

**WASHINGTON COURT HOUSE CITY SCHOOL DISTRICT- FAYETTE COUNTY  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES  
IN FUND BALANCES FOR THE FISCAL YEARS ENDED  
JUNE 30, 2017, 2018 and 2019 ACTUAL  
FORECASTED FISCAL YEARS ENDING  
JUNE 30, 2020 THROUGH JUNE 30, 2024**



**Forecast Provided By  
Washington Court House City School District  
Becky Mullins, CPA, Treasurer/CFO  
May 26, 2020**

# Washington Court House City School District

Fayette County

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2017, 2018 and 2019 Actual;  
Forecasted Fiscal Years Ending June 30, 2020 Through 2024

	Actual				Average Change	Forecasted				
	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020		Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	
<b>Revenues</b>										
1.010	\$4,002,990	\$4,125,194	\$4,266,625	3.2%	\$4,237,780	\$4,278,305	\$4,288,348	\$4,299,493	\$4,310,642	
1.020	0	0	0	0.0%	\$0	\$0	\$0	\$0	\$0	
1.035	15,786,788	16,480,064	16,543,112	2.4%	16,392,528	14,948,732	16,639,895	16,668,177	16,669,344	
1.040	590,596	490,811	489,077	-8.6%	490,217	490,217	490,217	490,217	490,217	
1.045	0	0	0	0.0%	0	0	0	0	0	
1.050	551,231	557,713	554,973	0.3%	562,762	570,983	571,547	572,300	573,054	
1.060	1,270,144	1,263,913	1,564,337	11.6%	1,356,695	1,260,681	1,254,280	1,256,198	1,251,238	
1.070	<b>\$22,201,749</b>	<b>\$22,917,695</b>	<b>\$23,418,124</b>	<b>1.8%</b>	<b>\$23,039,982</b>	<b>\$21,548,918</b>	<b>\$23,244,287</b>	<b>\$23,286,385</b>	<b>\$23,294,495</b>	
<b>Other Financing Sources</b>										
2.010	0	0	0	0.0%	0	0	0	0	0	
2.020	0	0	0	0.0%	0	0	0	0	0	
2.040	0	0	0	0.0%	0	0	0	0	0	
2.050	0	0	0	0.0%	0	0	0	0	0	
2.060	28,912	57,407	8,218	6.4%	74,962	2,500	2,500	2,500	2,500	
2.070	<b>28,912</b>	<b>57,407</b>	<b>8,218</b>	<b>6.4%</b>	<b>74,962</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	
2.080	<b>\$22,230,661</b>	<b>\$22,975,102</b>	<b>\$23,426,342</b>	<b>2.7%</b>	<b>\$23,114,944</b>	<b>\$21,551,418</b>	<b>\$23,246,787</b>	<b>\$23,288,885</b>	<b>\$23,296,995</b>	
<b>Expenditures</b>										
3.010	\$10,651,408	\$11,137,819	\$11,395,075	3.4%	\$11,835,231	\$12,261,607	\$12,739,638	\$13,175,635	\$13,626,839	
3.020	3,581,844	3,768,953	3,968,992	5.3%	4,196,725	4,351,414	4,643,844	4,965,089	5,288,256	
3.030	5,216,722	5,234,629	5,145,513	-0.7%	5,456,580	5,365,513	5,456,861	5,550,048	5,645,115	
3.040	595,729	581,744	625,640	2.6%	936,210	756,884	812,753	818,681	724,668	
3.050	415,383	741,629	183,350	1.6%	576,182	760,383	597,494	596,767	405,796	
3.060	0	0	0	0.0%	0	0	0	0	0	
<b>Debt Service:</b>										
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	40,000	45,000	45,000	6.3%	45,000	50,000	50,000	50,000	50,000	
4.055	0	0	0	0.0%	0	0	0	0	0	
4.060	16,943	15,876	14,746	-6.7%	13,617	12,487	11,295	11,295	10,040	
4.300	155,817	186,273	170,679	5.6%	182,385	179,209	176,000	177,761	179,539	
4.500	<b>\$20,673,846</b>	<b>\$21,711,923</b>	<b>\$21,548,995</b>	<b>2.1%</b>	<b>\$23,241,930</b>	<b>\$23,737,497</b>	<b>\$24,487,885</b>	<b>\$25,345,276</b>	<b>\$25,930,253</b>	
<b>Other Financing Uses</b>										
5.010	-	-	-	0.0%	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	
5.020	-	-	-	0.0%	-	-	-	-	-	
5.030	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0	
5.040	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	
5.050	<b>\$20,673,846</b>	<b>\$21,711,923</b>	<b>\$21,548,995</b>	<b>2.1%</b>	<b>\$23,291,930</b>	<b>\$23,787,497</b>	<b>\$24,537,885</b>	<b>\$25,395,276</b>	<b>\$25,980,253</b>	
6.010	1,556,815	1,263,179	1,877,347	14.9%	(176,986)	(2,236,079)	(1,291,097)	(2,106,391)	(2,683,258)	
7.010	3,914,119	5,470,934	6,734,113	31.4%	8,611,460	8,434,474	6,198,395	4,907,297	2,800,907	
7.020	<b>5,470,934</b>	<b>6,734,113</b>	<b>8,611,460</b>	<b>25.5%</b>	<b>8,434,474</b>	<b>6,198,395</b>	<b>4,907,297</b>	<b>2,800,907</b>	<b>117,649</b>	
8.010	483,797	658,496	813,281	29.8%	813,281	813,281	813,281	813,281	813,281	
<b>Reservation of Fund Balance</b>										
9.010	-	-	-	0.0%	-	-	-	-	-	
9.020	-	-	-	0.0%	-	-	-	-	-	
9.030	-	-	-	0.0%	25,226	25,226	25,226	25,226	25,226	
9.040	-	-	-	0.0%	-	-	-	-	-	
9.045	-	-	-	0.0%	-	-	-	-	-	
9.050	-	-	-	0.0%	-	-	-	-	-	
9.060	-	-	-	0.0%	-	-	-	-	-	
9.070	-	-	-	0.0%	-	-	-	-	-	
9.080	<b>-</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$25,226</b>	<b>\$25,226</b>	<b>\$25,226</b>	<b>\$25,226</b>	<b>\$25,226</b>	
<b>Fund Balance June 30 for Certification of Appropriations</b>										
10.010	\$4,987,137	\$6,075,617	\$7,798,179	25.1%	\$7,595,967	\$5,359,888	\$4,068,790	\$1,962,400	(\$720,858)	
<b>Revenue from Replacement/Renewal Levies</b>										
11.010	-	-	-	0.0%	-	-	-	-	-	
11.020	-	-	-	0.0%	-	-	-	-	-	
11.300	-	-	-	0.0%	-	-	-	-	-	
12.010	<b>\$4,987,137</b>	<b>\$6,075,617</b>	<b>\$7,798,179</b>	<b>25.1%</b>	<b>\$7,595,967</b>	<b>\$5,359,888</b>	<b>\$4,068,790</b>	<b>\$1,962,400</b>	<b>(\$720,858)</b>	

# Washington Court House City School District

Fayette County

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2017, 2018 and 2019 Actual;  
Forecasted Fiscal Years Ending June 30, 2020 Through 2024

	Actual				Forecasted				
	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Average Change	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
<b>Revenue from New Levies</b>									
13.010 Income Tax - New	-		-	0.0%	-	91,109	1,257,306	2,004,401	1,822,183
13.020 Property Tax - New	-		-	0.0%	-	-	-	-	-
13.030 Cumulative Balance of New Levies	-	-	-	0.0%	-	91,109	1,348,415	3,352,816	5,174,999
14.010 Revenue from Future State Advancements	-		-	0.0%	-	-	-	-	-
15.010 <i>Unreserved Fund Balance June 30</i>	\$4,987,137	\$6,075,617	\$7,798,179	25.1%	\$7,595,967	\$5,450,997	\$5,417,205	\$5,315,216	\$4,454,141

See accompanying summary of significant forecast assumptions and accounting policies  
Includes: General fund, SFSF, EdJobs Fund and any portion of Debt Service fund related to General fund debt.

