

Buckeye Local School District

# Five Year Forecast Financial Report

November, 2021

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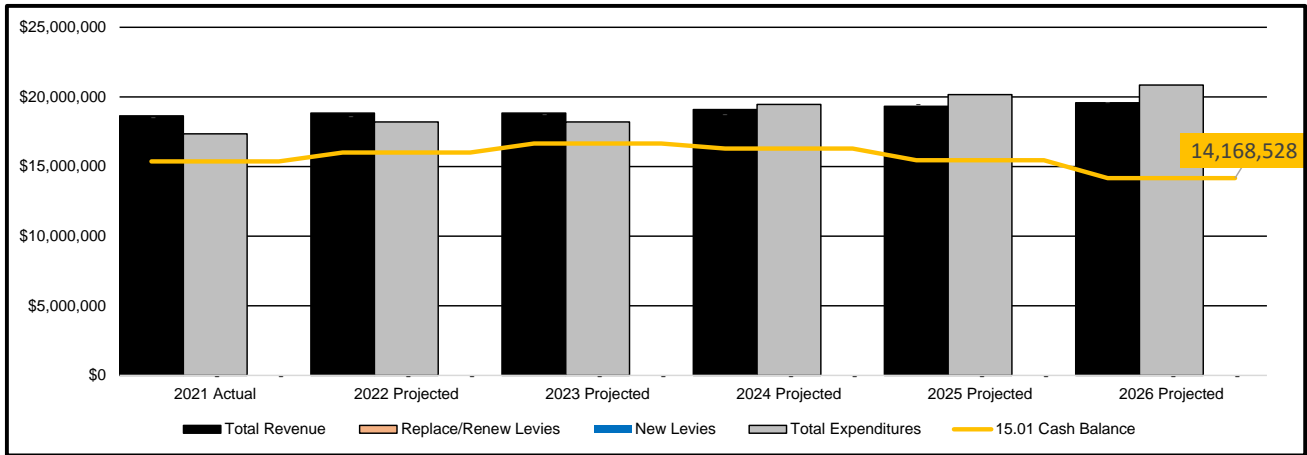
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### Forecast Purpose/Objectives

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.



Note: Cash balance (Line 7.020) plus any existing levy modeled as renewed or new during the forecast.

Financial Forecast

	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
Beginning Balance (Line 7.010) Plus Renewal/New Levies Modeled	15,371,567	16,007,376	16,653,855	16,287,341	15,449,050
+ Revenue	18,834,530	18,846,396	19,092,960	19,323,602	19,572,284
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(18,198,720)	(18,199,917)	(19,459,474)	(20,161,893)	(20,852,806)
= Revenue Surplus or Deficit	635,809	646,479	(366,514)	(838,290)	(1,280,522)
Line 7.020 Ending Balance with renewal/new levies	16,007,376	16,653,855	16,287,341	15,449,050	14,168,528

Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	635,809	646,479	(366,514)	(838,290)	(1,280,522)
Ending Balance w/o Levies	16,007,376	16,653,855	16,287,341	15,449,050	14,168,528

In FY 2022 a revenue surplus is expected. This means that expenditures are expected to be less than revenue by -\$635,809 in FY 2022. By the last year of the forecast, FY 2026, the district is expected to have a revenue shortfall where expenditures are projected to be greater than revenue by \$1,280,522. The district would need to cut its FY 2026 projected expenses by 6.14% in order to balance its budget without additional revenue.

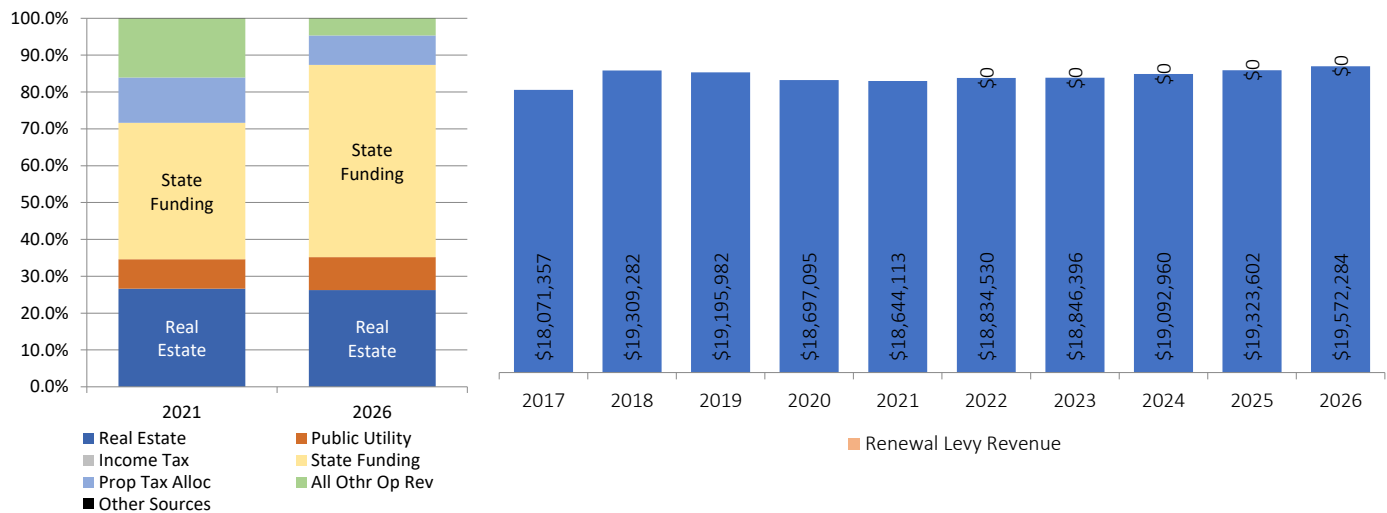
The district's cash balance is positive at year-end in FY 2022 and is projected to worsen by FY 2026. A worsening cash balance can erode the district's financial stability over time.

This forecast includes the Fair School Funding Plan (FSFP) adopted by Ohio starting in FY 2022. The district expects a combined impact of \$286,817 in FY 2022. This forecast includes a CFO adjusted trend calculation of the FSFP impact using current information. As information changes the estimates will be updated. The district is considered a formula district in FY 2022. A detailed state funding supplement to this forecast has been prepared and should be reviewed and considered part of the forecast assumptions.

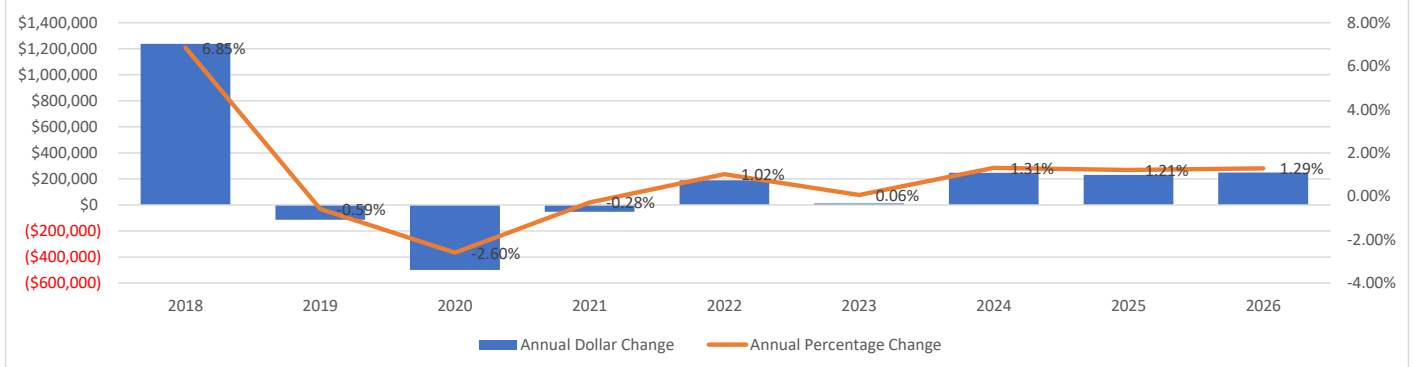
formula district in FY 2022.

## Revenue Sources and Forecast Year-Over-Year Projected Overview

### Sources of Revenue Over Time



### Year-Over-Year Dollar & Percentage Change



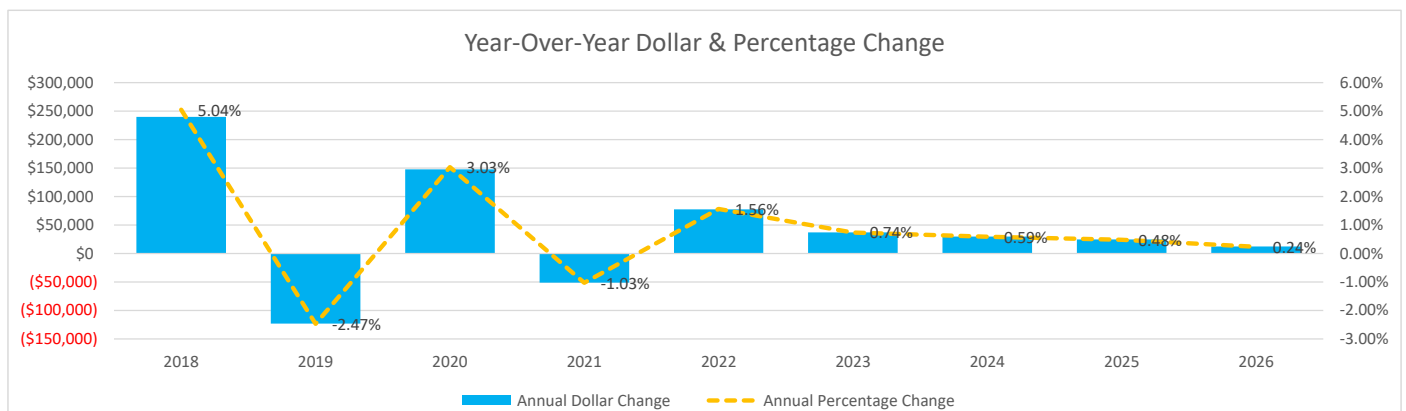
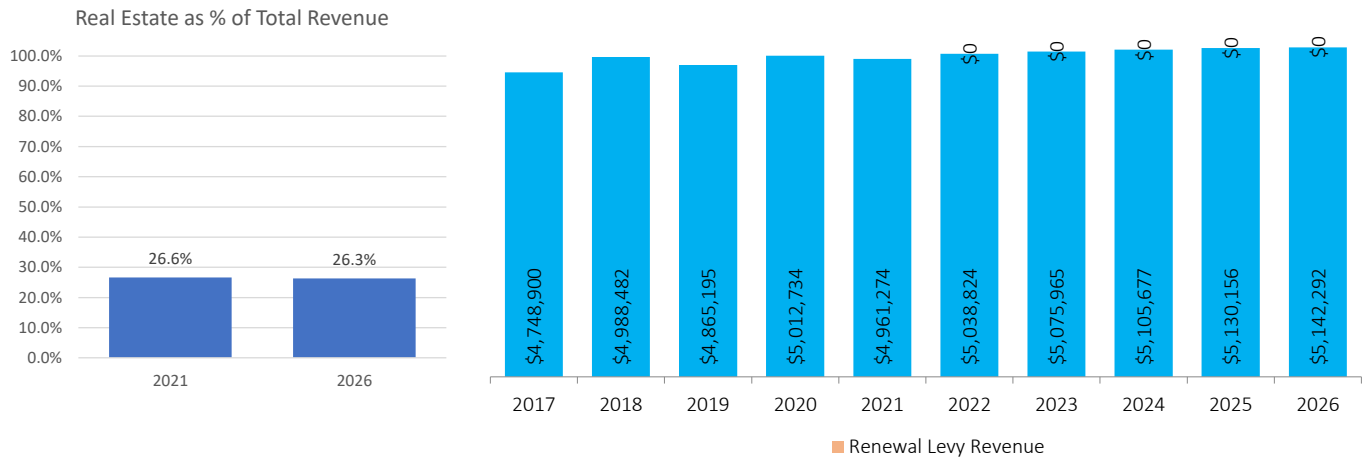
3-Year Historical Actual Average Annual Dollar Change  
Compared to 5-Year Projected

