



EASTERN LOCAL SCHOOL DISTRICT  
1170 TILE MILL RD  
BEAVER, OHIO 45613  
Pike County



Assumptions for Five Year Forecast  
For Fiscal Years Ended June 30, 2020 through 2024

### Assumptions

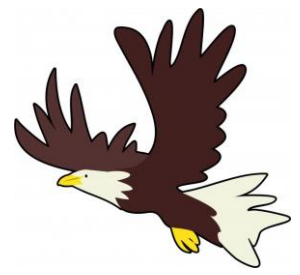
The Ohio Department of Education requires the submission of a five year forecast of revenue and expenditures for the general operating fund during the month of October and the month of May. This forecast is an update of what is known today and a prediction of what may happen in the future. The following assumptions are estimates; therefore, it should be emphasized that any forecast will always be prone to variations. It is especially true that the degree of accuracy diminishes the further into the future the forecast is estimates. It should be expected that the fiscal year 2020 forecast will be more accurate than the fiscal year 2024 forecast.

### Revenue

- **1.010 – General Property Tax** – revenue includes real estate taxes received from the county auditor. Current year estimates received from the County Auditor minus allowance for anticipated delinquencies. At this time we are estimating no significant increase in this revenue stream. The County Auditor did not provide insight into how the current pandemic will affect the collection of taxes or the tax rate in the future.
- **1.020 – Tangible Personal Property Tax** – This category includes taxes paid by utility companies and railroads. We traditionally see a 100% collection rate in this category. We are not projecting an increase in due to the uncertainty of future rates.
- **1.035 – Unrestricted State Grants in Aid** – State aid is our district's largest source of revenue, accounting for 77% of the total revenue. This line item also includes student wellness money for the next two years. Foundation funding for FY2020 has been frozen based on FY2019 enrollment; there will be no increase in this amount for 2020 and 2021, regardless of enrollment changes. Funding for future years is forecasted to remain flat for the remainder of the forecast. At the state house there is still active legislation concerning school funding, specifically the Cupp Patterson proposal. The forecast will be updated if new legislation is passed. The state cut the 2020 education budget by 355 million dollars due to state revenue loss caused by the quarantine for the COVID-19 pandemic. This cut is roughly 3.7% of the entire education budget. The state budget office has provided information of how this will affect each school district. Due to our



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districts heavy reliance on foundation funding our revenue was not cut at the 3.7%, our funding was cut at .79% which equates to \$92,205.00. These funds will be cut from the final 3 foundations payments that the district will receive in May and June. This cut is estimated to be \$113 dollar deduction per student. Future funding has been projected to stay flat due to the uncertainty in future budget cuts due to the pandemic.

- **1.040 – Restricted Grants** – This includes career tech funding, and economically disadvantaged funding. These numbers are also frozen for 2020 and 2021 and are flat funded for the remainder of the forecast. COVID- 19 budget cuts are not supposed to affect this funding line.
- **1.050 - Property Tax Allocation-** This category consists of revenue from homestead and rollback taxes that are paid by the state on behalf of property owners. Historically this allocation has been approximately 17% of general property tax. Future estimates are based on this trend, so since general property tax has a flat projection so does homestead and rollback projections.
- **1.060 – All other revenue** - consists of open enrollment payments, e-rate money, insurance claims, Medicaid reimbursements, manufactured home taxes, and earning on investments. Along with all other revenue streams a flat projection has been estimated for all future revenue.

### Other Financing Sources

- No other financing sources are project for the remainder of the forecasted time.

### Expenditures

- **3.010 – Personal Services** – This category includes salaries and wages paid to certified staff, classified staff, administrative staff, substitutes, tutors, board members, etc. from the general fund. Estimates are based on the current staffing levels and negotiated salaries, with a modest increase forecasted for the years not yet covered by a negotiated agreement. Currently this line item accounts for 51% of all the school districts expenses.
- **3.020 – Employee’s Retirement/insurance Benefits** – This category is primarily the insurance benefits as well as STRS/SERS; Medicare and workers’ compensation making up a small percentage of the overall estimate. Peoples Bank has negotiated the insurance rate in prior year and did so for the next fiscal year. The district has had to change insurance plans due to extremely high rate increases proposed by past providers, and even



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with the negotiation, a rate increase of 11.4% will be incurred for the 2021 fiscal year. An 8% increase for years past 2021 has been forecasted and Peoples Bank has advised that with our current plan increase could be higher than the forecasted 8%. Currently this line item accounts for 24% of all the school districts expenses.

