356,867</u>	<u>\$366,182</u>

### **Income Tax – Line #1.03**

The district does not have a school district income tax.

### **State Foundation Revenue Estimates**

#### **A) Unrestricted State Foundation Revenue– Line #1.035**

HB49 largely retains the current funding formula used to determine the amount and allocation of state aid to school districts, however there were various changes made to the formula for FY18 and FY19. The amounts estimated for state funding are based on component computations from the most recent State Foundation Payment Report for FY18. Estimates for FY19 state aid are based on ODE simulations of HB49 for FY19. We are projected to be a formula district regarding state funding in FY18.

HB49 continues to use the State Share Index (SSI) as a key district wealth measure. The SSI is the formula's measure of a districts capacity to raise local revenue. The higher a district's ability to raise taxes based on wealth the lower the SSI will be, and vice versa. The index is derived from a district's wealth index, which is based on a valuation index, and for certain districts, an income index. Property wealth per pupil is still the major factor in the SSI. Generally, the higher the property valuation per pupil, the lower a district's SSI and therefore the percentage of state aid. The SSI for FY18 and FY19 will be calculated using Tax Year 2014, 2015, and 2016 average assessed values for the district. It will be calculated once for both fiscal year 18 and 19. The SSI is applied to the per pupil opportunity grant calculation and many of the other categorical funding items in the state foundation formula as noted below:

- 1) Opportunity Grant – Per pupil amount increased .17% from \$6,000 in FY17 to \$6,010 in FY18 and .17% to \$6,020 in FY19. Well below inflation rates.
- 2) Targeted Assistance – Tier I based on wealth and Tier II based on percentage of district agricultural assessed value. Higher the percentage of agricultural value, higher the targeted assistance.
- 3) Special Education Additional Aid – Based on six (6) weighted funding categories of disability.
- 4) Limited English Proficiency – Based on three (3) funded categories based on time student enrolled in schools.
- 5) Economically Disadvantaged Aid- Based on number and concentration of economically disadvantaged students compared to state average.
- 6) K-3 Literacy Funds - Based on district K-3 average daily membership and two funded Tiers.
- 7) Gifted Funds –Based on average daily membership at \$5.05 in FY18 & FY19.
- 8) Career-Technical Education Funds – Based on career technical average daily membership and five (5) weighted funding categories students enrolled in. Funding guaranteed at FY17 levels individually and is in addition to the Cap in FY18 and FY19.
- 9) Transportation Aid – Funding based on total ridership rather than qualifying ridership in determining statewide cost per rider. Reduces state minimum share from 50% to 37.5% in FY18 and 25% in FY19.

HB49 continues additional funds that can be earned by a district or is intended to help a district who has an undue burden or inability to raise local revenue; however, some items are now included in CAP district payments:

- 1) Capacity Aid – Provides additional funding for districts where income generated for one mill of property tax is below the state median for what is generated. Included in FY18 and FY19 Guarantee payments and moved to be inside the Cap amount for districts. Not in addition to the Cap payments.



- 2) Transportation Supplement – Provides additional funding for districts with rider density (riders per square mile) less than 35 students in FY18 and 50 in FY19. Provides additional funding based on rider density and the number of miles driven by the school buses. Included in FY18 and FY19 Guarantee payments and moved to be inside the Cap amount for districts. Not in addition to the Cap payments.
- 3) 3<sup>rd</sup> Grade Reading Proficiency Bonus - Provides a bonus to districts based on third grade reading results, is included in FY18 & 19 guarantee at FY17 levels and is in addition to the Cap payments.
- 4) High School Graduation Rate Bonus - Provides a bonus to districts based on high school graduation rates up to approximately \$450 per student and is included in FY18 & 19 guarantee at FY17 levels and is in addition to the Cap payments.

