Enclosure C-1-b
May 10, 2021

WORTHINGTON CITY SCHOOL DISTRICT-FRANKLIN COUNTY

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS ENDED JUNE 30, 2018, 2019 and 2020 ACTUAL FORECASTED FISCAL YEARS ENDING JUNE 30, 2021 THROUGH 2025

Forecast Provided By
Worthington City School District
Treasurer's Office
TJ Cusick, Treasurer/CFO
May 10, 2021

WORTHINGTON CITY SCHOOL DISTRICT
Franklin County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2018, 2019, 2020
Forecasted Fiscal Year Ending June 30, 2021 through 2025

		Actual				Forecasted				
		Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Average Change	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
	Revenues									
1.010	General Property Tax (Real Estate)	$ 93,925,327	$ 98,600,412	$ 98,956,525	2.7%	$111,594,000	$112,932,000	$116,752,000	$117,209,000	$117,668,000
1.020	Tangible Personal Property	4,536,436	4,634,275	6,047,252	16.3%	$5,836,000	$6,551,000	$6,813,000	$7,017,000	$7,228,000
1.035	Unrestricted State Grants-in-Aid	18,665,033	18,970,126	16,737,883	-5.1%	$17,990,000	$18,475,000	$18,246,000	$17,996,000	$17,746,000
1.040	Restricted State Grants-in-Aid	786,746	860,028	941,499	9.4%	$851,000	$851,000	$851,000	$851,000	$851,000
1.050	Property Tax Allocation	14,293,173	13,112,165	11,997,907	-8.4%	$10,864,000	$10,019,000	$10,008,000	$9,998,000	$9,987,000
1.060	All Other Revenues	2,474,976	3,299,073	3,552,945	20.5%	$2,510,000	$1,755,000	$1,555,000	$1,455,000	$1,355,000
1.070	*Total Revenues*	$ 134,681,691	$ 139,476,079	$ 138,234,011	1.3%	$ 149,645,000	$ 150,583,000	$ 154,225,000	$ 154,526,000	$ 154,835,000
	Other Financing Sources									
2.050	Advances-In	$ 42,800	$ 17,700	$ 68,000	112.8%	$ 338,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000
2.060	All Other Financing Sources	5,447	7,864	61,008	360.1%	$16,000	$5,000	$5,000	$5,000	$5,000
2.070	*Total Other Financing Sources*	$ 48,247	$ 25,564	$ 129,008	178.8%	$ 354,000	$ 55,000	$ 55,000	$ 55,000	$ 55,000
2.080	*Total Revenues and Other Financing Sources*	$ 134,729,938	$ 139,501,643	$ 138,363,019	1.4%	$ 149,999,000	$ 150,638,000	$ 154,280,000	$ 154,581,000	$ 154,890,000
	Expenditures									
3.010	Personal Services	$ 78,474,466	$ 84,201,316	$ 85,098,811	4.2%	$87,262,000	$92,793,000	$97,326,000	$102,075,000	$106,774,000
3.020	Employees' Retirement/Insurance Benefits	29,774,971	31,169,434	32,795,221	4.9%	$35,007,000	$37,708,000	$39,900,000	$42,657,000	$45,431,000
3.030	Purchased Services	12,262,688	12,898,268	14,021,660	6.9%	$14,823,000	$16,204,000	$16,939,000	$17,501,000	$18,082,000
3.040	Supplies and Materials	3,405,482	3,690,834	2,884,646	-6.7%	4,068,000	5,179,000	4,221,000	4,084,000	3,956,000
3.050	Capital Outlay	365,036	1,661,138	2,019,417	188.3%	2,234,000	2,031,000	1,706,000	1,824,000	2,252,000
4.300	Other Objects	1,777,632	1,847,482	1,604,515	-4.6%	$1,854,000	$2,184,000	$2,256,000	$2,276,000	$2,297,000
4.500	*Total Expenditures*	$ 126,060,275	$ 135,468,472	$ 138,424,270	4.8%	$ 145,248,000	$ 156,099,000	$ 162,348,000	$ 170,417,000	$ 178,792,000
	Other Financing Uses									
5.010	Operating Transfers-Out	$ 2,809,677	$ 538,650	$ 564,846	-38.0%	$538,000	$328,000	$328,000	$328,000	$328,000
5.020	Advances-Out	17,700	68,000	338,000	340.6%	50,000	50,000	50,000	50,000	50,000
5.040	*Total Other Financing Uses*	$ 2,827,377	$ 606,650	$ 902,846	-14.9%	$ 588,000	$ 378,000	$ 378,000	$ 378,000	$ 378,000
5.050	*Total Expenditures and Other Financing Uses*	$ 128,887,652	$ 136,075,122	$ 139,327,116	4.0%	$ 145,836,000	$ 156,477,000	$ 162,726,000	$ 170,795,000	$ 179,170,000
6.010	*Sources over (under) Expenditures and Other Financing Uses*	$ 5,842,286	$ 3,426,521	$ (964,097)	-84.7%	$ 4,163,000	$ (5,839,000)	$ (8,446,000)	$ (16,214,000)	$ (24,280,000)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	$ 89,904,253	$ 95,746,539	$ 99,173,060	5.0%	$ 98,208,963	$ 102,371,963	$ 96,532,963	$ 88,086,963	$ 71,872,963
7.020	*Cash Balance June 30*	$ 95,746,539	$ 99,173,060	$ 98,208,963	1.3%	$ 102,371,963	$ 96,532,963	$ 88,086,963	$ 71,872,963	$ 47,592,963
8.010	*Estimated Encumbrances June 30*	$ 2,691,261	$ 3,467,167	$ 3,625,547	16.7%	$ 3,000,000	$ 3,000,000	$ 3,000,000	$ 3,000,000	$ 3,000,000
	Reservation of Fund Balance									
9.030	Budget Reserve	$ 21,763,480	$ 24,884,597	$ 26,855,059	11.1%	$ 27,675,000	$ 27,675,000	$ 27,675,000	$ 27,675,000	$ 27,675,000
9.060	Property Tax Advances	4,673,500	4,528,500	-	-51.6%	-	-	-	-	-
9.080	*Subtotal*	26,436,980	29,413,097	26,855,059	1.3%	27,675,000	27,675,000	27,675,000	27,675,000	27,675,000
15.010	*Unreserved Fund Balance June 30*	$ 66,618,298	$ 66,292,796	$ 67,728,357	0.8%	$ 71,696,963	$ 65,857,963	$ 57,411,963	$ 41,197,963	$ 16,917,963
	ADM Forecasts									
20.010	Kindergarten - October Count	713	856	851	9.7%	761	819	783	818	818
20.015	Grades 1-12 - October Count	9,114	9,208	9,424	1.7%	9,326	9,826	10,019	10,165	10,311

