

Tolles Career & Technical Center

Five Year Forecast Financial Report

November, 2021

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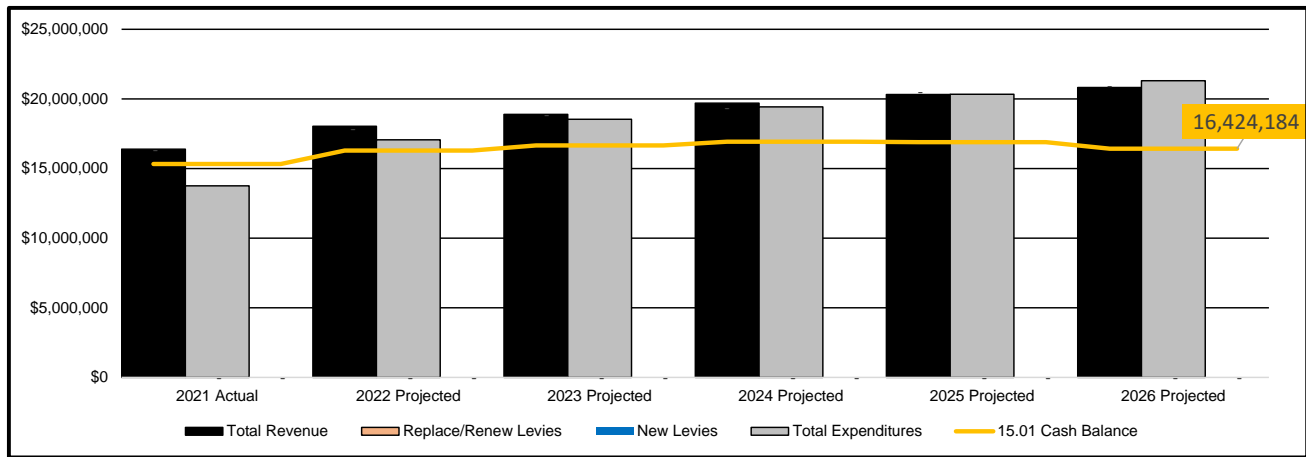
Forecast Purpose/Objectives

Ohio Department of Education's purposes/objectives for the five-year forecast are:

1. To engage the local board of education and the community in the long range planning and discussions of financial issues facing the school district.
2. To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate."
3. To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems.

Forecast Methodology - This forecast is prepared based upon historical trends and current factors. This information is then extrapolated into estimates for subsequent years. The forecast variables can change multiple times throughout the fiscal year and while cash flow monitoring helps to identify unexpected variances no process is guaranteed. The intent is to provide the district's financial trend over time and a roadmap for decisions aimed at encouraging financial sustainability and stability.

Forecast Summary



Note: Cash balance (Line 7.020).

Financial Forecast

	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
Beginning Balance (Line 7.010) Plus	15,327,156	16,292,406	16,655,308	16,927,832	16,896,991
+ Revenue	18,027,766	18,897,339	19,700,741	20,308,737	20,825,676
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(17,062,517)	(18,534,437)	(19,428,218)	(20,339,578)	(21,298,483)
= Revenue Surplus or Deficit	965,250	362,902	272,523	(30,841)	(472,807)
Line 7.020 Ending Balance with renewal/new levies	16,292,406	16,655,308	16,927,832	16,896,991	16,424,184

Analysis Without Modeled Levies Included:

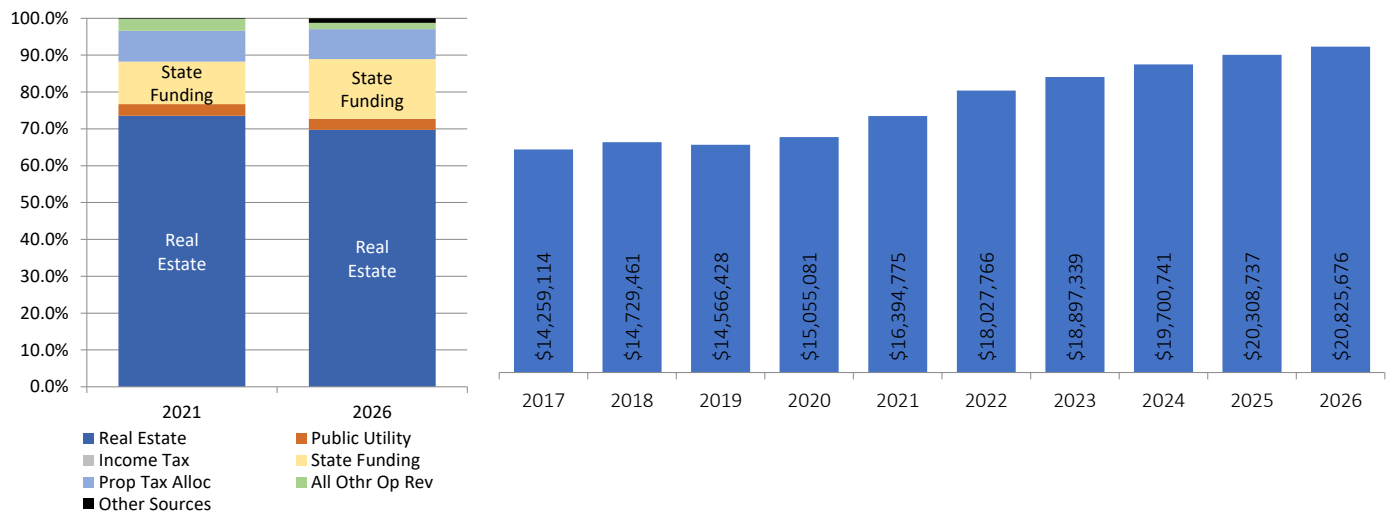
Revenue Surplus or Deficit w/o Levies	965,250	362,902	272,523	(30,841)	(472,807)
Ending Balance w/o Levies	16,292,406	16,655,308	16,927,832	16,896,991	16,424,184

In FY 2022 a revenue surplus is expected. This means that expenditures are expected to be less than revenue by -\$965,250 in FY 2022. By the last year of the forecast, FY 2026, the district is expected to have a revenue shortfall where expenditures are projected to be greater than revenue by \$472,807.

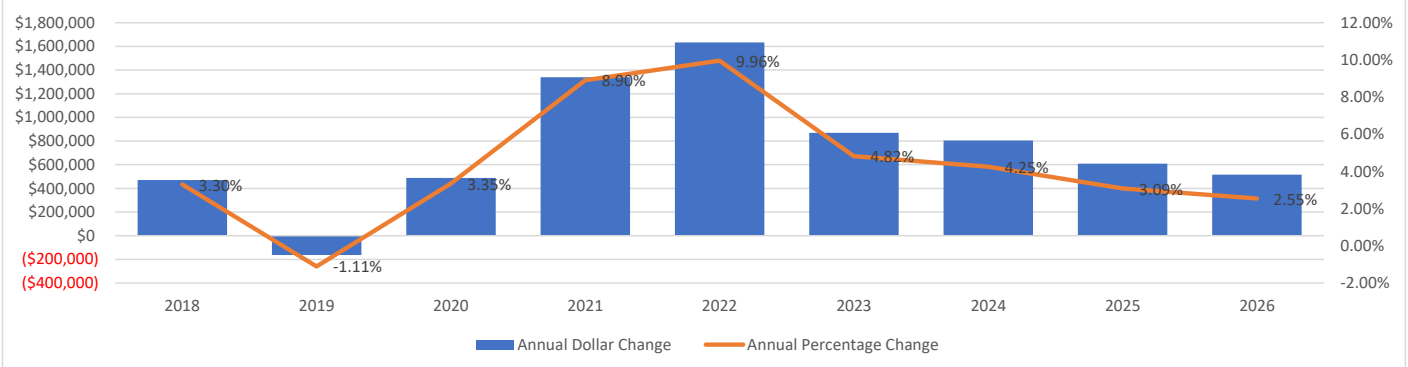
This forecast includes the Fair School Funding Plan (FSFP) adopted by Ohio starting in FY 2022. The district expects a combined impact of \$377,357 in FY 2022. The district is considered a formula district in FY 2022. A detailed state funding supplement to this forecast has been prepared and should be reviewed and considered part of the forecast assumptions.

