

Wapakoneta City School District

Five Year Forecast Financial Report

November 2021

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Treasurer/CFO

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Forecast Purpose/Objectives:

The 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. Estimates are prepared for subsequent years based on these trends. The forecast variables can change multiple times throughout the fiscal year. It will be monitored and adjusted for variables as they arise throughout the year. 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

	Fiscal Year 2021	Average Change	Forecasted				
			Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
Revenues							
1.070 Total Revenues	31,133,742	0.8%	30,158,457	30,373,926	30,571,548	30,803,037	31,059,456
Other Financing Sources							
2.070 Total Other Financing Sources	73,277	64.2%	336,383	6,050	6,050	6,050	6,050
2.080 Total Revenues and Other Financing Sources	31,207,019	0.7%	30,494,840	30,379,976	30,577,598	30,809,087	31,065,506
Expenditures							
4.500 Total Expenditures	29,424,243	1.5%	29,771,630	30,858,225	31,133,463	31,834,247	32,547,671
Other Financing Uses							
5.040 Total Other Financing Uses	339,383	14.9%	175,200	175,000	175,000	175,000	175,000
5.050 Total Expenditures and Other Financing Uses	29,763,626	1.6%	29,946,830	31,033,225	31,308,463	32,009,247	32,722,671
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	1,443,393	-9.7%	548,010	653,249-	730,865-	1,200,160-	1,657,165-
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	22,606,113	7.9%	24,049,506	24,597,516	23,944,267	23,213,402	22,013,242
7.020 Cash Balance June 30	24,049,506	6.1%	24,597,516	23,944,267	23,213,402	22,013,242	20,356,077
8.010 Estimated Encumbrances June 30	563,265	63.3%	550,000	250,000	250,000	250,000	250,000
10.010 Fund Balance June 30 for Certification of	23,486,241	5.6%	24,047,516	23,694,267	22,963,402	21,763,242	20,106,077

Ohio Revised Code (ORC) Sections 5705.391 and Ohio Administrative Code (OAC) Section 3301-92-04 require a Board of Education to submit a five-year forecast of operational revenues and expenditures along with assumptions to the Ohio Department of Education (ODE) prior to November 30th of each fiscal year and to update this forecast by May 31 of each fiscal year. The BOE is recognized as the official owner and has ultimate responsibility for its development.

The forecast represents the best and most current information available to us at this date, which helps explain some of the variances in forecasted amounts from the forecast filed in May 2021 vs. the current one. The forecast allows the District to examine historical revenue and expenditure patterns and future years' projections and identify challenges so the District can be proactive in meeting those challenges. This document is a work in progress and is updated throughout the year as significant events occur at the District and State level. The following assumptions are an integral part of the forecast and should be read in conjunction with the forecast for a more complete understanding of the projections.

A new classified contract was approved and will be in effect until the end of Fiscal Year 2024. The certified contract approved at the May 12, 2020 Board meeting will expire at the end of Fiscal Year 2023. The previous forecast did not include any base increases past the current contracts in effect. The current forecast includes a 1% base increase past the current contracts in effect. The following is a detailed line-by-line description of the assumptions made in developing the forecast.

The Fair School Funding Formula was approved in June. The new formula has several new components affecting the forecast such as the inclusion of the Student Wellness and Success Funds and its related expenses in the General Fund and the direct funding of students where they are educated. This component removes funding for open enrollment. Therefore, there is no longer revenue being reported for open enrollment into the District or an expense for those open enrolling out of the District.

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 1 (residential/agricultural) and class II (business).



	ACTUAL	FORECASTED				
	2021	2022	2023	2024	2025	2026
Total With Renewal Levies	\$7,265,134	\$7,426,161	\$7,517,861	\$7,535,227	\$7,555,090	\$7,581,953
YOY \$ Change		\$161,027	\$91,700	\$17,366	\$19,863	\$26,863
YOY % Change		2.22%	1.23%	0.23%	0.26%	0.36%
Percentage of Total Revenue	23.28%	24.35%	24.75%	24.64%	24.52%	24.41%

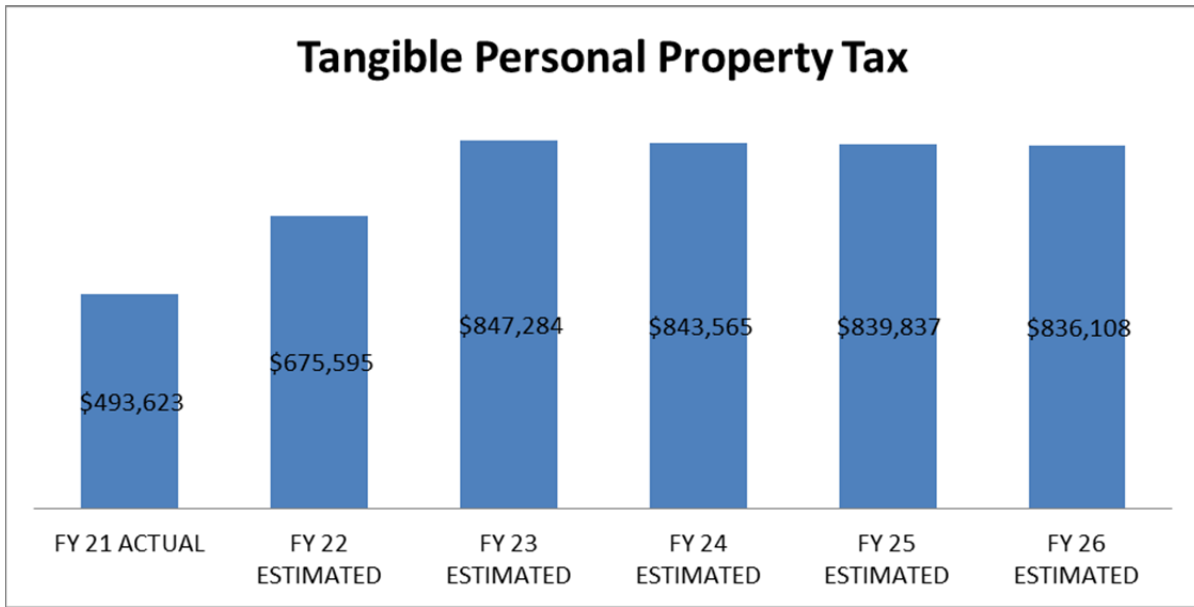
Residential/agricultural and commercial/industrial real estate property tax revenue collection estimates are based on valuation and effective tax rates provided by the Auglaize County Auditor. Real estate property, by Ohio Law, has a reappraisal or update performed every three years by the County Auditor's Office. The last triennial update occurred for tax year 2020 and will occur next in tax year 2026. The scheduled reappraisal will occur in 2023 for taxes payable in calendar year 2024.

Upon discussion with staff at the Auglaize County Auditor's office for the FY 21 forecast, the State Department of Taxation informed them how much of a change to apply to real estate values. For tax year 2020, payable in calendar year 2021, real estate valuations increased around 22%, while CAUV valuations decreased 28%. Since the District is at the 20 mill floor, the tax burden shifted once again from the ag land owners to residential property owners. The increase proposed by the State Department of Taxation caused an increase in real estate tax revenues for FY 2021 and will then again in FY 2022. Large fluctuations are not expected for the last three years of the forecast. The only potential change could be if the State Department of Taxation would decide to lower residential values to offset the 22% increase from tax year 2020.