Worthington City School District - Franklin County
Notes to the Five Year Forecast
General Fund Only
May 10, 2021

Introduction to the Five Year Forecast

All school districts in Ohio are required to file a five (5) year financial forecast by November 30 and an update by May 31 in each fiscal year (FY). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Fiscal year 2021 (July 1, 2020-June 30, 2021) is the first year of the five year forecast and is considered the baseline year.

Forecast Risks and Uncertainty

Any financial forecast has inherent risks and uncertainty. We have estimated revenues and expenses based on the best data available to us at the time of this forecast. The items below give a short description of significant current issues and how they may affect our forecast long term:

I. **Coronavirus (COVID-19) Pandemic -** This five-year forecast update is prepared during a global pandemic. State of Ohio Office of Budget and Management reports indicate that the economy is healing, and most restrictions are starting to be lifted by the Governor. We are hopeful that the worst is behind us, but could reverse course if conditions deteriorate. This impacts assumptions in a number of areas:

  a. **State Foundation Funding –** Prior to COVID, the biennial state budget for FY20-21 did not appropriate enough resources to fully fund all districts according to its school funding formula, the same formula as in the prior state budget. Districts were frozen at FY19 funding levels. Thus, although student enrollment increased over the past several years, we receive very little increase in formula funding. This amounts to shortfall of $6 million annually that the District should be receiving according the state funding formula. Although the legislature did approve funding for Student Wellness and Success initiatives, totaling $1.1 million over two years for our District, this is considered restricted money accounted for outside this General Fund forecast. Due to the COVID pandemic and a projected decline in total state resources, the Governor reduced the total educational budget at the end of FY20, which amounted to a loss of $2.2 million, or 10% for our District. He continued that reduction into FY21, but since restored half of the cuts, resulting in a net loss of $1.1 million for our district. The Governor's proposed FY22-23 state budget freezes districts at FY19 levels, and adds additional Student Wellness and Success Funds. This forecast includes those assumptions and indicates we are still capped and underfunded for the foreseeable future. However the House has introduced a new school funding formula, and the Senate has discussed more fully funding the existing formula, both would be beneficial. We likely won't know the outcome until July.

  b. **Local Tax Base, Property Values and Delinquencies –** Franklin County just completed a required triennial update to property values, and Worthington overall increased 15.5%. Residential home sales continue to be strong during the pandemic nationwide, especially strong in our District. We have included these updated values in this forecast conservatively, anticipating some degree of property owner disputes. The long term impact of COVID on commercial property values and ability to pay, especially retail and office property, is a considerable risk. Proposed legislation allowing owners to retroactively challenge valuations could result in future tax refunds. We project delinquency rate for commercial property slightly above historic norms.

c. **Academic Intervention Needs and Ongoing Virus Mitigation Costs –** The District has created a post-pandemic recovery plan, consisting of four key areas: social emotional well-being, academic achievement, culture and climate, and equity and accessibility. We anticipate increased costs associated with this plan, and plan to utilize federal COVID relief funds for the majority of it, which extend to FY24. Unanticipated costs could, and likely, will arise as we transition back to full in-person learning, and could lead to increased legacy costs after the expiration of federal funds. We believe we have accounted for reasonable amounts in this forecast.

II. **Enrollment –** Our enrollment has increased by over 1,200 students during the last decade (13%), and prior to COVID was projected to increase another 1,000 over the next five years. However, actual enrollment decreased this year by 290 students, with half of those in PreK and K levels, and the other half choosing community schooling or home schooling. We are assuming the majority of those students return next year. How COVID will impact births and housing turnover is unknown, and will likely be geographically variable. This forecast assumes our growth returns to pre-pandemic projections and we will engage in an updated enrollment projection study when the time is appropriate.

III. **Tuition, Vouchers, Savings Accounts & Community Schools -** There are many provisions in current law that reduce district revenue in the form of exposure to school choice scholarships or vouchers, school reform initiatives, College Credit Plus, and other programs. Each Peterson Special Needs voucher and Autism Scholarship Program can cost up to $27,000. These two programs now reduce our state revenue $1.8 million annually, and community schools reduce it another $1.9 million annually. Several initiatives are underway that attempt to expand voucher eligibility and increase the amounts. Federal tax laws now allow the use of 529 plans for K-12 tuition. Continued expansion or creation of programs such as these could expose the district to further reductions in state revenue not currently in this forecast.

IV. **Capital Replacements and Improvements –** This forecast assumes the majority of ongoing capital needs will continue to be accounted for, and separately funded, through future passages of bond or permanent improvement levies. Student technology devices are included in this forecast due to their critical need in educational delivery, but technology infrastructure costs, bus replacement cycles, and building infrastructure replacements (HVAC systems, roofs, etc.) are not. Failure of those future levies would result in increased operational costs.

Summary of Changes from the October 2020 Forecast

Revenues:
We have made adjustments to revenue projections resulting in an increase of $13.4 million over the five year period. Tax revenue projections increased $3.3 million, state foundation revenue projections increased $9.5 million (restoration of COVID funding reductions), and other areas increased $0.5 million over the five year period.