Revenue Sources and Forecast Year-Over-Year Projected Overview

Sources of Revenue Over Time



Year-Over-Year Dollar & Percentage Change



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

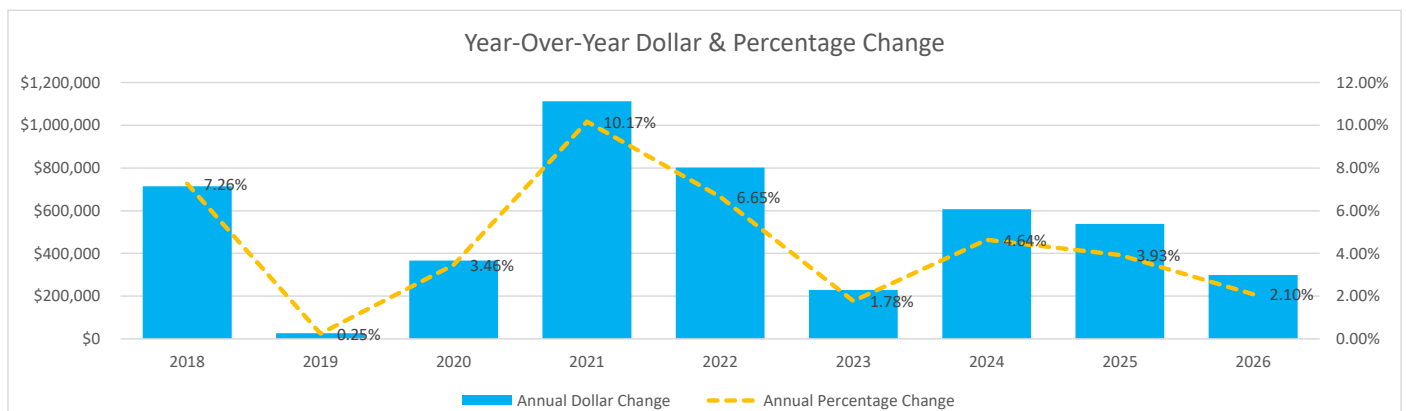
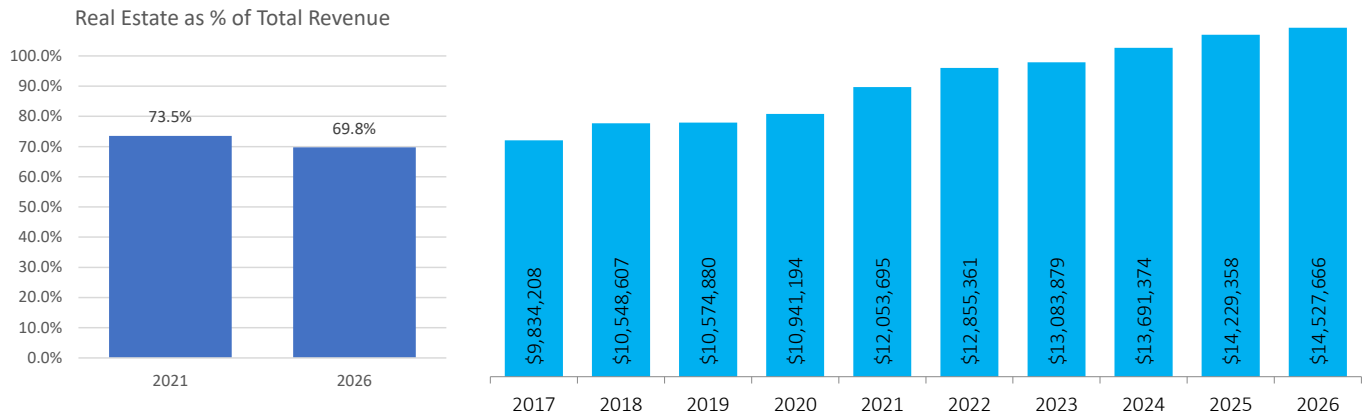
	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	Total revenue increased 3.62% or \$555,105 annually during the past five years and is projected to increase 4.53% or \$886,180 annually through FY2026. State Funding has the most projected average annual variance compared to the historical average at \$350,680
Real Estate	\$501,696	\$494,794	(\$6,902)	
Public Utility	\$49,198	\$19,798	(\$29,400)	
Income Tax	\$0	\$0	\$0	
State Funding	(\$54,107)	\$296,573	\$350,680	
Prop Tax Alloc	\$56,745	\$62,934	\$6,190	
All Othr Op Rev	\$32,318	(\$35,807)	(\$68,126)	
Other Sources	(\$30,745)	\$47,888	\$78,633	
Total Average Annual Change	\$555,105 3.62%	\$886,180 4.53%	\$331,075 0.91%	

Note: Expenditure average annual change is projected to be > \$1,509,552

On an annual average basis, expenditures are projected to grow faster than revenue.

1.010 - General Property Tax (Real Estate)

Revenue collected from taxes levied by a school district on the assessed valuation of real property using effective tax rates for class I (residential/agricultural) and class II (business).



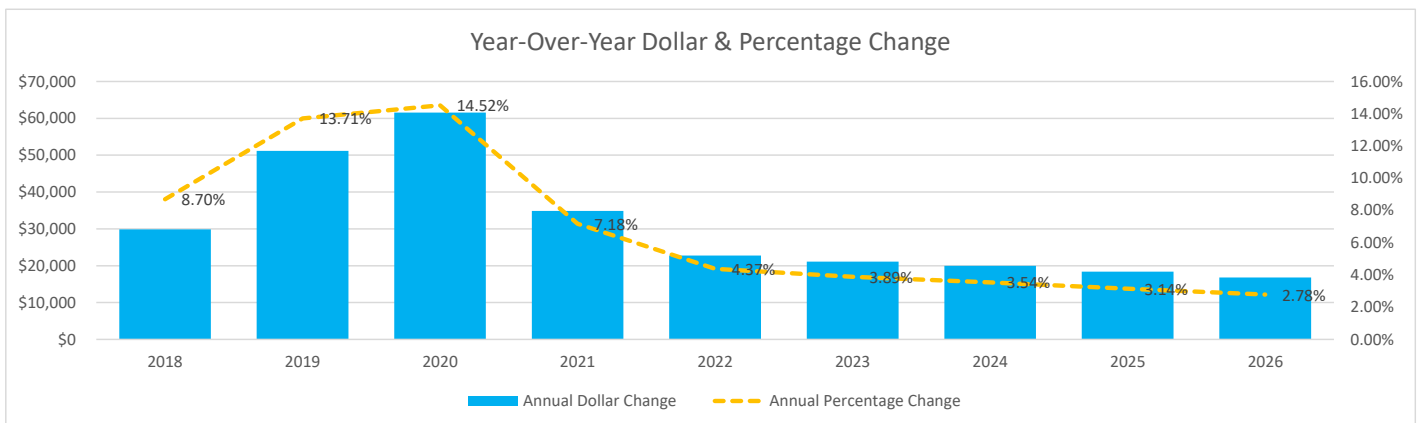
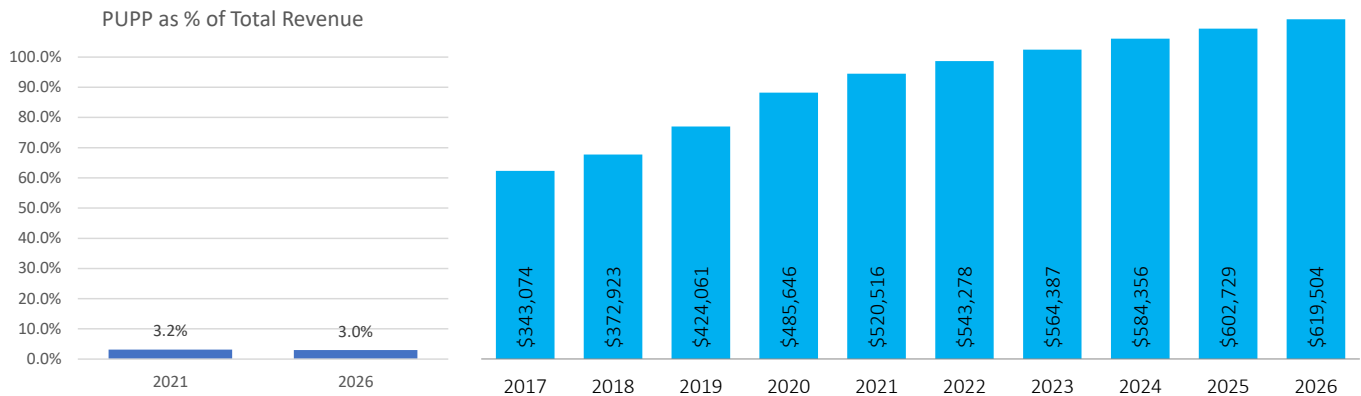
Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2020	8,910,342,640	1,156,182,030	1.60	-	1.60	-	99.4%
2021	9,053,399,108	143,056,468	1.60	-	1.60	-	99.6%
2022	9,218,475,594	165,076,486	1.60	-	1.60	-	99.6%
2023	9,878,245,012	659,769,418	1.60	-	1.60	-	99.6%
2024	10,023,637,071	145,392,059	1.60	-	1.60	-	99.6%
2025	10,292,114,002	268,476,931	1.60	-	1.60	-	99.6%

Real estate property tax revenue accounts for 73.52% of total revenue.
 Class I or residential/agricultural taxes make up approximately 75.51% of the real estate property tax revenue.
 The Class I tax rate is 1.6 mills in tax year 2021.
 The projections reflect an average gross collection rate of 99.6% annually through tax year 2025.
 The revenue changed at an average annual historical rate of 4.48% and is projected to change at an average annual rate of 3.62% through FY 2026.

*Projected % trends include renewal levies

1.020 - Public Utility Personal Property

Revenue generated from public utility personal property valuations multiplied by the district's full voted tax rate.