The District approved ten-year abatements for Golden Fresh Farms, Flex Arm, and Pratt Industries. The District should realize an increase in property tax revenue for Golden Fresh Farms in tax year 2027 and for Flex Arm and Pratt Industries in tax year 2029.

1.020 – Public Utility Personal Property

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

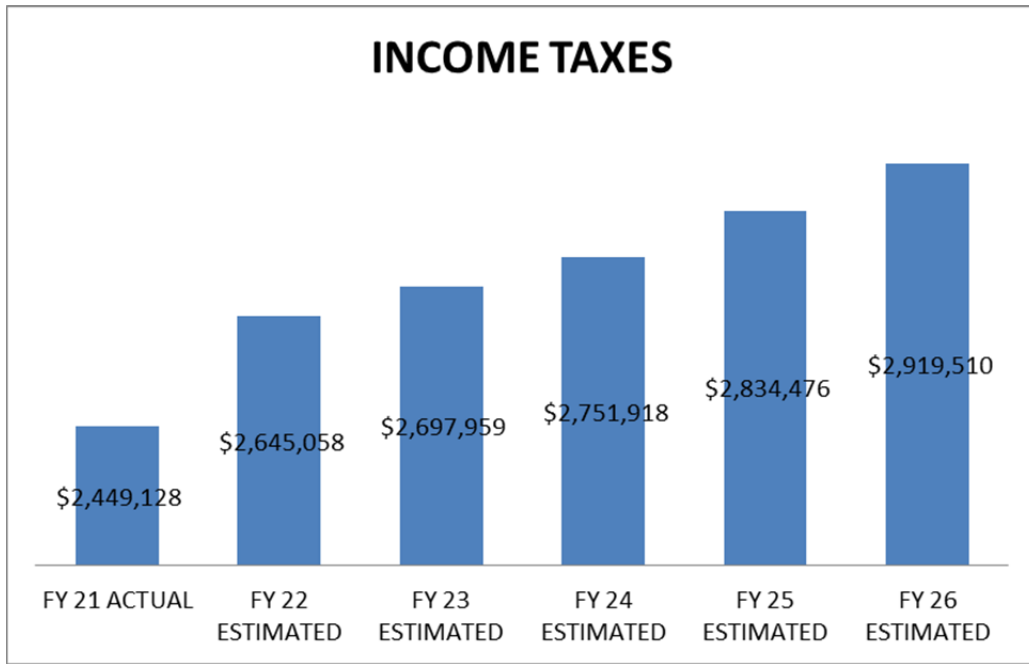


	ACTUAL	FORECASTED				
	2021	2022	2023	2024	2025	2026
Total With Renewal Levies	\$493,623	\$675,595	\$847,284	\$843,565	\$839,837	\$836,108
YOY \$ Change		\$181,972	\$171,690	(\$3,720)	(\$3,728)	(\$3,728)
YOY % Change		36.86%	25.41%	-0.44%	-0.44%	-0.44%
Percentage of Total Revenue	1.58%	2.22%	2.79%	2.76%	2.73%	2.69%

Personal Property Tax represents less than 3% of the District's budget and includes such items as power transmission lines and substations, as well as natural gas lines and similar public utility assets. Unlike Real Estate values, Public Utility values are taxed at the full unreduced rate. Values in this class of property increased for tax year 2020 and 2021, which is likely due to increased electric utility valuations. A new substation was constructed in Pusheta Township. The values are expected to decrease slightly in future years due to depreciation on the assets.

1.030 - 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.



	ACTUAL	FORECASTED				
	2021	2022	2023	2024	2025	2026
Total	\$2,449,128	\$2,645,058	\$2,697,959	\$2,751,918	\$2,834,476	\$2,919,510
YOY \$ Change		\$195,930	\$52,901	\$53,959	\$82,558	\$85,034
YOY % Change		8%	2%	2%	3%	3%
Percentage of Total Revenue	7.85%	8.67%	8.88%	9.00%	9.20%	9.40%

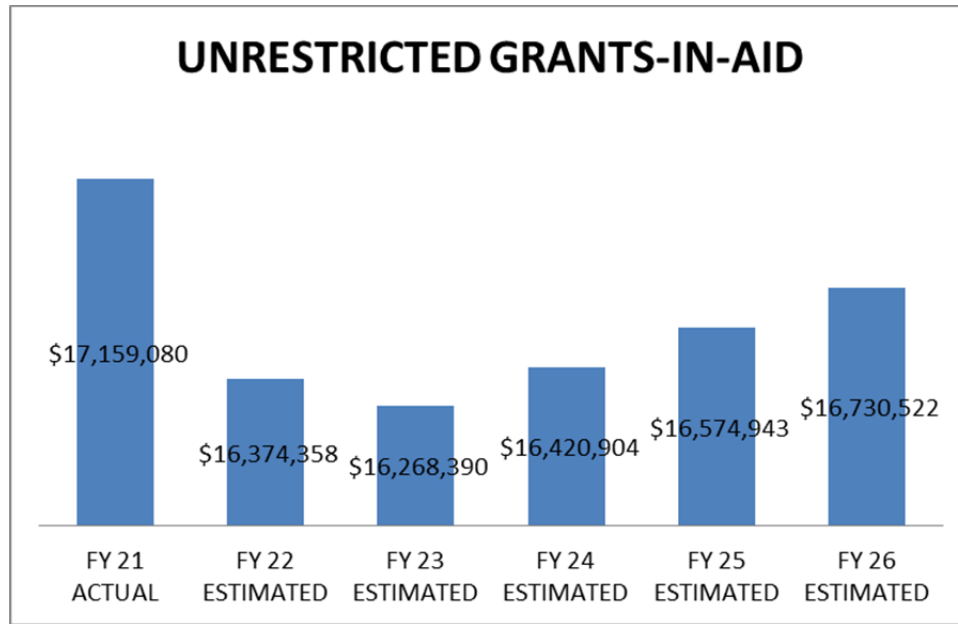
The District has a 0.5% continuing traditional income tax levy. There are three main components of income tax distributions: (1) withholdings (2) payments with returns and (3) estimated payments. The District's collections from these sources have been stable throughout the years.

COVID-19 saw many businesses shut-down in March of 2020. Many have re-opened, but are not at full capacity because they cannot get help. Many employers have increased wages in order to try and entice people to work. The District saw a 3.34% decrease in income tax revenue during FY 21, which was much better than initially projected. Current income tax payments for FY 22 have been even higher than expected; therefore an 8% increase over FY 21 is projected for FY 22, which is due to more people being back to work and higher wages.

At this time, a 2% increase has been projected for FY 23 & 24 and a 3% increase for FY 25 & 26.

1.035 – Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



	ACTUAL	FORECASTED				
	2021	2022	2023	2024	2025	2026
Total	\$17,159,080	\$16,374,358	\$16,268,390	\$16,420,904	\$16,574,943	\$16,730,522
YOY \$ Change		(\$784,723)	(\$105,968)	\$152,514	\$154,039	\$155,579
YOY % Change		-4.57%	-0.65%	0.94%	0.94%	0.94%

Percentage of Total Revenue	54.98%	53.70%	53.55%	53.70%	53.80%	53.86%
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On June 30, 2021, Governor DeWine signed H.B. 110, the state budget bill, into law. This bill included the provisions of the new “Fair School Funding Formula.” The new funding formula was a bipartisan effort to fund students where educated on a base cost methodology of teacher ratios, minimum staffing levels, and actual cost to educate a child. Under the new formula, every District will generate a unique base cost amount based on actual teacher and staff data. A new “state share percentage” replaces the former state share index to be applied to the base cost received. This state share percentage is calculated using the District’s local income adjusted gross income data, property valuation data, and enrollment trends. Once the individual District base per pupil cost is calculated, it will be applied to the set formula of recommended staffing levels per grade or category.

