DUBLIN SCHOOL DISTRICT- FRANKLIN COUNTY

SCHEDULE OF REVENUE, 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 JUNE 30, 2025

Forecast Provided By
Dublin School District
Treasurer's Office
Brian Kern, Treasurer/CFO

November 23, 2020

Dublin City School District

Franklin County

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				Forecasted				
		Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Average Change	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
	Revenues									
1.010	General Property Tax (Real Estate)	$156,101,681	$163,722,569	$176,758,010	6.4%	$182,391,893	$181,458,695	$183,296,956	$185,306,636	$187,232,164
1.020	Tangible Personal Property	6,120,356	6,833,014	7,725,156	12.4%	7,983,283	8,072,171	8,157,671	8,243,171	8,328,671
1.030	Income Tax	-	-	-	0.0%	-	-	-	-	-
1.035	Unrestricted State Grants-in-Aid	19,452,568	20,086,878	18,176,271	-3.1%	17,903,076	17,232,669	17,434,958	17,452,661	17,470,722
1.040	Restricted State Grants-in-Aid	961,621	934,517	990,191	1.6%	917,362	909,213	901,151	893,174	885,283
1.045	Restricted Federal	-	-	-	0.0%	-	-	-	-	-
1.050	Property Tax Allocation	14,855,381	14,994,998	15,361,276	1.7%	15,452,002	15,546,623	15,673,347	15,822,526	15,961,352
1.060	All Other Revenues	6,481,241	4,724,651	7,691,928	17.9%	2,723,554	4,433,441	4,445,927	4,458,539	4,471,276
1.070	*Total Revenues*	$203,972,848	$211,296,627	$226,702,832	5.4%	$227,371,170	$227,652,812	$229,910,010	$232,176,707	$234,349,468
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	10,812,833	3,250,879	-	-85.0%	-	-	-	-	-
2.020	State Emergency Loans (Approved)	-	-	-	0.0%	-	-	-	-	-
2.040	Operating Transfers-In	-	-	-	0.0%	-	-	-	-	-
2.050	Advances-In	270,300	530,977	539,000	49.0%	582,400	575,000	575,000	575,000	575,000
2.060	All Other Financing Sources	365,459	2,274	1,219,197	26707.6%	3,216,562	-	-	-	-
2.070	*Total Other Financing Sources*	$11,448,592	$3,784,130	$1,758,197	-60.2%	$3,798,962	$575,000	$575,000	$575,000	$575,000
2.080	*Total Revenues and Other Financing Sources*	$215,421,440	$215,080,757	$228,461,029	3.0%	$231,170,132	$228,227,812	$230,485,010	$232,751,707	$234,924,468
	Expenditures									
3.010	Personal Services	$125,679,545	$132,649,766	$138,049,404	4.8%	$147,900,932	$156,446,774	$164,560,941	$170,759,987	$177,245,475
3.020	Employees' Retirement/Insurance Benefits	41,398,454	42,881,363	44,831,458	4.1%	48,722,565	53,324,204	57,507,899	61,328,646	65,739,765
3.030	Purchased Services	16,952,572	15,214,548	14,623,426	-7.1%	17,118,526	18,213,730	19,078,868	19,985,896	20,936,868
3.040	Supplies and Materials	4,518,412	4,984,689	7,112,740	26.5%	7,207,830	7,204,065	7,420,187	7,642,794	7,872,079
3.050	Capital Outlay	7,903,934	9,089,786	3,177,114	-25.0%	1,955,316	3,107,468	3,262,841	3,425,983	3,597,282
4.060	Interest and Fiscal Charges	68,670	170,859	-	24.4%	-	-	-	-	-
4.300	Other Objects	3,080,001	2,176,645	2,769,797	-1.0%	2,937,511	2,990,453	3,044,456	3,099,544	3,155,741
4.500	*Total Expenditures*	$199,601,588	$207,167,656	$210,563,939	2.7%	$225,842,680	$241,286,694	$254,875,192	$266,242,850	$278,547,210
	Other Financing Uses									
5.010	Operating Transfers-Out	$451,050	$551,050	$521,050	8.4%	$926,050	$526,050	$526,050	$526,050	$526,050
5.020	Advances-Out	530,977	539,000	582,400	4.8%	575,000	575,000	575,000	575,000	575,000
5.030	All Other Financing Uses	13,754	23,551	13,691	14.7%	-	-	-	-	-
5.040	*Total Other Financing Uses*	$995,781	$1,113,601	$1,117,141	6.1%	$1,501,050	$1,101,050	$1,101,050	$1,101,050	$1,101,050
5.050	*Total Expenditures and Other Financing Uses*	$200,597,369	$208,281,257	$211,681,080	2.7%	$227,343,730	$242,387,744	$255,976,242	$267,343,900	$279,648,260
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	$14,824,071	$6,799,500	$16,779,949	46.3%	$3,826,402	($14,159,932)	($25,491,232)	($34,592,193)	($44,723,792)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	$64,363,936	$79,188,007	$85,987,507	15.8%	$102,767,456	$106,593,858	$92,433,926	$66,942,695	$32,350,502
7.020	*Cash Balance June 30*	$79,188,007	$85,987,507	$102,767,456	14.1%	$106,593,858	$92,433,926	$66,942,695	$32,350,502	($12,373,290)
8.010	*Estimated Encumbrances June 30*	$9,946,273	$7,211,593	$3,147,074	-41.9%	$3,200,000	$3,300,000	$3,300,000	$3,300,000	$3,300,000
10.010	*Fund Balance June 30 for Certification of Appropriations*	$69,241,734	$78,775,914	$99,620,382	20.1%	$103,393,858	$89,133,926	$63,642,695	$29,050,502	($15,673,290)
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	$69,241,734	$78,775,914	$99,620,382	20.1%	$103,393,858	$89,133,926	$63,642,695	$29,050,502	($15,673,290)
15.010	*Unreserved Fund Balance June 30*	$69,241,734	$78,775,914	$99,620,382	20.1%	$103,393,858	$89,133,926	$63,642,695	$29,050,502	($15,673,290)

Dublin School District –Franklin County
Notes to the Five Year Forecast
General Fund Only
November 23, 2020

Introduction to the Five Year Forecast

For fiscal year 2021 (July 1, 2020 – June 30, 2021) school districts in Ohio are required to file a five (5) year financial forecast by November 30, 2020, and May 31, 2021. 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 restricted state funding to school districts in Fiscal Years 2020 and 2021 specifically for Student Wellness and Success but regular foundation funding was reduced on May 6, 2020 for all school districts for FY20 and FY21. The Student Wellness and Success Fund revenues are restricted and are required to be accounted for in a Special Revenue Fund (Fund 467) and are NOT General Fund revenue and consequently not included in this forecast.

