MARLINGTON LOCAL SCHOOL DISTRICT
BOARD OF EDUCATION
May 26, 2020 Special Meeting

May 26, 2020 Electronic Remote Technology Meeting Minutes
7:00 P.M.

Special Meeting

I. Call to Order at 7:00 pm

A. Pledge of Allegiance
B. Reading of Mission Statement – Mrs. Carolyn Gabric

In collaboration with staff, community, parents, and students, the Marlington Local School District will develop lifelong learners who understand and apply knowledge, and demonstrate excellence in pursuing the highest standards with effective intervention to challenge every student.

II. Roll Call

This meeting is a meeting of the Board of Education in public for the purpose of conducting the school district's business and is not to be considered a public community meeting.

Carolyn Gabric ______x________
Josh Hagan ______x________
Karen Humphries ______x________
Scott Mason ______x________
Danielle Stevens ______x________

III. Adoption of Meeting Agenda – Mrs. Carolyn Gabric

A. Additions or Corrections
B. Recommend that the Marlington Local Board of Education adopt the following agenda for the May 26, 2020 special meeting.

Ms. Gabric asked that everyone keep their mics muted when not speaking.

BOE Member	1st Motion	2nd Motion	Yea	Nay	Abst.		Approved	Not Approved	Table
Carolyn Gabric			x			**Final Resolution:**			
Josh Hagan	x		x			**Resolution No.**	151.20		
Karen Humphries			x						
Scott Mason			x						
Danielle Stevens		x	x						

IV. Old Business

A. Five Year Forecast – Mrs. Kathryn Brugger

Recommend the Motion to approve the Five - Year Forecast as presented and marked "Exhibit OO".

Ms. Brugger explained that she had created several documents to help with explaining the five year forecast to the Board and added them to drop box. Ms. Gabric thanked Ms. Brugger for her extra work. Ms. Brugger made some comments regarding the unknown and changing economic climate with government funding and staffing due to the effects of the pandemic. She stated that everything within this forecast is going to change even more so than in a year when nothing out of the ordinary is occurring and that the best thing to do is to either approve the forecast as presented, or vote no and discuss how the Board would like to amend it. She ended he comments by saying that in November (or sooner), we will have a completely different set of data to work with as more information becomes available. Mr. Hagan felt that due to the differences between the November and May forecast it would be better to take the November numbers and add in the governor's cuts and add in the additional staffing costs. Ms. Brugger shared a document explaining how historically the district had projected relatively flat purchased services in previous forecasts and compared those projections to what actually happened to help the Board understand why she decided not to continue this method of forecasting. She shared that there were significant deviations between what was projected and the actual outcome because of the increases in purchased services since it is not typical for purchased services to remain flat. She also shared that many of the cost associated with purchased services are not controllable including items such as open enrollment out and special education costs. The numbers shown for fiscal year 2020, while they are projected numbers are subject to how they play out in the last month of June and the pandemic may cause some deviation on the final numbers that would not carry forward in to the projections. There was some discussion on capital outlay which all can be found in the assumptions of the five year forecast. There were also some questions regarding the permanent improvement fund which is not related to this agenda item. Dr. Mason asked Ms. Brugger if she was looking at actual spend when making her projections. Ms. Brugger replied yes. Mr. Hagan asked how the purchased service projections to actuals balanced out in the past. He asked why she did not take a more conservative approach and make her projections based on how things could end up balancing out as he felt they had in the past. Ms. Brugger explained that as a treasurer, she is tasked with looking at the district's current spending trends and making educated projections based off of these trends. A treasurer cannot make projections based on business decisions that have not yet been made or should be made by the Board. That defeats the purpose of doing a forecast. Ms. Brugger made a comment that in a webinar with the state that the Wellness funds were not untouchable with regard to funding cuts. Ms. Gabric made a comment about the forecast being projected as the worst possible scenario. Ms. Brugger stated that it was not the worst possible scenario, she said you could have more open enrollment out, or an increase in special education costs for example. She stated that the forecast is simply following what has been trending. She said as the trends change, we can change the projections. Ms. Gabric made a comment that she would expect a realistic forecast and would expect the superintendent and treasurer to give recommendations. Ms. Brugger stated that her forecast was as realistic as possible based on historical trends and the most current information available at this time with regard to state cuts. She stated that her recommendations were to make changes in spending based on these historical trends. Additionally, more specific and detailed recommendations were made in the presentation at the last meeting administration awaits their directive from the Board on how they wish to proceed. Mr. Hagan said that those decisions will have to be made if they amend the forecast or not. Ms. Humphries said that the forecast has a lot of moving parts and she feels that the Board should listen to the professional and the person that has done the research. Ms. Humphries said that money could be saved by not reopening Marlboro and not hiring attorney Markling. Mr. Hagan felt that the amount of the deviation in the fund balance between the two forecasts was too confusing. Mr.