**Washington Court House City School District –Fayette County**  
**Notes to the Five-Year Forecast**  
**General Fund Only**

For fiscal year 2020 (July 1, 2019 – June 30, 2020) school districts in Ohio are required to file a five (5) year financial forecast by November 30, 2019, and May 31, 2020. The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. HB166, the new state biennium budget, provided new State funding to all school districts in Fiscal Years 20 and 21 specifically for Student Wellness and Success. These revenues are restricted and are required to be accounted for in a Special Revenue Fund (Fund 467) and are NOT included in this forecast.

Fiscal year 2020 (July 1, 2019-June 30, 2020) 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 2020 filing.

**Economic Outlook during the COVID-19 Global Pandemic**

This five-year forecast is filed in the midst of a health and financial struggle that encompasses our state, country and global economy. The District is following events and video conferences daily to help determine how to maintain continuity of services to our students and staff as we play a vital role in our community. State and local resources are going to be under extreme stress as we continue through and eventually recover from the pandemic. We have drawn upon our experiences in projecting revenues and expenses from the Great Recession of 2008, but there is no historic data or situation to compare to what the District is facing now. That makes it extremely challenging to project where our finances will be through fiscal year 2024 as noted in this forecast. Given the requirement in Ohio Law that we file a forecast in May that goes through June 2024, we are using the best and most recent reliable data available to us.

**May 2020 Updates:**

**Revenues FY20:**

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 \$23,039,982, or 1.37% lower than the November forecasted amount of \$23,359,337. The decrease in revenue estimate is mostly affected by a decrease in State funding of 1.78% for the last three payments of the fiscal year due to the COVID-19 pandemic.

All other areas of revenue are tracking as anticipated for FY20 based on our best information at this time.

**Expenditures FY20:**

Total General Fund expenditures (line 4.5) are estimated to be \$23,241,930 for FY20 which is below the original estimate of \$23,650,322 in the November forecast. The expenditure lines most significantly below projections are Supplies and Materials (line 3.040) reductions from spending due to the COVID-19 shut down of the District and Capital Outlay (line 3.050) due to changes in expenditures for the capital plan. This will have a positive effect on the long-term forecast.

**Unreserved Ending Cash Balance:**

With revenues increasing slightly over estimates and expenditures ending below estimates, our ending unreserved cash balance June 30, 2020 is anticipated to be roughly \$7.6 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2024 if assumptions we have made for State aid in future State budgets remain close to our estimates, there are no future State budget cuts after FY21, and the income tax levy is passed.

assumptions we have made for State aid in future State budgets remain close to our estimates, there are no future State budget cuts after FY21, and the income tax levy is passed.

### **Forecast Risks and Uncertainty:**

In addition to the above noted uncertainty due to the COVID-19 Pandemic, a five-year financial forecast typically has inherent risks and uncertainties. This is due to normal economic uncertainties and to State legislative changes that will occur in the spring of 2021 and 2023 due to deliberation of the next two (2) State biennium budgets for FY22-23 and FY24-25 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) Fayette County performed a complete reappraisal in tax year 2018 for collection in 2019. Values increased for Class I and II in 2018, for collection in 2019, and the district did not see any affect of HB49 that could have lowered values for Current Agricultural Use Values (CAUV). The changes authorized by HB49 to CAUV values will lower those values by an estimated 30% beginning with counties experiencing a reappraisal or update in Tax Year 2017. 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.
- 2) The State Budget represents 75.72% of District revenues and is an area of risk to revenue. The state has made a reduction for the last six weeks of FY20 of 1.78% of the District's State foundation aid; we expect that there will be another 10% reduction in FY21 due to drastically reduced State revenue because of the COVID-19 pandemic. Additional future risk comes in FY22 and beyond if the State economy worsens or if the funding formula in future State budgets reduce 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 FY24. We have projected our State funding to be in line with our current estimates through FY24 which we feel are conservative and should be close to whatever the State approves for the FY22-23 biennium budget. We will adjust the forecast in future years as we have data to help guide this decision.
- 3) HB166 continues the many provisions contained in prior State biennium budgets that will continue to draw funds away from our District through continuing school choice programs such as College Credit Plus, Community Schools, and increases in per pupil scholarship amounts deducted from our State aid in the 2019-21 school years, even though funding for our students was not increased to our District for this biennium budget. College Credit Plus costs continue to increase as this program becomes more understood. We continue to watch closely the EdChoice Voucher legislation. HB197 passed in March 2020 freezes EdChoice eligibility of 517 buildings for the school year of 2019-2020. The District has 1 school building that is designated as under performing but the measures used by the State could be changed for the future. These are examples of new choice programs that increase with each biennium budget that will 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 and increased costs very closely.
- 4) HB166 the current State budget for FY20-21 has frozen funding for all school districts in Ohio at their FY19 level with the only exception being the addition of Enrollment Growth Supplement money for a small number of growing districts. The only increase in funding to all districts in Ohio is restricted use money for Student Wellness and Success which is restricted in use and must be placed in Fund 467 and

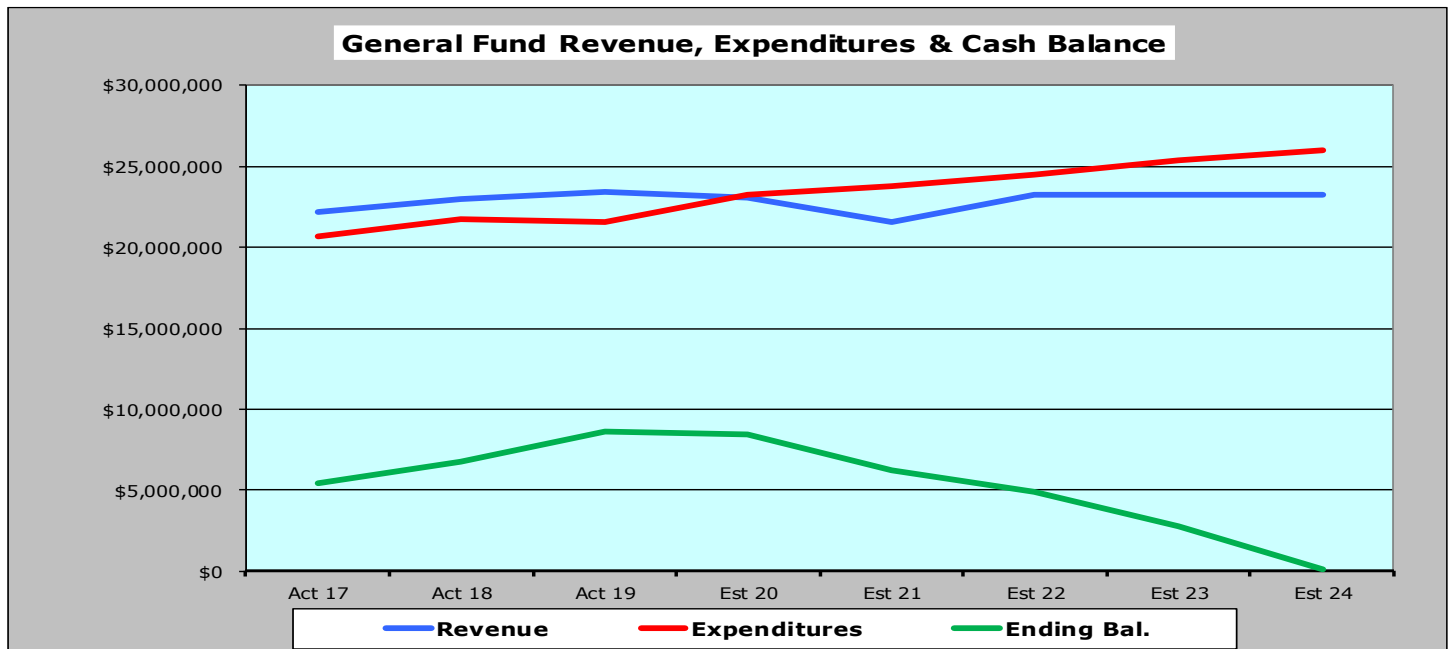
is not General Fund money and thus not included in the forecast. We have assumed this money will not continue after FY22.

