CLEAR FORK VALLEY LOCAL SCHOOL DISTRICT- RICHLAND COUNTY

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS ENDED JUNE 30, 2017, 2018 and 2019 ACTUAL FORECASTED FISCAL YEARS ENDING JUNE 30, 2021 THROUGH JUNE 30, 2025

Forecast Provided By
Clear Fork Valley Local School District
Treasurer's Office
Bradd Stevens, Treasurer/CFO

May 20, 2021

Clear Fork Valley Local School District

Richland 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 2,018	Fiscal Year 2,019	Fiscal Year 2,020	Average Change	Fiscal Year 2,021	Fiscal Year 2,022	Fiscal Year 2,023	Fiscal Year 2,024	Fiscal Year 2,025
	Revenues									
1.010	General Property Tax (Real Estate)	3,485,783	3,418,054	3,515,051	0.4%	3,726,773	3,904,525	3,948,666	4,059,801	4,141,886
1.020	Public Utility Personal Property Tax	868,459	969,940	1,230,194	19.3%	1,594,428	1,702,731	1,767,981	1,833,231	1,898,481
1.030	Income Tax	2,132,038	2,162,853	2,277,678	3.4%	2,344,696	2,344,696	2,368,143	2,391,824	2,415,743
1.035	Unrestricted State Grants-in-Aid	8,342,883	8,287,096	8,008,156	-2.0%	8,170,308	8,290,605	8,292,370	8,294,170	8,296,007
1.040	Restricted State Grants-in-Aid	177,408	199,004	199,274	6.2%	199,273	199,273	199,273	199,273	199,273
1.045	Restricted Federal Grants In Aid	0	0	0	0.0%	0	0	0	0	0
1.050	Property Tax Allocation	560,119	560,308	561,567	0.1%	578,501	577,446	584,231	600,257	614,713
1.060	All Other Revenues	1,749,498	1,887,017	1,830,797	2.4%	1,608,317	1,594,317	1,581,717	1,570,377	1,560,171
1.070	*Total Revenues*	17,316,188	17,484,272	17,622,717	0.9%	18,222,297	18,613,592	18,742,381	18,948,932	19,126,272
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	0	0	0	0.0%	0	0	0	0	0
2.020	State Emergency Loans and Advancements (Approved)	0	0	0	0.0%	0	0	0	0	0
2.040	Operating Transfers-In	175	0	88,391	0.0%	859	0	0	0	0
2.050	Advances-In	0	0	0	0.0%	0	0	0	0	0
2.060	All Other Financing Sources	74,069	70,380	176,263	72.7%	316,071	74,000	74,000	74,000	74,000
2.070	*Total Other Financing Sources*	74,244	70,380	264,654	135.4%	316,930	74,000	74,000	74,000	74,000
2.080	*Total Revenues and Other Financing Sources*	17,390,432	17,554,652	17,887,371	1.4%	18,539,227	18,687,592	18,816,381	19,022,932	19,200,272
	Expenditures									
3.010	Personnel Services	8,712,543	8,798,641	8,870,437	0.9%	8,742,376	8,893,187	9,133,868	9,381,221	9,725,795
3.020	Employees' Retirement/Insurance Benefits	4,139,433	4,674,679	4,614,555	5.8%	4,663,975	4,775,321	5,101,256	5,454,432	5,874,068
3.030	Purchased Services	2,594,270	2,973,286	2,745,541	3.5%	2,620,376	2,656,446	2,703,198	2,750,961	2,799,756
3.040	Supplies and Materials	565,146	615,073	573,437	1.0%	335,762	414,600	418,272	547,017	550,838
3.050	Capital Outlay	276,023	389,611	131,685	-12.5%	158,000	168,000	70,000	110,000	214,000
3.060	Intergovernmental	0	0	0	0.0%	0	0	0	0	0
	Debt Service:				0.0%					
4.010	Principal-All (Historical Only)	0	0	0	0.0%	0	0	0	0	0
4.020	Principal-Notes	0	0	0	0.0%	0	0	0	0	0
4.030	Principal-State Loans	0	0	0	0.0%	0	0	0	0	0
4.040	Principal-State Advancements	0	0	0	0.0%	0	0	0	0	0
4.050	Principal-HB 264 Loans	0	0	0	0.0%	0	0	0	0	0
4.055	Principal-Other	0	0	0	0.0%	0	0	0	0	0
4.060	Interest and Fiscal Charges	0	0	0	0.0%	0	0	0	0	0
4.300	Other Objects	216,017	194,386	195,251	-4.8%	199,797	204,467	209,263	214,190	219,251
4.500	*Total Expenditures*	16,503,432	17,645,676	17,130,906	2.0%	16,720,286	17,112,020	17,635,858	18,457,821	19,383,708
							0	0	0	0
	Other Financing Uses									
5.010	Operating Transfers-Out	747,622	1,073,875	1,081,668	22.2%	1,049,275	1,050,325	1,045,325	1,041,825	1,022,775
5.020	Advances-Out	0	0	0	0.0%	0	0	0	0	0
5.030	All Other Financing Uses	0	0	0	0.0%	0	0	0	0	0
5.040	*Total Other Financing Uses*	747,622	1,073,875	1,081,668	22.2%	1,049,275	1,050,325	1,045,325	1,041,825	1,022,775
5.050	*Total Expenditures and Other Financing Uses*	17,251,054	18,719,551	18,212,574	2.9%	17,769,561	18,162,345	18,681,183	19,499,646	20,406,483
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	139,378	(1,164,899)	(325,203)	-503.9%	769,666	525,247	135,198	(476,714)	(1,206,210)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	4,551,229	4,690,607	3,525,708	-10.9%	3,200,505	3,970,171	4,495,418	4,630,616	4,153,902
7.020	*Cash Balance June 30*	4,690,607	3,525,708	3,200,505	-17.0%	3,970,171	4,495,418	4,630,616	4,153,902	2,947,691
8.010	*Estimated Encumbrances June 30*	13,859	(221,456)	0	-899.0%	0	0	0	0	0
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal	0	0	0	0.0%	0	0	0	0	0
11.020	Property Tax - Renewal or Replacement	0	0	0	0.0%	0	0	0	0	0
11.300	Cumulative Balance of Replacement/Renewal Levies	0	0	0	0.0%	0	0	0	0	0
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	4,676,748	3,747,164	3,200,505	-17.2%	3,970,171	4,495,418	4,630,616	4,153,902	2,947,691
	Revenue from New Levies									
13.010	Income Tax - New	0	0	0	0.0%	0	0	0	0	0
13.020	Property Tax - New	0	0	0	0.0%	0	0	0	0	0
13.030	Cumulative Balance of New Levies	0	0	0	0.0%	0	0	0	0	0
15.010	*Unreserved Fund Balance June 30*	4,676,748	3,747,164	3,200,505	-17.2%	3,970,171	4,495,418	4,630,616	4,153,902	2,947,691

Clear Fork Valley Local School District –Richland County
Notes to the Five Year Forecast
General Fund Only

Introduction to the Five Year Forecast
School districts are required to file a five (5) year financial forecast by November 30, 2020, and May 31, 2021 for fiscal year 2021 (July 1, 2020 to June 30, 2021). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. 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 May 2021 filing.