Expenditures:
We have made adjustments to expenditure projections resulting in a decrease of $10.7 million over the five year period. Wages and benefit projections decreased $5.1 million due to lower overtime and extra wages during the remote/hybrid mode, use of federal relief funds for our online learning option, and higher retirements resulting in future savings. Other areas decreased $2.0 million as a result of lower utility costs this year and unneeded

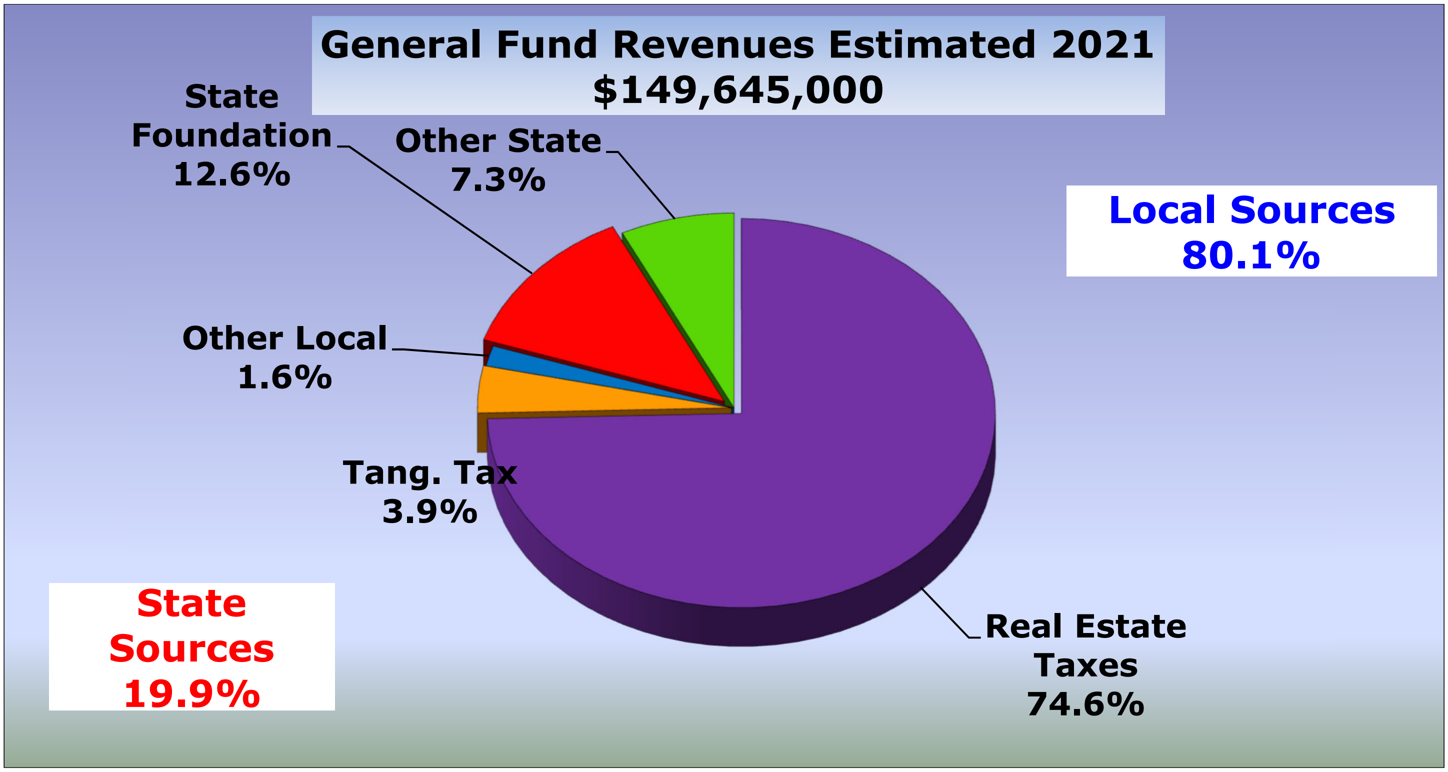
COVID contingency services due to receipt of federal funds. We previously budgeted $3.5 million for transfer out of the general fund in FY21 to cover potential deficit fund balances in the food service, all day kindergarten, and activities fund in the event revenue estimates fall short of contractual obligations. Federal relief funds, as well as changes to the National School Lunch Program during COVID, have covered those shortfalls and receipt of a third round of federal relief funds is projected to cover future, unanticipated reopening costs.

Ending Cash Balance:
These changes to revenue and expenditure assumptions result in an increase in projected cash balance June 30, 2025 from $23.4 million to $47.5 million.

Detailed Forecast Analysis

The following pages present a detailed analysis of each of the major line items in the forecast. The major lines of reference for the forecast are noted 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 in understanding the overall financial forecast for our district. If you would like further information please feel free to contact TJ Cusick, Treasurer of Worthington City School District, at 614-450-6120.

Revenue Assumptions
All Revenue Sources General Fund FY21



Real Estate Value Assumptions

Property Values are established each year by the County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. The triennial valuation update, required to be performed by each county every three years between full reappraisal years, was completed for tax year 2020 (Collection 2021). Our district experienced an overall valuation increase of 15.5%, with commercial property coming in at 11% and residential property at 17%. The chart below illustrates this new assessed valuation at $2.4 billion, and projected valuation over the following four years assuming 0.5% growth for new residential construction, 3% growth for public utility values, and no growth for commercial construction.