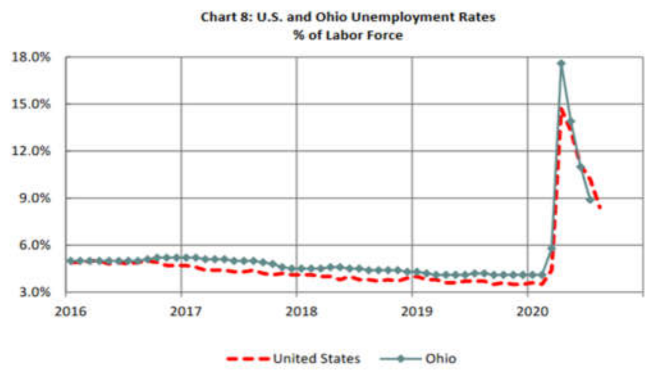
Fiscal year 2021 (July 1, 2020 – June 30, 2021) is the first year of the five-year forecast and is considered the baseline year. Our forecast is being updated to reflect the most current economic data available to us for the November 2020 filing.

Economic Outlook

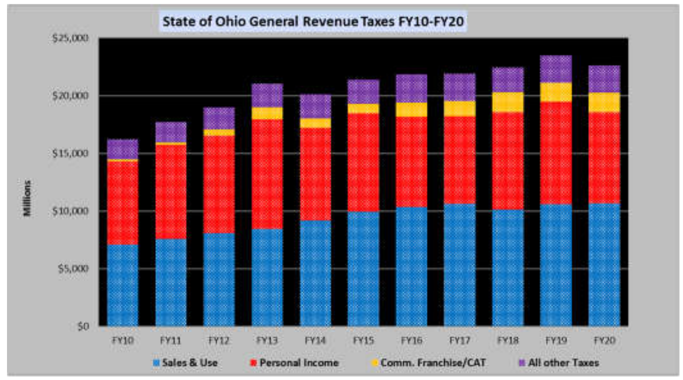
It is prudent in long range forecasting to consider the economic climate that our long range projection of revenues and expenses are made. State and local resources are under stress as the economy recovers from the COVID-19 closures. We have reviewed historical data from the Great Recession of 2008, but there is no recent historic data or similar economic situation to compare to what the district is facing now. The pandemic's economic impact makes it challenging to project where our finances will be through fiscal year 2025. Data and assumptions noted in this forecast are based on the best and most reliable data available to us as of the date of this forecast.

The state of Ohio provides roughly 50% of all school district funding so the state's financial health is a stabilizing factor for school district funding. As the graph on the following page notes, the state of Ohio ended FY20 $1.1 billion or 4.6% under estimated tax revenues and $866 million below actual FY19 tax revenues. Note that roughly $441.5 million of this shortfall was due to the April 15, 2020 state tax filing deadline moved to July 15, 2020. Total state program expenditures ended FY20 $865.1 million under estimated expenses. The state ended in essentially a balanced position in FY20 with revenues equaling expense with the cuts and has maintained the $2.7 billion in the Budget Stabilization Fund. Through August 2020 the state of Ohio bottom-line is $389 million better than estimated. Ohio's economy is recovering along with improving employment.

Due to COVID-19 closures unemployment rates statewide rose rapidly from 4.7% in February to 17.4% in April. The graph on the following page shows rates have improved to 8.4% in September and are trending lower according to the Ohio Office of Budget and Management. As unemployment rates drop this positively impacts state and local revenues for districts. These indicators suggest the state of Ohio's overall economy is rebounding and should be able to maintain stable funding through the foundation program through the forecast period.



Source: Ohio Office of Budget and Management



Source: Ohio Office of Budget and Management

Forecast Risks and Uncertainty:
A five-year financial forecast has risks and uncertainty not only due to economic uncertainties noted above but also due to state legislative changes that will occur in the spring of 2021 and 2023 due to deliberation of the next two (2) state biennium budgets for FY22-23 and FY24-25, both of which affect this five-year forecast. We have estimated revenues and expenses based on the best data available to us and the laws in effect at this time. The items below give a short description of the current issues and how they may affect our forecast long term:

1) HB166 the current state budget for FY20-21 initially froze funding for all school districts in Ohio at their FY19 level with two exceptions student wellness and success funding and enrollment growth supplement funds: Student Wellness and Success is restricted in use and must be placed in Fund 467. This is not General Fund money and thus not included in the forecast. We have assumed this money will not continue after FY22. We received the new Enrollment Growth Supplement money in FY20 and FY21 and will treat it as guaranteed for FY22-25.

2) While state funding was initially guaranteed at the FY19 level, the Coronavirus Pandemic caused the most rapid and largest decrease of employment in history. In order to balance the State Budget on May 6, 2020 the Governor ordered a reduction of state foundation funding to school districts by $300.5 million by the end of June 2020. Districts with less local capacity to raise revenue received a smaller percent decrease. Many higher wealth districts like ours saw more than a 6% decrease in state funding resulting in the Ohio legislature approving HB164 effective June 19, 2020 that ensured no district received a cut to funding more than 6%. At this time the decreases that occurred in FY20 is the basis for our state funding in FY21, which is a net cut of $2,406,328. We do not feel that there will be further cuts in FY21 as the economy is rebounding from the sharp drop in employment in March and April 2020 and state tax revenues are rebounding. We believe Ohio's economy will continue to improve and that FY22-25 will see funding returned to the FY19 levels.

