

# Sycamore Community Schools

## Five Year Forecast Financial Report

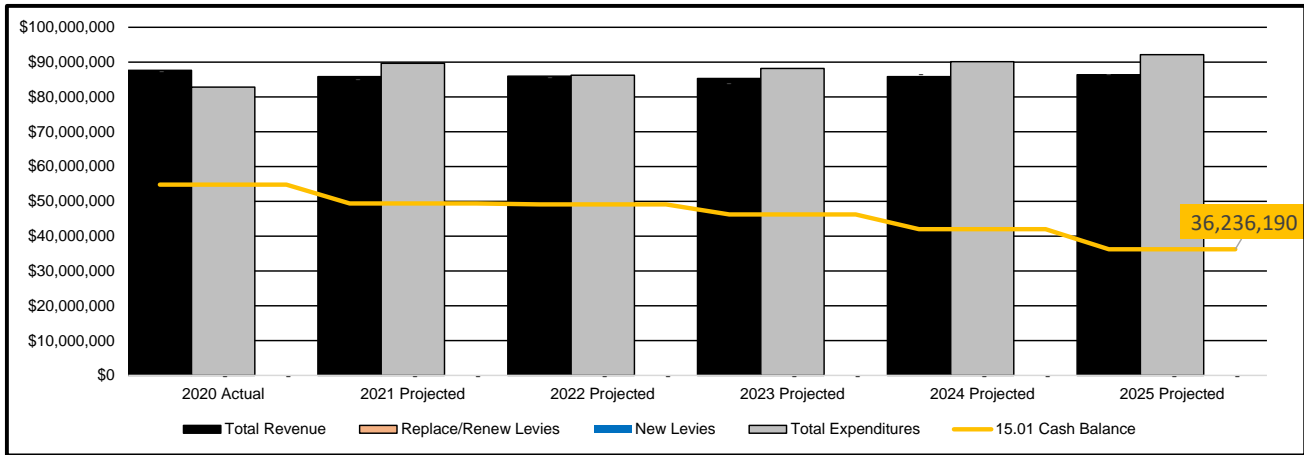
November 18, 2020

# Table of Contents

	<u>Page</u>
Table of Contents	2
Forecast Summary	3
Revenue Sources and Forecast Year-Over-Year Projected Overview	4
1.010 - General Property Tax (Real Estate)	5
1.020 - Public Utility Personal Property	6
1.030 - Income Tax	7
1.035 - Unrestricted Grants-in-Aid	8
1.040 & 1.045 - Restricted Grants-in-Aid	9
1.050 - Property Tax Allocation	10
1.060 - All Other Operating Revenues	11
2.070 - Total Other Financing Sources	12
Expenditures Overview	13
3.010 - Personnel Services	14
3.020 - Employee Benefits	15
3.030 - Purchased Services	16
3.040 - Supplies and Materials	17
3.050 - Capital Outlay	18
3.060 - 4.060 - Intergovernmental & Debt	19
4.300 - Other Objects	20
5.040 - Total Other Financing Uses	21
Five Year Forecast	22



### Forecast Summary



Note: Cash balance includes any existing levy modeled as renewed during the forecast.  
Cash balance is not reduced for encumbrances.

Financial Forecast

	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Beginning Balance	54,803,190	50,989,190	50,694,190	47,861,290	43,590,090
+ Revenue	85,836,000	85,948,000	85,326,000	85,841,000	86,354,000
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(89,650,000)	(86,243,000)	(88,158,900)	(90,112,200)	(92,107,900)
= Revenue Surplus or Deficit	(3,814,000)	(295,000)	(2,832,900)	(4,271,200)	(5,753,900)
Ending Balance with renewal levies Note: Not Reduced for Encumbrances	50,989,190	50,694,190	47,861,290	43,590,090	37,836,190

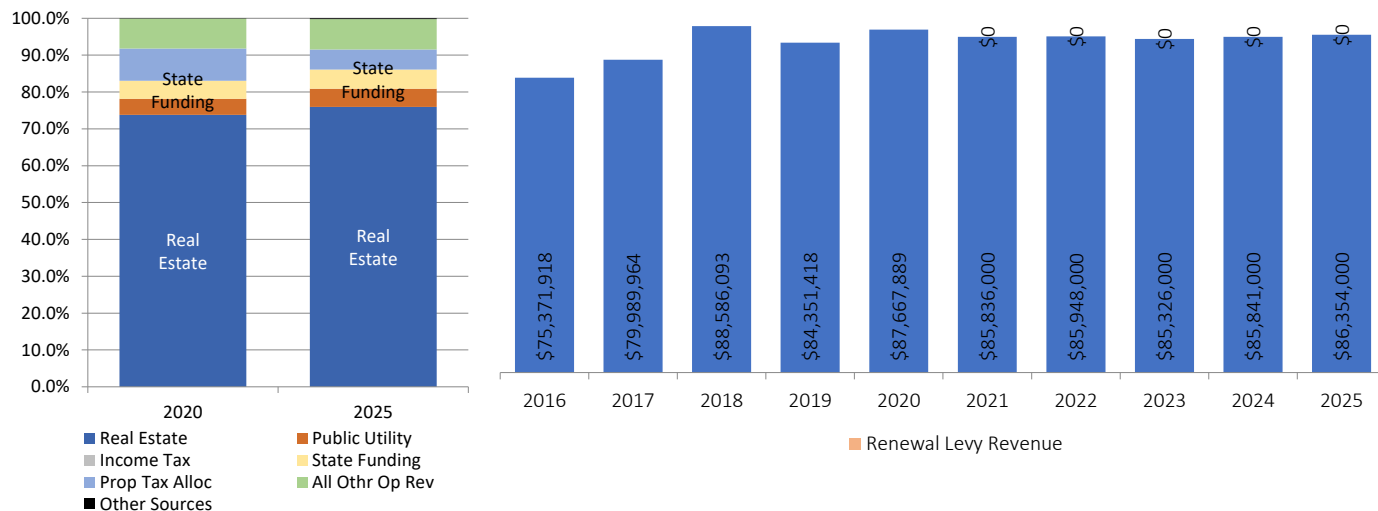
Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	(3,814,000)	(295,000)	(2,832,900)	(4,271,200)	(5,753,900)
Ending Balance w/o Levies	50,989,190	50,694,190	47,861,290	43,590,090	37,836,190

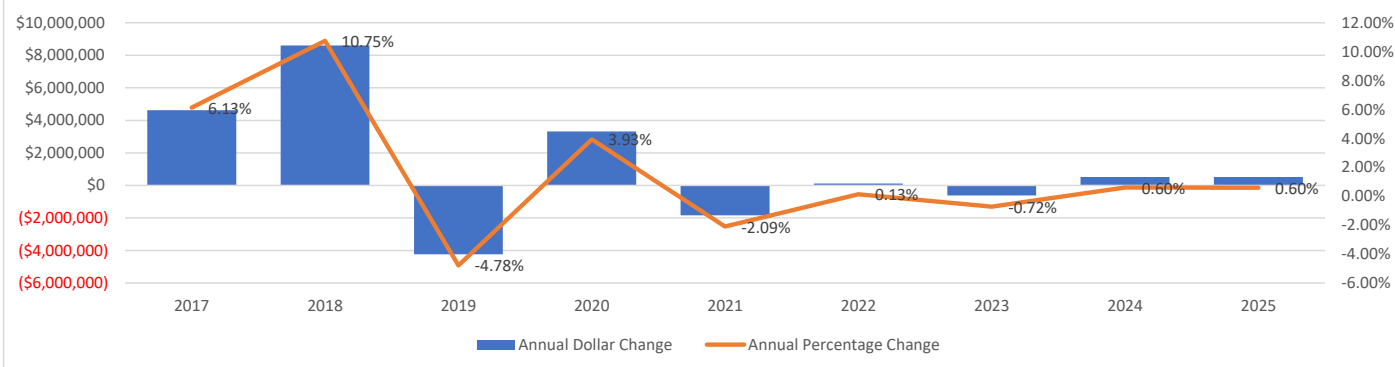
In Fiscal Year 2021, the district is utilizing cash reserves for approximately \$5 million in additional expenses in response to COVID - 19. This has supported in-person and virtual learning models for student learning and to provide a safe environment for students and staff. At this time the district anticipates that most additional cost associated with COVID will phase out in Fiscal Year 2022, bringing the district's revenue and expense in line. In Fiscal Year 2023, the deficit is due to use of reserves for capital improvements. Beginning in Fiscal year 2024, deficit spending is due to a combination of use of reserve for capital improvements and the anticipated end of the cycle from the 2016 operational levy.