Economic Outlook
This five-year forecast is being filed during a recovery from the COVID-19 Pandemic and a health and financial struggle that encompassed our state, country and global economy. School districts play a vital role in their communities and we believe it is important to maintain continuity of services to our students and staff. The district has maintained services to students throughout the Pandemic. The State of Ohio's economic pressure has not been as great as first expected due to the effects of the pandemic thus the restoration of a portion of the original school foundation funding cuts was ordered by the Governor on January 22, 2021. Federal funding sent to school districts through the Elementary and Secondary Schools Education Relief Funds (ESSER) has also been a much needed resource to offset the loss of state funding. Additional Federal CARES Act funding was used to cover the costs of additional technology needs, personal protective equipment, and cleaning costs caused by the pandemic. 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.

May 2021 Updates:

Revenues FY21:
The overview of revenues shows that we are substantially on target with original estimates at this point in the year. Total General Fund revenues (line 1.07) are estimated to be $18,222,297 or 0.96% higher than the November forecasted amount of $18,049,162.

State Aide, as noted above, began the year with continued cuts at the FY20 level; however, on January 22, 2021 Governor DeWine reinstated funding of approximately 53% of those reductions thus having a positive impact for our district's revenue.

All other areas of revenue are tracking as anticipated for FY21 based on our best information at this time.

Expenditures FY21:
Total General Fund expenditures (line 4.5) are estimated to be $16,720,286 for FY21 which is below the original estimate of $17,817,735 in the November forecast. The expenditure lines most significantly below projections are Personnel Services and Benefits (line 3.01 and 3.02) for reduction in substitute and supplemental salaries and benefits, Purchased Services (line 3.03) reduction in legal fees and Supplies (line3.04) offset costs to ESSER funds.

Unreserved Ending Cash Balance:
With revenues increasing over estimates and expenditures ending below estimates, our ending unreserved cash balance June 30, 2021 is anticipated to be roughly $3.97 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through FY25 if assumptions we have made for state aid in future state budgets remain close to our estimates, and there are no future state budget cuts to our funding beyond FY21.

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) Richland County experienced the triennial update and Knox County experienced reappraisal for the 2020 tax year to be collected in 2021, which increased residential/agricultural, assessed values by $20.4 million or an increase of 11.15%, and an increase of 0.97% for commercial/industrial values. The changes authorized by HB49 to CAUV values lower Class I agricultural values for counties experiencing a reappraisal or update beginning in Tax Year 2017. Since Richland and Knox County both experienced a reappraisal or update in 2017, these changes essentially took effect immediately and decreased our agricultural assessed valuation by 17% compared to Tax Year 2016 and both counties experienced decreases in CAUV for the 2020 reappraisal cycles. The decrease in CAUV shifts a larger tax burden to residential taxpayers which may be an unintended consequence of the legislature responding to agricultural interests.

2) The State Budget represented nearly 49.11% of district revenues in FY21 and is an area of risk to revenue. The future risk comes in FY22 and beyond if the state economy worsens or if the funding formula in future state budgets reduce funding to our district. There are two future State Biennium Budgets covering the period from FY22-23 and FY24-25 in this forecast. Future uncertainty in both the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long range through FY24. We have projected our state funding to be in line with our current estimates through FY24 which we feel are conservative and should be close to whatever the state approves for the FY22-23 biennium budget. We will adjust the forecast in future years as we have data to help guide this decision

3) HB166 the current state budget for FY20-21 has frozen funding for all school districts in Ohio at their FY19 level with the only exception being the addition of Enrollment Growth Supplement money for a small number of growing districts. Enrollment Growth Supplement money is paid to a small number of growing districts and Sub. HB110 also proposes these funds be continued in FY22 and FY23 at current FY21 levels. We have assumed these funds will continue at the guarantee level through FY25. Student Wellness and Success (SWSF) is new revenue to school districts in FY20 and FY21 but is restricted in use and must be placed in Fund 467 and are NOT General Fund revenue and consequently not included in this forecast. The current proposed state budget for FY22 - FY23 is Sub. HB110 and it includes increases for SWSF for each year of the biennium budget along with guarantees that no district will receive less funding than they received in FY21. We have assumed this money will continue through FY25.

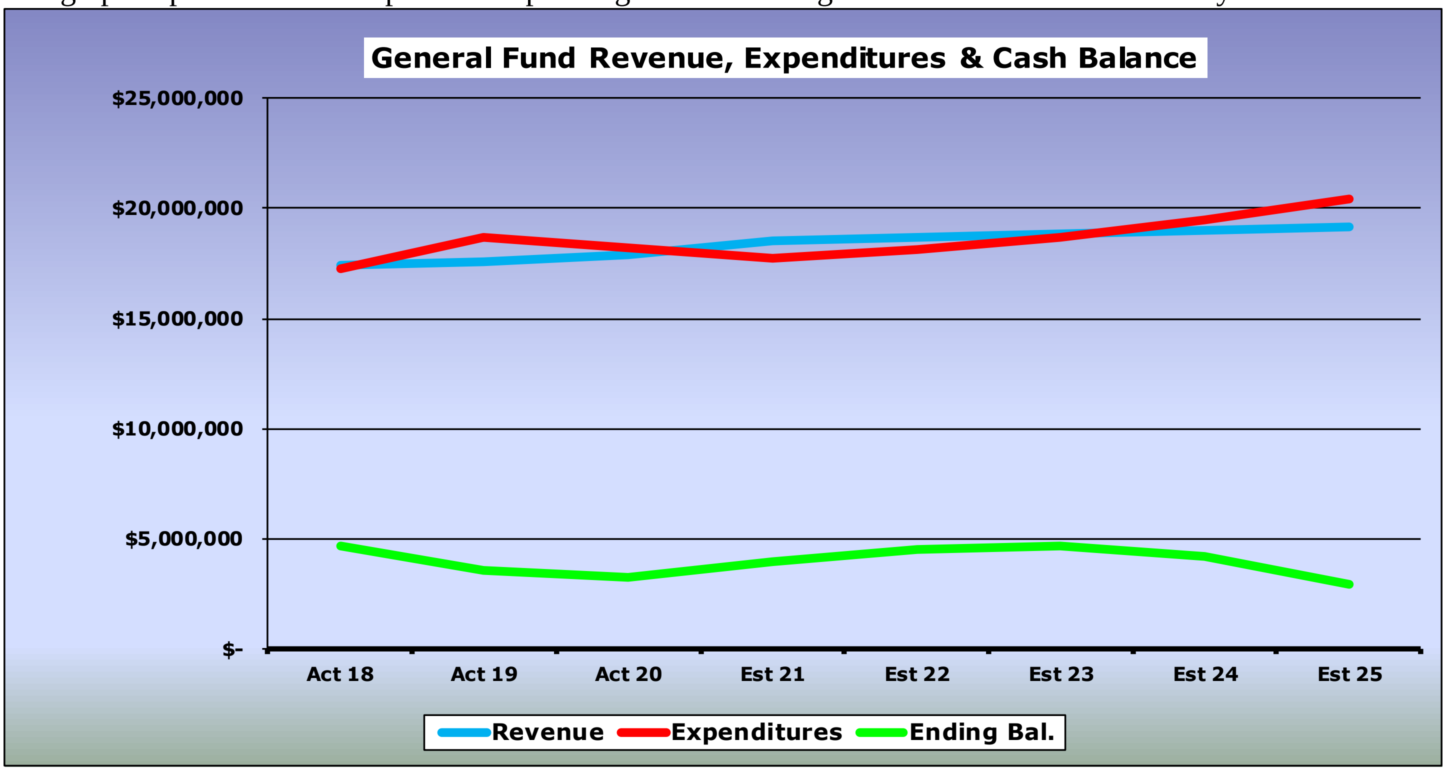
4) HB166 continues the many provisions contained in prior state biennium budgets that will continue to draw funds away from our district through continuing school choice programs such as College Credit Plus, Community Schools and increases in per pupil scholarship amounts deducted from our state aid in the 2019-21 school years, even though funding for our students was not increased to our district for this biennium budget. College Credit Plus costs continue to increase as this program becomes more understood. These are examples of new choice programs that increase with each biennium budget and cost the district money. Expansion or creation of programs such as these exposes the district to new expenditures that are not currently in the forecast. We are monitoring any new threats to our state aid and increased costs very closely as the proposed new state budget bill Sub.HB110 moves through the legislative process.

