

Ashland City School District

Ashland County, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2018, 2019 and 2020 Actual;
Forecasted Fiscal Years Ending June 30, 2021 Through 2025

	Actual				Average Change	Forecasted				
	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021		Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	
Revenues										
1.010 General Property Tax (Real Estate)	\$13,944,755	\$14,000,827	\$14,377,714	1.5%	\$14,400,000	14,500,000	12,700,000	10,500,000	10,500,000	
1.020 Tangible Personal Property Tax	1,840,319	2,823,361	4,056,108	48.5%	\$3,900,000	3,900,000	3,900,000	3,900,000	3,900,000	
1.035 Unrestricted State Grants-in-Aid	13,597,559	13,302,565	12,704,274	-3.3%	\$12,679,376	12,750,000	12,750,000	12,750,000	12,750,000	
1.040 Restricted State Grants-in-Aid	183,074	244,131	243,885	16.6%	\$243,887	243,900	243,900	243,900	243,900	
1.050 Property Tax Allocation	2,653,768	2,351,600	2,061,466	-11.9%	\$2,160,000	2,174,130	2,235,000	2,235,000	2,235,000	
1.060 All Other Revenues	1,870,713	2,053,237	1,839,682	-0.3%	\$1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	
1.070 Total Revenues	34,090,188	34,775,721	35,283,129	1.7%	35,283,263	35,468,030	33,728,900	31,528,900	31,528,900	
Other Financing Sources										
2.040 Operating Transfers-In					\$2,500	2,500	2,500	2,500		
2.050 Advances-In	300,000	435,000	525,000	32.8%		150,000	150,000	250,000	250,000	
2.060 All Other Financing Sources	280,439	243,452	215,469	-12.3%	\$150,000	150,000	150,000	150,000	150,000	
2.070 Total Other Financing Sources	580,439	678,452	740,469	13.0%	152,500	302,500	302,500	402,500	400,000	
2.080 Total Revenues and Other Financing Sources	34,670,627	35,454,173	36,023,598	1.9%	35,435,763	35,770,530	34,031,400	31,931,400	31,928,900	
Expenditures										
3.010 Personal Services	16,917,517	17,061,845	16,381,282	-1.6%	\$17,279,068	17,601,068	17,758,468	17,915,622	18,074,028	
3.020 Employees' Retirement/Insurance Benefits	7,351,268	7,286,568	7,059,468	-2.0%	\$7,429,999	7,568,459	7,636,141	7,703,717	7,771,832	
3.030 Purchased Services	5,405,346	5,748,588	6,128,232	6.5%	\$6,220,155	6,313,457	6,408,159	6,504,281	6,601,845	
3.040 Supplies and Materials	1,096,871	860,656	755,166	-16.9%	\$762,718	770,345	778,048	785,828	793,686	
3.050 Capital Outlay	1,929,313	2,881,970	818,970	-11.1%	\$1,250,000	1,250,000	1,500,000	1,500,000	1,500,000	
Debt Service:										
4.050 Principal-HB 264 Loans	270,000	275,000	280,000	1.8%	\$285,000	295,000	300,000	300,000		
4.060 Interest and Fiscal Charges	48,563	43,788	37,888	-11.7%	\$31,175	23,556	15,000	5,250		
4.300 Other Objects	510,136	522,676	532,467	2.2%	\$552,521	550,000	550,000	550,000	550,000	
4.500 Total Expenditures	33,529,014	34,681,091	31,993,473	-2.2%	33,810,636	34,371,885	34,945,816	35,264,698	35,291,391	
Other Financing Uses										
5.010 Operating Transfers-Out	560		11,600,000		\$2,000,000	1,500,000	1,035,000	100,000	100,000	
5.020 Advances-Out	435,000	2,525,000		190.2%	\$150,000	150,000	250,000	250,000	250,000	
5.030 All Other Financing Uses	11,124									
5.040 Total Other Financing Uses	446,684	2,525,000	11,600,000	412.3%	2,150,000	1,650,000	1,285,000	350,000	350,000	
5.050 Total Expenditures and Other Financing Uses	33,975,698	37,206,091	43,593,473	13.3%	35,960,636	36,021,885	36,230,816	35,614,698	35,641,391	
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	694,929	1,751,918-	7,569,875-	-10.0%	524,873-	251,355-	2,199,416-	3,683,298-	3,712,491-	
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	12,049,284	12,744,213	10,992,295	-4.0%	3,422,420	2,897,547	2,646,192	446,775	3,236,523-	
7.020 Cash Balance June 30	12,744,213	10,992,295	3,422,420	-41.3%	2,897,547	2,646,192	446,775	3,236,523-	6,949,014-	
8.010 Estimated Encumbrances June 30	2,929,032	640,406	1,638,692	38.9%	500,000	500,000	500,000	500,000	500,000	
10.010 Fund Balance June 30 for Certification of Appropriations	9,815,181	10,351,889	1,783,728	-38.7%	2,397,547	2,146,192	53,225-	3,736,523-	7,449,014-	
Revenue from Replacement/Renewal Levies										
11.020 Property Tax - Renewal or Replacement							2,200,000	4,400,000	4,400,000	
11.300 Cumulative Balance of Replacement/Renewal Levies							2,200,000	6,600,000	11,000,000	
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	9,815,181	10,351,889	1,783,728	-38.7%	2,397,547	2,146,192	2,146,775	2,863,477	3,550,986	