**Our district is anticipated to be a formula district in FY18 & 19 and not a guarantee or cap funded district.**

Our current SFPR estimates for FY18 are using March #2 average daily membership (ADM) and decreasing 5 students per year through FY22. Beginning in FY16 the state changed the way it measures student ADM. Student counts are now supposed to be updated October 31, March 31, and June 30 of the fiscal year. In most cases the district will not know its actual student funded ADM until the end of June 2018 and then there will be adjustments into the succeeding fiscal year.

**Future State Budgets:** Our funding status for the FY20-22 will depend on two (2) new state budgets which are unknown. We have been very conservative in our estimates of future state funding lowering per pupil growth to .5% per year FY20-FY22, due to the potential for the economy to be slower.

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. As of March 4, 2013 all four (4) casinos were open for business and generating Gross Casino Tax Revenues (GCR). 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.

The state indicated recently that revenues from casinos are not growing robustly as originally predicted but are still growing slowly as the economy has improved. Actual numbers generated for FY18 statewide were 1,791,647 students at \$51.37 per pupil. That is a decline of 4 tenths of 1% percent from the prior year. For FY19-22 we estimated another 4 tenths of 1% decline in pupils to 1,784,480 and GCR increasing to \$92.9 million or \$52 per pupil. We will increase estimates for out years when actual casino revenues show signs of stronger increases.

<u>Source</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>
Basic Aid-Unrestricted	\$11,434,859	\$11,389,118	\$11,404,744	\$11,387,951	\$11,340,509
Additional Aid Items	<u>295,632</u>	<u>295,632</u>	<u>295,632</u>	<u>295,632</u>	<u>295,632</u>
Basic Aid-Unrestricted Subtotal	\$11,730,491	\$11,684,750	\$11,700,376	\$11,683,583	\$11,636,141
Ohio Casino Commission ODT	<u>65,805</u>	<u>65,944</u>	<u>66,079</u>	<u>66,210</u>	<u>66,338</u>
Unrestricted State Aid Line # 1.035	<u>\$11,796,296</u>	<u>\$11,750,694</u>	<u>\$11,766,455</u>	<u>\$11,749,793</u>	<u>\$11,702,479</u>

**Restricted State Revenues – Line # 1.040**

HB49 continues funding two restricted sources of revenue, Economically Disadvantaged and Career Technical funds. The amount of the Economically Disadvantaged Aid is estimated to grow by 1% each remaining year of the forecast.

<u>Source</u>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>
Economically Disadvantage Aid	\$327,762	\$331,040	\$334,350	\$337,694	\$341,071
Career Tech - Restricted	<u>6,491</u>	<u>6,491</u>	<u>6,491</u>	<u>6,491</u>	<u>6,491</u>
Total Restricted State Revenues Line #1.040	<u>\$334,253</u>	<u>\$337,531</u>	<u>\$340,841</u>	<u>\$344,185</u>	<u>\$347,562</u>

**B) Restricted Federal Grants in Aid – line #1.045**

The district is not anticipating any new federal dollars for general fund operations in this forecast period.

**Summary**

<u>Source</u>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>
Unrestricted Line # 1.035	\$11,796,296	\$11,750,694	\$11,766,455	\$11,749,793	\$11,702,479
Restricted Line # 1.040	334,253	337,531	340,841	344,185	347,562
Rest. Fed. Grants - Line #1.045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u>\$12,130,549</u>	<u>\$12,088,225</u>	<u>\$12,107,296</u>	<u>\$12,093,978</u>	<u>\$12,050,041</u>

**State Taxes Reimbursement/Property Tax Allocation Line 1.050**

**a) Rollback and Homestead Reimbursement**

Rollback funds are reimbursements paid to the district from 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 years of age 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 slow the growth of homestead reimbursements to the district, and as with the rollback reimbursements above, increase the taxes collected locally on taxpayers.

**b) Tangible Personal Property Reimbursements – Fixed Rate**

The district no longer receives any fixed rate reimbursement.