Each District will also receive funding for traditional components such as special education, gifted, economically disadvantaged, career tech, and transportation. Funding for K-3 Literacy, graduation bonus, and 3rd grade reading bonus were eliminated. Open enrollment, community school, and scholarship funding were also eliminated as adjustments to resident Districts. Those students will now be funded as regular educated students funded within the base cost calculation of the educating district.

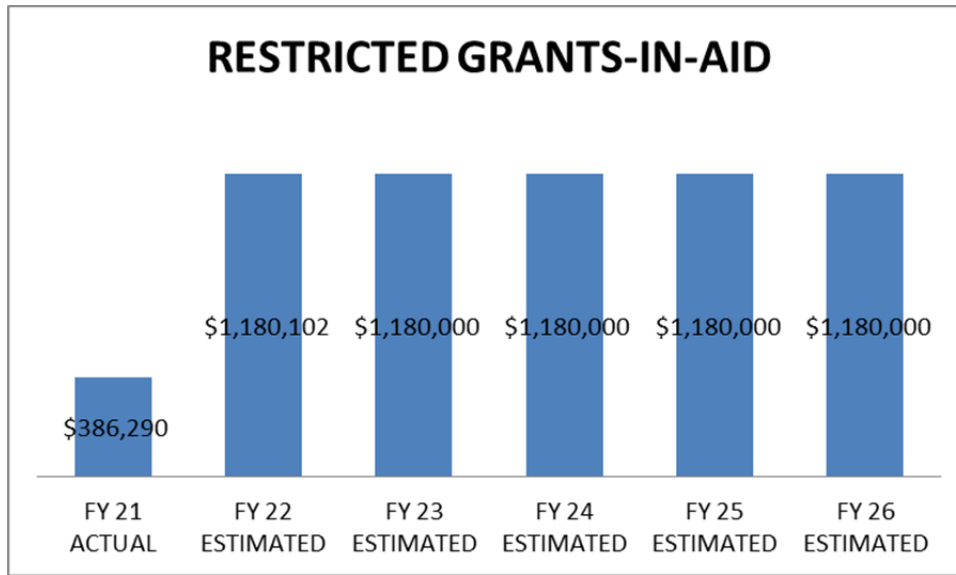
As of the date of this forecast, the Ohio Department of Education has not been able to prepare funding simulations for Districts for FY 22 or FY 23. ODE has indicated December 2021 as a projected date to release District specific calculations and adjust the funding payments currently being made to Districts. Based on projections from the Legislative Service Commission in June 2021, of the new funding formula, the District will not see a significant increase in unrestricted state aid. The amount estimated on the forecast represents the funding level from FY 20 prior to the cuts enacted by the Governor due to COVID, with the net effect of open enrollment in and out included as unrestricted grants in aid.

HB 110 language specified that the funding changes described above are only funded for FY 22 and FY 23. Ohio Legislators will need to come up with the funds to extend the provisions of the funding beyond FY 23. Therefore, significant increases are not projected for FY 24-FY 26.

The other components of this line item are preschool special needs and special education transportation funding, casino revenue, and Medicaid funding. Preschool special needs funding will more than likely increase as we increase preschool enrollment. The District has seen an increase in the number of special needs students entering preschool. Special education transportation funding should remain consistent from year-to-year. Casino revenue decreased in FY 21 by \$38,979 due to the stay-at-home orders and a slow return by patrons, but is expected to increase for FY 22 based on the increase received from the first settlement in FY 22. Medicaid funding will remain steady from year to year as long as the reconciliations are performed timely by the third-party auditors.

1.040 & 1.045 – Restricted Grants-in-Aid

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



	ACTUAL	FORECASTED				
	2021	2022	2023	2024	2025	2026
Total	\$386,290	\$1,180,102	\$1,180,000	\$1,180,000	\$1,180,000	\$1,180,000
YOY \$ Change		\$793,811	(\$102)	\$0	\$0	\$0
YOY % Change		205.50%	-0.01%	0%	0%	0%

Percentage of Total Revenue	1.24%	3.87%	3.88%	3.86%	3.83%	3.80%
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Restricted Grants-In-Aid consisted of Career Tech Education Funding and Economic Disadvantaged Funding in FY 21. In FY 22, the new Fair School Funding Formula moves the Student Success and Wellness funds inside the formula calculation as a component of a District’s disadvantaged pupil funding in the General Fund. These funds were reported in Fund 467, a State Grant Special Revenue Fund, during FY 20 and FY 21. The District received \$807,000 in Student Success and Wellness funding during FY 21, therefore, the same amount has been forecasted to be received in FY 22 and FY 23.

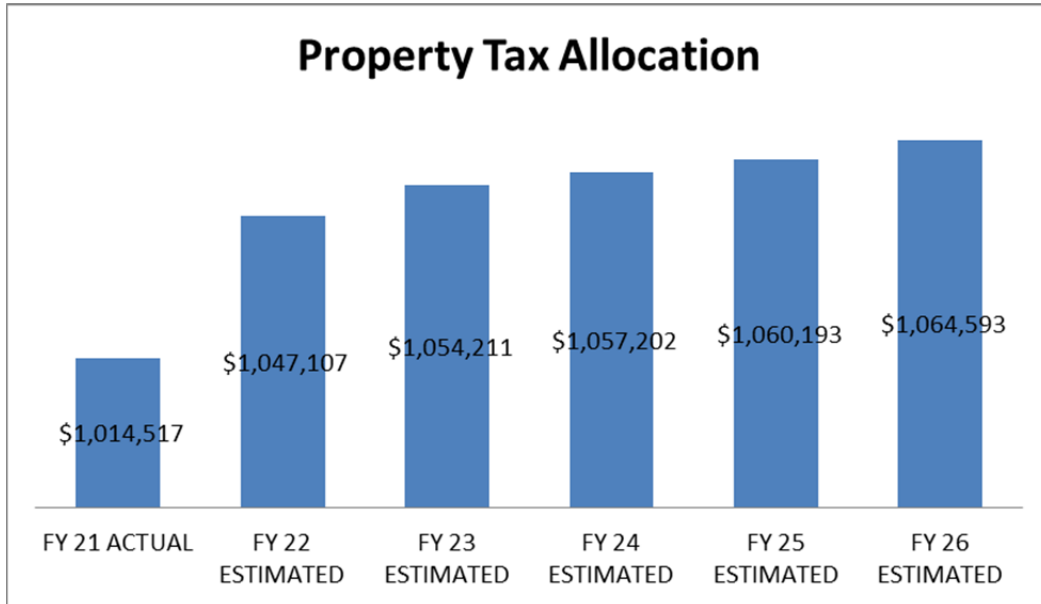
Gifted Education and English Learner Funding are also reported as Restricted Grants in Aid in FY 22 due to the Fair School Funding Formula. These components are currently reported as part of the unrestricted grants in aid funding on the forecast, but will be reported as restricted once ODE has updated their school foundation payment system and reports.