5) The enrollment reporting for the state is very difficult to track. This is another area that we must monitor very closely especially with the increased enrollment that we are expecting from new housing developments.

6) Labor relations in the district have been fairly amicable with all parties working for the best interest of students and realizing the resource challenges the district faces. We believe as the district moves forward a good working relationship will continue.

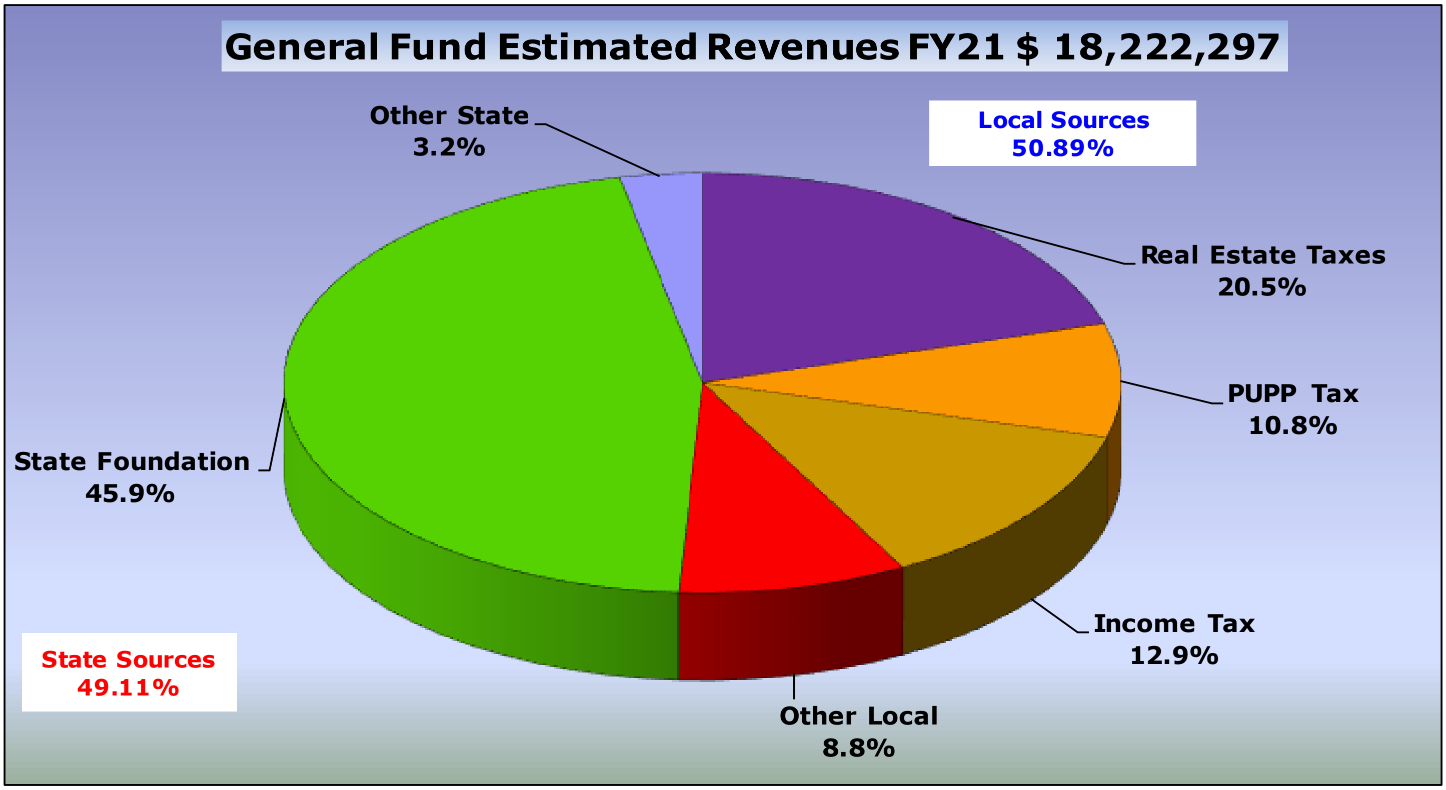
The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information please feel free to contact Bradd Stevens, Treasurer at 740-965-3010.

General Fund Revenue, Expenditure 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

All Revenue Sources General Fund FY21



Real Estate Value Assumptions – Line #1.010

The Clear Fork Valley School district is located in Richland and Knox Counties. The County Auditors establish property values each year based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values.

The district is very fortunate that Richland and Knox Counties have the reappraisal or update in the same year, even though they are not on the same full reappraisal cycle it is very helpful as to being able to watch the changes in an update for the next reappraisal between the two counties. The counties went through a reappraisal/update cycle for the 2020 tax year to be collected in 2021, which included an 11.15% increase or $24.4 million in Class I reappraisal and a 0.97% or$121,780 increase for Class II.

The Class I reappraisal/update includes the decreases for CAUV due to the changes in HB49 that took effect in the first year for any county going through either reappraisal or update after the passage of the law, which for our district was in 2017. The district experienced a decrease in agriculture values in 2017 of 17% the first year possible. Both counties have went through the cycle for the second time and have experienced the second loss in agricultural values of 7.5% for a total loss due to reappraisal or update of 24.5%. The decrease in CAUV will cause a shift in taxes from agricultural taxpayers to residential taxpayers and may contribute to lower than anticipated taxes to our district.

The next reappraisal/update cycle will occur in 2023 for collection in 202. The district is estimating a 3% increase of values for Class I and a 0.2% increase in Class II for this update.