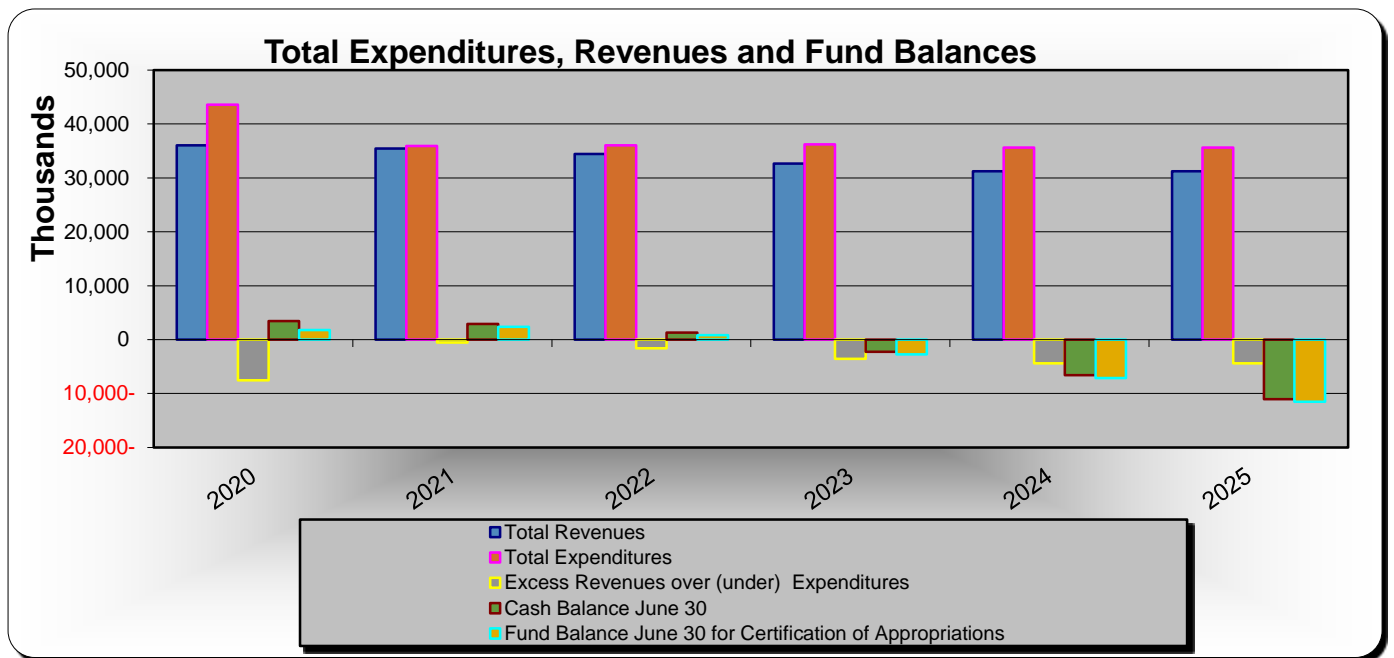
ASHLAND CITY SCHOOL DISTRICT, Ashland County