- 5) 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 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 Mrs. Becky Mullins, Treasurer/CFO at 740-335-6620.

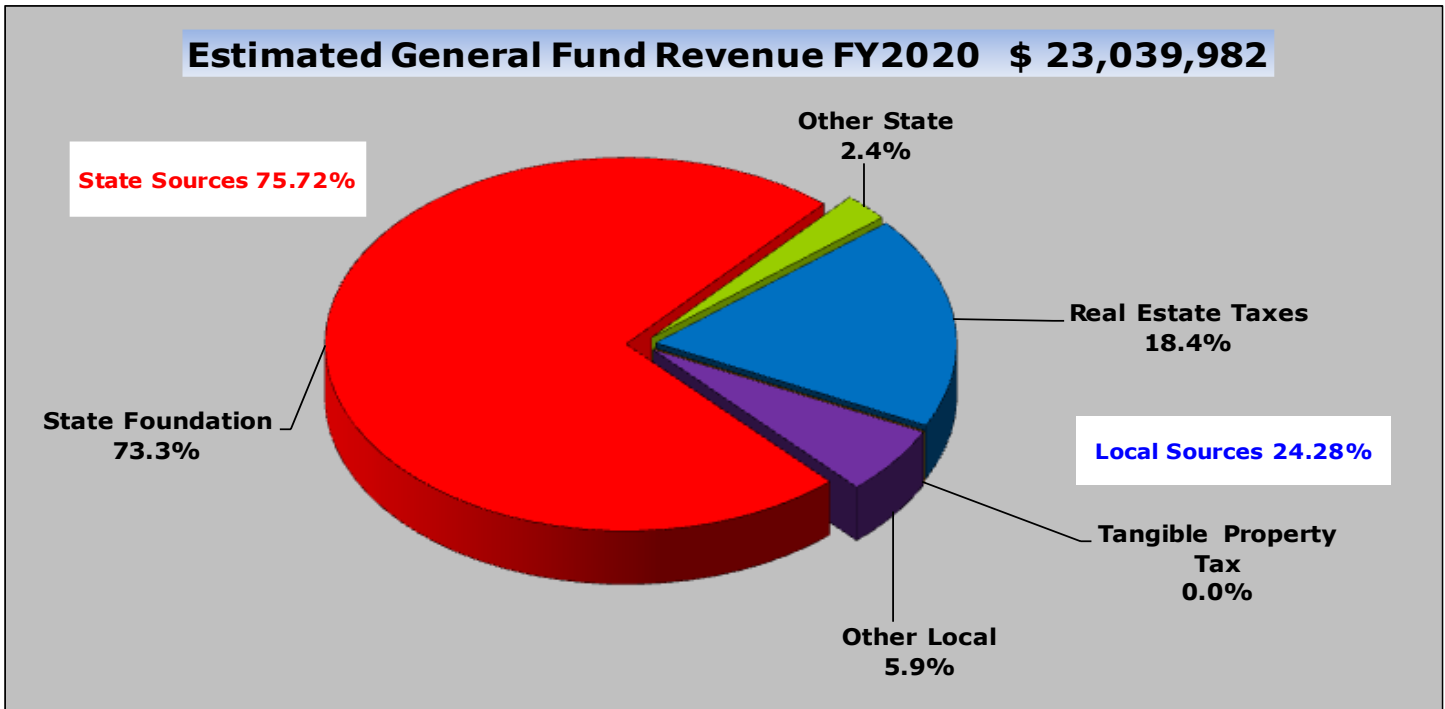
### General Fund Revenue, Expenditure and Ending Cash Balance Actual FY17-19 and Estimated FY20-24

The graph captures in one snapshot the operating scenario facing the Washington Court House School District over the next few years.



## Revenue Assumptions

### Operating Revenue Sources General Fund FY20



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

Property Values are established each year by the Fayette County Auditor based on new construction, demolitions, Board of Revision/Board of Tax Appeal activity and complete reappraisal or updated values. Fayette County performed a reappraisal in tax year 2018 for collection in 2019. The actual increase in 2018 for collection in 2019 Residential/Agriculture Class I was 9.92% or \$14,464,810 and the Commercial/Industrial Class II was a 3.75% or \$1,973,700 increase.

CAUV values represent 0.5% 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 experienced this in the 2018 reappraisal for collection in 2019. A reduction of value has been weighted in to our average Class I value change in 2019. The District did not experience any major reduction in values since there is very little agricultural land in our District.

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

Classification	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR2019	TAX YEAR2020	TAX YEAR2021	TAX YEAR2022	TAX YEAR2023
	COLLECT 2020	COLLECT 2021	COLLECT 2022	COLLECT 2023	COLLECT 2024
Res./Ag.	\$161,244,820	\$161,394,820	\$162,351,794	\$163,313,553	\$164,280,121
Comm./Ind.	\$54,996,070	\$55,046,070	\$55,371,300	\$55,698,157	\$56,026,648
Public Utility (PUPP)	\$7,443,900	\$7,593,900	\$7,743,900	\$7,893,900	\$8,043,900
Tangible Prop.(TPP)	\$0	\$0	\$0	\$0	\$0
Total Assessed Valuation	<u>\$223,684,790</u>	<u>\$224,034,790</u>	<u>\$225,466,994</u>	<u>\$226,905,610</u>	<u>\$228,350,668</u>

Property tax levies are estimated to be collected at 98.48% of the annual amount including delinquent collections. This allows for a 1.52% delinquency factor. In general, 55.86% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 44.14% collected in the August tax settlement. Public Utility tax settlements (PUPP taxes) are estimated to be received 50% in February and 50% in August settlement.

Due to the COVID-19 pandemic, we may see a decrease in taxes received in August 2020 due to higher unemployment causing the constituents to not be able to make real estate tax payments on time. If taxes are not paid on time in 2020, then in future years the amount of delinquencies will be increased and we will need to monitor this for each forecast period for the next couple of years.