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

### Sources of Revenue Over Time



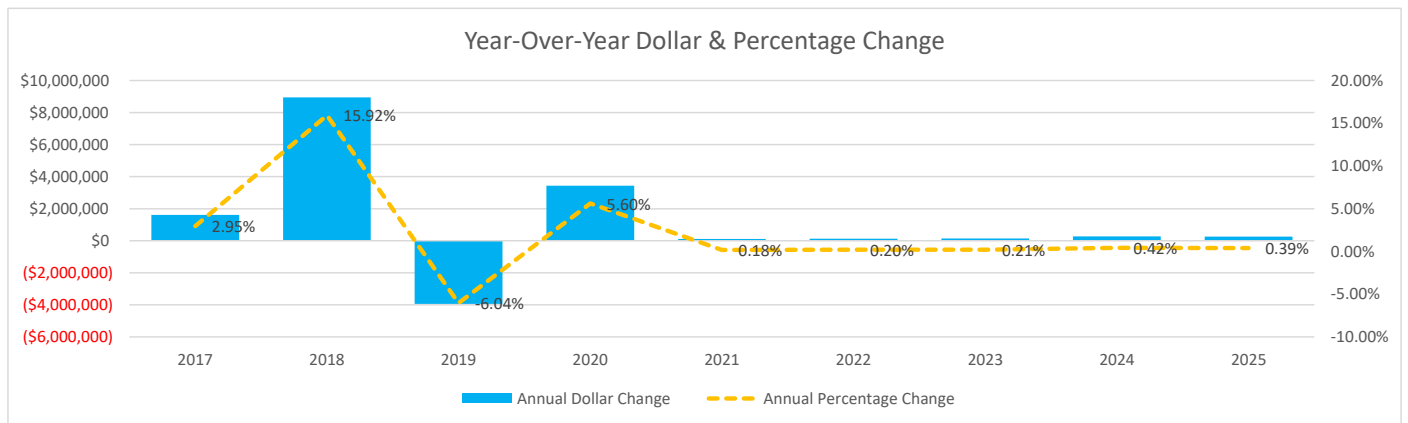
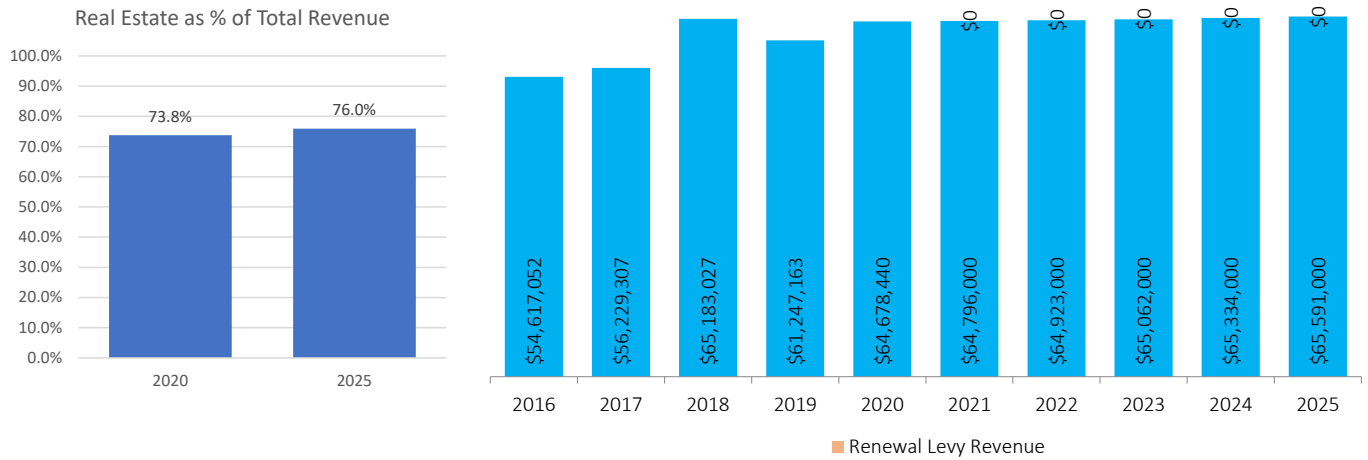
### Year-Over-Year Dollar & Percentage Change



Revenue in FY21 is projected to decrease due to state budget cuts and loss of investment revenue due to decreased interest rates due to COVID. The forecast also reflects a loss of approximately \$1 million in tangible personal property tax reimbursement that has been included in prior forecasts.

### 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).

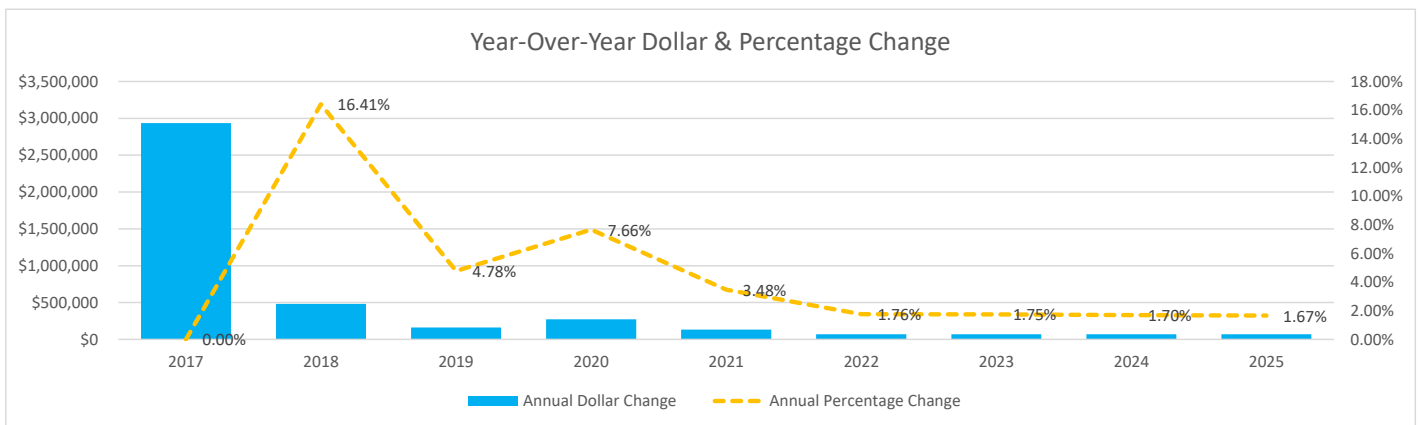
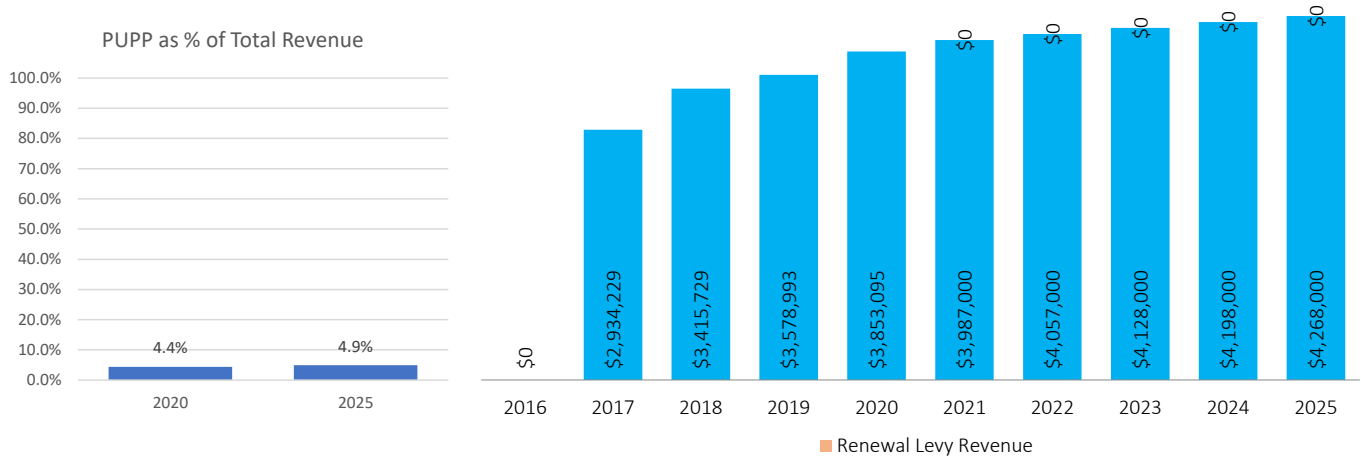


Property tax receipts were stable in the first half of fiscal year 2021 in spite of the impact of COVID-19 on the economy. Real estate taxes are anticipated to remain stable through the forecast period with minimal growth due to new construction. No additional operational levies are included in the forecast.

\*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.

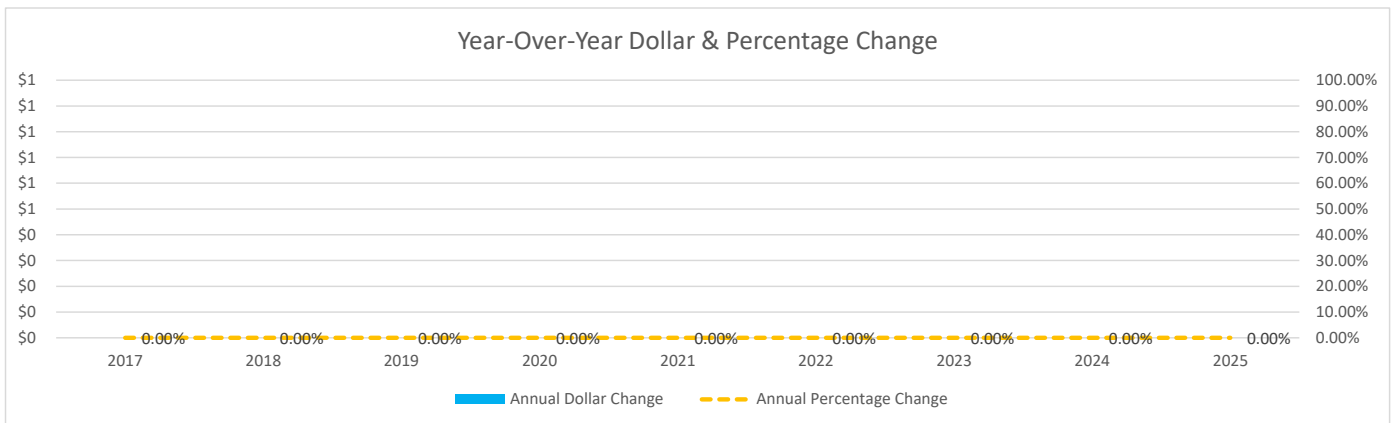
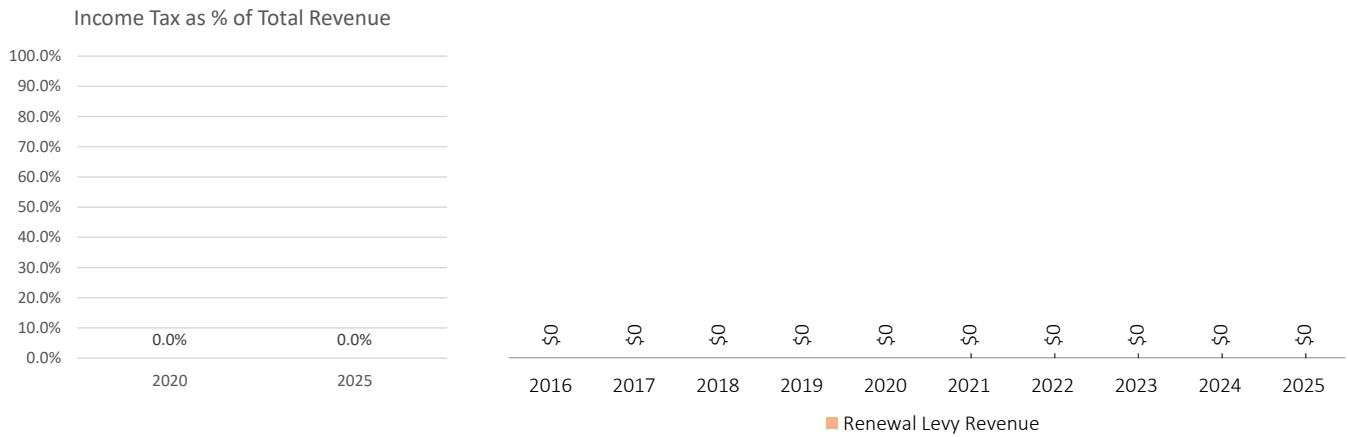


The public utility personal property tax revenue is generated from the personal property values, additions, and depreciation reported by the utility companies. This category currently makes up 4.40% of total district revenue.