Assumptions Used to Prepare the Five Year Forecast Forecasted Fiscal Years Ending June 30, 2021 through 2025

DISCLOSURE: This forecast has been developed during the COVID19 Pandemic that began March 16, 2020. Schools were closed and students attended via virtual education through the end of the academic year. Re-opening in FY21 gave students the choice of returning to in-person learning or virtual education. Approximately 75% of students returned to in-person learning. There are many unknowns regarding revenue and expenditures.

The Treasurer of Ashland City School District has prepared this forecast in good faith and within the scope of employment. The Ashland City School District Board of Education has reviewed and at a Regular Meeting of the Board voted to adopt this financial forecast and the underlying assumptions on November 23, 2020. The following information represents the assumptions that support the five-year financial forecast.

The Ashland City School District Board of Education’s five year projection shows that the district will have a cash balance on June 30, 2021 (Line 7.02) of \$2,897,547 which provides the district with a 29 day cash operation. The 9.9 mill operating levy is due to be renewed by 2021.



REVENUES:

1.010 And 1.020 Local Tax Revenue:

Property tax revenue estimates are based on historical growth patterns, including scheduled updates and reappraisals.

Ashland County will reappraise property values in 2020. Due to the provision of H.B. 920, the amount collected from our voted levies will remain fairly consistent. Currently, the estimate of property tax revenue is a very slight increase over FY20. The effect of the pandemic on collections in calendar year 21 is unknown.

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The Rover pipeline (natural gas) came “on-line” in calendar year 18, payable in calendar year 19. The second line was completed in calendar year 19, collection in 2020. The amount collected in FY20 was based on the full value. Rover filed an appeal of the value with the Ohio Department of Taxation. It is anticipated that payment in FY21 will be based on the appeal value in April 2021. The projected amount is slightly less than FY20 as other utilities may be affected by the pandemic. The pipeline value is based on the construction of the line and will only gain value if improvements are made. The value will depreciate over 30 years. Appeal of the value can be made every year, unlike property that can only be appealed every 3 years.

Line 1.035 Unrestricted State Grant-in-Aid:

The state budget went into effect on July 1, 2019 with no increase in state funding for 2020 and 2021. Due to loss of state revenue from job loss and business closures during the pandemic, the Governor has reduced state funding by \$611,590.00 for May and June, 2020; the reduction continued in FY 21. The state’s budget is currently being developed for FY 22 and FY23. The foundation revenue is reduced throughout the forecast as the Governor has requested state departments to submit a budget based on FY21 numbers at 100% and 90%. A revised funding formula, HB305 is currently being debated in the state legislature. It is unknown if it will be implemented into the new budget cycle.

The new budget bill provided funds for Student Wellness and Success in a formula outside of the General Fund. The amount will be allocated in two payments during the fiscal year. The allocation for Ashland City School District was approximately \$528,000.00 in fiscal year 2020 and approximately \$698,025 in fiscal year 2021. FY21 is likely to see a reduction of these funds, as well. These are restricted funds, meaning the funds can only be spent on certain projects. The funds can be supplanted, but since the funds are not guaranteed beyond the current budget cycle, supplanting should be kept to a minimum.

Casino revenue is expected to decrease in FY21 by approximately 40%. The District received \$176,636 in fiscal year 2020. The first payment received in FY21 was approximately 50% of funds received in August, 2019.

