Groveport-Madison Local School District – Franklin 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, 2020 THROUGH 2024

GROVEPORT MADISON SCHOOLS

Forecast Provided By
Groveport-Madison School District
Treasurer's Office
Joyce Disharoon, Interim-Treasurer

November 12, 2019

GROVEPORT MADISON LOCAL SCHOOL DISTRICT
Franklin County
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2017, 2018, 2019
Forecasted Fiscal Year Ending June 30, 2020 through 2024

		Actual				Forecasted				
		Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Average Change	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
	Revenues									
1.010	General Property Tax (Real Estate)	33,795,007	34,158,402	35,424,433	2.4%	$35,496,955	$36,274,349	$36,986,519	$37,641,611	$38,316,985
1.020	Tangible Personal Property	0	0	0	0.0%	$0	$0	$0	$0	$0
1.030	Income Tax	-	-	-	0.0%	$0	$0	$0	$0	$0
1.035	Unrestricted State Grants-in-Aid	37,712,926	39,185,321	40,433,873	3.5%	$40,608,214	$40,789,406	$40,768,788	$40,747,963	$40,726,932
1.040	Restricted State Grants-in-Aid	2,265,448	2,359,606	2,263,183	0.0%	$2,397,293	$2,397,293	$2,421,266	$2,445,479	$2,469,933
1.045	Restricted Fed. SFSF Fd. 532 FY10&11/Ed Jobs Fd	-	-	-	0.0%	$0	$0	$0	$0	$0
1.050	Property Tax Allocation	2,841,785	2,767,245	2,690,318	-2.7%	2,660,416	2,706,544	2,675,752	2,677,669	2,690,701
1.060	All Other Revenues	7,271,459	5,005,876	4,290,414	-22.7%	3,990,983	3,833,671	3,849,808	3,866,129	3,882,641
1.070	*Total Revenues*	83,886,625	83,476,450	85,102,221	0.7%	85,153,861	86,001,263	86,702,133	87,378,851	88,087,192
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	350,014	60	-	-100.0%	$0	$0	$0	$0	$0
2.020	State Emergency Loans and Advancements (Appro	-	-	-	0.0%	-	-	-	-	-
2.040	Operating Transfers-In	1,492,023	-	-	0.0%	-	-	-	-	-
2.050	Advances-In	-	-	-	0.0%	-	-	-	-	-
2.060	All Other Financing Sources	8,447	9,773	25,775	89.7%	$10,000	$10,000	$10,000	$10,000	$10,000
2.070	*Total Other Financing Sources*	1,850,484	9,833	25,775	31.3%	10,000	10,000	10,000	10,000	10,000
2.080	*Total Revenues and Other Financing Sources*	85,737,109	83,486,283	85,127,996	-0.3%	85,163,861	86,011,263	86,712,133	87,388,851	88,097,192
	Expenditures									
3.010	Personnel Services	$31,672,935	$33,669,012	$35,061,322	5.2%	$35,923,260	$37,072,444	$38,682,206	$40,089,353	$41,558,040
3.020	Employees' Retirement/Insurance Benefits	14,049,911	15,870,153	16,539,954	8.6%	$17,439,877	$18,332,114	$19,520,834	$20,817,384	$22,210,797
3.030	Purchased Services	26,659,143	24,252,433	24,822,589	-3.3%	$25,171,600	$25,529,957	$25,776,900	$26,151,214	$26,535,685
3.040	Supplies and Materials	1,835,078	2,546,622	2,962,978	27.6%	2,896,867	2,983,773	3,073,286	3,165,485	3,260,449
3.050	Capital Outlay	1,822,345	810,428	486,511	-47.7%	1,190,587	1,495,125	1,210,739	1,213,150	1,213,150
3.060	Intergovernmental	-	-	-	0.0%	-	-	-	-	-
	Debt Service:									
4.010	Principal-All (Historical Only)	-	-	-	0.0%	-	-	-	-	-
4.020	Principal-Notes	-	-	-	0.0%	-	-	-	-	-
4.030	Principal-State Loans	-	-	-	0.0%	-	-	-	-	-
4.040	Principal-State Advancements	-	-	-	0.0%	$0	$0	$0	$0	$0
4.050	Principal-HB 264 Loans	-	-	-	0.0%	$0	$0	$0	$0	$0
4.055	Principal-Other	-	-	-	0.0%	$0	$0	$0	$0	$0
4.060	Interest and Fiscal Charges	-	-	-	0.0%	$0	$0	$0	$0	$0
4.300	Other Objects	1,117,533	1,102,995	935,832	-8.2%	$1,106,000	$1,128,761	$1,152,101	$726,035	$746,081
4.500	*Total Expenditures*	$77,156,945	78,251,643	80,809,186	2.3%	83,728,191	86,542,174	89,416,066	92,162,621	95,524,202
	Other Financing Uses									
5.010	Operating Transfers-Out	2,291,973	1,814,325	1,803,537	-10.7%	$1,399,358	$1,114,017	$926,265	$927,075	$926,584
5.020	Advances-Out	-	-	-	0.0%	-	-	-	-	-
5.030	All Other Financing Uses	-	-	-	0.0%	-	-	-	-	-
5.040	*Total Other Financing Uses*	2,291,973	1,814,325	1,803,537	-10.7%	1,399,358	1,114,017	926,265	927,075	926,584
5.050	*Total Expenditures and Other Financing Uses*	79,448,918	80,065,968	82,612,723	2.0%	85,127,549	87,656,191	90,342,331	93,089,696	96,450,786
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	6,288,191	3,420,315	2,515,273	-36.0%	36,312	(1,644,929)	(3,630,198)	(5,700,845)	(8,353,594)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	7,051,465	13,339,656	16,759,971	57.4%	19,275,244	19,311,556	17,666,628	14,036,430	8,335,585
7.020	*Cash Balance June 30*	13,339,656	16,759,971	19,275,244	20.3%	19,311,556	17,666,628	14,036,430	8,335,585	(18,009)
8.010	*Estimated Encumbrances June 30*	995,888	1,135,794	1,484,054	22.4%	394,000	394,000	394,000	394,000	394,000
	Reservation of Fund Balance									
9.010	Textbooks and Instructional Materials	-	-	-	0.0%	-	-	-	-	-
9.020	Capital Improvements	-	-	-	0.0%	-	-	-	-	-
9.030	Budget Reserve	-	-	-	0.0%	-	-	-	-	-
9.040	DPIA	-	-	-	0.0%	-	-	-	-	-
9.045	Fiscal Stabilization	-	-	-	0.0%	3,130,607	3,169,527	-	-	-
9.050	Debt Service	-	-	-	0.0%	-	-	-	-	-
9.060	Property Tax Advances	-	-	-	0.0%	-	-	-	-	-
9.070	Bus Purchases	-	-	-	0.0%	-	-	-	-	-
9.080	*Subtotal*	-	-	-	0.0%	3,130,607	3,169,527	-	-	-
10.010	*Fund Balance June 30 for Certification of Appropriations*	12,343,768	15,624,177	17,791,190	20.2%	15,786,949	14,103,101	13,642,430	7,941,585	(412,009)
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal	-	-		0.0%	-	-	-	-	-
11.020	Property Tax - Renewal or Replacement	-	-		0.0%	-	-	-	-	-
11.300	Cumulative Balance of Replacement/Renewal Levie	-	-		0.0%	-	-	-	-	-

GROVEPORT MADISON LOCAL SCHOOL DISTRICT
Franklin County
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2017, 2018, 2019
Forecasted Fiscal Year Ending June 30, 2020 through 2024

	Actual				Forecasted				
	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Average Change	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
12.010 *Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	12,343,768	15,624,177	17,791,190	20.2%	15,786,949	14,103,101	13,642,430	7,941,585	(412,009)
Revenue from New Levies									
13.010 Income Tax - New				0.0%	$0	$0	$0	$0	$0
13.020 Property Tax - New				0.0%	-	-	-	-	-
13.030 Cumulative Balance of New Levies	-	-	-	0.0%	-	-	-	-	-
14.010 Revenue from Future State Advancements	-			0.0%	-	-	-	-	-
15.010 *Unreserved Fund Balance June 30*	12,343,768	15,624,177	17,791,190	20.2%	15,786,949	14,103,101	13,642,430	7,941,585	(412,009)

Groveport-Madison School District – Franklin County
Notes to the Five Year Forecast
General Fund Only

November 12, 2019

Introduction to the Five Year Forecast

For fiscal year 2020 (July 1, 2019 – June 30, 2020) school districts in Ohio are required to file a five (5) year financial forecast by November 30, 2019, and May 31, 2020. HB87, effective November 1, 2018, changed the October filing deadline to November 30 beginning with this forecast. The May 31 filing date remains unchanged. The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. HB166, the new state biennium budget provided new restricted state funding to school districts in Fiscal Years 20 and 21 specifically for Student Wellness and Success. These revenues are restricted and are required to be accounted for in a Special Revenue Fund (Fund 467) and are NOT included in this forecast.