**c) Tangible Personal Property Reimbursements – Fixed Sum**

HB 49 has continued the Fixed Sum TPP phase out over five years through FY21. There will be no fixed sum TPP reimbursement in FY22. Districts will not lose money due to the phase out. The amount of money the state is cutting its reimbursement by will be added on the local fixed sum millage and collected in local property taxes. This is directly shifting the burden to local tax payers by the state cut in fixed sum TPP reimbursement.

**Summary of State Tax Reimbursement – Line #1.050**

Source	FY18	FY19	FY20	FY21	FY22
Rollback and Homestead	\$648,526	\$641,410	\$644,997	\$649,410	\$656,061
TPP Reimbursement - Fixed Rate	0	0	0	0	0
TPP Reimbursement - Fixed Sum	<u>137,130</u>	<u>106,654</u>	<u>76,179</u>	<u>45,704</u>	<u>0</u>
Tax Reimb./Prop. Tax Allocations #1.050	<u>\$785,656</u>	<u>\$748,064</u>	<u>\$721,176</u>	<u>\$695,114</u>	<u>\$656,061</u>

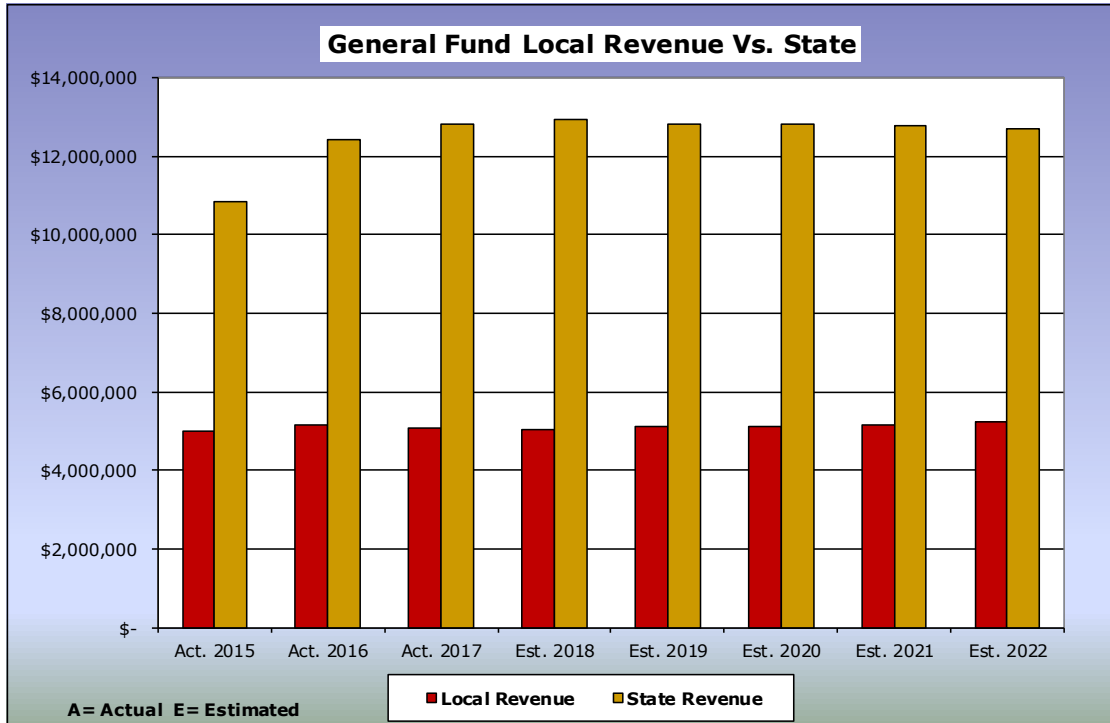
**Other Local Revenues – Line #1.060**

Revenues from all other sources are based on historical growth patterns. This revenue largely consists of rental income, open enrollment, tuition payments, Medicare reimbursements, and investment income. Open enrollment is expected to remain mostly steady with slight increases based on anticipated increases in state per pupil funding. The district maintains a conservative investment philosophy, investing predominately in Star Ohio, CD’s, US Agencies and interest bearing sweep accounts. Interest rates are estimated to remain low for the forecast.