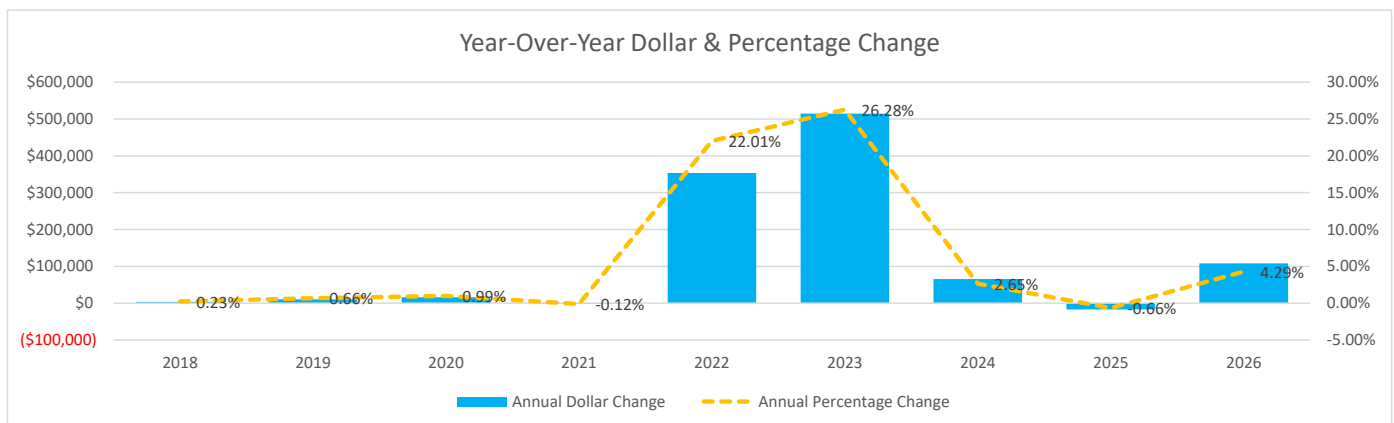
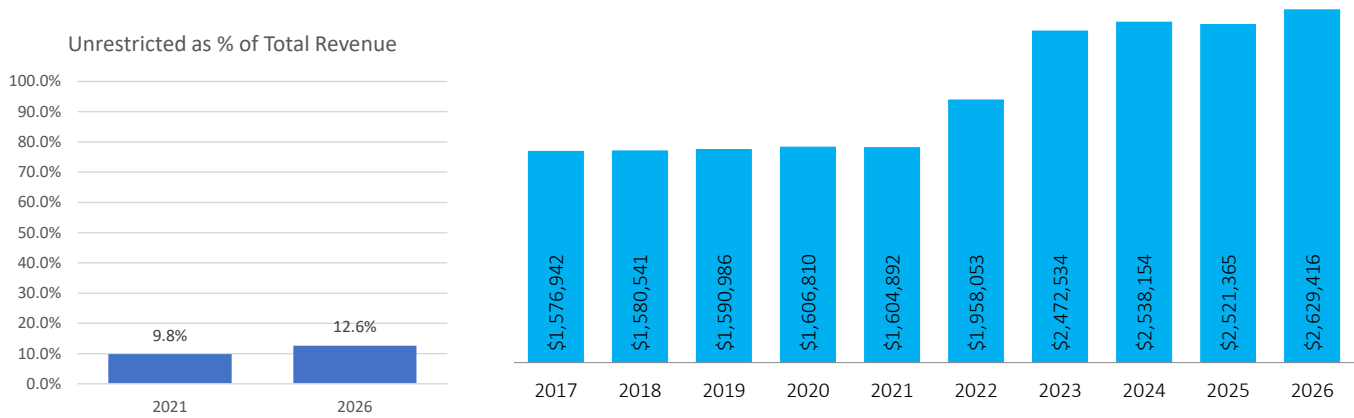
Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2020	332,835,880	13,901,270	1.60	-	99.5%
2021	346,835,880	14,000,000	1.60	-	100.0%
2022	359,835,880	13,000,000	1.60	-	99.8%
2023	371,835,880	12,000,000	1.60	-	99.8%
2024	382,835,880	11,000,000	1.60	-	99.8%
2025	392,835,880	10,000,000	1.60	-	99.8%

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 3.17% of total district revenue. The property is taxed at the full voted tax rate which in tax year 2021 is 1.6 mills. The forecast is modeling an average gross collection rate of 99.87%. The revenue changed historically at an average annual dollar amount of \$49,198 and is projected to change at an average annual dollar amount of \$19,798 through FY 2026.

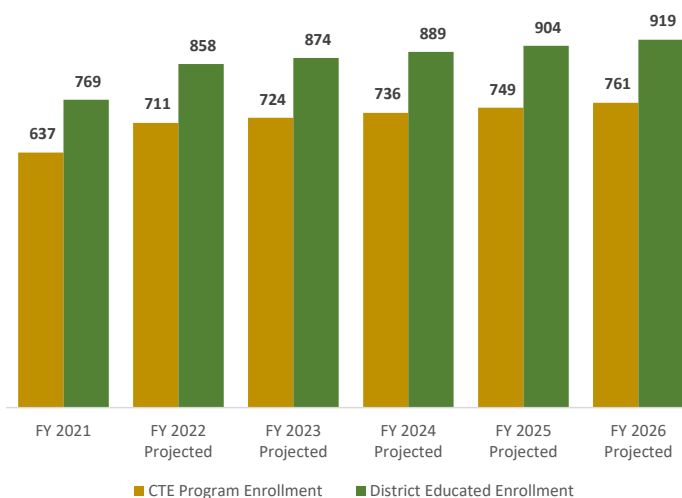
*Projected % trends include renewal levies

1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



Total District Educated Enrollment Compared to CTE Program Enrollment



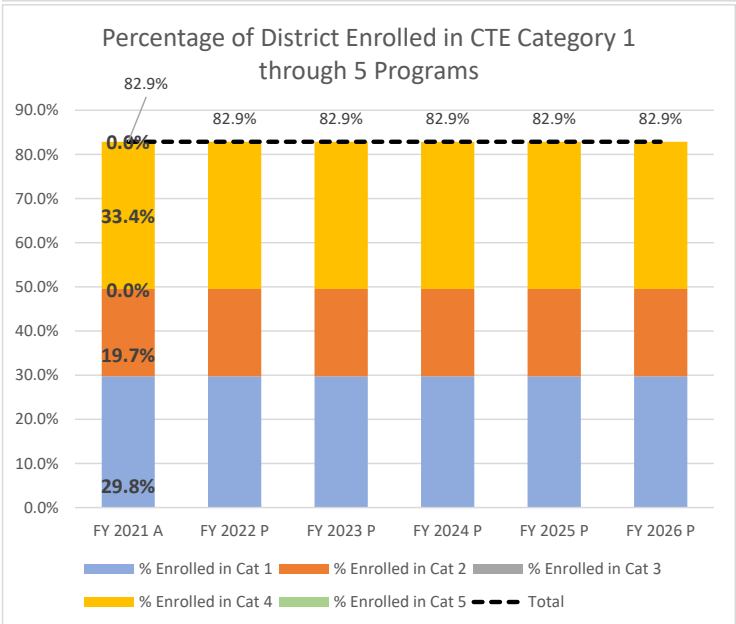
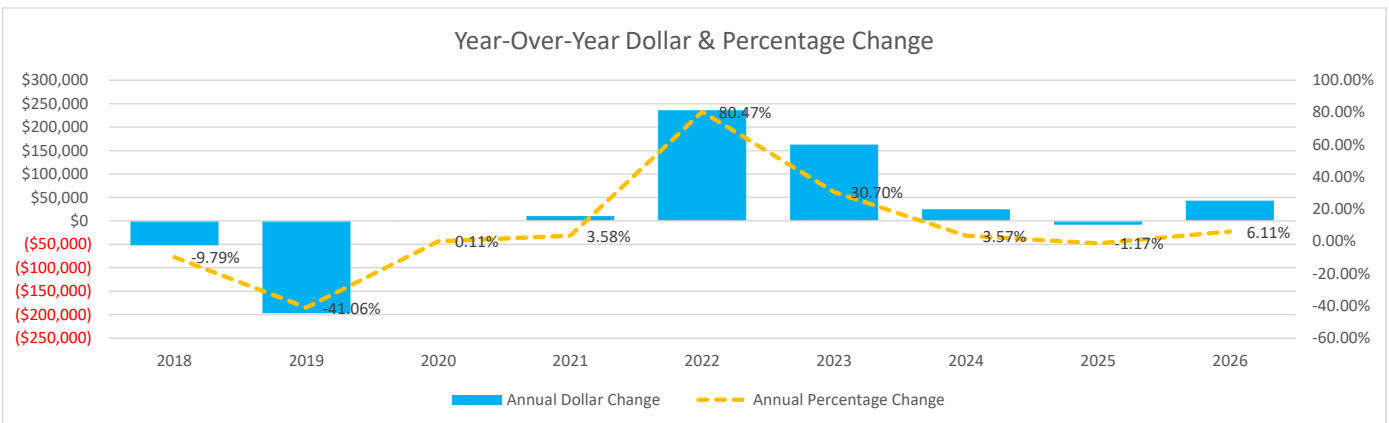
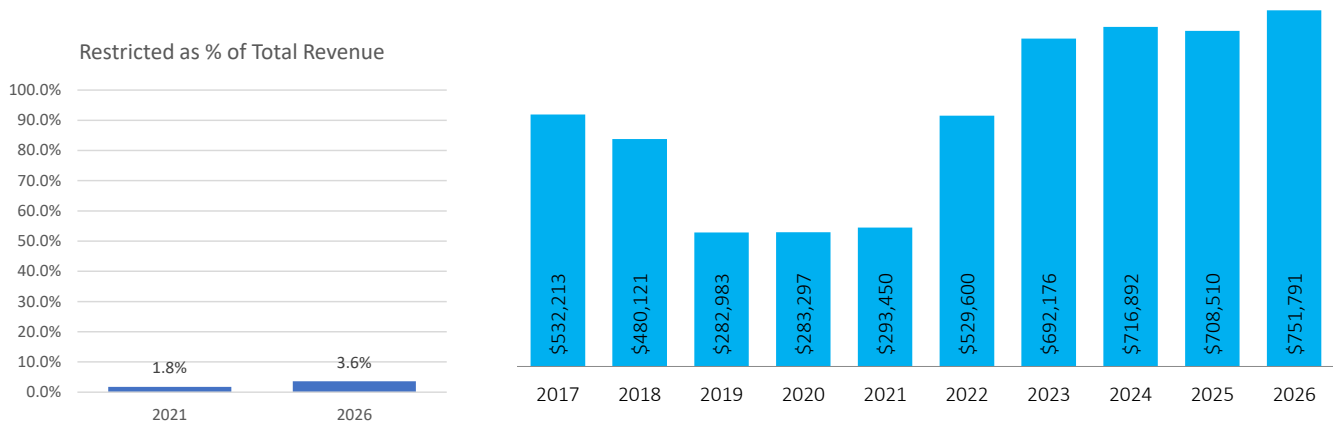
Beginning in FY 2022 Ohio adopted the Fair School Funding Plan (FSFP). Funding is driven by a base cost methodology that incorporates the four components identified as necessary to the education process. The Base Cost is currently calculated for two years using a statewide average from historical actual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

For Tolles Career & Technical Center the calculated Base Cost total is \$7,036,062 in FY 2022. The state's share of the calculated Base Cost total is \$2,840,464 or \$3,695 per pupil.