Fiscal year 2020 (July 1, 2019-June 30, 2020) is the first year of the five-year forecast and is considered the baseline year. Our forecast is being updated to reflect the most current economic data available to us for the November 2019 filing..

Economic Outlook

It is prudent in long range forecasting to consider the economic climate that long range projection of revenues and expenses are made. The state of Ohio provides roughly 50% of all school district funding so the state's financial health is a stabilizing factor for school district funding. The state of Ohio ended FY19 with a surplus of revenue over expenses and is maintaining a statutory maximum balance of $2.8 billion in the Budget Stabilization Fund that would enable it to weather an economic slowdown during the forecast period. Unemployment rates statewide fell from 4.5% in June 2018 to 4.0% in June 2019 and overall economic growth is predicted to grow at a relatively steady rate of 2% annually through 2021 according to the Ohio Office of Budget and Management. This positively impact state revenues and local revenues for districts with school district income taxes and will reduce delinquent local property tax payments if employment remains strong. These indicators suggest the state of Ohio's overall economy is healthy and should be able to maintain stable funding through the foundation program through the forecast period.

Statewide assessed property values and local tax collections have recovered from the sharp drops that occurred in 2008 through 2011. In 2008 statewide property values reached $256.23 billion of assessed value and in 2017 they rose above this to $263.73 billion for the first time. Assessed values grew 4.3% overall from 2017 to $275.01 billion in 2018. Property values and new construction are expected to continue growing throughout the forecast period with some districts with high agricultural values experiencing slightly lower growth due to changes in current agricultural use valuation that will occur during reappraisal and update years. Property values and tax collections show trends supporting stability and growth for the forecast period.

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:

I. The State Budget represents 53.6% of district revenues, which means it is a significant 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.

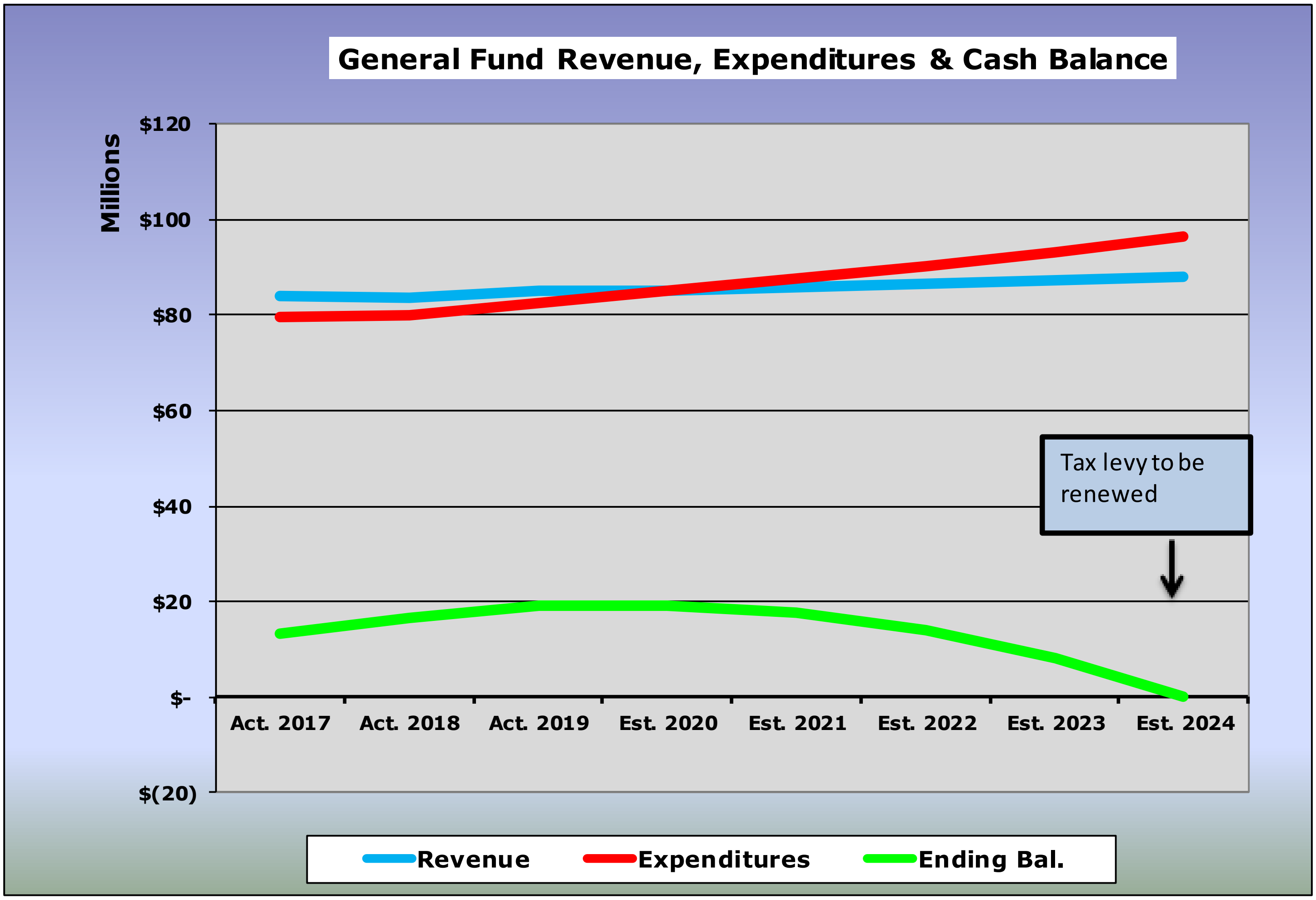
II. HB166 continues the many provisions contained in prior state biennium budgets that will continue to draw funds away from our district through continuing school choice programs such as College Credit Plus, Community Schools and increases in per pupil scholarship amounts deducted from our state aid 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 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.

III. Property tax collections are the second largest single revenue source for the school system. The housing market in our district is stable and growing. We project continued growth in appraised values every three (3) years and new construction growth with continued modest increases in local taxes. Total local revenues which are predominately local taxes equate to 44.4% of the district's resources. We believe there is a low risk that local collections would fall below projections in the forecast.

IV. The district's 6.68 mill Current Expense levy will expire on December 31, 2024. The renewal of this levy is necessary to keep the district financially healthy long term.

V. Labor relations in the district have been very 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 strong working relationship will continue.

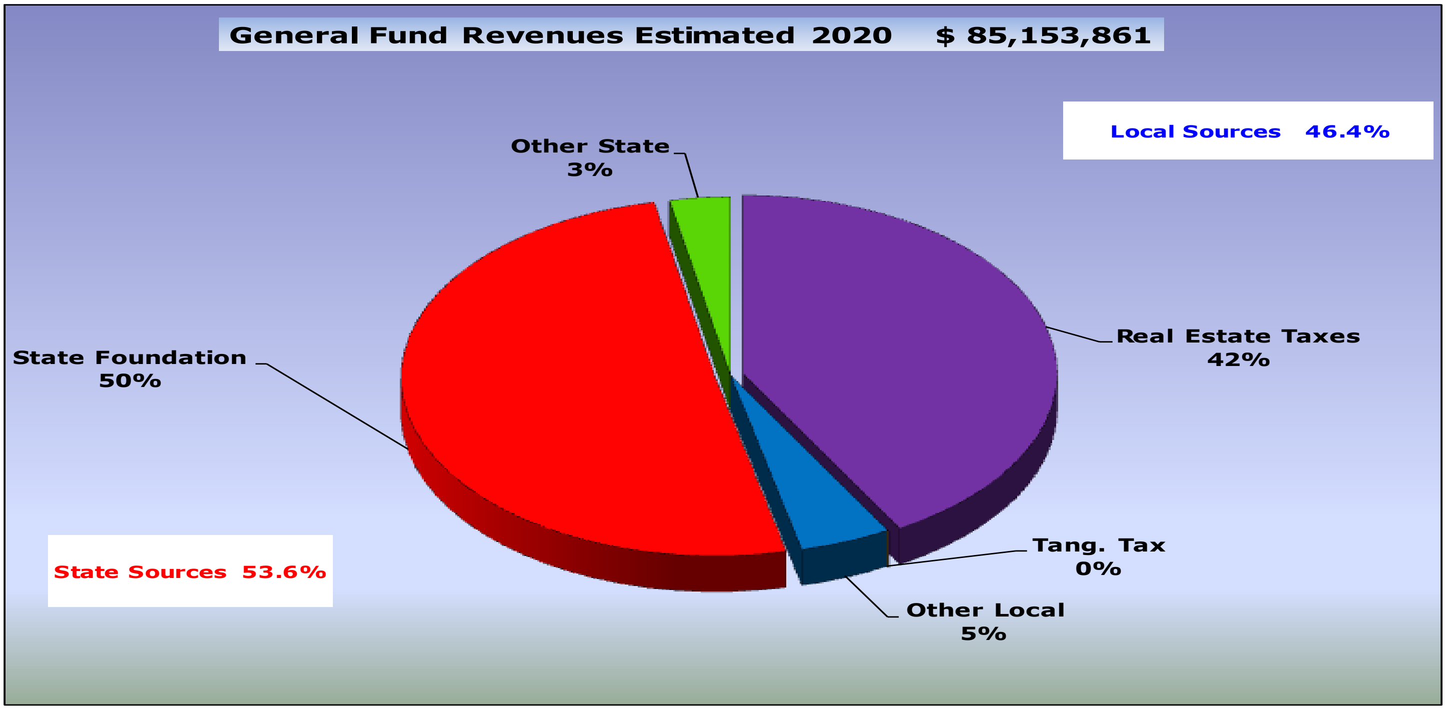
General Fund Revenue, Expenditure and Ending Cash Balance