Line 1.040 Restricted State Grants-in-Aid:

The revenue source in this line is restricted because it must be spent according to state guidelines. Included in restricted grants are: Vocational Education Weighted funding and Economic Disadvantaged funding. No increase in the state funding for Economic Disadvantaged and Career Tech over the biennium. These funds are forecast to remain fairly constant over the forecast years. No decrease in these funds is expected due to the state needing to maintain maintenance of effort.

Line 1.050 Property Tax Allocation

This line reflects state reimbursements of the 10% Rollback, the Senior Homestead and the 2.5% Reduction, which reduces the property owners’ tax payments.

Due to the elimination of the tangible personal property (TPP) tax on general business, “hold harmless” reimbursement will no longer be made in FY21 and beyond.

ASHLAND CITY SCHOOL DISTRICT, Ashland County

Assumptions Used to Prepare the Five Year Forecast
Forecasted Fiscal Years Ending June 30, 2021 through 2025

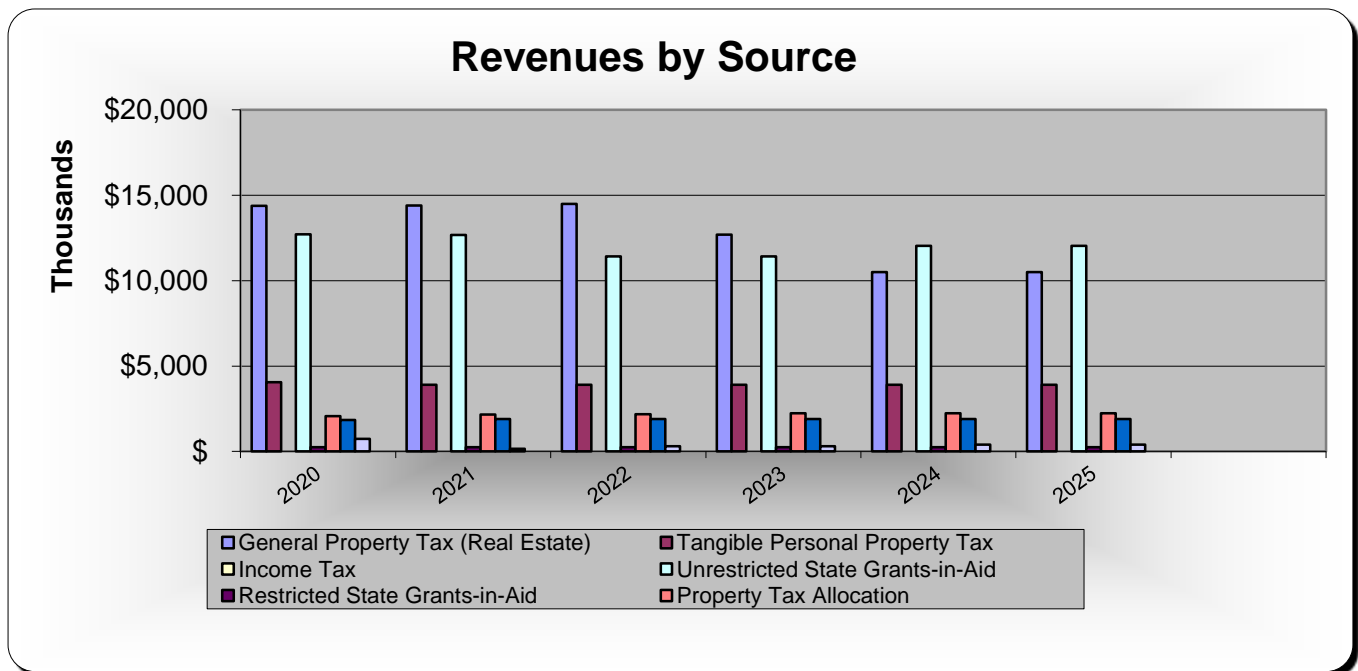
Line 1.060 All Other Revenue:

All other revenue includes tuition, open enrollment revenue, interest earnings, school fees, building rental income and other miscellaneous income. The number of outgoing open enrollment students has exceeded the number of incoming students. Due to state of Ohio legislation, school workbook fees are required to be waived for students receiving free lunches under the National School Lunch Program.