Knoll stated that what he has been hearing that the state is wanting the schools to start using their "rainy day funds" instead of the state. Ms. Gabric discussed the deviations between projected ending cash balances between forecasts. She asked about the CARES funding and Ms. Brugger stated that that was already in the assumptions. Ms. Gabric asked about the enrollment and why it was different from the previous forecasted reports. Ms. Brugger stated that she used enrollment from state reports that the district is funded from. She explained that there are lots of different ways to look at enrollment and she cannot speak for how other treasurers reported enrollment in their forecasts. Ms. Brugger also made a comment that when looking at a BUDLED report there were strong increases in open enrollment out expenditures for the past few years. Ms. Gabric asked about open enrollment in exceeding open enrollment out. Mr. Knoll said that the gap is narrowing, but the children coming in are more than the children leaving. Ms. Gabric asked about the district being on the Guarantee. Ms. Brugger stated that the funding formula was frozen so that was irrelevant. Ms. Gabric made the statement that it was the Board's opinion that repairing the schools is the fiscally responsible option. All buildings can be repaired for under 6 million dollars and had the district gone with a consolidated plan it could have reached close to 30 million dollars. Mr. Hagan felt that it was best due to the deadline to revise the forecast and get it submitted and as things change we can revisit the forecast and make changes as necessary. Mr. Hagan wanted to change the recommendation to reflect the numbers in the November 2019 forecast in every line except the government cuts and additional staffing changes. Ms. Brugger was concerned that the Board was basically asking her to rewrite a whole new set of assumptions and redo an entire forecast in two days. Dr. Mason was concerned about the Board asking Ms. Brugger to take another treasurer's forecast and extend it by six months. Dr. Mason felt it would not be proper for Ms. Brugger's name to go on the document. Ms. Brugger stated she was not comfortable doing this without Board approval of the final document because of the number of changes needed that are not her numbers or assumptions. Ms. Gabric questioned Ms. Brugger on reaching out to former treasurers on their methodology in forecasting and Ms. Brugger stated that she had had discussions with former treasurers and simply did not agree with their methodology. Additionally, she reminded the Board that she was using Forecast5 Analytics (which the board was made aware of originally though an update) which is a reputable forecasting consulting firm made up of heavily experienced treasurers that aid school districts throughout the state of Ohio that has been used previously in the district. The firm has offered to speak at Board meetings as necessary. Ms. Brugger made the comment that if the Board goes back the November 2019 forecast, there will be a lot of information that gets left out. The CARES expenditure reductions are a good example. Ms. Brugger was concerned that if she submitted these changes with no final document for the board to review now and the Board does not agree with the outcome, there could be issues after the fact. Additionally, there are so many variables since the November 2019 forecast that there is not much data backing the proposed changes. Ms. Brugger stated that she needed clarity, exact numbers and specific instructions. As such, the decision was made to take the current recommended forecast and go line by line and have the board direct Ms. Brugger on what numbers they wanted on what lines. In reviewing November 2019, Ms. Brugger reminded the Board that public utility was reported improperly. Ms. Brugger reminded the board that these items were going to come up throughout the entire forecast and that is why the Board should be using her updated forecast as it would be more accurate. After some discussion, the Board agreed that for the time being it would be a good idea to only amend the current recommended forecast to reflect the November 2019 purchased service line of 4.2 million, .3.9 million,4.1 million, etc. Mr. Hagan affirmed that this was correct and what the Board wanted. Ms. Brugger then made the statement that she has never seen purchased services decrease in this manner with no justification and does not agree with this change. Mr. Hagan referred to a previous forecast and Ms. Brugger said that could have been due to a fund change where the expenses were absorbed on another line which it is why it is important to have all of the details. She also made a comment that a large portion of this line is not controllable. Ms Gabric asked if notes could be added to the assumptions to help clarify where the enrollment data was taken from. Dr. Mason felt that the Board should make the statement that Ms. Brugger is not responsible for any issues that arise due to all of these changes that the Board is asking for. Mr. Hagan stated that this is a public meeting that it is noted that the Board is asking for all of these changes and he believes that should be enough to clarify the situation.