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

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 Joyce Disharoon, Interim-Treasurer/CFO of Groveport-Madison School District at 614-492-2520.

Revenue Assumptions
Operating Revenue Sources General Fund FY20



Real Estate Value Assumptions – Line #1.010

Property Values are established each year by the County Auditor based on new construction, demolitions, Board of Revision (BOR)/Board of Tax Appeals (BTA) activity and complete reappraisal or updated values.

The Franklin County Auditor provided the district the values of all abatements that will be added to the Comm/Ind valuation beginning in 2015 collected in 2016. The first year that the values are added from being abated the values are treated as new construction which will give the district an increase in tax revenue. We have included these values in the forecast during the correct collection year.

A complete reappraisal occurred in 2017 for collection in FY18 and we received an increase of 13.94% in residential/agricultural values and an increase of 4.38% commercial/industrial property. Real estate tax revenue makes up 41% of the district's General Fund revenue. A reappraisal update will be completed in tax year 2020 for collection 2021, based on information from the county auditor we are using a 15% increase in values.

CAUV values represent 1.8% of Class I residential agricultural values. HB49 authorized a reduction in CAUV computations that will result in these values falling on average by 30%. These reductions will occur as districts experience their next reappraisal or update cycle. We experienced this in the Tax Year 2017 reappraisal. A reduction of value has been weighted in to our average Class I value change in 2017. This will cause a shift in taxes from agricultural taxpayers to residential taxpayers but should not result in lower taxes to our district.

Public Utility Personal Property (PUPP) values have seen a growth over the past five years and we expect a slight increase each year of the forecast. The district experienced a large increase in PUPP values in 2018 for collection in 2019 but does not expect that type of increase for future years of the forecast.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Actual TAX YEAR 2019 COLLECT 2020	Estimated TAX YEAR 2020 COLLECT 2021	Estimated TAX YEAR 2021 COLLECT 2022	Estimated TAX YEAR 2022 COLLECT 2023	Estimated TAX YEAR 2023 COLLECT 2024
Res./Ag.	$521,665,620	$600,365,463	$600,815,463	$601,265,463	$631,778,736
Comm./Ind.	$355,661,325	$379,426,028	$394,159,838	$408,893,648	$427,716,395
Public Utility (PUPP)	$67,265,250	$67,765,250	$68,265,250	$68,765,250	$69,265,250
Tangible Personal Property (TPP)	$0	$0	$0	$0	$0
Total Assessed Value	$944,592,195	$1,047,556,741	$1,063,240,551	$1,078,924,361	$1,128,760,381

ESTIMATED REAL ESTATE TAX (Line #1.010)

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 however, the timing of the tax payments is always in flux but they appear to have normalized. Property taxes are estimated to be collected at 54.93% of the Res/Ag and Comm/Ind in the February tax settlements and 45.07% collected in the August tax settlements. The December 2017 Federal Tax law changes to the deductibility of State and Local Tax (SALT) caused the first half 2018 tax collections to be and estimated $200,000 higher and will result in the second half 2018 (affects FY19) being lower by this amount. This will result in FY18 tax collections being higher and FY19 will be lower. This was an event that caused onetime cash flow acceleration only and is not additional new taxes. Tax collections will return to normal collections for FY20.

The district is forecasting tax settlement payments from Board of Revision complaints in in FY20 through FY23 of $325,000. These are settlement payments from previous years taxes that were not paid as the amount of valuations were being challenged.

Public Utility Personal Property tax settlements (PUPP taxes) are estimated to be received 50% in the February and 50% in the August settlement from Franklin County Auditor. The district posts PUPP and Real Estate Taxes in Line 1.010.

Category	FY20	FY21	FY22	FY23	FY24
Est. General Property Taxes Line #1.010	$35,496,955	$36,274,349	$36,986,519	$37,641,611	$38,316,985

Estimated Tangible Personal Tax – Line #1.020

The phase out of TPP taxes as noted earlier began in FY06. HB66 was adopted in June 2005 and the provisions of the legislation have estimated the tangible personal property tax would be eliminated after FY11. Any TPP revenues received in FY13 and beyond are delinquent TPP taxes.

Renewal and Replacement Levies – Line #11.020

The May 2014 levy was renewed in 2019 for five years and will expire on December 31, 2024. The district will need to renew the levy in 2024 for collection in 2025 to preserve the same level of funding for the district.

New Tax Levies – Line #13.030

No new levies are modeled in this forecast.

State Foundation Revenue - Lines #1.035, 1.040 & 1.045

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

The amounts estimated for state funding are based on HB166 funding simulations which basically guarantee all school districts the same amount of state aid they received in FY19. Essentially funding for all 610 traditional school districts and 49 Joint Vocational and Career Centers is frozen for FY20 & 21 at the FY19 funding level for state basic aid. The State Foundation Funding Formula used since FY14 has now been abandoned after six

(6) years. HB305 is currently being considered by the legislature and may produce a successor funding formula for the FY22-23 biennium budget but there is nothing to base future projections on. For this reason we have projected state aid flat through FY24 as we have nothing authoritative to rely on at this time.

HB166 did include an Enrollment Growth Supplement for FY20 and FY21 for districts that were growing based on previous years data. The district will receive this additional funding in FY20 of $222,432 and in FY21 of $359,108. There are not any future increases for this in the remainder of the forecast.

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 FY20 proposed funding ranges from $20 per student to $250 per student and in FY21 funding ranges from $25 per student to $300 per student. All schools and students are to receive a minimum additional funding of $25,000 in FY20 and $30,000 in FY21. Our district is estimated to receive $1,444,363 in FY20 and $2,088,378 in FY21. Money will be received twice each year in October and February. These dollars are to be deposited in a Special Revenue Fund 467 and are restricted to expenses that follow a plan developed in coordination with one of the approved community partner organizations approved in HB166 that include the following:

A. Student Wellness and Success Initiatives (ORC 3317.26(B))

- Mental health services
- Services for homeless youth
- Services for child welfare involved youth
- Community liaisons
- Physical health care services
- Mentoring programs
- Family engagement and support services
- City Connects programming
- Professional development regarding the provision of trauma-informed care
- Professional development regarding cultural competence
- Student services provided prior to or after the regularly scheduled school day or any time school is not in session

B. Community Partners (ORC 3317.26(C))

- A board of alcohol, drug and mental health services
- An educational service center
- A county board of developmental disabilities
- A community-based mental health treatment provider
- A board of health of a city or general health district
- A county department of job and family services
- A nonprofit organization with experience serving children
- A public hospital agency

At this time our district is spending money in our General Fund that is servicing student needs as identified in 3317.26 (B) and our approved plan calls for these expenses to be recoded to Fund 467 for FY20 and FY21.We believe that the funding in Fund 467 will continue and will not be returning the expenditures to the General Fund in FY22.

Our current state funding is using October #1 data. The district has received a negative adjustment for FY19 in FY20 in the amount of $56,406, this is important as this will affect the total funding for FY20 and future years of the forecast.

Future State Budgets: Our funding status for the FY22-24 will depend on two (2) new state budgets which are unknown. With the change to the state funding and no growth for the FY20-21 state amounts, we are not increasing the state funding for any year of the forecast. We believe our current state funding estimates for FY20-24 are reasonable and that we will adjust the forecast in the future when we have authoritative data to work with.