3) The State Budget represents 15% of district revenues and is an area of risk to revenue. The future risk comes in FY22 and beyond if the state economy stalls or worsens and the funding formula in future state budgets 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 FY25. We have projected our state funding to be in line with the FY19 funding level FY22 through FY25, which we feel is conservative and should be close to whatever the state approves for the FY22-23 biennium budget. We will adjust the forecast in future years as we have data to help guide this decision.

4) Property tax collections are the largest single revenue source for the school system. The housing market in our district is stable and growing. We project continued growth in appraised values every three (3) years and new construction growth with continued modest increases in local taxes. Total local revenues which are predominately local taxes equate to 85% of the district's resources. Collection rates for the 2nd half 2020

collection did not show sharp declines due to increased delinquencies. We believe there is a low risk that local collections would fall below projections in the forecast.

5) Being in three different counties can pose many challenges in determining the increases or decreases in values. Franklin and Delaware Counties had a full reappraisal in 2017 to be collected in FY18 and an update will occur in 2020 to be collected in 2021. The 2017 reappraisal provided an overall increase in value of $202.58 million or 6.68%. For the 2020 update we are estimating an increase in values of $191.73 million or 5.54%. Union County is our third county and had a full reappraisal occur in 2019 to be collected in 2020 with an update scheduled to occur in 2022 and collected in 2023. The 2019 reappraisal provided an increase in values of $38.43 million or 1.14%. We are estimating an increase of $28.50 million or 0.77% for the 2022 update. These estimates include the adjustment for lower Current Agricultural Use Values (CAUV) authorized by HB49 which only represents roughly 0.3% of our total residential and agricultural value. There is, however, always a minor risk that the district could sustain a reduction in values in the upcoming appraisal/reappraisal updates, but we do not anticipate that at this time.

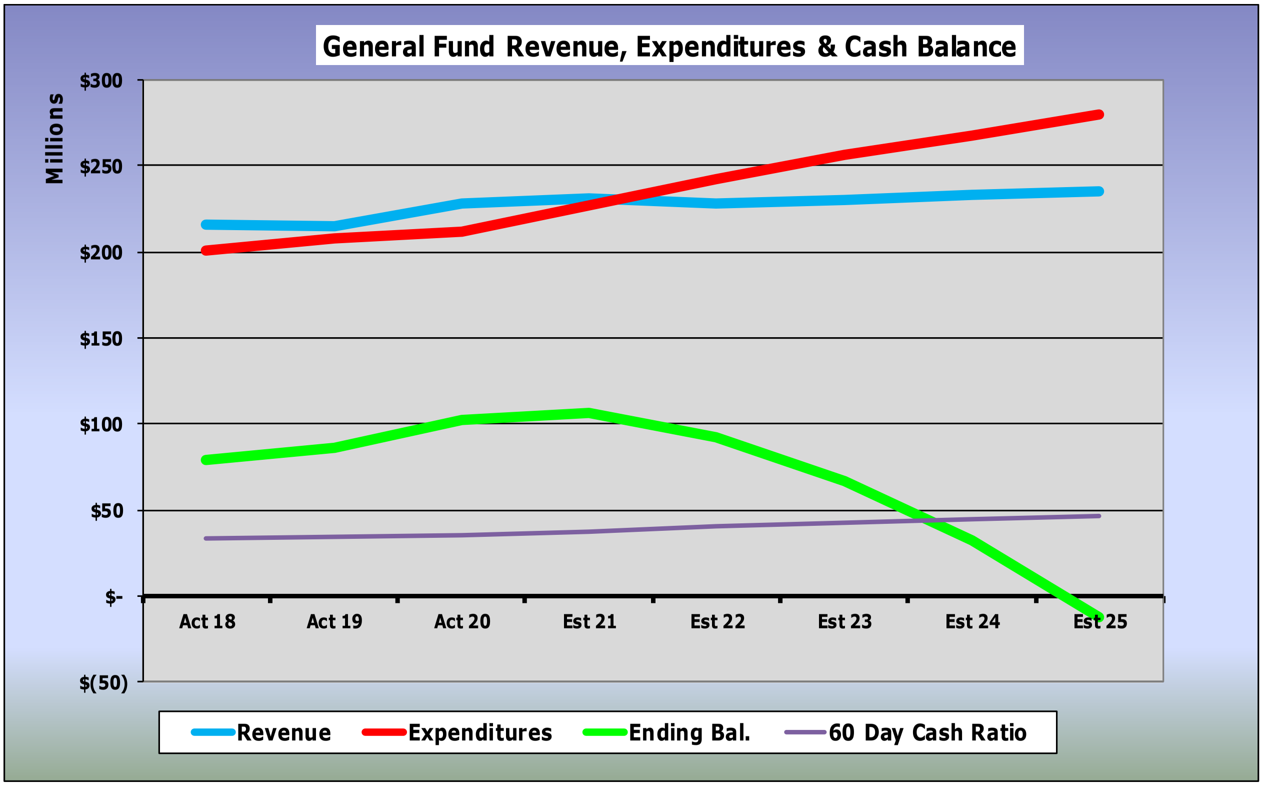
6) HB166 continues the many provisions contained in prior state biennium budgets that will continue to draw funds away from our district through continuing school choice programs such as College Credit Plus, Community Schools and increases in per pupil scholarship amounts deducted from our state aid in the 2019-21 school years, even though funding for our students was reduced to our district for this biennium budget. These are examples of school choice programs that increase with each biennium budget and costs the district money. Expansion or creation of programs such as these can expose 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.

7) Labor relations in our district have been amicable with all parties working for the best interest of students and realizing the resource challenges we face. We believe as we move forward our positive working relationship will continue and will only grow stronger.