	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	Total revenue decreased -1.18% or -\$221,723 annually during the past five years and is projected to increase 0.97% or \$185,634 annually through FY2026. State Funding has the most projected average annual variance compared to the historical average at \$762,993
Real Estate	(\$9,069)	\$36,204	\$45,273	
Public Utility	\$146,462	\$51,115	(\$95,348)	
Income Tax	\$0	\$0	\$0	
State Funding	(\$103,430)	\$659,564	\$762,993	
Prop Tax Alloc	(\$150,097)	(\$144,235)	\$5,862	
All Othr Op Rev	(\$54,367)	(\$414,112)	(\$359,746)	
Other Sources	(\$51,222)	(\$2,900)	\$48,322	
<b>Total Average Annual Change</b>	<b>(\$221,723)</b>	<b>\$185,634</b>	<b>\$407,357</b>	
	<b>-1.18%</b>	<b>0.97%</b>	<b>2.15%</b>	

Note: Expenditure average annual change is projected to be > \$701,782 On an annual average basis, expenditures are projected to grow faster than revenue.

### 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).



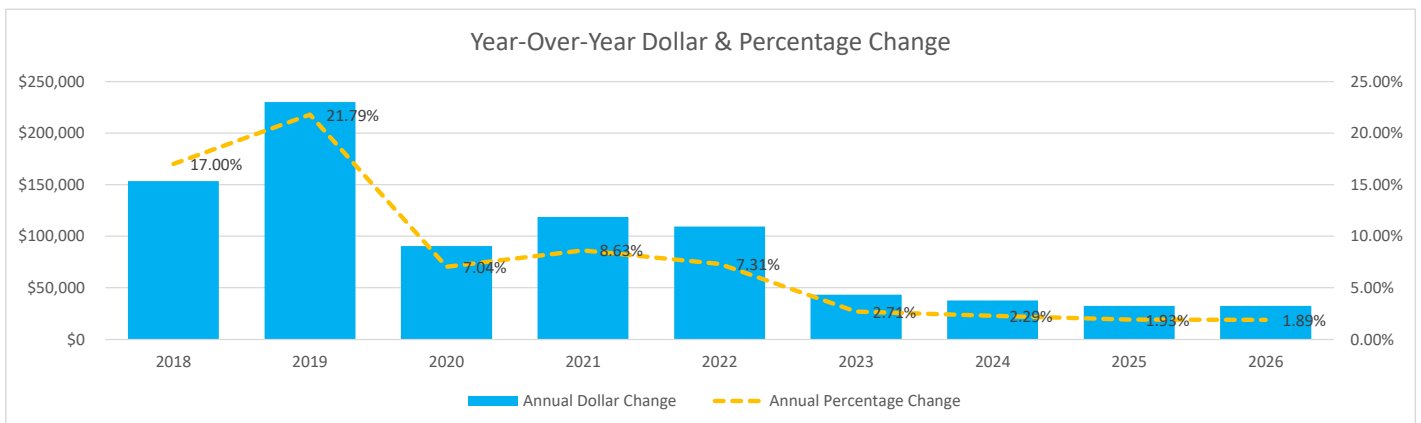
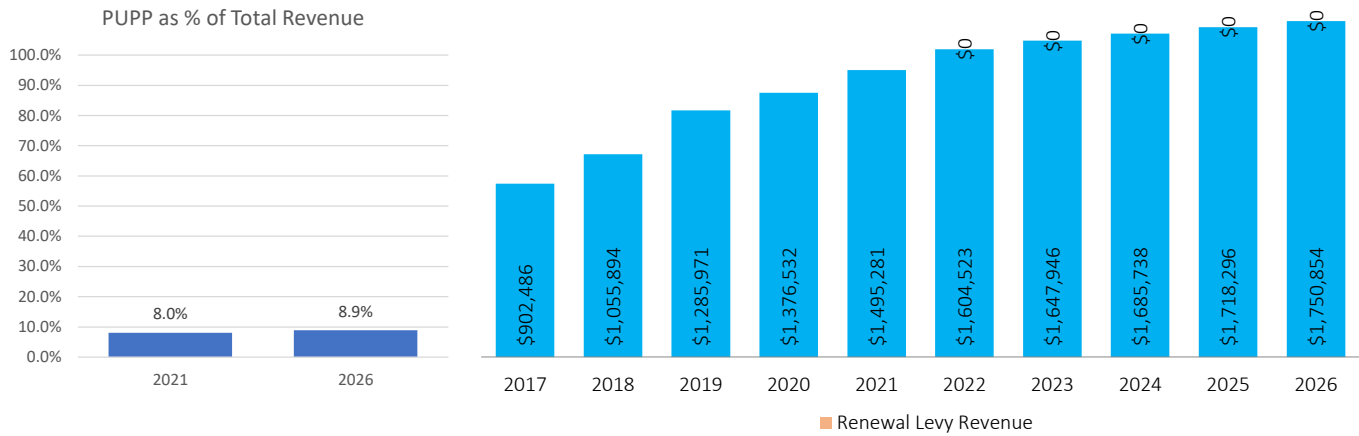
Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2020	229,903,830	12,002,530	21.24	-	36.30	-	98.8%
2021	230,465,084	561,254	21.22	(0.02)	36.39	0.09	100.0%
2022	231,040,084	575,000	21.21	(0.01)	36.49	0.10	100.0%
2023	239,809,053	8,768,969	20.51	(0.69)	36.18	(0.31)	100.0%
2024	240,424,053	615,000	20.50	(0.01)	36.25	0.07	100.0%
2025	241,039,053	615,000	20.49	(0.01)	36.33	0.07	100.0%

Real estate property tax revenue accounts for 26.61% of total revenue. Class I or residential/agricultural taxes make up approximately 62.64% of the real estate property tax revenue. The Class I tax rate is 21.22 mills in tax year 2021. The projections reflect an average gross collection rate of 100.0% annually through tax year 2025. The revenue changed at an average annual historical rate of -0.18% and is projected to change at an average annual rate of 0.71% through FY 2026.

\*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.



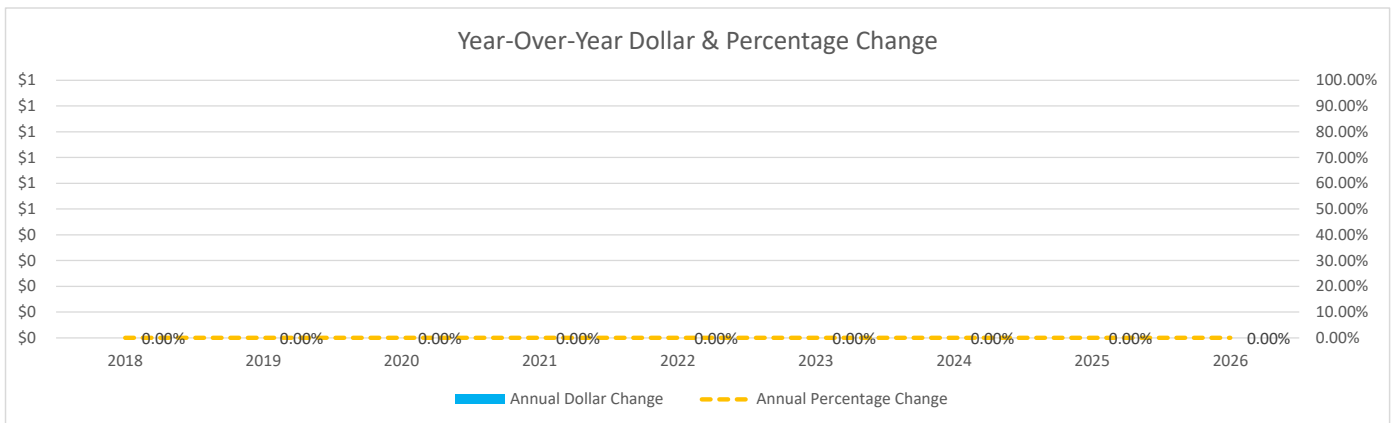
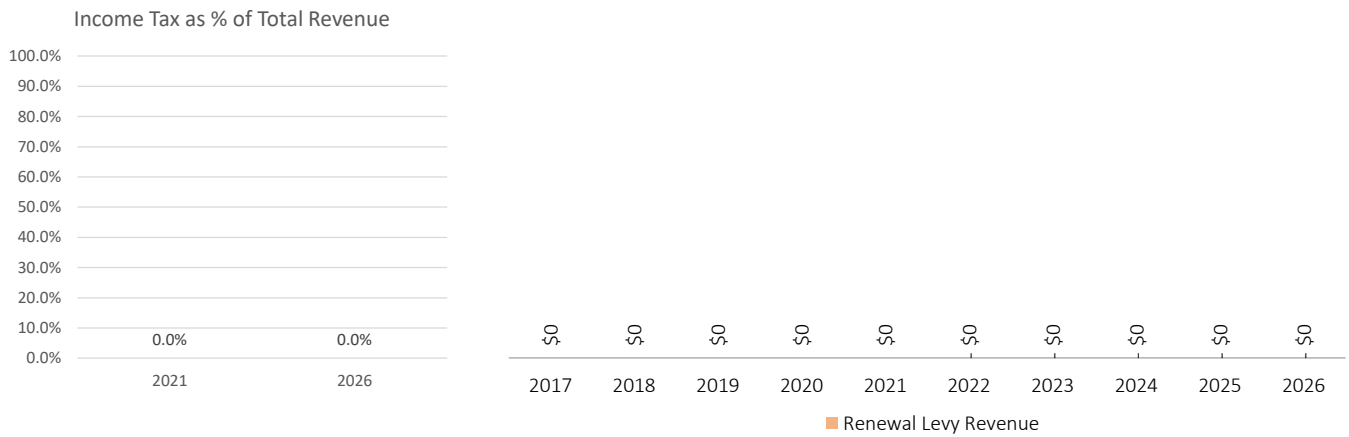
Values and Tax Rates					Gross Collection Rate Including Delinquencies	
Tax Year	Valuation	Value Change	Full Voted Rate	Change		
2020	36,444,010	4,046,880	43.42	0.11		100.2%
2021	37,444,010	1,000,000	43.41	(0.01)		100.0%
2022	38,444,010	1,000,000	43.41	-		100.0%
2023	39,194,010	750,000	43.41	-		100.0%
2024	39,944,010	750,000	43.41	-		100.0%
2025	40,694,010	750,000	43.41	-		100.0%

The public utility personal property tax revenue is generated from the personal property values, additions, and depreciation reported by the utility companies. This category currently makes up 8.02% of total district revenue. The property is taxed at the full voted tax rate which in tax year 2021 is 43.41 mills. The forecast is modeling an average gross collection rate of 100.00%. The revenue changed historically at an average annual dollar amount of \$146,462 and is projected to change at an average annual dollar amount of \$51,115 through FY 2026.