Casino Revenues: 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 are open for business and generating Gross Casino Tax Revenues (GCR). Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% GCR that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31st of January and August each year which began for the first time on January 31, 2013.

The state indicated recently that revenues from casinos are not growing robustly as originally predicted but are still growing slowly as the economy has improved. Actual numbers generated for FY19 statewide were 1,785,583 students at $52.59 per pupil. That is a decline of .36% students from the prior year. For FY20-24 we estimated a .4% decline in pupils to 1,778,441 and GCR increasing to $95.5 million or $55.06 per pupil. We are increasing the amount by 1% each year for the remainder of the forecast.

Category	FY20	FY21	FY22	FY23	FY24
Basic Aid-Unrestricted	$39,183,226	$39,239,632	$39,215,659	$39,191,446	$39,166,992
Additional Aid Items	$1,094,573	$1,214,275	$1,214,275	$1,214,275	$1,214,275
Basic Aid-Unrestricted Subtotal	$40,277,799	$40,453,907	$40,429,934	$40,405,721	$40,381,267
Ohio Casino Commission ODT	$330,415	$335,499	$338,854	$342,242	$345,665
Total Unrestricted State Aid Line # 1.035	$40,608,214	$40,789,406	$40,768,788	$40,747,963	$40,726,932

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 a 1% increase each year of the forecast for FY18-22.

Category	FY20	FY21	FY22	FY23	FY24
Economically Disadvantaged Aid	$2,146,388	$2,146,388	$2,167,852	$2,189,531	$2,211,426
Career Tech - Restricted	$250,905	$250,905	$253,414	$255,948	$258,507
Total Restricted State Revenues Line #1.040	$2,397,293	$2,397,293	$2,421,266	$2,445,479	$2,469,933

C) Restricted Federal Grants in Aid – line #1.045

The district does not expect to receive any federal unrestricted funds in the general fund.

SUMMARY OF STATE REVENUES

SUMMARY	FY20	FY21	FY22	FY23	FY24
Unrestricted Line # 1.035	$40,608,214	$40,789,406	$40,768,788	$40,747,963	$40,726,932
Restricted Line # 1.040	$2,397,293	$2,397,293	$2,421,266	$2,445,479	$2,469,933
Fed. Grants - SFSF & Ed Jobs Line #1.045	$0	$0	$0	$0	$0
Total State Foundation Revenue	$43,005,507	$43,186,699	$43,190,054	$43,193,442	$43,196,865

State Taxes Reimbursement/Property Tax Allocation - Line #1.050

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. HB66 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 who are disabled regardless of income. Effective September 29, 2013 HB59 changes the requirement for Homestead Exemptions. Individual taxpayers who do not currently have their Homestead Exemption approved or those who do not get a new application approved for tax year 2013, and who become eligible thereafter will only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who currently have their Homestead Exemption as of September 29, 2013 will not lose it going forward and will not have to meet the new income qualification. This will slow the growth of homestead reimbursements to the district, and as with the rollback reimbursements above, increase the taxes collected locally on taxpayers.

b) Tangible Personal Property Reimbursements – Fixed Rate

The district no longer receives Fixed Rate reimbursements.

c) Tangible Personal Property Reimbursements – Fixed Sum

HB 64 has continued reimbursement of Fixed Sum TPP reimbursements at current levels through FY17 and will begin a phase out over five years through FY21. There will be no fixed sum TPP reimbursement in FY22. Districts will not lose money due to the phase out. The amount of money the state is cutting its reimbursement by will be added on the local fixed sum millage and collected in local property taxes. This is directly shifting the burden to local tax payers by the state cut in fixed sum TPP reimbursement.

Summary of State Tax Reimbursement – Line #1.050

Category	FY20	FY21	FY22	FY23	FY24
a) Rollback and Homestead	$2,557,335	$2,655,003	$2,675,752	$2,677,669	$2,690,701
b) TPP Fixed Rate	$0	$0	$0	$0	$0
c) TPP Fixed Sum	$103,081	$51,541	$0	$0	$0
Total Tax Reimb./Prop. Tax Allocations #1.050	$2,660,416	$2,706,544	$2,675,752	$2,677,669	$2,690,701

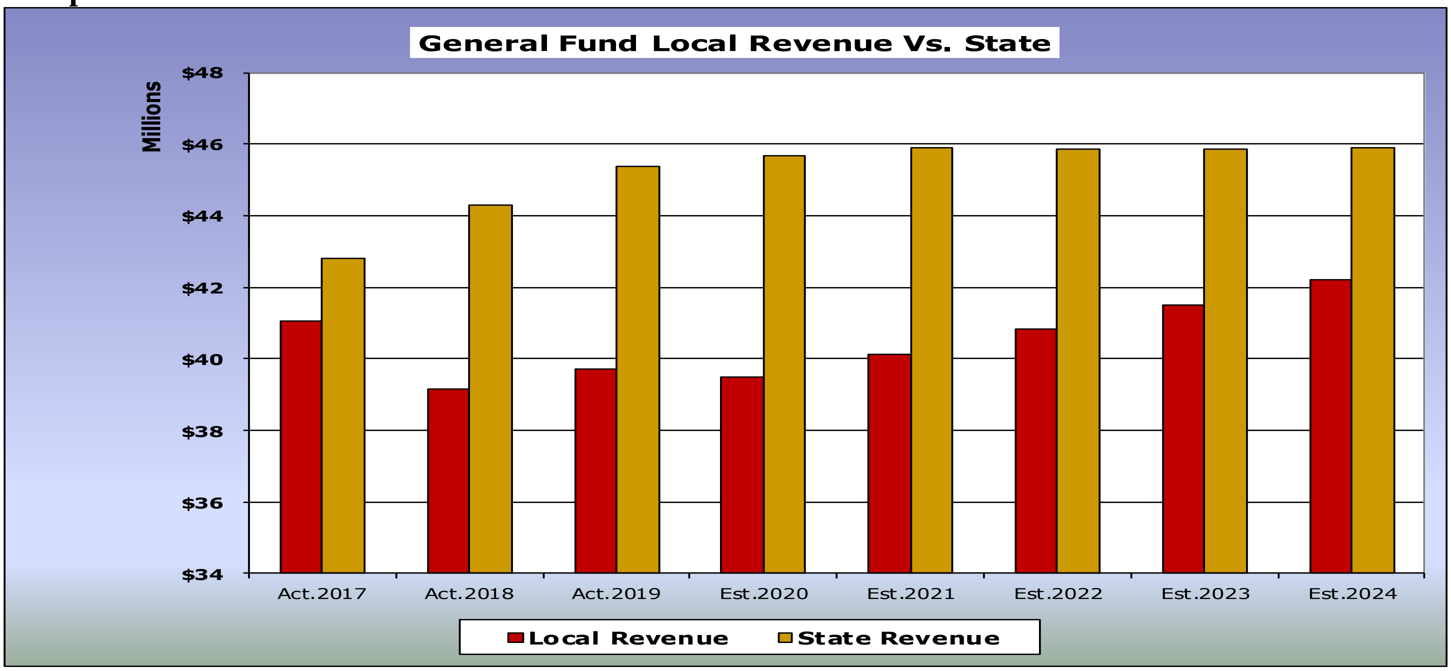
Other Local Revenues – Line #1.060

Revenues from all other sources are based on historical growth patterns. This revenue largely consists of rental income, tuition payments, Medicaid reimbursements and payments from TIF (Tax Increment Financing) and PILOT (Payments in Lieu of Taxes) programs.

The district expects to receive $300,000 in Medicaid payments each year of the forecast. This is considerably less than the past few years as the catch-up period has ended. The district expects to receive an additional $175,000 for a technology/telecommunication project that is eligible for e-rate funding in FY20.

Category	FY20	FY21	FY22	FY23	FY24
Tuition SF-14 & SF-14H	$1,307,556	$1,320,632	$1,333,838	$1,347,176	$1,360,648
Extra Curricular & Class Fees	$3,965	$4,282	$4,625	$4,995	$5,395
Interest	$200,000	$200,000	$200,000	$200,000	$200,000
Medicaid CAFS	$300,000	$300,000	$300,000	$300,000	$300,000
Cruiser Academy	$0	$0	$0	$0	$0
TIF & PILOT Payments	$1,750,000	$1,750,000	$1,750,000	$1,750,000	$1,750,000
Erate & Other Miscellaneous	$429,462	$258,757	$261,345	$263,958	$266,598
Total Line # 1.060	$3,990,983	$3,833,671	$3,849,808	$3,866,129	$3,882,641

Comparison of Local Revenue and State Revenue



The chart above shows that the district has been receiving additional funding from the state from FY17 through FY24. The changes in state funding will hold steady in the remainder of the forecast. The local revenue increased in FY16 with the passing of the levy and will be maintained at that level with the renewal of the levy in FY20.