The FSFP uses district educated enrollment which includes both resident students attending and open enrollment-in students attending. A reduction in Other Revenue for open enrollment-in tuition that is now included in this Forecast to account for the increase in this unrestricted state funding line item for open enrolled in students.

1.040 & 1.045 - Restricted Grants-in-Aid

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

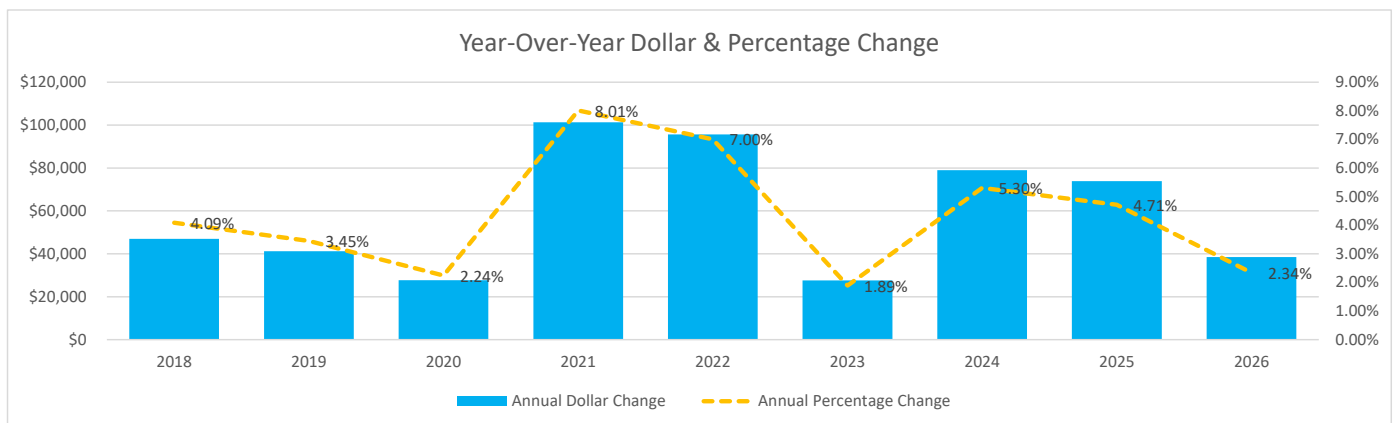
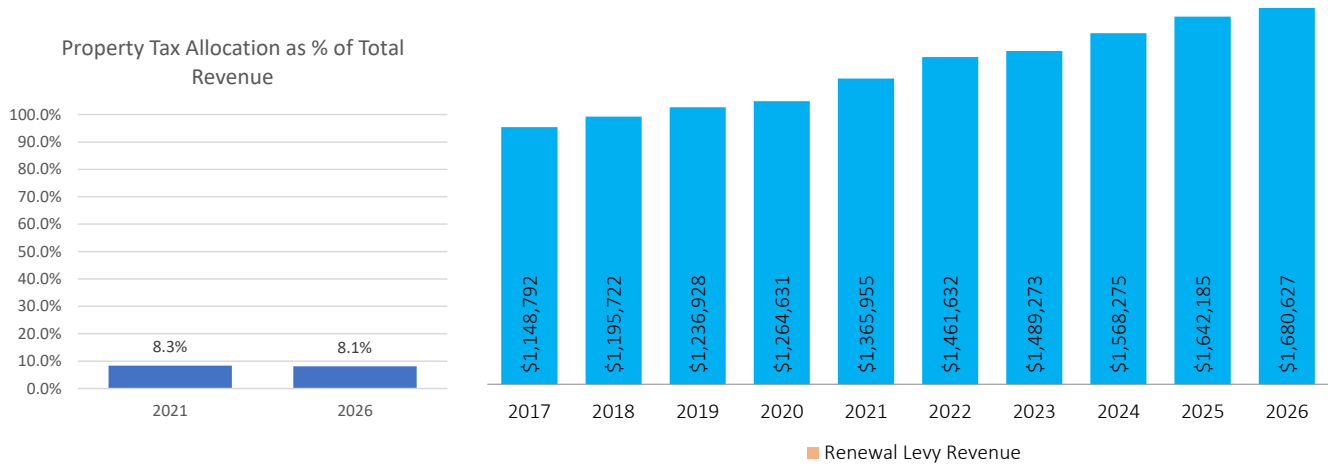


Restricted aid is the portion of state per pupil funding that must be classified as restricted use. Historically the district's restricted state aid changed annually on average by -\$62,224 and is projected to change \$91,668. Restricted funds represent 1.79% of total revenue.

Restricted Aid includes Wellness Funding, DPIA and Career Tech (CTE) Funding
 The amount of CTE program funding is a significant source of restricted revenue for CTE districts. In FY 2022 the district's state share of CTE program funding is \$1,048,524 times the state share percentage. The bar chart to the left provides CTE enrollment by category.
 Starting in FY 2022 the district's Wellness Funding will be included as restricted funding in the General Fund. In FY 2020 and FY 2021, this revenue was designated to a special revenue fund outside of the general fund.
 In FY 2022 the state's portion of wellness that is restricted and included above is \$109,899.

1.050 - Property Tax Allocation

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

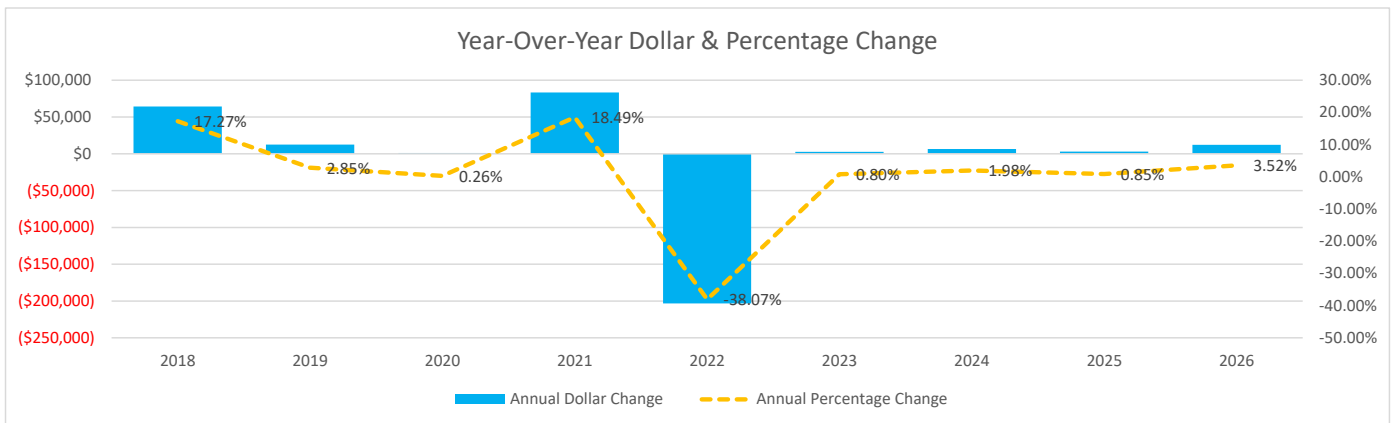
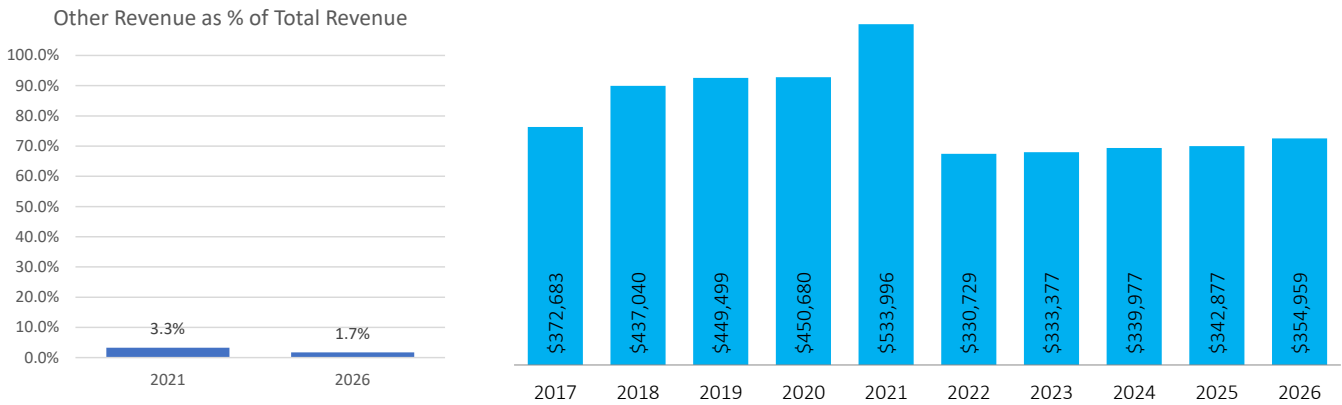


Property tax allocation primarily consists of reimbursements from the state of Ohio for local property taxpayer credits or reductions. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In FY 2022, approximately 12.1% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 1.0% will be reimbursed in the form of qualifying homestead exemption credits.