**ESTIMATED REAL ESTATE TAX - Line #1.010**

Category	FY 20	FY 21	FY 22	FY 23	FY 24
Est. Prop. Taxes Including PUPP	\$4,237,780	\$4,278,305	\$4,288,348	\$4,299,493	\$4,310,642

**New Tax Levies – Line #13.030**

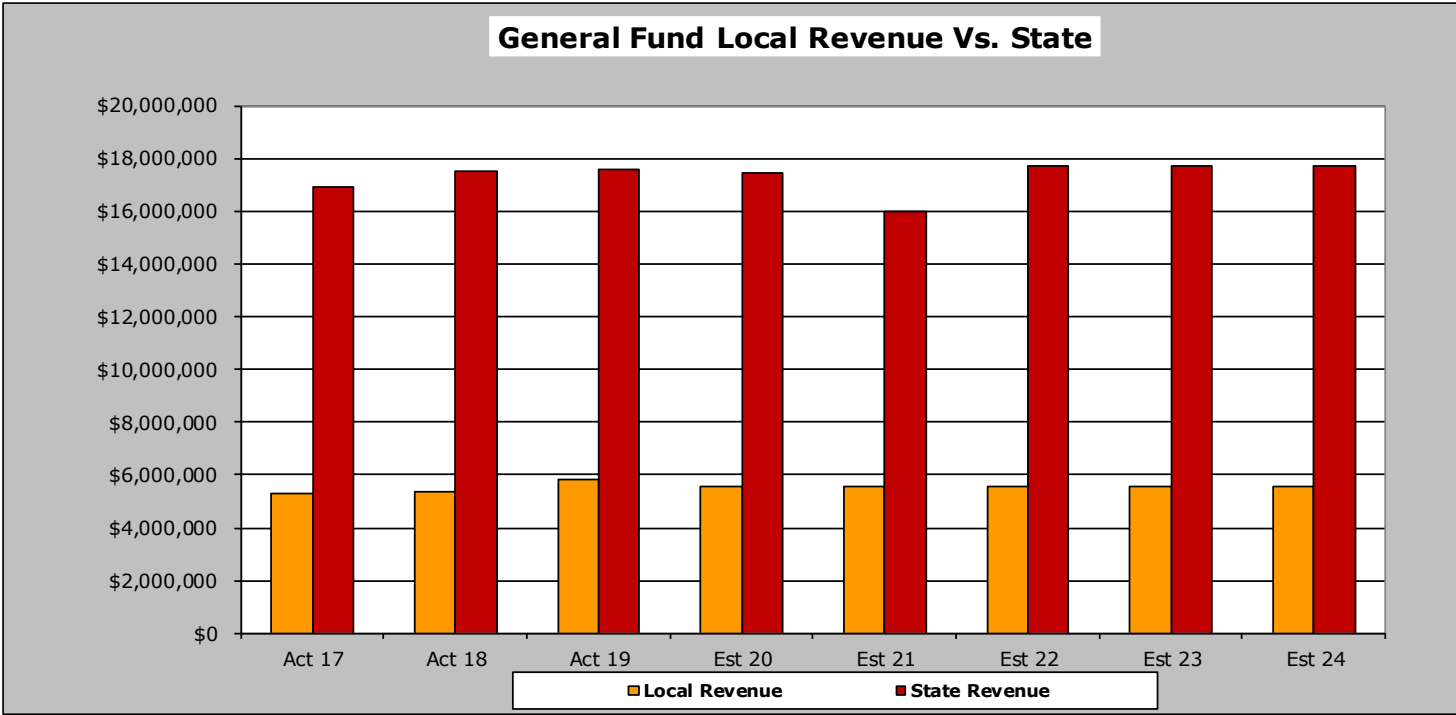
The District is placing a 1% earned income tax levy for seven years on the August special election ballot. Since the State has cut the District’s funding in FY20 and more is anticipated in FY21, the District finds it necessary to place the levy on the ballot in these difficult economic times. If the levy is approved it will begin on January 1, 2021 with expiration on December 31, 2027.

Category and Type of New Revenue	FY 20	FY 21	FY 22	FY 23	FY 24
New SDIT Line # 13.10	\$0	\$91,109	\$1,257,306	\$2,004,401	\$1,822,183
New Levy Modeled Line # 13.20	\$0	\$0	\$0	\$0	\$0
Total Line # 13.30	\$0	\$91,109	\$1,257,306	\$2,004,401	\$1,822,183

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

The phase out of TPP taxes began in FY06 with HB66 that was adopted in June 2005. TPP tax assessments ended in FY11. The only amounts received after FY11 are from delinquent TPP taxes outstanding as of 2010. These amounts are indeterminable at this time and are likely immaterial in amount.





**State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045**

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

The amounts estimated for State funding are based on HB166 funding simulations which basically guarantee all school districts the same amount of state aid they received in FY19. Essentially, funding for all 610 traditional school districts and 49 joint vocational and career centers is frozen for FY20 & 21 at the FY19 funding level for State basic aid. The State Foundation Funding Formula used since FY14 has now been abandoned after six (6) years. HB305 is currently being considered by the legislature and may produce a successor funding formula for the FY22-23 biennium budget but there is nothing to base future projections on. For this reason, we have projected State aid flat through FY24 as we have nothing authoritative to rely on at this time.

Due to the COVID-19 pandemic, State funding has been cut for FY20 by \$297,971 or 1.78% in the last three payments of the fiscal year and we expect another cut of \$1,673,488 or 10% in FY21 with future State revenues that could be reduced as a result of the pandemic.

**Supplemental Funding for Student Wellness and Success (Restricted Fund 467)**

Nearly all of the new funding for K-12 public education in the FY20-21 Executive Budget is provided through a formula allocating \$250 million in FY20 and \$358 million in FY21. This is based upon each district’s percentage of students in households at or below 185% of the Federal Poverty Level (FPL) and the total number of students enrolled in each district. In FY20, proposed funding ranges from \$20 per student to \$250 per student and in FY21 funding ranges from \$25 per student to \$300 per student. All schools and students are to receive a minimum additional funding of \$25,000 in FY20 and \$30,000 in FY21. Our District is estimated to receive \$519,783 in FY20 and \$752,783 in FY21. Money will be received twice each year in October and February. These dollars are to be deposited into Special Revenue Fund 467 and are therefore, not included in this forecast. These dollars are restricted to expenses that follow a plan developed in coordination with one of the approved community partner organizations approved in HB166 that include the following:

**A. Student Wellness and Success Initiatives (ORC 3317.26(B))**

- Mental health services
- Services for homeless youth
- Services for child welfare involved youth
- Community liaisons
- Physical health care services
- Mentoring programs
- Family engagement and support services
- City Connects programming
- Professional development regarding the provision of trauma-informed care
- Professional development regarding cultural competence
- Student services provided prior to or after the regularly scheduled school day or any time school is not in session

**B. Community Partners (ORC 3317.26(C))**

- A board of alcohol, drug and mental health services
- An educational service center
- A county board of developmental disabilities
- A community-based mental health treatment provider
- A board of health of a city or general health district
- A county department of job and family services
- A nonprofit organization with experience serving children
- A public hospital agency

At this time our District is spending money in our General Fund that is servicing student needs as identified in 3317.26 (B) and our approved plan calls for a portion of these expenses to be recoded to Fund 467 for FY20 and FY21. We will then return these expenses to the General Fund for FY22-24 as we have no direction on the future continuation of this funding. The General Fund reflects the reduction of these expenses for FY20 and FY21.

**Future State Budgets:** Our funding status for the FY22-24 will depend on two (2) new State budgets which are unknown. With the change to the State funding and no growth for the FY20-21 State amounts, we are not increasing the State funding for any year of the forecast. We believe our current State funding estimates for FY20-24 are reasonable and that we will adjust the forecast in the future when we have authoritative data to work with.

**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. As of March 4, 2013, all four (4) casinos are 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 as robustly as originally predicted but are still growing slowly as the economy has improved. Actual numbers generated for FY19 statewide were 1,785,583 students at \$52.59 per pupil. That is a decline of .36% students from the prior year. For FY20-24 we estimated a .4% decline in pupils to 1,778,441 and GCR increasing to \$95.5 million or \$53.23 per pupil. Due to the COVID-19 closing the casinos in 2020, we are reducing the amount of funding in FY21 by 40% then increasing the amount in FY22 by 25%, FY23 by 32% and 1% in FY24 as we go through the next few years we will adjust as the funding information is available.

