



Five Year Forecast Financial Report

May, 2020

Bradd Stevens, Treasurer

Table of Contents

	<u>Page</u>
Table of Contents	2
Forecast Summary	3
Revenue Sources and Forecast Year-Over-Year Projected Overview	4
1.010 - General Property Tax (Real Estate)	5
1.020 - Public Utility Personal Property	6
1.030 - Income Tax	7
1.035 - Unrestricted Grants-in-Aid	8
1.040 & 1.045 - Restricted Grants-in-Aid	9
1.050 - Property Tax Allocation	10
1.060 - All Other Operating Revenues	11
2.070 - Total Other Financing Sources	12
Expenditures Overview	13
3.010 - Personnel Services	14
3.020 - Employee Benefits	15
3.030 - Purchased Services	16
3.040 - Supplies and Materials	17
3.050 - Capital Outlay	18
3.060 - 4.060 - Intergovernmental & Debt	19
4.300 - Other Objects	20
5.040 - Total Other Financing Uses	21
Five Year Forecast	22

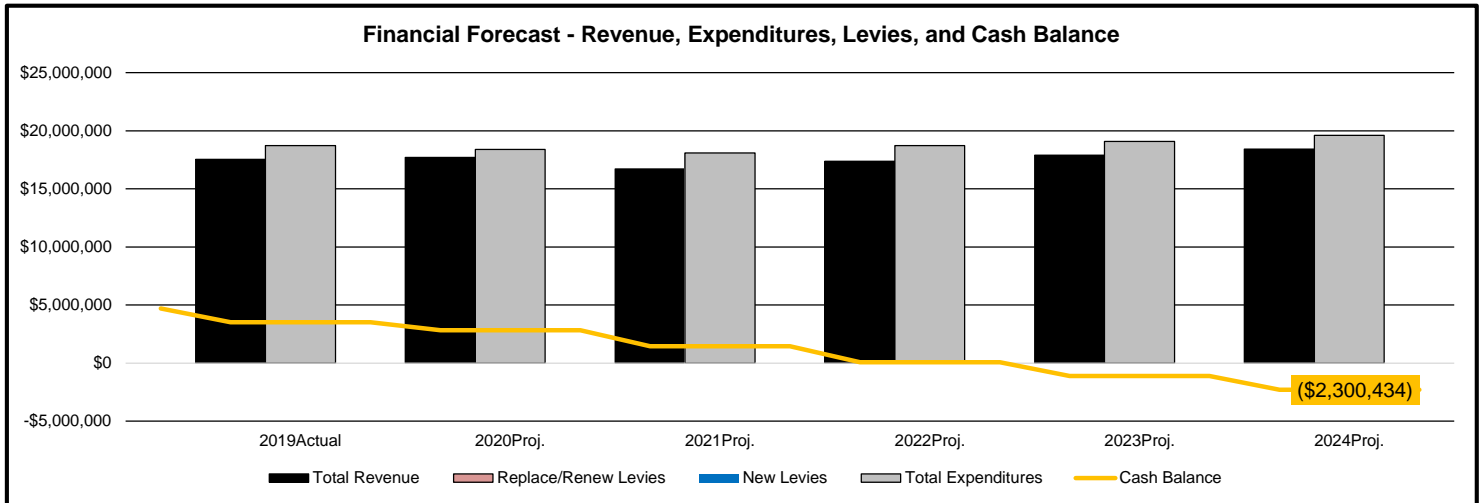
Forecast Purpose/Objectives

Ohio Department of Education's purposes/objectives for the five-year forecast are:

1. To engage the local board of education and the community in the long range planning and discussions of financial issues facing the school district.
2. To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate."
3. To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems.

Forecast Methodology - This forecast is prepared based upon historical trends and current factors. This information is then extrapolated into estimates for subsequent years. The forecast variables can change multiple times throughout the fiscal year and while cash flow monitoring helps to identify unexpected variances no process is guaranteed. The intent is to provide the district's financial trend over time and a roadmap for decisions aimed at encouraging financial sustainability and stability.

Forecast Summary



Clear Fork Valley LSD

Financial Forecast

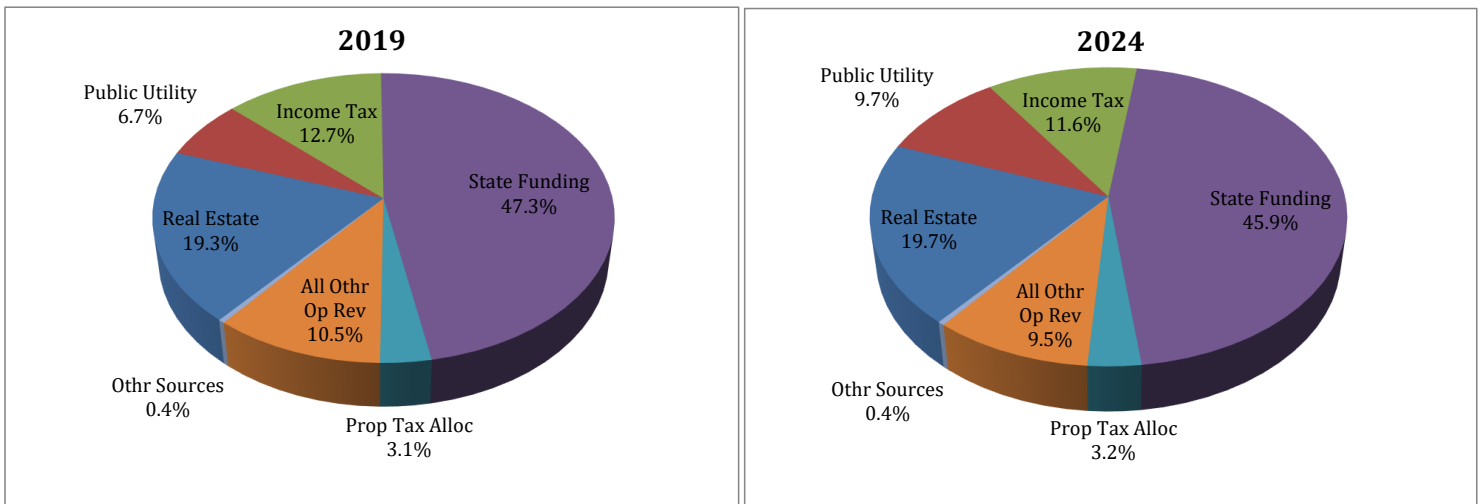
	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Beginning Balance	3,525,716	2,835,531	1,446,334	76,615	(1,113,943)
+ Revenue	17,708,702	16,705,813	17,362,415	17,896,181	18,429,867
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(18,398,887)	(18,095,011)	(18,732,134)	(19,086,739)	(19,616,358)
= Revenue Surplus or Deficit	(690,185)	(1,389,198)	(1,369,719)	(1,190,558)	(1,186,491)
Ending Balance with renewal levies Note: Not Reduced for Encumbrances	2,835,531	1,446,334	76,615	(1,113,943)	(2,300,434)

Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	(690,185)	(1,389,198)	(1,369,719)	(1,190,558)	(1,186,491)
Ending Balance w/o Levies	2,835,531	1,446,334	76,615	(1,113,943)	(2,300,434)

The Five Year Forecast is a tool used to project the revenues and expenditures over a five year period with three years of historical balances in the General Fund. The data in the forecast is completed using a comprehensive analysis of historical trends in revenues and expenses. The Five Year Forecast is intended to assist the Board of Education in overseeing the management of the district's resources and planning for the district's future by illustrating trends and estimating future values for evaluation. The Treasurer is responsible for the reasonableness of the assumptions on which the forecast is based. Variances may arise between forecasted amounts and actual results when unexpected events and circumstances occur and/or changes in state laws and budgets happen, thus the assumption used to generate the forecasted amounts will change over time. The Five Year Forecast is based on assumptions therefore the accuracy of the forecast is dependent on the basis and foresight of the assumptions that create the predicted trends. The district's financial position is that expenses are projected to exceed revenues for the remainder of the Forecast. The cash balance will remain positive through the end of this Fiscal Year 2021; however, the district's cash balance will fall below a recommended reserve of 3 months of average expenditures and will be below that average for the majority of Fiscal Year 2020. By the end of Fiscal Year 2020 the district is projected to only have around 14% of the annual expenditures in reserve. The district **must** have a plan to balance the budget and reduce the expenditures below the revenues. Should the practice of expenses exceeding revenues continue the district is projected to have a negative cash balance in the beginning of fiscal year 2023, which is July of 2022.