*Projected % trends include renewal levies

1.060 - All Other Operating Revenues

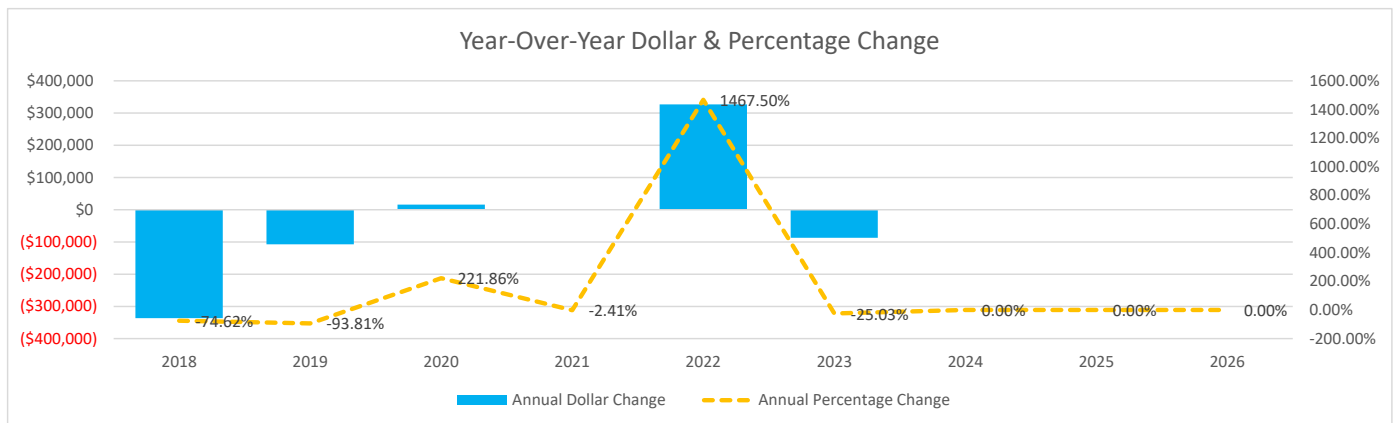
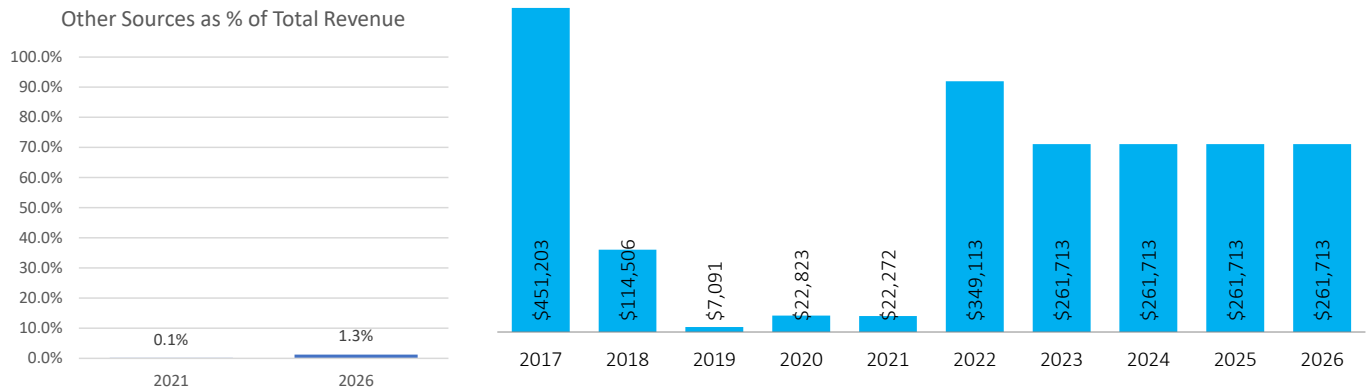
Operating revenue sources not included in other lines; examples include fees, earnings on investments, rentals, and donations.



Other revenue includes interest income, payments in lieu of taxes, and miscellaneous revenue. The historical average annual change was \$32,318. The projected average annual change is -\$35,807 through FY 2026. The FSFP eliminates open enrollment transfers starting in FY 2022. If a district received open enrollment-in revenue in FY 2021 then revenue will not be continued as other but instead will be considered included in unrestricted state formula aid. The district posted 1227 coded open enrollment-in revenue in FY 2021 that totaled \$161,994

2.070 - Total Other Financing Sources

Includes proceeds from insurance settlements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.

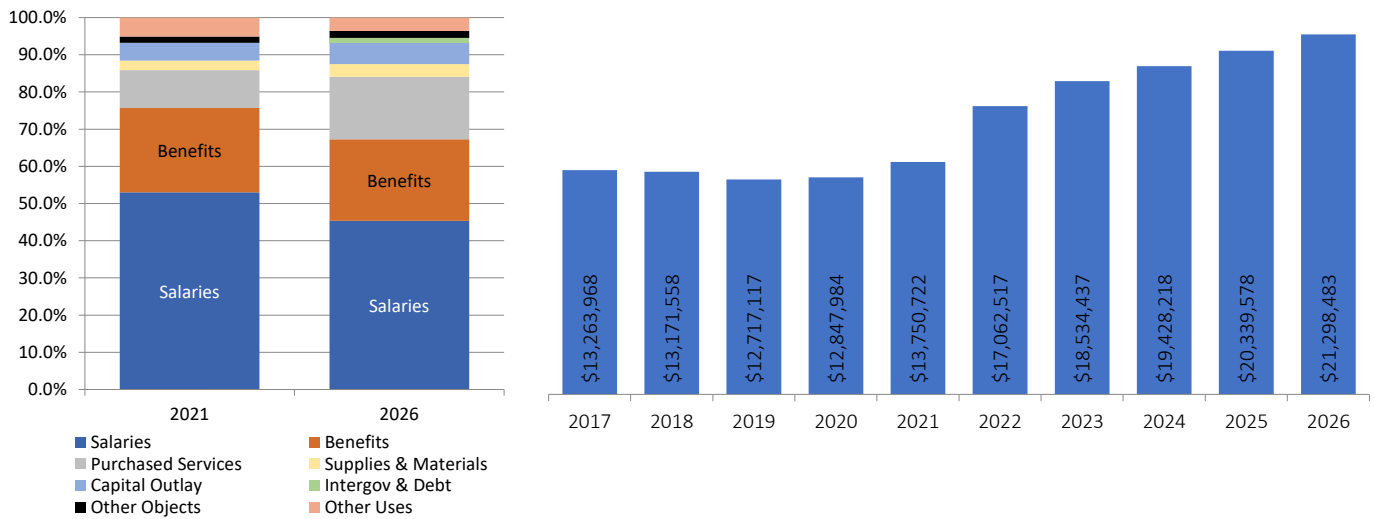


	2021	2022	2023	FORECASTED		
				2024	2025	2026
Transfers In	21,632	259,213	259,213	259,213	259,213	259,213
Advances In	-	87,400	-	-	-	-
All Other Financing Sources	640	2,500	2,500	2,500	2,500	2,500

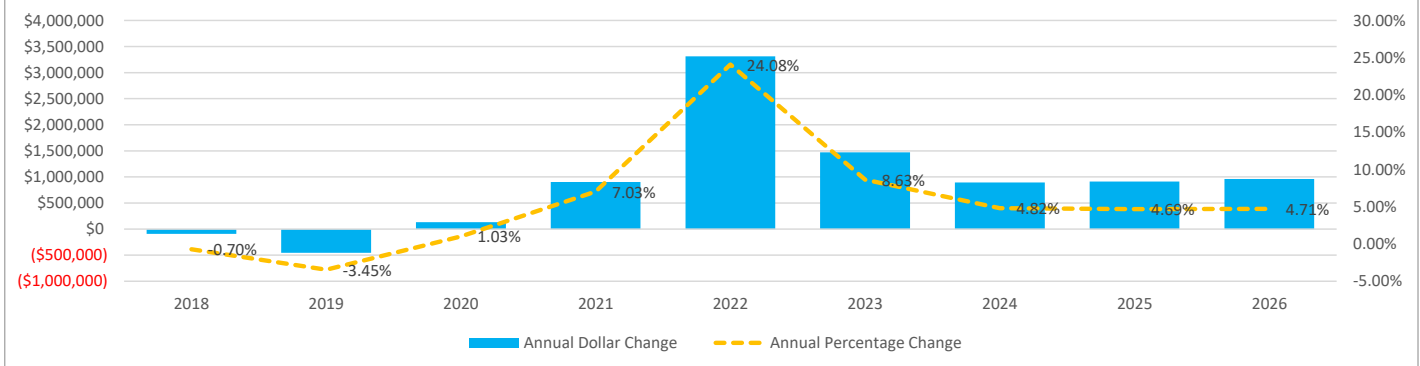
Other sources includes revenue that is generally classified as non-operating. The district also receives other financing sources such as refund of prior year expenditures in this category. The district is projecting that all other financing sources will be \$2,500 in FY 2022 and averages \$2,500 annually through FY 2026.