Motion to amend the purchased service line to reflect the projections from the November 2019 Five Year Forecast.

BOE Member	**1st Motion**	**2nd Motion**	**Yea**	**Nay**	**Abst.**		**Approved**	**Not Approved**	**Table**
Carolyn Gabric			x			**Final Resolution:**	x		
Josh Hagan	x		x			**Resolution No.**	152.20		
Karen Humphries				x					
Scott Mason				x					
Danielle Stevens		x	x						

Motion to approve the original motion, as amended and clarified by the board president to amend the purchased services line to reflect the on the November 2019 forecast for the years 2021-2024.

BOE Member	**1st Motion**	**2nd Motion**	**Yea**	**Nay**	**Abst.**		**Approved**	**Not Approved**	**Table**
Carolyn Gabric			x			**Final Resolution:**	x		
Josh Hagan			x			**Resolution No.**	153.20		
Karen Humphries	x			x					
Scott Mason		x		x					
Danielle Stevens			x						

XIII. Adjournment 8:50pm

BOE Member	**1st Motion**	**2nd Motion**	**Yea**	**Nay**	**Abst.**		**Approved**	**Not Approved**	**Table**
Carolyn Gabric			x			**Final Resolution:**	x		
Josh Hagan		x	x			**Resolution No.**	154.20		
Karen Humphries			x						
Scott Mason			x						
Danielle Stevens	x		x						

______________________________ ______________________________

Board President Treasurer/ CFO

'EXHIBIT OO"