\*Projected % trends include renewal levies

### 1.030 - No 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.

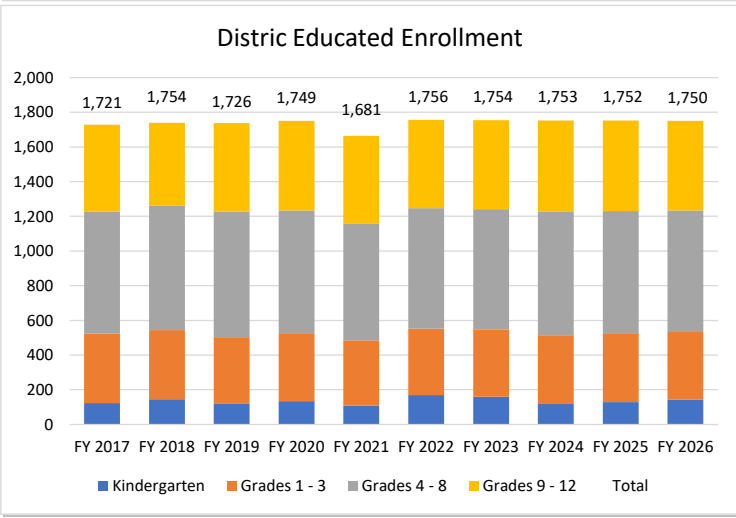
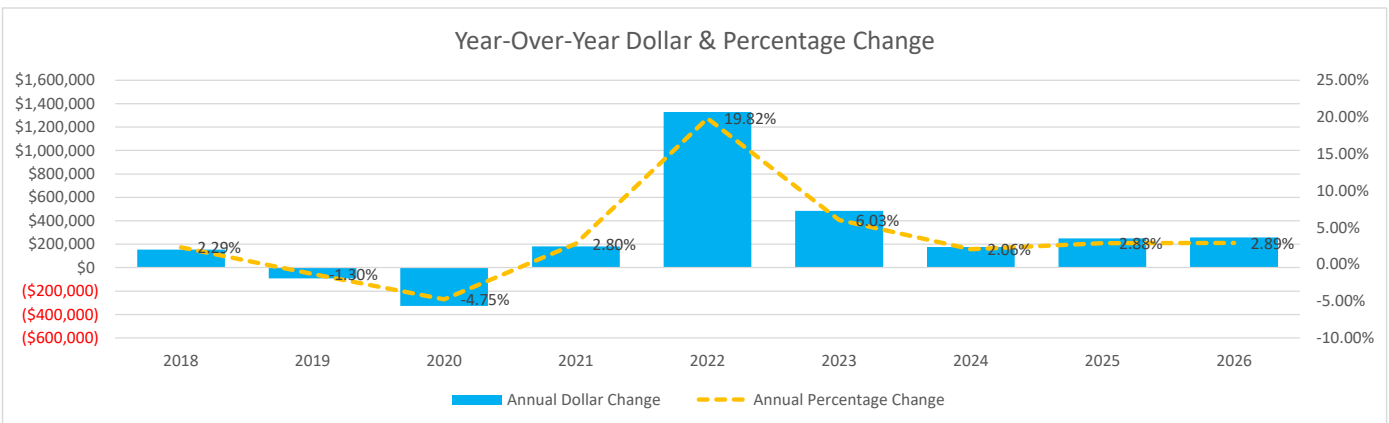
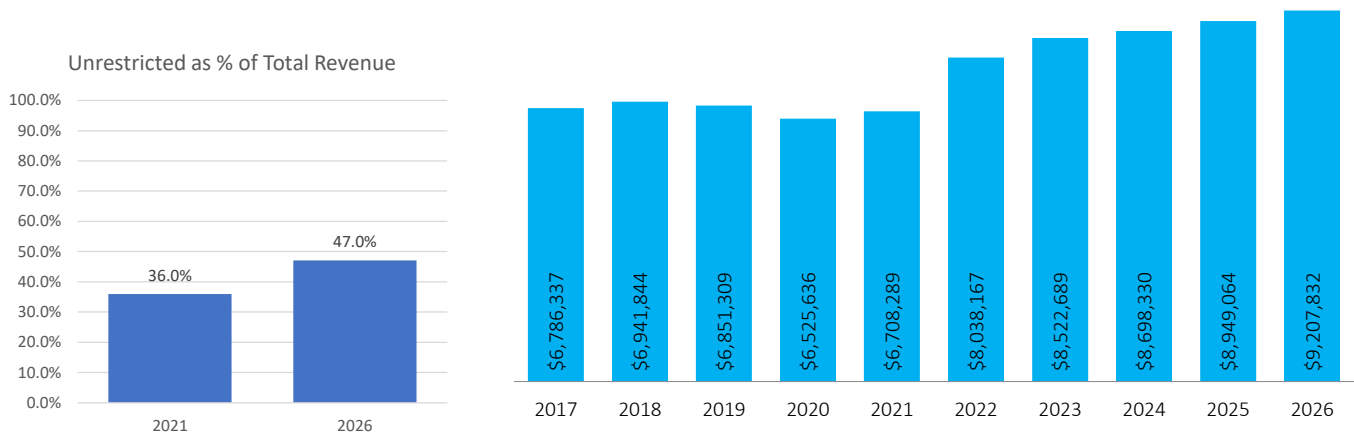


The district does not have an income tax levy.

*\*Projected % trends include renewal levies*

### 1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



Beginning in FY 2022 Ohio adopted the Fair School Funding Plan (FSFP). Funding is driven by a base cost methodology that incorporates the four components identified as necessary to the education process. The Base Cost is currently calculated for two years using a statewide average from historical actual data.

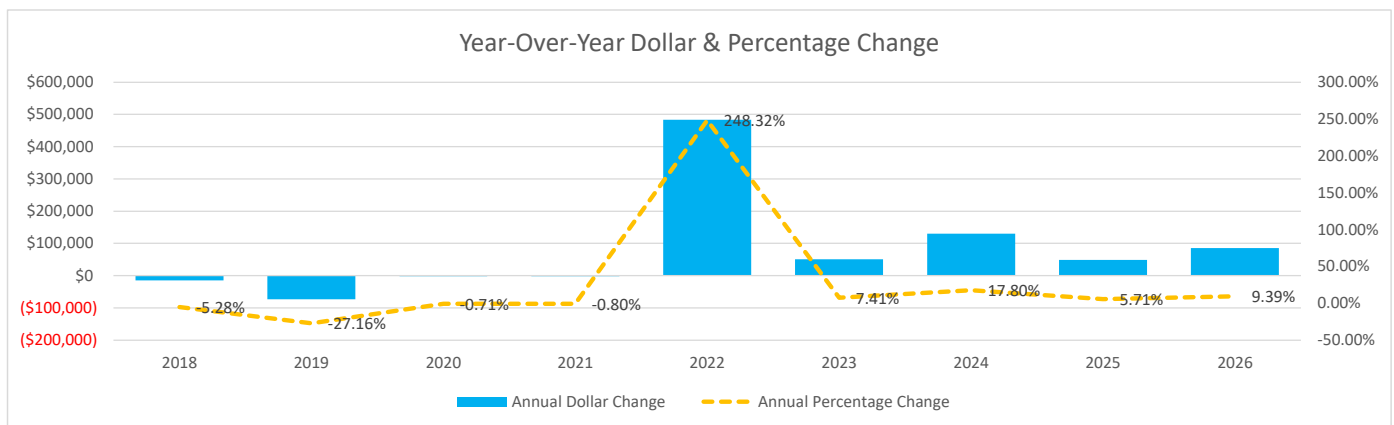
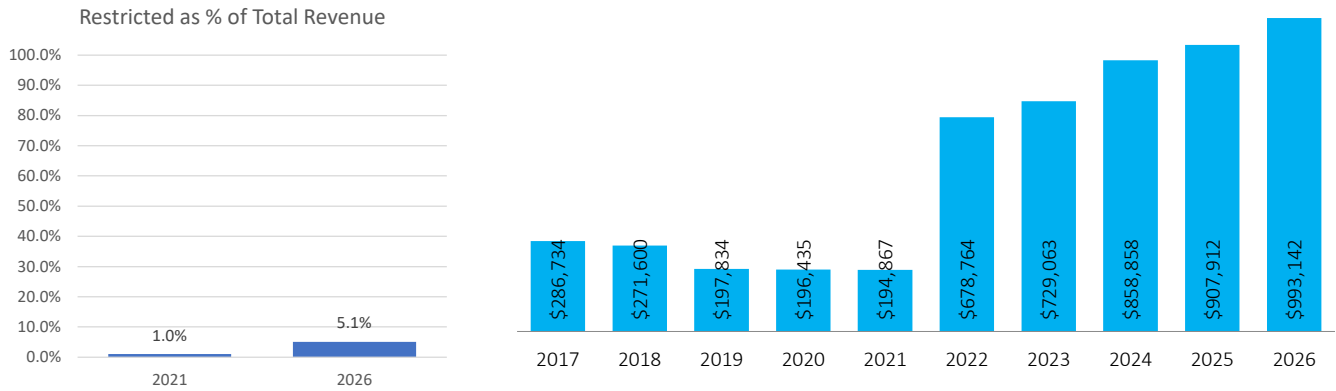
For Buckeye Local School District the calculated Base Cost total is \$12,034,371 in FY 2022. The state's share of the calculated Base Cost total is \$7,193,803 or \$4,097 per pupil.

The FSFP change to district educated enrollment will reduce funded enrollment but also potentially reduce tuition cost. In FY 2021, the district had approximately \$1,017,801 in possible tuition cost reductions. These reductions will be reflected in the purchased services expenditure note.