Expenditure Categories and Forecast Year-Over-Year Projected Overview

Expenditure Categories Over Time



Year-Over-Year Dollar & Percentage Change



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

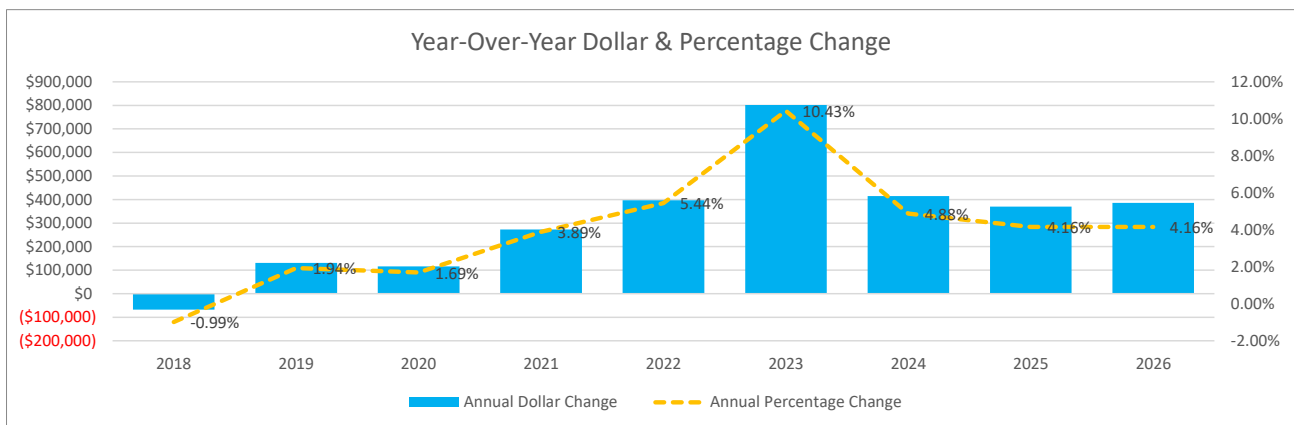
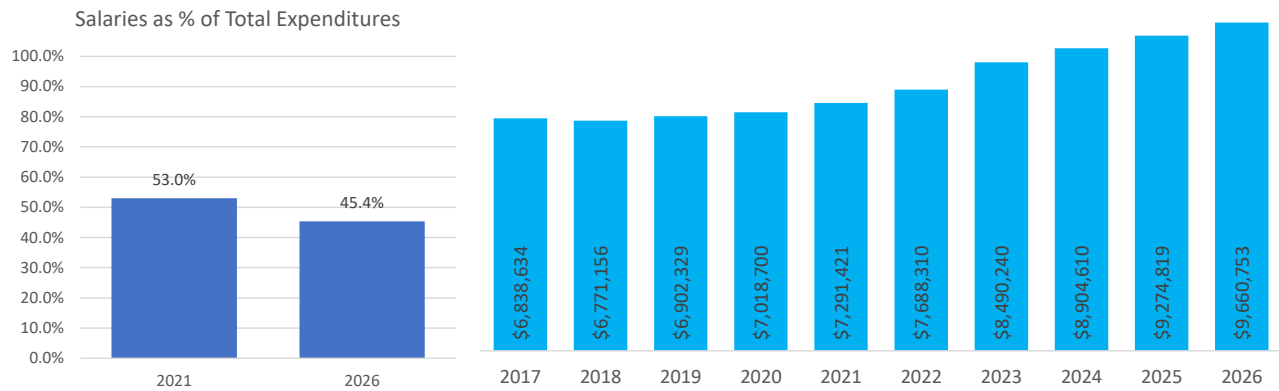
	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	Total expenditures increased 1.47% or \$193,055 annually during the past five years and is projected to increase 10.98% or \$1,509,552 annually through FY2026. Purchased Services has the largest projected average annual variance compared to the historical average at \$391,739.
Salaries	\$173,422	\$473,866	\$300,445	
Benefits	\$126,186	\$309,318	\$183,132	
Purchased Services	\$47,118	\$438,857	\$391,739	
Supplies & Materials	\$317	\$71,840	\$71,523	
Capital Outlay	\$32,119	\$121,193	\$89,074	
Intergov & Debt	\$0	\$47,516	\$47,516	
Other Objects	(\$1,731)	\$32,582	\$34,313	
Other Uses	(\$184,375)	\$14,380	\$198,756	
Total Average Annual Change	\$193,055	\$1,509,552	\$1,316,497	
	1.47%	10.98%	9.50%	

Note: Expenditure average annual change is projected to be > \$1,509,552

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

3.010 - Personnel Services

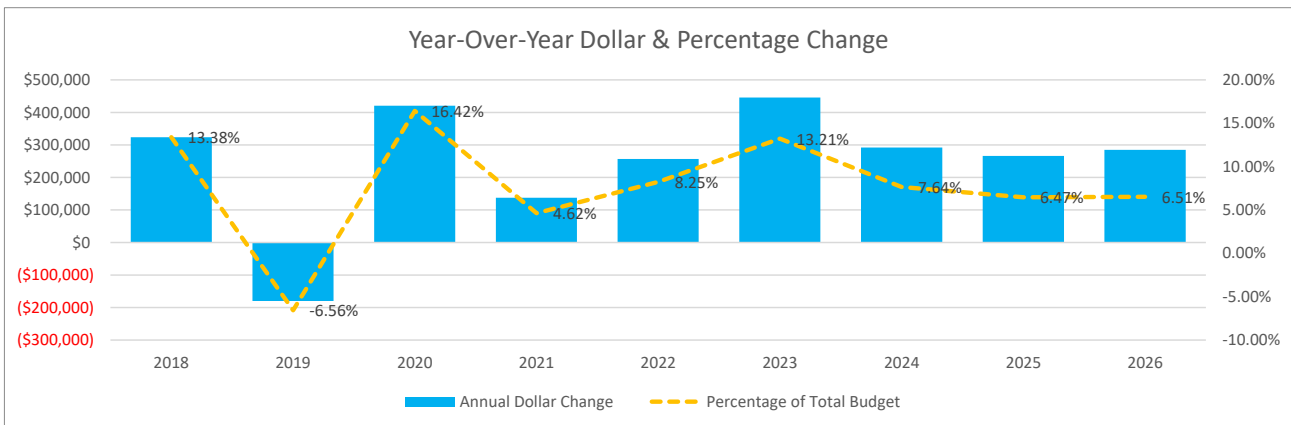
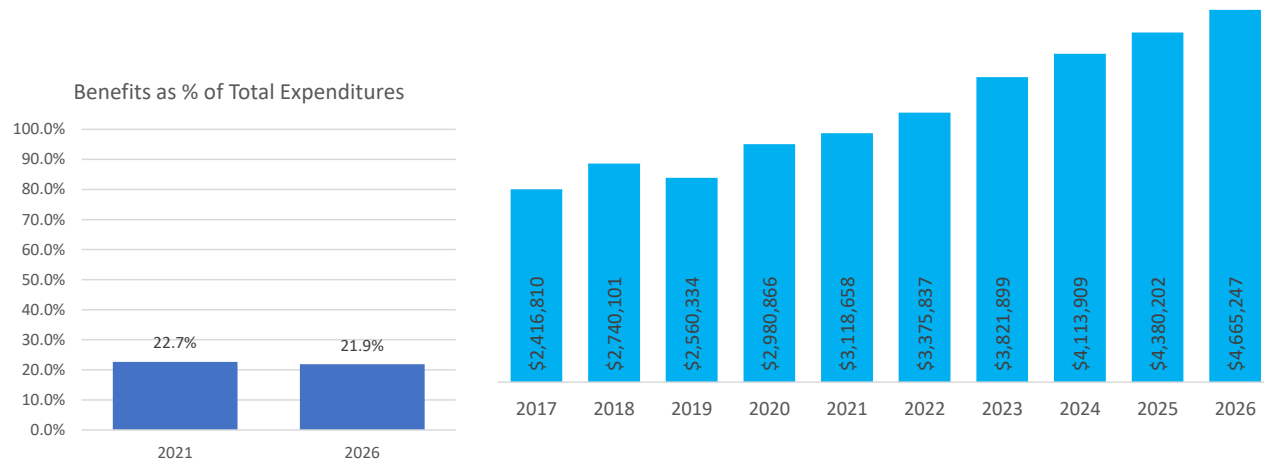
Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.



Salaries represent 53.03% of total expenditures and increased at a historical average annual rate of 2.45% or \$173,422. This category of expenditure is projected to grow at an annual average rate of 5.38% or \$473,866 through FY 2026. The projected average annual rate of change is 2.93% more than the five year historical annual average. Projections include the cost of staffing additional program offerings.

3.020 - Employees' Benefits

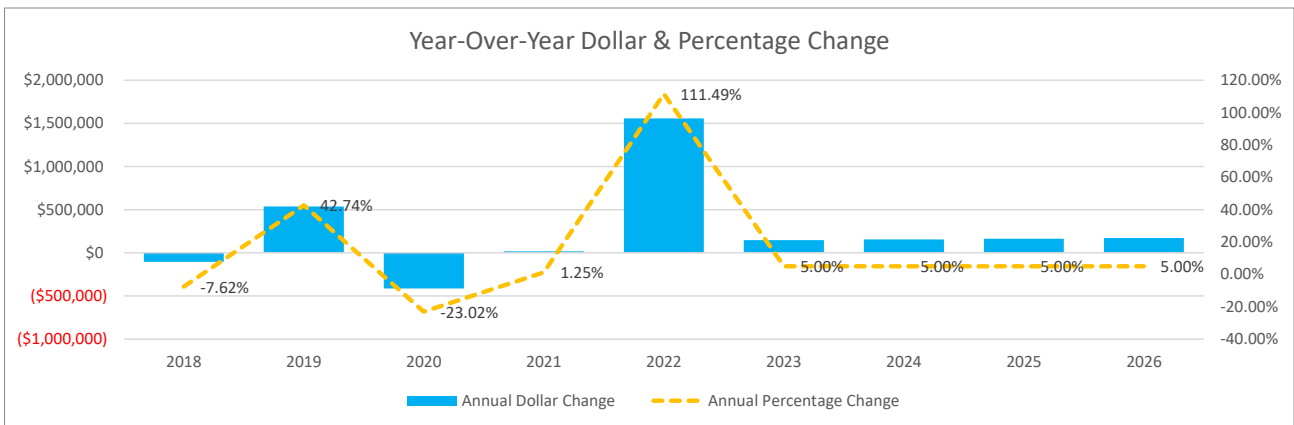
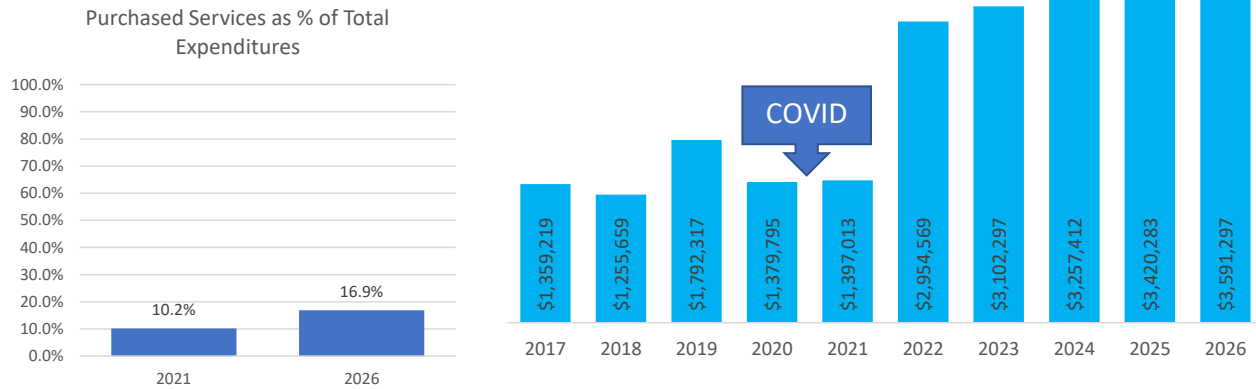
Retirement for all employees, Workers Compensation, Medicare, unemployment, and all health-related insurances.