Five Year Forecast Financial Report

May 21, 2020

Marlington Local School District

Table of Contents

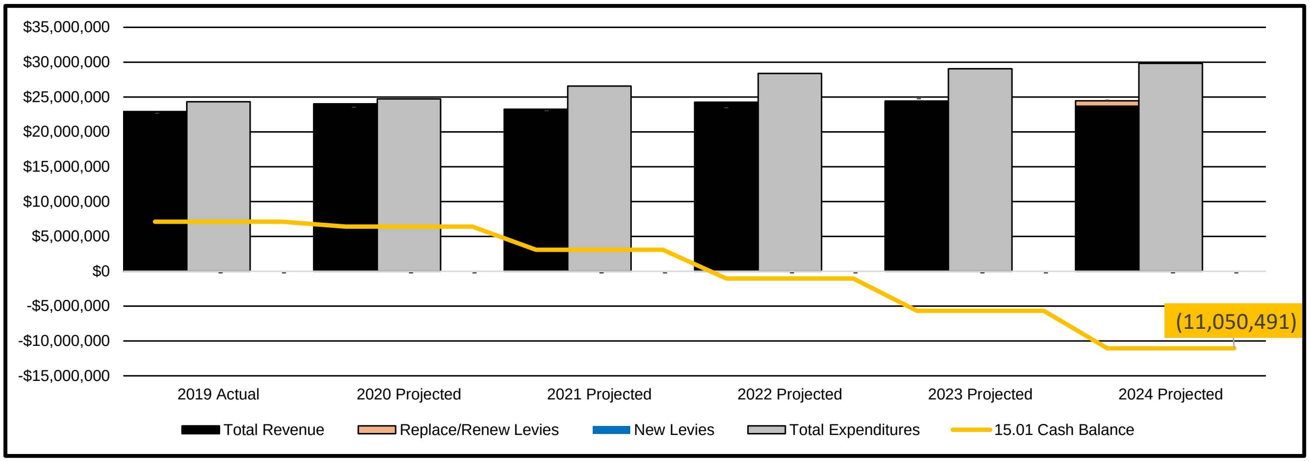
Forecast Purpose/Objectives

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

Financial Forecast	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Beginning Balance	7,110,530	6,405,963	3,102,531	(1,035,446)	(5,685,982)
+ Revenue	24,019,927	23,253,404	24,242,770	24,410,464	23,692,683
+ Proposed Renew/Replacement Levies	-	-	-	-	769,946
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(24,724,494)	(26,556,835)	(28,380,747)	(29,060,999)	(29,827,138)
= Revenue Surplus or Deficit	(704,567)	(3,303,431)	(4,137,978)	(4,650,536)	(5,364,509)
Ending Balance with renewal levies Note: Not Reduced for Encumbrances	6,405,963	3,102,531	(1,035,446)	(5,685,982)	(11,050,491)

Analysis Without Renewal Levies Included:

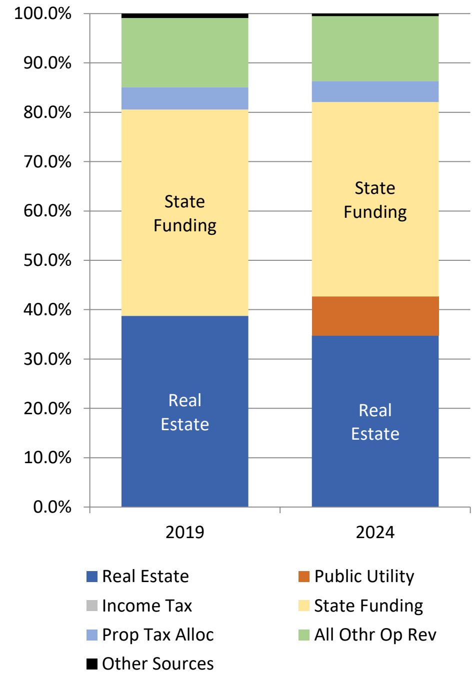
Revenue Surplus or Deficit w/o Levies	(704,567)	(3,303,431)	(4,137,978)	(4,650,536)	(6,134,455)
Ending Balance w/o Levies	6,405,963	3,102,531	(1,035,446)	(5,685,982)	(11,820,437)

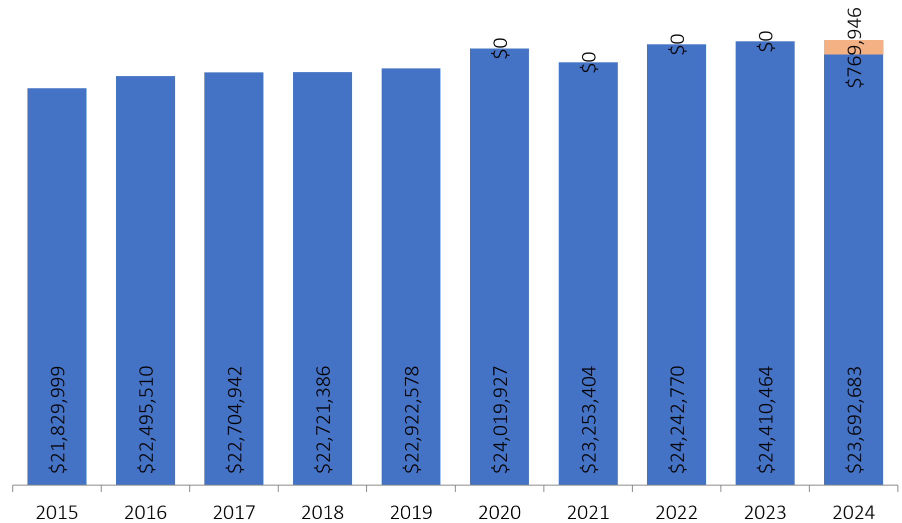
In FY 2020 a revenue shortfall is expected. This means that expenditures are expected to be greater than revenue by$704,567 in FY 2020. By the last year of the forecast, FY 2024, the district is expected to have a revenue shortfall where expenditures are projected to be greater than revenue by$6,134,455The district would need to cut its FY 2024 projected expenses by 20.57% in order to balance its budget without additional revenue.