The Mennel Milling Company Payment in Lieu of Taxes (PILOT) expires December 31, 2019.

Source	FY18	FY19	FY20	FY21	FY22
Open Enrollment Gross	\$655,126	\$661,677	\$668,294	\$674,977	\$681,727
Interest	17,500	17,500	17,500	17,500	17,500
PILOT	36,921	37,290	0	0	0
Tuition SF-14 & SF-14H	130,589	131,895	133,214	134,546	135,891
E-Rate	13,544	13,679	13,816	13,954	14,094
Medicare Reimbursement	334,594	260,012	262,612	265,238	267,890
Rentals, Fines, Fees, & other	<u>75,110</u>	<u>75,861</u>	<u>76,620</u>	<u>77,386</u>	<u>78,160</u>
Total Line # 1.060	<u>\$1,263,384</u>	<u>\$1,197,914</u>	<u>\$1,172,056</u>	<u>\$1,183,601</u>	<u>\$1,195,262</u>

**Comparison of Local Revenue and State Revenue:**



**Short-Term Borrowing – Lines #2.010 & Line #2.020**

There is no short term borrowing planned in this forecast at this time from any sources.

**Transfers In / Return of Advances & All Other Financial Sources – Line #2.040, #2.050 and #2.060**

Returns of advances to other funds from the previous year comprise most of the historical revenue in this category.

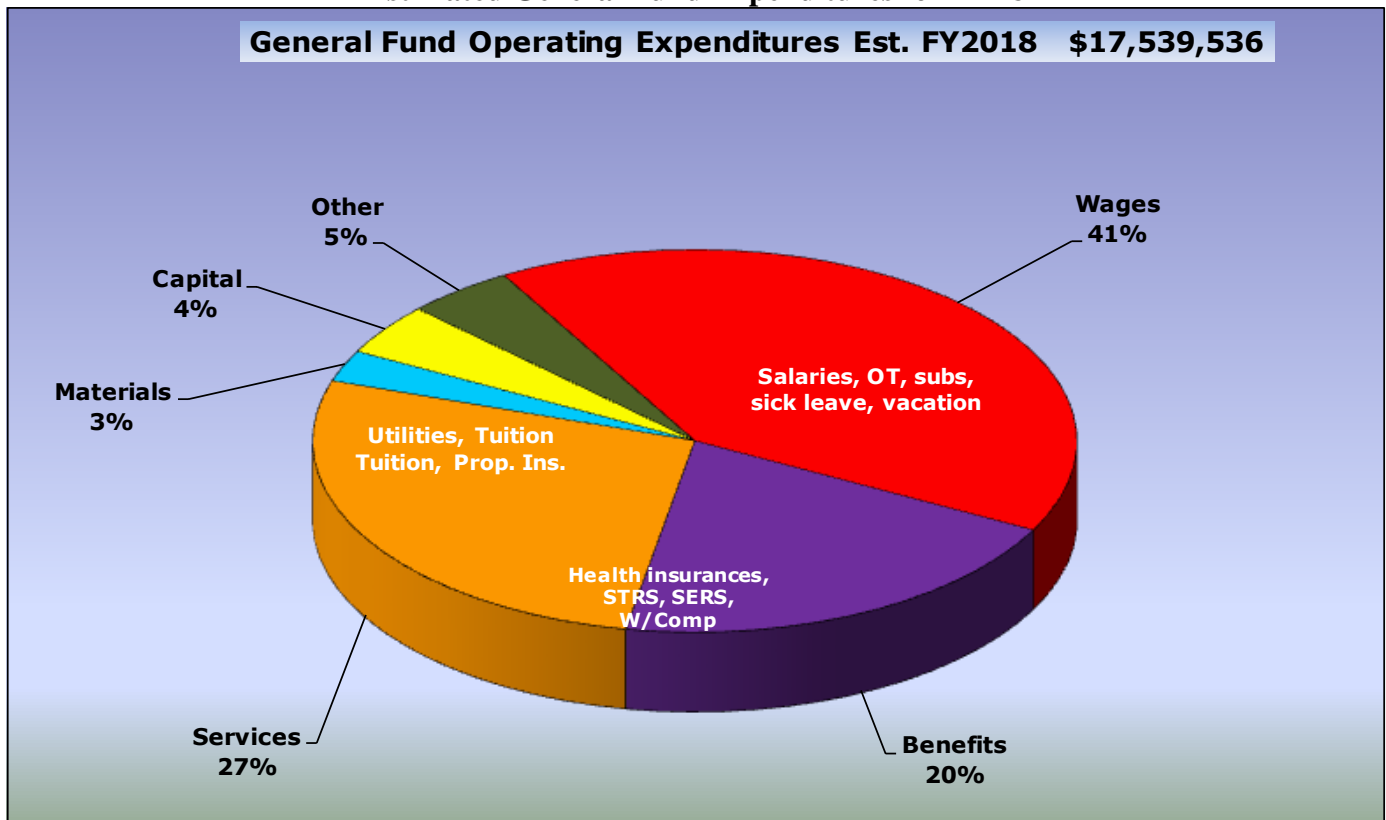
Other financial sources are typically a refund of prior year expenditures that are very unpredictable.