Revenue Sources and Forecast Year-Over-Year Projected Overview



**Projected % trends include renewal levies*

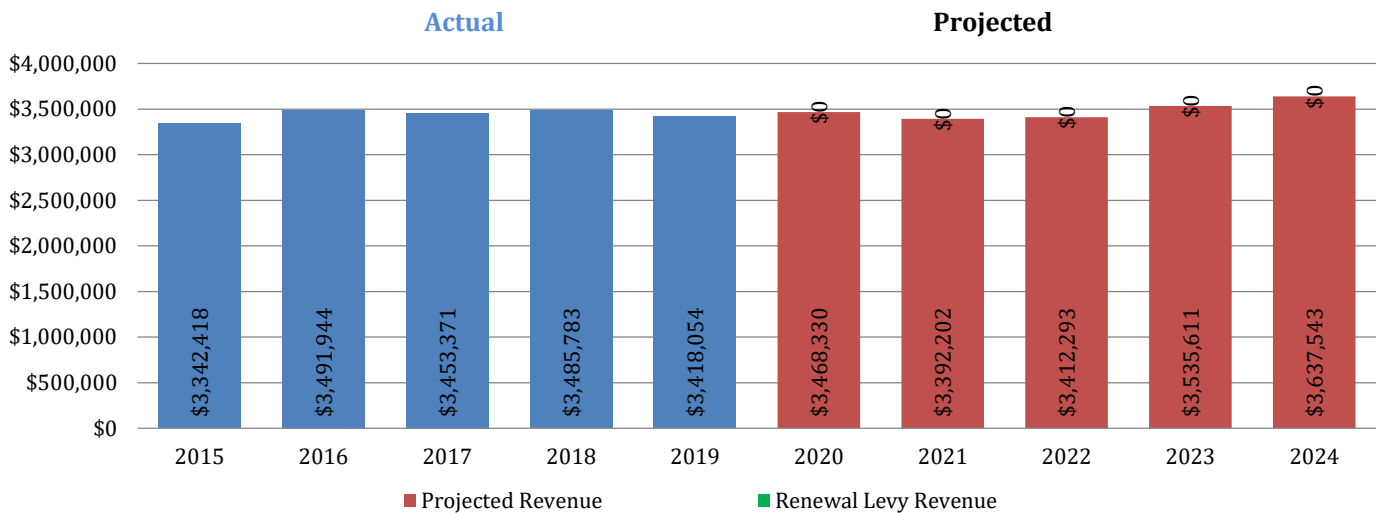
	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	
Revenue:							
1.010-Real Estate	1.40%	1.47%	-2.19%	0.59%	3.61%	2.88%	1.27%
1.020-Public Utility	9.91%	23.73%	20.29%	7.53%	7.36%	7.50%	13.28%
1.030-Income Tax	16.13%	5.31%	-12.77%	2.50%	2.50%	2.50%	0.01%
1.035-State Funding	0.08%	-3.85%	-8.64%	6.62%	3.17%	3.07%	0.08%
1.040-Restricted Aid	-4.90%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.045-Restr Federal SFSF	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.050-Property Tax Alloc	0.97%	0.46%	1.26%	0.94%	0.68%	1.57%	0.98%
1.060-All Other Operating	6.93%	-3.38%	-3.43%	-0.53%	-0.25%	-0.03%	-1.53%
1.070-Total Revenue	2.66%	0.09%	-4.96%	3.95%	3.09%	2.99%	1.03%
2.070-Total Other Sources	-8.75%	197.88%	-64.70%	0.00%	0.00%	0.00%	26.64%
2.080-Total w/Other Srcs	2.52%	0.88%	-5.66%	3.93%	3.07%	2.98%	1.04%

Lines 1.01 (General Property Tax), 1.030 (Income Tax), 1.035 (Unrestricted State Funding) and 1.060 (All Other Operating Revenue) represent about 90% of the district's annual income. Line 1.020 (Public Utility) is projected to be over \$1,000,000 for the first time increasing its significance to almost 7% of our revenues. These lines are all significant and revenue expectations for these lines are based on historical trends.

Due to the Covid-19 pandemic resulting in the shutdown of businesses and large spike in unemployment, the revenue projections for the proceeding years are below what was forecasted in the fall. In October the projection was slight increases in revenues for the forecast because of increases in property values, income tax collections and flatlining state aid. However, several months of the economy being slowed way down has caused me to alter my forecast based on new assumptions. This fiscal year has little to no significant changes in revenues as we are almost through it and the major collections for the year were done prior to the pandemic. In October I forecasted a 2.49% growth in overall revenues and have since revised it to a 2.24% growth which is only about a \$45,000 change in \$18 million of revenues. The significant change is in next year. In October I forecasted a modest growth of about 1% in revenues. However due to the pandemic, I revised that forecast to show a slight downturn or a 1.5% reduction in revenues for next year. Even though this is only a 2.5% variance over all, it equates to almost \$500,000, which is significant when the district is already operating with expenditures exceeding revenues.

1.010 - General Property Tax (Real Estate)

Revenue collected from taxes levied by a school district by the assessed valuation of real property using effective tax rates for class I (residential/agricultural) and class II (business).



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total With Renewal Levies	3,418,054	3,468,330	3,392,202	3,412,293	3,535,611	3,637,543
YOY \$ Change	(67,729)	50,276	(76,128)	20,091	123,318	101,932
YOY % Change	-1.9%	1.5%	-2.2%	0.6%	3.6%	2.9%

Percentage of Total Revenue	19.5%	19.6%	20.3%	19.7%	19.8%	19.7%
-----------------------------	-------	-------	-------	-------	-------	-------

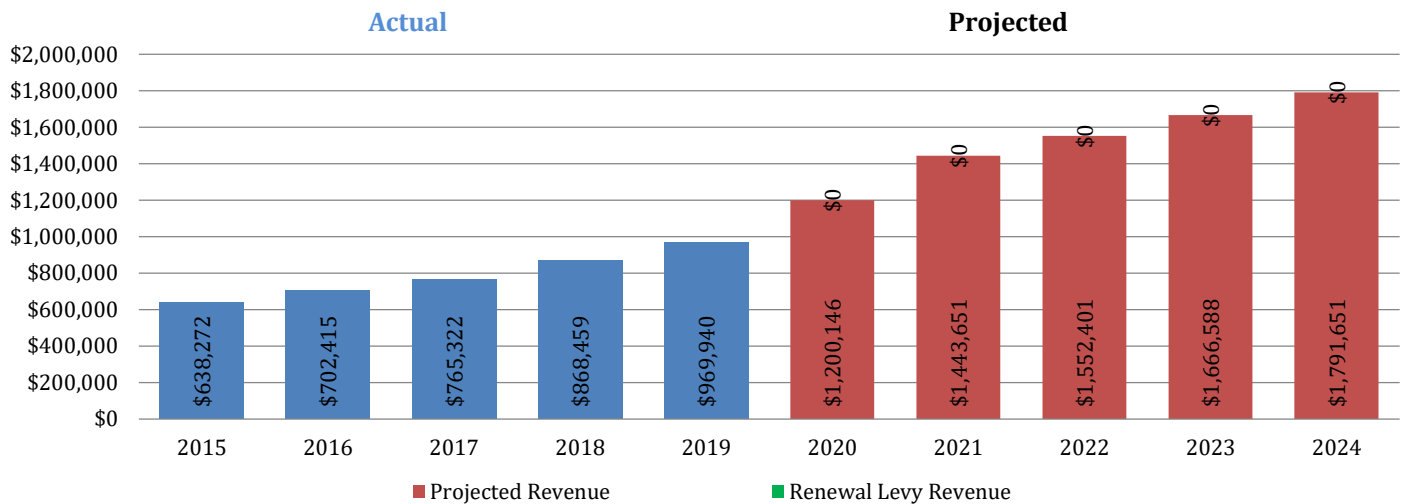
Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2018	193,176,740	413,260	20.43	0.07	25.93	0.51	101.3%
2019	195,804,600	2,627,860	20.44	0.01	25.92	(0.02)	99.5%
2020	201,209,600	5,405,000	20.11	(0.32)	25.91	(0.01)	94.0%
2021	202,377,987	1,168,387	20.13	0.02	25.94	0.03	97.2%
2022	203,535,487	1,157,500	20.14	0.01	25.95	0.00	99.8%
2023	209,885,487	6,350,000	20.00	(0.14)	25.94	(0.01)	99.9%

The most significant change that was made in real estate was in the Gross collection rate. After consulting with the County Treasurer and the Auditors office and collaboratively discussing delinquencies with other school district treasurers it became apparent the district should anticipate some increase in real estate delinquencies, which reduces the overall collection rates. Property valuation increased are forecasted to increase through the remainder of the forecast, both in new construction and in reappraisals. The decrease in the 2020 calendar year, which is reflected in fiscal year 2021 is based on the assumption that only about 94% of the district's residents will be able to pay their property taxes on time without becoming delinquent. The assumption is based on historical data and current trends. The 2014 calendar year reflected a 96% collection rate and, though at that time the district had not fully recovered from the 2008 recession, the unemployment rate was well below what it is currently. Because the district has experienced collection rates above the 90% range I kept the assumption that the collection rate would remain above 90%. Unlike the recession, property valuation remains high and are projected to increase, but the current unemployment rate is higher than it was during the recession, which impacts the districts residents ability to keep property taxes current. The collection rate is not projected to go back to the 100% range for a couple of years because property tax collections are in arrears and delinquencies are not always all paid in the preceding year. Overall the October forecast reflected an increase in general property taxes year over year which is line 1.010, but the May forecast reflects a decrease in real estate collections of about \$76,000 in Fiscal Year 2021 and a decrease of about \$56,000 in Fiscal Year 2022 due to this anticipated increase in delinquencies. The remainder of the forecast reflects normal real estate collections rates. There is no change in this line from what was presented in April.

*Projected % trends include renewal levies

1.020 - Public Utility Personal Property

Revenue generated from public utility personal property valuations multiplied by the district's full voted tax rate.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total With Renewal Levies	969,940	1,200,146	1,443,651	1,552,401	1,666,588	1,791,651
YOY \$ Change	101,481	230,206	243,505	108,750	114,187	125,063
YOY % Change	11.7%	23.7%	20.3%	7.5%	7.4%	7.5%
Percentage of Total Revenue	5.5%	6.8%	8.6%	8.9%	9.3%	9.7%

Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2018	23,553,290	2,371,160	43.50	-	100.0%
2019	31,937,370	8,384,080	43.50	-	100.0%
2020	34,437,370	2,500,000	43.50	-	100.0%
2021	36,937,370	2,500,000	43.50	-	100.0%
2022	39,687,370	2,750,000	43.50	-	100.0%
2023	42,687,370	3,000,000	43.50	-	100.0%

There were no significant changes in Public Utility Personal Property valuations for tax revenue since the October forecast. The valuation changes that were expected and forecasted in October were accurate and the collection from public utilities is always 100%. Valuation increases for the remainder of the forecast for this line are based on the historical trend increases.