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

There are no short term borrowings planned at this time.

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

Returns of advances to other funds from the previous year are included in this area. The reserve can only be used for emergencies and must be approved by the Board of Education.

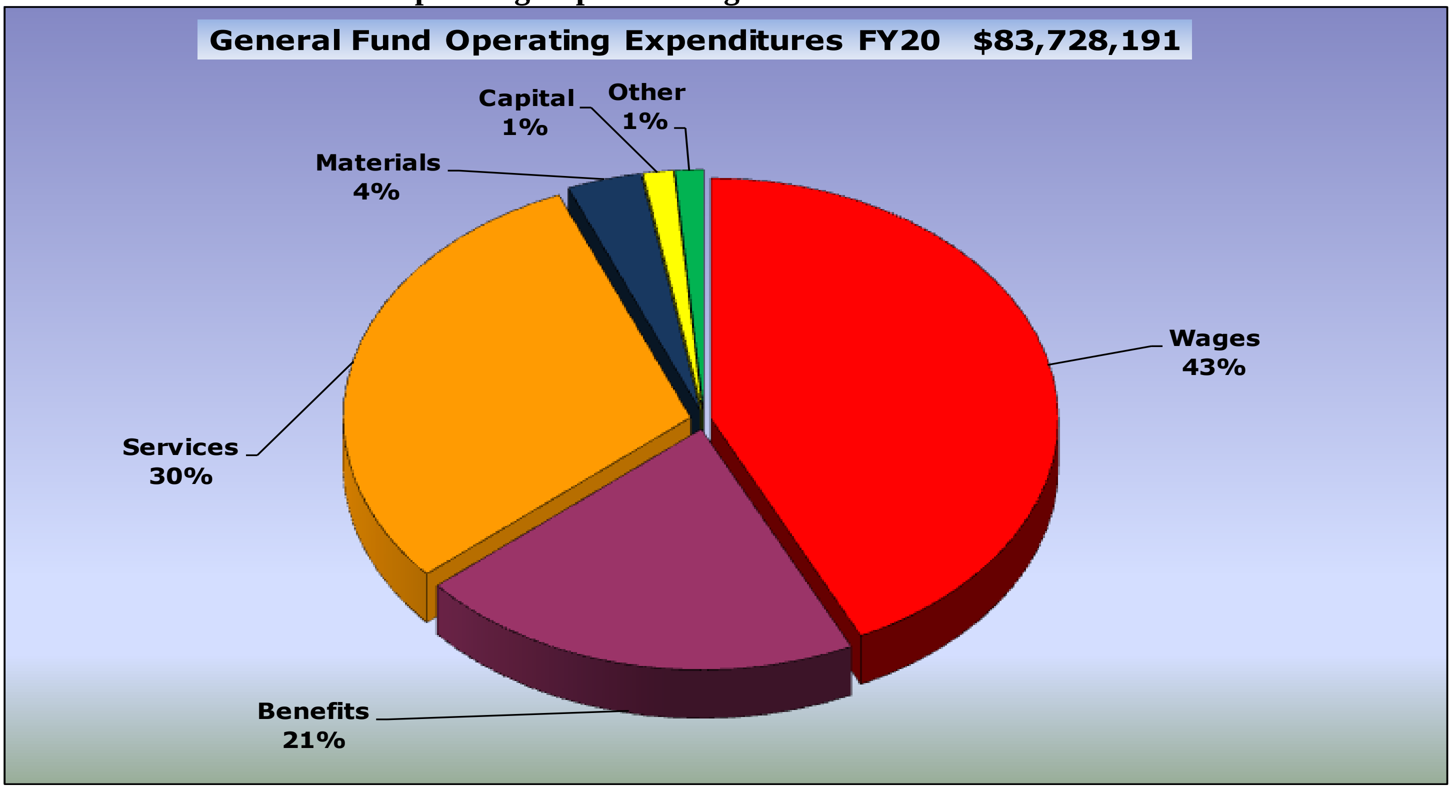
All Other Financial Sources – Line #2.060 & Line #14.010

The district expects to receive $10,000 annually for refunds of prior year expenditures and sale of assets.

Category	FY20	FY21	FY22	FY23	FY24
Refunds & Sale of Assets	$10,000	$10,000	$10,000	$10,000	$10,000

Expenditures Assumptions

All Operating Expense Categories - General Fund FY20



Wages – Line #3.010

The district had successful negotiations with both the Certified and Classified staff. The classified staff agreement is for three years with base wages of 2.75% in FY19-FY21. The certified agreement will expire in FY19 with a 2.5% base wage increase. The district is including a base wage increase for forecasting purposes only for the certified staff at the same amount as for the classified staff in FY20 and FY21. The district is estimating base increases of 2.75% in FY22 and 2% in FY23.

The district's Student Achievement Improvement Plan includes additional staffing in in FY20 for 5 new teachers. The district is estimating an average of 6 retirements per year with replacement of those staff members for the remainder of the forecast.

The district will be paying severance from the 034 fund and will no longer include the amounts within the forecast.

We have recoded expenses that qualify in our plan for use of Student Wellness and Success funding in FY20 of $1,015,184 and an additional $446,681 in FY21, we do expect that this fund will continue in future years.

Category	FY20	FY21	FY22	FY23	FY24
Base Wages	$34,343,945	$35,191,535	$36,326,084	$37,920,919	$39,312,840
Increases/ Merit Based Pay	$944,458	$967,767	$998,967	$758,418	$786,257
Steps & Training/Performance Based Pay	$734,960	$753,099	$777,378	$811,508	$841,295
Growth	$698,728	$337,679	$294,130	$300,013	$306,013
Unfunded Recapture	$0	$0	$0	$0	$0
Subs & Supplemental Costs	$731,725	$746,360	$761,287	$776,513	$792,043
Severance	$0	$0	$0	$0	$0
Staff Reductions	-$1,530,556	-$923,996	-$475,640	-$478,018	-$480,408
Total Wages Line 3.010	$35,923,260	$37,072,444	$38,682,206	$40,089,353	$41,558,040

Fringe Benefits Estimates Line #3.02

This area of the forecast captures all costs associated with benefits and retirement costs, with all except health insurance being directly related to the wages paid. 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 Student Wellness Success decreases in salaries affected the benefits by the corresponding percentage of salaries to decrease those areas. There were additional decreases required for insurances as there is not a specific percentage of salary in order to complete the reduction for the total recoding of these items.

A) STRS/SERS

As required by law the BOE pays 14% of all employee wages to State Teachers Retirement System (STRS) or School Employees Retirement System (SERS).

B) Insurance

Medical insurance trend is being projected annually at 7% in FY20 with an increase of 0.5% each year for the remainder of the forecast. The trend is based on current plan design, enrollment in the plan and claim history. The insurance committee is working together to review possible options in order to reduce costs for employees and the district.

Patient Protection and Affordable Care Act (PPACA) Costs- the **Patient Protection and Affordable Care Act** (**PPACA**) commonly called **Obamacare** or the **Affordable Care Act** (**ACA**), is a United States federal statute signed into law by President Barack Obama on March 23, 2010. It is uncertain to what extent the implementation of PPACA will cost our district in additional funds especially since it is being reviewed carefully at the federal level for amendment or repeal. We are not certain what these added costs may be but Longer-term, a significant concern is the 40% “Cadillac Tax” provision but in December 2017 this was delayed until 2022 by congress. This tax would be imposed on plans whose value of benefits exceeds $10,200 for individual plans and $27,500 for family plans. The rules and implementation of the PPACA is an ongoing issue we are watching closely to evaluate the effect on our district.

C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to remain at about .5% of wages FY19 – FY24. The district is a self-insured workers compensation district, which means we only pay claims as they occur. In order for the district to maintain a reserve for claims the amount of premiums will be paid to a self-insurance fund based on a percentage of annual salary. This fund will be evaluated each on the amount of the payments in December. Unemployment is expected to remain at a very low level. The district is a direct reimbursement employer which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment.