<u>Source</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>
Transfers In - Line 2.040	\$601,448	\$0	\$0	\$0	\$0
Advance Returns - Line 2.050	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Transfer & Advances In	<u>\$601,448</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>Source</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>
Other Sources Line 2.060	<u>\$43,963</u>	<u>\$6,000</u>	<u>\$6,000</u>	<u>\$6,000</u>	<u>\$6,000</u>

**Expenditure Assumptions**

**Estimated General Fund Expenditures for FY18**



**Wages – Line #3.010**

Effective with the FY13 school year the district cut 14 certificated staff, 19 classified staff and reduced supplemental wages by \$50,400. This resulted in a significant reduction in wages and fringe benefits for the district beginning in FY13. We are modeling an anticipated reduction of 4 certificated staff beginning in FY19.

Negotiations with staff have resulted in a 3% base increase for FY18-FY20. For planning purposes the forecast reflects a base increase of 3% for FY21-22. Step and training pay increases are reflected based on current staffing levels FY18-22.

<u>Source</u>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>
Base Wages	\$6,272,967	\$6,555,251	\$6,681,769	\$6,946,654	\$7,251,307
Base Increases	188,189	188,189	196,658	200,453	208,400
Steps & Training/Performance Based Pay	94,095	98,329	100,227	104,200	108,770
Substitutes & Supplementals	530,187	546,093	562,476	579,350	596,731
Overtime & Other	74,727	76,969	79,278	81,656	84,106
Severance	40,000	40,000	40,000	40,000	40,000
Staff Reductions	<u>0</u>	<u>-160,000</u>	<u>-32,000</u>	<u>0</u>	<u>0</u>
Total Wages Line 3.010	<u>\$7,200,165</u>	<u>\$7,344,831</u>	<u>\$7,628,408</u>	<u>\$7,952,313</u>	<u>\$8,289,314</u>

### **Fringe Benefits Estimates Line 3.02**

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

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

As required by law the BOE pays 14% of all employee wages to STRS or SERS.

#### **B) Insurance**

We are estimating an increase in insurance of 14% for each year FY18-22. Increases for FY18-22 are based on insurance trends and an additional 2% for national health care taxes which will affect our district. This is based on our current employee census and claims data. This could increase at a much higher rate should claims increase dramatically.

Patient Protection and Affordable Care Act (PPACA) Costs- the Patient Protection and Affordable Care Act (PPACA) commonly called Obamacare or the Affordable Care Act (ACA), is a United States federal statute signed into law by President Barack Obama on March 23, 2010.