Interest revenue in FY20 is reduced by approximately \$100,000.00 and due to low interest rates, has reduced the amount of interest anticipated in FY21.

Line 2.04 and 2.05 Transfers In and Advances In:

This line represents the return of funds advanced to other funds or to reflect the permanent transfer of funds into the general fund. The advanced funds may be needed to offset negative balances at years end for other funds such as the Cafeteria fund (006).



EXPENDITURES

Line 3.010 Personal Services:

This line item reflects all salaries, wages, overtime, substitute costs, and supplemental contracts paid to employees. The Ashland City School District negotiates with two bargaining units, the Ashland City Teachers Association and OAPSE Local #233. The district negotiated a 3 year contract with the Ashland City Teachers Association consisting of 1%, 2% and 2.25% respectively, additionally, a payment of additional salary for each bargaining unit certified employee was agreed to pay \$2,500.00 in fiscal year 2020 and \$5,000.00 in subsequent years. In fiscal year 2020, due to school closures, salaries were reduced based on the reduction of substitute

ASHLAND CITY SCHOOL DISTRICT, Ashland County

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employees and overtime. Increases in salaries reflected in the forecast are based on salary and step increases. OAPSE contract expiring December 31, 2020 has not completed negotiations at the time of this forecast. In addition to bargaining unit employees, the district also employs personnel exempt from the bargaining units and administrative personnel.

Line 3.020 Employees' Retirement/Insurance Benefits:

This line item reflects STRS/SERS employer contributions, Medicare, Worker's Compensation and health insurance premiums paid on behalf of employees. These items are increased/decreased according to the salary notes discussed in 3.010. The district participates in a Workers' Compensation Group Rating program. The district is self-insured for health benefits; increases are forecast to be minimal.

Line 3.030 Purchased Services:

Expenses in this area include items such as utilities, educational service contracts, open enrollment losses, community school deductions, repairs, maintenance agreements, lease expenses, legal fees, and special education excess costs. Contracted services for preschool, open enrollment-out, community school-out (charter schools), therapy, maintenance, and utilities. This line continues to grow due to the needs of students for special services. Utilities and fuel are expected to remain constant.

Line 3.040 Supplies and Materials:

This line item includes the cost of fuel, instructional supplies, office supplies, repair parts, and supplies used for the care and upkeep of the buildings and grounds. Material and supply expenditures are based on historical trends. Amounts forecast beyond fiscal year 2020 are projected to remain constant, but may increase in years beyond 2022 as some electronic instruction is currently being purchased with funds provided through federal COVID relief grants.

Line 3.050 Capital Outlay:

This line represents major equipment purchases and major repairs/improvements to the district. Estimates included may be used to purchase technology, security, furniture and equipment, as needed. The district has completed several large improvement projects in the area of ADA compliance and the installation of HVAC in the elementary schools. Additional equipment/furniture needed for the High School will be purchased using permanent improvement funds.

Line 4.050 and Line 4.060 Debt Service

In fiscal year 2013, the School District issued \$3,045,000 in general obligation bonds to finance a HB 264 energy conservation project. The bonds were issued for a ten year period with a final maturity at November 1, 2023. Principle and interest payments on the bond are reflected in this line item.

Line 4.300 Other Objects Expenditures:

This line item includes property and fleet insurance, professional dues, audit fees, county auditor and treasurer fees, and Educational Service Center fees. These costs are projected to remain stable over the five year forecast.