*\*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.

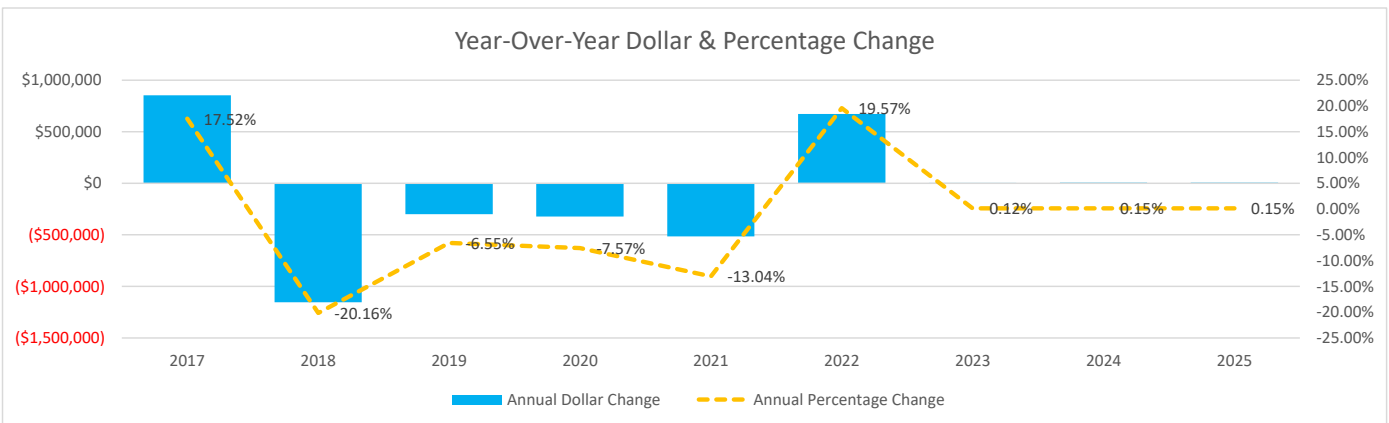
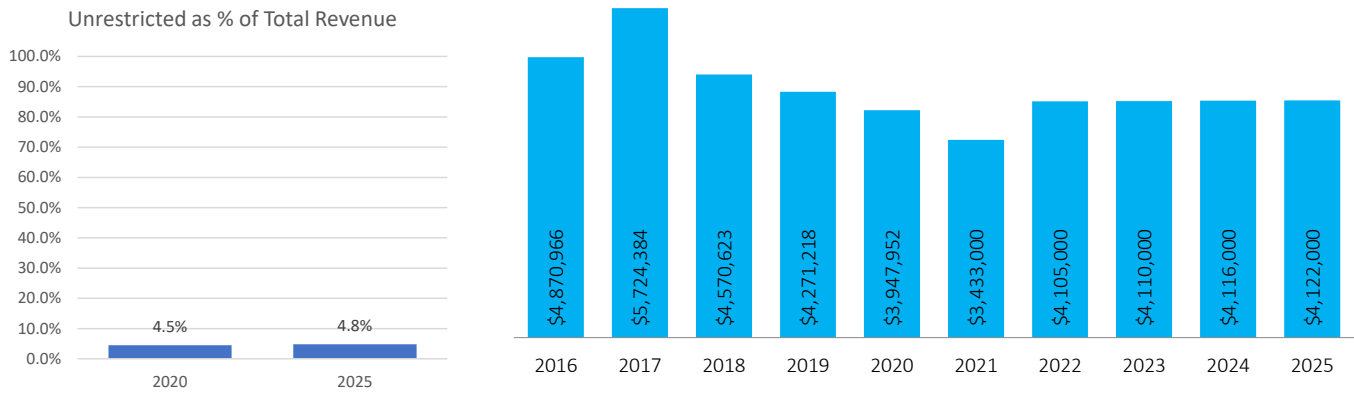


The district does not levy an income tax.

\*Projected % trends include renewal levies

### 1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.

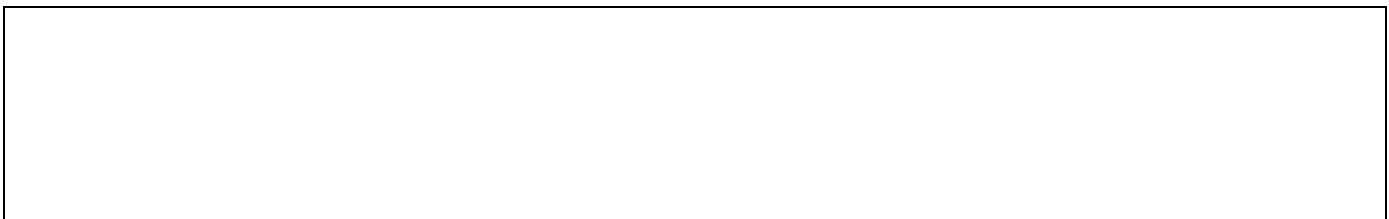
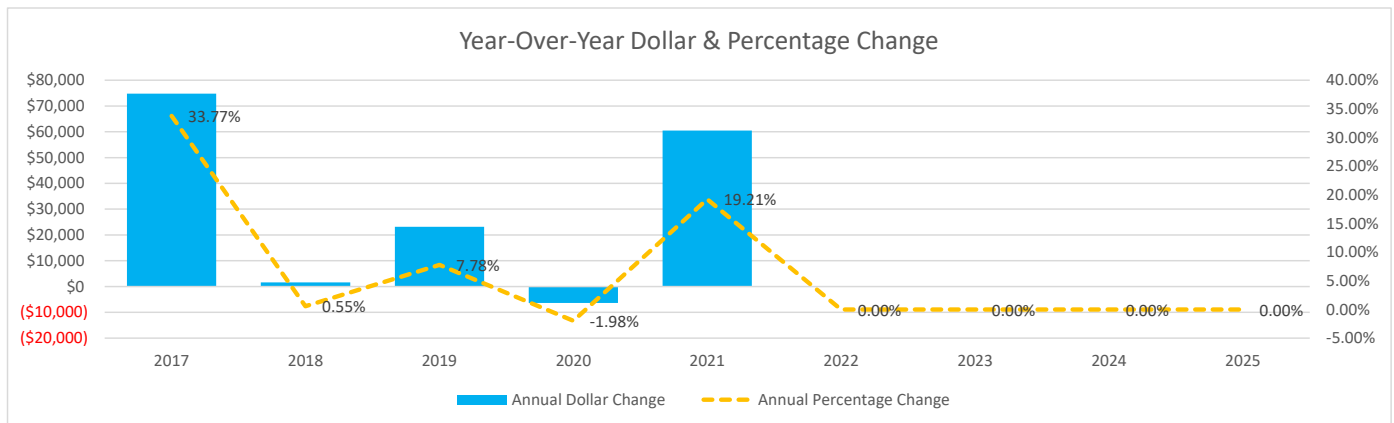
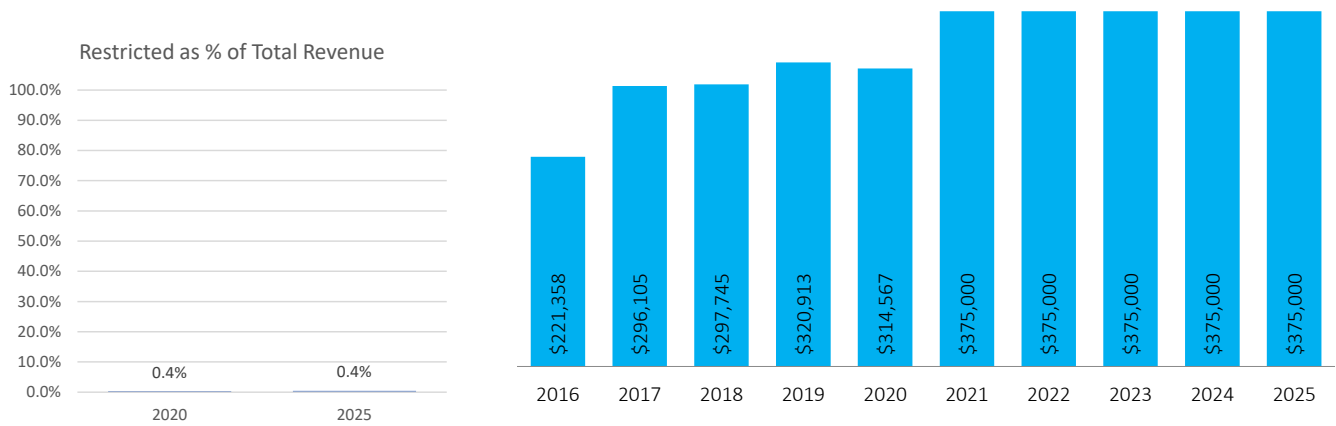


The district receives minimal support in per pupil funding from the State. Fiscal Year 2021 includes a \$600K reduction in formula funding with restoration to more typical funding levels in fiscal years 2022-2023.