It is uncertain to what extent the implementation of PPACA will cost our district in additional funds especially since it is being reviewed carefully at the federal level for amendment or repeal. There are numerous new regulations that potentially will require added staff time, at least initially due to increased demands, and it is likely that additional employees will be added to coverage that do not have coverage now. We are not certain what these added costs may be but there are “taxes” mandated by the act which we are aware of. Longer-term, a significant concern is the 40% “Cadillac Tax” but in December 2017 this was delayed until 2022 by congress. This tax would be imposed on plans whose value of benefits exceeds \$10,200 for individual plans and \$27,500 for family plans. The rules and implementation of the PPACA is an ongoing issue we are watching closely to evaluate the effect on our district.

#### **C) Workers Compensation & Unemployment Compensation**

Workers Compensation is expected to remain at about .55% of wages in FY18-FY22. Unemployment is expected to remain at a very low level. The district is a direct reimbursement employer, which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment.

**D) Medicare**

Medicare will continue to increase at the rate of increases in 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.

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

<u>Source</u>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>
STRS/SERS	\$1,178,204	\$1,204,414	\$1,249,198	\$1,302,292	\$1,357,994
Insurance's	2,155,978	2,412,199	2,740,784	3,124,494	3,561,923
Workers Comp/Unemployment	43,201	44,069	45,770	47,714	49,736
Medicare	100,545	102,499	106,542	111,103	115,831
Tuition Reimb./HAS	61,126	61,126	61,126	61,126	61,126
Total Line 3.020	<u>\$3,539,054</u>	<u>\$3,824,307</u>	<u>\$4,203,420</u>	<u>\$4,646,729</u>	<u>\$5,146,610</u>

**Purchased Services – Line #3.030**

An overall inflation of 4.6% is being estimated for this category of expenses. Open enrollment and Community schools continue to draw a significant number of students from our funding, which is the largest share in this expenditure. The expenditures for our students attending elsewhere are among our fastest growing expenditures and totals approximately \$3.2 million or 19% of our budget.

<u>Source</u>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>
Base Services- Including repairs, PSEO	\$866,537	\$969,904	\$1,018,399	\$1,069,319	\$1,122,785
Instructional Services - ESC	393,109	400,971	408,990	417,170	425,513
Open Enrollment Deduction	1,837,349	1,910,843	1,987,277	2,066,768	2,149,439
Community School Deductions	748,352	778,286	809,417	841,794	875,466
Tuition Payments, Autism Scholarship	589,225	618,686	649,620	682,101	716,206
Utilities	333,617	350,298	367,813	386,204	405,514
Budget Reserves or (Reductions)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Line 3.030	<u>\$4,768,189</u>	<u>\$5,028,988</u>	<u>\$5,241,516</u>	<u>\$5,463,356</u>	<u>\$5,694,923</u>

**Supplies and Materials – Line #3.040**

These amounts account for funds to purchase new textbooks and educational supplies related to new curriculum adoptions. The other area of expenses included in this category are all consumable supplies that are purchased to operate the school district, such as textbooks, paper, cleaning supplies, tires and bus fuel.

<u>Source</u>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>
Supplies	\$466,848	\$490,190	\$514,700	\$540,435	\$567,457
Budget Reserves or (Reductions)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Line 3.040	<u>\$466,848</u>	<u>\$490,190</u>	<u>\$514,700</u>	<u>\$540,435</u>	<u>\$567,457</u>

**Equipment – Line # 3.050**

Capital outlay expenditures are estimated based on recent historical patterns with the expectation that all other capital outlay expenditures will be out of the permanent improvement funds. However, in FY18 we are planning on spending an additional amount of \$420,000 for roof repairs that was unexpected.