## 1.040 & 1.045 - Restricted Grants-in-Aid

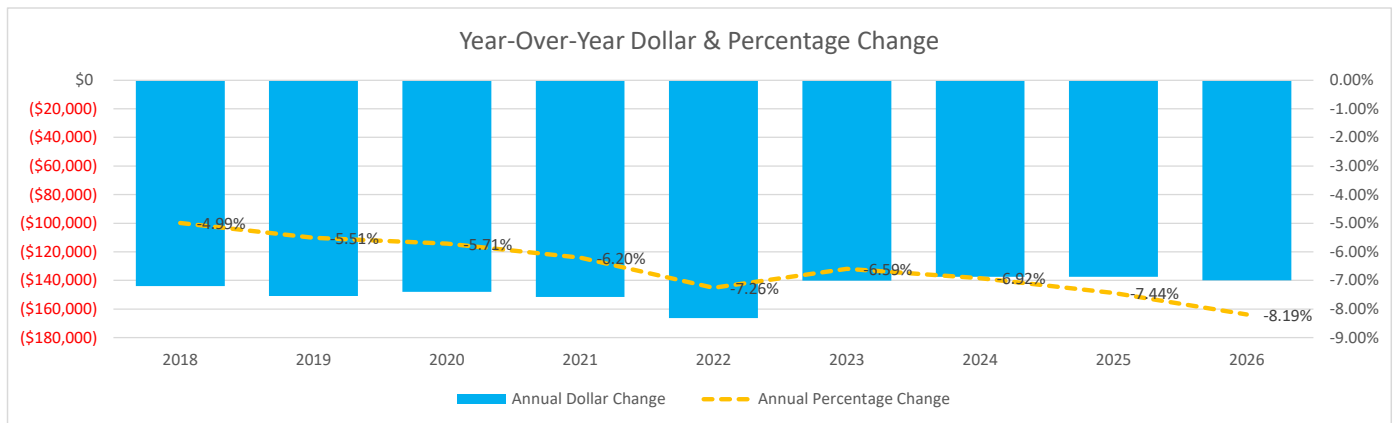
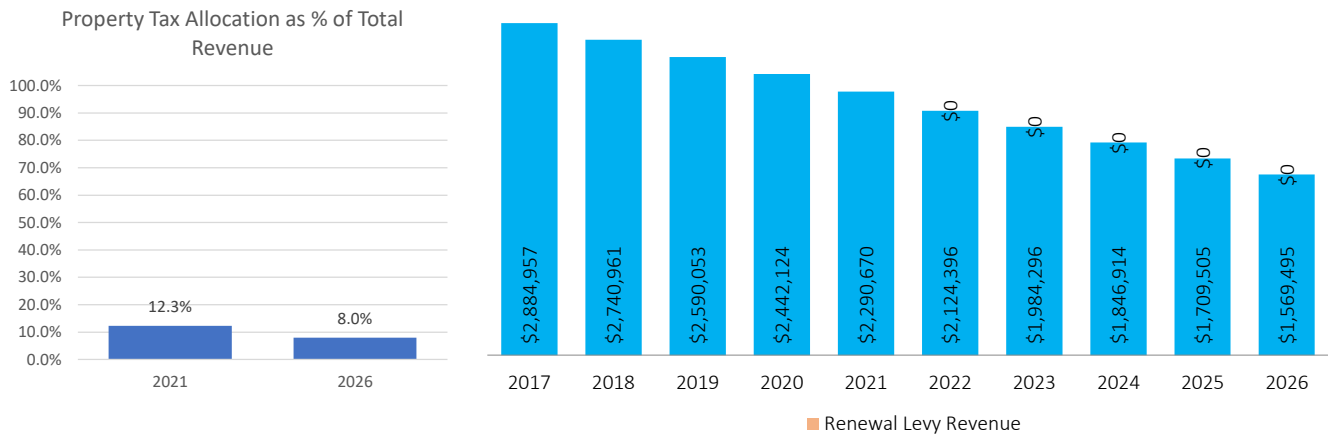
Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



Restricted aid is the portion of state per pupil funding that must be classified as restricted use. Historically the district's restricted state aid changed annually on average by -\$25,578 and is projected to change annually on average by \$159,655. Restricted funds represent 1.05% of total revenue. Starting in FY 2022 the district's Success & Wellness funding is considered restricted, the state's share of this funding is recorded as restricted is \$306,524. This funding has implications on general fund expenditures in that certain spending now occurring in a fund external to the general fund could shift to the general fund. The expenditures in this forecast are adjusted to reflect this change.

### 1.050 - Property Tax Allocation

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

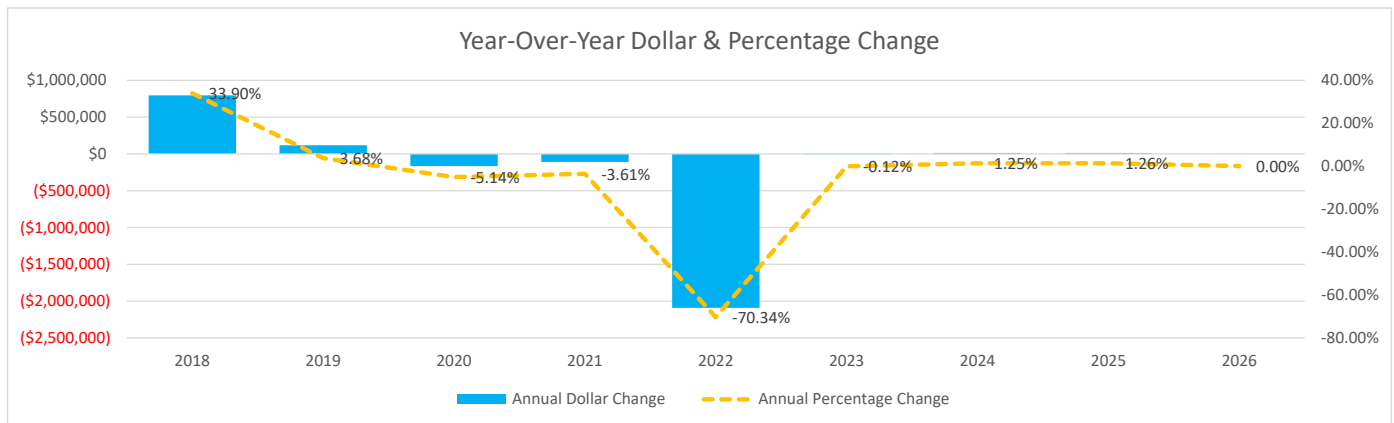
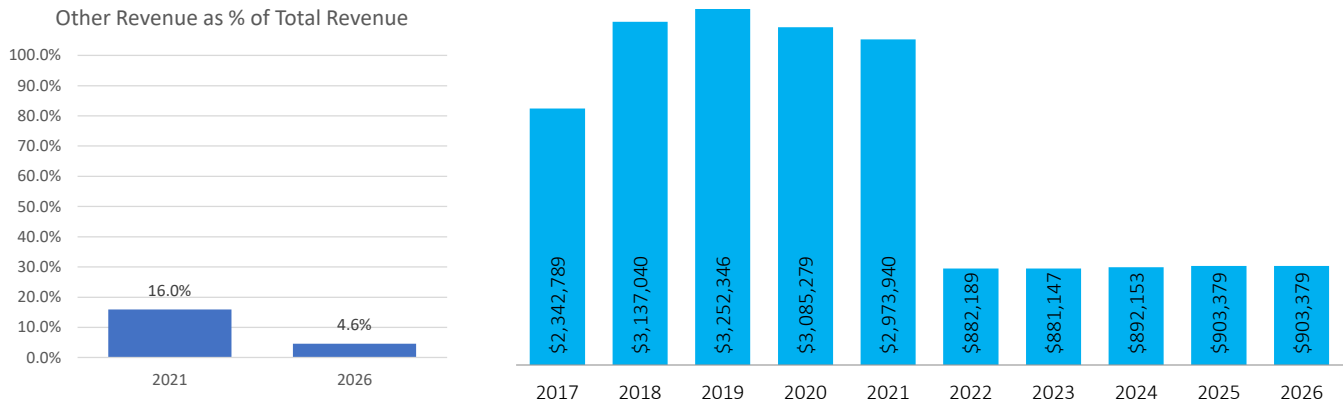


Property tax allocation primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In FY 2022, approximately 11.3% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 4.8% will be reimbursed in the form of qualifying homestead exemption credits.

*\*Projected % trends include renewal levies*

### 1.060 - All Other Operating Revenues

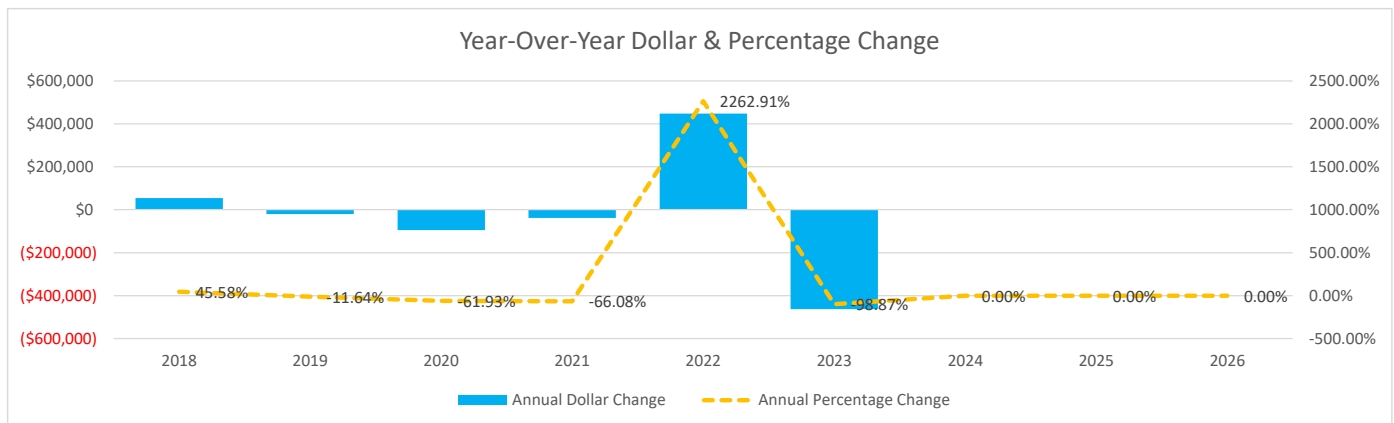
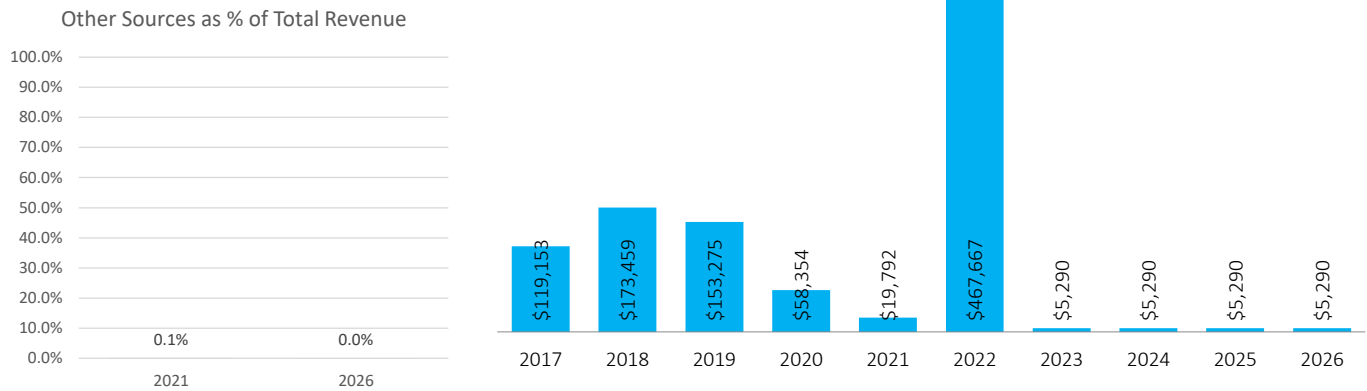
Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.