- **3.030 – Purchased Services** – The expenses in this category are open enrollment, contracts with the ESC and Board of DD and open enrollment special education cost. Utilities, technology expenses, copier leases and various maintenance service are also included within this category. A 10% decrease has been estimated in this category for 2020 due to the early cancellation of school and the decreased utility expenses. A slight increase has been estimated for 2021 to account for a full school and is offset by the estimated energy savings of the new chiller project. Expenses have a flat projection after the 2021 fiscal year.
- **3.040 – Supplies and Materials** - Instructional materials as well as all supplies required to operate the facilities on a day to day basis.
- **3.060 – Capital Outlay** - Capital expenses for 2020 include paving and sealing, a new bus, chiller project and playground project. Future expenses are projected to decrease and then flatten. All large projects are being put on hold due to the COVID-19 budget cuts and doubt about the future funding caused by the pandemic.

#### **Final Note**

- An increase in the Cash Balance is project for the fiscal year 2020, but deficit spending is projected for the 4 remaining years of the forecast. This is due to the budget cuts and flat projections on all revenue lines. Also, thee 2 expenses that make up 75% of total money spent (salaries and benefits) are projected to increase 8% and 32% respectively. Another consideration in the forecast is that Student Wellness funds are only being guaranteed until for the 2020 and 2021 school year. The districts primary revenue stream is based on the number of students attending the school. This number has decreased by 43 students from the prior year (not including preschool students), once the funding is unfroze and back on per student funding, the districts larges source of revenue will also decrease if enrollment continues to drop.