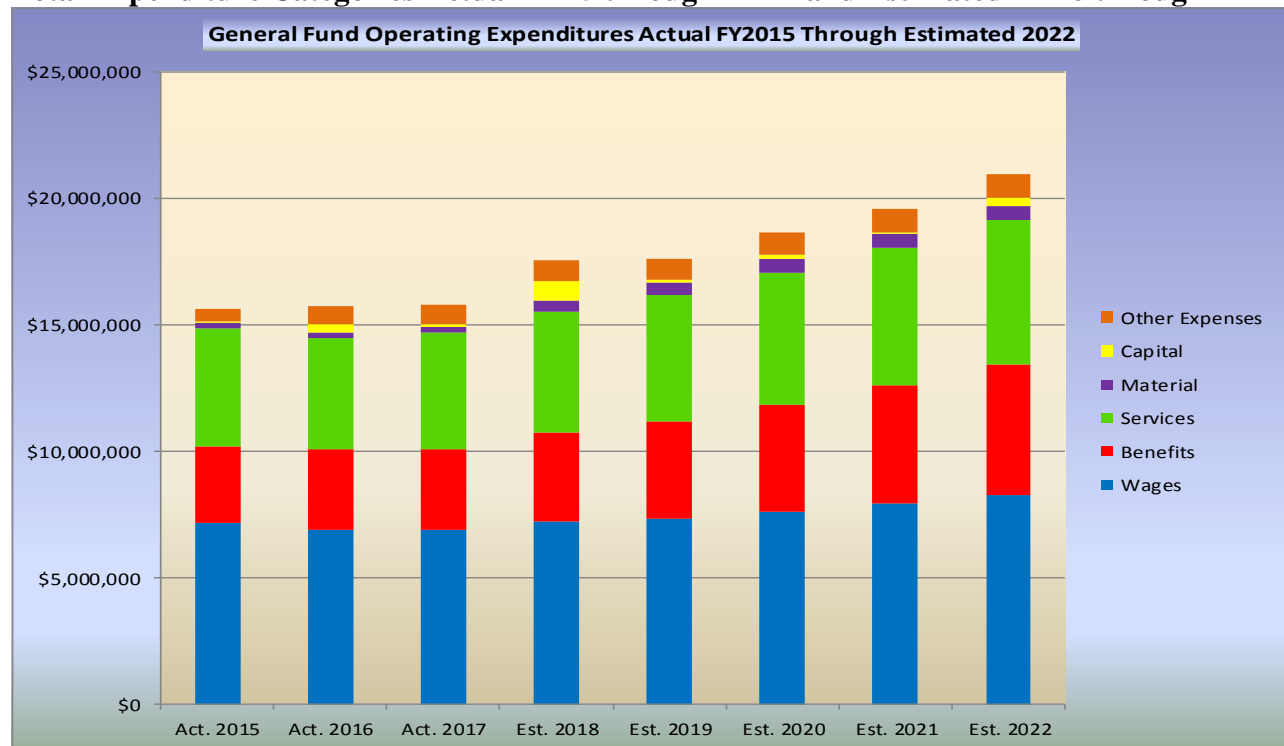
<u>Source</u>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>
Capital Outlay	\$675,000	\$105,000	\$105,000	\$73,000	\$225,000
Replacement Bus Purchases	89,000	0	90,000	0	100,000
Total Line 3.050	<u>\$764,000</u>	<u>\$105,000</u>	<u>\$195,000</u>	<u>\$73,000</u>	<u>\$325,000</u>

### Other Expenses – Line #4.300

The category of Other Expenses consists primarily of Auditor & Treasurer fees, but also includes annual audit costs, OSBA dues, and other miscellaneous expenses.

<u>Source</u>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>
County Auditor & Treasurer Fees	\$129,827	\$136,318	\$143,134	\$150,291	\$157,806
Audit fees, dues and other expenses	93,453	95,322	97,228	99,173	101,156
County ESC	578,000	601,120	625,165	650,172	676,179
Increased A&T Fees for New Levies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Line 4.300	<u>\$801,280</u>	<u>\$832,760</u>	<u>\$865,527</u>	<u>\$899,636</u>	<u>\$935,141</u>

### Total Expenditure Categories Actual FY15 through FY17 and Estimated FY18 through FY22



### Transfers Out/Advances out – Line# 5.010

This account group covers fund to fund transfer and end of year short term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. Advances are limited in impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund.