Category	FY 20	FY 21	FY 22	FY 23	FY 24
State Basic Aid	\$15,967,831	\$14,571,172	\$16,244,659	\$16,244,659	\$16,244,659
Additional Aid	<u>\$306,855</u>	<u>\$306,855</u>	<u>\$306,855</u>	<u>\$306,855</u>	<u>\$306,855</u>
Basic Aid-Unrestricted Subtotal	\$16,274,686	\$14,878,027	\$16,551,514	\$16,551,514	\$16,551,514
Ohio Casino Commission ODT	<u>\$117,841</u>	<u>\$70,705</u>	<u>\$88,381</u>	<u>\$116,663</u>	<u>\$117,830</u>
Total Unrestricted State Aid Line # 1.035	<u>\$16,392,528</u>	<u>\$14,948,732</u>	<u>\$16,639,895</u>	<u>\$16,668,177</u>	<u>\$16,669,344</u>

### B) Restricted State Revenues – Line #1.040

The current formula continues funding two restricted sources of revenues to school districts which are Economic Disadvantaged Funding and Career Technical Education funding.

Category	FY 20	FY 21	FY 22	FY 23	FY 24
Economically Disadvantaged Aid	\$481,040	\$481,040	\$481,040	\$481,040	\$481,040
Career Tech - Restricted	<u>\$9,177</u>	<u>\$9,177</u>	<u>\$9,177</u>	<u>\$9,177</u>	<u>\$9,177</u>
Total Restricted State Revenues Line #1.040	<u>\$490,217</u>	<u>\$490,217</u>	<u>\$490,217</u>	<u>\$490,217</u>	<u>\$490,217</u>

### C) Restricted Federal Grants in Aid – Line #1.045

There are no additional Federal restricted funds in the forecast period.

### Summary of State Foundation Revenues

Category	FY 20	FY 21	FY 22	FY 23	FY 24
Unrestricted Line # 1.035	\$16,392,528	\$14,948,732	\$16,639,895	\$16,668,177	\$16,669,344
Restricted Line # 1.040	\$490,217	\$490,217	\$490,217	\$490,217	\$490,217
Restricted Fed. SFSF /EdJobs #1.045	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total State Foundation Revenue	<u>\$16,882,745</u>	<u>\$15,438,949</u>	<u>\$17,130,112</u>	<u>\$17,158,394</u>	<u>\$17,159,561</u>

### State Taxes Reimbursement/Property Tax Allocation

#### A) Rollback and Homestead Reimbursement

Rollback funds are reimbursements paid to the District from the State of Ohio for tax credits given to 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 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 & Fixed Sum**

The district no longer receives any TPP reimbursement funding.

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

Category	FY 20	FY 21	FY 22	FY 23	FY 24
Rollback and Homestead	\$562,762	\$570,983	\$571,547	\$572,300	\$573,054
TPP Reimbursement - Fixed Rate	\$0	\$0	\$0	\$0	\$0
TPP Reimbursement - Fixed Sum	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Category	<u>\$562,762</u>	<u>\$570,983</u>	<u>\$571,547</u>	<u>\$572,300</u>	<u>\$573,054</u>

**Other Local Revenues – Line #1.060**

All other local revenue encompasses any type of revenue that does not fit into the above lines. Beginning in FY20, interest is expected to decline due to the fed rate reductions which will impact our earning capability in this area. We have reduced FY21 interest by 60% and FY22 by another 20% due to the rapid reduction in interest rates to help stimulate the economy due to the COVID-19 pandemic and 10% decrease in FY23 and FY24 for declining balances.

The main source of revenue in this area is open enrollment, tuition for court placed students, general rental fees and interest income. April #1 is being used for Open Enrollment for the district and the remainder of items are estimated at a 0.5% to 1% increases for the remainder of the lines for FY20-FY24.

Category	FY 20	FY 21	FY 22	FY 23	FY 24
Open Enrollment	\$903,470	\$907,987	\$912,527	\$917,090	\$917,090
Tuition Revenue	\$133,644	\$134,980	\$136,330	\$137,693	\$137,693
Interest	\$172,234	\$68,894	\$55,115	\$49,604	\$44,644
Other Income, Rentals and Refunds	<u>\$147,347</u>	<u>\$148,820</u>	<u>\$150,308</u>	<u>\$151,811</u>	<u>\$151,811</u>
Total Line # 1.060	<u>\$1,356,695</u>	<u>\$1,260,681</u>	<u>\$1,254,280</u>	<u>\$1,256,198</u>	<u>\$1,251,238</u>

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

The District is not expecting any further borrowing during the forecast.

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

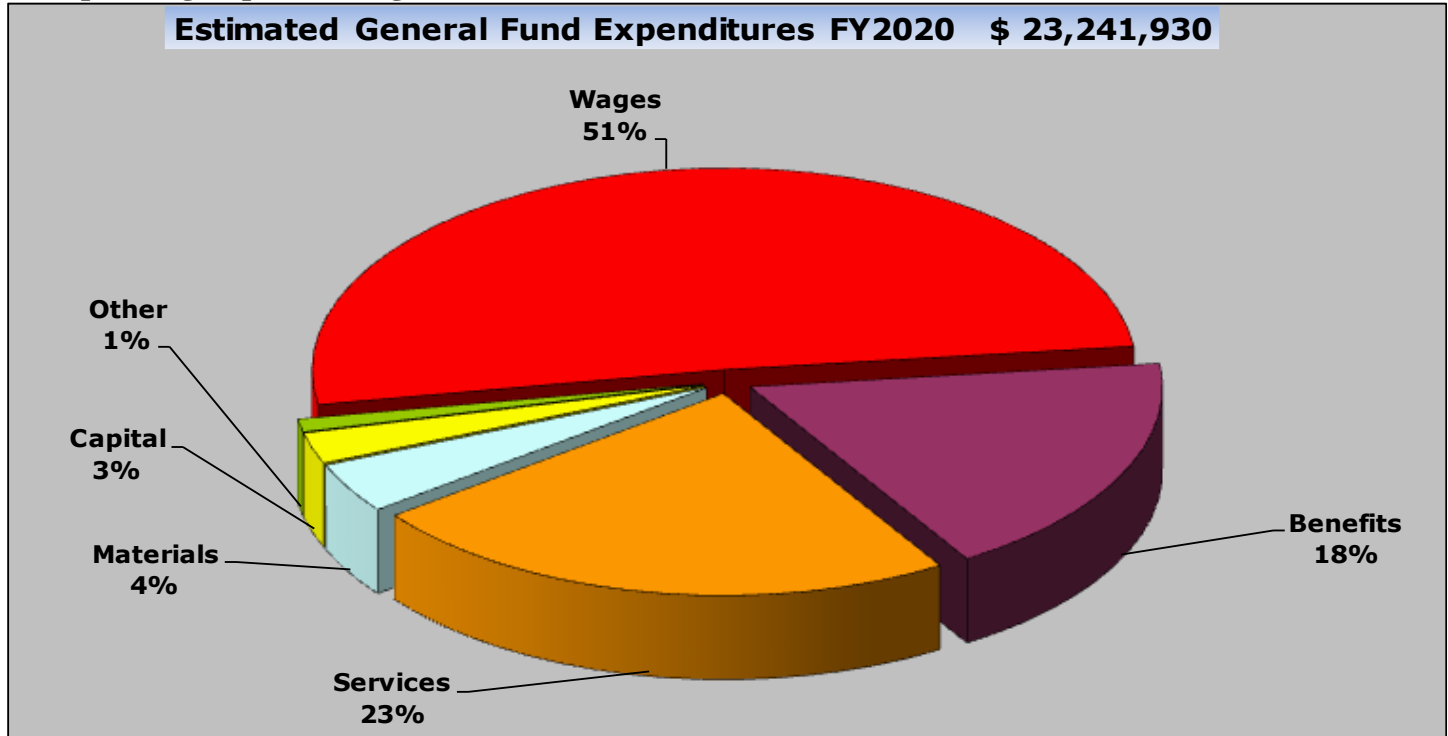
This funding source is typically a refund of prior year expenditures that are very unpredictable. The District received a BWC refund in FY20 of \$72,462 to help employers with expenses during the COVID-19 crisis. Based on the District’s history we have included \$2,500 for FY21-FY24.