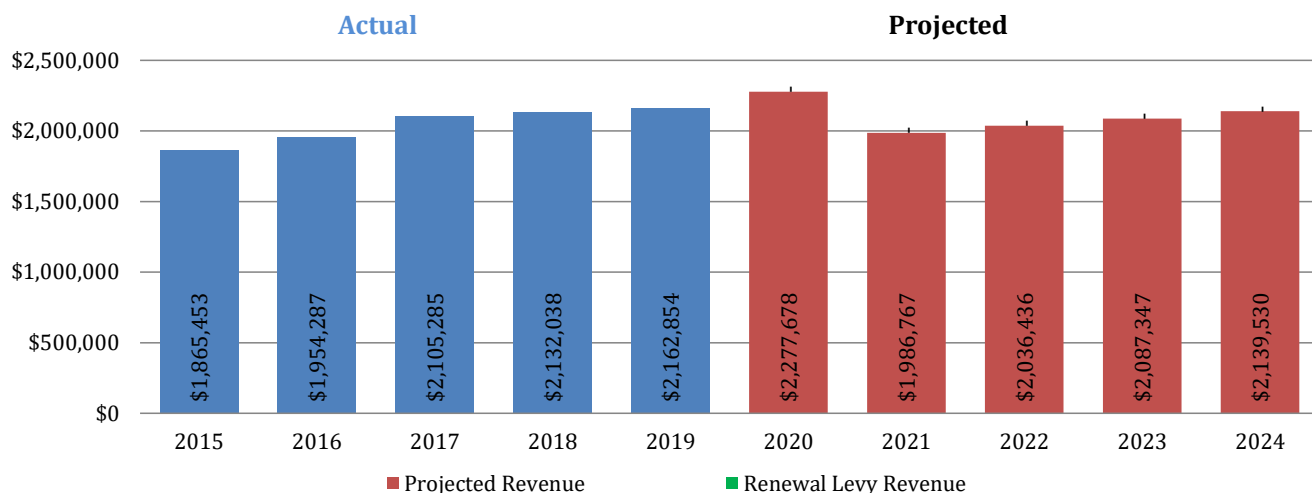
This revenue source currently accounts for about 7% of the overall revenue for the district so changes in this figure are not as significant as Real Estate, Income Taxes, State Foundation and Open Enrollment, however it is increasing becoming more significant and is for the first time projected to be over a million dollars.

There is no change in this line from what was presented in April.

*Projected % trends include renewal levies

1.030 - Income Tax

Revenue collected from income tax earmarked specifically to support schools with a voter approved tax by residents of the school district; separate from federal, state and municipal income taxes.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	2,162,854	2,277,678	1,986,767	2,036,436	2,087,347	2,139,530
YOY \$ Change	30,816	114,824	(290,911)	49,669	50,911	52,183
YOY % Change	1.4%	5.3%	-12.8%	2.5%	2.5%	2.5%
Percentage of Total Revenue	12.3%	12.9%	11.9%	11.7%	11.7%	11.6%

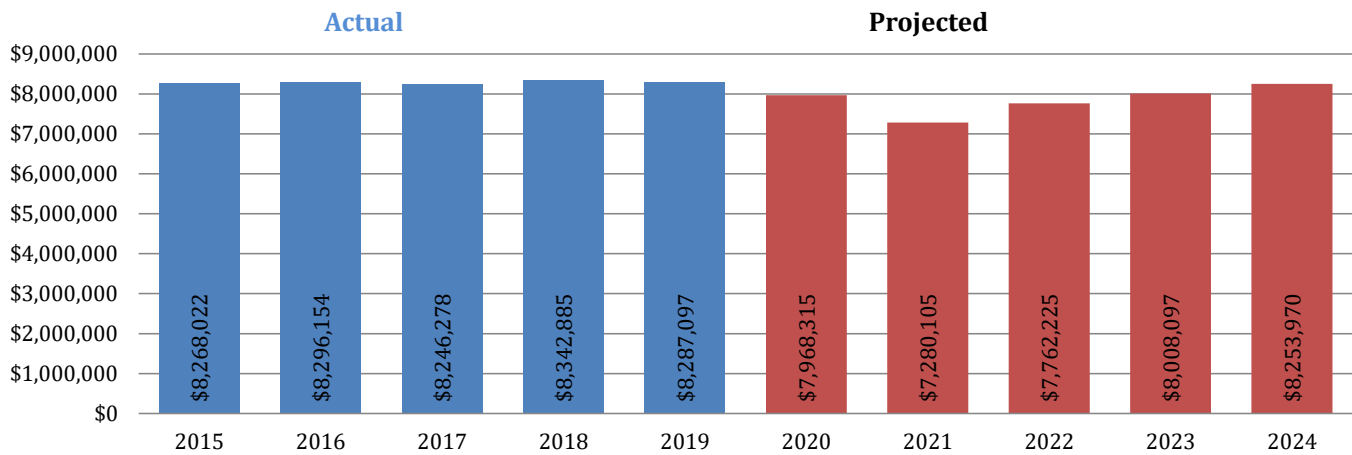
The 1% Earned Income Tax accounts for around 12% of the district’s general fund revenue which is typically around \$2 million annually. In October a conservative 2.5% increase was forecasted for this revenue stream for all the years of the forecast. Because all of the revenues from the Income Tax for Fiscal Year 2020 were collected prior to March, the Income Tax line of the forecast, 1.030, for this fiscal year has only changed minimally since October to reflect the actual collections. However, this revenue stream is dynamic and will rise and fall with the economy and the prosperity of the district’s residents, because of this, the stay at home order due to the Covid-19 pandemic will affect the earnings of the district’s residents. This tax is on earned income only and unemployment benefits are not subject to this tax. Because of the large spike in unemployment since March, it is not realistic to project an increase in income tax revenues for next year and it would be prudent to expect a decrease in this revenue stream. The 13% overall annual decrease for the next fiscal year was arrived at by projecting a 20% decrease for the first quarter, a 15% decrease for the second quarter, a 10% decrease for the third quarter in collection revenues and a 5% reduction in quarter four. Additionally, because I anticipate within a year the economy will be recovered or be in recovery I projected increases in the fiscal years proceeding FY2021 of 2.5% in FY2022 through FY2024 which may change by the October forecast depending on the recovery time of the economy. This growth rate is the same that was projected prior to the Covid-19 pandemic and is based on historical trends.

There is a small adjustment in this line from what was presented in April because the forecast was presented to the Board prior to receiving the last FY20 quarterly distribution. This line has been updated to reflect the final FY20 distribution, however the remainder of the adjustments that were presented in April are still the assumptions for the forecast.

**Projected % trends include renewal levies*

1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	Total	7,968,315	7,280,105	7,762,225	8,008,097	8,253,970
YOY \$ Change	(55,788)	(318,782)	(688,210)	482,119	245,872	245,872
YOY % Change	-0.7%	-3.8%	-8.6%	6.6%	3.2%	3.1%

Percentage of Total Revenue	47.2%	45.0%	43.6%	44.7%	44.7%	44.8%
-----------------------------	-------	-------	-------	-------	-------	-------

Base Aid	8,236,374	8,236,374	8,236,374	8,236,374	8,236,374	8,236,374
Student Wellness Aid		199,702	280,544	277,321	274,098	270,875
Supplemental Aid - Wellness & Growing		74,728	112,092	101,839	101,839	101,839

Enrollment	1,624	1,579	1,561	1,543	1,525	1,507
------------	-------	-------	-------	-------	-------	-------

This line in the forecast, labeled Unrestricted Grants-in-Aid, reflects the State Foundation Payments which are received twice per month. This line has a significant change from what was presented in April. In April any cuts in state funding were speculative and because the previous 7 years reflected less than 1.5% in variances and because we are in the middle of a biennium budget, in April I didn't make any speculative assumptions.

We are now aware that the state has cut the funding for Clear Fork by \$295,273 for this fiscal year which ends June 30th. Meaning in May and June of the current Fiscal Year our foundation funding was reduced by that amount, which changes the anticipated revenues for this line for this fiscal year FY20.