Other revenue includes tuition received by the district for non-resident students educated by the district. It also includes interest income, payments in lieu of taxes, and miscellaneous revenue. The historical average annual change was -\$54,367. The projected average annual change is -\$414,112 through FY 2026. The FSP includes per pupil funding for any open enrollment in students the district is educating. This revenue, if any, was recorded in 'other revenue' prior to FY 2022. Fiscal year 2022 and beyond will not include any open enrollment in revenue. The district posted revenue code 1227 open enrollment in revenue of \$1,996,389 in FY 2021.

## 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.

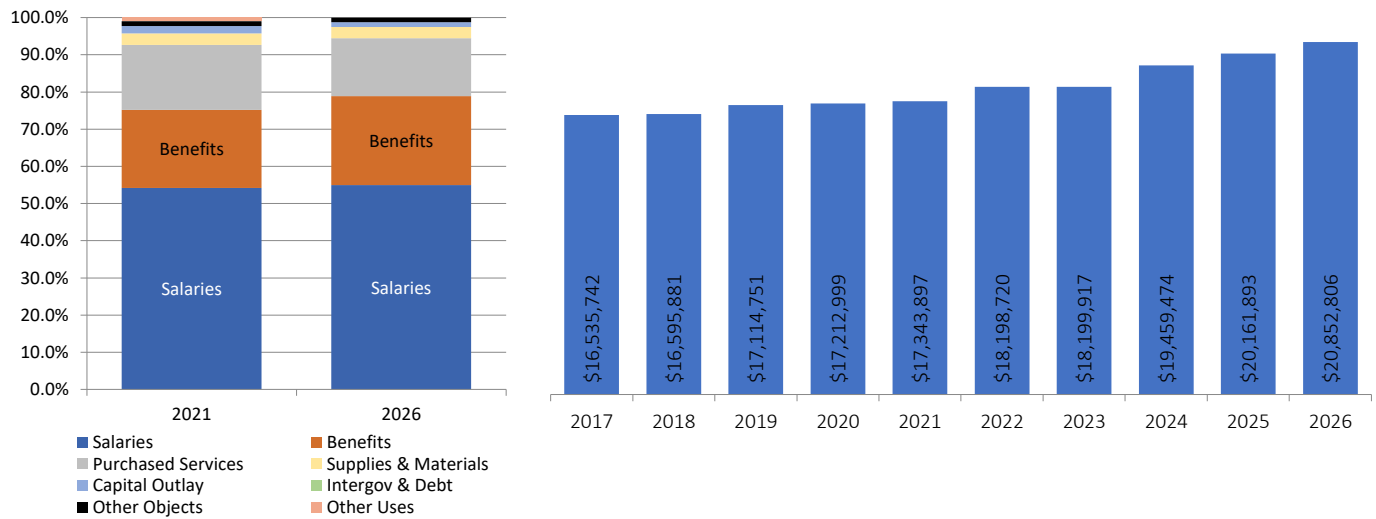


	2021	2022	2023	FORECASTED		
				2024	2025	2026
Transfers In	-	462,377	-	-	-	-
Advances In	-	-	-	-	-	-
All Other Financing Sources	19,792	5,290	5,290	5,290	5,290	5,290

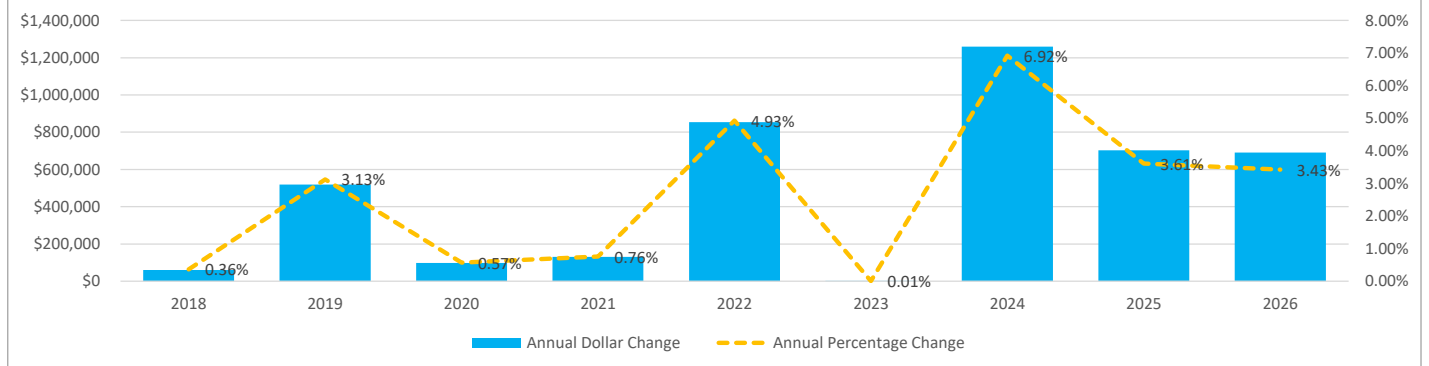
Other sources includes revenue that is generally classified as non-operating. Return advances-in are the most common revenue source. In FY 2021 the district receipted \$0 as advances-in and is projecting advances of \$0 in FY 2022. The district also receives other financing sources such as refund of prior year expenditures in this category. The district is projecting that all other financing sources will be \$5,290 in FY 2022 and average \$5,290 annually through FY 2026.

## Expenditure Categories and Forecast Year-Over-Year Projected Overview

### Expenditure Categories Over Time



### Year-Over-Year Dollar & Percentage Change



3-Year Historical Actual Average Annual Dollar Change Compared to 5-Year Projected

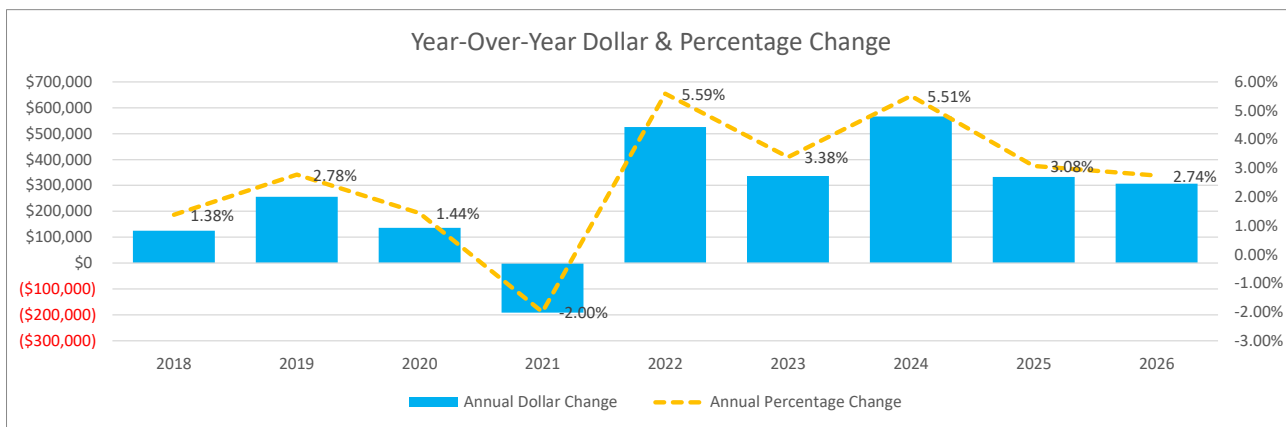
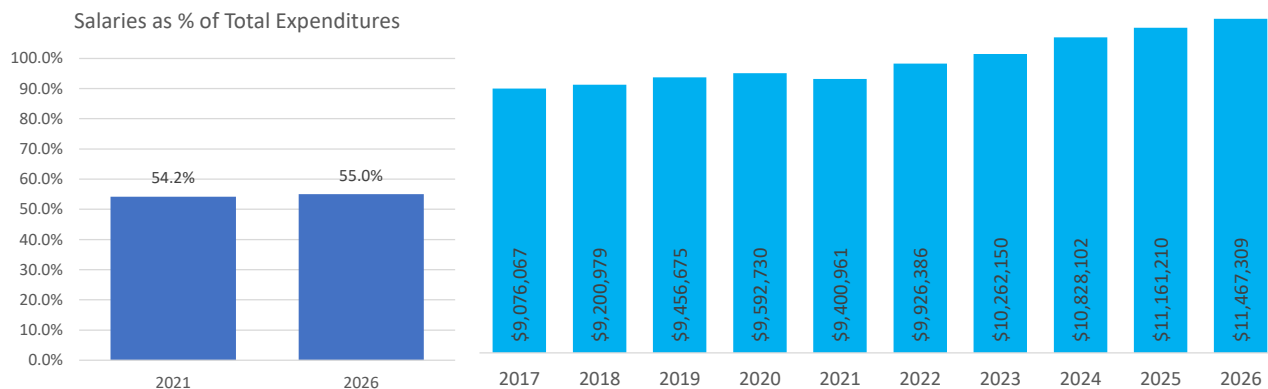
	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	Total expenditures increased 1.45% or \$249,339 annually during the past five years and is projected to increase 4.05% or \$701,782 annually through FY2026. Salaries has the largest projected average annual variance compared to the historical average at \$346,609.
Salaries	\$66,661	\$413,269	\$346,609	
Benefits	\$9,478	\$266,828	\$257,350	
Purchased Services	\$94,829	\$44,257	(\$50,572)	
Supplies & Materials	\$14,229	\$17,683	\$3,454	
Capital Outlay	\$37,174	(\$12,776)	(\$49,950)	
Intergov & Debt	\$0	\$0	\$0	
Other Objects	\$4,488	\$5,408	\$920	
Other Uses	\$22,480	(\$32,888)	(\$55,368)	
<b>Total Average Annual Change</b>	<b>\$249,339</b>	<b>\$701,782</b>	<b>\$452,443</b>	
	1.45%	4.05%	2.60%	

Note: Expenditure average annual change is projected to be > \$701,782

On an annual average basis, revenues are projected to grow slower than expenditures.