The growth of new construction for homes is anticipated to increase the district's valuations each year between the update in 2020 reappraisal in 2023. House Bill 920 decreases effective tax rates so the district tax revenues are held harmless, until the effective millage is lowered to 20 mills, with the growth in new construction in Class I the district is expected to be on the 20 mill floor with the reappraisal in 2023 for collection in 2024. No district can collect less than 20 mills if the district voted millage is greater than 20 mills. Only the Class I rates will be at the 20 mill floor with the new values.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Actual	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.	206,022,380	207,520,391	210,359,151	219,404,926	221,249,628
Comm./Ind.	12,160,920	12,124,568	12,120,942	12,335,184	12,298,884
Public Utility Personal Property (PUPP)	38,393,230	39,893,230	41,393,230	42,893,230	44,393,230
Total Assessed Value	256,576,530	259,538,189	263,873,323	274,633,340	277,941,743

Estimated Real Estate Tax Collection

Property tax levies are estimated to be collected at 97% of the annual amount. Technically 100% of taxes will be settled on property due to Ohio's property tax laws but due to delinquencies we are calculating the taxes at a lower collection rate. Property taxes are estimated to be collected at 57.59% of the Class I and Class II in the February tax settlements and 42.41% collected in the August tax settlements.

ESTIMATED REAL ESTATE TAX - Line #1.010

Source	FY 21	FY 22	FY 23	FY 24	FY 25
Est. Property Taxes Line #1.010	$3,726,773	$3,904,525	$3,948,666	$4,059,801	$4,141,886

Estimated Tangible Personal Tax & PUPP Taxes – Line #1.020

The phase out of TPP taxes as noted earlier began in FY06 which was also included with this line. HB66 was adopted in June 2005 and the provisions of the legislation have estimated the general tangible personal property tax would be eliminated after FY11. Any TPP revenues received FY12 and beyond are delinquent TPP taxes. The amounts received below are generally all Public Utility Personal Property (PUPP) taxes which are an ongoing property tax collection. Collections are typically 50% in February and 50% in August along with the real estate settlements from the county auditor.

ESTIMATED PUBLIC UTILITY PERSONAL TAX – Line #1.020

Source	FY 21	FY 22	FY 23	FY 24	FY 25
Public Utility Personal Property Taxes	$1,594,428	$1,702,731	$1,767,981	$1,833,231	$1,898,481

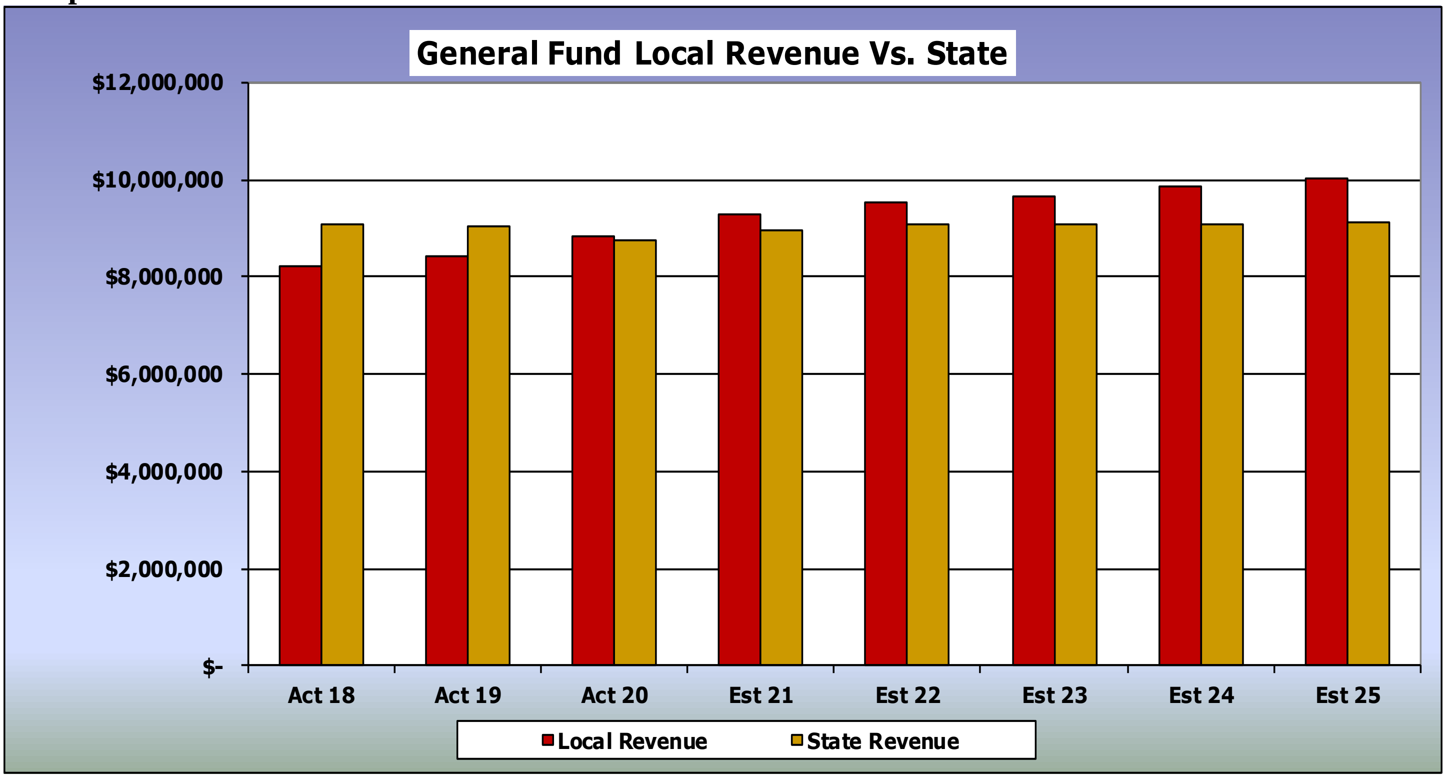
School District Income Tax – Line #1.03

Residents approved a 1% income tax levy that was approved in 2013 that expires December 31, 2037. School District Income tax will be impacted by the COVID-19 Recession due to record levels of high unemployment and from the tax due date being changed from April 15th to July15th for 2019 taxes.

The district experienced a substantial decrease in our July payment due to the change in the filing deadline. However, our district did not see a decrease overall in the first two quarters after tax payers made their payments with the new deadline of July15th, but we still do not expect to see the increase that we experienced in the previous year. Based on the actual amounts that we received in FY21 there was a 2.94% increase over the amount received in FY21. With the increase in FY21 and the current economy we are not including any increase in FY22 and then an increase of 1% in FY23 through FY25 each year; we will continue to monitor these amounts until we receive additional information.