The District also receives one catastrophic cost payment each year, which is posted as restricted grants-in-aid. This payment is based on the number of high needs special education students open-enrolled into the District. The amount received generally does not fluctuate significantly from year-to-year.

Funding beyond FY 23 is not guaranteed with the new funding formula; therefore revenue has been flat-lined for FY 24 through FY 26.

1.050 - Property Tax Allocation

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



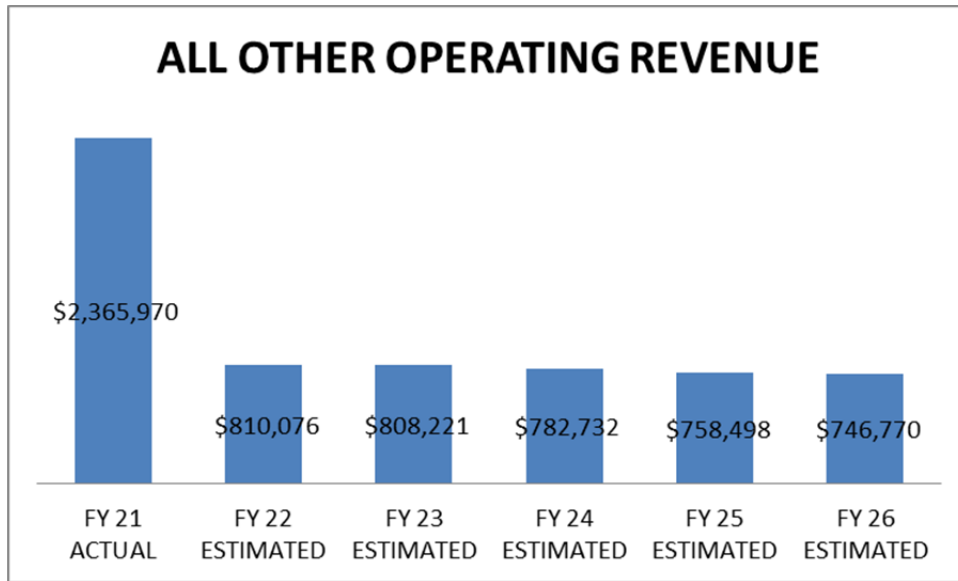
	ACTUAL	FORECASTED				
	2021	2022	2023	2024	2025	2026
Total	\$1,014,517	\$1,047,107	\$1,054,211	\$1,057,202	\$1,060,193	\$1,064,593
YOY \$ Change		\$32,590	\$7,104	\$2,991	\$2,991	\$4,400
YOY % Change		3.21%	0.68%	0.28%	0.28%	0.42%
Percentage of Total Revenue	3.25%	3.43%	3.47%	3.46%	3.44%	3.43%

This line item includes state reimbursements for funds received for homestead and rollback for tax credits given to residents equaling 12.5% of the gross property taxes charged, and the "ten thousand dollar exemption" where businesses are exempt from paying the first \$10,000 of property taxes.

Fluctuations in property tax allocations will correlate with the change in general property tax revenues. The Property Tax Allocation revenue for FY 21 and FY 22 will increase since residential property tax valuations increased for tax year 2020. Revenues should remain steady then for FY 23-FY 26.

1.060 – All Other Operating Revenues

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



	ACTUAL	FORECASTED				
	2021	2022	2023	2024	2025	2026
Total	\$2,365,970	\$810,076	\$808,221	\$782,732	\$758,498	\$746,770
YOY \$ Change		(\$1,555,894)	(\$1,855)	(\$25,489)	(\$24,234)	(\$11,729)
YOY % Change		-65.80%	-0.20%	-3.2%	-3.1%	-1.5%
Percentage of Total Revenue	7.58%	2.66%	2.66%	2.56%	2.46%	2.40%

The largest portion of Other Operating Revenues consisted of Open Enrollment revenues paid to the District through the foundation settlements from ODE in FY 21. FY 21 open enrollment funding was \$1,170,250. With the new Fair School Funding Formula, all students will be counted for funding purposes at the District they are educated in, therefore eliminating open enrollment in revenue from the forecast. The elimination of open enrollment in accounts for the majority of the decrease from FY 21 to FY 22 in this line item.

The BWC dividends received in FY 21 are not expected to continue in FY 22, which is the other reason for the large decrease from FY 21 to FY 22.

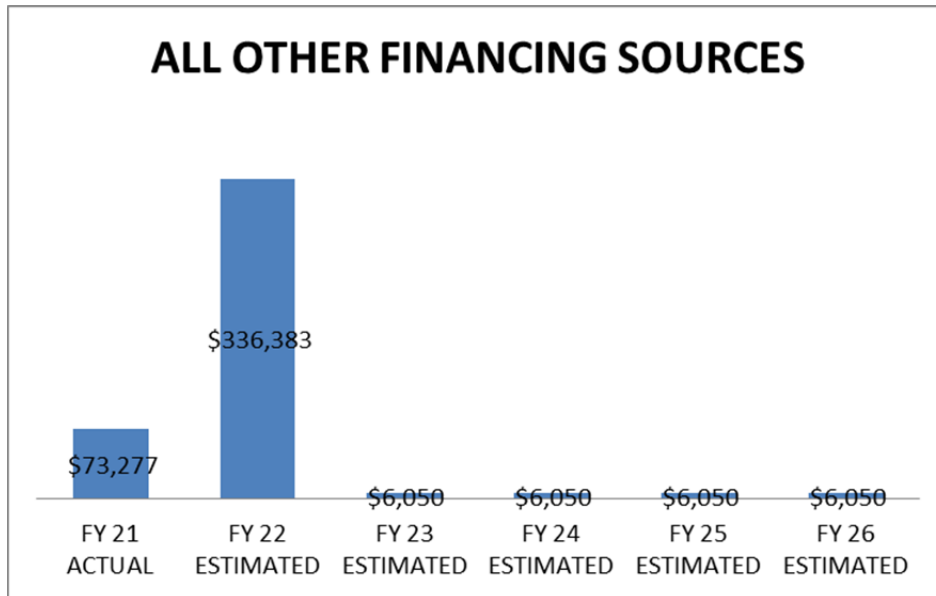
COVID-19 also affected interest rates for FY 21 and beyond. Fortunately, various long-term investments have been made with interest rates that will not decrease until maturity. We expect interest rates to be less at that time, thus less interest will be earned by the District.

The District will continue to receive the TIF payment of \$50,610 from the tax abatement given to Pratt Industries. This has been included in the forecast for FY 22 through FY 26.

Other Operating Revenue also consists of preschool snack fees, school fees, donations and various other miscellaneous revenue items, which all should remain constant from year-to-year.

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.