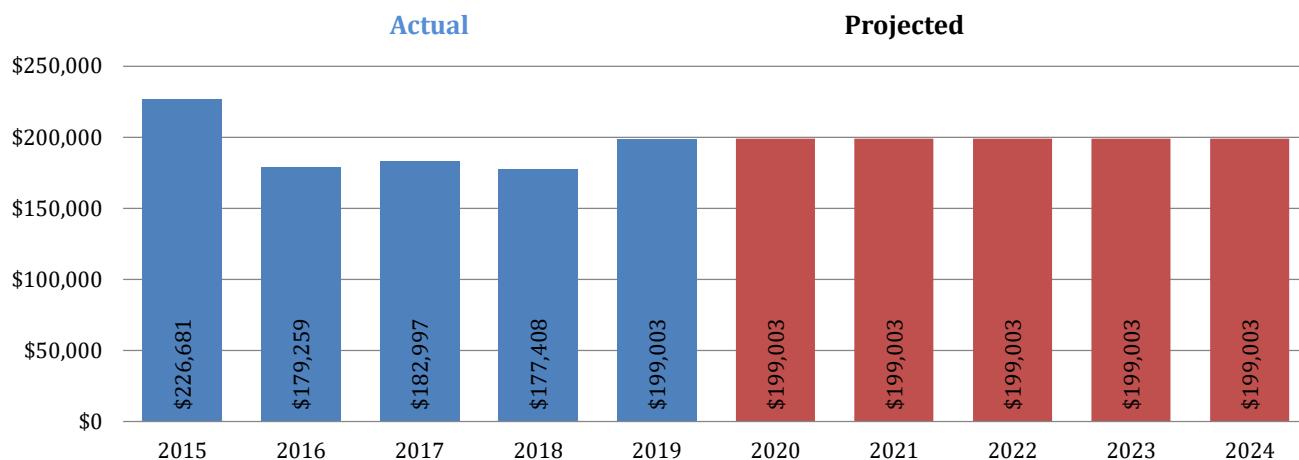
Additionally, I have now reflected a decrease in state foundation for next year, FY21, as well. At around 6% above this year's reduction equating to about an overall 8% reduction, I am now budgeting a cut of \$885,000 for FY21, which is three times this year's reduction. This reduction is speculative but there has been some direction from the Ohio School Boards Association, Ohio Association of School Business Officials, and the Office of Budgetary Management indicating the degree of reductions we should budget, which is why I am now forecasting this reduction in this line for next year.

In addition to the budget cuts in per pupil funding there is also evidence to support a reduction in the casino revenue from \$52/pupil to \$35/pupil so that reduction was forecasted as well, causing this line to decrease slightly more.

For FY22-FY24 the forecast reflects state revenues gradually being returned to the funding amount of last year, FY19. There is no evidence to support additional cuts beyond next year and there has been discussion of returning to current funding levels when the effects of the shutdown have run their course.

1.040 & 1.045 - Restricted Grants-in-Aid

Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	199,003	199,003	199,003	199,003	199,003	199,003
YOY \$ Change	21,595	(0)	-	-	-	-
YOY % Change	12.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Revenue	1.1%	1.1%	1.2%	1.1%	1.1%	1.1%

Receipts in this line include Career Tech funding as well as the Economic Disadvantaged Funding. Overall this revenue stream only accounts for around 1% of the districts overall revenue so it is not a significant funding factor.

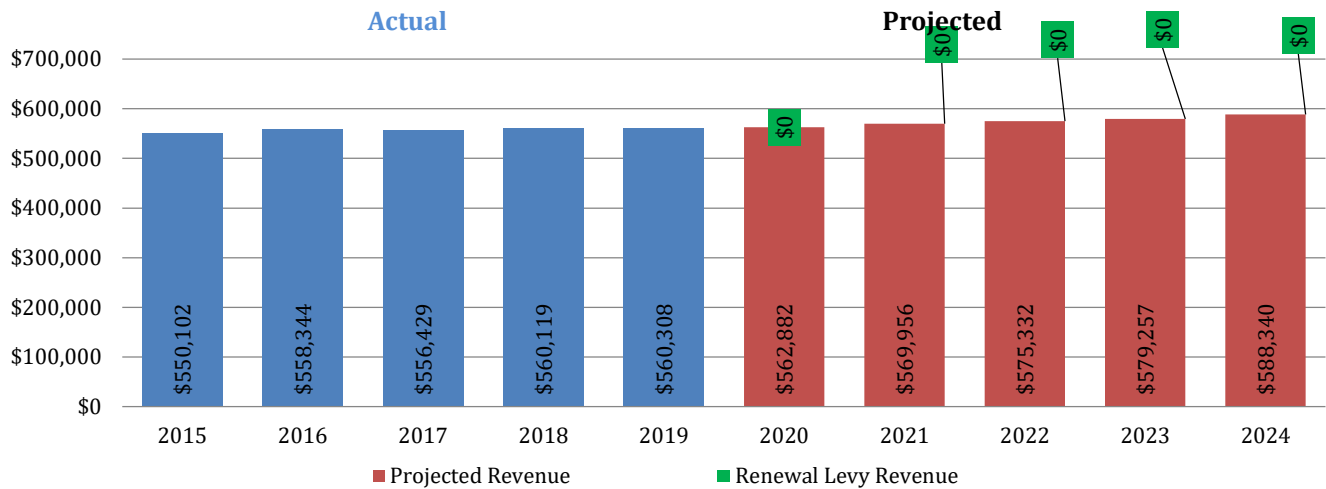
Restricted Aid must be spent on initiatives such as extended school day/year, reading Improvement/intervention, Instructional Technology or Blended learning, Professional Development for K-3 reading instruction, Dropout prevention, Safety and Security measures or Academic Interventions in grades 6-12. The percentage of Economic Disadvantaged students is projected to be steady and is based on the Free and Reduced Lunch count.

There are no projected decreases in this line due to the Covid -19 stay at home order or the current economic situation.

There is no change in this line from what was presented in April.

1.050 - Property Tax Allocation

Includes funds received for Tangible Personal Property Tax Reimbursement, Electric Deregulation, Homestead and Rollback.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total With Renewal Levies	560,308	562,882	569,956	575,332	579,257	588,340
YOY \$ Change	189	2,574	7,074	5,376	3,925	9,083
YOY % Change	0.0%	0.5%	1.3%	0.9%	0.7%	1.6%
Percentage of Total Revenue	3.2%	3.2%	3.4%	3.3%	3.2%	3.2%
% of Residential Real Estate 10% Rollback	9.99%	9.99%	9.99%	9.99%	9.99%	9.99%
% of Residential Real Estate 2.5% Rollback	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%
% of Residential Real Estate Homestead	3.68%	3.68%	3.68%	3.68%	3.68%	3.68%

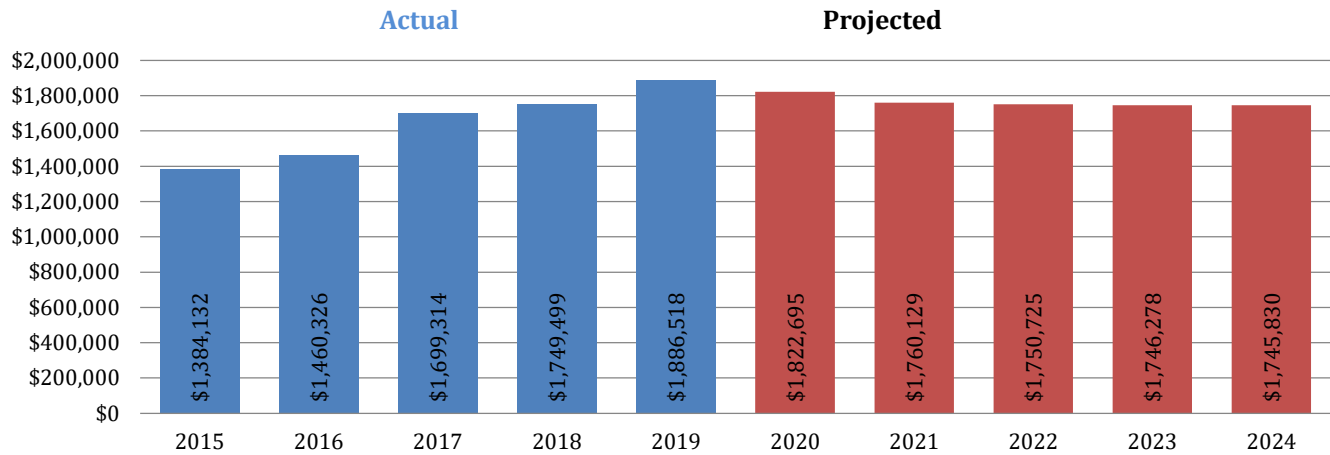
Homestead, Roll-back and Property Tax allocation is projected with minimal changes. This revenue comes from the state and is based on reimbursement of property tax exemptions like owner-occupied homes and homestead which is influenced by property valuations and the payment of taxes. This projection is based upon two payments during each fiscal year. This funding amounts to slightly over 3% of our annual revenue so it is less significant to the overall forecast. Homestead exemptions reduces the property tax burden on lower-income senior citizens and disabled residents in the form of a credit on their tax bill of up to \$25,000. Typically as an area's population increases in age, the Homestead percentage increases. The increases in this revenue stream are mainly a result from increased Class 1 property valuation increases. Because property valuation is not affected by the current economic downturn there are no decreases projected in this line and this line is not impacted by the Covid-19 shutdown.

There is no change in this line from what was presented in April.