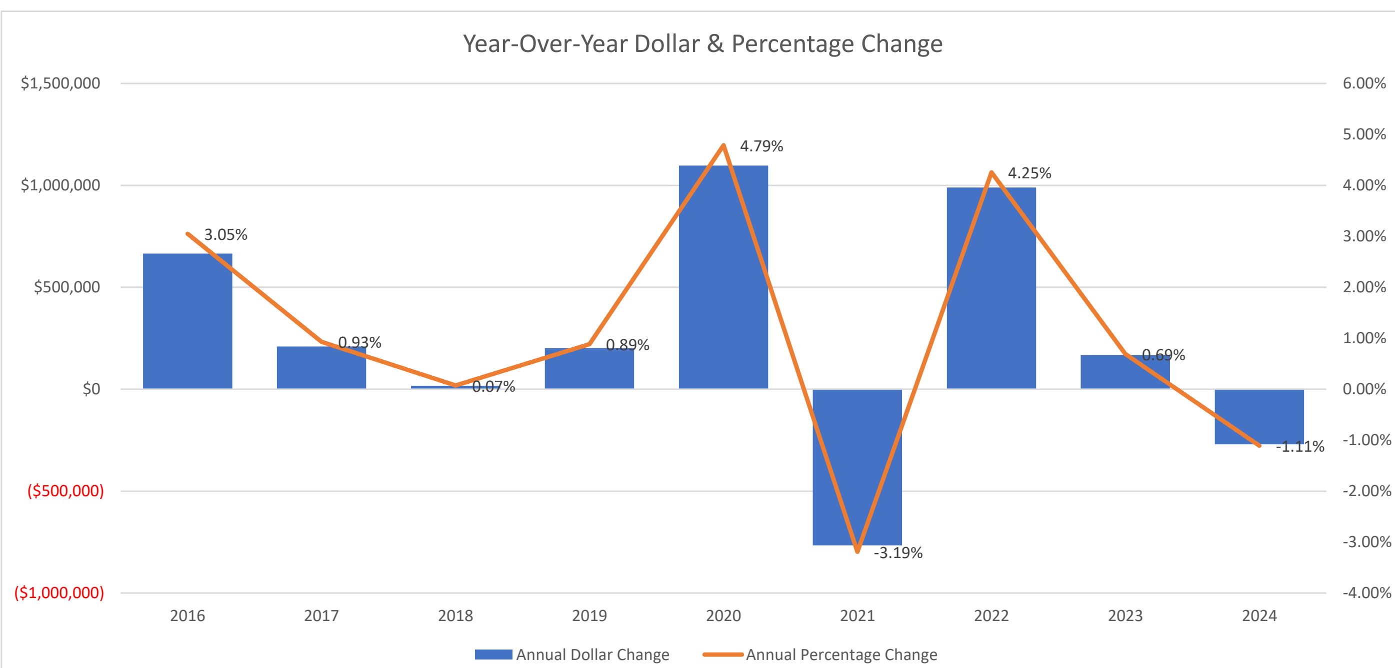
The district's cash balance is positive at year-end in FY 2020 and is projected to worsen by FY 2024. A worsening cash balance can erode the district's financial stability over time.