	ACTUAL	FORECASTED				
	2021	2022	2023	2024	2025	2026
Total	\$73,277	\$336,383	\$6,050	\$6,050	\$6,050	\$6,050
YOY \$ Change		\$263,106	(\$330,333)	\$0	\$0	\$0
YOY % Change		359%	-98%	0%	0%	0%

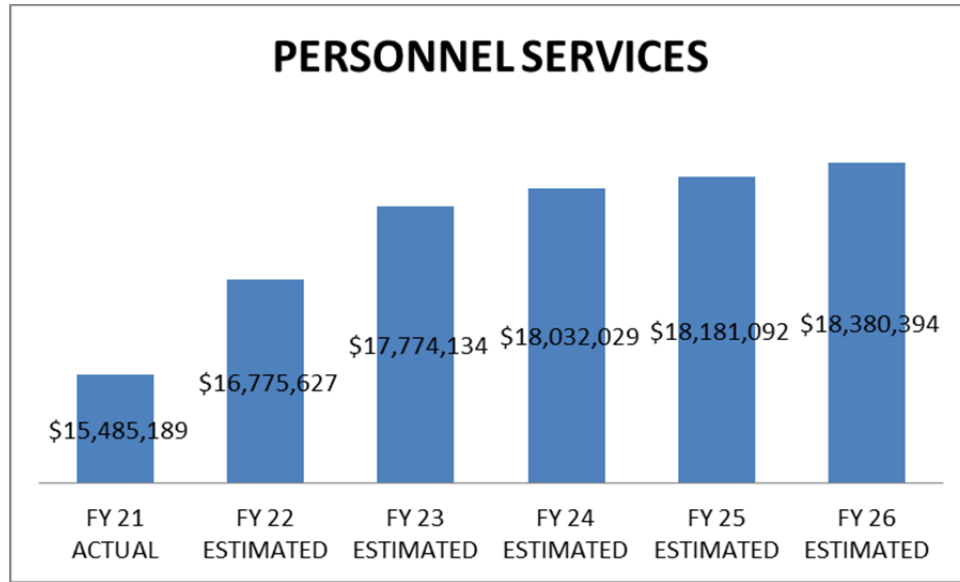
Percentage of Total Revenue	0.23%	1.10%	0.02%	0.02%	0.02%	0.02%
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In FY 21, the District received \$47,248 from the bus purchase program from the State of Ohio, which was used to assist with the purchase of a bus. The bus could be ordered in FY 20, but funding was not received until FY 21. Therefore, an advance was made to the Bus Purchase Fund (State Grant Fund) in FY 20 to cover the negative encumbrance. In FY 21, the advance was returned, thus requiring an advance in to be reported in the General Fund in FY 21. The District also advanced the ESSER Federal Grant Fund \$2,100 in FY 20 to cover grant expenses that would not be reimbursed until FY 21. The advance was returned to the General Fund in FY 21. The General Fund also advanced the Class of 2022 \$12,000 for prom expenses in FY 21, which was also returned in FY 21.

In FY 21, \$325,333 was advanced to the ESSER III fund in order to cover encumbrances at the end of the fiscal year. This money is expected to be returned in FY 22, thus an advance in for \$325,333 will be reported. The sale of fixed assets as well as refund of prior year expenditures account for the remaining balance in FY 22 and are flat-lined at the same amount for FY 23-FY 26.

3.010 – Personnel Services

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



	ACTUAL	FORECASTED				
	2021	2022	2023	2024	2025	2026
Total	\$15,485,189	\$16,775,627	\$17,774,134	\$18,032,029	\$18,181,092	\$18,380,394
YOY \$ Change		\$1,290,437	\$998,507	\$257,895	\$149,063	\$199,302
YOY % Change		8.33%	5.95%	1.45%	0.83%	1.10%

Percentage of Total Budget	52.03%	56.02%	57.27%	57.59%	56.80%	56.17%
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Personnel services represent the largest expense for the District. In FY 2022, classified staff received a 3% increase on base as well as a step increase as a result of the negotiated agreements in place for the WCA. Those employees on the Central Office Staff salary schedule also received a 3% base increase as well as a step increase. This represents approximately \$112,321 of the increase from FY 21 to FY 22. Certified staff, administrative staff, and those employees on the Other Administrative salary schedules each received a 2.25% base increase, a step increase, plus the restoration of one step if they missed the first step frozen back in the 2012-2013 school year, which accounts for approximately \$490,174 of the increase from FY 21 to FY 22.

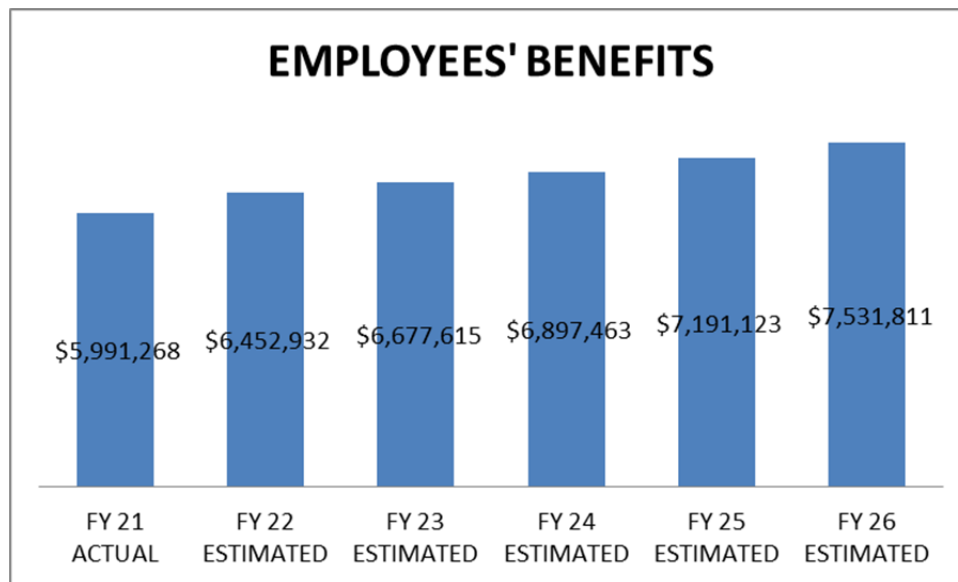
The Fair School Funding Formula approved with H.B. 110 brings the Student Wellness and Success Funds back within the formula. Therefore the expenses associated with this funding piece will be reported back in the General Fund in FY 22. For the last two fiscal years the expenses were reported in Fund 467, A State Grant Special Revenue Fund, which is not included in the forecast. The high school and middle school guidance counselors as well as all district social worker salary expenses were previously reported in Fund 467. Their wages for FY 22 represent \$512,771 of the increase in the personnel services from FY 21 to FY 22 since they are now required to be reported in the General Fund.

The remaining portion of the increase is due to anticipated increases in sub expenses, overtime, and supplemental contract payments for extracurricular activities. The supplemental salaries are tied to the certified salary schedule. Therefore they also received a 2.25% base increase.

The certified contract expires June 30, 2023. The forecast reflects a 2% base increase for FY 23. It also includes a step advancement for each certified staff member plus the restoration of two years of service to employees who lost years of service in 2012-2013 and 2013-2014, with one being restored in 2021-22 and the other being restored in 2022-2023. Administration receives the same increases. The classified contract expires June 30, 2024. The forecast reflects a 2.25% and 2% base increase, respectively, for FY 23 and FY 24. It also includes a step advancement for each classified staff member plus the restoration of two years of service to employees who lost years of service in 2012-2013 and 2013-2014, with one being restored in 2022-23 and the other one being restored in 2023-24 for classified staff. A 1% increase has been reflected in the forecast for wages in each of the fiscal years after the current agreements expire. The forecast will be updated as new agreements are approved.