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

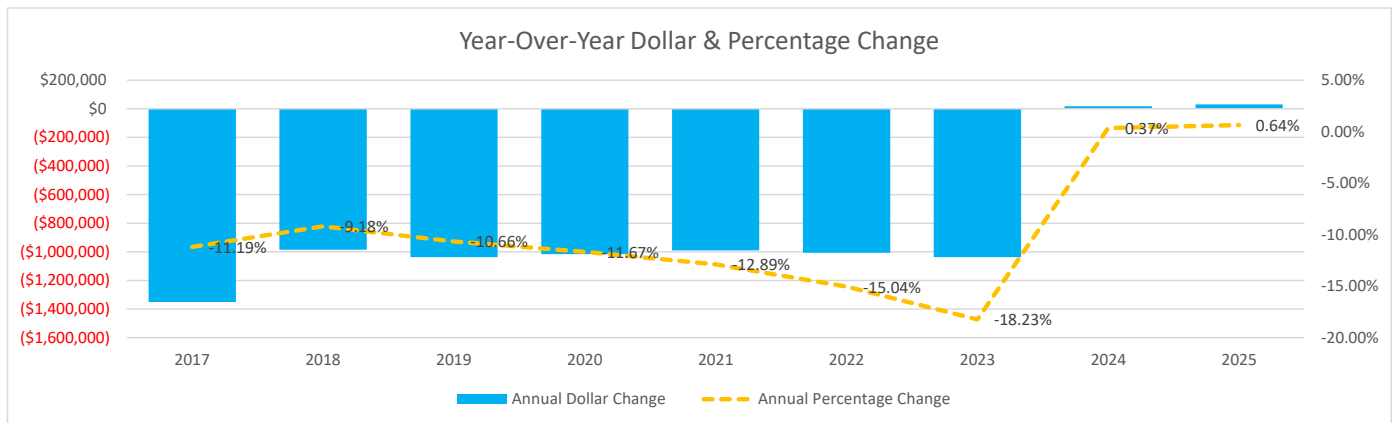
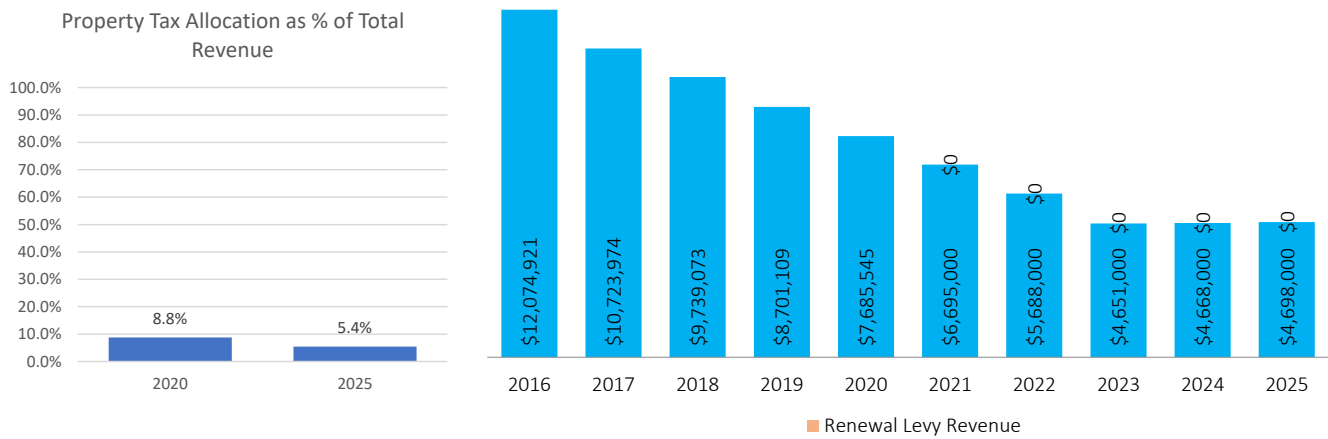
Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



Restricted aid consists of dedicated state aid for students with disabilities as well as reimbursement for Medicaid funded services,

### 1.050 - Property Tax Allocation

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

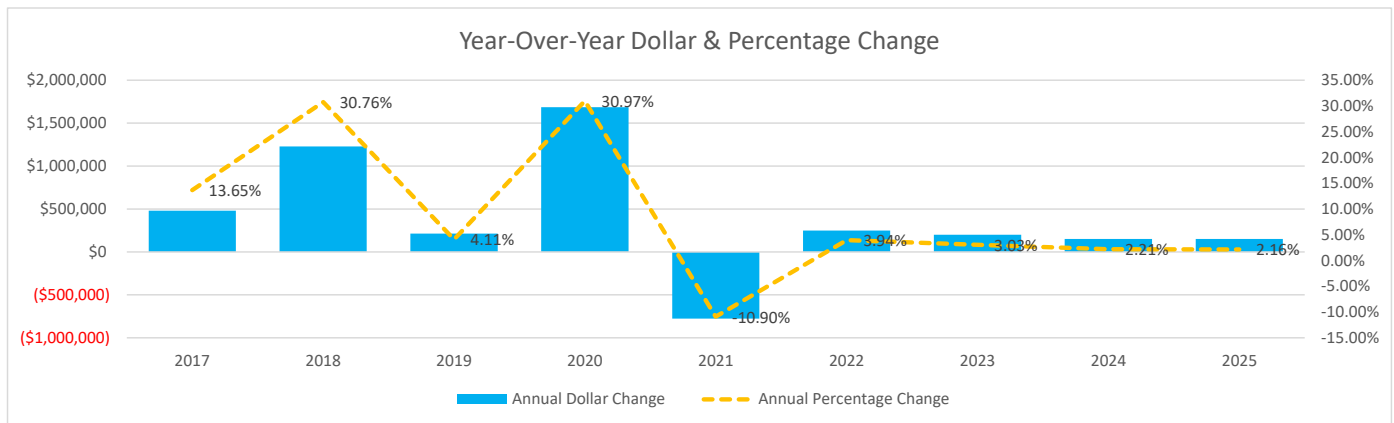
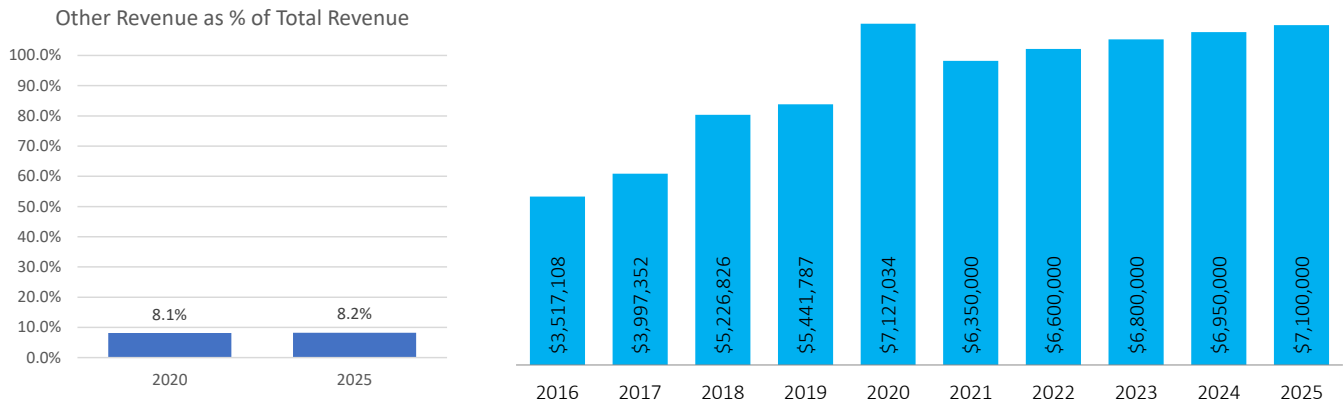


Revenue in this category has decreased due to the phase out of State TPP reimbursement. The phase out continues through Fiscal Year 2023 in the amount approximately \$1 million per year.

\*Projected % trends include renewal levies

### 1.060 - All Other Operating Revenues

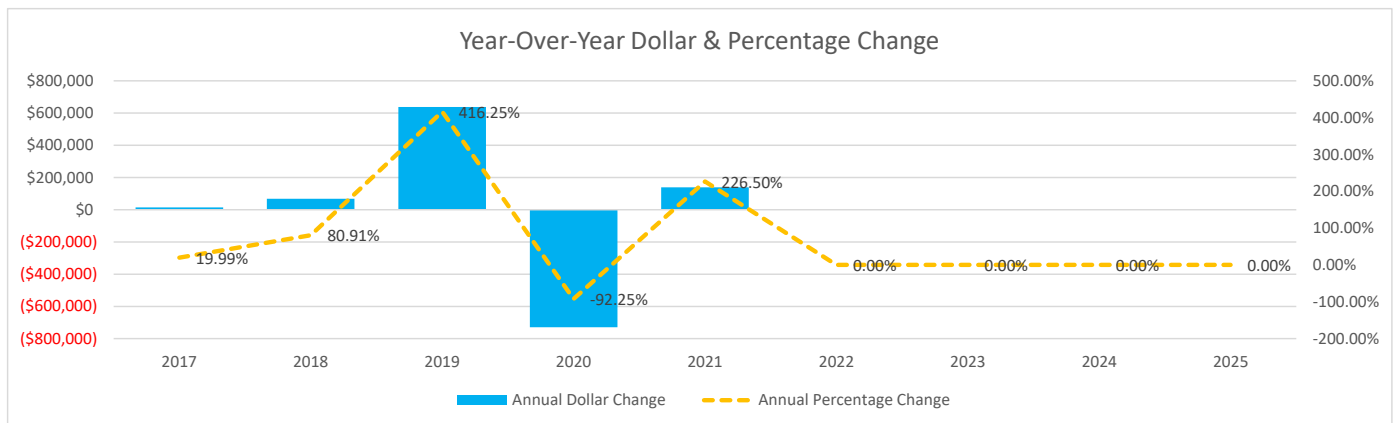
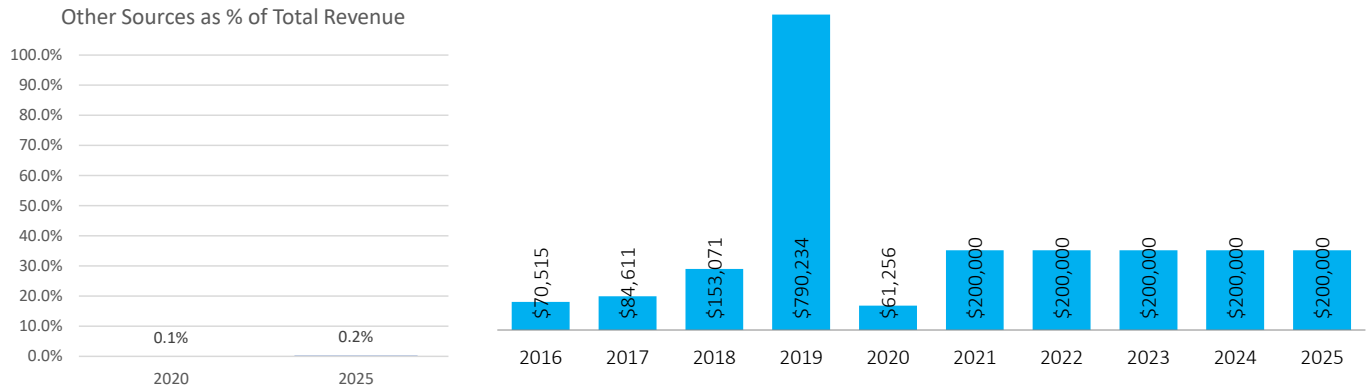
Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.