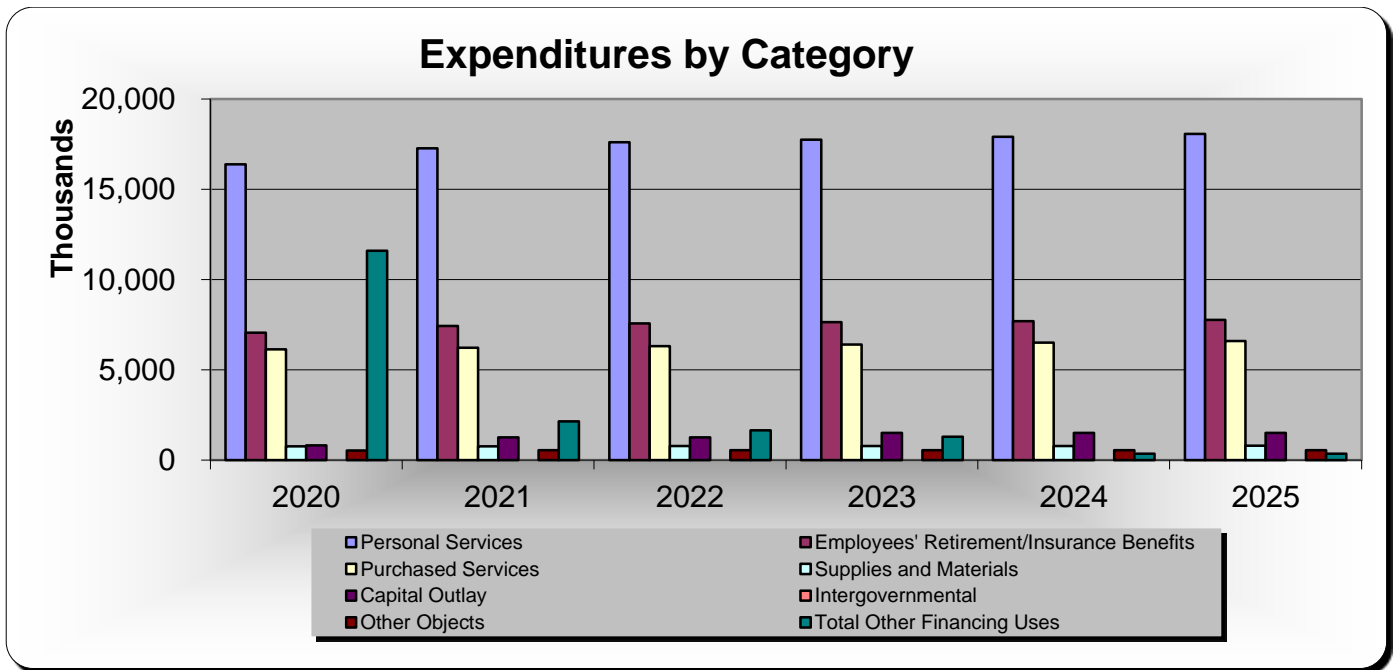
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Line 5.010 and 5.020 Other Financing Uses – Operating Transfers-Out and Advances-Out:

This line item includes advances/transfers to other internal accounts, refunds of prior years' expenditures and other miscellaneous transactions that require budgetary control. The Board has contracted to equip the high school with HVAC, new windows, renovate the cafeteria and the science wing in order to accommodate STEM classes over the forecast period. The Board of Education will fund these projects through the general fund rather than asking for a levy from the taxpayers. In fiscal year 2021 the district anticipates transferring funds to the construction fund in order to complete the renovations at the high school. Transfers in subsequent years are anticipated for the asbestos removal at Taft and Edison elementary schools.

Line 6.010 Revenue Over/ (Under) Expenditures: The District continues to carefully monitor this line. Deficit spending during the forecast period is due to the capital projects discussed in Line 5.01 and 5.02. The administration and board continue to monitor this line. The Strategic Plan was finalized in fiscal year 2018.



"Please visit the Ohio Department of Education website at <ftp://ftp.ode.state.oh.us/geodoc/5-yrForecast/>."