**Projected % trends include renewal levies*

1.060 - All Other Operating Revenues

Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	1,886,518	1,822,695	1,760,129	1,750,725	1,746,278	1,745,830
YOY \$ Change	137,019	(63,823)	(62,566)	(9,404)	(4,447)	(448)
YOY % Change	7.8%	-3.4%	-3.4%	-0.5%	-0.3%	0.0%
Percentage of Total Revenue	10.7%	10.3%	10.5%	10.1%	9.8%	9.5%

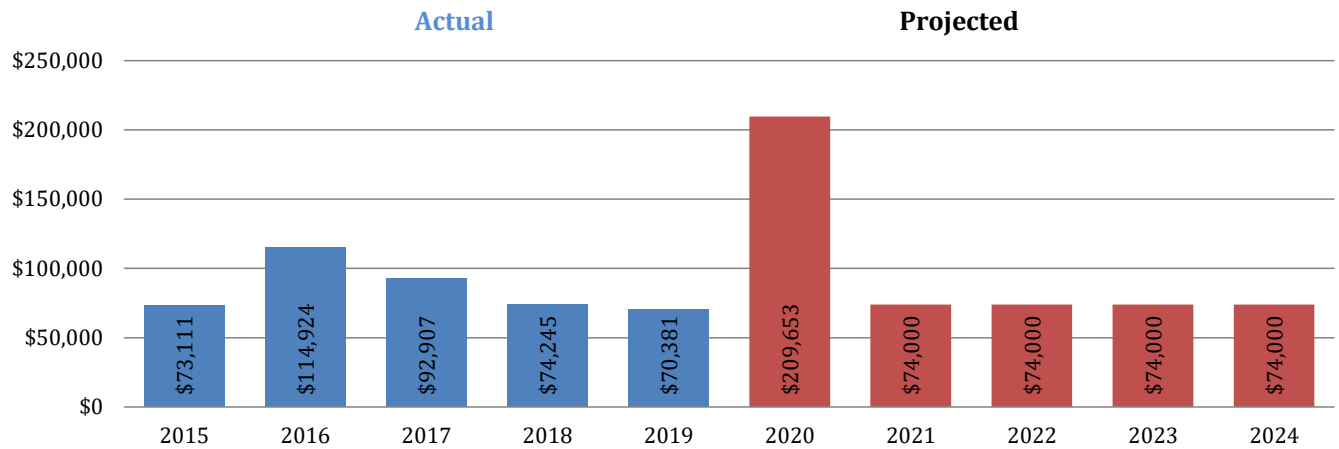
This revenue comes from things such as Interest on Investments, Open Enrollment, Preschool Tuition, Fees, Medicaid Reimbursements, Workers Compensation Refunds, Insurance Refunds, Rental Income and charges to other districts for shared services to list a few. At around 10% of the overall district revenue this funding is a significant factor.

Around half of this revenue comes from incoming Open Enrollment. For the past eight years the district has netted an average of around \$800,000 annually from open enrollment. The other half of this revenue stream in this line is a combination of the funding generated from investment earnings, fees, refunds and miscellaneous receipts. Since the district's cash balance is declining, the revenue from interest on investments will also decline. In FY19 interest on investments accounted for over 10% or \$196,381 of this revenue line item. This is why a decrease has been projected in this line item. In addition to the declining cash balance, earnings on investments have been drastically affected by the Covid-19 virus and the stay at home order. Overall I have projected earnings on investments to decrease about 35% next year which is about \$65,000. Between the two factors, less cash to invest and lower earnings, I have projected earnings on investments to be deduced by 1/3 of what they have been for the past two years. Overall, investment earnings are a small amount of the total revenues, about 1% so changes to this line do not produce much of an impact on the outcome.

There is no change in this line from what was presented in April.

2.070 - Total Other Financing Sources

Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.

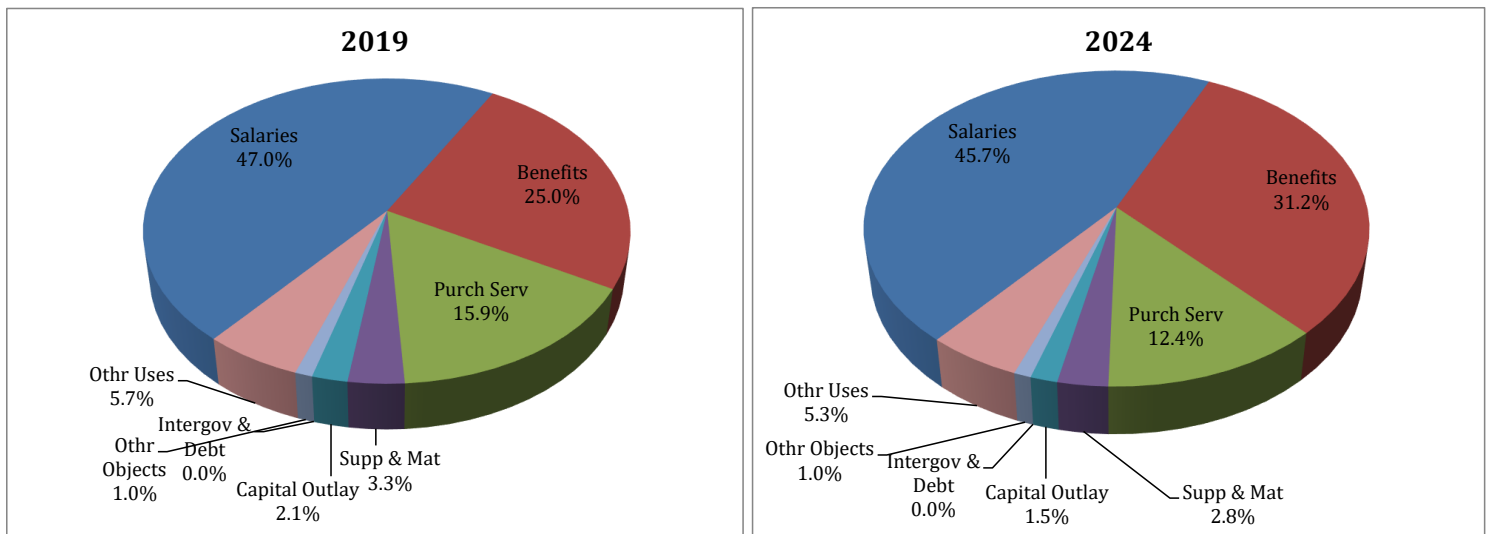


	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	70,381	209,653	74,000	74,000	74,000	74,000
YOY \$ Change	(3,864)	139,272	(135,653)	-	-	-
YOY % Change	-5.2%	197.9%	-64.7%	0.0%	0.0%	0.0%
Percentage of Total Revenue	0.4%	1.2%	0.4%	0.4%	0.4%	0.4%
Transfers In	-	88,391	-	-	-	-
Advances In	-	-	-	-	-	-

This line reflects the reimbursement of advances and any refunds from expenditures that occurred in the previous year or years. At .4% the revenue from this line is not significant in the funding of the district and since the overall dollar amount for this line is small any changes here are reflected at large percentage changes but are small dollar amounts relative to the entire revenues collected. The significant increase in this line for this fiscal year 2020 is due to the return of the money that was transferred to the Endowment fund 029 that was closed earlier this fiscal year and the refund from the insurance company for some of the legal expenditures that occurred last year. The remainder of this line is based on an average of historical trends.

There is no change in this line from what was presented in April.

Expenditure Categories and Forecast Year-Over-Year Projected Overview



	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	
Expenditures:							
3.010-Salaries	3.17%	0.50%	-0.10%	0.51%	0.48%	0.46%	0.37%
3.020-Benefits	6.80%	-0.05%	2.98%	12.70%	6.23%	6.38%	5.65%
3.030-Purchased Services	6.48%	-5.04%	-10.35%	-3.20%	-1.32%	0.52%	-3.87%
3.040-Supplies & Materials	2.49%	-10.66%	-13.43%	12.74%	2.07%	2.12%	-1.43%
3.050-Capital Outlay	-1.17%	-31.54%	-25.22%	0.00%	0.00%	50.14%	-1.32%
3.060-Intergov	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.010-4.060-Debt	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.300-Other Objects	3.86%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4.500-Total Expenditures	4.26%	-1.68%	-1.75%	3.73%	2.03%	2.95%	1.06%
5.040-Total Other Uses	235.39%	-2.21%	-0.09%	0.10%	-0.48%	-0.33%	-0.60%
5.050-Total w/Other Uses	6.44%	-1.71%	-1.65%	3.52%	1.89%	2.77%	0.97%

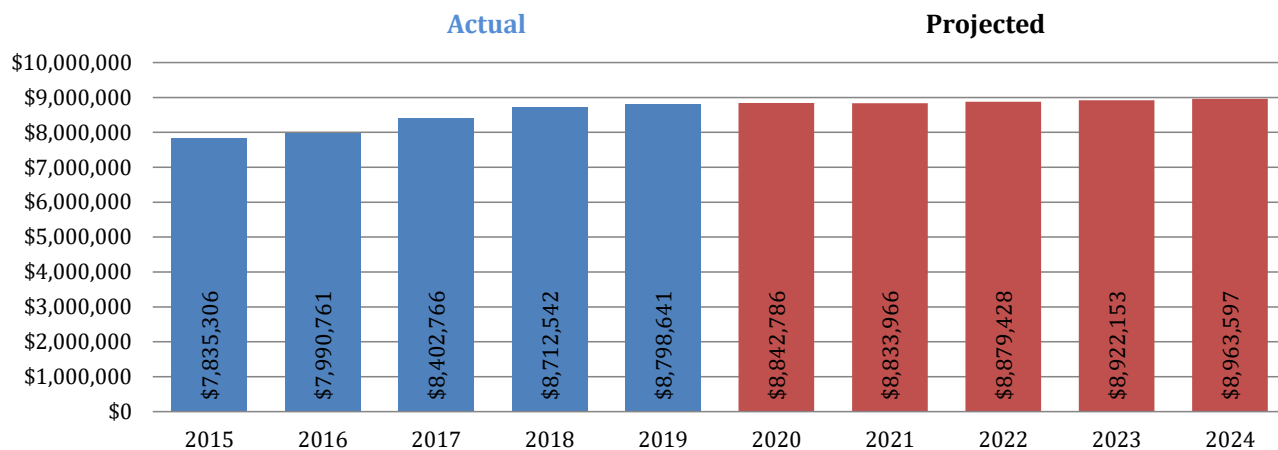
Lines 3.010 (Personnel) and 3.020 (Benefits) account for around 75% of the districts operating expenditures and when Purchased Services are included (line 3.030) that accounts for roughly 90% of the district's expenses. Expenses in these three categories are significant and have the greatest impact on the overall expenditures. Estimated increases in expenses are based on negotiated agreements between the district and the labor unions, historical trends, market trends and district needs.