### 3.010 - Personnel Services

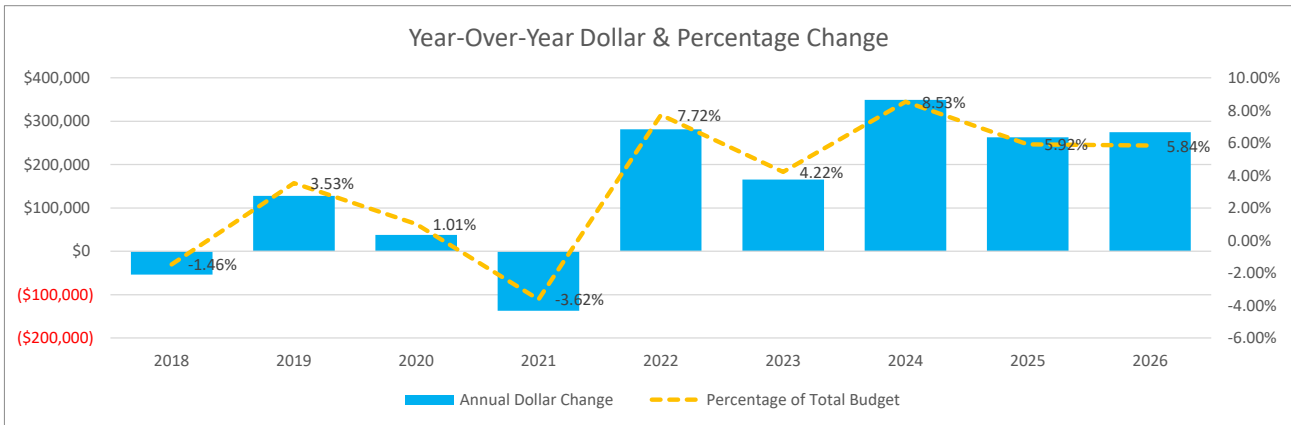
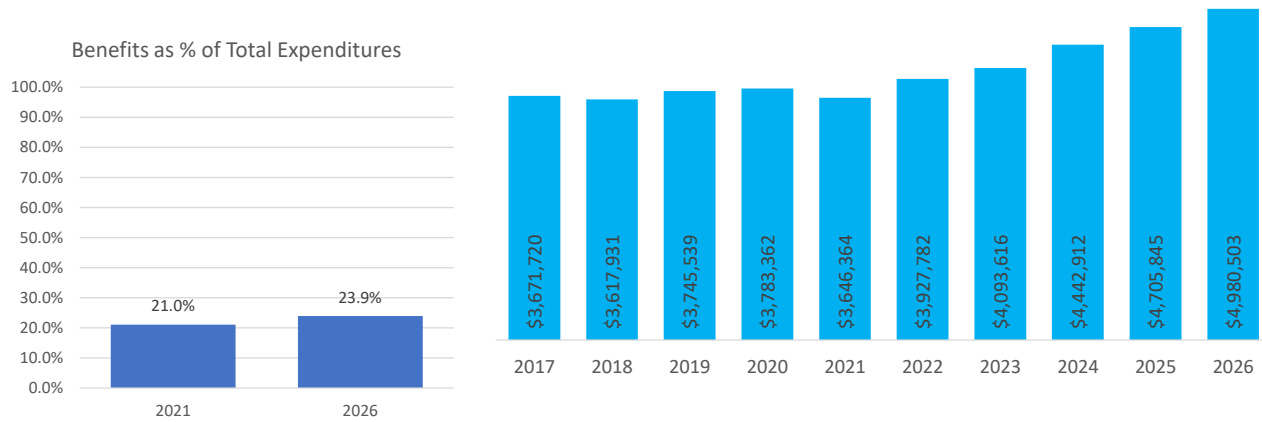
Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.



Salaries represent 54.20% of total expenditures and increased at a historical average annual rate of 0.70% or \$66,661. This category of expenditure is projected to grow at an annual average rate of 3.85% or \$413,269 through FY 2026. The projected average annual rate of change is 3.15% more than the five year historical annual average.

### 3.020 - Employees' Benefits

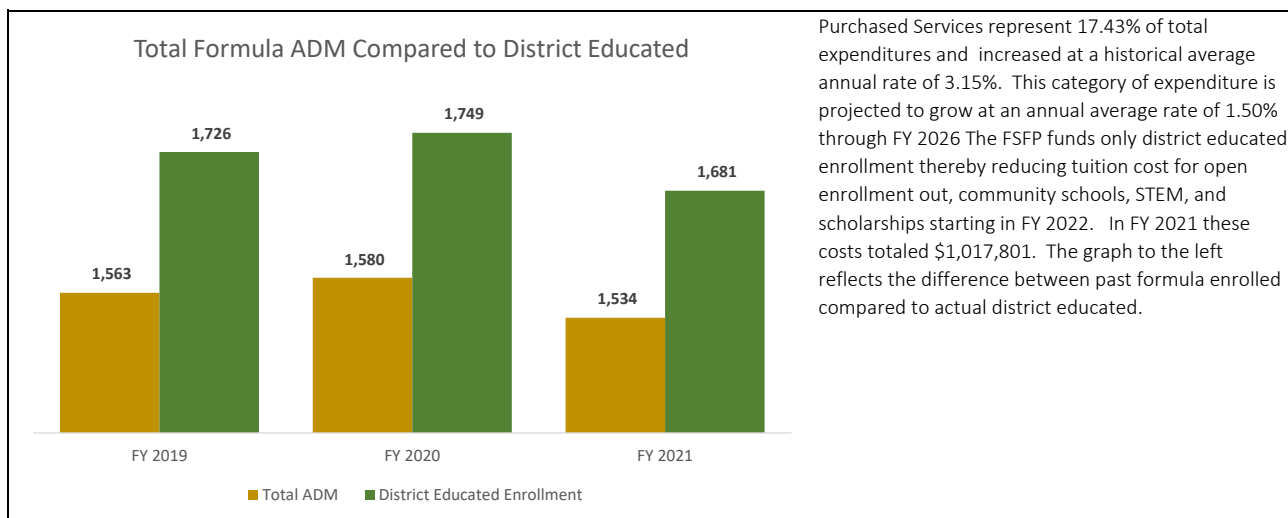
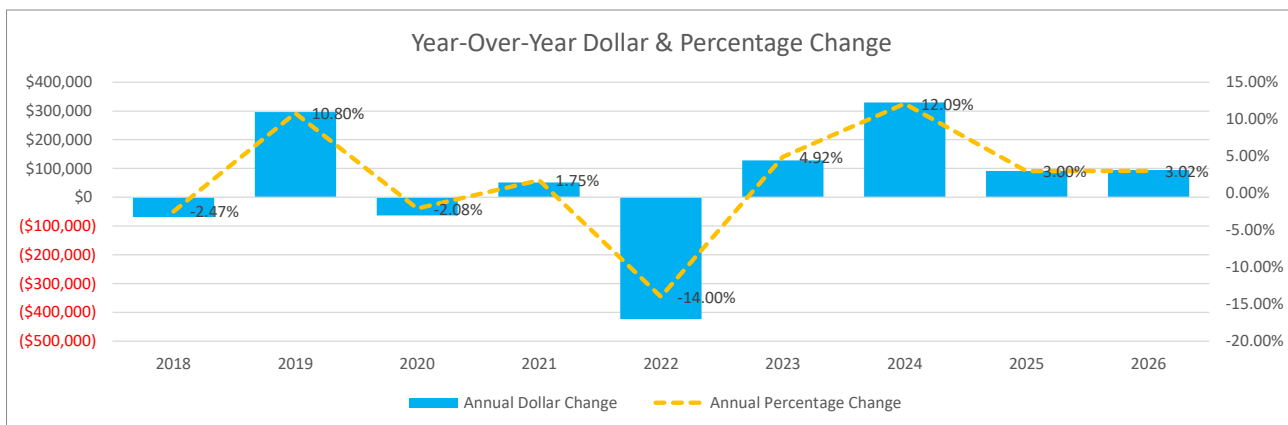
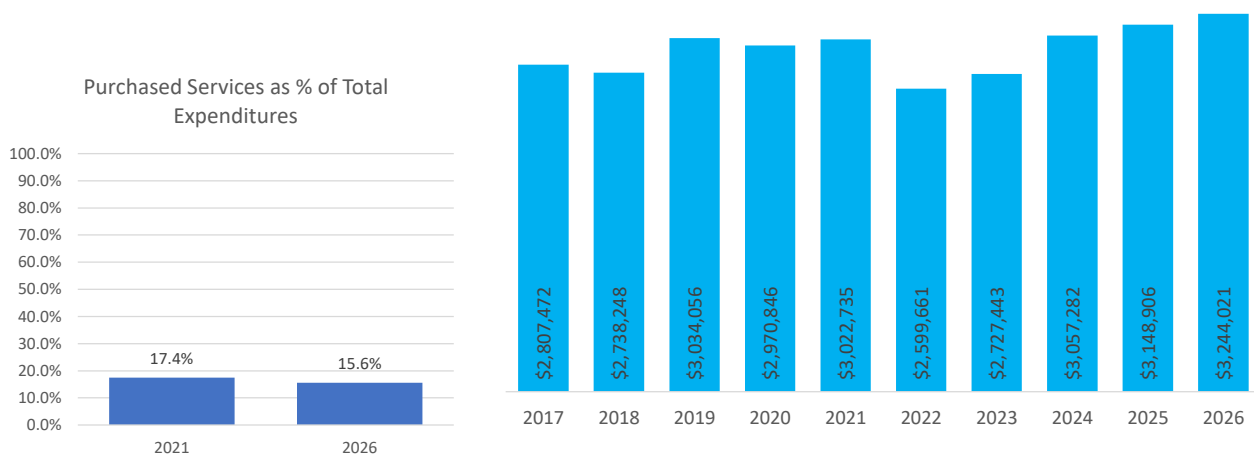
Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.



Benefits represent 21.02% of total expenditures and increased at a historical average annual rate of 0.25%. This category of expenditure is projected to grow at an annual average rate of 6.02% through FY 2026. The projected average annual rate of change is 5.77% more than the five year historical annual average.

### 3.030 - Purchased Services

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

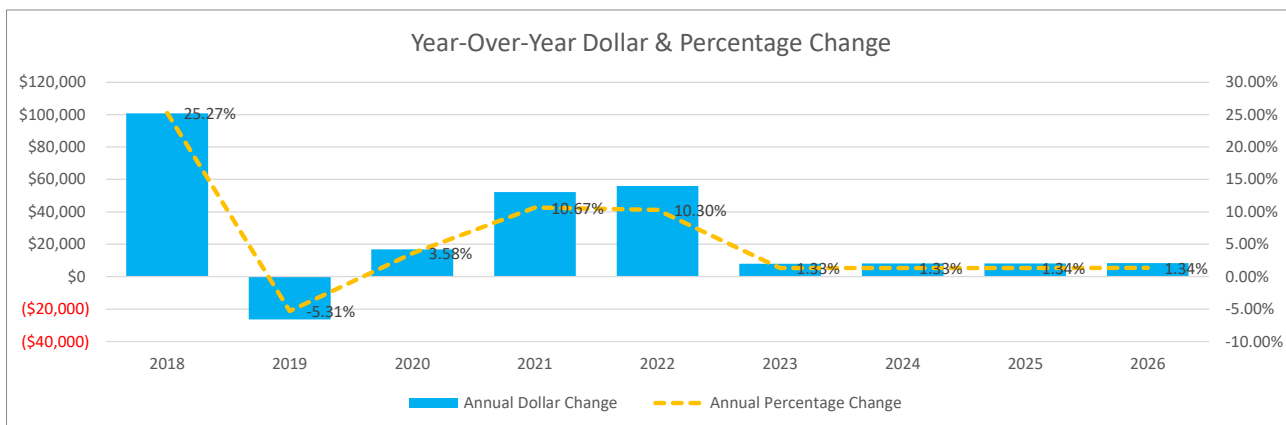
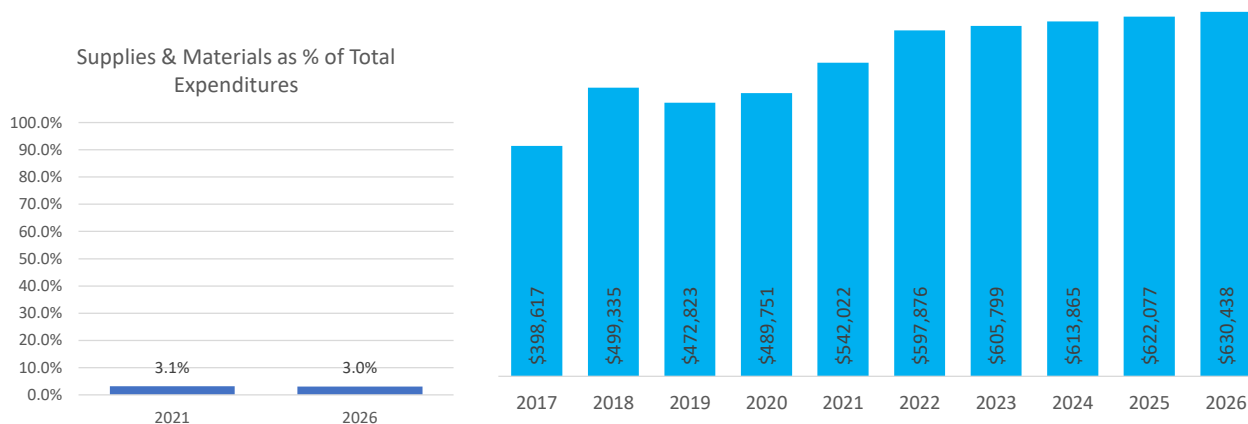