Category	FY 20	FY 21	FY 22	FY 23	FY 24
Other Financial Categories	\$74,962	\$2,500	\$2,500	\$2,500	\$2,500

## Expenditures Assumptions

The District's leadership team is always looking at ways to improve the education of the students whether with changes in curriculum or new technology needs. Expenditures are always looked upon through the filter of doing what's best for students and their educational needs.

### All Operating Expense Categories - General Fund FY20



#### Wages – Line #3.010

The District finalized negotiations with the teacher's union in the summer of 2019. There were many changes in the wage area that affected the forecast. The base salary increase was approved for FY20 at 1.9%. The District is projecting, for forecast purposes only, a 2% base increase in FY21-FY24. The District is also projecting a change in the teacher's salary schedule for a one time increase of \$300,396 in FY21. This will enable the District to be more competitive with other districts in the area when attracting new teachers.

The District added a full time Kindergarten teacher in FY20 and are anticipating adding a reading teacher in FY21. An increase of one teacher and one aide for special education in FY21 will be included in salaries, however these positions are not additional to the District but will be District employees instead of employed through the ESC. The District has received two resignations for FY21 and these positions will not be replaced. The District will be adding the PTLW teacher to the staff and reducing costs from Great Oaks Career Center.

The District is recoding staff to SWSF in FY20 and FY21 and will return those costs to the general fund in FY22 as we do not know if this funding will continue past the current State budget. In FY21, the District is reducing summer staffing by \$30,000 and coaching staff by \$32,000.

Category	FY 20	FY 21	FY 22	FY 23	FY 24
Base Wages	10,700,964.00	11,368,413.00	\$11,543,407	\$12,008,459	\$12,431,157
Base Increases	203,318.00	227,368.00	\$230,868	\$240,169	\$248,623
Steps & Training	130,552.00	172,800.00	\$175,460	\$182,529	\$188,954
Substitutes	305,706.00	314,877.00	\$324,323	\$334,053	\$344,075
New/Replacement Staff	114,680.74	79,489.37	\$13,288	\$0	\$0
Recoding of SWSF Staff	(49,590.50)	(21,580.50)	\$71,171	\$0	\$0
Supplemental Contracts	381,508.00	353,323.00	\$356,856	\$360,425	\$364,029
Severance	50,000.00	50,000.00	\$50,000	\$50,000	\$50,001
Staff Reductions	(1,906.75)	(283,082.96)	-\$25,735	\$0	\$0
Total Wages Line 3.010	<u>\$11,835,231</u>	<u>\$12,261,607</u>	<u>\$12,739,638</u>	<u>\$13,175,635</u>	<u>\$13,626,839</u>

### Fringe Benefits Estimates – Line #3.020

This area of the forecast captures all costs associated with benefits and retirement costs.

#### A) STRS/SERS will increase as Wages Increase

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

#### B) Insurance

The District has received a 6.37% increase for FY21 and is estimating an increase of 10% in FY22 – FY24, which reflects industry trend. This is based on our current employee census and claims data. Insurance could increase at a much higher rate should claims increase dramatically.

The Further Consolidated Appropriations Act of 2020, included a full repeal of three taxes originally imposed by the Affordable Care Act (ACA): the 40% Excise Tax on employer-sponsored coverage (a.k.a. “Cadillac Tax”), the Health Insurance Industry Fee (a.k.a. the Health Insurer Tax), and the Medical Device Tax.

#### C) Workers’ Compensation & Unemployment Compensation

Workers’ Compensation is expected to remain at about .64% of wages for FY20-FY24. Due to COVID-19, the district is increasing unemployment by \$20,000 in both FY20 and FY21 and is expected to be approximately \$2,200 during the remainder of the forecast period. 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 and as new employees are hired. 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

Category	FY 20	FY 21	FY 22	FY 23	FY 24
STRS/SERS	\$1,733,034	\$1,794,992	\$1,865,570	\$1,930,355	\$1,996,722
Insurance's	\$2,159,601	\$2,247,402	\$2,475,895	\$2,723,485	\$2,971,075
Workers Comp & Unemployment	\$97,945	\$100,674	\$83,734	\$86,524	\$89,412
Medicare	\$166,145	\$168,346	\$178,645	\$184,725	\$191,047
Tuition/Other Reimbursement	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$40,000</u>
Total Line 3.020	<u>\$4,196,725</u>	<u>\$4,351,414</u>	<u>\$4,643,844</u>	<u>\$4,965,089</u>	<u>\$5,288,256</u>

### Purchased Services – Line #3.030

An overall inflation between 1% and 3% 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 are major expenditures in this area and have been increased based on historical trend. The District is using the April #1 payments for open enrollment and community schools in FY20, and for the remainder of the forecast are projecting an increase of 2% for open enrollment and an increase of 3% for community school deductions in FY21-FY24. This is one area that the District has no control over and is not able to know from one year to the next what students will be included in open enrollment or community school data.

The District will have an increase for ESC services for special education students in FY20 of \$50,000, an increase in the alternative school program for \$63,000, and will need the services of a 1 to 1 interpreter for \$55,000. The special education and alternative school additional expenses are due to Miami Trace no longer utilizing these shared services. The District negotiated new leases for copiers and a postage machine during FY20 with annualized savings of \$11,916.

In FY21, the District will decrease a special education unit at the ESC costing \$126,500 annually, moving the unit into the District as our staff with these expenditures being included in salaries and benefits.

Category	FY 20	FY 21	FY 22	FY 23	FY 24
Base Services, Prof Fees, etc.	\$2,245,820	\$2,141,778	\$2,163,196	\$2,184,828	\$2,206,676
Property Repairs & Insurance	\$245,771	\$198,229	\$200,211	\$202,213	\$204,235
Tuition & Sp. Ed. Services	\$423,995	\$436,715	\$449,816	\$463,310	\$477,209
Community Schools	\$372,105	\$383,268	\$394,766	\$406,609	\$418,807
Open Enrollment	\$1,762,243	\$1,797,488	\$1,833,438	\$1,870,107	\$1,907,509
Copier Leases	\$43,949	\$38,084	\$38,084	\$38,084	\$38,084
Utilities	\$362,697	\$369,951	\$377,350	\$384,897	\$392,595
Total Line 3.030	<u>\$5,456,580</u>	<u>\$5,365,513</u>	<u>\$5,456,861</u>	<u>\$5,550,048</u>	<u>\$5,645,115</u>

### Supplies and Materials – Line #3.040

An overall inflation of 1% is being estimated for this category of expenses which are characterized by textbooks, educational supplies, testing supplies, copy paper, maintenance and custodial supplies, materials, and bus fuel.

Textbooks include College Credit Plus (CCP) textbooks as well as the curriculum textbook adoption/implementation plan. Additional supplies in FY20 were for technology supplies (Chromebooks, carts, etc.), rising cost of vehicle fuel, classroom supplies, and preschool supplies. There are decreases in FY21 of one-time expenses in FY20 for a total of approximately \$100,000.