Expenditures are projected to increase and are increasing at a higher rate than the district's revenues. Increasing Health care premiums, salaries, utility costs and services for special needs students are inflating at a more aggressive rate than the district's income tax earnings, the district's property valuation and state funding. Because of this our expenses are and will continue to exceed our revenues unless we either make cuts in personnel, benefits or purchased services or seek more money via a levy.

An overall decrease in expenditures for this fiscal year is now projected due to the physical shut down of the schools. In October the total expenditures were projected to increase by about 1% but due to using less electricity, gas, less overtime paid out, substitutes, and fewer supplies because of the shut down, there is now a slightly decrease in expenditures projected. The overall change is about 2.5% below what was forecasted in October which is around a \$450,000 decrease. However the district is still projected to spend around \$450,000 more than we bring in this year.

3.010 - Personnel Services

Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	8,798,641	8,842,786	8,833,966	8,879,428	8,922,153	8,963,597
YOY \$ Change	86,099	44,145	(8,820)	45,462	42,725	41,444
YOY % Change	1.0%	0.5%	-0.1%	0.5%	0.5%	0.5%
Percentage of Total Budget	47.0%	48.1%	48.8%	47.4%	46.7%	45.7%

Because expenses in this line are salaries, which are based on the collective bargaining agreements between the Clear Fork Valley Education Association, the Ohio Association of Public School Employees local 282 and the Clear Fork Board of Education, there has not been significant changes in this line item for Fiscal Year 2020 in the forecast but there are changes in the preceding fiscal years.

There has been a significant change to this line in the forecast since April. Because we received such a large reduction in state foundation the assumption of providing a step increase was eliminated from the forecast. Reductions in expenditures must occur somewhere and since steps have not been negotiated yet they are were removed from the forecast for next year which is a change from April.

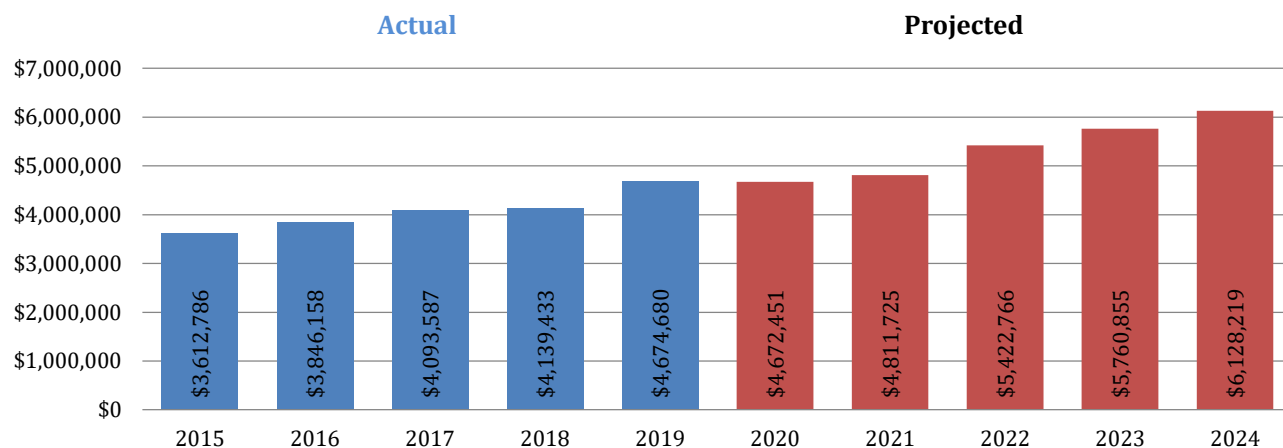
For Certificated staff, for fiscal year 2020 a 1% base increase and 2.7% increase for steps was included due to the current negotiated agreement. For fiscal years 2021 no step increase was assumed and no increases in the base pay is reflected for certified staff for any fiscal years beyond the current one of FY2020. This reflects a freeze in salary steps and base in fiscal years 2021 through 2024. Additionally, for the entire forecast, an education step increase for degree changes has been projected to anticipate certified staff increasing their education. Classified staff do not have this as a part of their salary schedule so educational changes are unique to the Certified salary schedule.

Classified employees have a 2% step increase and a .5% base increase projected for fiscal years 2020-2022 due to their negotiated agreement. After the current Negotiated Agreement has ended, no increases have been projected, so FY 23 and FY 24 have no increases to the base salary projected.

Changes in staffing also effect the annual expenses in this line so as positions are added, removed or when veteran staff leave and are replaced with less experienced staff this effects this line as well. There is an assumption that several of the positions that are open due to staff leaving will not be filled, reducing the staff through attrition by a several positions.

3.020 - Employees' Benefits

Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	4,674,680	4,672,451	4,811,725	5,422,766	5,760,855	6,128,219
YOY \$ Change	535,247	(2,229)	139,274	611,041	338,089	367,364
YOY % Change	12.9%	0.0%	3.0%	12.7%	6.2%	6.4%
Percentage of Total Budget	25.0%	25.4%	26.6%	28.9%	30.2%	31.2%

At about 25% of the operating expenditures, benefits constitute a significant portion of the district's annual expenditures. Expenditures in this line represent Retirement, Health Insurances, Medicare, Workers Compensation and Tuition reimbursements along with attendance incentives, and other benefits. A 7.39% for fiscal year 2020 is reflected. A realistic 9% increase healthcare premiums for FY 2021 through FY 2024 is projected based on average industry inflation. Should the newly hired TPA firm be successful in helping the district negotiate a more favorable premium increase on health insurance in the spring this expenditure may be lower on the next forecast.

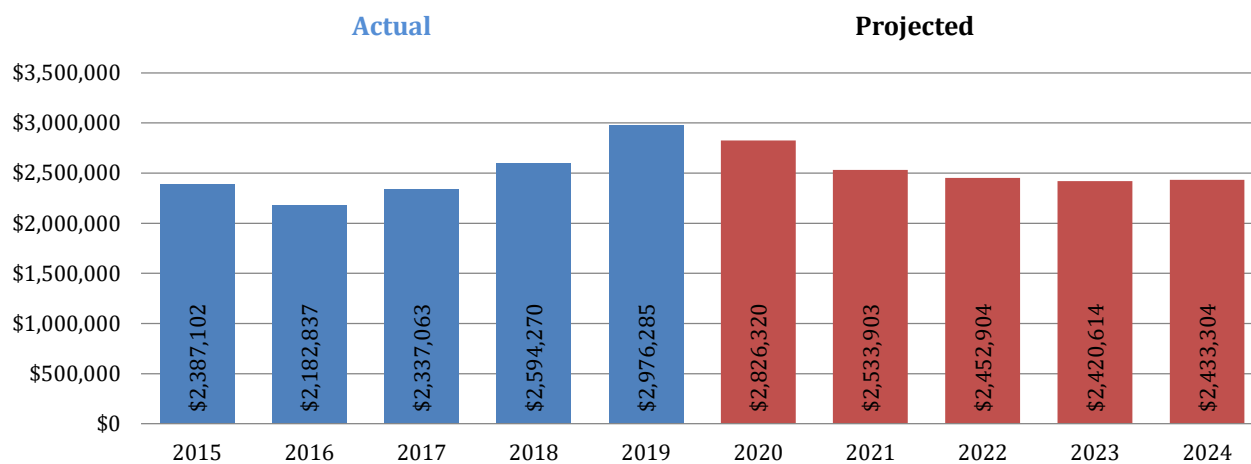
A premium moratorium was taken in fiscal year 2020 and another one is projected to be taken fiscal year 2021 in the forecast. This is a change from the last forecast which will decrease the expenditures in this line for FY21 by around \$320,000. The reason the overall increase in FY 20 over FY 19 was small is due to the fact that the district did not take a premium moratorium last year and did take one this year. The reason there is such a large increase projected in FY2022 is because there is no Premium moratorium projected for that fiscal year or the subsequent years.

Benefits are in a large part tied to wages so as wages increase so do most benefits. Health insurance however is not tied to wages so as Health Insurance costs rise at a higher rate than salaries, benefits become a larger percentage of total expenditures. The significant change in this line over the October forecast is the addition of the Premium Moratorium for next year FY21 which was not in the October forecast.

Because benefits are tied to salaries, since personnel expenditures are reflected to decrease the benefits are reflected to decrease as well. This is the change that is reflected in the forecast from April.

3.030 - Purchased Services

Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, and other services which the school district may purchase.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	2,976,285	2,826,320	2,533,903	2,452,904	2,420,614	2,433,304
YOY \$ Change	382,015	(149,965)	(292,417)	(80,999)	(32,290)	12,690
YOY % Change	14.7%	-5.0%	-10.3%	-3.2%	-1.3%	0.5%
Percentage of Total Budget	15.9%	15.4%	14.0%	13.1%	12.7%	12.4%

The projected decrease in Purchased Services is due to Student Wellness and Success Funds that the state included on this Biennium budget, House bill 166, which included funds to support student wellness and success. Clear Fork is slated to receive \$662,247, \$271,347 this year and \$390,900 next year. These revenues of these funds were not to be put in the forecast and are restricted as to what they can be used for. Even though the revenues from these funds are not included in the forecast, any general fund expenditures that they offset will be reflected as a reduction of expenditure. These expenditure reductions are reflected in this line as they are reductions in expenditures of purchased services. This reduction of expenditure offset by the Wellness funds is what accounts for the reduction that is reflected in purchased services year over year.