3.020 – Employees’ Benefits

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



	ACTUAL	FORECASTED				
	2021	2022	2023	2024	2025	2026
Total	\$5,991,268	\$6,452,932	\$6,677,615	\$6,897,463	\$7,191,123	\$7,531,811
YOY \$ Change		\$461,664	\$224,683	\$219,848	\$293,660	\$340,689
YOY % Change		7.71%	3.48%	3.29%	4.26%	4.74%
Percentage of Total Budget	20.13%	21.55%	21.52%	22.03%	22.47%	23.02%

The District pays 14% of each dollar paid in wages to either the State Teachers or School Employees Retirement System as required by Ohio law. These contributions are withheld through the foundation settlements and are based on estimated wages provided to each respective retirement system. Therefore, the District could potentially pay out more than 14% in a year if payroll expenses are less than estimated. Medicare will continue to increase at the rate of increase in wages. Contributions are 1.45% for all new employees to the District on or after April 1, 1986. Expenses related to retirement payments, Medicare payments, and worker's compensation are projected to increase over the next five years as wages increase.

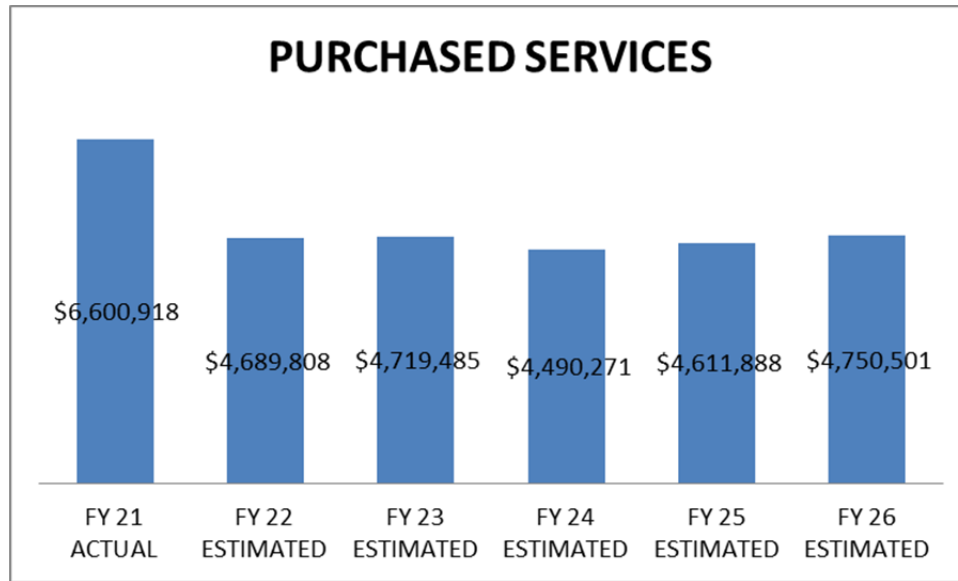
It should also be noted that STRS and Medicare expenses will be increased in the General Fund due to the inclusion of the high school and middle school guidance counselor and all district social worker salaries on the forecast as general fund expenses in FY 22. These expenses were previously reported in Fund 467.

The District changed insurance consortiums for calendar year 2020, resulting in the District being responsible for paying a buy-in amount of \$702,225.35 over the course of three years to the new consortium. The buy-in will be complete in FY 23.

The board-share of health insurance expenses will increase by 8% for calendar year 2022. An 8% and 4% increase have been projected for health and dental insurances for FY 23 – FY 26.

3.030 – Purchased Services

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



	ACTUAL	FORECASTED				
	2021	2022	2023	2024	2025	2026
Total	\$6,600,918	\$4,689,808	\$4,719,485	\$4,490,271	\$4,611,888	\$4,750,501
YOY \$ Change		(\$1,911,110)	\$29,676	(\$229,213)	\$121,616	\$138,613
YOY % Change		-28.95%	0.63%	-4.86%	2.71%	3.01%
Percentage of Total Budget	22.18%	15.66%	15.21%	14.34%	14.41%	14.52%

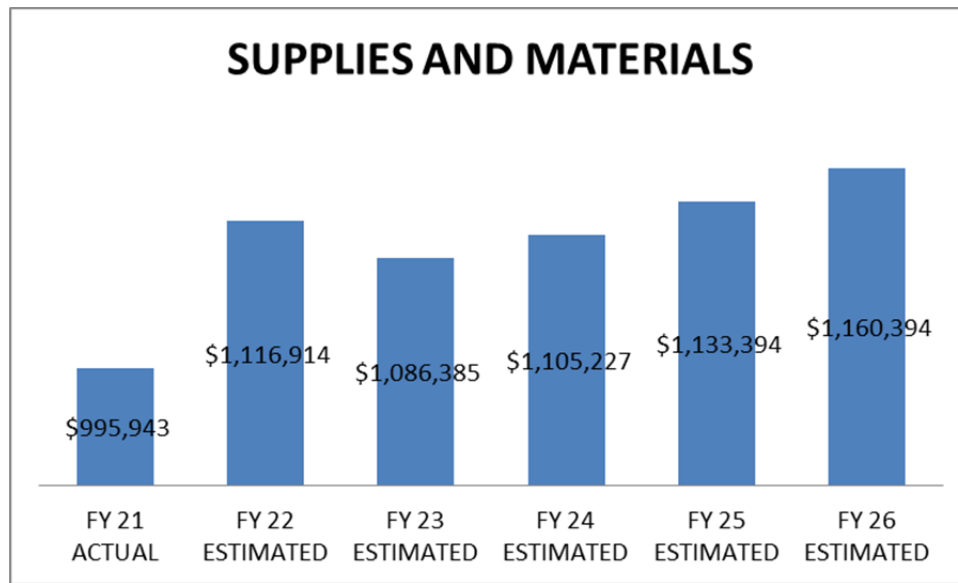
The largest expense in the purchased services category is generally open enrollment out, community school and scholarship expenses. Students are now funded at the district educating them due to the approval of the Fair School Funding Formula, which results in the elimination of these expenses. The District paid \$2,216,103 in FY 21 for these expenses, and is the primary reason for the decrease from FY 21 to FY 22.

The other significant portion of purchased services is excess costs paid to the Auglaize County Educational Service Center (ESC) for therapy services, multi-handicap classes, and the City-County agreement for paraeducators. Nurses’ services expenses of \$177,750 will also be included in the General Fund for FY 22 due to the elimination of the separate reporting requirement for the Student Wellness and Success. General increases in utilities, professional development expenses, travel expenses, etc. offset the remaining difference between the decrease from FY 21 to FY 22 and the elimination of open enrollment, etc.

LED expenses are scheduled out through FY 23 in order to complete the remaining two buildings, which will result in a decrease in expenses for FY 24. Increases in FY 25 and FY 26 are a result of a general increase in other components of purchased services (utilities, professional/legal services, professional development/travel, etc.) as well as the excess costs mentioned above.