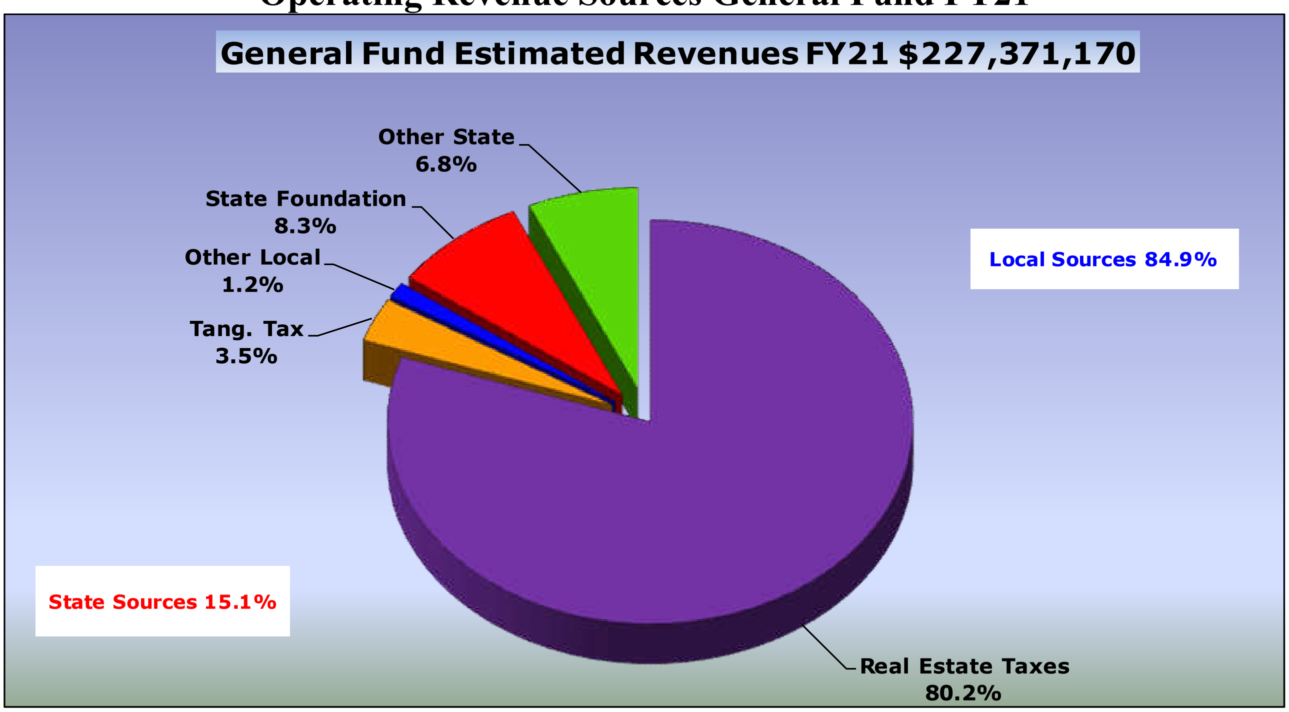
The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information please feel free to contact Brian Kern, Treasurer/CFO at 614.760.4310.

General Fund Revenue, Expenditures and Ending Cash Balance Actual FY18-20 and Estimated FY21-25

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



Revenue Assumptions
Operating Revenue Sources General Fund FY21



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. Franklin and Delaware counties experienced a reappraisal for the 2017 tax year to be collected in 2018. Residential/agricultural values increased 7.04% or $159.90 million due to the reappraisal update led by an improving housing market. Additionally, commercial/industrial values increased 5.63% or $42.68 million. This led to an overall increase of $202.58 million or 6.68%. In addition, Union County had a full reappraisal occur in 2019 to be collected in 2020. Here we experienced an increase in Class I residential/agricultural values of $37.78 million or 1.50%. Class II commercial/industrial values increased at 0.08% or $654,450.

Franklin and Delaware counties each have a reappraisal update in 2020 to be collected in FY21. We anticipate Class I residential/agricultural to increase 7% or $183.34 million and Class II commercial/industrial values to increase 1% or $8.40 million. A reappraisal update will occur in Union County during 2022 for collection in 2023 for which we are estimating a 1% increase in residential and a 0% increase for commercial/industrial property. Current Agricultural Use Values (CAUV) represents 0.3% of Class I residential/agricultural values and the changes HB49 authorized to CAUV computations will be immaterial to our values.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR2020	TAX YEAR2021	TAX YEAR2022	TAX YEAR2023	TAX YEAR2024
Classification	COLLECT 2021	COLLECT 2022	COLLECT 2023	COLLECT 2024	COLLECT 2025
Res./Ag.	$2,826,190,830	$2,849,962,080	$2,896,142,951	$3,058,631,349	$3,076,312,599
Comm./Ind.	855,589,596	862,989,596	870,389,596	886,493,492	893,893,492
Public Utility Personal Property (PUPP)	93,911,360	94,911,360	95,911,360	96,911,360	97,911,360
Tangible Personal Property (TPP)	0	0	0	0	0
Total Assessed Value	$3,775,691,786	$3,807,863,036	$3,862,443,907	$4,042,036,201	$4,068,117,451

ESTIMATED REAL ESTATE TAX - Line #1.010

Source	FY21	FY22	FY23	FY24	FY25
Est. Real Estate Taxes	$166,683,394	$166,916,049	$168,375,013	$169,994,964	$171,520,046
TIF Tax Collections	13,423,499	13,792,646	14,171,943	14,561,672	14,962,118
BOR/BTA Tax Collections	2,285,000	750,000	750,000	750,000	750,000
Total Line #1.010 Real Estate Taxes	$182,391,893	$181,458,695	$183,296,956	$185,306,636	$187,232,164

Property tax levies are estimated to be collected at 98% of the annual amount. This allows 2% delinquency factor. Lower collection rates predicted due to the COVID-19 economic slowdown did not occur as advised by the County Auditor. In general, 51.50% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 48.50% 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 from the County Auditor and are noted in Line #1.020 totals below.

New Tax Levies – Line #13.030 - No new levies are modeled in this forecast.

Estimated Tangible Personal Tax & PUPP Taxes – Line#1.020

The phase out of TPP Tangible Personal Property taxes began in FY06 with HB66 adopted in June 2005 and the provisions of the legislation that general tangible personal property tax would be eliminated after FY11. Any TPP revenues received FY12 and beyond are delinquent TPP taxes.