Category	FY 20	FY 21	FY 22	FY 23	FY 24
Textbooks	\$241,275	\$170,000	\$220,000	\$220,000	\$120,000
Supplies & Materials	<u>\$694,935</u>	<u>\$586,884</u>	<u>\$592,753</u>	<u>\$598,681</u>	<u>\$604,668</u>
Total Line 3.040	<u>\$936,210</u>	<u>\$756,884</u>	<u>\$812,753</u>	<u>\$818,681</u>	<u>\$724,668</u>

### Equipment – Line #3.050

The District has a long-term capital plan that is vital to funding the proper maintenance of buildings, infrastructure and District vehicles and equipment. The capital plan will include buses and pupil transportation

vehicles, furniture, asphalt and concrete replacement, maintenance/custodial equipment and athletic complex repairs.

In FY20 the District is adding the outdoor security cameras at the District office, purchasing replacement computers for \$30,000, and will make the first payment for the District outdoor cameras of \$87,667 with the last payment in FY22 which is included in the Capital Plan.

Category	FY 20	FY 21	FY 22	FY 23	FY 24
Capital Plan	\$303,515	\$580,383	\$342,494	\$341,767	\$195,796
Other Capital Outlay	\$117,667	\$100,000	\$100,000	\$100,000	\$100,000
Technology Plan	<u>\$155,000</u>	<u>\$80,000</u>	<u>\$155,000</u>	<u>\$155,000</u>	<u>\$110,000</u>
Total Line 3.050	<u>\$576,182</u>	<u>\$760,383</u>	<u>\$597,494</u>	<u>\$596,767</u>	<u>\$405,796</u>

**Other Debt Payment – Line #4.050 & 4.060**

The District began to repay the HB264 notes in December 2015. The principal is due each December 1<sup>st</sup> and interest will be paid December 1<sup>st</sup> and June 1<sup>st</sup> of each year with final payment on December 1, 2029.

Category	FY 20	FY 21	FY 22	FY 23	FY 24
HB 264 Principal Total Line 4.050	<u>\$45,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>
HB 264 Interest - Line 4.060	<u>\$13,617</u>	<u>\$12,487</u>	<u>\$11,295</u>	<u>\$11,295</u>	<u>\$10,040</u>

**Other Expenses – Line #4.300**

The category of Other Expenses consists primarily of Auditor & Treasurer fees, ESC charges, our annual audit and other miscellaneous expenses. A rate of 1% increase is used in this area.

Category	FY 20	FY 21	FY 22	FY 23	FY 24
A & T Fees/ Election Costs	\$116,963	\$113,133	\$109,264	\$110,357	\$111,461
ESC Fees	\$14,384	\$14,528	\$14,673	\$14,820	\$14,968
Fees/Charges/Misc	\$51,038	\$51,548	\$52,063	\$52,584	\$53,110
Other	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Line 4.300	<u>\$182,385</u>	<u>\$179,209</u>	<u>\$176,000</u>	<u>\$177,761</u>	<u>\$179,539</u>

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

This account group covers fund to fund transfers 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. The District expects to have a transfer to the food service account in FY20-24.

Category	FY 20	FY 21	FY 22	FY 23	FY 24
Transfer Line 5.010	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Advances Line 5.020	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Transfers & Advances	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>

**Encumbrances –Line #8.010**

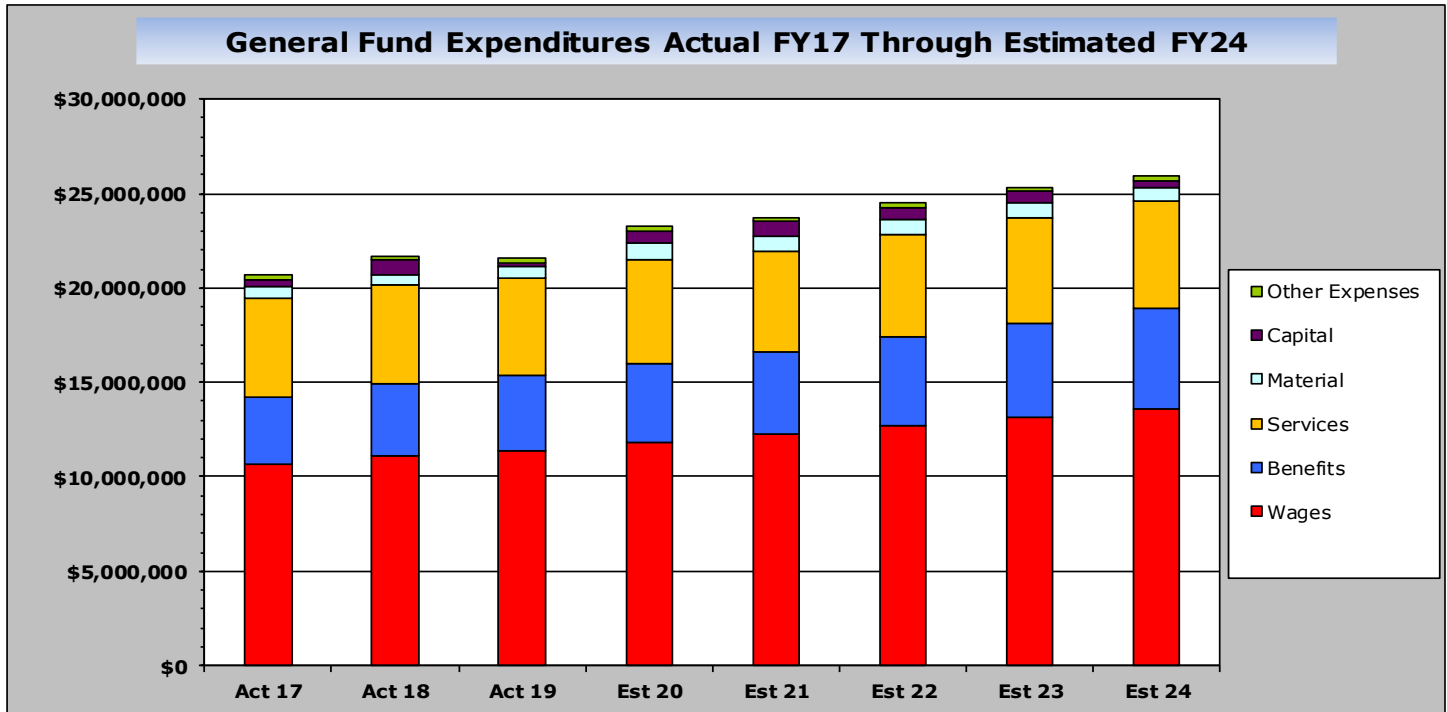
These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered.



Category	FY 20	FY 21	FY 22	FY 23	FY 24
Estimated Encumbrances	<u>\$813,281</u>	<u>\$813,281</u>	<u>\$813,281</u>	<u>\$813,281</u>	<u>\$813,281</u>

### Operating Expenditures Actual FY17 through FY19 and Estimated FY20 through FY24

As the graph below indicates the District is increasing expenses throughout the forecast period. The administration is strategically expending funds that will enhance student achievement and improvement.



### Reservations of Fund Balance – Line #9.080

The District has a small budget reserve balance to be used for emergencies and can only be used with permission of the Board of Education.