Purchased Services represent 17.43% of total expenditures and increased at a historical average annual rate of 3.15%. This category of expenditure is projected to grow at an annual average rate of 1.50% through FY 2026. The FSFP funds only district educated enrollment thereby reducing tuition cost for open enrollment out, community schools, STEM, and scholarships starting in FY 2022. In FY 2021 these costs totaled \$1,017,801. The graph to the left reflects the difference between past formula enrolled compared to actual district educated.



### 3.040 - Supplies & Materials

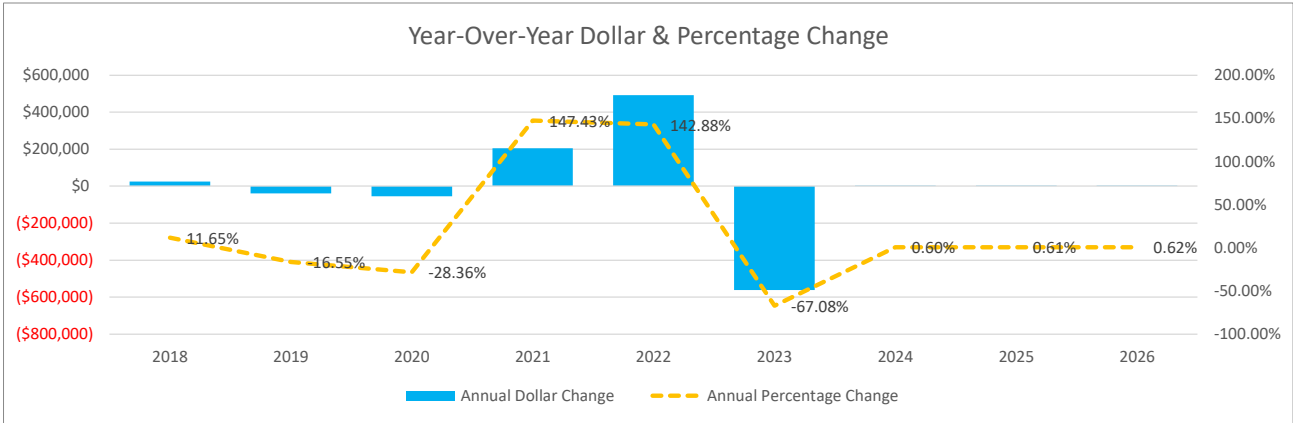
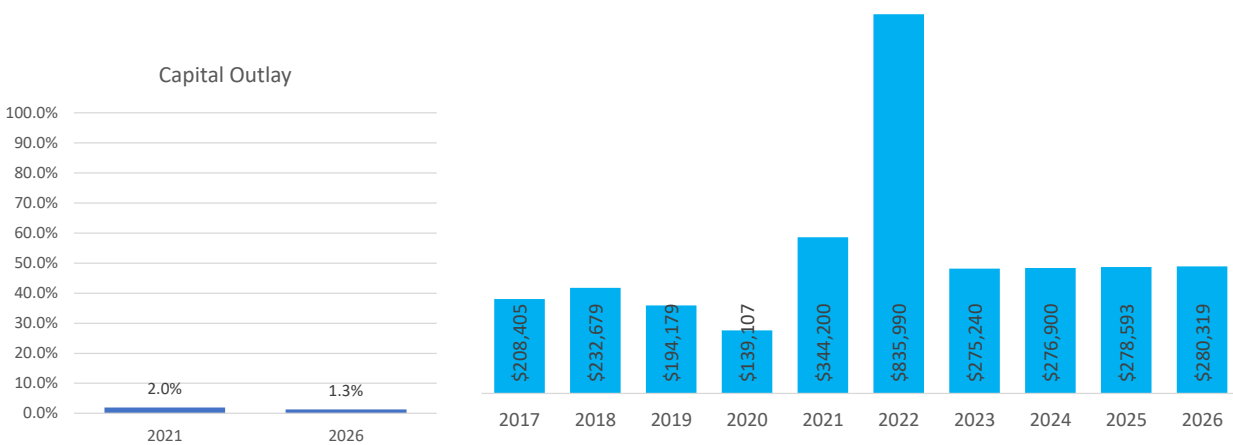
Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



Supplies & Materials represent 3.13% of total expenditures and increased at a historical average annual rate of 2.84%. This category of expenditure is projected to grow at an annual average rate of 2.88% through FY 2026. The projected average annual rate of change is 0.04% more than the five year historical annual average.

### 3.050 - Capital Outlay

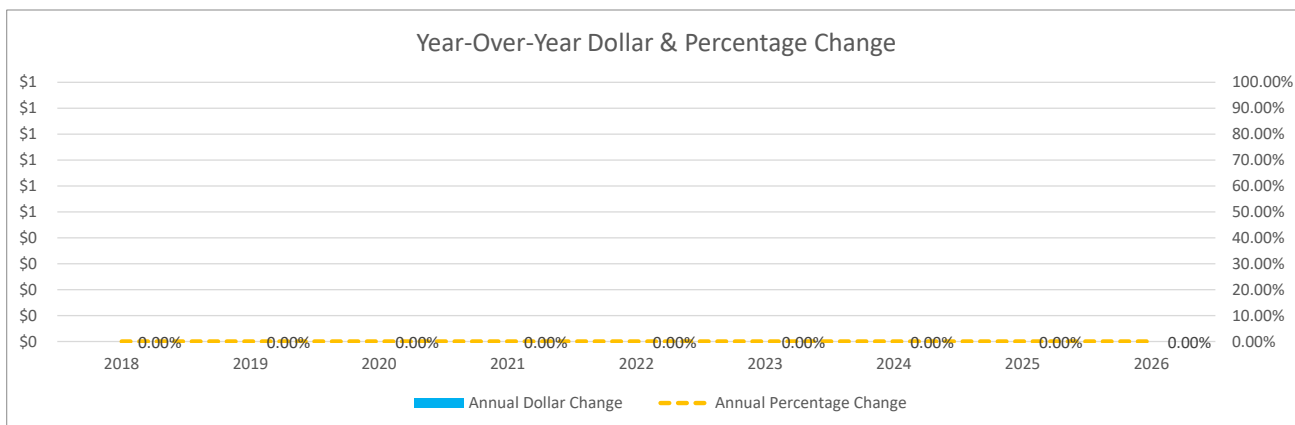
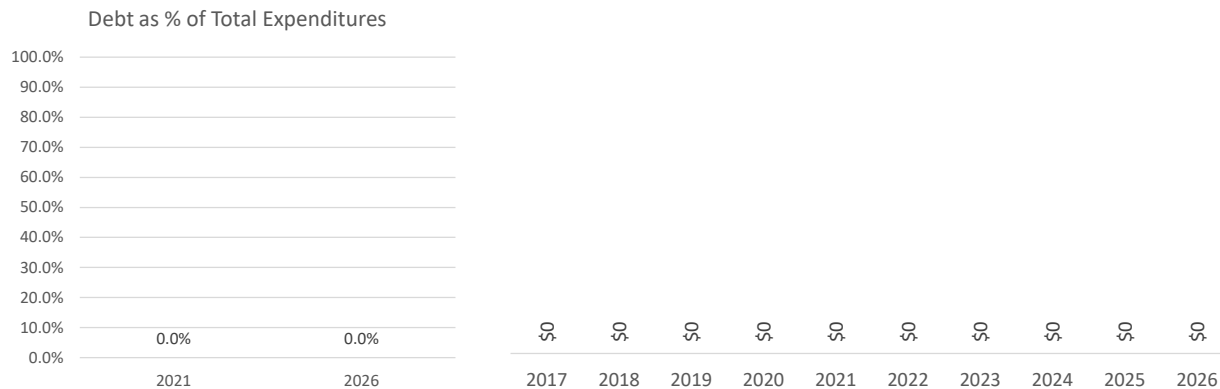
This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



Capital Outlay represent 1.98% of total expenditures and increased at a historical average annual amount of \$37,174. This category of expenditure is projected to decrease at an annual average rate of -\$12,776 through FY 2026. The projected average annual change is less than the five year historical annual average.