Source	FY 21	FY 22	FY 23	FY 24	FY 25
SDIT Collection	$2,277,678	$2,344,696	$2,344,696	$2,368,143	$2,391,824
Adjustments	$67,018	$0	$23,447	$23,681	$23,918
Total to Line #1.030	$2,344,696	$2,344,696	$2,368,143	$2,391,824	$2,415,743

Comparison of Local and State Revenue



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

A) Unrestricted State Foundation Revenue & Casino Revenue– Line #1.035

The amounts estimated for state funding are based on HB166 which on May 6, 2020 was cut and then funding partially restored by executive order signed January 22, 2021 by the Governor. 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. HB1, aka the Fair School Funding plan, is currently being considered by the legislature and has been combined with Sub. HB110 and will produce a successor funding formula for the FY22-23 biennium budget. Currently Sub. HB110, the proposed budget, projects funding for districts at FY19 guarantee amounts for FY22 and FY23. For this reason, we have projected state aid flat at the FY19 funding level through FY25 as we have nothing authoritative to rely on at this time. At this time we are expecting that the FY19 level will be used for FY22-FY25, however due to enrollment decreases we are deducting $80,000 from each year of funding.

Foundation Funding Partially Restored January 22, 2021 for FY21

On January 22, 2021 the Governor signed an executive order reinstating $160 million of previous cuts to public schools thus reducing the cuts in FY21. At this time the state funding for FY21 is being reduced $133,334 from the FY19 amount.

Enrollment Growth Supplement: This funding element that was also introduced by Am. Sub. HB 166 for implementation in FY20 is aimed at providing additional funding to school districts that have experienced increased enrollment the past 3 years. The district is to receive this funding in FY21 of $5,084.

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. In FY21, proposed funding ranges from $30 per student to $360 per student. All schools and students are to receive a minimum additional funding of $36,000 in FY21. All districts are guaranteed to get 131% of what they received in FY20, and the proposed state budget (Sub. HB110) is guaranteeing all districts will get 100% of what they received in FY21 for FY22 and FY23. Our district received $382,230 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, which is not included in this forecast, and are restricted to expenses that follow a plan developed in coordination with one of the approved community partner organizations approved in HB166.

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 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. As of March 4, 2013 all four (4) casinos were open for business and generating Gross Casino Tax Revenues (GCR). Thirty-three percent (33%) of the gross casino revenue is collected as a tax. School districts receive 34% of the 33% GCR that is paid into a student fund at the state level. These funds are distributed to school districts twice a year 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. In FY21, we are using the actual amount that the district received that included a decrease mainly for the closures of the casinos and not in response to the economic downturn. Prior to COVID-19 closure, casino revenues were growing modestly as the economy improved. Original projections for FY21-25 estimated a .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 FY22 when revenues return to the post COVID-19 level and have projected a modest 2% increase for FY23-25.

Source	FY 21	FY 22	FY 23	FY 24	FY 25
Basic Aid-Unrestricted	$7,935,675	$8,037,478	$8,037,478	$8,037,478	$8,037,478
Additional Aid Items	$164,877	$164,877	$164,877	$164,877	$164,877
Basic Aid-Unrestricted Subtotal	$8,100,552	$8,202,355	$8,202,355	$8,202,355	$8,202,355
Ohio Casino Commission ODT	$69,756	$88,250	$90,015	$91,815	$93,652
Total Line # 1.035	$8,170,308	$8,290,605	$8,292,370	$8,294,170	$8,296,007

B) Restricted State Revenues – Line #1.040
HB64 continues funding two restricted sources of revenues to school district which are Economic Disadvantaged Funding and Career Technical Education funding. We have incorporated this amount into the restricted aid amount in Line # 1.04 for FY19-23. The district also submits for catastrophic costs, which provides reimbursement for a portion of the extraordinary costs paid for students with special needs.

Source	FY 21	FY 22	FY 23	FY 24	FY 25
Economically Disadvantage Aid	$83,094	$83,094	$83,094	$83,094	$83,094
Career Tech - Restricted	$116,179	$116,179	$116,179	$116,179	$116,179
Catastrophic Aid	$0	$0	$0	$0	$0
Total Line #1.040	$199,273	$199,273	$199,273	$199,273	$199,273

Restricted Federal Grants in Aid – Line #1.045

There is no additional restricted federal funding projected in this forecast.

Summary of State Foundation Revenues

SUMMARY	FY 21	FY 22	FY 23	FY 24	FY 25
Unrestricted Line # 1.035	$8,170,308	$8,290,605	$8,292,370	$8,294,170	$8,296,007
Restricted Line # 1.040	$199,273	$199,273	$199,273	$199,273	$199,273
Restricted Fed. Grants - Line #1.045	$0	$0	$0	$0	$0
Total State Foundation Revenue	$8,369,581	$8,489,878	$8,491,643	$8,493,443	$8,495,280

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 also credits paid to the district from the state of Ohio for qualified elderly and disabled. In 2007 HB119 expanded the Homestead Exemption for all seniors over age 65 years of age or older or who are disabled regardless of income. Effective September 29, 2013 HB59 changed the requirement for Homestead Exemptions. Individual taxpayers who did not currently have their Homestead Exemption approved or those who did not get a new application approved for tax year 2013, and who become eligible thereafter only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who had their Homestead Exemption as of September 29, 2013 did not lose it going forward and did not have to meet the new income qualification. These changes have slowed the growth of homestead reimbursements to the district, and as with the rollback reimbursements above, increases the taxes collected locally on taxpayers.

b) Tangible Personal Property Reimbursements –

The district does not receive any TPP Fixed Rate reimbursements.

Summary of State Tax Reimbursement – Line #1.050

Source	FY 21	FY 22	FY 23	FY 24	FY 25
Rollback and Homestead	$578,501	$577,446	$584,231	$600,257	$614,713
b) TPP Reimbursement - Fixed Rate	$0	$0	$0	$0	$0
Total Tax Reimb./Prop. Tax Allocations	$578,501	$577,446	$584,231	$600,257	$614,713

Other Local Revenues – Line #1.060

All other local revenue encompasses any type of revenue that does not fit into the above lines. The main source of revenue in this area is tuition for court placed students, open enrollment, general rental fees, interest earnings and Medicaid reimbursements.

Open Enrollment is the largest single item in this category we are using April #1 payment for the amount of revenue with no increase for the remainder of the forecast.

Interest income will increase and decrease as the cash position of the General Fund fluctuates over the forecast period. The district's balances available for investment vary month to month due to cash flow needs. As the district balances decrease we have decreased the amount of interest each year of the forecast. Due to the Federal Reserve lowering the interest rates to booster the economy from COVID-19 we are estimating that interest will be decreased by 34% in FY21 with decrease of 10% in each of the remaining years of the forecast. Security of the public funds collected by the district is the top priority of the treasurer's office.

Class fees are expected to decrease by 5% in FY21 due to COVID-19 with no increase in revenue for FY22-FY25.

We expect to see a $4,500 decrease in Medicaid and fees lines after adjusting for FY21 with no increase in future years of the forecast.