Other revenue includes student fees, tuition, and investment revenue. The primary source of other revenue for the district is payments in lieu of taxes generated from tax increment financing agreements with Blue Ash, Montgomery & Sycamore Township.

## 2.070 - Total Other Financing Sources

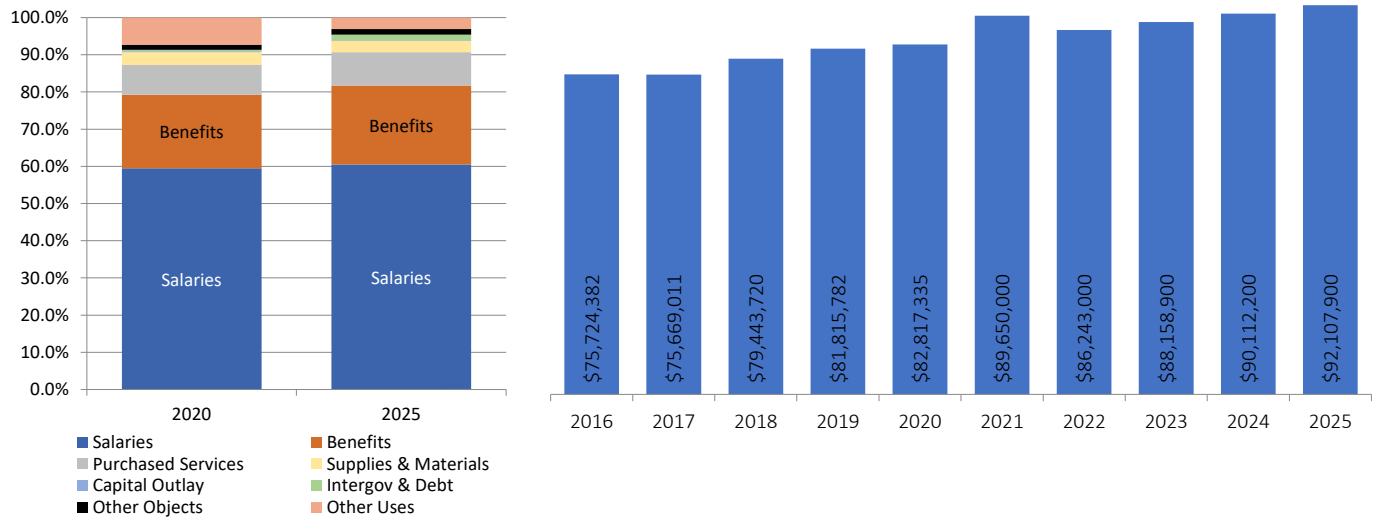
Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.



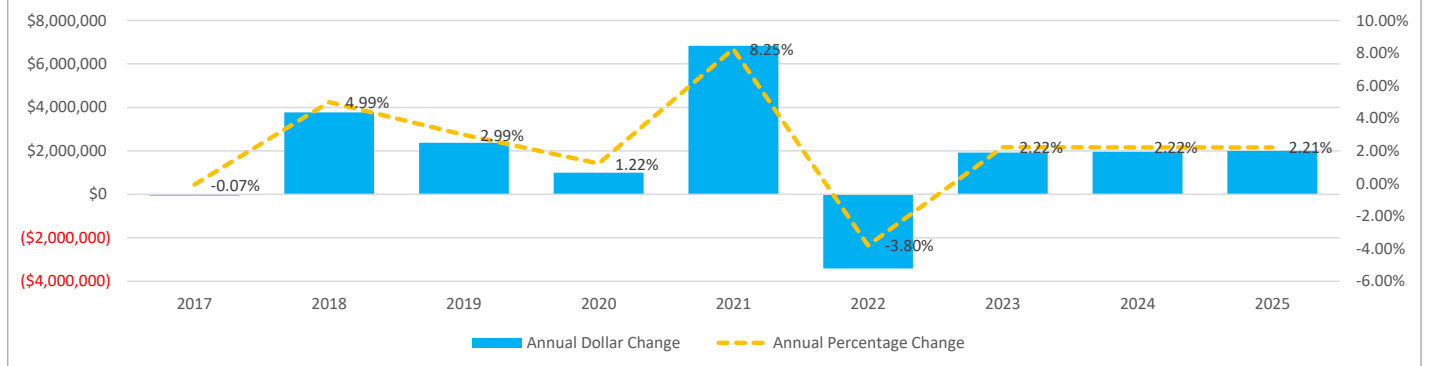
Other sources includes revenue that is generally classified as non-operating. It is typically in the form of advances-in which are the repayment of temporary loans made from the general fund to other district funds, primarily federal grants.

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

### Expenditure Categories Over Time

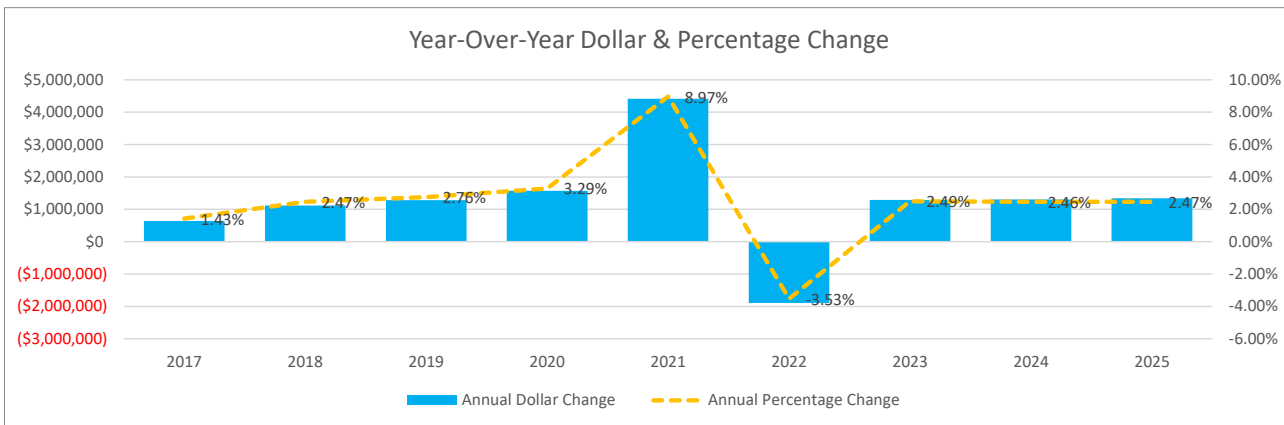
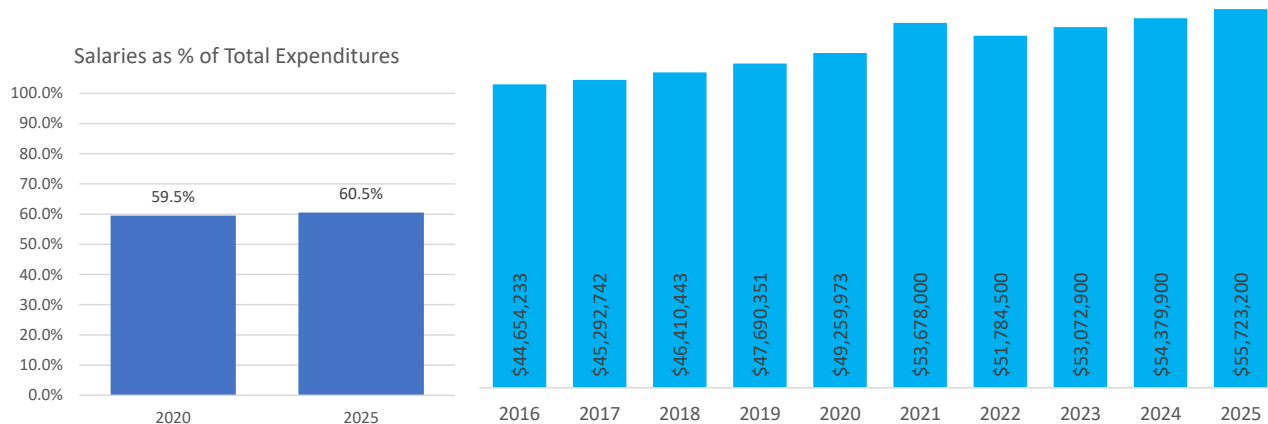