D) Medicare

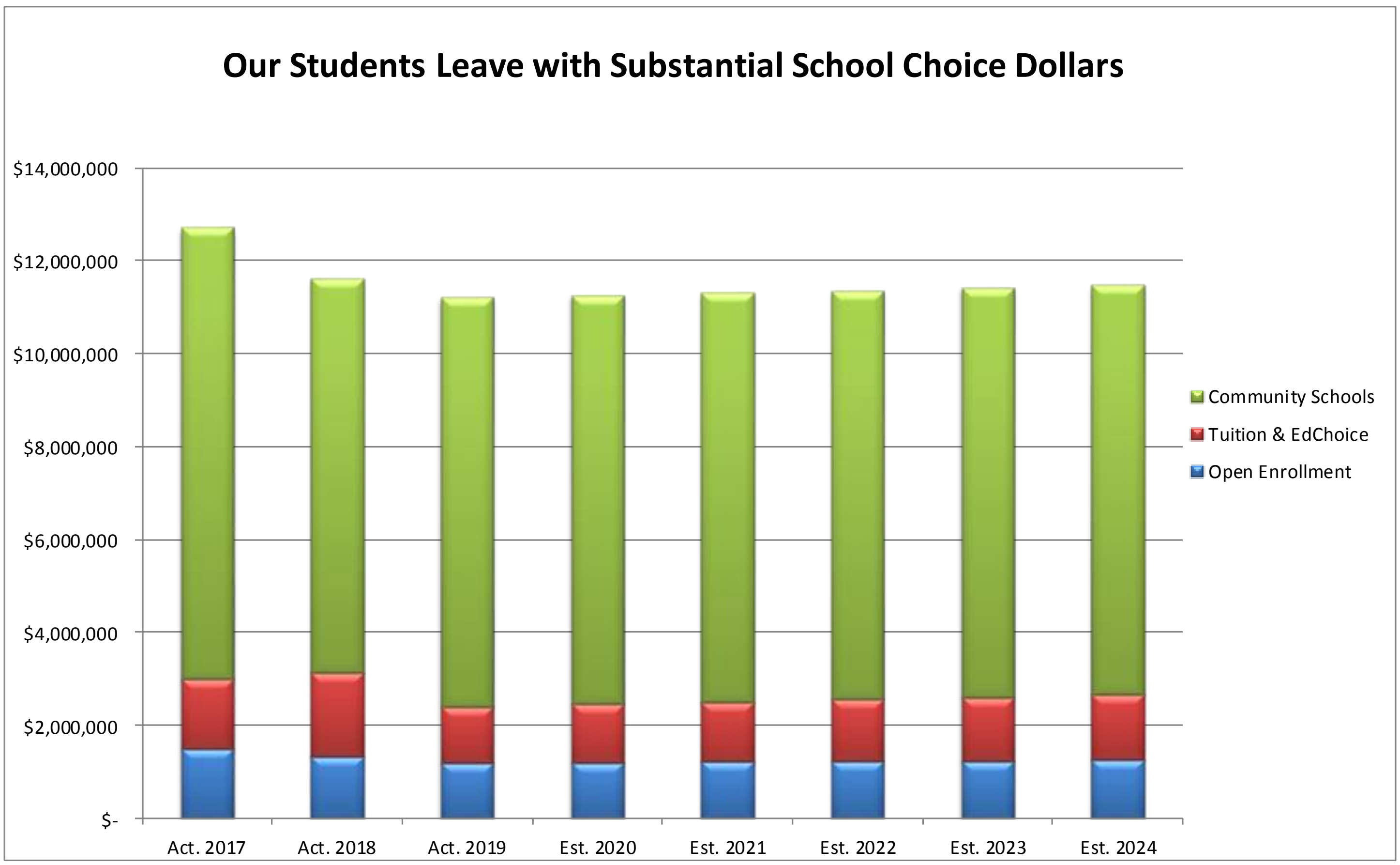
Medicare will continue to increase at the rate of increases in wages. Contributions are 1.45% for all new employees to the district on or after April 1, 1986. These amounts are growing at the general growth rate of wages.

Summary of Fringe Benefits – Line #3.020

Category	FY20	FY21	FY22	FY23	FY24
STRS/SERS	$5,555,391	$5,729,211	$5,971,819	$6,192,971	$6,419,699
Insurance's	$11,241,246	$11,938,121	$12,853,239	$13,906,603	$15,050,297
Workers Comp/Unemployment	$70,110	$71,430	$73,212	$74,791	$76,434
Medicare	$508,826	$529,048	$558,260	$578,715	$600,063
Other/Tuition	$64,304	$64,304	$64,304	$64,304	$64,304
Total Line 3.020	$17,439,877	$18,332,114	$19,520,834	$20,817,384	$22,210,797

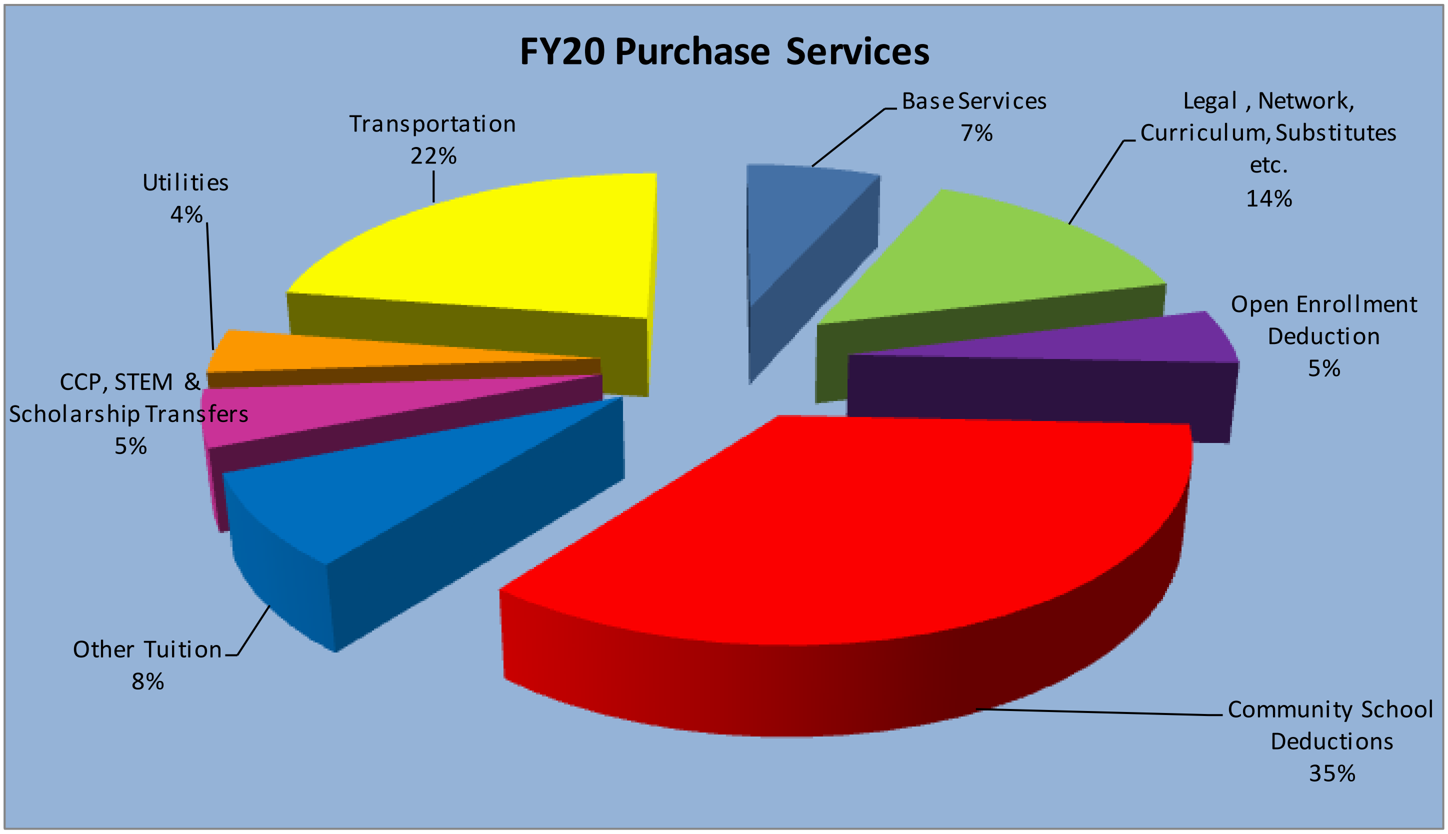
Purchased Services – Line #3.030

This category includes payments for contracted services, utilities, gas, electric, property insurance and transportation. Significant payments are made to Community Schools, Open Enrollment and the Educational Choice Voucher program. The chart below shows the depth of the loss of dollars for the district to other districts.