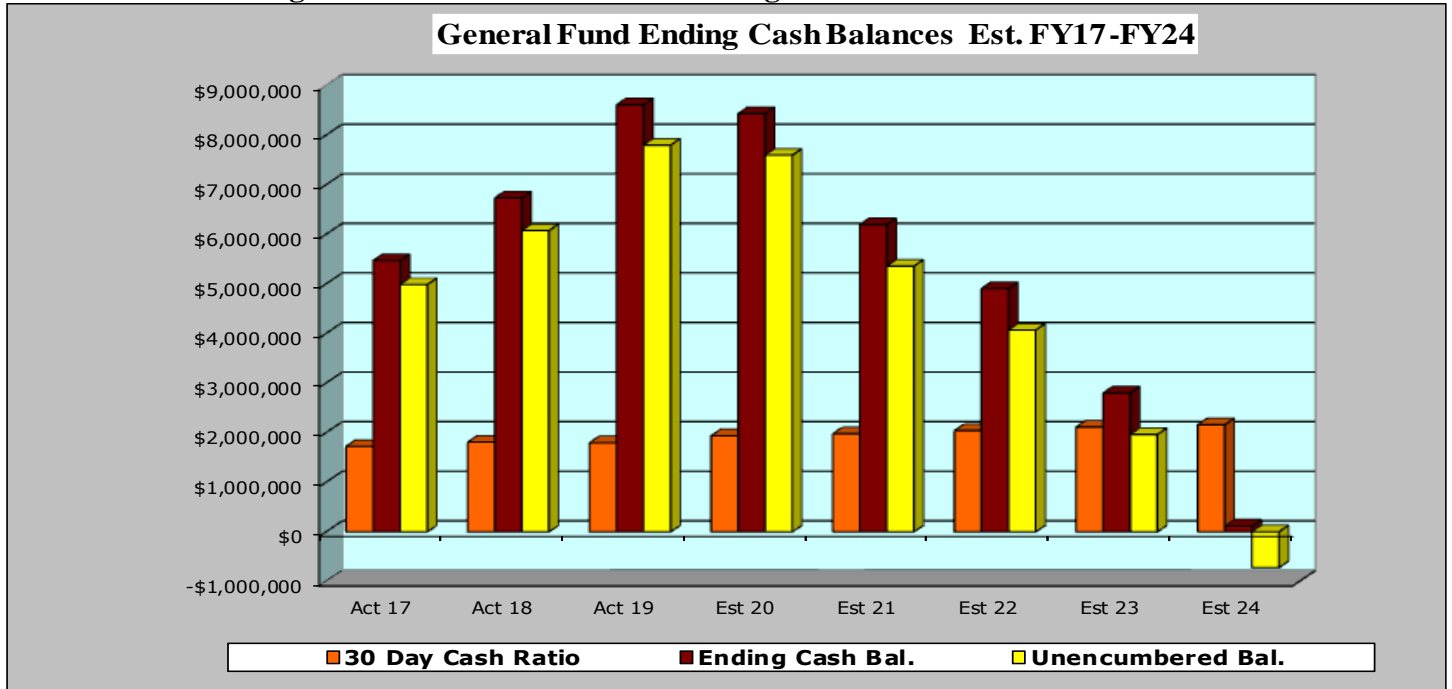
Category	FY 20	FY 21	FY 22	FY 23	FY 24
Textbooks & Instructional Materials- Line 9.010	\$0	\$0	\$0	\$0	\$0
Capital Improvements- Line 9.020	\$0	\$0	\$0	\$0	\$0
Budget Reserve - Line 9.030	<u>\$25,226</u>	<u>\$25,226</u>	<u>\$25,226</u>	<u>\$25,226</u>	<u>\$25,226</u>
Total Reservations of Balance- Line#9.080	<u>\$25,226</u>	<u>\$25,226</u>	<u>\$25,226</u>	<u>\$25,226</u>	<u>\$25,226</u>

### Ending Unencumbered Cash Balance – 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.

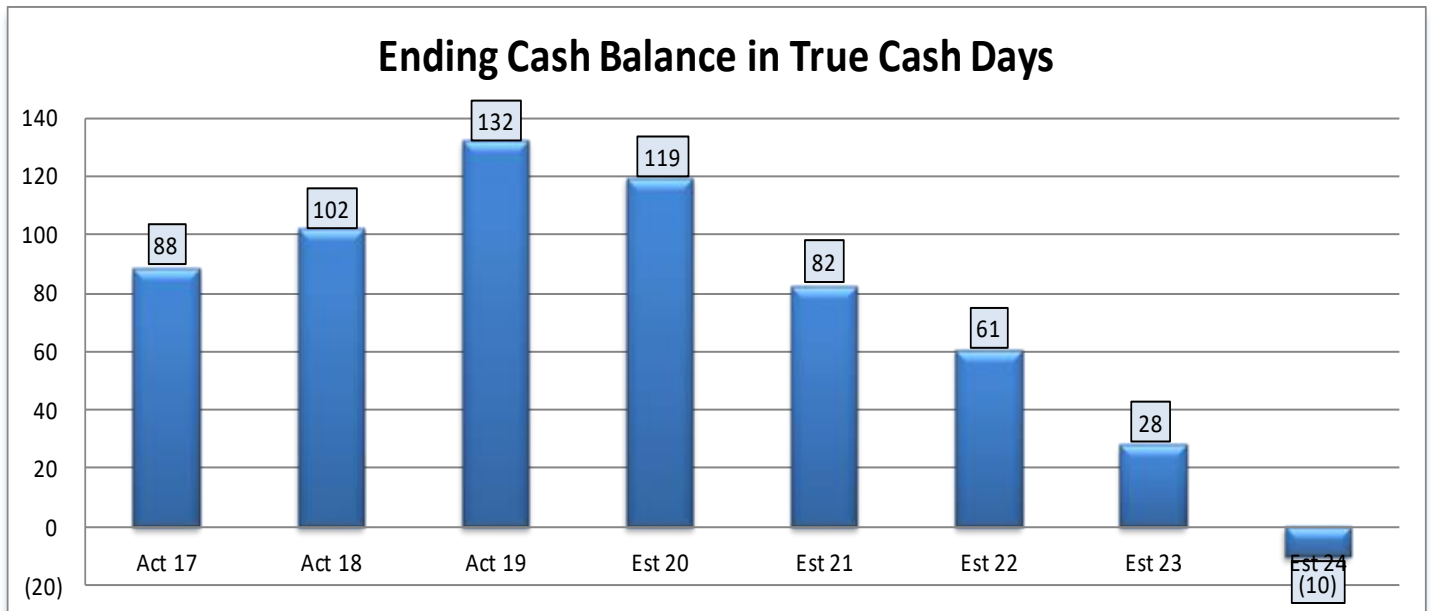
Category	FY 20	FY 21	FY 22	FY 23	FY 24
Ending Cash Balance	\$7,595,967	\$5,450,997	\$5,417,205	\$5,315,216	\$4,454,141

**General Fund Ending Cash Balance Actual FY17 through Estimated FY24**



**True Cash Days for Ending Cash Balance**

The District has seen an increase of revenue from the State as the percentage State revenue has increased with the past two budget bills. However, with the decreases that the District received in FY20 and possibly in FY21, the balance is quickly being depleted. The Government Financial Officers Association (GFOA) recommends, at a minimum, regardless of size, for a district to maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures. This graph does not include levies that have not been passed by the voters.



## **Conclusion**

The Washington Court House City Schools are very fortunate to have received more funding in FY18 and FY19 than had been expected from the State budget. Being that 75.72% of the funding for the District is from State dollars, this increase is very beneficial to the overall operations for the education of our students.

The District administration notes that this current State biennium budget is why we have to be mindful and watch each State budget carefully as HB166 has not provided new unrestricted operating funds. Future State biennium budgets could affect us positively or negatively for FY22 through FY24, especially with the COVID-19 pandemic reducing the District's State foundation payments in FY20 and projected decreases in FY21.

The District will receive funding through the CARES Act of approximately \$616,768 that is to be used for help due to COVID-19. However, we have not received how these funds will be dispersed or if they will be included with the District's five-year forecast. We will monitor this and all other funding that is affecting our forecast from the pandemic.

As you read through the notes and review the forecast, remember that the forecast is based on the information that is known at the time that it is prepared.