Amounts noted below are public utility personal property (PUPP) tax payments from public utilities. The values for PUPP are noted on the table above and are typically 50% in February and 50% in August along with the real estate settlements from the county auditor.

Source	FY21	FY22	FY23	FY24	FY25
Public Utility Personal Property	$7,983,283	$8,072,171	$8,157,671	$8,243,171	$8,328,671
Total Line #1.020	$7,983,283	$8,072,171	$8,157,671	$8,243,171	$8,328,671

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

Current State Funding Model Per HB166 Through June 30, 2021

A) Unrestricted State Foundation Revenue– Line #1.035

The amounts estimated for state funding are based on HB166 and HB164 following the May 6, 2020 foundation cuts. Initially state aid funding for all 610 traditional school districts and 49 Joint Vocational and Career Centers was frozen for FY20 & FY21 at the FY19 funding level. The State Foundation Funding Formula used since FY14 was dropped in FY20 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 at this time. For this reason we have projected state aid flat at the FY19 funding level FY22 through FY25 as we have nothing authoritative to rely on at this time.

May 6, 2020 Foundation Reduction and HB164

In FY20 the Governor ordered a reduction of state foundation funding by $300.5 million to be reduced from districts bi-monthly payments by the end of June 2020. The reductions were made using an equalized per-pupil approach which resulted in districts with less local capacity to raise revenue to receive smaller percentage decreases. The state-share index that was last calculated in FY19 was used to apportion the FY20 ordered reduction to traditional public-school districts. HB164 reimbursed approximately 70 districts like ours that had originally had more than 6% deducted from the state funding reduction in FY20. At this time the state funding for FY21 is being reduced $3,461,045 with a HB164 offset credit of $1,054,717, for a net cut of $2,406,328 from the FY19 amount. Our state funding will be reduced by a combined $4,812,656 for FY20 and FY21.

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 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. Our district is estimated to receive $886,968 in FY21. Money will be received twice each year in October and February. These dollars are to be deposited in a Special Revenue Fund 467 and are restricted to expenses that follow a plan developed in coordination with one of the approved community partner organizations approved in HB166.

At this time our district is recoding qualified General Fund expenses that is servicing student needs as identified in 3317.26 (B) and our approved plan to Fund 467 for FY20 and FY21, then returning these expenses to the General Fund for FY22-25 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 and increase in expenses in FY22-25.

Future State Budgets: Our funding status for the FY22-25 will depend on two (2) new state budgets which are unknown. With the change to the state funding and reductions for FY20-21 state amounts, we will increase funding in FY22 back to FY19 levels and hold it level FY22 through FY25. We believe our current state funding estimates for FY21-25 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. 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 31st of January and August each year which began for the first time on January 31, 2013.

Due to the COVID-19 casinos were closed from March 12, to June 18, 2020. We are reducing the amount of funding in FY21 by 40% then increasing the amount in FY22 by 30%, FY23 by 25% and 2% in FY24-FY25 as we go through the next few years we will adjust as the funding information is available. Prior to COVID-19 closure, casino revenues were not growing robustly as originally predicted but were still growing as the economy improved. Original projections for FY21-25 estimated a 0.4% decline in pupils to 1,778,441 and GCR increasing to $95.5 million or $53.75 per pupil. We believe it will be FY23 or FY24 before revenues return to the post COVID-19 level.

Source	FY21	FY22	FY23	FY24	FY25
Basic Aid-Unrestricted	$15,474,536	$14,639,212	$14,638,940	$14,638,666	$14,638,389
Additional Aid Items	1,901,650	1,901,650	1,901,650	1,901,650	1,901,650
Basic Aid-Unrestricted Subtotal	17,376,186	16,540,862	16,540,590	16,540,316	16,540,039
Ohio Casino Commission ODT	526,890	691,807	894,368	912,345	930,683
Total Unrestricted State Aid Line #1.035	$17,903,076	$17,232,669	$17,434,958	$17,452,661	$17,470,722

B) Restricted State Revenues – Line #1.040

HB166 continues funding two restricted sources of revenues to school districts which are Economic Disadvantaged Funding and Career Technical Education Funding. The district has elected to also post Catastrophic Aid for special education as restricted revenues. The amount of the Economically Disadvantaged Aid is estimated to remain stable each remaining year of the forecast. We have incorporated this amount into the restricted aid amount in Line #1.040 for FY21-25.

Source	FY21	FY22	FY23	FY24	FY25
Economically Disadvantaged Aid	$26,893	$27,162	$27,434	$27,708	$27,985
Career Tech - Restricted	48,621	48,621	48,621	48,621	48,621
Catastrophic Aid Reimbursement	841,848	833,430	825,096	816,845	808,677
Total Restricted State Revenues Line #1.040	$917,362	$909,213	$901,151	$893,174	$885,283

C) Restricted Federal Grants in Aid – line #1.045

No federal unrestricted grants are projected FY21-25.

SUMMARY	FY21	FY22	FY23	FY24	FY25
Unrestricted Line #1.035	$17,903,076	$17,232,669	$17,434,958	$17,452,661	$17,470,722
Restricted Line #1.040	917,362	909,213	901,151	893,174	885,283
Total State Foundation Revenue	$18,820,438	$18,141,882	$18,336,109	$18,345,835	$18,356,005

State Taxes Reimbursement/Property Tax Allocation
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 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 65 years of age or older or who are disabled regardless of income. Effective September 29, 2013, HB59 changed 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 had 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 generally reduce homestead reimbursements to the district over time, and as with the rollback reimbursements above, the state is increasing the tax burden on our local taxpayers.