Estimated Assessed Property Valuations by Collection Year

Classification	Actual TAX YEAR 2020 COLLECT 2021	Estimated TAX YEAR 2021 COLLECT 2022	Estimated TAX YEAR 2022 COLLECT 2023	Estimated TAX YEAR 2023 COLLECT 2024	Estimated TAX YEAR 2024 COLLECT 2025
Res./Ag.	$1,835,049,030	$1,844,224,275	$1,853,445,397	$1,862,712,624	$1,872,026,187
Comm./Ind.	$519,930,650	$519,930,650	$519,930,650	$519,930,650	$519,930,650
Public Utility (PUPP)	$63,863,760	$65,779,673	$67,753,063	$69,785,655	$71,879,225
Total Assessed Value	**$2,418,843,440**	**$2,429,934,598**	**$2,441,129,110**	**$2,452,428,929**	**$2,463,836,062**

Estimated Real Estate Tax (Line #1.010)

Voters approved an incremental levy in November 2018, increasing rates 2.9 mills for collection year 2019 and an additional 2.0 mills each of the following three years for a total of 8.9 mills. Based upon updated property values and the phase in of that levy, the following chart illustrates projected real property tax collections:

	FY21	FY22	FY23	FY24	FY25
August Settlement	$52,069,000	$50,520,000	$53,393,000	$53,602,000	$53,811,000
February Settlement	57,239,000	60,479,000	61,336,000	61,576,000	61,817,000
August Delinquent	420,000	221,000	231,000	232,000	233,000
February Delinquent	1,866,000	1,712,000	1,792,000	1,799,000	1,806,000
Total General Property Taxes	**111,594,000**	**112,932,000**	**116,752,000**	**117,209,000**	**117,667,000**

Property tax levies are estimated to be collected at 97% of the annual amount and 3% delinquency factor, higher than historical averages (anticipating the impact of COVID). Historically, 53% of the Residential/Agricultural and Commercial/Industrial property taxes are expected to be collected in the February tax settlement and 47% collected in the August tax settlement. No future additional levies are projected in this forecast.

Estimated Tangible Personal Property Tax (Line #1.020)

	FY21	FY22	FY23	FY24	FY25
Public Utility Pers. Property	**$5,836,000**	**$6,551,000**	**$6,813,000**	**$7,017,000**	**$7,228,000**

The phase out of TPP taxes began in FY06 with HB66 that was adopted in June 2005. The amount remaining on Line #1.020 is tax revenue from public utilities' (telephone, electric, and gas) tangible property. Public utility tax settlements (PUPP taxes) are estimated to be received 50% in February and 50% in August settlement from the County Auditor. We project values to grow 3% in future years due to continued upgrade and re-investment in utility lines.

Unrestricted State Grants-in-Aid (Line #1.035)

Source	FY21	FY22	FY23	FY24	FY25
Basic Foundation Aid	$15,952,000	$16,901,000	$16,640,000	$16,369,000	$16,088,000
Additional Aid Items	$1,601,000	$1,135,000	$1,135,000	$1,135,000	$1,135,000
Basic Aid-Subtotal	$17,553,000	$18,036,000	$17,775,000	$17,504,000	$17,223,000
Ohio Casino Commission ODT	$437,000	$439,000	$471,000	$492,000	$523,000
Total Unrestricted State Aid	**$17,990,000**	**$18,475,000**	**$18,246,000**	**$17,996,000**	**$17,746,000**

A) Basic Foundation Aid

House Bill 166, the FY20-21 state budget, maintained the framework of the existing school funding formula. It is very complex with over 300 variables, and could change again in future budgets. The formula is based on a core per pupil amount, called the opportunity grant, and nine other categorical funding items, which are measured against the State Share Index (SSI), which is a method that measures a district's wealth and capacity to raise local revenue. There are also additional components of capacity aid, transportation supplement, graduation bonus, and 3rd grade reading bonus.

Past state administrations have chosen not to fully fund the formula, instead, creating a system of "capped" or maximum increases that a District could receive in a given year. The prior state budget worked to increase the cap 3% annually, but the current state budget made no change to the cap, effectively freezing funding levels at FY19 amounts. At the end of FY20, due to the pandemic's impact on projected state revenues, the Governor reduced educational funding $775 million, which equated to a $2.2 million reduction to our District, or 10%. OBM issued revised state revenue projections in June, indicating over a $2 billion estimated shortfall, so the Governor maintained that $2.2 million reduction for us into FY21. However, actual state revenues have surprisingly exceeded even original (pre-pandemic) estimates in almost all areas. Some of this is likely due to federal stimulus, increased unemployment income amounts, and spending preference shifts from non-taxable services to consumable household goods. Thus the Governor restored half of the cut for FY21 and has proposed a state biennial budget that reverts school funding to FY19 levels, and expands on student wellness and success funds (outside this forecast accounted for separately). The Ohio House has introduced its own new school funding formula, and the Senate has indicated its preference to fully fund the existing formula. Projections under either proposed formula would increase district revenue $4-5 million annually, but would require legislature to devote a substantial amount of resources to K12 education. This forecast assumes the Governor's proposal becomes law and has upside if one of the other options is approved.

The chart below illustrates that our growing district should be receiving almost $6 million more annually according to the current funding formula than we are actually receiving because of the funding CAP just discussed.

	FY21	FY22	FY23	FY24	FY25
Capped Formula Aid	16,323,000	17,272,000	17,011,000	16,740,000	16,459,000
Uncapped Formula Aid	22,271,000	22,854,000	23,165,000	23,388,000	23,608,000
Difference	($5,948,000)	($5,582,000)	($6,154,000)	($6,648,000)	($7,149,000)

Excluded from foundation aid are the following amounts relating to community school and scholarship/choice school deductions:

Source	FY21	FY22	FY23	FY24	FY25
Community/Stem Deduction	$1,954,000	$1,550,000	$1,600,000	$1,650,000	$1,700,000
Scholarship Deduction	$1,749,000	$2,109,000	$2,320,000	$2,541,000	$2,772,000
Total Deduction	$3,703,000	$3,659,000	$3,920,000	$4,191,000	$4,472,000
Community/Stem ADM	215	155	160	165	170
Scholarship ADM	106	111	116	121	126
Total ADM	321.00	266.00	276.00	286.00	296.00

The state's foundation formula counts these students in the resident district's calculation of gross state aid, subject to the state share index and other components of the formula, but then deducts the full per-pupil amount from the resident district and transfers it to the educating entity. This creates a net loss for the resident district. Since this activity meets the definition of an agency fund, both the revenue and expenses are excluded from lines #1.035 and #3.030, respectively, and accounted for in a separate fund. Community school enrollment historically has been flat, but increased by approximately 80 students in FY21. We anticipate the majority of those come back post-pandemic. We project scholarship deduction will grow due to continued efforts by legislators to expand choice programming, creating a net loss of funding for traditional public school districts.