### Year-Over-Year Dollar & Percentage Change



### 3.010 - Personnel Services

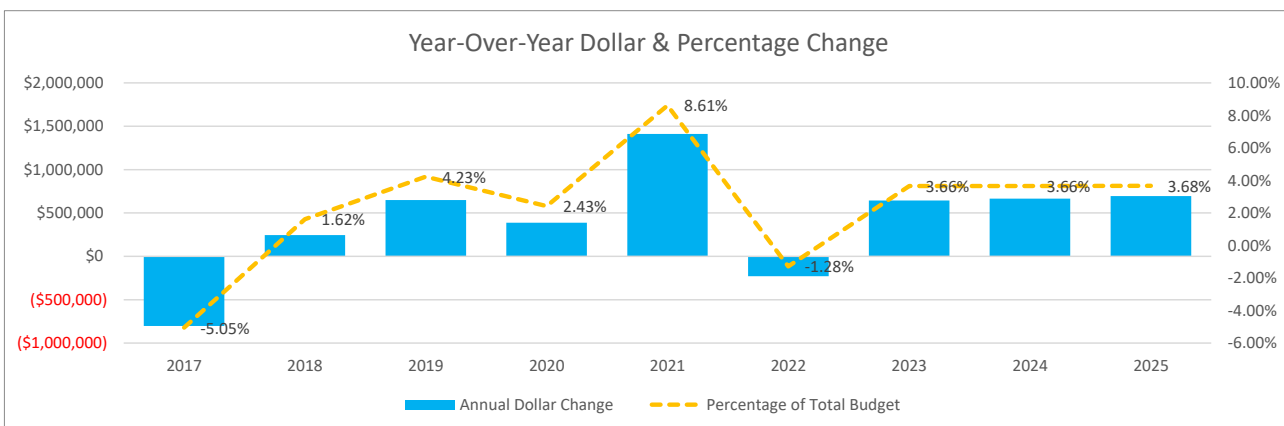
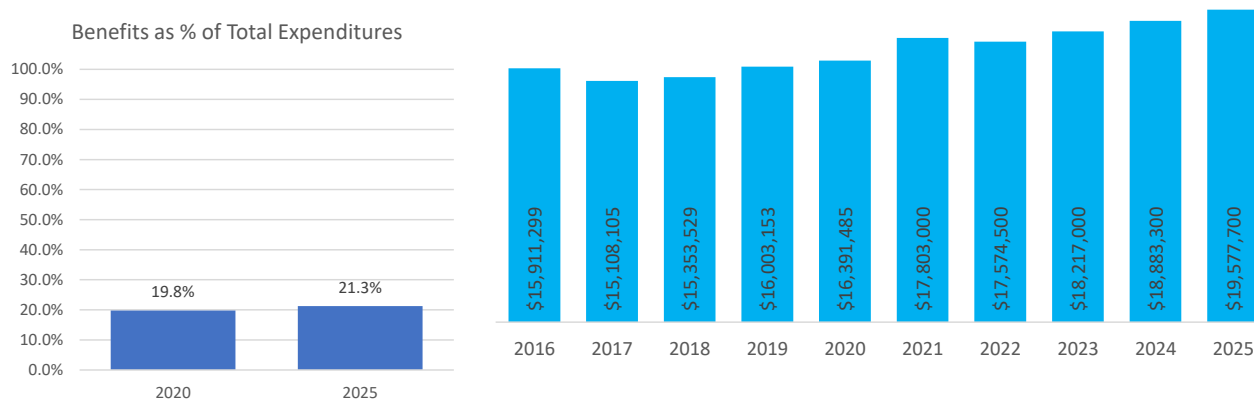
Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.



The district added 45 additional staff for Fiscal Year 2021 to accommodate in-person and virtual classroom learning models resulting in a spike in salary costs. It is assumed that most of these staff will not be needed for future years. This will be evaluated in the next few months as we continue to assess the impact of COVID-19. The district will also evaluate this area in the near future to reflect potential impact due to increasing student enrollment trends.

### 3.020 - Employees' Benefits

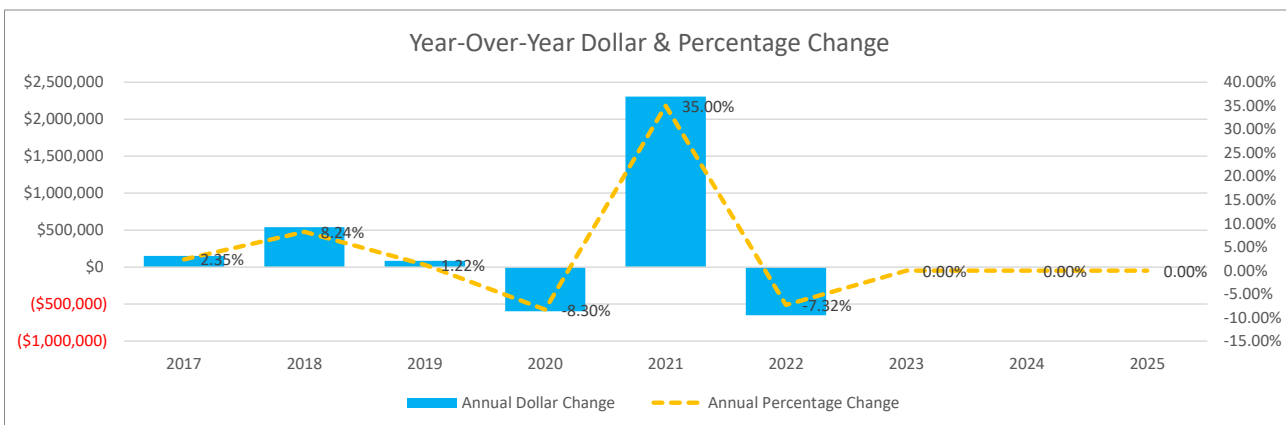
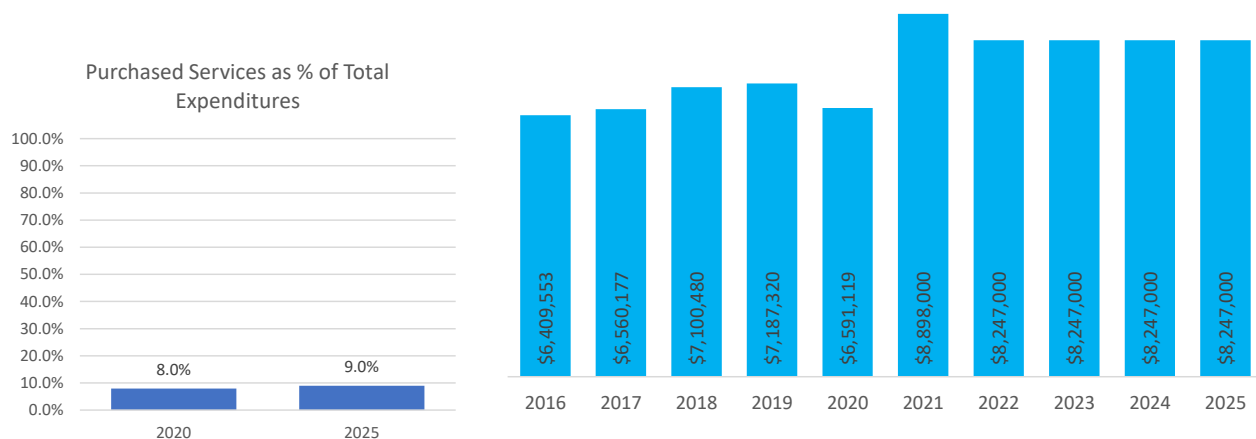
Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.



The district added 45 additional staff for Fiscal Year 2021 to accommodate in-person and virtual classroom learning models resulting in a spike in benefit costs. It is assumed that most of these staff will not be needed for future years. This will be evaluated in the next few months as we continue to assess the impact of COVID-19. The district will also evaluate this area in the near future to reflect potential impact due to increasing student enrollment trends resulting in increased staffing needs and associate benefit costs. Health insurance premiums increased by 6% for 2021 and are projected to increase by 5% in future forecast years. This trend may escalate in future years due to the impact of COVID-19.

### 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.

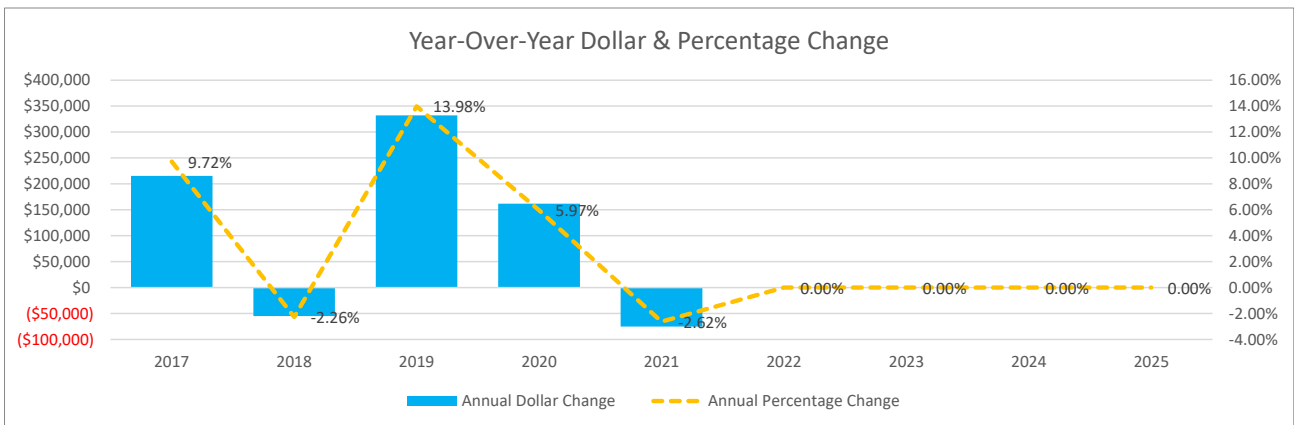
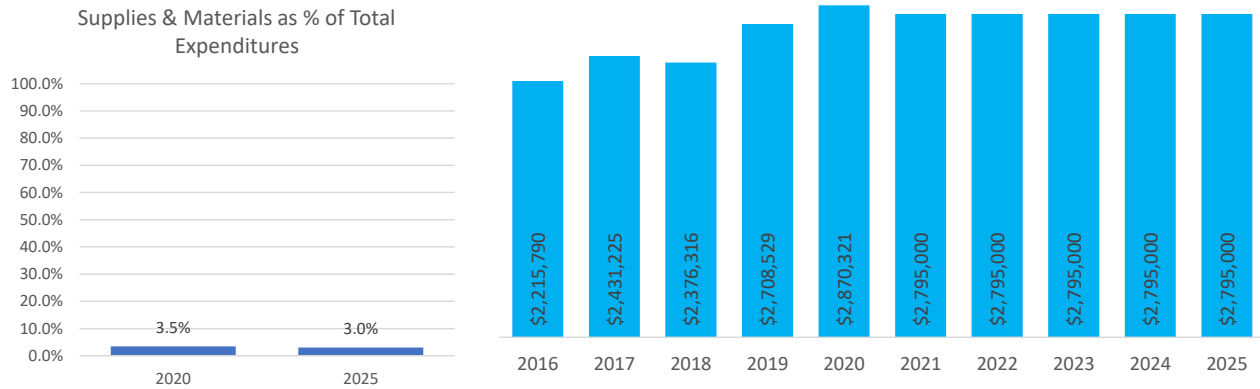


This area includes items such as maintenance costs, utilities, contracted services and tuition to other districts. The district added 18 full time dedicated substitute teachers for Fiscal Year 2021 through the Hamilton County ESC. This was in anticipation of additional need due to COVID-19. The district leased space to house the virtual academy, and added additional supports for technology, nursing and special education areas. It is assumed that these additional supports will not be needed for future years of the forecast. These additional purchased services costs be evaluated in the next few months as we continue to assess the impact of COVID-19 to determine if any of these costs need to be included going forward.