3.040 – Supplies and Materials

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



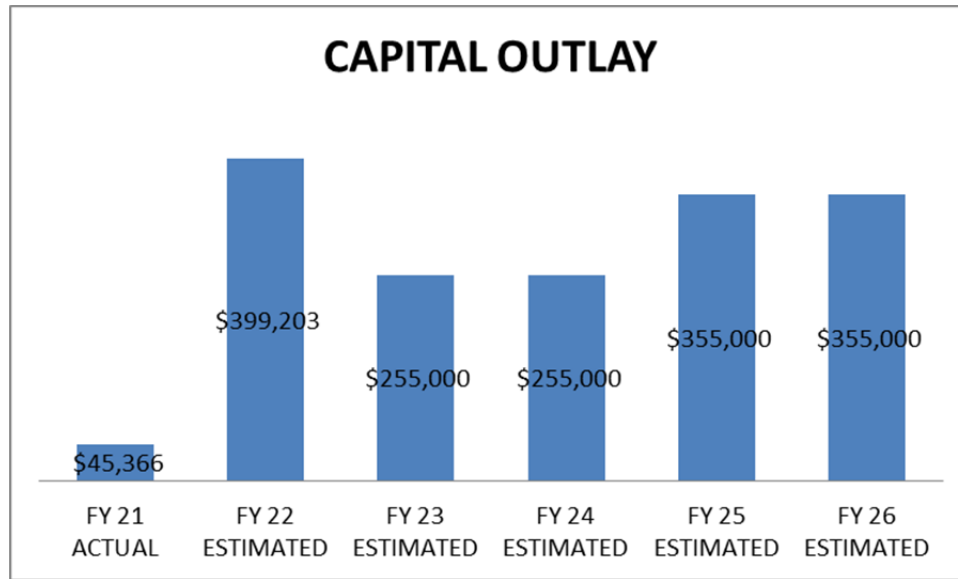
	ACTUAL	FORECASTED				
	2021	2022	2023	2024	2025	2026
Total	\$995,943	\$1,116,914	\$1,086,385	\$1,105,227	\$1,133,394	\$1,160,394
YOY \$ Change		\$120,971	(\$30,530)	\$18,842	\$28,168	\$26,999
YOY % Change		12.15%	-2.73%	1.73%	2.55%	2.38%
Percentage of Total Budget	3.35%	3.73%	3.50%	3.53%	3.54%	3.55%

Supplies and materials expenses have steadily increased over the life of the forecast due to normal inflation as well as emerging classroom needs, and general overall maintenance needs to keep the District's buildings and bus fleet in peak condition. During COVID, spending decreased due to the uncertainty of the virus and the ability to stay in school. The District did not return to pre-COVID spending patterns with supplies and materials yet in FY 21 due to the uncertainty still surrounding COVID. Purchases have increased in FY 22 and supply chain disruptions are causing an increase in supply costs, thus supplies and materials expenses are anticipated to increase around 12% in FY 22, which is higher than normal.

The District purchased weight room equipment in both FY 21 and FY 22 for the new weight room at the high school. No additional weight room equipment is expected for FY 23. New textbooks were also purchased for the vocational agriculture program in FY 22 and several encumbrances for items ordered in FY 21 were not paid for until FY 22, thus increasing some budget line items for desks, lockers, etc. at the middle school and high school. Those line items were reduced accordingly for FY 23. Therefore, a decrease is expected for FY 23 and a 1.73%, 2.55%, and 2.38% increase are being anticipated for FY 24 to FY 26 due to inflation and general increases in spending.

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.



	ACTUAL	FORECASTED				
	2021	2022	2023	2024	2025	2026
Total	\$45,366	\$399,203	\$255,000	\$255,000	\$355,000	\$355,000
YOY \$ Change		\$353,836	(\$144,203)	\$0	\$100,000	\$0
YOY % Change		779.95%	-36.12%	0.00%	39.22%	0%

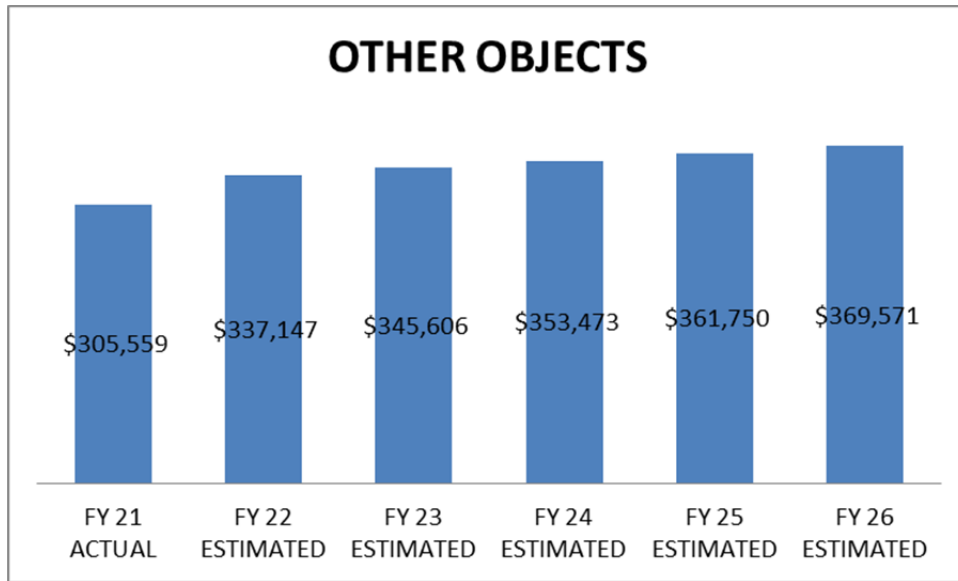
Percentage of Total Budget	0.15%	1.33%	0.82%	0.81%	1.11%	1.08%
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The Board of Education continues their commitment to technology by providing Chromebooks for student use within the District. The IT Department has established a replacement schedule for the older Chromebooks as well as staff and lab computers, which represents \$250,000 of the projected capital outlay expenses for FY 23-25. The District shifted the Chromebook purchase to the CARES Act federal grant fund for FY 21, thus decreasing the capital outlay expense for FY 21. The expense will be placed back on the general fund for FY 25-26.

The IT Department has identified the need to replace lab and classroom computers, laptops, and two servers, thus attributing to the increase in FY 22 from FY 21. We will anticipate replacing additional computers in FY 23, thus expenses will remain consistent from FY 22 to FY 23.

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.



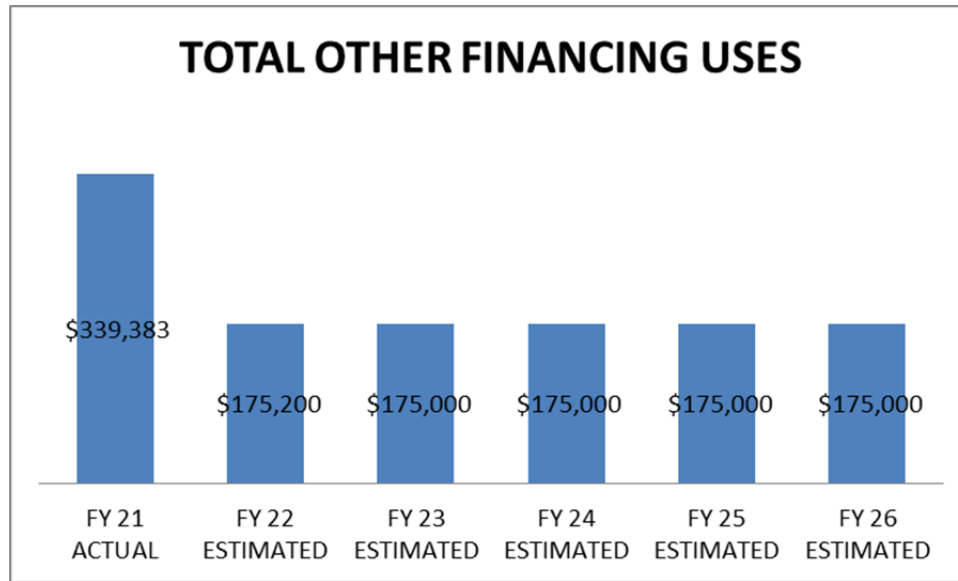
	ACTUAL	FORECASTED				
	2021	2022	2023	2024	2025	2026
Total	\$305,559	\$337,147	\$345,606	\$353,473	\$361,750	\$369,571
YOY \$ Change		\$31,588	\$8,459	\$7,867	\$8,278	\$7,821
YOY % Change		10.34%	2.51%	2.28%	2.34%	2.16%

Percentage of Total Budget	1.03%	1.13%	1.11%	1.13%	1.13%	1.13%
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Bus fleet and general liability insurance expenses, income tax administrative fees and auditor and treasurer fees are expected to increase from FY 22 through FY 26 due to an increase in collections and the trend of increasing insurance expenses. The District will also bring back PBIS award-related expenses to the General Fund in FY 22, due to the elimination of the separate accounting for the Student Wellness and Success Funds outside the General Fund. Therefore, increases in Other Object expenses are projected for FY 22 through FY 26.