Source	FY 21	FY 22	FY 23	FY 24	FY 25
Tuition	$195,925	$195,925	$195,925	$195,925	$195,925
Open Enrollment	$1,086,828	$1,086,828	$1,086,828	$1,086,828	$1,086,828
Interest	$140,000	$126,000	$113,400	$102,060	$91,854
Class Fees	$65,973	$65,973	$65,973	$65,973	$65,973
Other Miscellaneous Receipts	$119,591	$119,591	$119,591	$119,591	$119,591
Total Line # 1.060	$1,608,317	$1,594,317	$1,581,717	$1,570,377	$1,560,171

Transfers In / Return of Advances – Line #2.040 & Line #2.050

These are non-operating revenues which are the repayment of short term loans to other funds over the previous fiscal year and reimbursements for expenses received for a previous fiscal year in the current fiscal year. The district does not anticipate any Transfers or Advances during the remainder of the forecast.

Source	FY 21	FY 22	FY 23	FY 24	FY 25
Transfers In - Line 2.040	$859	$0	$0	$0	$0
Advance Returns - Line 2.050	$0	$0	$0	$0	$0
Total Transfer & Advances In	$859	$0	$0	$0	$0

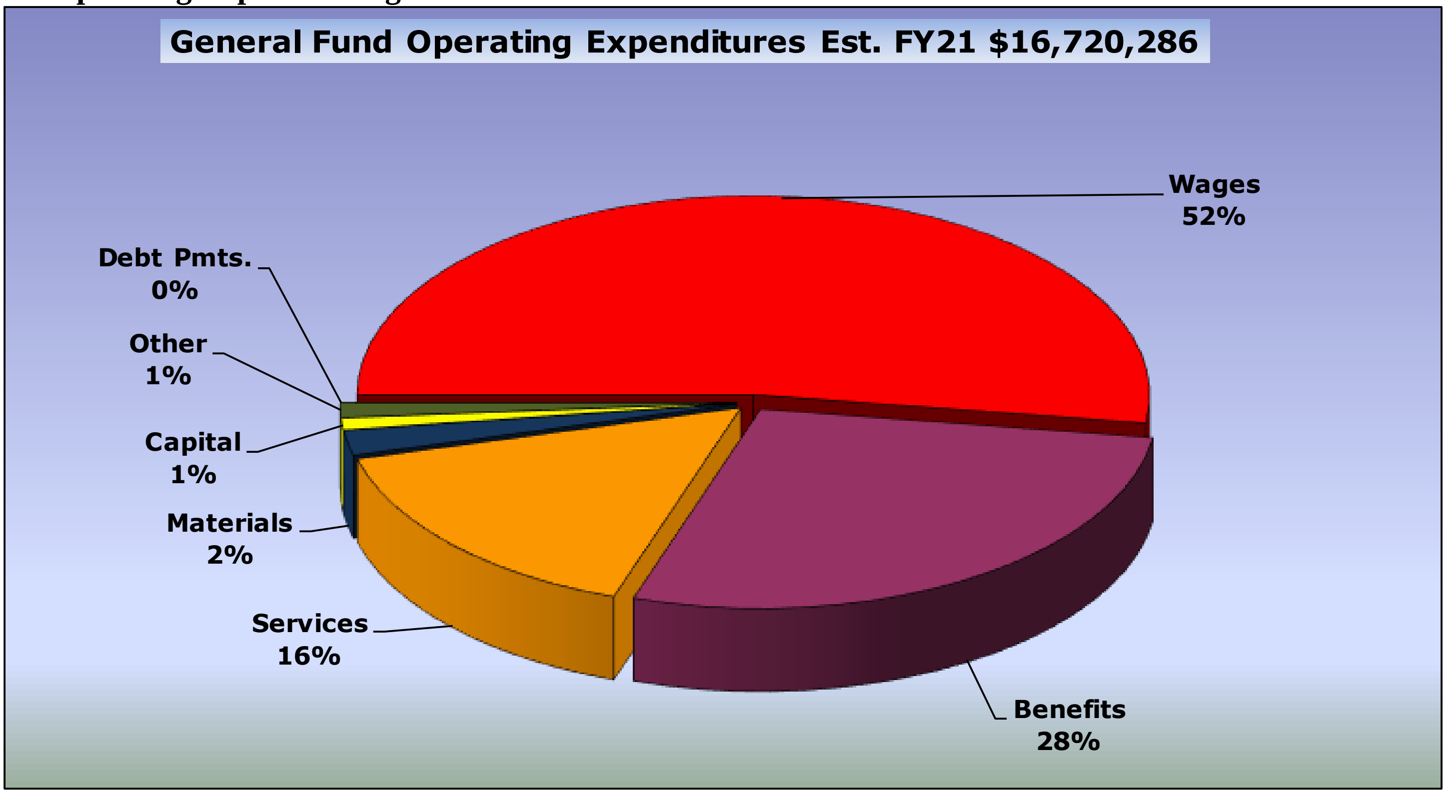
All Other Financial Sources – Line #2.060

This funding source is typically a refund of prior year expenditures that is very unpredictable. We did receive two (2) Bureau of Workers Compensation refunds in FY21 for $242,071. We will not project these refunds in FY22 through FY25 as BWC has announced efforts to reduce premiums to more closely align with anticipated claims so their excess reserves are not as high. The district is estimating amounts for FY22 through FY25 based on currently received receipts and historical trends for this revenue area.

Source	FY 21	FY 22	FY 23	FY 24	FY 25
All Other Sources Line #2.060	$316,071	$74,000	$74,000	$74,000	$74,000

Expenditures Assumptions

All Operating Expense Categories - General Fund FY21



Wages – Line #3.010
Based on the negotiated agreement with the certified staff in FY21 they will see changes in the step percentages and additional steps with no increase in FY23-FY25 and the classified staff will see a 0.5% increase in FY21 with no increase in FY22-FY25.

The district has not seen the increase in substitutes in FY21 that was expected and has reduced this line to $115,000 for both the certified and classified substitutes. We are increasing substitutes to be more in line with previous years, beginning in FY22 we are increasing the amounts to $110,000 certified and $70,000 classified and will maintain this amount throughout the forecast. The district will use ESER funds in FY22 to offset salaries with returning the amount to the forecast in FY25.

The district expects several retirements throughout the time of the forecast and has increased the severance payments to be more in line of previous years at $30,000 in FY22-FY25.

Summary of Personal Services – Line #3.010

Source	FY 21	FY 22	FY 23	FY 24	FY 25
Base Wages	$8,578,157	$8,516,176	$8,615,001	$8,853,637	$9,098,883
Base Wage Rate Increases	$0	$0	$0	$0	$0
Steps & Training	$171,563	$235,898	$238,636	$245,246	$252,039
Staff Growth/Replacement	$57,819	$11,564	$0	$0	$0
ESSER Adjusments	$0	($90,364)	$0	$0	$90,364
Substitutes - Certified	$70,000	$110,000	$110,000	$110,000	$110,000
Substitutes - Classified	$45,000	$70,000	$70,000	$70,000	$70,000
Supplemental	$66,200	$68,186	$70,232	$72,339	$74,509
Severance	$45,000	$30,000	$30,000	$30,000	$30,000
Staff Reductions (Retire/Resignation)	($291,363)	($58,273)	$0	$0	$0
Total Wages Line 3.010	$8,742,376	$8,893,187	$9,133,868	$9,381,221	$9,725,795

Fringe Benefits Estimates – Line #3.020

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 also required to pay SERS Surcharge which is an additional employer charge based on the salaries of lower-paid SERS members. It is exclusively used to fund health care.