### 3.040 - Supplies & Materials

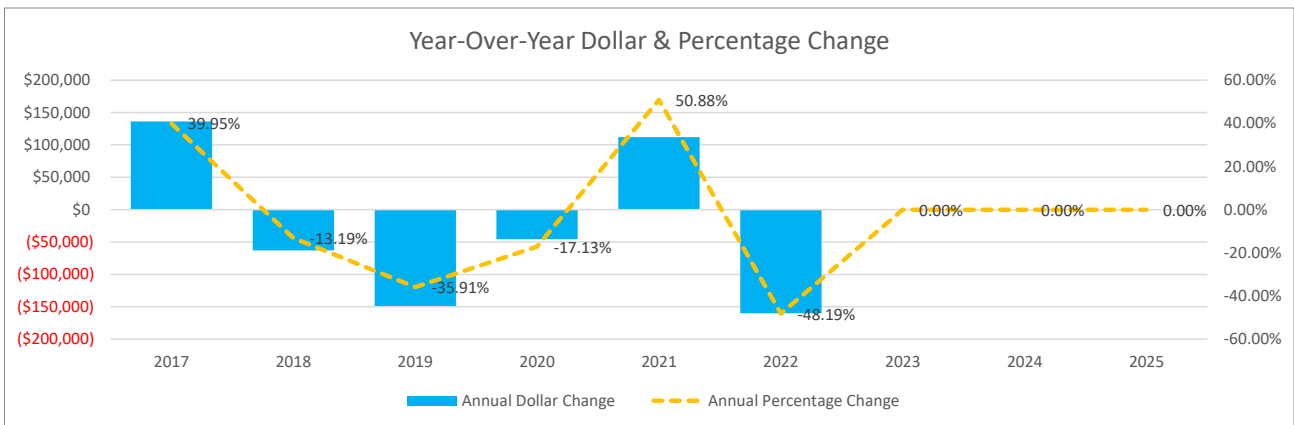
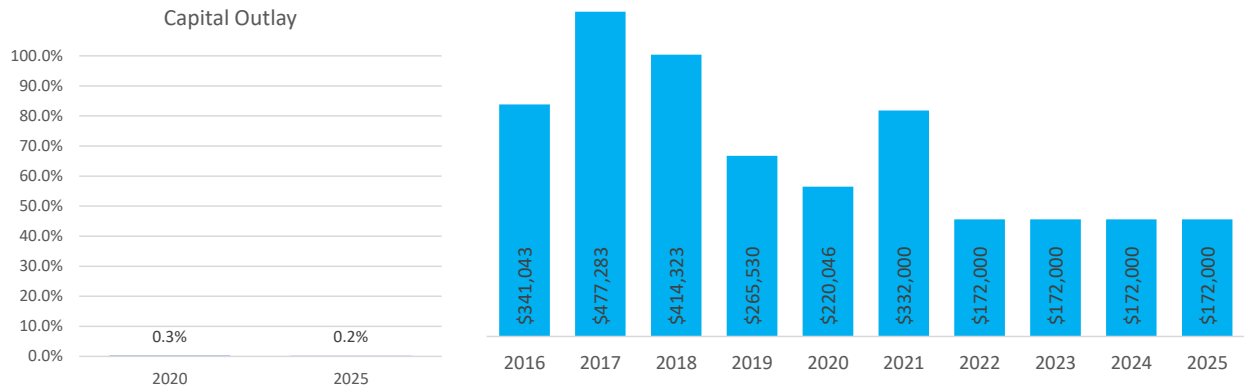
Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



Supply expenditures include instructional materials such as textbook licenses, software, etc. office and custodial supplies and fuel for buses. The district anticipates stable expenditure trend in this area.

### 3.050 - Capital Outlay

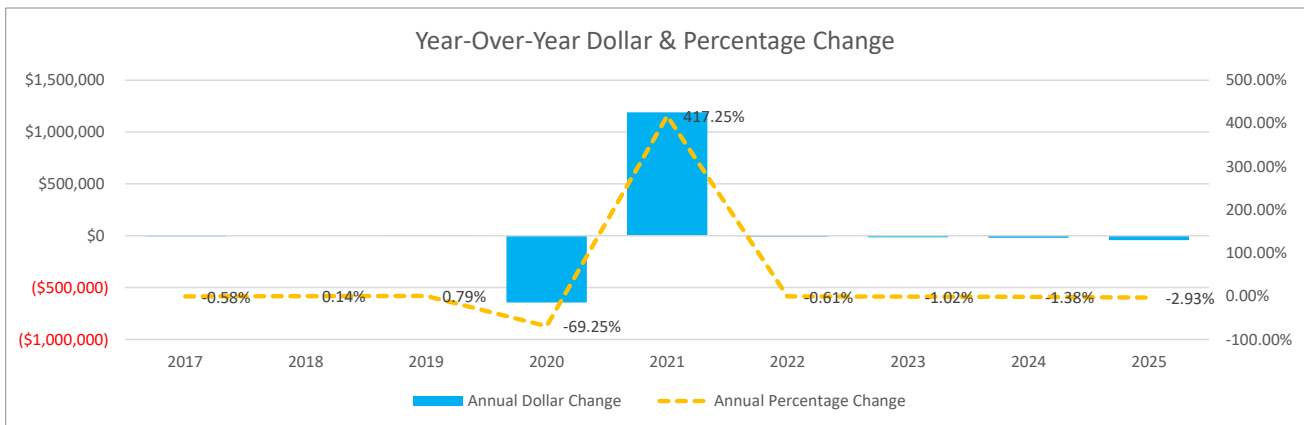
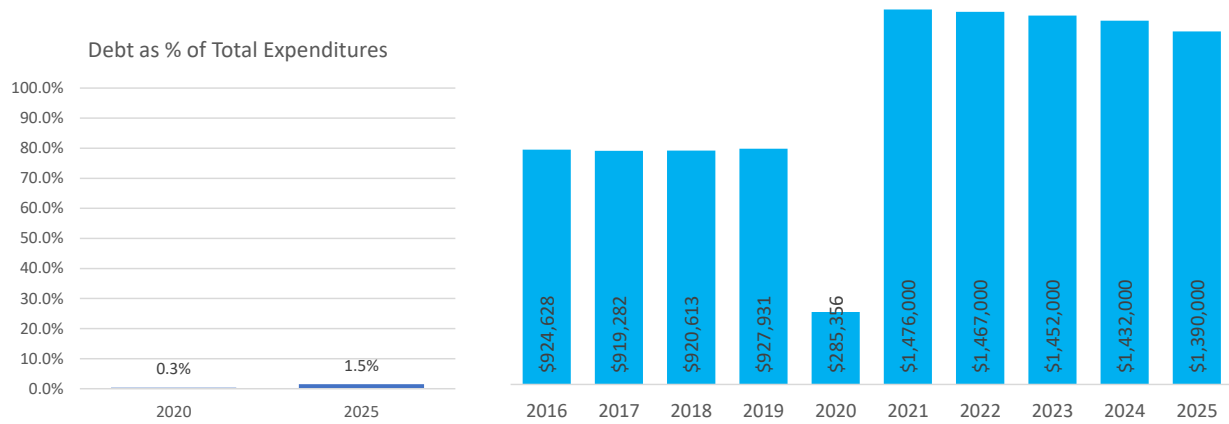
This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



This area is primarily used to fund equipment purchases from building and departmental budgets. Capital outlay expenditures such as roof replacement, bus replacement, etc. are accounted for through the permanent improvement fund. The district anticipates stable expenditure trend in this area.

### 3.060-4.060 - Intergovernmental & Debt

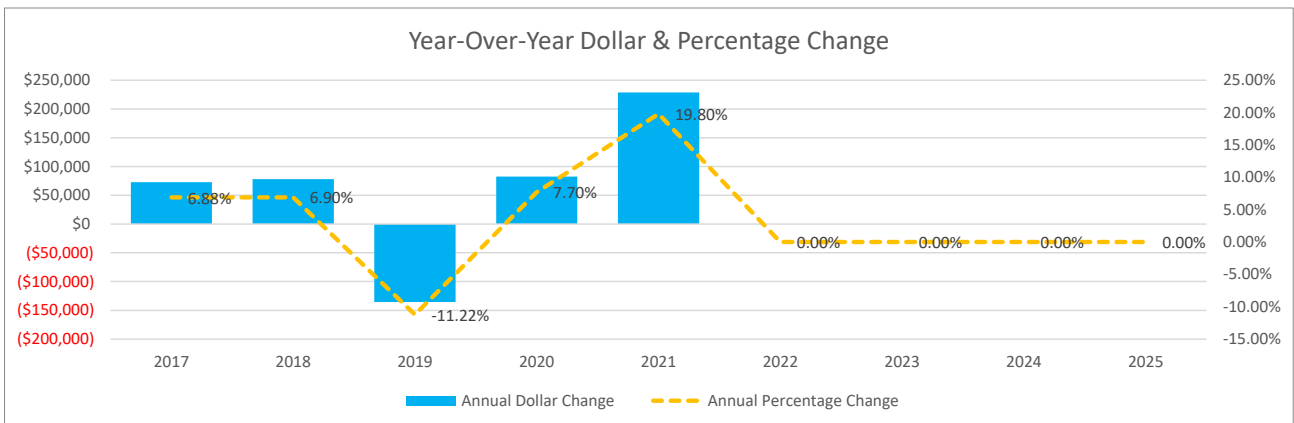
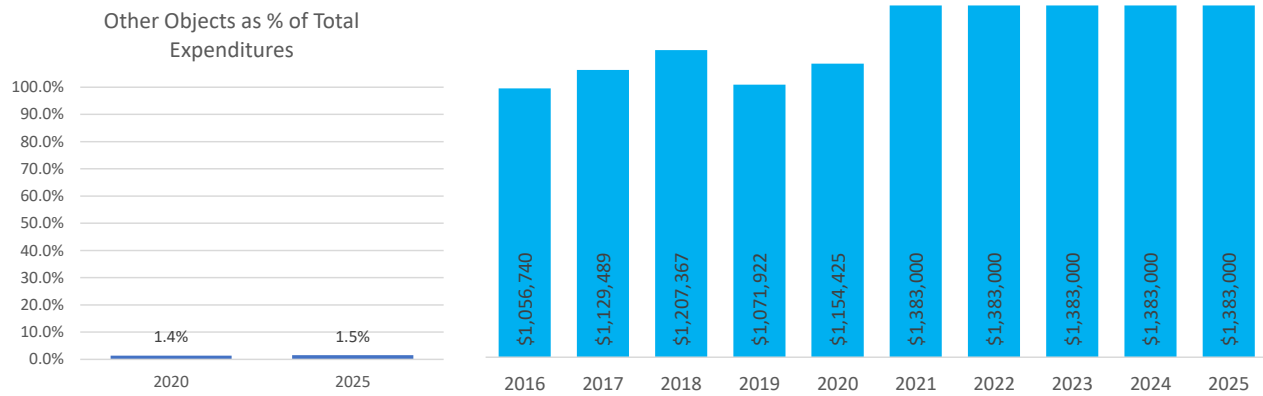
These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.



