

## Madison Local School District

Lake County

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2016, 2017, and 2018 Actual  
Forecasted Fiscal Years Ending June 30, 2019 Through 2023

	Actual				Average Change	Forecasted				
	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019		Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	
<b>Revenues</b>										
1.010 General Property Tax (Real Estate)	\$8,282,692	\$8,500,927	\$9,429,358	6.8%	\$10,326,505	\$10,029,502	\$9,732,758	\$9,784,908	\$9,837,319	
1.020 Tangible Personal Property Tax	0	0	0	0.0%	0	0	0	0	0	
1.030 Income Tax	0	0	0	0.0%	0	0	0	0	0	
1.035 Unrestricted Grants-in-Aid	13,346,525	13,330,080	13,062,589	-1.1%	13,062,589	13,062,589	13,062,589	13,062,589	13,062,589	
1.040 Restricted Grants-in-Aid	47,056	42,365	42,482	-4.8%	42,482	42,482	42,482	42,482	42,482	
1.045 Restricted Federal Grants-in-Aid SF/SF	0	0	0	0.0%	0	0	0	0	0	
1.050 Property Tax Allocation	1,150,660	1,146,215	1,190,336	1.7%	1,193,312	1,195,983	1,198,972	1,201,970	1,204,975	
1.060 All Other Revenues	2,880,767	3,403,343	3,207,226	6.2%	3,204,605	3,204,605	3,204,605	3,204,605	3,204,605	
1.070 <b>Total Revenues</b>	<b>25,707,700</b>	<b>26,422,930</b>	<b>26,931,991</b>	<b>2.4%</b>	<b>27,829,493</b>	<b>27,535,161</b>	<b>27,241,406</b>	<b>27,296,554</b>	<b>27,351,970</b>	
<b>Other Financing Sources</b>										
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	4,697	291,927	0	3007.6%	0	0	0	0	0	
2.050 Advances-In	91,967	988	43,579	2106.0%	83,000	75,000	75,000	75,000	75,000	
2.060 All Other Financing Sources	4,395	119,226	41,839	1273.9%	0	0	0	0	0	
2.070 <b>Total Other Financing Sources</b>	<b>101,059</b>	<b>412,141</b>	<b>85,418</b>	<b>114.3%</b>	<b>83,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	
2.080 <b>Total Revenues and Other Financing Sources</b>	<b>25,808,759</b>	<b>26,835,071</b>	<b>27,017,409</b>	<b>2.3%</b>	<b>27,912,493</b>	<b>27,610,161</b>	<b>27,316,406</b>	<b>27,371,554</b>	<b>27,426,970</b>	
<b>Expenditures</b>										
3.010 Personal Services	14,169,596	15,011,958	15,515,749	4.7%	16,096,427	16,553,520	16,858,110	17,158,184	17,464,981	
3.020 Employees' Retirement/Insurance Benefits	5,171,976	5,405,807	5,645,413	4.5%	6,139,054	6,521,451	6,925,415	7,357,597	7,820,098	
3.030 Purchased Services	3,913,554	4,392,829	4,551,447	7.9%	4,584,315	4,718,684	4,848,527	5,014,049	5,185,465	
3.040 Supplies and Materials	573,535	578,302	795,890	19.2%	730,700	730,700	730,700	730,700	730,700	
3.050 Capital Outlay	22,985	93,675	45,071	127.8%	113,572	37,000	37,000	37,000	37,000	
3.060 Intergovernmental	0	0	0	0.0%	0	0	0	0	0	
Debt Service:										
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	249,217	201,771	265,413	6.3%	273,500	273,500	273,500	273,500	273,500	
4.500 <b>Total Expenditures</b>	<b>24,100,863</b>	<b>25,684,342</b>	<b>26,818,983</b>	<b>5.5%</b>	<b>27,937,568</b>	<b>28,834,855</b>	<b>29,673,252</b>	<b>30,571,030</b>	<b>31,511,744</b>	
<b>Other Financing Uses</b>										
5.010 Operating Transfers-Out	390,816	513,573	400,264	4.7%	400,000	412,000	424,360	437,091	450,204	
5.020 Advances-Out	16,164	70,568	128,052	209.0%	75,000	75,000	75,000	75,000	75,000	
5.030 All Other Financing Uses	0	0	0	0.0%	0	0	0	0	0	
5.040 <b>Total Other Financing Uses</b>	<b>406,980</b>	<b>584,141</b>	<b>528,316</b>	<b>17.0%</b>	<b>475,000</b>	<b>487,000</b>	<b>499,360</b>	<b>512,091</b>	<b>525,204</b>	
5.050 <b>Total Expenditures and Other Financing Uses</b>	<b>24,507,843</b>	<b>26,268,483</b>	<b>27,347,299</b>	<b>5.6%</b>	<b>28,412,568</b>	<b>29,321,855</b>	<b>30,172,612</b>	<b>31,083,121</b>	<b>32,036,948</b>	