# Eastern Local School District

Pike

Schedule of Revenues, 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

	Actual				Average Change	Forecasted				
	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019			Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
<b>Revenues</b>										
1.010 General Property Tax (Real Estate)	\$958,723	\$1,042,386	\$1,108,856	7.6%	\$1,146,128	\$1,143,128	\$1,143,128	\$1,143,128	\$1,143,128	
1.020 Tangible Personal Property Tax	168,695	176,926	186,727	5.2%	171,089	171,089	171,089	171,089	171,089	
1.030 Income Tax										
1.035 Unrestricted State Grants-in-Aid	9,092,315	9,368,345	9,060,175	-0.1%	9,213,502	9,213,502	9,213,502	9,213,502	9,213,502	
1.040 Restricted State Grants-in-Aid	873,645	886,172	1,029,973	8.8%	871,138	871,138	871,138	871,138	871,138	
1.045 Restricted Federal Grants-in-Aid - SFSF										
1.050 Property Tax Allocation	185,131	202,620	197,218	3.4%	232,958	200,000	200,000	200,000	200,000	
1.060 All Other Revenues	1,456,155	1,444,080	1,406,358	-1.7%	1,420,421	1,400,000	1,400,000	1,400,000	1,400,000	
1.070 <b>Total Revenues</b>	<b>12,734,664</b>	<b>13,120,529</b>	<b>12,989,307</b>	<b>1.0%</b>	<b>13,055,236</b>	<b>12,998,857</b>	<b>12,998,857</b>	<b>12,998,857</b>	<b>12,998,857</b>	
<b>Other Financing Sources</b>										
2.010 Proceeds from Sale of Notes										
2.020 State Emergency Loans and Advancements (Approved)										
2.040 Operating Transfers-In		1,000,000								
2.050 Advances-In										
2.060 All Other Financing Sources			482							
2.070 <b>Total Other Financing Sources</b>		<b>1,000,000</b>	<b>482</b>							
2.080 <b>Total Revenues and Other Financing Sources</b>	<b>12,734,664</b>	<b>14,120,529</b>	<b>12,989,789</b>	<b>1.4%</b>	<b>13,055,236</b>	<b>12,998,857</b>	<b>12,998,857</b>	<b>12,998,857</b>	<b>12,998,857</b>	
<b>Expenditures</b>										
3.010 Personal Services	5,517,726	6,020,514	6,332,020	7.1%	6,629,304	6,828,183	7,033,028	7,103,359	7,174,392	
3.020 Employees' Retirement/Insurance Benefits	2,398,718	2,795,464	2,749,320	7.4%	3,122,667	3,372,480	3,642,278	3,751,546	3,864,092	
3.030 Purchased Services	2,189,741	2,199,073	2,038,436	-3.4%	1,821,032	1,857,453	1,835,000	1,835,000	1,835,000	
3.040 Supplies and Materials	406,130	404,442	445,153	4.8%	405,877	418,053	400,000	400,000	400,000	
3.050 Capital Outlay	519,138	620,468	673,751	14.1%	870,499	500,000	500,000	500,000	500,000	
3.060 Intergovernmental										
<b>Debt Service:</b>										
4.010 Principal-All (Historical Only)	25,629	26,558	27,364	3.3%						
4.020 Principal-Notes										
4.030 Principal-State Loans										
4.040 Principal-State Advancements										
4.050 Principal-HB 264 Loans					28,159	29,074	30,019	30,994	32,002	
4.055 Principal-Other										
4.060 Interest and Fiscal Charges	8,486	7,558	6,752	-10.8%	5,957	5,042	4,097	3,121	2,114	
4.300 Other Objects	79,322	81,450	73,242	-3.7%	82,153	85,200	87,700	89,200	89,200	
4.500 <b>Total Expenditures</b>	<b>11,144,890</b>	<b>12,155,527</b>	<b>12,346,038</b>	<b>5.3%</b>	<b>12,965,648</b>	<b>13,095,485</b>	<b>13,532,122</b>	<b>13,713,220</b>	<b>13,896,800</b>	
<b>Other Financing Uses</b>										
5.010 Operating Transfers-Out		1,000,000								
5.020 Advances-Out	137,911									
5.030 All Other Financing Uses										
5.040 <b>Total Other Financing Uses</b>	<b>137,911</b>	<b>1,000,000</b>		<b>262.6%</b>						
5.050 <b>Total Expenditures and Other Financing Uses</b>	<b>11,282,801</b>	<b>13,155,527</b>	<b>12,346,038</b>	<b>5.2%</b>	<b>12,965,648</b>	<b>13,095,485</b>	<b>13,532,122</b>	<b>13,713,220</b>	<b>13,896,800</b>	
6.010 <b>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>	<b>1,451,863</b>	<b>965,002</b>	<b>643,751</b>	<b>-33.4%</b>	<b>89,588</b>	<b>96,628-</b>	<b>533,265-</b>	<b>714,363-</b>	<b>897,943-</b>	
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	4,118,702	5,570,565	6,535,567	26.3%	7,179,318	7,268,906	7,172,278	6,639,013	5,924,650	
7.020 <b>Cash Balance June 30</b>	<b>5,570,565</b>	<b>6,535,567</b>	<b>7,179,318</b>	<b>13.6%</b>	<b>7,268,906</b>	<b>7,172,278</b>	<b>6,639,013</b>	<b>5,924,650</b>	<b>5,026,707</b>	
8.010 <b>Estimated Encumbrances June 30</b>										
<b>Reservation of Fund Balance</b>										
9.010 Textbooks and Instructional Materials										
9.020 Capital Improvements										
9.030 Budget Reserve										
9.040 DPIA										
9.045 Fiscal Stabilization										
9.050 Debt Service										
9.060 Property Tax Advances										
9.070 Bus Purchases										
9.080 <b>Subtotal</b>										
10.010 <b>Fund Balance June 30 for Certification of</b>	<b>5,570,565</b>	<b>6,535,567</b>	<b>7,179,318</b>	<b>13.6%</b>	<b>7,268,906</b>	<b>7,172,278</b>	<b>6,639,013</b>	<b>5,924,650</b>	<b>5,026,707</b>	
<b>Revenue from Replacement/Renewal Levies</b>										
11.010 Income Tax - Renewal										
11.020 Property Tax - Renewal or Replacement										
11.300 Cumulative Balance of Replacement/Renewal Levies										
12.010 <b>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</b>	<b>5,570,565</b>	<b>6,535,567</b>	<b>7,179,318</b>	<b>13.6%</b>	<b>7,268,906</b>	<b>7,172,278</b>	<b>6,639,013</b>	<b>5,924,650</b>	<b>5,026,707</b>	
<b>Revenue from New Levies</b>										
13.010 Income Tax - New										
13.020 Property Tax - New										
13.030 Cumulative Balance of New Levies										
14.010 Revenue from Future State Advancements										
15.010 <b>Unreserved Fund Balance June 30</b>	<b>5,570,565</b>	<b>6,535,567</b>	<b>7,179,318</b>	<b>13.6%</b>	<b>7,268,906</b>	<b>7,172,278</b>	<b>6,639,013</b>	<b>5,924,650</b>	<b>5,026,707</b>	
<b>ADM Forecasts</b>										
20.010 Kindergarten - October Count	74	71	64	-7.0%	66	69	69	69	69	
20.015 Grades 1-12 - October Count	828	846	838	0.6%	793	790	790	790	790	
<b>State Fiscal Stabilization Funds</b>										
21.010 Personal Services SFSF										
21.020 Employees Retirement/Insurance Benefits SFSF										
21.030 Purchased Services SFSF										
21.040 Supplies and Materials SFSF										
21.050 Capital Outlay SFSF										
21.060 <b>Total Expenditures - SFSF</b>										

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