Debt costs reflect costs for House Bill 264 debt for projects. From FY18- FY20 this cost was included in the other financing uses.

### 4.300 - Other Objects

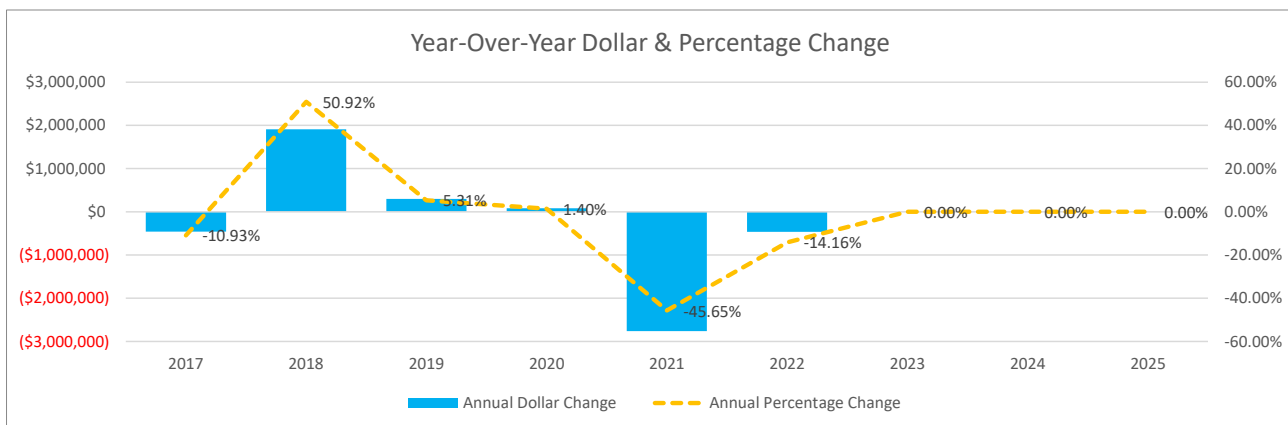
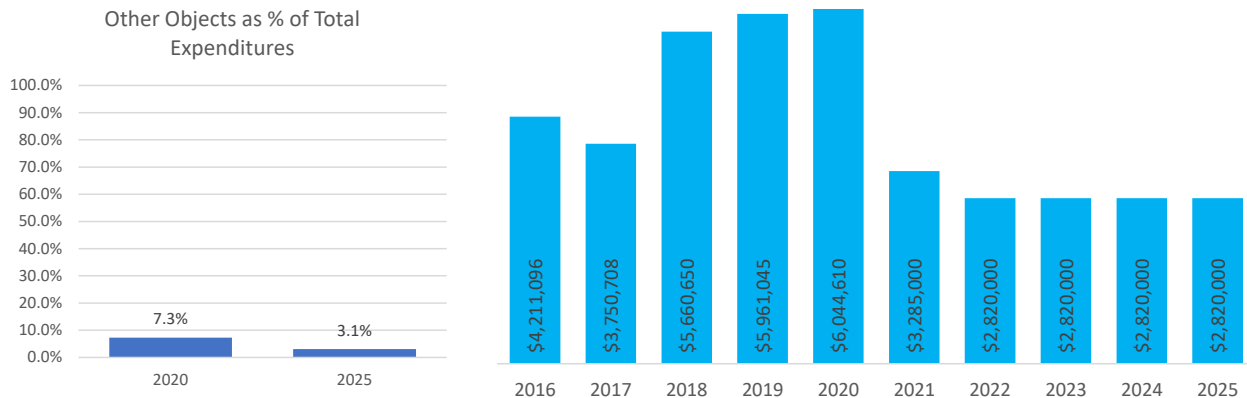
Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



This area includes such items as auditor and treasurer fees paid to the County Auditor, membership fees, liability insurance and fees for the annual district audit.

### 5.040 - Total Other Financing Uses

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



For Fiscal Years 2021 - 2025, this category includes funds transferred to the permanent improvement for expenditures such as roof replacement, paving, flooring, bus replacement, etc. Debt service costs (HB264) were included in this category historically.

Sycamore Community City School District

Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2020	2021	2022	2023	2024	2025
<b>Revenue:</b>						
1.010 - General Property Tax (Real Estate)	64,678,440	64,796,000	64,923,000	65,062,000	65,334,000	65,591,000
1.020 - Public Utility Personal Property	3,853,095	3,987,000	4,057,000	4,128,000	4,198,000	4,268,000
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	3,947,952	3,433,000	4,105,000	4,110,000	4,116,000	4,122,000
1.040 - Restricted Grants-in-Aid	314,567	375,000	375,000	375,000	375,000	375,000
1.050 - Property Tax Allocation	7,685,545	6,695,000	5,688,000	4,651,000	4,668,000	4,698,000
1.060 - All Other Operating Revenues	7,127,034	6,350,000	6,600,000	6,800,000	6,950,000	7,100,000
<b>1.070 - Total Revenue</b>	<b>87,606,634</b>	<b>85,636,000</b>	<b>85,748,000</b>	<b>85,126,000</b>	<b>85,641,000</b>	<b>86,154,000</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	-	-	-	-	-	-
2.050 - Advances-In	30,422	200,000	200,000	200,000	200,000	200,000
2.060 - All Other Financing Sources	30,834	-	-	-	-	-
<b>2.070 - Total Other Financing Sources</b>	<b>61,256</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>
<b>2.080 - Total Rev &amp; Other Sources</b>	<b>87,667,889</b>	<b>85,836,000</b>	<b>85,948,000</b>	<b>85,326,000</b>	<b>85,841,000</b>	<b>86,354,000</b>
<b>Expenditures:</b>						
3.010 - Personnel Services	49,259,973	53,678,000	51,784,500	53,072,900	54,379,900	55,723,200
3.020 - Employee Benefits	16,391,485	17,803,000	17,574,500	18,217,000	18,883,300	19,577,700
3.030 - Purchased Services	6,591,119	8,898,000	8,247,000	8,247,000	8,247,000	8,247,000
3.040 - Supplies and Materials	2,870,321	2,795,000	2,795,000	2,795,000	2,795,000	2,795,000
3.050 - Capital Outlay	220,046	332,000	172,000	172,000	172,000	172,000
Intergovernmental & Debt Service	285,356	1,476,000	1,467,000	1,452,000	1,432,000	1,390,000
4.300 - Other Objects	1,154,425	1,383,000	1,383,000	1,383,000	1,383,000	1,383,000
<b>4.500 - Total Expenditures</b>	<b>76,772,726</b>	<b>86,365,000</b>	<b>83,423,000</b>	<b>85,338,900</b>	<b>87,292,200</b>	<b>89,287,900</b>
<b>Other Financing Uses</b>						
5.010 - Operating Transfers-Out	5,959,500	3,085,000	2,620,000	2,620,000	2,620,000	2,620,000
5.020 - Advances-Out	85,110	200,000	200,000	200,000	200,000	200,000
5.030 - All Other Financing Uses	-	-	-	-	-	-
<b>5.040 - Total Other Financing Uses</b>	<b>6,044,610</b>	<b>3,285,000</b>	<b>2,820,000</b>	<b>2,820,000</b>	<b>2,820,000</b>	<b>2,820,000</b>
<b>5.050 - Total Exp and Other Financing Uses</b>	<b>82,817,335</b>	<b>89,650,000</b>	<b>86,243,000</b>	<b>88,158,900</b>	<b>90,112,200</b>	<b>92,107,900</b>
<b>6.010 - Excess of Rev Over/(Under) Exp</b>	<b>4,850,554</b>	<b>(3,814,000)</b>	<b>(295,000)</b>	<b>(2,832,900)</b>	<b>(4,271,200)</b>	<b>(5,753,900)</b>
<b>7.010 - Cash Balance July 1 (No Levies)</b>	<b>49,952,636</b>	<b>54,803,190</b>	<b>50,989,190</b>	<b>50,694,190</b>	<b>47,861,290</b>	<b>43,590,090</b>
<b>7.020 - Cash Balance June 30 (No Levies)</b>	<b>54,803,190</b>	<b>50,989,190</b>	<b>50,694,190</b>	<b>47,861,290</b>	<b>43,590,090</b>	<b>37,836,190</b>
		Reservations				
8.010 - Estimated Encumbrances June 30	-	600,000	600,000	600,000	600,000	600,000
9.080 - Reservations Subtotal	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<b>10.010 - Fund Bal June 30 for Cert of App</b>	<b>54,803,190</b>	<b>49,389,190</b>	<b>49,094,190</b>	<b>46,261,290</b>	<b>41,990,090</b>	<b>36,236,190</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>54,803,190</b>	<b>49,389,190</b>	<b>49,094,190</b>	<b>46,261,290</b>	<b>41,990,090</b>	<b>36,236,190</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>54,803,190</b>	<b>49,389,190</b>	<b>49,094,190</b>	<b>46,261,290</b>	<b>41,990,090</b>	<b>36,236,190</b>