<u>Source</u>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>
Operating Transfers Out Line #5.010	\$601,448	\$0	\$0	\$0	\$0
Advances Out Line #5.020	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$601,448</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**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. Estimates are based on historic trends.

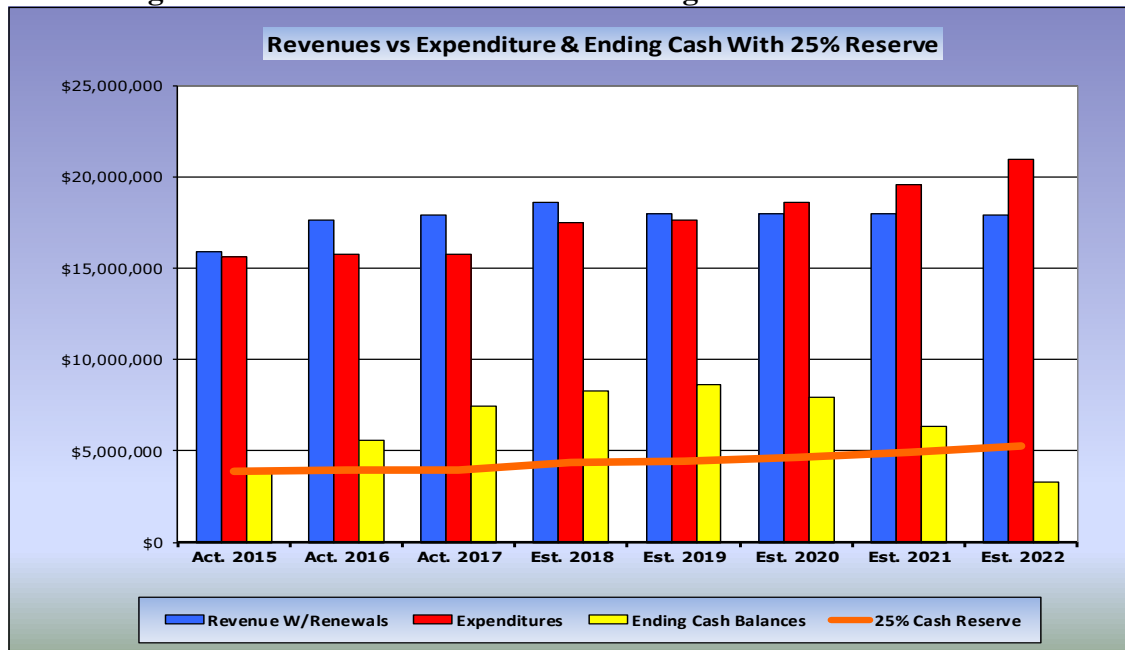
	FY18	FY19	FY20	FY21	FY22
Estimated Encumbrances	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$100,000</u>

**Ending Unencumbered Cash Balance “The Bottom-line” – Line#15.010**

This amount must not go below \$-0- or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of \$10,000, unless an alternative “412” certificate can be issued pursuant to HB153 effective September 30, 2011. In October 2007 the Board passed an ending cash balance policy calling for no less than 25% of the current years operating budget in ending unreserved cash. This policy is maintained throughout the forecast period.

	FY18	FY19	FY20	FY21	FY22
Ending Cash Balance	<u>\$8,277,377</u>	<u>\$8,622,794</u>	<u>\$7,936,917</u>	<u>\$6,329,444</u>	<u>\$3,310,265</u>

**General Fund Ending Cash Balance With 25% Reserve Target Actual FY15-17 and Estimated FY18-22**



**True Cash Days Ending 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 recommends no less than two (2) months or 60 days cash be on hand at year end but could be more depending on each districts complexity and risk factors for revenue collection. This is calculated including transfers as this is a predictable funding source for other funds such as capital, athletics and severance reserves.



### Ending Cash Balance in True Cash Days