The district is projecting growth that was outlined within the Student Achievement Improvement Plan in the following areas: Early Learning Instruction services and student data management system, finishing of the floors for the athletic middle school programs, professional development for response to intervention, Connect Ohio Grant, gifted consultant, early teaching instruction consultant, additional middle school athletic transportation costs. The district will be leasing modular classrooms beginning in FY18 through FY21 for $121,057 per year.

In order to better understand where the amounts are spent for services the chart below shows what percentage is for each area within the Purchase Service line.



The amounts within the chart below correspond to the FY20 percentage as shown in the graph above.

Category	FY20	FY21	FY22	FY23	FY24
Base Services	$1,666,028	$1,716,009	$1,646,432	$1,695,825	$1,746,700
Legal , Network, Curriculum, Substitutes etc.	$3,588,889	$3,624,778	$3,661,026	$3,697,636	$3,734,612
Open Enrollment Deduction	$1,218,196	$1,230,378	$1,242,682	$1,255,109	$1,267,660
Community School Deductions	$8,797,050	$8,797,050	$8,797,050	$8,797,050	$8,797,050
Other Tuition	$2,036,795	$2,097,899	$2,160,836	$2,225,661	$2,292,431
CCP, STEM & Scholarship Transfers	$1,256,784	$1,294,488	$1,333,323	$1,373,323	$1,414,523
Utilities	$978,029	$1,026,930	$1,078,277	$1,132,191	$1,188,801
Transportation	$5,629,829	$5,742,425	$5,857,274	$5,974,419	$6,093,908
Total Line 3.030	$25,171,600	$25,529,957	$25,776,900	$26,151,214	$26,535,685

Supplies and Materials – Line #3.040
Supplies and materials are expected to grow by 3% through FY23. The additional supplies for new instructional programs and offerings have been put in place for student growth.

Category	FY20	FY21	FY22	FY23	FY24
Supplies	$2,757,441	$2,840,164	$2,925,369	$3,013,130	$3,103,524
Textbook/Curriculum Updates	$139,426	$143,609	$147,917	$152,355	$156,925
Total Line 3.040	$2,896,867	$2,983,773	$3,073,286	$3,165,485	$3,260,449

Equipment – Line #3.050

Most Capital Outlay is paid through the Permanent Improvement fund. The district has completed a Capital Outlay plan that includes: FY20-FY24 technology equipment and other items as they are needed. The district has included the replacement of a pick-up truck in FY21. The amounts for the updates at the softball field have been moved to FY20 from FY19 of $300,000. Also in FY20 there will be the E-rate project that was not expected in October for $160,000. Roof repair expenses have been added in FY21 through FY23 in the amount of $500,000 each year and FY23.

Category	FY20	FY21	FY22	FY23	FY24
Capital Outlay	$1,190,587	$1,495,125	$1,210,739	$1,213,150	$1,213,150
Other	$0	$0	$0	$0	$0
Total Line 3.050	$1,190,587	$1,495,125	$1,210,739	$1,213,150	$1,213,150

Debt Service – Line #4.050; #4.060;

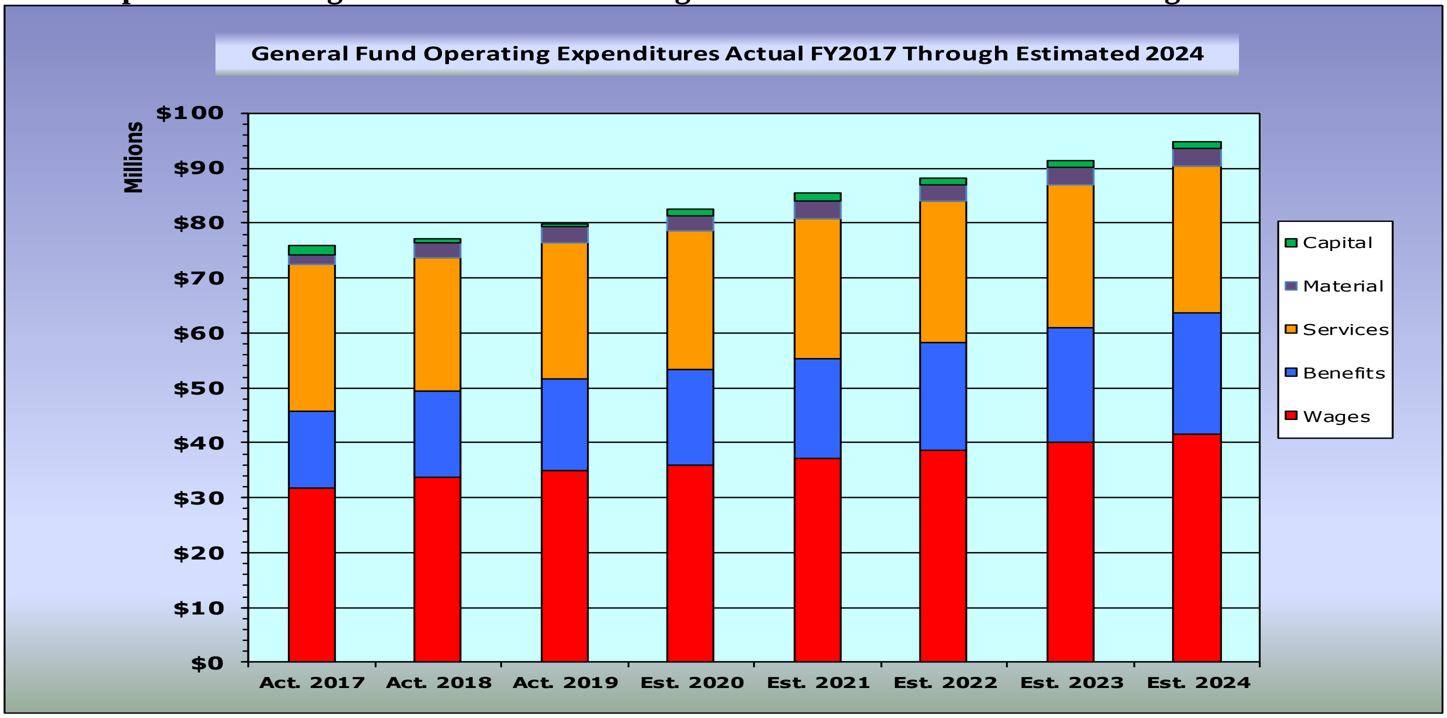
The district does not have any general fund debt.

Other Expenses – Line #4.300

The category of Other Expenses consists primarily of the County ESC deductions for specialized services provided to the District and Auditor & Treasurer fees. Auditor and Treasurer Fees will fluctuate with real estate revenue collections. The County ESC costs are projected to increase by 3% each year. The Win-Win agreement will expire in FY23 for a deduction of $450,000 in that year.

Category	FY20	FY21	FY22	FY23	FY24
County Auditor & Treasurer Fees	$520,959	$526,169	$531,431	$86,745	$87,612
County ESC	-$23,666	-$24,376	-$25,107	-$25,860	-$26,636
Audit Fees/Liability Ins/Other	$608,707	$626,968	$645,777	$665,150	$685,105
Total Line 4.300	$1,106,000	$1,128,761	$1,152,101	$726,035	$746,081

Total Expenditure Categories Actual FY17 through FY19 and Estimated FY20 through FY24



Transfers Out/Advances Out – Line #5.010

This account group covers fund to fund transfers and end of year short term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. The district is required to transfer annually $114,100 to the 034 Building Maintenance Fund for the High School OFCC project for maintenance of the building for 38 years. In addition to the OFCC required transfer in FY19 the district will transfer for payments to the appropriate payment funds for Certificate of Participation Notes (COPS) $683,630, turf debt service $200,837, athletic field maintenance $55,000, Severance Fund $350,000 and $400,000 for the Columbus Public Schools Revenue Sharing Agreement. The district will be transferring for these items each year of the forecast; however the amounts may change based on payment schedules.

Category	FY20	FY21	FY22	FY23	FY24
Operating Transfers Out Line #5.010	$1,399,358	$1,114,017	$926,265	$927,075	$926,584
Advances Out Line #5.020	$0	$0	$0	$0	$0
Total	$1,399,358	$1,114,017	$926,265	$927,075	$926,584

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. Estimates are based on trends of expenditures and payments.

Category	FY20	FY21	FY22	FY23	FY24
Estimated Encumbrances	$394,000	$394,000	$394,000	$394,000	$394,000

Reservations of Fund Balance – Line #9.080

The district is establishing a Fiscal Stabilization policy as a goal of the passage of the levy. The amount within this line will not be permitted to be appropriated unless there is an emergency within the district and will need to be approved by action of the Board of Education.