B) Additional Aid Items

Additional Aid items include special education funding for preschool and transportation, as well as the growth supplement for FY20 and FY21. We are assuming these funds continue throughout the life of the forecast at current levels with the exception of the growth supplement. The current state budget also included $1.1 million spread over two years for Student Wellness and Success and the proposed budget continues and expands that funding, but these are required to be accounted for in a separate fund outside this forecast.

C) Casino Revenue

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. 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 are distributed to school districts in January and August each year.

Actual casino revenue for FY21 generated $42 per pupil, which equated to $437,000 for our District. This is down from pre-pandemic levels of $52, but not as low as originally projected. We expect a gradual rise back to pre-pandemic levels.

Restricted Grants-in-Aid (Line #1.040)

Source	FY21	FY22	FY23	FY24	FY25
Economically Disadvantaged	$123,000	$123,000	$123,000	$123,000	$123,000
Career Tech	$248,000	$248,000	$248,000	$248,000	$248,000
Medicaid/Catastrophic Aid	$480,000	$480,000	$480,000	$480,000	$480,000
Total Restricted State Aid	**$851,000**	**$851,000**	**$851,000**	**$851,000**	**$851,000**

The current state budget continues funding two restricted sources of revenues to school districts: economically disadvantaged funding and career technical education funding. These amounts can change or be eliminated in future state budgets and are calculated as part of the foundation formula on a per pupil basis, but posted separately in Line #1.040.

The District also participates in the Medicaid in Schools Program in which we bill the state for eligible services that are reimbursable under Medicaid. Catastrophic Aid includes state reimbursement for those special education costs that exceed an unusually large, state determined amount.

Property Tax Allocation (Line #1.050)

Source	FY21	FY22	FY23	FY24	FY25
Rollback and Homestead	$10,044,000	$10,019,000	$10,008,000	$9,998,000	$9,987,000
TPP Reimbursement	$820,000	$0	$0	$0	$0
Total Prop. Tax Allocation	**$10,864,000**	**$10,019,000**	**$10,008,000**	**$9,998,000**	**$9,987,000**

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.

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 older or who are disabled regardless of income. Effective September 29, 2013 HB59 changed the requirement for Homestead Exemptions, and those who become eligible thereafter will only receive a Homestead Exemption if they meet the income qualifications.

B) Tangible Personal Property Reimbursements – Fixed Rate

School districts were to be reimbursed by the State of Ohio for the TPP tax losses at varying levels, but those reimbursements were severely curtailed by HB153 effective July 1, 2012. The District received $15 million in FY11, reduced down to $10.6 million in FY15. This sharp cut was a major factor in the District gaining approval of a 6.9 mill incremental operating levy in 2012, which helped offset this loss. HB64 reinstituted the phase out of the reimbursement beginning in FY16 resulting in the District only receiving $8.0 million in FY16 and $5.4 million in FY17, and continued that phase-out so that the District would have received $0 in FY20. However, SB 208 amended HB64 and became effective February 15, 2016. It provides that, beginning in FY18, the TPP Fixed Rate funding will be phased out at 5/8ths (62.5%) of what 1 mill would raise in local taxes beginning with Tax Year 2016 assessed property values. We will receive our last reimbursement in FY21.

Other Local Revenues (Line #1.060)

Source	FY21	FY22	FY23	FY24	FY25
Interest	$1,700,000	$800,000	$600,000	$500,000	$400,000
Participation Fees	110,000	130,000	130,000	130,000	130,000
Tuition, Charges, Class Fees	625,000	725,000	725,000	725,000	725,000
Other	75,000	100,000	100,000	100,000	100,000
Total Other Local Revenues	**$2,510,000**	**$1,755,000**	**$1,555,000**	**$1,455,000**	**$1,355,000**

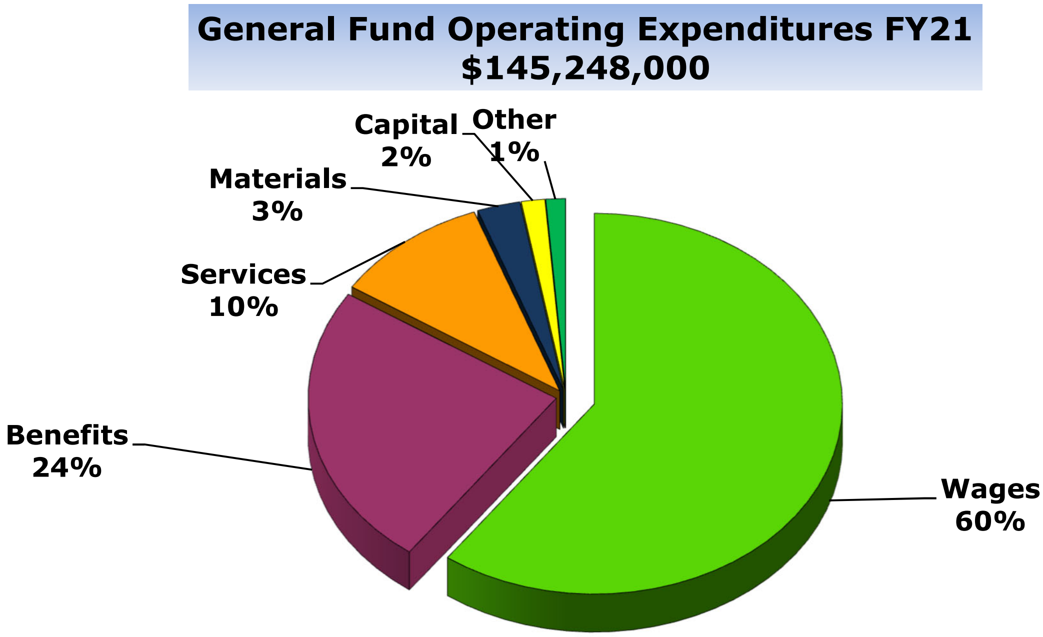
Interest income is generated on investments and will fluctuate based on market rates, which recently plummeted as a result of the COVID-19 pandemic (current overnight rate is 0.25% compared to 2.25% in October 2019), the overall market environment, and most significantly the cash position of the General Fund. We had a substantial portion of our portfolio laddered out pre-pandemic, but as those investments mature, reinvestment is a challenge and we project a sharp decline in future year income. Participation fees are charged to students for participating in extracurricular sports teams and activity clubs, and participation rates are expected to remain consistent. The fees are split between the general fund and the activity fund and are used to fund coaches and advisors. Tuition and Charges include tuition for open-enrolled non-resident staff members, non-resident court placed students, special education excess cost payments, summer school, transportation field trip charges to outside entities and consumable classroom fees. We expect these to remain consistent.