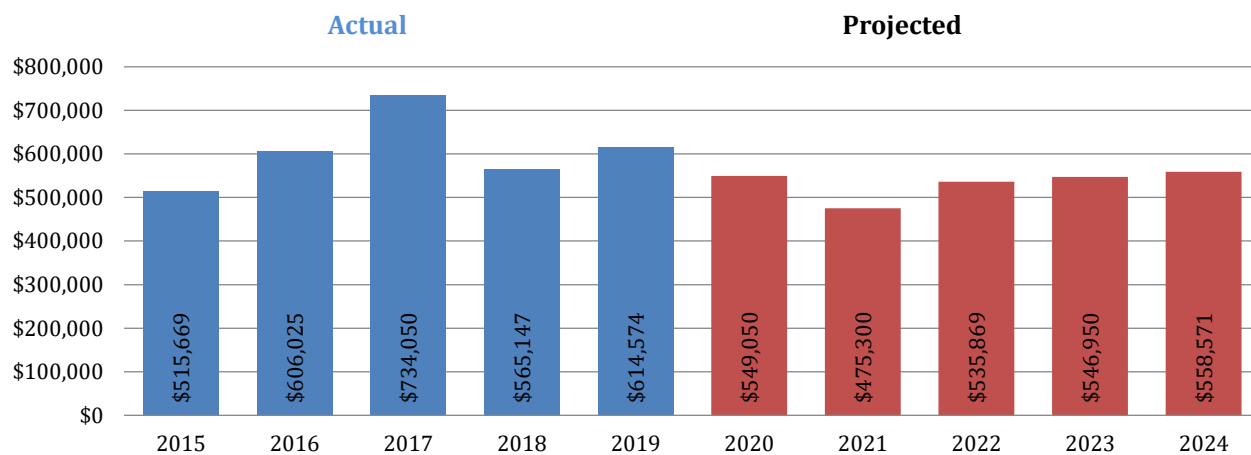
Purchased Services are over 15% of the District's operating expenditures.. Expenses accounted for in this line are costs that include professional services, special education and other therapy services, utilities, repairs and maintenance, staff professional development, transportation charges, property and liability insurances, equipment repair, contract agreements and tuition for open-enrollment out and community schools deductions to name a few. Increases for this line are due to rising costs, instability in utility usage which is affected by the weather and alterations in the types and amounts of special education services provided that will change with the needs of the student population. Increases in this line vary depending on the service.

The majority of these expenditures are not in the district's control as they are services dictated by specific students needs or IEPs. Almost 75% of the district's purchased services expenditures are Open Enrollment or Charter School payments and Special Education Tuition payments. Around 20% are utilities.

The significant change from the forecast that was presented in April in this line is due to CARES funding. The district is slated to receive \$210,000 in CARES funding, but because it is coming from the Federal Government and is passed through the state it will be like Title I and Title II-A and Title-IV funds which are not reflected on the forecast as revenues. However that funding will offset district expenditures so a reduction in expenditures equal to the CARES funding is now reflected in this line.

3.040 - Supplies & Materials

Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



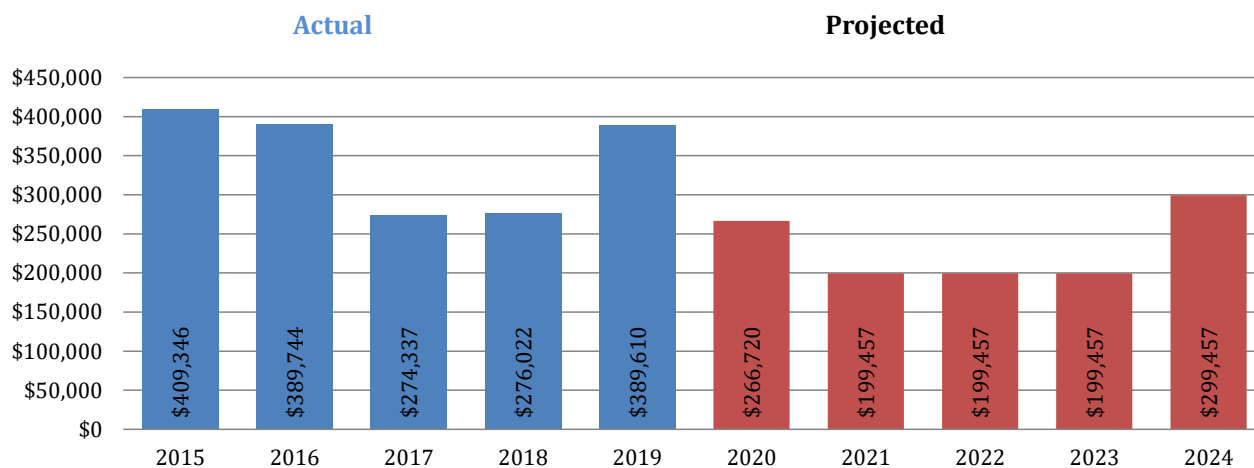
	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	614,574	549,050	475,300	535,869	546,950	558,571
YOY \$ Change	49,427	(65,524)	(73,750)	60,569	11,081	11,621
YOY % Change	8.7%	-10.7%	-13.4%	12.7%	2.1%	2.1%
Percentage of Total Budget	3.3%	3.0%	2.6%	2.9%	2.9%	2.8%

Expenses in this line constitute less than 4% of the overall annual district expenditures. Supplies and materials are based on the needs of the staff and are based on a per pupil budget amount that is provided to each principal to set their building budget. The expenditures in this category are everything from textbooks and crayons to mops, floor wax and tires and fuel.

As stated earlier, because of the reduction in state funding budget cuts had to be made somewhere and supplies are an area in which we can control without negotiating. Supply budgets have been reduced significantly since the April forecast presentation.

3.050 - Capital Outlay

This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	389,610	266,720	199,457	199,457	199,457	299,457
YOY \$ Change	113,588	(122,890)	(67,263)	-	-	100,000
YOY % Change	41.2%	-31.5%	-25.2%	0.0%	0.0%	50.1%
Percentage of Total Budget	2.1%	1.4%	1.1%	1.1%	1.0%	1.5%

There has been a significant change to Capital Outlay since April. In April I anticipated replacing one bus this year. The need to replace a bus has not gone away but due to the foundation cuts our ability to purchase a bus has. The purchase of a replacement bus has been eliminated from the forecast for next year.

Capital Outlay expenditures in this line constitute less than 2% of the over district expenditures so are not significant on the overall impact of the district's expenditures. The District had been purchasing busses at the rate of two buses each year since 2012 to reduce the amount spent on parts/repairs. In FY20 the district is forecasted to purchase one micro-bus and replace one van. The remaining 4 years of this forecast have only one bus purchases reflected in this line. Bus purchases make up around 35% of the projected Capital Outlay Expenditures. The district has set aside the Casino revenue that we receive, which is about \$84,000 annually, specifically for student technology upgrades and replacement, therefore around 30% of the Capital Outlay is for student technology. The remaining 35% is forecasted as a budget to replace equipment that breaks, wears out or simply needs upgraded. Items such as band instruments, printers, photocopiers, safety/security equipment, projectors, and other classroom technology equipment make up the remaining 35% of this budget line. This line item is low because a majority of the district's equipment is purchased with Permanent Improvement funds (003) that are not included within the Five year Forecast.

Other than photocopy expenditures which are based on usage, these expenditures are not effected by the stay at home order because the district is still maintaining and updating technology, I had already projected a large percentage decrease in this line item in October, which once again because this is only around 1.5% of the district's overall budget is not a large dollar amount relatively speaking, so the changes here are based on actual expenditures.

3.060-4.060 - Intergovernmental & Debt

These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.

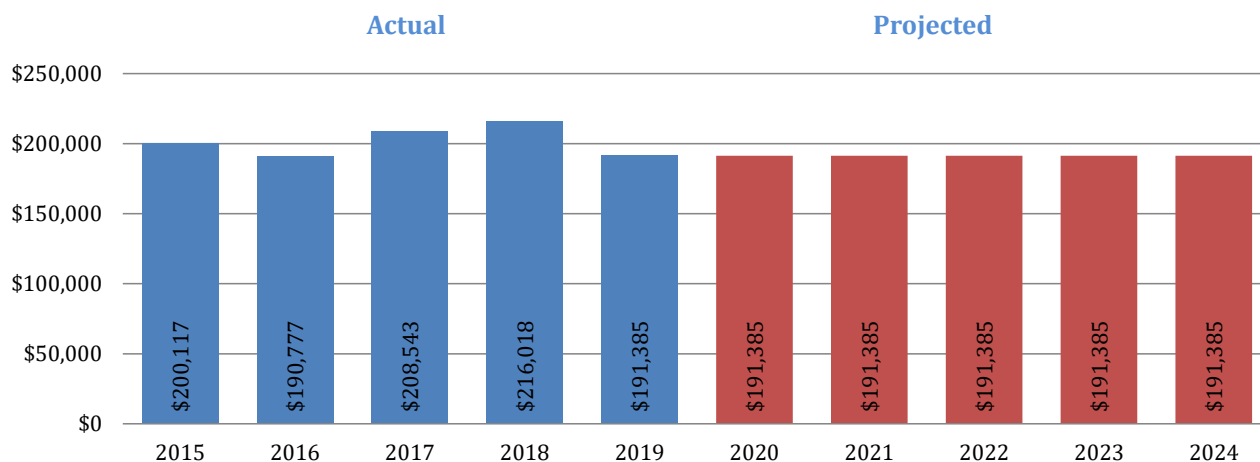
	Actual					Projected				
\$1										
\$1										
\$1										
\$1										
\$1										
\$1										
\$0										
\$0										
\$0										
\$0										
\$0										
\$0										
\$0										
\$0										
\$0										
\$0										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024

	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	-	-	-	-	-	-
YOY \$ Change	-	-	-	-	-	-
YOY % Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Budget	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Nothing to report for this area.