6.010	<i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</i>									
	1,300,916	566,588	(329,890)	-107.3%	(500,075)	(1,711,694)	(2,856,206)	(3,711,567)	(4,609,978)	
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies									
	1,869,047	3,169,963	3,736,551	43.7%	3,406,661	2,906,586	1,194,892	(1,661,314)	(5,372,881)	
7.020	<i>Cash Balance June 30</i>									
	3,169,963	3,736,551	3,406,661	4.5%	2,906,586	1,194,892	(1,661,314)	(5,372,881)	(9,982,859)	
8.010	<i>Estimated Encumbrances June 30</i>									
	1,648,425	1,826,022	1,517,352	-3.1%	1,417,352	1,417,352	1,417,352	1,417,352	1,417,352	
	<b>Reservation of Fund Balance</b>									
9.010	Textbooks and Instructional Materials									
	0	0	0	0.0%	0	0	0	0	0	0
9.020	Capital Improvements									
	0	0	0	0.0%	0	0	0	0	0	0
9.030	Budget Reserve									
	0	0	0	0.0%	0	0	0	0	0	0
9.040	DPIA									
	0	0	0	0.0%	0	0	0	0	0	0
9.050	Debt Service									
	0	0	0	0.0%	0	0	0	0	0	0
9.060	Property Tax Advances									
	0	0	0	0.0%	0	0	0	0	0	0
9.070	Bus Purchases									
	0	0	0	0.0%	0	0	0	0	0	0
9.080	<i>Subtotal</i>									
	0	0	0	0.0%						
10.010	<i>Fund Balance June 30 for Certification of Appropriations</i>									
	1,521,538	1,910,529	1,889,309	12.2%	1,489,234	(222,460)	(3,078,666)	(6,790,233)	(11,400,211)	
	<b>Revenue from Replacement/Renewal Levies</b>									
11.010	Income Tax - Renewal									
	0	0	0	0.0%	0	348,635	697,270	697,270	697,270	0
11.020	Property Tax - Renewal or Replacement									
	0	0	0	0.0%	0	0	0	0	0	0
11.300	Cumulative Balance of Replacement/Renewal Levies									
	0	0	0	0.0%		348,635	1,045,905	1,743,175	2,440,445	
12.010	<i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>									
	1,521,538	1,910,529	1,889,309	12.2%	1,489,234	126,175	(2,032,761)	(5,047,058)	(8,959,766)	
	<b>Revenue from New Levies</b>									
13.010	Income Tax - New									
	0	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	0
13.030	Cumulative Balance of New Levies									
	0	0	0	0.0%						
14.010	Revenue from Future State Advancements									
	0		0	0.0%					0	
15.010	<i>Unreserved Fund Balance June 30</i>									
	1,521,538	1,910,529	1,889,309	12.2%	1,489,234	126,175	(2,032,761)	(5,047,058)	(8,959,766)	
	<b>ADM Forecasts</b>									
20.010	Kindergarten - October Count									
	166	172	197	9.1%	197	197	197	197	197	
20.015	Grades 1-12 - October Count									
	3,100	2,784	2,642	-7.6%	2,642	2,642	2,642	2,642	2,642	
21.010	Personal Services - SFSF									
	0	0	0		0	0	0	0	0	0
21.020	Employees' Retirement/Insurance Benefits - SFSF									
	0	0	0		0	0	0	0	0	0
21.030	Purchased Services - SFSF									
	0	0	0		0	0	0	0	0	0
21.040	Supplies and Materials - SFSF									
	0	0	0		0	0	0	0	0	0
21.050	Capital Outlay - SFSF									
	0	0	0		0	0	0	0	0	0
21.060	Total Expenditures - SFSF									
	0	0	0	0.0%	0	0	0	0	0	0

See accompanying summary of significant forecast assumptions and accounting policies

Includes: General fund, Emergency Levy fund, DPIA fund, Textbook fund and any portion of Debt Service fund related to General fund debt

Madison Local School District  
Assumptions  
Five-Year Forecast

GENERAL:

This financial forecast presents, to the best of management's knowledge, the District's expected revenue, expenditures and changes in the general fund balance for the forecast period. Accordingly, the forecast reflects its judgment as of **August 29, 2018**, the date of this forecast, of the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecast. There will usually be differences between the forecast and actual results because events and circumstances, many out of the District's control, frequently do not occur as expected, and those differences may be material.

This financial forecast includes three years of historical data and five years of projected data in the District's General Fund. The current fiscal year, 2019, is the first year of projected data.

REVENUES:

Property Taxes - Property tax revenue estimates are based on current legislation and recent historical growth patterns, including updates and reappraisals, and are substantiated by information provided for the current fiscal year from the county auditor. The property tax figures are based on historical collection levels.

1.010 General Property Tax (Real Estate)

Property values are established each year by the County Auditor based on new construction and complete or updated values. The values reflect the triennial update for the 2015 values collected in 2016.

This update includes revenue from the operating levy passed on May 2, 2017. The first year of collections was calendar year 2018.

The triennial update in 2015 resulted in a very little change in real estate tax values. These changes have been factored into the projection for District property values.