Other Financing Sources (Line #2.050 & Line #2.060)

Source	FY21	FY22	FY23	FY24	FY25
Advance Returns	**$338,000**	**$50,000**	**$50,000**	**$50,000**	**$50,000**
Refunds/Sale of Assets	**$16,000**	**$5,000**	**$5,000**	**$5,000**	**$5,000**

These are non-operating revenues which are the repayment of short term loans to other funds over the previous fiscal year, sales of assets, and reimbursements for expenses received for a previous fiscal year in the current fiscal year. All advances over year end are planned to be returned in the succeeding fiscal year.

Expenditures Assumptions
All Expense Categories Sources General Fund FY21



Personal Services (Line #3.010)

Source	FY21	FY22	FY23	FY24	FY25
Base Wages	$82,855,000	$87,723,000	$92,318,000	$96,832,000	$101,557,000
Increases	1,864,000	1,974,000	2,077,000	2,179,000	2,285,000
Steps/Training	2,071,000	2,535,000	2,216,000	2,092,000	2,031,000
New/Replacement Staff	1,063,000	2,138,000	1,012,000	997,000	908,000
Severance	1,000,000	400,000	400,000	400,000	400,000
Retirements/Other	(1,591,000)	(2,052,000)	(791,000)	(543,000)	(555,000)
Total Wages Line 3.010	**$87,262,000**	**$92,793,000**	**$97,326,000**	**$102,075,000**	**$106,774,000**
# Full Time Equivalents					
Certificated	757.88	771.88	779.88	790.88	798.88
Classified	355.96	368.96	372.96	376.96	378.96
Administrative	49.00	51.00	51.00	51.00	51.00
Total	**1,162.84**	**1,191.84**	**1,203.84**	**1,218.84**	**1,228.84**
Projected Net Increase		29	12	15	10

The model reflects annual base wage increases of 2.25% for certified and classified staff members and 2.75% for administrators according to recently approved labor agreements. The model also includes annual step increases based on staff placement.

No additional staff were added in FY21 due to the hiring freeze enacted by the Superintendent in response to projected revenue shortfalls. We had 20 retirements at the end of FY20 and project another 20 at the end of FY21 and 5 retirees at the end of every future year thereafter, based on current years of experience and historical trends. Additional staff to accommodate enrollment growth, including the area of special needs, are based on enrollment projections indicating 1,000 additional students during this forecast period. The new/replacement staff line includes the retirement replacements. Thus the net of the two lines "replacement staff" and "retirements/other" reflects the net cost of additional staff offset by savings from retirements.

Employees' Retirement & Insurance Benefits (Line #3.020)

This area of the forecast captures all costs associated with benefits and retirement costs.

STRS/SERS will increase as Wages Increase

Source	FY21	FY22	FY23	FY24	FY25
Base Wages	$11,683,000	$12,380,000	$13,030,000	$13,670,000	$14,340,000
Increases	261,000	276,000	291,000	305,000	320,000
Steps & Training	290,000	355,000	310,000	293,000	284,000
New District Staff	149,000	299,000	142,000	140,000	127,000
Pick Up	814,000	826,000	838,000	851,000	864,000
Retirement/Other	(223,000)	(287,000)	(111,000)	(76,000)	(78,000)
SERS Surcharge	300,000	306,000	312,000	318,000	324,000
Total Retirement Costs	**$13,274,000**	**$14,155,000**	**$14,812,000**	**$15,501,000**	**$16,181,000**

As required by current law the District pays 14% of all employee wages to STRS or SERS. Pick up includes the employee share of retirement contributions paid by the Board of Education on behalf of administrators, which is 10% for those under SERS and 14% for those under STRS.

A) Insurance

Source	FY21	FY22	FY23	FY24	FY25
Base Costs	$16,949,000	$18,583,000	$20,659,000	$22,427,000	$24,409,000
New District Staff	1,000	522,000	216,000	306,000	198,000
H.S.A contributions	1,250,000	1,050,000	750,000	750,000	750,000
Insurance Trend Adjustment	1,633,000	1,554,000	1,552,000	1,676,000	1,810,000
Total Insurance Estimates	**19,833,000**	**21,709,000**	**23,177,000**	**25,159,000**	**27,167,000**

The district is self-insured for employee medical insurance, which allows the administration to manage the program in the most optimal manner. Claims ran lower than expected the first few years, allowing the District to save over $10 million and reduce premiums by 8% and 6.7% for calendar year 2016 & 2017, respectively. Annual increases of 7.14% and 4.2%, and 10.5% followed, and rates for 2021 were approved at an increase of 9.8%. We assume 8% increases to premium in future years which is in line with industry trend. Recent labor agreements include reduced employer health savings contributions, increased premium cost sharing rates for employees, and various plan design changes aimed at increasing employee education and responsibility of claim costs. Caps on the board's exposure to future rate increases were also included.