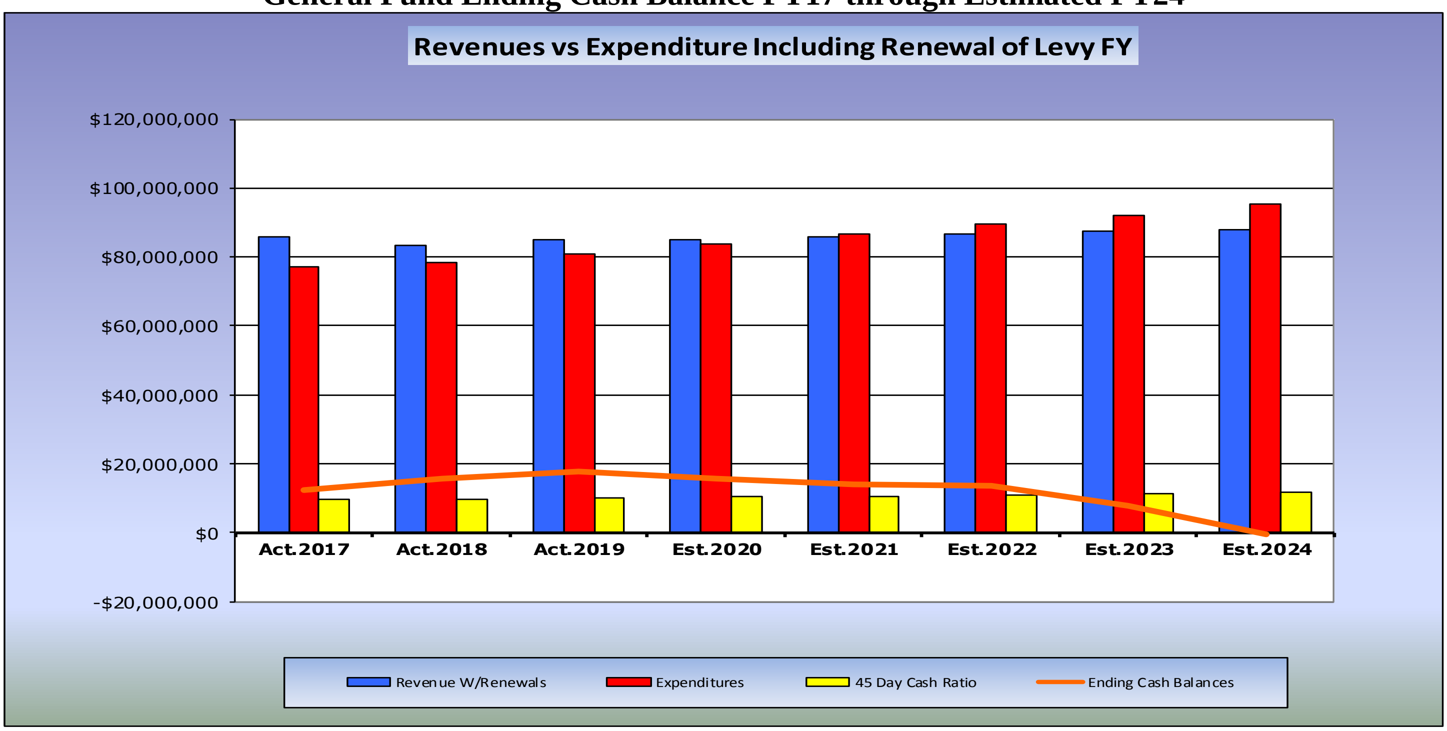
Category	FY20	FY21	FY22	FY23	FY24
Textbooks & Materials- Line 9.010	$0	$0	$0	$0	$0
Capital Improvements- Line 9.020	$0	$0	$0	$0	$0
Budget Reserve - Line 9.030	$0	$0	$0	$0	$0
DPIA - Line 9.040	$0	$0	$0	$0	$0
Fiscal Stabilization - Line 9.045	$3,130,607	$3,169,527	$0	$0	$0
Debt Service - Line 9.05	$0	$0	$0	$0	$0
Tax Advances for Future Year- Line 9.060	$0	$0	$0	$0	$0
State Bus Purchases- Line 9.070	$0	$0	$0	$0	$0
Total Reservations of Balance- Line#9.080	$3,130,607	$3,169,527	$0	$0	$0

Ending Unencumbered Cash Balance "The Bottom-line" – 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, unless an alternative "412" certificate can be issued pursuant to HB153 effective September 30, 2011.

Category	FY20	FY21	FY22	FY23	FY24
Ending Cash Balance	$15,786,949	$14,103,101	$13,642,430	$7,941,585	-$412,009

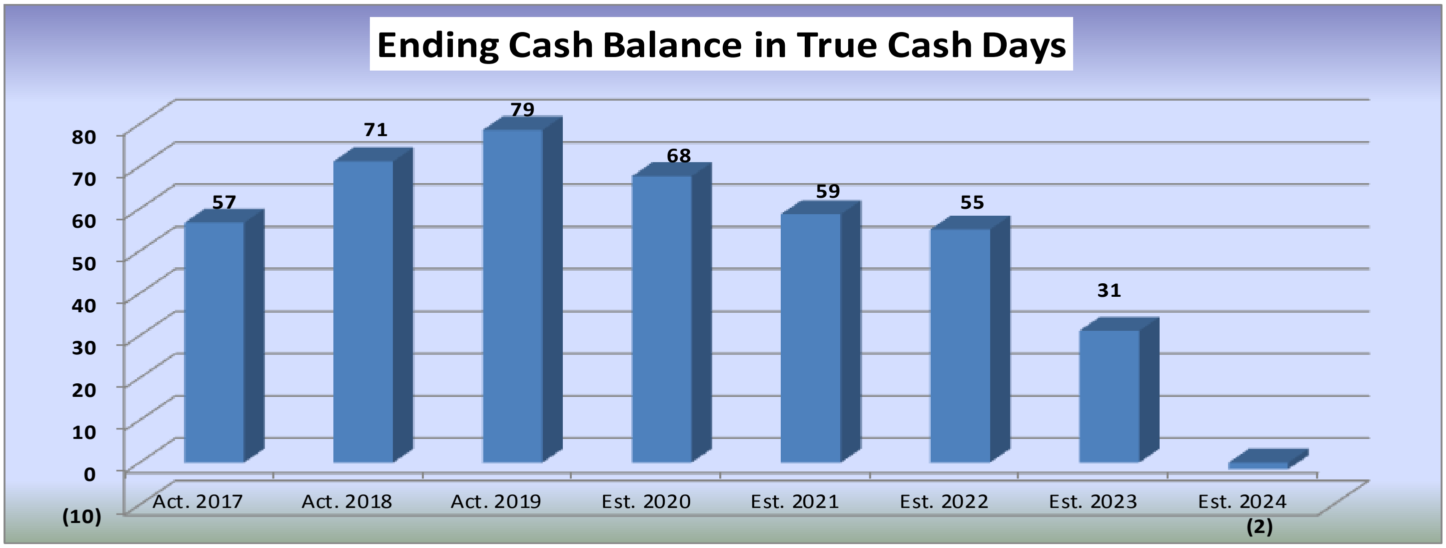
The chart below shows that the district is not deficit spending until the third year of the forecast which includes the renewal of the levy in 2019. By not deficit spending is allowing the district to increase our ending cash balance and to maintain 45 days of cash each year until FY22.

General Fund Ending Cash Balance FY17 through Estimated FY24



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, without the renewal of the levy and with deducting the Fiscal Stabilization Fund the district will not have the

sixty (60) day balance at the end of FY21.This chart below shows the unencumbered cash balance and does not include the levy renewal.



Conclusion

The Groveport Madison School District is very appreciative of the support from the voters on the passage of the renewal levy on November 5, 2019 for the continuing collection of the 6.68 mill levy. The passage of the levy will allow the district administration to plan for the future and to help maintain fiscal stability for the district.

The district was very fortunate to have received additional state funding in HB64 (FY16 and FY17) and HB49 (FY18 and FY19). The increases have been beneficial to the overall operations of the district and for the education of our students. Being that 53.6% of the funding for the district is from state dollars this increase is very beneficial to the overall operations for the education of our students. However, we are disappointed that HB166 does not provide additional non-restricted funding to our district to help offset the ongoing phase out of TPP reimbursements enacted by HB64 and SB 208.

The district administration notes that this current state biennium budget is why we have to be mindful and watch each state budget carefully as HB166 has not provided new unrestricted operating funds to our district. But they will also need to be mindful that there are many risks and uncertainties that will need to be considered in future planning as there are two new state biennium budgets could affect us positively or negatively for FY22 through FY24.

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.