Tax levies are collected on a calendar basis (January through December), and our fiscal year is July through June. Real estate taxes are settled or paid twice a year; in March and August.

The amounts do not anticipate the automatic passage of a replacement or renewal levy. That means that when a levy is scheduled to expire, the estimated property tax revenue has a corresponding decline.

#### 1.035 Unrestricted Grants-in-Aid

The State funding for schools is based on several factors all of which are subject to deliberations and approval of the Ohio General Assembly. The current forecast reflects the \$203,508 annual decrease in funding from FY2017 to FY2018 and beyond. School funding beyond fiscal year 2019 will be set as part of the State's biennial budget for fiscal years 2020, 2021, 2022, and 2023. Due to the economic conditions within the State, the level at which the State will fund schools is uncertain. State Foundation revenues for fiscal years 2019 to 2023 are presented with no increase in revenue.

#### 1.040 Restricted Grants-in-Aid

Restricted grants-in-aid are the amounts received for gifted education and career technical education.

#### 1.045 Restricted Federal Grants-in-Aid SFSF

The State Fiscal Stabilization Fund (SFSF) was not reauthorized; therefore, SFSF revenues are not included in the five-year forecast.

#### 1.050 Property Tax Allocation

The rollback and homestead reimbursements are tax credits by the State of Ohio granted to owners of real estate property. A 10% reduction in the property taxes paid by the owner is paid by the State to the District. If the property owner occupies the property, then an additional 2.5% reduction in the property taxes is paid by the State to the District instead of the property owner. Increases in this line item are anticipated to reflect the anticipated increases in real estate.

#### 1.060 All Other Revenues

Other revenues include investment earnings, proceeds from rental of the District facilities, pay-to-participate fees, tuition from other districts for special education students, open enrollment students, casino revenue and workers' compensation premium rebates. These revenue items can greatly fluctuate from year-to-year based on changes in interest rates, usage of facilities and students attending the District for either special or regular education.

### EXPENDITURES

The only budget cuts enacted by the Board of Education from FY2010 through FY2017 that been restored are the hiring of two teachers and two custodians.

#### 3.010 Personal Services

This line accounts for the salaries of the entire staff. The current negotiated agreement for the classified staff expires June 30, 2020. The current negotiated agreement for the teaching staff expires August 12, 2020. The forecast includes only those increases in base salaries contained in the negotiated agreements.

### 3.020 Employees' Retirement/Insurance Benefits

This line accounts for the fringe benefits (Board paid contributions to employee retirement systems, medical, dental, vision and life insurance premiums, Medicare, and workers' compensation) of the entire staff. These benefits were calculated using the actual rates for employee retirement systems (14%), Medicare (1.45%) and workers' compensation (1%) of the related salaries shown on the personal services line. Health and life insurance includes an 8% increase in health care costs.

### 3.030 Purchased Services

For planning purposes, this area is projected to increase approximately 3% annually. The main budget items in this area include all utilities (gas, electric, water, sewer, phone, garbage), community school tuition, post secondary education option tuition, special education tuition, outgoing open enrollment tuition, property, liability, and vehicle insurance, equipment repairs, rentals, and postage. These budget items are generally considered the fixed cost items of operating the District.

### 3.040 Supplies and Materials

For planning purposes, there have been no projected annual increases in costs. The main budget item in this area includes instructional supplies, maintenance and custodial supplies, and transportation fuel and parts.

### 3.050 Capital Outlay

For planning purposes, there have been no projected annual increases in costs. Capital outlay includes all new and replacement equipment for the District.

### Other Financing Uses

These line items cover fund-to-fund transfers and end of year short-term loans from the General Fund to other funds until they have received reimbursement and can repay the General Fund. The debt from the 2011 HB264 project required principal payments beginning in FY2017. The amount of these principal payments is determined annually. An annual principal payment amount of \$80,000 has been included in the forecast.

## RESERVATION OF FUND BALANCE

### 9.010 Textbook and Instructional Materials

Since on an annual basis, the textbook and instructional materials set-aside requirements were not expected to be met through General Fund expenditures already projected in the future, additional reservations were required. This set-aside was eliminated after FY2010.

### 9.030 Budget Reserve

The budget reserve included the Bureau of Workers' Compensation rebates received and the phase-in amounts previously required by House Bill 412. This set-aside was eliminated after FY2010.

REVENUE FROM REPLACEMENT/RENEWAL LEVIES

11.020 Property Tax – Renewal or Replacements

A five-year, 1.90 mill operating levy was renewed in 2014. It must be renewed in calendar year 2019. If it is not renewed, the District will lose approximately \$348,635 for fiscal year 2020 and \$697,270 annually thereafter.

ADM FORECASTS

20.010 Kindergarten – October Count

20.015 Grades 1–12 – October Count

Enrollment (ADM) is based on actual numbers, FY2016, FY2017 and FY2018.

Projections are based on the current year enrollment. Many factors will effect the actual change in enrollment. These factors include birth rate, home construction activity, real estate transactions and other economic conditions.