### 3.060-4.060 - Intergovernmental & Debt

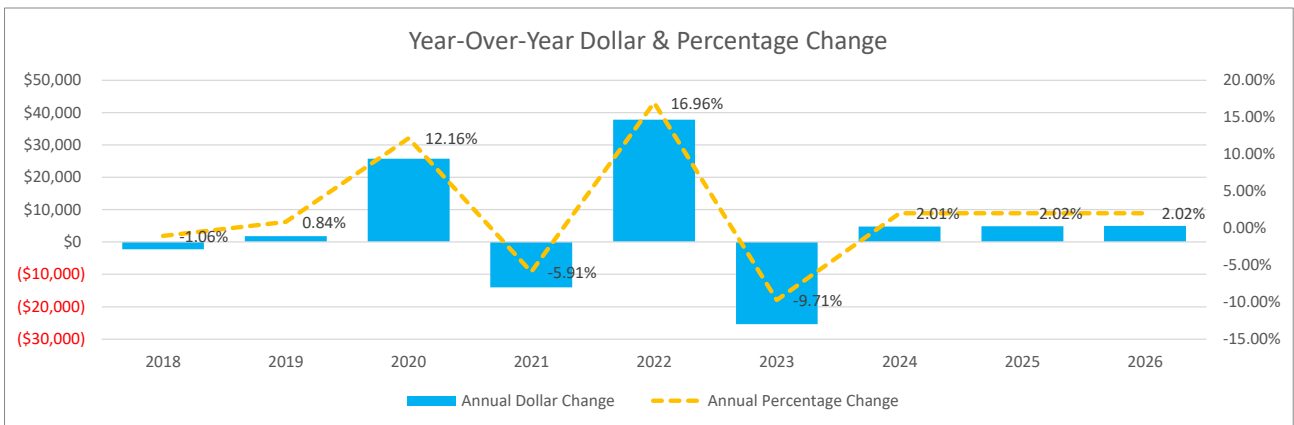
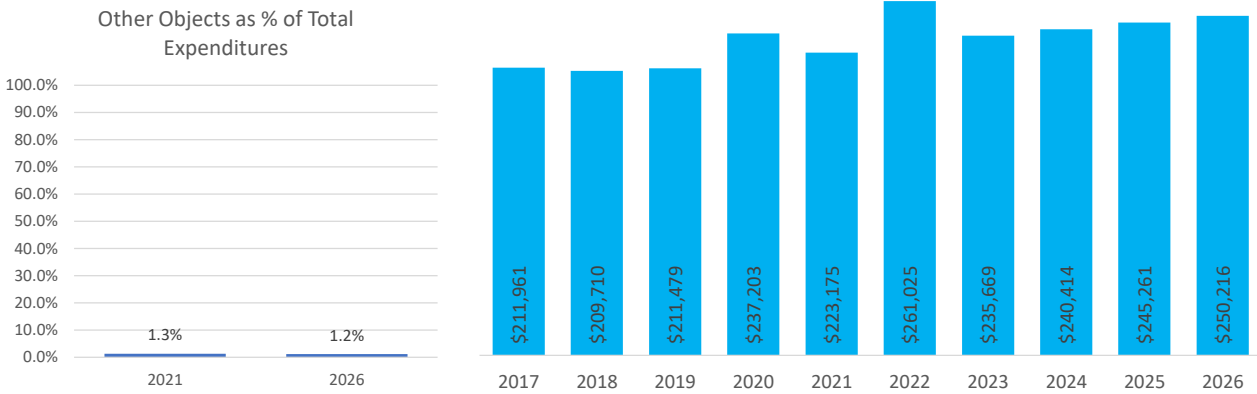
These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.



The Intergovernmental/Debt expenditure category details general fund debt issued by the District.

### 4.300 - Other Objects

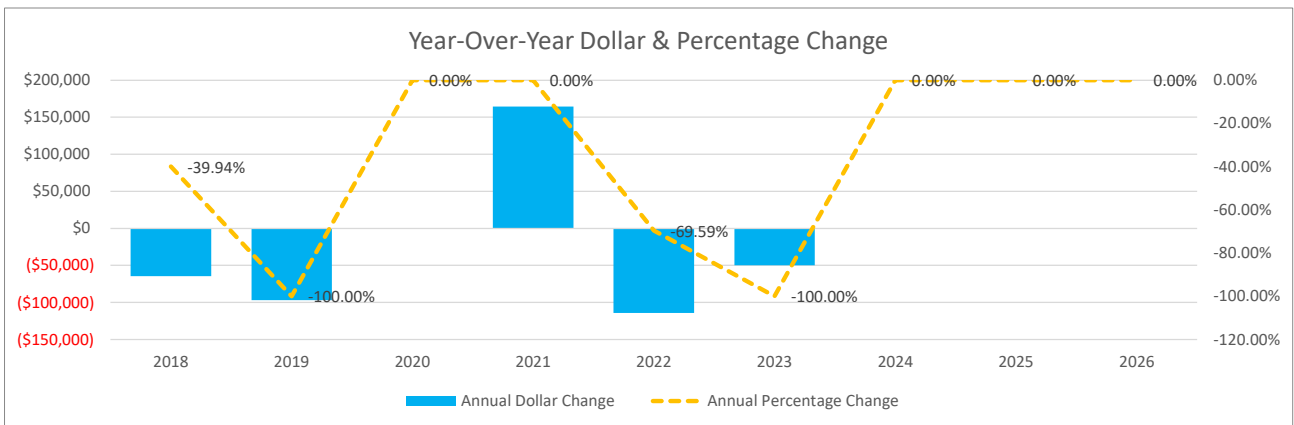
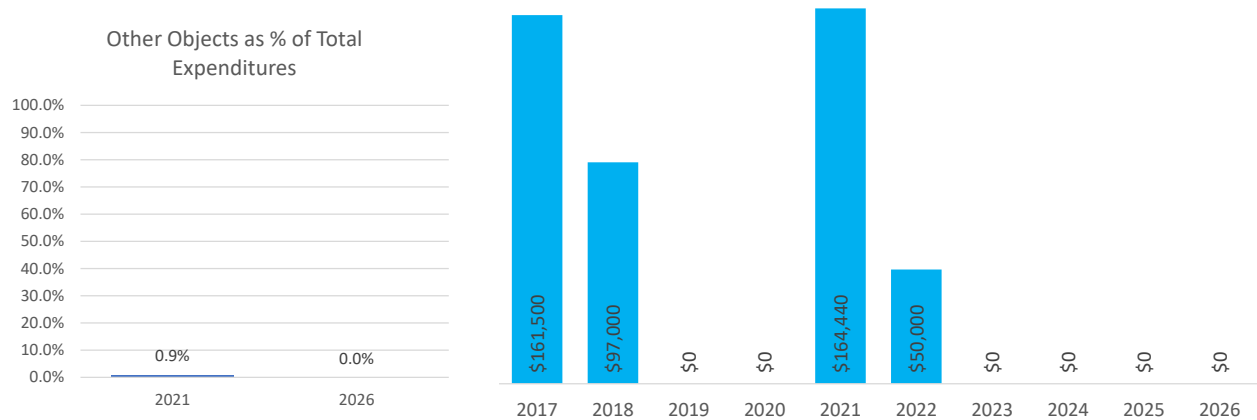
Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



Other Objects represent 1.29% of total expenditures and increased at a historical average annual rate of 2.00%. This category of expenditure is projected to grow at an annual average rate of 2.19% through FY 2026. The projected average annual rate of change is 0.19% more than the five year historical annual average.

### 5.040 - Total Other Financing Uses

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



	2021	FORECASTED				
		2022	2023	2024	2025	2026
Transfers Out	31,398	50,000	-	-	-	-
Advances Out	133,042	-	-	-	-	-
Other Financing Uses	-	-	-	-	-	-

Other uses includes expenditures that are generally classified as non-operating. It is typically in the form of advances-out which are then repaid into the general fund from the other district funds. In FY 2021 the district had advances-out and has no advances-out forecasted through FY 2026. The district can also move general funds permanently to other funds and as the schedule above presents, the district has transfers forecasted through FY 2026. The table above presents the district's planned advances and transfers. The district can also have other uses of funds which is reflected in the table above.

## Buckeye Local School District

### Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2021	2022	2023	2024	2025	2026
<b>Revenue:</b>						
1.010 - General Property Tax (Real Estate)	4,961,274	5,038,824	5,075,965	5,105,677	5,130,156	5,142,292
1.020 - Public Utility Personal Property	1,495,281	1,604,523	1,647,946	1,685,738	1,718,296	1,750,854
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	6,708,289	8,038,167	8,522,689	8,698,330	8,949,064	9,207,832
1.040 - Restricted Grants-in-Aid	194,867	678,764	729,063	858,858	907,912	993,142
1.050 - Property Tax Allocation	2,290,670	2,124,396	1,984,296	1,846,914	1,709,505	1,569,495
1.060 - All Other Operating Revenues	2,973,940	882,189	881,147	892,153	903,379	903,379
<b>1.070 - Total Revenue</b>	<b>18,624,321</b>	<b>18,366,863</b>	<b>18,841,106</b>	<b>19,087,670</b>	<b>19,318,312</b>	<b>19,566,994</b>
<b>Other Financing Sources:</b>						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	462,377	-	-	-	-
2.050 - Advances-In	-	-	-	-	-	-
2.060 - All Other Financing Sources	19,792	5,290	5,290	5,290	5,290	5,290
<b>2.070 - Total Other Financing Sources</b>	<b>19,792</b>	<b>467,667</b>	<b>5,290</b>	<b>5,290</b>	<b>5,290</b>	<b>5,290</b>
<b>2.080 - Total Rev &amp; Other Sources</b>	<b>18,644,113</b>	<b>18,834,530</b>	<b>18,846,396</b>	<b>19,092,960</b>	<b>19,323,602</b>	<b>19,572,284</b>
<b>Expenditures:</b>						
3.010 - Personnel Services	9,400,961	9,926,386	10,262,150	10,828,102	11,161,210	11,467,309
3.020 - Employee Benefits	3,646,364	3,927,782	4,093,616	4,442,912	4,705,845	4,980,503
3.030 - Purchased Services	3,022,735	2,599,661	2,727,443	3,057,282	3,148,906	3,244,021
3.040 - Supplies and Materials	542,022	597,876	605,799	613,865	622,077	630,438
3.050 - Capital Outlay	344,200	835,990	275,240	276,900	278,593	280,319
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	223,175	261,025	235,669	240,414	245,261	250,216
<b>4.500 - Total Expenditures</b>	<b>17,179,457</b>	<b>18,148,720</b>	<b>18,199,917</b>	<b>19,459,474</b>	<b>20,161,893</b>	<b>20,852,806</b>
<b>Other Financing Uses</b>						
5.010 - Operating Transfers-Out	31,398	50,000	-	-	-	-
5.020 - Advances-Out	133,042	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	164,440	50,000	-	-	-	-
<b>5.050 - Total Exp and Other Financing Uses</b>	<b>17,343,897</b>	<b>18,198,720</b>	<b>18,199,917</b>	<b>19,459,474</b>	<b>20,161,893</b>	<b>20,852,806</b>
<b>6.010 - Excess of Rev Over/(Under) Exp</b>	<b>1,300,216</b>	<b>635,809</b>	<b>646,479</b>	<b>(366,514)</b>	<b>(838,290)</b>	<b>(1,280,522)</b>
<b>7.010 - Cash Balance July 1 (No Levies)</b>	<b>14,071,350</b>	<b>15,371,567</b>	<b>16,007,376</b>	<b>16,653,855</b>	<b>16,287,341</b>	<b>15,449,050</b>
<b>7.020 - Cash Balance June 30 (No Levies)</b>	<b>15,371,567</b>	<b>16,007,376</b>	<b>16,653,855</b>	<b>16,287,341</b>	<b>15,449,050</b>	<b>14,168,528</b>
		Reservations				
8.010 - Estimated Encumbrances June 30	-	-	-	-	-	-
9.080 - Reservations Subtotal	-	-	-	-	-	-
<b>10.010 - Fund Bal June 30 for Cert of App</b>	<b>15,371,567</b>	<b>16,007,376</b>	<b>16,653,855</b>	<b>16,287,341</b>	<b>15,449,050</b>	<b>14,168,528</b>
<b>Rev from Replacement/Renewal Levies</b>						
11.010 & 11.020 - Renewal Levies	-	-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-
<b>12.010 - Fund Bal June 30 for Cert of Obligations</b>	<b>15,371,567</b>	<b>16,007,376</b>	<b>16,653,855</b>	<b>16,287,341</b>	<b>15,449,050</b>	<b>14,168,528</b>
<b>Revenue from New Levies</b>						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
<b>15.010 - Unreserved Fund Balance June 30</b>	<b>15,371,567</b>	<b>16,007,376</b>	<b>16,653,855</b>	<b>16,287,341</b>	<b>15,449,050</b>	<b>14,168,528</b>