Summary of State Tax Reimbursement – Line #1.050

Source	FY21	FY22	FY23	FY24	FY25
a) Rollback and Homestead	$15,452,002	$15,546,623	$15,673,347	$15,822,526	$15,961,352
Total Tax Reimbursements #1.050	$15,452,002	$15,546,623	$15,673,347	$15,822,526	$15,961,352

Other Local Revenues – Line #1.060
We have elected to show revenue sharing agreements such as the Bridge Street Agreement with the City of Dublin, the Upper Arlington Revenue Sharing Agreement and Payment In Lieu of Taxes (PILOT) payments in other income separate from property taxes on Line #1.010. These are the largest other revenue sources in the General fund other than rentals, interest income and other miscellaneous revenues. These are estimated to generally grow at 1% per year and based on trend data we have observed. In FY18 and FY20 we received 2 payments from the City of Dublin for the Bridge Street Development. The payments were for FY19 and FY21 respectively, so we have reduced FY19 and FY21 by that payment and resumed estimates for FY22-25. Beginning in FY21 interest is expected to decline due to federal funds rate reductions which will impact our earning capability in this area. All other revenues are expected to continue on historic trends. The COVID-19 shutdown could reduce future collections of state funded tuition reimbursements. At this time we will continue monitoring this line of the forecast for future projections.

Source	FY21	FY22	FY23	FY24	FY25
City of Dublin Bridge St. Agreement	$0	$1,500,000	$1,500,000	$1,500,000	$1,500,000
Revenue Sharing Agreement- UA	40,000	40,000	40,000	40,000	40,000
PILOT payments	6,805	6,805	6,805	6,805	6,805
Tuition payments	495,494	500,449	505,453	510,508	515,613
Interest	1,200,000	900,000	900,000	900,000	900,000
Dues, Fees, Rentals & Other	493,242	748,174	755,656	763,213	770,845
Miscellaneous Receipts	488,013	738,013	738,013	738,013	738,013
Total Line #1.060	$2,723,554	$4,433,441	$4,445,927	$4,458,539	$4,471,276

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

In FY18 we borrowed Bond Anticipation Notes we identified as Series 2017A to purchase the Emerald Parkway Building. The $9.45 million is estimated to be borrowed over a 2 year period at a 1.415% interest rate. A second Bond Anticipation Note Series 2017B is a $9.1 million credit line at 1.99% that we will only draw $3.5 million on in FY19 due to passage of the November 6, 2018 bond issue, which will be used to pay for renovation costs of the new Emerald Parkway Building over the period FY18-20. The final maturity and principal for these debts will come from the November 6, 2018 bond issue. No further borrowing is anticipated in this forecast period.

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 during the previous fiscal year and reimbursements for expenses incurred in the previous fiscal year. All advances during the current year are planned to be returned in the succeeding fiscal year and are not considered operating revenues and are of an immaterial amount.

Source	FY21	FY22	FY23	FY24	FY25
Transfers In - Line #2.040	$0	$0	$0	$0	$0
Advance Returns - Line #2.050	582,400	575,000	575,000	575,000	575,000
Total Transfer & Advances In	$582,400	$575,000	$575,000	$575,000	$575,000

All Other Financial Sources – Line #2.060

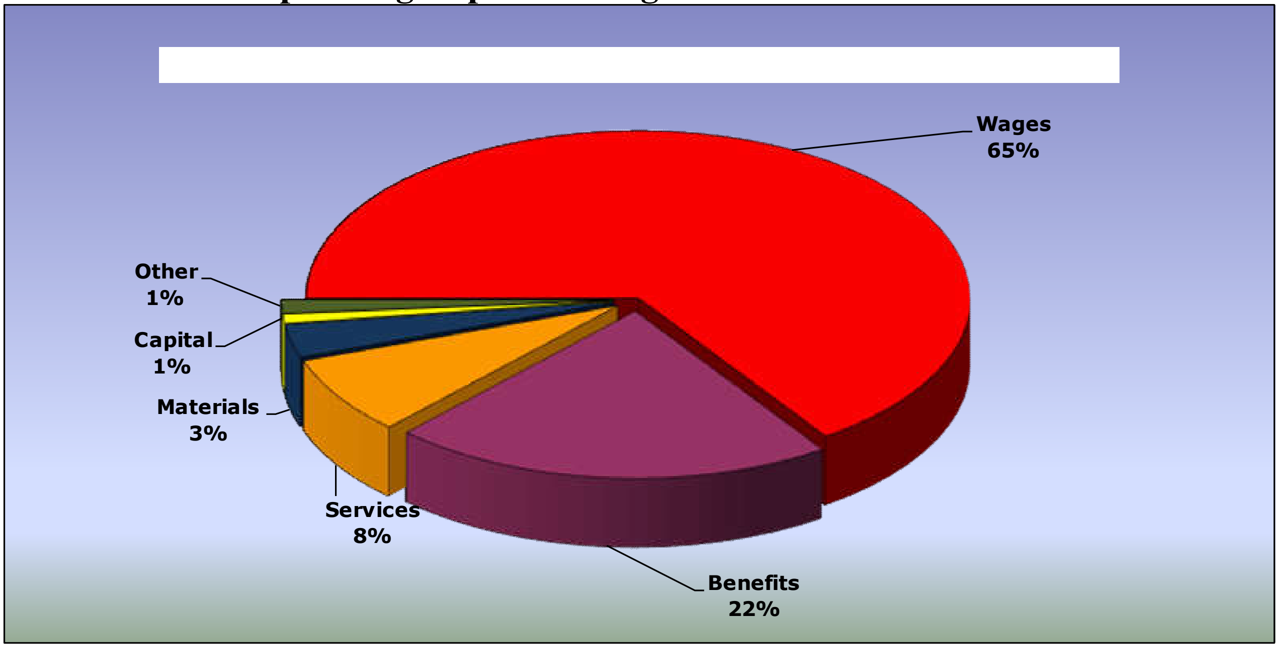
This funding source is typically a refund of prior year expenditures that is very unpredictable. We received two (2) Bureau of Workers Compensation refunds totaling $3,216,562 for FY21, but this is inconsistent year to year and we will not project that occurring in the remainder of the forecast.

Source	FY21	FY22	FY23	FY24	FY25
Refund of prior years expenditures	$3,216,562	$0	$0	$0	$0

Expenditures Assumptions

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

All Operating Expense Categories - General Fund FY21



Wages – Line #3.010
The model reflects pay increases approved by the Board of Education for certificated, administrative and classified staff for FY19 and FY20 of 2.1% and 2.15% respectively. Estimated wage increases based on historical trend and step increases are included for FY21-FY25. **We have included new staffing to open two (2) new elementary buildings in FY21 and one (1) new middle school in FY22**. We have recoded existing qualified costs from our General Fund to Fund 467 as noted below and will return those costs to the General Fund in FY22.