B) Insurance

We are estimating an increase of 4.4% during FY21, an increase of 4.43% in FY22 and increases of 9% for FY23-25 which may be a little conservative due to the unpredictable nature of health insurance.

Implementation of Patient Protection and Affordable Care Act (PPACA) has cost our district additional funds. However, 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 based on the district’s rate of .53% of the total salaries paid for each year of the forecast. Unemployment Compensation is based on actual claims.

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.

E) Tuition and Other Benefits

The district reimburses staff for cost of tuition and those that do not take insurances. We are expecting that there not any increases for these items in FY21-FY25.

Summary of Fringe Benefits – Line #3.020

Source	FY 21	FY 22	FY 23	FY 24	FY 25
STRS/SERS	$1,399,891	$1,413,495	$1,449,393	$1,488,892	$1,542,137
Insurance's	$3,045,581	$3,147,603	$3,430,887	$3,739,667	$4,097,925
Workers Comp/Unemployment	$57,000	$49,134	$50,410	$51,720	$53,547
Medicare	$123,378	$126,964	$132,441	$136,028	$142,334
Tuition	$22,500	$22,500	$22,500	$22,500	$22,500
Other Benefits	$15,625	$15,625	$15,625	$15,625	$15,625
Total Line 3.020	$4,663,975	$4,775,321	$5,101,256	$5,454,432	$5,874,068

Purchased Services – Line #3.030
Bases services which include but not limited too are legal fees, management fees, utilities, health services, tuition for students attending other district and ESC service. The district is using April #1 for the Open Enrollment and Community School deductions with a 2% increase for FY22 through FY25.

The district is forecasting increases based on historical trends in all areas except Utilities for FY22-FY25. The utilities are expecting 3% increase throughout the forecast.

The district has experienced decreases in FY21 for building repairs and utilities that will be used as the base for increases in the remainder of the forecast. In FY21 the legal fees have decrease by $212,106 which the district does not expect for future needs which has decreased the amount throughout the forecast.

Purchased Services – Line #3.030

Source	FY 21	FY 22	FY 23	FY 24	FY 25
Insurance, Leases, Postage, & Other	$294,750	$300,645	$306,658	$312,791	$319,047
Professional Services, Legal Fees & ESC	$479,500	$489,090	$498,872	$508,849	$519,026
Open Enrollment	$476,725	$486,260	$495,985	$505,904	$516,022
Community Schools	$444,489	$444,489	$444,489	$444,489	$444,489
Other tuition	$494,412	$494,412	$504,300	$514,386	$524,674
Utilities	$244,000	$251,320	$258,860	$266,625	$274,624
Building Repairs & Services	$186,500	$190,230	$194,035	$197,915	$201,874
Total Line 3.030	$2,620,376	$2,656,446	$2,703,198	$2,750,961	$2,799,756

Supplies and Materials – Line #3.040
This category of expenses which are characterized by classroom supplies, textbooks, copy paper, and materials. The district is projecting the needs of the district for each year of the forecast.

ESSER funds and reduction in purchased due to the COVID-19 pandemic have decreased the amount of supplies for FY21 which also affect future years. The following are the changes from the November forecast: the district will offset expenditures for classroom supplies to ESSER funds in FY21 of $76,773 with additional offset in FY22 and FY23 of $125,000 each year. The curriculum reduction in FY21 of $76,000 is due to utilizing more digital curriculum and not purchasing the textbooks this year. With the reduction of days in session the bus fuel saw a decrease in FY21 of $47,465.

Source	FY 21	FY 22	FY 23	FY 24	FY 25
Classroom & General Supplies	$106,227	$58,000	$58,000	$183,000	$183,000
Textbooks & Electornic Instruction	$42,000	$118,000	$118,000	$118,000	$118,000
Maintenance & Transportation Supplies	$187,535	$238,600	$242,272	$246,017	$249,838
Total Line 3.040	$335,762	$414,600	$418,272	$547,017	$550,838

Equipment – Line #3.050
Capital Outlay expenditures are based on the needs of the district. The technology equipment is being increased in FY21 for needs of the students and district with the amount being increased for the remainder of the forecast. The district plans to purchase one bus each year in FY21, FY22, FY23 and FY25.

The district will utilize ESSER funds for allowable purchased that will decrease the amounts that were included in the November forecast for equipment. Capital outlay decreases are $25,000 in FY21, $20,000 in FY22, $15,000 in FY23 and $5,000 in FY24. Technology will be decreased by $65,000 in FY21, $55,000 in FY22, $50,000 in FY23 and FY24 and FY25 of $10,000 each year. The bus that will be purchased in FY23 of $62,000 will also be purchased with ESSER funds. Overall the district will be able to save the forecast a total of $307,000 that will be paid through the ESSER funding.

Source	FY 21	FY 22	FY 23	FY 24	FY 25
Capital Outlay	$45,000	$45,000	$45,000	$45,000	$45,000
Technology	$10,000	$20,000	$25,000	$65,000	$65,000
School Buses	$103,000	$103,000	$0	$0	$104,000
Total Line 3.050	$158,000	$168,000	$70,000	$110,000	$214,000

Other Expenses – Line #4.300
The category of Other Expenses consists primarily of Auditor & Treasurer fees, SDIT collection fees and our annual audit and other miscellaneous expenses. The district is using a 3% increase for Auditor and Treasurer Fees increase in FY21-FY25 and 1% increase in all other areas for each year of the forecast.

Source	FY 21	FY 22	FY 23	FY 24	FY 25
Auditor & Treasurer Fees & SDIT Fees	$133,578	$137,585	$141,712	$145,964	$150,343
Dues, Fees & Awards	$12,107	$12,228	$12,350	$12,474	$12,598
Other expenses	$54,113	$54,654	$55,200	$55,752	$56,310
Total Line 4.300	$199,797	$204,467	$209,263	$214,190	$219,251

Transfers/Advances Out – Line #5.010
This account group covers fund to fund transfer and end of year short term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. Since the bond to build new elementary facility is backed by the district's earned income tax, the proceeds are recorded as income tax receipts which are then transferred to the Bond Retirement Fund to pay the debt. The bond payments increase annually so the amount of the transfers much also increase. The district also transfers funds to the extra-curricular accounts annually which are included in this amount.