Benefits represent 22.68% of total expenditures and increased at a historical average annual rate of 4.37%. This category of expenditure is projected to grow at an annual average rate of 7.60% through FY 2026. The projected average annual rate of change is 3.23% more than the five year historical annual average.

3.030 - Purchased Services

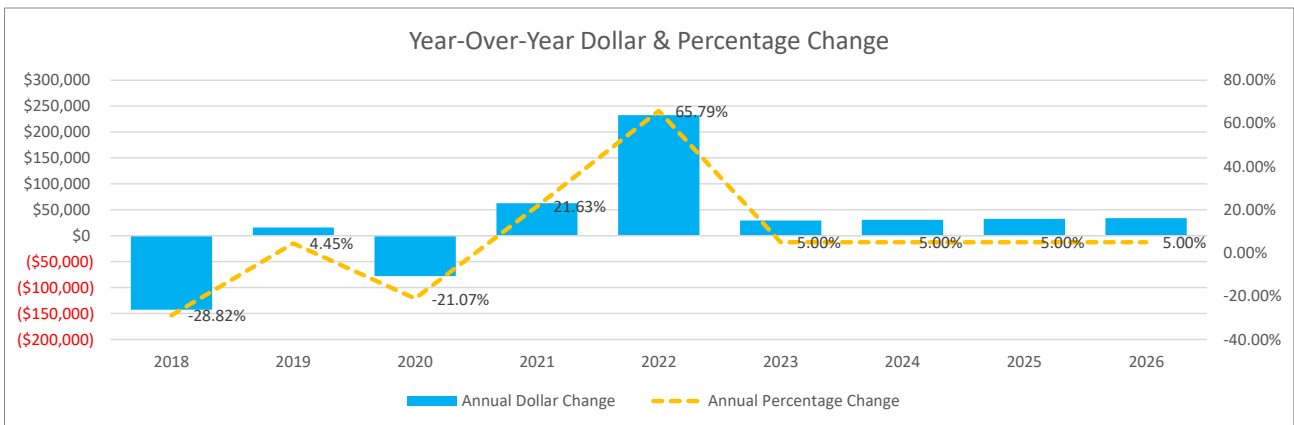
Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, contracted transportation services, repairs, utilities costs and other services which the school district may purchase.



Purchased Services represent 10.16% of total expenditures and increased at a historical average annual rate of 3.09%. This category of expenditure is projected to grow at an annual average rate of 13.44% through FY 2026. The projected average annual rate of change is 10.35% more than the five year historical annual average due to COVID. Purchased services include expenditures for items such as utilities, insurance, services not performed by employees, repairs, etc.

3.040 - Supplies & Materials

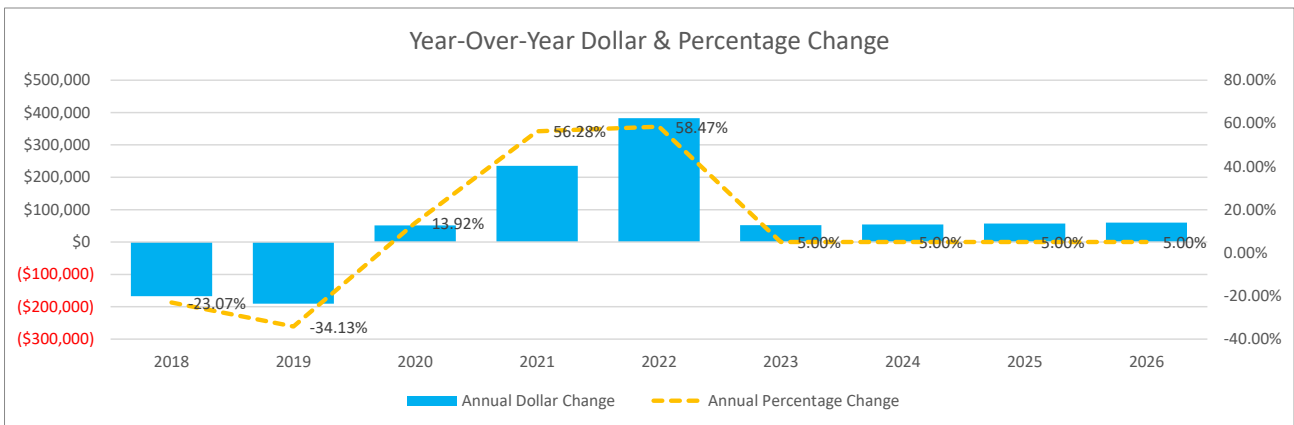
Expenditures for general supplies, instructional materials including textbooks software and media material, and all other maintenance supplies.



Supplies & Materials represent 2.57% of total expenditures and increased at a historical average annual rate of 0.09%. This category of expenditure is projected to grow at an annual average rate of 11.08% through FY 2026. The projected average annual rate of change is 10.99% more than the five year historical annual average due to COVID.

3.050 - Capital Outlay

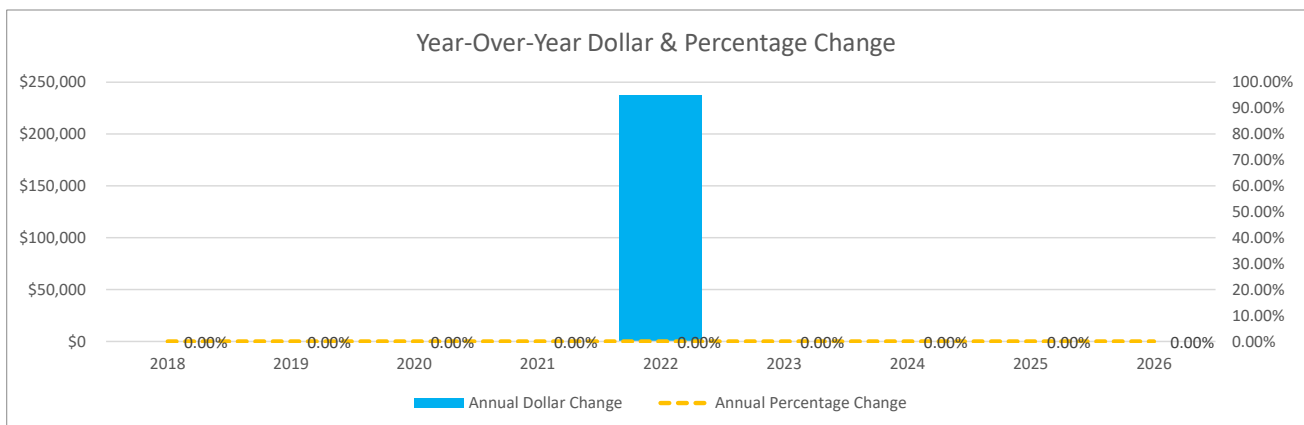
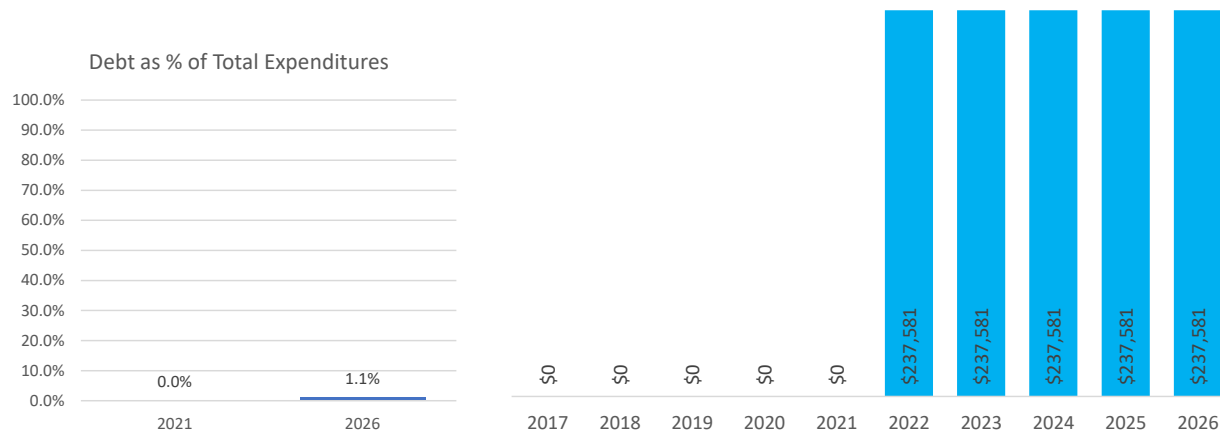
This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and vehicles.



Capital Outlay represent 4.76% of total expenditures and increased at a historical average annual amount of \$32,119. This category of expenditure is projected to grow at an annual average rate of \$121,193 through FY 2026. The projected average annual change is more than the five year historical annual average due to COVID.