B) Workers Compensation & Unemployment Compensation

Source	FY21	FY22	FY23	FY24	FY25
Workers Comp	$349,000	$371,000	$389,000	$408,000	$427,000
Unemployment	200,000	30,000	5,000	5,000	5,000
Total WC & UC Estimates	**$549,000**	**$401,000**	**$394,000**	**$413,000**	**$432,000**

The District is self-insured for workers compensation insurance, and the premium rate charged was reduced 0.4% in FY20 as a result of lower claims experience and sufficient reserve balances.

Unemployment historically has run 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. We increased FY21 estimate due to the COVID-19 shutdown, impacting many substitute and casual employees. The federal CARES Act will provide some reimbursement to Districts to help offset the cost.

C) Medicare

Source	FY21	FY22	FY23	FY24	FY25
Base Costs	$1,196,000	$1,273,000	$1,362,000	$1,430,000	$1,498,000
New District Staff	15,000	30,000	15,000	14,000	13,000
Total Medicare Estimate	**1,211,000**	**1,303,000**	**1,377,000**	**1,444,000**	**1,511,000**

Medicare will continue to increase at the same rate as wage increases. Contributions are 1.45% for all new employees to the district on or after April 1, 1986.

Summary of Employee Retirement/Insurance (Line #3.020)

Source	FY21	FY22	FY23	FY24	FY25
STRS/SERS	$13,274,000	$14,155,000	$14,812,000	$15,501,000	$16,181,000
Insurance's	19,833,000	21,709,000	23,177,000	25,159,000	27,167,000
Workers Comp/Unemployment	549,000	401,000	394,000	413,000	432,000
Medicare	1,211,000	1,303,000	1,377,000	1,444,000	1,511,000
Other/Tuition	140,000	140,000	140,000	140,000	140,000
Total Benefits	**$35,007,000**	**$37,708,000**	**$39,900,000**	**$42,657,000**	**$45,431,000**

Purchased Services (Line #3.030)

Source	FY21	FY22	FY23	FY24	FY25
Consulting/Legal (41x)	$1,599,000	$1,507,000	$1,652,000	$1,602,000	$1,550,000
Maintenance/Property (42x)	3,140,000	3,434,000	3,537,000	3,643,000	3,752,000
Utilities (441 & 45x)	2,123,000	2,534,000	2,685,000	2,841,000	3,001,000
Tuition to other Entities (47x)	3,554,000	3,723,000	3,909,000	4,104,000	4,309,000
Other Purchased Services	4,407,000	5,006,000	5,156,000	5,311,000	5,470,000
Total Purchased Services	**$14,823,000**	**$16,204,000**	**$16,939,000**	**$17,501,000**	**$18,082,000**

This category includes payments for contracted services, utilities, property insurance, specialized transportation, legal fees, and tuition to other entities. We are estimating inflationary increases of 3% annually for most areas. Utilities include the assumption of a return to normal learning modes in future years and an additional $75,000 annually for bandwidth expansion/connectivity. The District has negotiated long term gas and electric contracts to help hold down energy costs.

Maintenance and property includes leasing of modular units installed at various locations. We anticipate continued leasing of the majority of these modular units through the life of this forecast based on continued increasing enrollment. We also anticipate increased cost to bus repairs as we expand our fleet by maintaining vehicles longer.

Tuition represents program services we contract with other entities for and mainly represents special education as well as vocational services at the Delaware Area Career Center, and is expected to grow 3% annually.

College Credit Plus tuition costs are currently estimated at $0.6 million annually, higher than in prior years. We anticipate offering an online learning platform next year for parents to be funded via federal relief funding. Special education placement costs continue to increase.

Other purchased services include substitute teachers and contracted services from the Education Service Center of Central Ohio (ESCCO) totaling $2 million, an increase of $0.5 million as we return to traditional in person learning. This line also includes other consultants, professional development, contracted special needs transportation, and other services. We are estimating base increases of 3% annually for this area. Contracted mental health specialists are funded through Student Wellness and Success funds and not accounted for in this forecast. Based on the Governor's proposed budget, we assume these funds will continue into the future.

Supplies and Materials (Line #3.040)

Source	FY21	FY22	FY23	FY24	FY25
Supplies	**$4,068,000**	**$5,179,000**	**$4,221,000**	**$4,084,000**	**$3,956,000**

An overall inflation of 3% is being estimated for this category which is characterized by textbooks, copy paper, maintenance supplies, materials, and bus fuel. Included in this line item are textbook costs for curriculum updates based on latest projections from our curriculum department. The increase in FY22 is related to science curriculum and a 6 year cycle. The majority of our PPE has been purchased through federal relief funds.

Capital Outlay (Line # 3.050)

Source	FY21	FY22	FY23	FY24	FY25
Equipment & Building Improvements	$712,000	$569,000	$586,000	$604,000	$622,000
Technology	1,522,000	1,462,000	1,120,000	1,220,000	1,630,000
Total Capital Outlay	**$2,234,000**	**$2,031,000**	**$1,706,000**	**$1,824,000**	**$2,252,000**

An overall inflation rate of 3% annually is being used in this category. Major capital improvements are funded separately through the capital projects fund via passage of a bond issue in 2018. Technology includes replacement of student Chrome books and PC's on a four year cycle. The forecast assumes all other major future capital needs, such as buses, tech infrastructure, and building systems replacements will be funded through a future bond or permanent improvement levy.