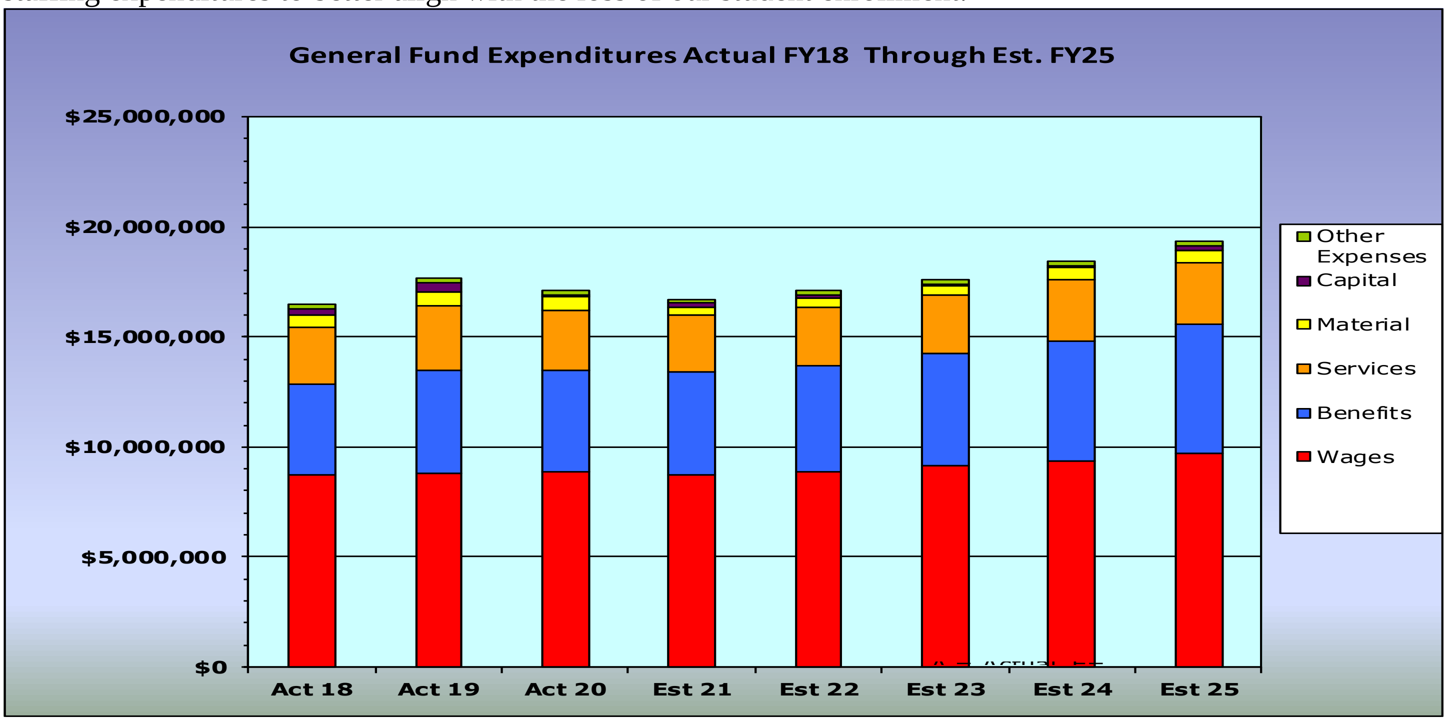
Source	FY 21	FY 22	FY 23	FY 24	FY 25
Operating Transfers Out Line #5.010	$1,049,275	$1,050,325	$1,045,325	$1,041,825	$1,022,775
Advances Out Line #5.020	$0	$0	$0	$0	$0
Total	$1,049,275	$1,050,325	$1,045,325	$1,041,825	$1,022,775

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. The district does not expect to have any encumbrances at the end of each year.

Operating Expenditures Actual FY18 through FY20 and Estimated FY21 through FY25.

As the graph below indicates the largest expenditure for the district is that of staffing. We are attempting to reduce staffing expenditures to better align with the loss of our student enrollment.



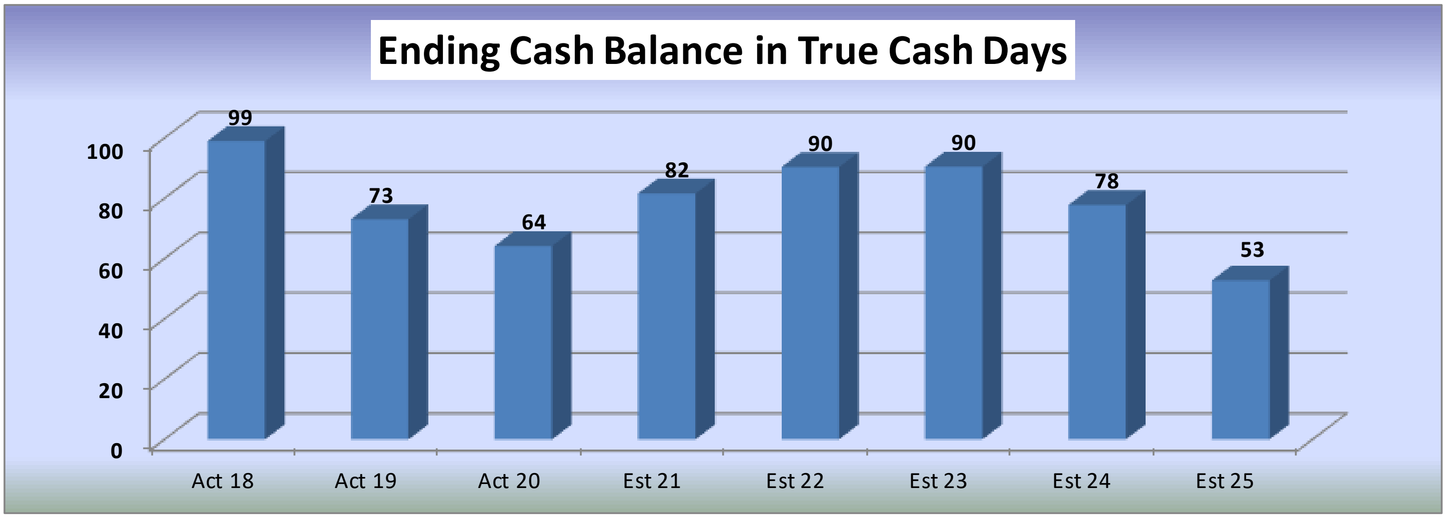
Ending Unencumbered Cash Balance – Line #15.010

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.

Source	FY 21	FY 22	FY 23	FY 24	FY 25
Ending Cash Balance	$3,970,171	$4,495,418	$4,630,616	$4,153,902	$2,947,691

True Cash Days

The Government Financial Officers Association (GFOA) recommends, at a minimum, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures. Based on the current fund balances the district will not have the sixty (60) day balance at the end of FY21.



Conclusion

Clear Fork Valley Local School District is fortunate to have not received as large of a decrease in state funding for FY21 as originally forecasted. Being that 49.11% of the funding for the district is from state dollars, the administration will be able to use these dollars for our students.

The district administration will be able to plan for the future needs of our students with the financial stability obtained with the current state budget, but they will also need to be mindful that there are many risks and uncertainties that will need to be considered in future planning with COVID-19 still being a driver, as there are two new state budgets in the time period from FY22-25.

The district will receive funding through the CARES Act and ESSER funding that is to be used for help due to the COVID-19 pandemic. These funds are restricted in federal grants and are not included in the forecast, however expenditures within our general fund can be offset by the amount of federal dollars. We will monitor this and all other funding that is affecting our forecast from the pandemic.

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