Source	FY21	FY22	FY23	FY24	FY25
Base Wages	$132,433,170	$142,235,903	$150,732,513	$158,797,007	$164,945,934
Based Pay Increase	2,648,663	2,844,718	3,014,650	1,587,970	1,649,459
Steps & Academic Training	2,550,303	2,542,717	2,730,929	2,894,064	3,048,903
Growth Staff	3,155,788	1,762,576	1,749,221	1,666,893	1,736,557
New Building Staff	2,292,126	3,381,754	461,779	0	0
Substitutes	245,061	245,796	246,533	247,273	248,015
Supplementals	2,568,618	2,594,304	2,620,247	2,646,449	2,672,913
Stipends/OT/Severence & Misc.	2,851,350	2,874,161	2,897,154	2,920,331	2,943,694
Wage Adjustments Fd. 467 & Other	(844,147)	(2,035,155)	107,915	0	0
Total Wages Line #3.010	$147,900,932	$156,446,774	$164,560,941	$170,759,987	$177,245,475

Fringe Benefits Estimates
This area of the forecast captures all costs associated with benefits and retirement costs. These payments along with HSA costs are included in the table below.

A) STRS/SERS will increase as Wages Increase
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. The district is required to pay SERS Surcharge which is an additional employer charge based on the salaries of lower-paid members. It is exclusively used to fund health care.

B) Insurance
In FY20 the district was pleased to receive a 2.7% rate increase, following three years of rate decreases prior that. Rates are expected to increase 6.5% in FY21 and 7.4% for the remainder of the forecast. Our estimates are based on our current employee census and claims data. This 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. These added costs are no longer an uncertainty factor for our health care costs in the forecast.

C) Workers Compensation & Unemployment Compensation
Workers Compensation is expected to be about 0.044% of wages FY21-FY25. Unemployment is expected to remain at a very low level FY21-FY25. 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

Source	FY21	FY22	FY23	FY24	FY25
A) STRS/SERS	$22,348,301	$23,666,274	$24,907,615	$25,875,481	$26,859,695
B) Insurance's	23,540,452	26,707,761	29,396,500	32,144,941	35,451,287
C) Workers Comp/Unemployment	600,628	589,627	713,846	741,494	769,928
D) Medicare	2,033,184	2,160,542	2,289,938	2,366,730	2,458,855
Other/Tuition/Annuities	200,000	200,000	200,000	200,000	200,000
Total Line #3.020	$48,722,565	$53,324,204	$57,507,899	$61,328,646	$65,739,765

Purchased Services – Line #3.030
One of the largest expenses in this area is contracted payment for substitute teachers with the ESC-COG of Central Ohio which reduces district costs to acquire substitutes, and other contract services purchased for special education and other areas of special needs. **With passage of the new permanent improvement levy and $195 million bond issue we have been able to move some targeted capital and maintenance cost items to these funds beginning in FY19 that were planned to spent from the General Fund. This will help reduce capital costs in the General Fund and prolong our new 5.9 mill operating levy**. We have estimated utilities to rise due to last year being a reasonably warm winter and the likelihood of increasing electric rates due to large capital investments being made by AEP in infrastructure which will ultimately become approved rate hikes**. We have increased costs for additional utility costs in FY21 for two (2) new elementary schools and in FY22 for one (1) new middle school building.** We will continue to monitor the effects of state budget cuts on the potential reductions in costs to tuition, community school, scholarship and STEM school payments made to other organizations that are deducted from our foundation payments.

Source	FY21	FY22	FY23	FY24	FY25
Legal Fees, Prof. Development, Other Misc.	$976,813	$1,006,117	$1,036,301	$1,067,390	$1,099,412
ESC Substitutes & Training, SRO, Other Misc.	9,654,357	10,137,075	10,643,929	11,176,125	11,734,931
Repairs & Maint., Property Ins., Other Misc.	1,375,710	1,444,496	1,516,721	1,592,557	1,672,185
Tuition, Excess Costs, CCP, Other Misc.	891,372	918,113	945,656	974,026	1,003,247
Student Transportation	342,964	353,253	363,851	374,767	386,010
Utilities	3,877,310	4,354,676	4,572,410	4,801,031	5,041,083
Total Line #3.030	$17,118,526	$18,213,730	$19,078,868	$19,985,896	$20,936,868

Supplies and Materials – Line #3.040
An overall inflation of 3.0% is being estimated for this category of expenses which are characterized by textbooks, copy paper, maintenance supplies and fuel. Graded Course of Study adoptions have been planned for the forecast period to keep curriculum materials current district-wide. **We have adjusted costs for supplies and materials to open two (2) new elementary buildings in FY21 and one (1) new middle school in FY22.**

Source	FY21	FY22	FY23	FY24	FY25
General Office Supplies and Materials	$3,209,020	$3,085,291	$3,177,850	$3,273,186	$3,371,382
Textbooks/GCOS/Building Repairs	2,720,746	2,802,368	2,886,439	2,973,032	3,062,223
Transportation Fuel and Supplies	1,278,064	1,316,406	1,355,898	1,396,575	1,438,472
Total Line #3.040	$7,207,830	$7,204,065	$7,420,187	$7,642,794	$7,872,079

Equipment – Line #3.050
With the passage of the new permanent improvement levy and $195 million bond issue approved November 6, 2018 we have moved several items previously planned to be spent from the General Fund to the permanent improvement or bond issue, and away from the General Fund. We continue to use funds from the City of Dublin agreement to purchase and update technology in the district. **Bus purchases will be moved to the permanent improvement fund due to passage of the new levy. We have also reduced capital outlay and renovation cost for the Emerald Campus facility beginning in FY20 as those costs will be shifted to the new bond issue passed November 6, 2018.**

Source	FY21	FY22	FY23	FY24	FY25
Capital Outlay & Maintenance	$423,523	$444,699	$466,934	$490,281	$514,795
Replacement Bus Purchases	0	0	0	0	0
Technology Purchases	1,531,793	2,662,769	2,795,907	2,935,702	3,082,487
Total Line #3.050	$1,955,316	$3,107,468	$3,262,841	$3,425,983	$3,597,282

Interest and Fiscal charges on Short-Term BANS – Line #4.060
The district borrowed short-term BANS to purchase and renovate the Emerald Parkway Building through Series A & B Bond Anticipation Notes. **Beginning in FY20 these costs will be paid from the new $195 million bond issue and moved away from the General Fund.**

Other Expenses – Line #4.300
The category of Other Expenses consists primarily of County Auditor and Treasurer Fees for collection of property taxes and advertising for delinquent taxes. Other expenses are liability insurance and dues and fees. County ESC deductions for fees provided to the District and membership for participation in SB140 City County Agreement.