3.060-4.060 - Intergovernmental & Debt

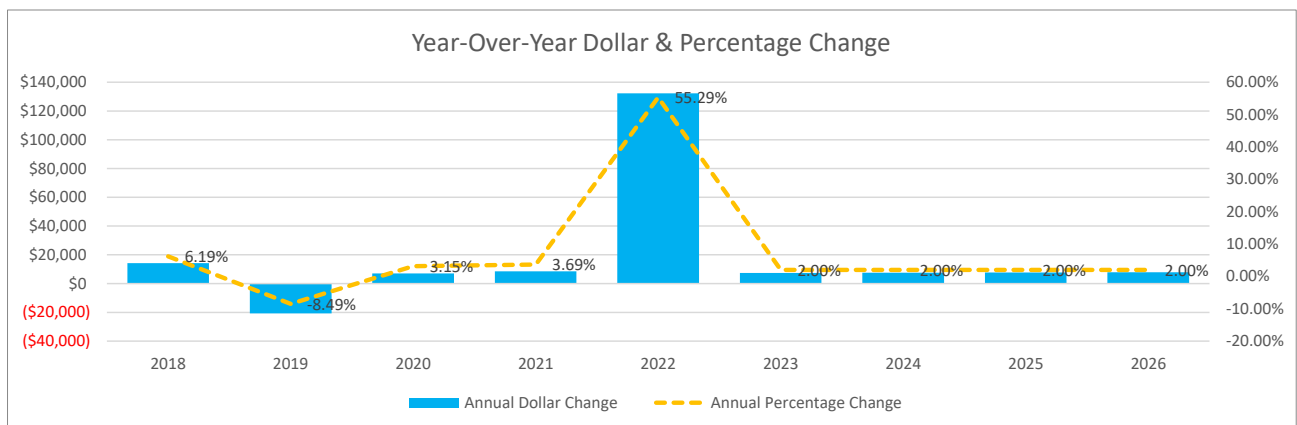
These lines account for principal and interest payments for general fund borrowing.



The Intergovernmental/Debt expenditure category details general fund debt issued by the District. The current loan will mature in November 2027.

4.300 - Other Objects

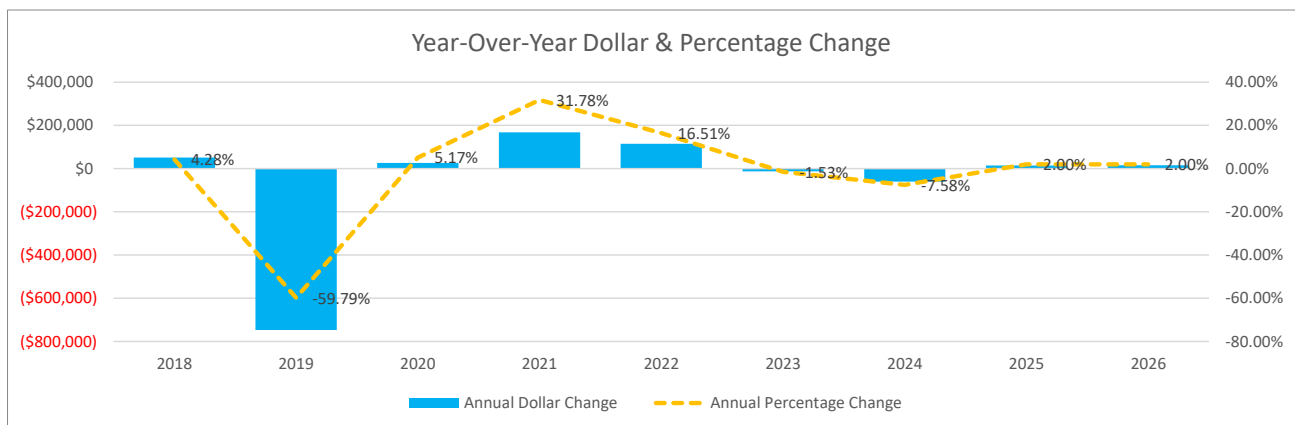
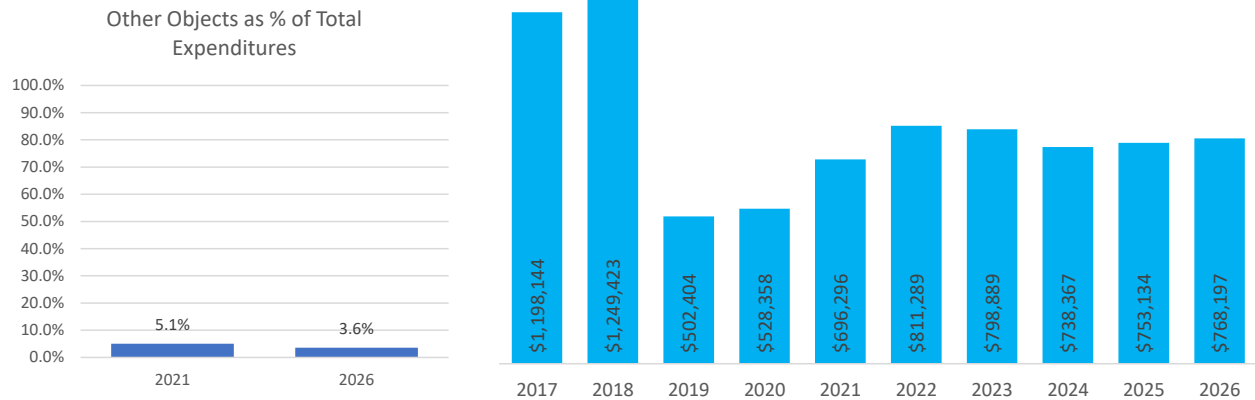
Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



Other Objects represent 1.74% of total expenditures and decreased at a historical average annual rate of -0.75%. This category of expenditure is projected to grow at an annual average rate of 8.43% through FY 2026 and includes memberships, dues and fees associated with tax collection. The projected average annual rate of change is 9.17% more than the five year historical annual average due to COVID.

5.040 - Total Other Financing Uses

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



	2021	2022	2023	FORECASTED		
				2024	2025	2026
Transfers Out	567,582	723,889	798,889	738,367	753,134	768,197
Advances Out	128,715	87,400	-	-	-	-
Other Financing Uses	-	-	-	-	-	-

Other uses includes expenditures that are generally classified as non-operating. It is typically in the form of advances-out which are then repaid into the general fund from the other district funds.

In FY 2021 the district had advances-out and has advances-out forecasted through FY 2026. The district can also move general funds permanently to other funds and as the schedule above presents, the district has transfers forecasted through FY 2026.

Historically, these transfers were to the loan fund, Food Service and to the Adult Education Fund.

Tolles Career & Technical Center

Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2021	2022	2023	2024	2025	2026
Revenue:						
1.010 - General Property Tax (Real Estate)	12,053,695	12,855,361	13,083,879	13,691,374	14,229,358	14,527,666
1.020 - Public Utility Personal Property	520,516	543,278	564,387	584,356	602,729	619,504
1.030 - Income Tax (n/a CTC)	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	1,604,892	1,958,053	2,472,534	2,538,154	2,521,365	2,629,416
1.040 - Restricted Grants-in-Aid	293,450	529,600	692,176	716,892	708,510	751,791
1.050 - Property Tax Allocation	1,365,955	1,461,632	1,489,273	1,568,275	1,642,185	1,680,627
1.060 - All Other Operating Revenues	533,996	330,729	333,377	339,977	342,877	354,959
1.070 - Total Revenue	16,372,504	17,678,653	18,635,626	19,439,028	20,047,024	20,563,963
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	21,632	259,213	259,213	259,213	259,213	259,213
2.050 - Advances-In	-	87,400	-	-	-	-
2.060 - All Other Financing Sources	640	2,500	2,500	2,500	2,500	2,500
2.070 - Total Other Financing Sources	22,272	349,113	261,713	261,713	261,713	261,713
2.080 - Total Rev & Other Sources	16,394,775	18,027,766	18,897,339	19,700,741	20,308,737	20,825,676
Expenditures:						
3.010 - Personnel Services	7,291,421	7,688,310	8,490,240	8,904,610	9,274,819	9,660,753
3.020 - Employee Benefits	3,118,658	3,375,837	3,821,899	4,113,909	4,380,202	4,665,247
3.030 - Purchased Services	1,397,013	2,954,569	3,102,297	3,257,412	3,420,283	3,591,297
3.040 - Supplies and Materials	353,839	586,618	615,949	646,747	679,084	713,038
3.050 - Capital Outlay	654,242	1,036,775	1,088,614	1,143,045	1,200,197	1,260,207
Intergovernmental & Debt Service	-	237,581	237,581	237,581	237,581	237,581
4.300 - Other Objects	239,254	371,537	378,968	386,547	394,278	402,164
4.500 - Total Expenditures	13,054,426	16,251,228	17,735,548	18,689,851	19,586,444	20,530,286
Other Financing Uses						
5.010 - Operating Transfers-Out	567,582	723,889	798,889	738,367	753,134	768,197
5.020 - Advances-Out	128,715	87,400	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	696,296	811,289	798,889	738,367	753,134	768,197
5.050 - Total Exp and Other Financing Uses	13,750,722	17,062,517	18,534,437	19,428,218	20,339,578	21,298,483
6.010 - Excess of Rev Over/(Under) Exp	2,644,053	965,250	362,902	272,523	(30,841)	(472,807)
7.010 - Cash Balance July 1 (No Levies)	12,683,103	15,327,156	16,292,406	16,655,308	16,927,832	16,896,991
7.020 - Cash Balance June 30 (No Levies)	15,327,156	16,292,406	16,655,308	16,927,832	16,896,991	16,424,184
		Reservations				
8.010 - Estimated Encumbrances June 30	750,000	750,000	750,000	750,000	750,000	750,000
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	14,577,156	15,542,406	15,905,308	16,177,832	16,146,991	15,674,184
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Renewal Levies	-	-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-
12.010 - Fund Bal June 30 for Cert of Obligations	14,577,156	15,542,406	15,905,308	16,177,832	16,146,991	15,674,184
Revenue from New Levies						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	14,577,156	15,542,406	15,905,308	16,177,832	16,146,991	15,674,184