5.040 – Total Other Financing Uses

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



	ACTUAL	FORECASTED				
	2021	2022	2023	2024	2025	2026
Total	\$339,383	\$175,200	\$175,000	\$175,000	\$175,000	\$175,000
YOY \$ Change		(\$164,183)	(\$200)	\$0	\$0	\$0
YOY % Change		-48.38%	-0.11%	0%	0%	0%

Percentage of Total Budget	1.14%	0.59%	0.56%	0.56%	0.56%	0.56%
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In the past, the Board transferred \$175,000 from the General Fund to the Severance Fund and PI Fund. This transfer did not occur in FY 21 due to the budget cuts enacted in FY 20 by the Governor and a decrease in income tax and interest revenue. The transfer will resume in FY 23-FY 26, thus accounting for the increase in those years.

During FY 21, the District hosted prom, therefore \$12,000 was advanced to the Class of 2022 for expenses incurred with prom. The District also advanced \$325,332.79 to the ESSER III fund to cover negative fund balances at the end of FY 21. These advances are not expected for FY 22, thus resulting in a decrease from FY 21 to FY 22.

The \$2,050 expense reported in FY 21 is due to a refund issued for PAC rental deposits paid in FY 20 for events to be held in FY 21, but canceled due to COVID. We will project \$200 for FY 22 and then decrease that amount to \$0 for FY 23 to FY 26.

Wapakoneta City Schools

AUGLAIZE

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2019, 2020 and 2021 Actual;
Forecasted Fiscal Years Ending June 30, 2022 Through 2026

	Actual				Average Change	Forecasted				
	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021			Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
Revenues										
1.010 General Property Tax (Real Estate)	\$6,834,329	\$6,913,844	\$7,265,134	3.1%	7,426,161	\$7,517,861	\$7,535,227	\$7,555,090	\$7,581,953	
1.020 Tangible Personal Property Tax	430,417	410,102	493,623	7.8%	675,595	\$847,284	\$843,565	\$839,837	\$836,108	
1.030 Income Tax	2,425,671	2,533,681	2,449,128	0.6%	2,645,058	2,697,959	2,751,918	2,834,476	2,919,510	
1.035 Unrestricted State Grants-in-Aid	17,424,319	16,727,601	17,159,080	-0.7%	16,374,358	16,268,390	16,420,904	16,574,943	16,730,522	
1.040 Restricted State Grants-in-Aid	385,346	390,233	386,290	0.1%	1,180,102	1,180,000	1,180,000	1,180,000	1,180,000	
1.050 Property Tax Allocation	977,277	980,072	1,014,517	1.9%	1,047,107	\$1,054,211	\$1,057,202	\$1,060,193	\$1,064,593	
1.060 All Other Revenues	2,170,296	2,223,238	2,365,970	4.4%	810,076	808,221	782,732	758,498	746,770	
1.070 Total Revenues	30,647,655	30,178,771	31,133,742	0.8%	30,158,457	30,373,926	30,571,548	30,803,037	31,059,456	
Other Financing Sources										
2.050 Advances-In	42,433	1,000	61,347	2968.5%	325,333					
2.060 All Other Financing Sources	81,974	383,884	11,930	135.7%	11,050	6,050	6,050	6,050	6,050	
2.070 Total Other Financing Sources	124,407	384,884	73,277	64.2%	336,383	6,050	6,050	6,050	6,050	
2.080 Total Revenues and Other Financing Sources	30,772,062	30,563,655	31,207,019	0.7%	30,494,840	30,379,976	30,577,598	30,809,087	31,065,506	
Expenditures										
3.010 Personal Services	14,553,433	15,099,904	15,485,189	3.2%	16,775,627	17,774,134	18,032,029	18,181,092	18,380,394	
3.020 Employees' Retirement/Insurance Benefits	5,531,783	5,710,904	5,991,268	4.1%	6,452,932	6,677,615	6,897,463	7,191,123	7,531,811	
3.030 Purchased Services	6,518,407	6,399,873	6,600,918	0.7%	4,689,808	4,719,485	4,490,271	4,611,888	4,750,501	
3.040 Supplies and Materials	1,081,510	968,779	995,943	-3.8%	1,116,914	1,086,385	1,105,227	1,133,394	1,160,394	
3.050 Capital Outlay	618,853	596,712	45,366	-48.0%	399,203	255,000	255,000	355,000	355,000	
4.300 Other Objects	263,216	315,744	305,559	8.4%	337,146	345,606	353,473	361,750	369,571	
4.500 Total Expenditures	28,567,202	29,091,916	29,424,243	1.5%	29,771,630	30,858,225	31,133,463	31,834,247	32,547,671	
Other Financing Uses										
5.010 Operating Transfers-Out	175,000	175,000		-50.0%	175,000	175,000	175,000	175,000	175,000	
5.020 Advances-Out	42,433	50,347	337,333	294.3%						
5.030 All Other Financing Uses	66,770		2,050		200					
5.040 Total Other Financing Uses	284,203	225,347	339,383	14.9%	175,200	175,000	175,000	175,000	175,000	
5.050 Total Expenditures and Other Financing Uses	28,851,405	29,317,263	29,763,626	1.6%	29,946,830	31,033,225	31,308,463	32,009,247	32,722,671	
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	1,920,657	1,246,392	1,443,393	-9.7%	548,010	653,249-	730,865-	1,200,160-	1,657,165-	
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	19,439,064	21,359,721	22,606,113	7.9%	24,049,506	24,597,516	23,944,267	23,213,402	22,013,242	
7.020 Cash Balance June 30	21,359,721	22,606,113	24,049,506	6.1%	24,597,516	23,944,267	23,213,402	22,013,242	20,356,077	
8.010 Estimated Encumbrances June 30	281,599	229,998	563,265	63.3%	550,000	250,000	250,000	250,000	250,000	
Reservation of Fund Balance										
9.010 Textbooks and Instructional Materials										
9.020 Capital Improvements										
9.030 Budget Reserve										
9.040 DPIA										
9.045 Fiscal Stabilization										
9.050 Debt Service										
9.060 Property Tax Advances										
9.070 Bus Purchases										
9.080 Subtotal										
10.010 Fund Balance June 30 for Certification of Appropriations	21,078,122	22,376,115	23,486,241	5.6%	24,047,516	23,694,267	22,963,402	21,763,242	20,106,077	