4.300 - Other Objects

Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	191,385	191,385	191,385	191,385	191,385	191,385
YOY \$ Change	(24,633)	(0)	-	-	-	-
YOY % Change	-11.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Budget	1.0%	1.0%	1.1%	1.0%	1.0%	1.0%

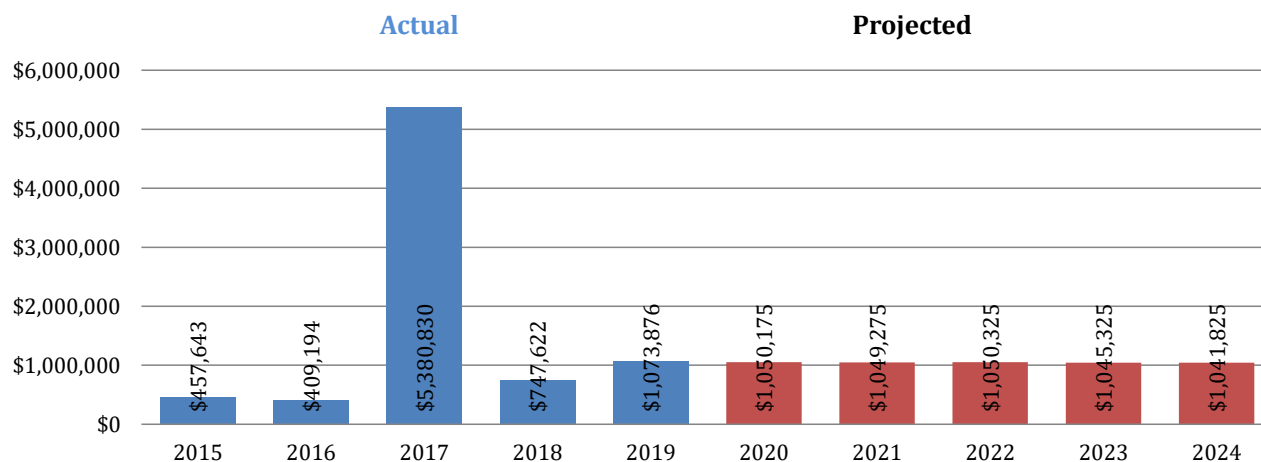
No increases per year were forecasted for this line. At around 1% of overall expenditures, this line is not significant and accounts for a minimal amount of the overall expenses. Items in this line are expenses such as County Auditor/Treasurer Fees, Bank Fees, Insurances, Audit costs and Board of Elections expenses. As a district we are required to pay fees to the county auditor to have our real estate taxes collected and dispersed, fees to the Ohio Department of Taxation to collect the district's income tax, pay for annual audits and fees to the Auditor of State that we are required to have done, and fees by the Board of Elections if we want to be placed on the ballot. These annual fees are considered a cost to do business and are not able to be negotiated or changed so are out of the control of the district.

The district has little to no control over any expenditures that occur in this line of the forecast.

There is no change in this line from what was presented in April.

5.040 - Total Other Financing Uses

Operating transfers-out, advances out to other funds, and all other general fund financing uses.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	1,073,876	1,050,175	1,049,275	1,050,325	1,045,325	1,041,825
YOY \$ Change	326,254	(23,701)	(900)	1,050	(5,000)	(3,500)
YOY % Change	43.6%	-2.2%	-0.1%	0.1%	-0.5%	-0.3%

Percentage of Total Budget	5.7%	5.7%	5.8%	5.6%	5.5%	5.3%
----------------------------	------	------	------	------	------	------

Transfers Out	1,073,876	1,050,175	1,049,275	1,050,325	1,045,325	1,041,825
Advances Out	-	-	-	-	-	-

This line includes transfers to the Athletic Fund to cover personnel expenses for supplemental contracts, bussing to extracurricular events, custodial overtime associated with extracurricular events, and the compensation for the athletic director.

Because the bond to build new elementary facilities is backed by the district's earned income tax, the proceeds come into the general fund and are recorded in line 1.030. The bond payments are paid from another fund, (002) which is not reflected in the forecast. Therefore the amount for the debt service is reflected here as a transferred from General Fund into the Bond Fund (002) annually. These expenditures are what was commonly referred to as the debt service. Part of the amount that is transferred is to cover the supplemental contracts and extracurricular events is a function of the negotiated agreement and is not able to be cut out without reducing extracurricular activities. The remaining amount is for bond repayment and has been agreed to by the board in order to finance new facilities and cannot be changed as it is part of a set repayment schedule. It increases annually because the debt payment increases annually. The district's debt service is not like a conventional house or car loan so the annual payment is not exactly the same every year. Because of that there are slight changes forecasted in this line as they are based on those annual payment amounts. The largest variable in this line is the amount of money transferred for extracurricular activities as that will change due to the negotiated agreement and the experience of the coaches as that effects the amount that is paid on the supplemental contracts.

Because the district still paid all supplemental contracts there was no reduction forecasted in this line it over the October forecast due to the Covid-19 stay at home order. All transfers are projected to remain as they were forecasted in October.

There is no change in this line from what was presented in April.

Clear Fork Valley LSD

Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2019	2020	2021	2022	2023	2024
Revenue:						
1.010 - General Property Tax (Real Estate)	3,418,054	3,468,330	3,392,202	3,412,293	3,535,611	3,637,543
1.020 - Public Utility Personal Property	969,940	1,200,146	1,443,651	1,552,401	1,666,588	1,791,651
1.030 - Income Tax	2,162,854	2,277,678	1,986,767	2,036,436	2,087,347	2,139,530
1.035 - Unrestricted Grants-in-Aid	8,287,097	7,968,315	7,280,105	7,762,225	8,008,097	8,253,970
1.040 - Restricted Grants-in-Aid	199,003	199,003	199,003	199,003	199,003	199,003
1.050 - Property Tax Allocation	560,308	562,882	569,956	575,332	579,257	588,340
1.060 - All Other Operating Revenues	1,886,518	1,822,695	1,760,129	1,750,725	1,746,278	1,745,830
1.070 - Total Revenue	17,483,774	17,499,049	16,631,813	17,288,415	17,822,181	18,355,867
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	88,391	-	-	-	-
2.050 - Advances-In	-	-	-	-	-	-
2.060 - All Other Financing Sources	70,381	121,262	74,000	74,000	74,000	74,000
2.070 - Total Other Financing Sources	70,381	209,653	74,000	74,000	74,000	74,000
2.080 - Total Rev & Other Sources	17,554,154	17,708,702	16,705,813	17,362,415	17,896,181	18,429,867
Expenditures:						
3.010 - Personnel Services	8,798,641	8,842,786	8,833,966	8,879,428	8,922,153	8,963,597
3.020 - Employee Benefits	4,674,680	4,672,451	4,811,725	5,422,766	5,760,855	6,128,219
3.030 - Purchased Services	2,976,285	2,826,320	2,533,903	2,452,904	2,420,614	2,433,304
3.040 - Supplies and Materials	614,574	549,050	475,300	535,869	546,950	558,571
3.050 - Capital Outlay	389,610	266,720	199,457	199,457	199,457	299,457
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	191,385	191,385	191,385	191,385	191,385	191,385
4.500 - Total Expenditures	17,645,176	17,348,712	17,045,736	17,681,809	18,041,414	18,574,533
Other Financing Uses						
5.010 - Operating Transfers-Out	1,073,876	1,050,175	1,049,275	1,050,325	1,045,325	1,041,825
5.020 - Advances-Out	-	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	1,073,876	1,050,175	1,049,275	1,050,325	1,045,325	1,041,825
5.050 - Total Exp and Other Financing Uses	18,719,051	18,398,887	18,095,011	18,732,134	19,086,739	19,616,358
6.010 - Excess of Rev Over/(Under) Exp	(1,164,897)	(690,185)	(1,389,198)	(1,369,719)	(1,190,558)	(1,186,491)
7.010 - Cash Balance July 1 (No Levies)	4,690,613	3,525,716	2,835,531	1,446,334	76,615	(1,113,943)
7.020 - Cash Balance June 30 (No Levies)	3,525,716	2,835,531	1,446,334	76,615	(1,113,943)	(2,300,434)
		Reservations				
8.010 - Estimated Encumbrances June 30	-	-	-	-	-	-
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	3,525,716	2,835,531	1,446,334	76,615	(1,113,943)	(2,300,434)
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Renewal Levies	-	-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-
12.010 - Fund Bal June 30 for Cert of Obligations	3,525,716	2,835,531	1,446,334	76,615	(1,113,943)	(2,300,434)
Revenue from New Levies						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	3,525,716	2,835,531	1,446,334	76,615	(1,113,943)	(2,300,434)