Other Objects (Line #4.300)

Source	FY21	FY22	FY23	FY24	FY25
County Tax Collection Fees	$1,512,000	$1,729,000	$1,787,000	$1,793,000	$1,800,000
County ESC	68,000	70,000	72,000	74,000	76,000
Other	274,000	385,000	397,000	409,000	421,000
Total Other Expenses	**$1,854,000**	**$2,184,000**	**$2,256,000**	**$2,276,000**	**$2,297,000**

The category of Other Expenses consists primarily of Auditor & Treasurer fees, our annual audit, bank fees, and other miscellaneous expenses. County auditor and treasurer fees correlate directly with property tax collections and are expected to increase as tax collections increase. Bank fees have increased in recent years due to increased online collection of fees, meal payments, and extracurricular activities.

Other Financing Uses (Line #5.010 & Line #5.020)

Source	FY21	FY22	FY23	FY24	FY25
Transfers Out (#5.010)	$538,000	$328,000	$328,000	$328,000	$328,000
Advances Out (#5.020)	50,000	50,000	50,000	50,000	50,000
Total Other Financing Uses	**$588,000**	**$378,000**	**$378,000**	**$378,000**	**$378,000**

Advances out cover end of year short term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. Transfers out cover payments on energy conservation debt, which is paid via operational savings from decreased utility costs, as well as transfers to our food service fund to cover deficit student balances.

Encumbrances (Line#8.010)

	FY21	FY22	FY23	FY24	FY25
Estimated Encumbrances	**$3,000,000**	**$3,000,000**	**$3,000,000**	**$3,000,000**	**$3,000,000**

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. They are expected to remain consistent.

Reservations of Fund Balance (Line #9.040 & Line #9.060)

Source	FY21	FY22	FY23	FY24	FY25
Contingency (Line 9.040)	$27,675,000	$27,675,000	$27,675,000	$27,675,000	$27,675,000
Tax Advances (Line 9.060)	0	0	0	0	0
Total Reservations (9.080)	**$27,675,000**	**$27,675,000**	**$27,675,000**	**$27,675,000**	**$27,675,000**

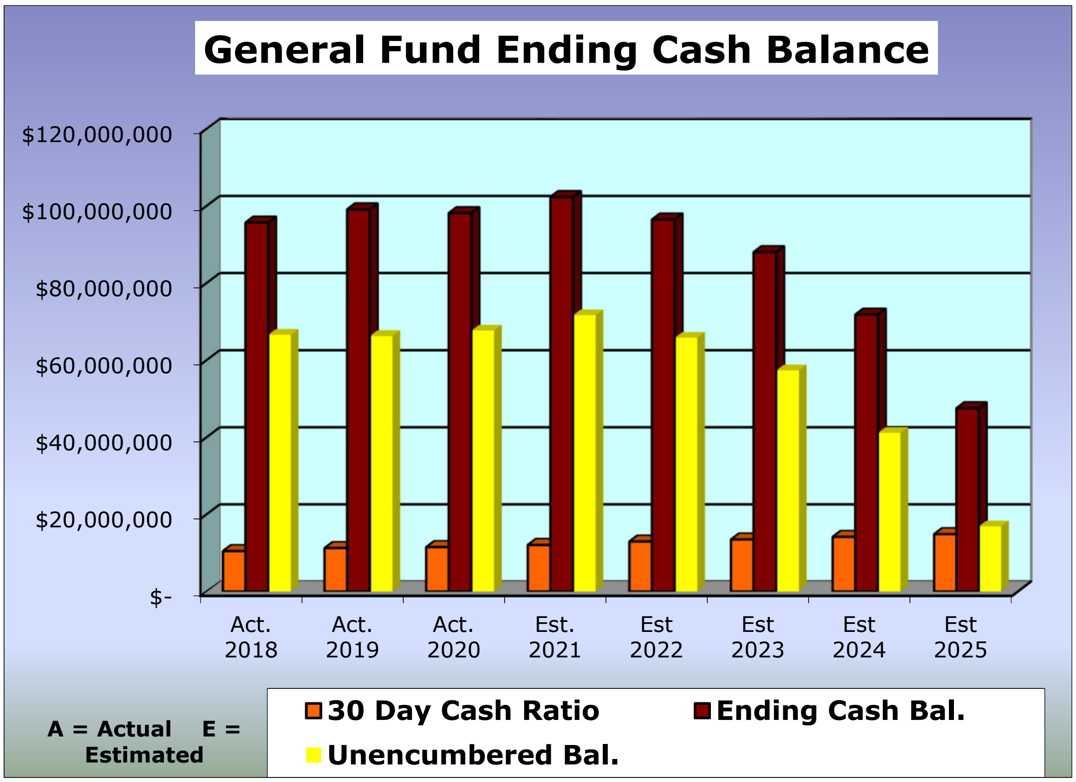
The contingency reservation was established by the Board of Education to plan for extraordinary events beyond the control of the District's normal operations. The contingency fund is to be utilized by the District in consultation with the Board. The increase in the contingency reserve from FY14 through FY21 is equal to the tangible tax reimbursement that was not anticipated to continue when voters approved an operating levy in 2012 to extend the life of the levy.

The tax advance reservation is required because the District historically requested advances of real estate taxes from the County prior to settlement that occurs in August, and such funds are intended to fund the next fiscal year and not current operations. We eliminated these beginning in FY20 since the county auditor delayed the June tax deadline to August.

Ending Unreserved Fund Balance (Line#15.010)

	FY21	FY22	FY23	FY24	FY25
Ending Unreserved Cash Balance	**$71,696,963**	**$65,857,963**	**$57,411,963**	**$41,197,963**	**$16,917,963**

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. Sixty days, or two months, of operating cash is a responsible minimum ending balance target according to the GFOA.



The graph to the left captures in one snapshot the operating scenario facing Worthington City School District over the next few years. The main challenge is, beginning in FY22, annual expenditures begin to exceed revenues, creating a decline in available balances that will need to be addressed.