Source	FY21	FY22	FY23	FY24	FY25
County Auditor & Treasurer Fees	$2,345,528	$2,380,711	$2,416,422	$2,452,668	$2,489,458
ESC Deduction	102,109	105,172	108,327	111,577	114,924
Other expenses	489,874	504,570	519,707	535,298	551,357
Total Line #4.300	$2,937,511	$2,990,453	$3,044,456	$3,099,544	$3,155,741

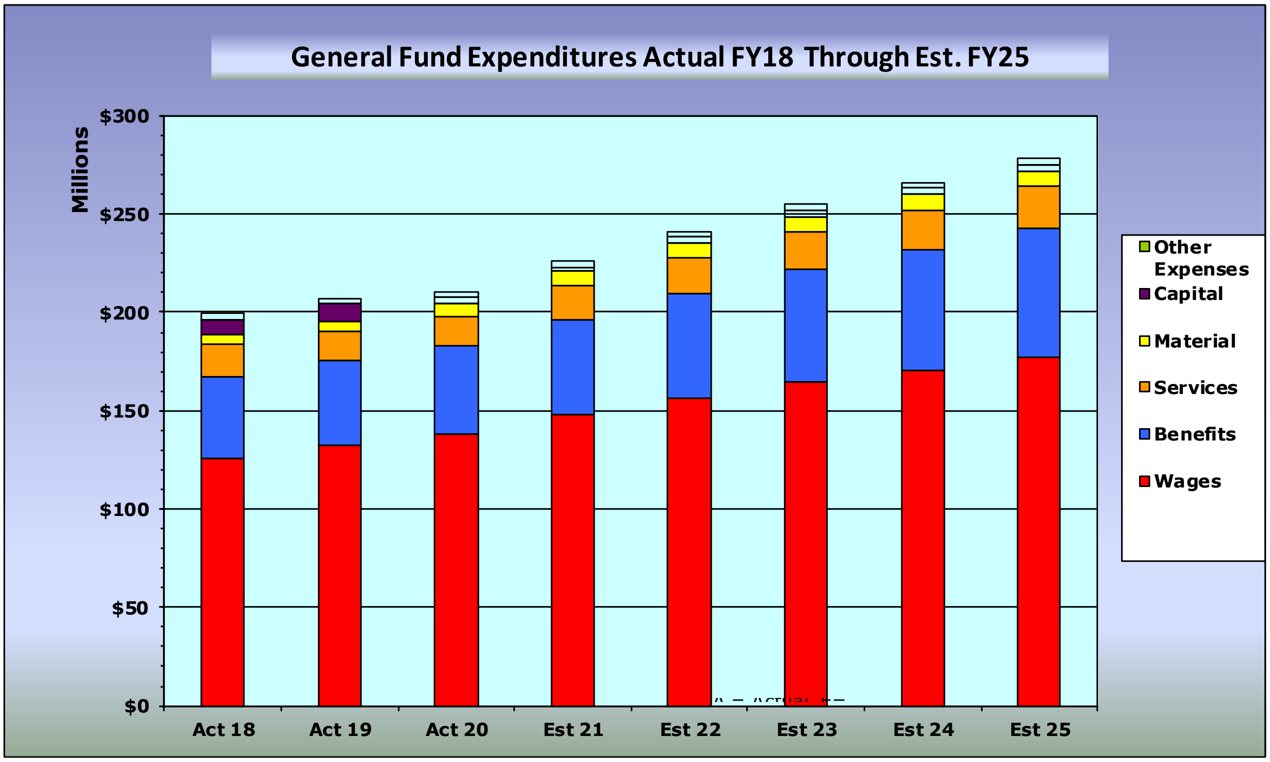
Transfers Out/Advances Out – Line #5.010
This account group covers fund to fund transfers and end of year short term loans from the General Fund to other funds until they have received reimbursements to repay the General Fund. These amounts are limited in impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund. We have included a transfer from General Fund (001) $380,000 to the Sinking Fund (002) to pay our debt for the HB264 project, $75,000 for summer school and $71,050 for athletic funds. This year we added $400,000 to our transfers out line to account for any negative balances we might have in our student activity accounts due to reduced revenue for ticket sales and fundraisers. We have to estimate advances to be $575,000 for each year to cover year-end negative balances in our federal grant funds.

Source	FY21	FY22	FY23	FY24	FY25
Operating Transfers Out Line #5.010	$926,050	$526,050	$526,050	$526,050	$526,050
Advances Out Line #5.020	575,000	575,000	575,000	575,000	575,000
Total	$1,501,050	$1,101,050	$1,101,050	$1,101,050	$1,101,050

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.

	FY21	FY22	FY23	FY24	FY25
Estimated Encumbrances	$3,200,000	$3,300,000	$3,300,000	$3,300,000	$3,300,000

Operating Expenditures Actual FY18 through FY20 and Estimated FY21-FY25
As the graph on the following page indicates, we have been diligent at reducing costs in reaction to lower and flat state revenues in the past. We are maintaining control over our expenses while balancing student academic needs to enable them to excel and do well on state performance standards.



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. It is recommended by the GFOA and other authoritative sources that a district maintains a minimum of sixty (60) day cash balance.

	FY21	FY22	FY23	FY24	FY25
Ending Cash Balance	$103,393,858	$89,133,926	$63,642,695	$29,050,502	($15,673,290)

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 is 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.