Revenue Sources and Forecast Year-Over-Year Projected Overview

Sources of Revenue Over Time

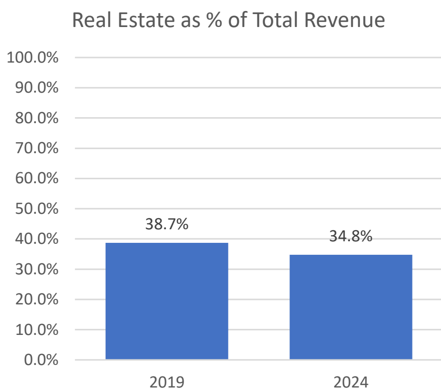


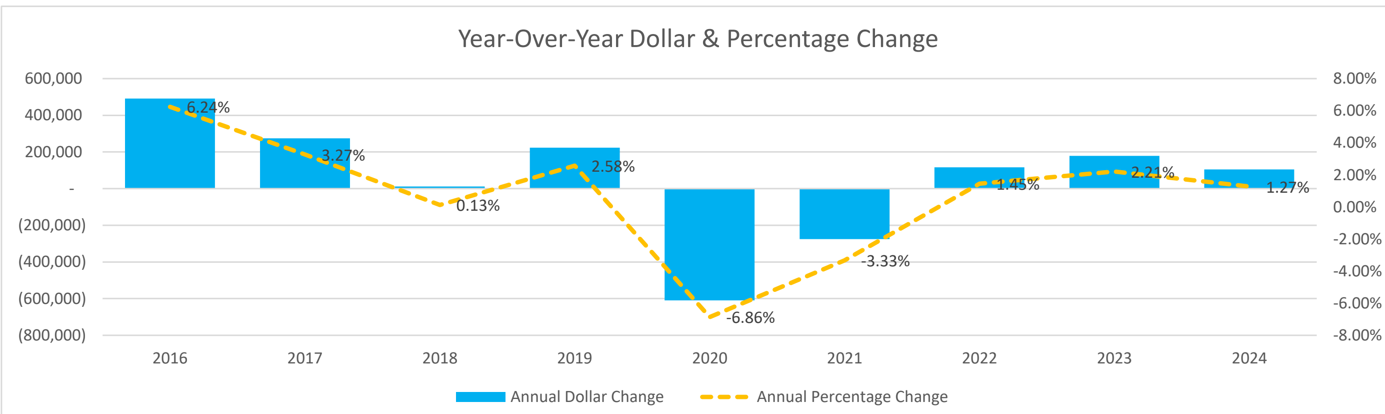




1.010 - General Property Tax (Real Estate)

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





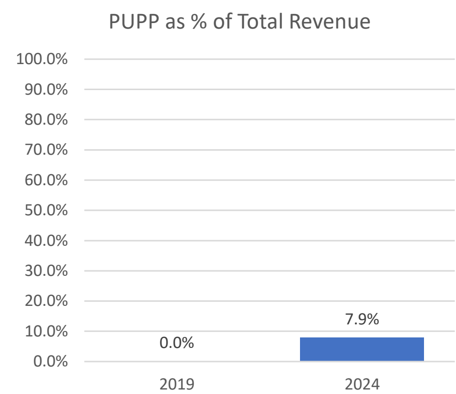
Values, Tax Rates and Gross Collections							Gross Collection Rate
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	Including Delinquencies
2018	380,346,300	45,300,980	23.11	-	28.92	-	100.1%
2019	381,529,230	1,182,930	23.09	(0.02)	29.66	0.74	99.9%
2020	382,789,230	1,260,000	22.09	(1.00)	29.85	0.19	97.9%
2021	409,574,230	26,785,000	21.07	(1.01)	28.50	(1.35)	99.9%
2022	409,984,230	410,000	21.06	(0.02)	29.01	0.52	99.9%
2023	412,494,230	2,510,000	21.01	(0.05)	29.20	0.18	99.9%

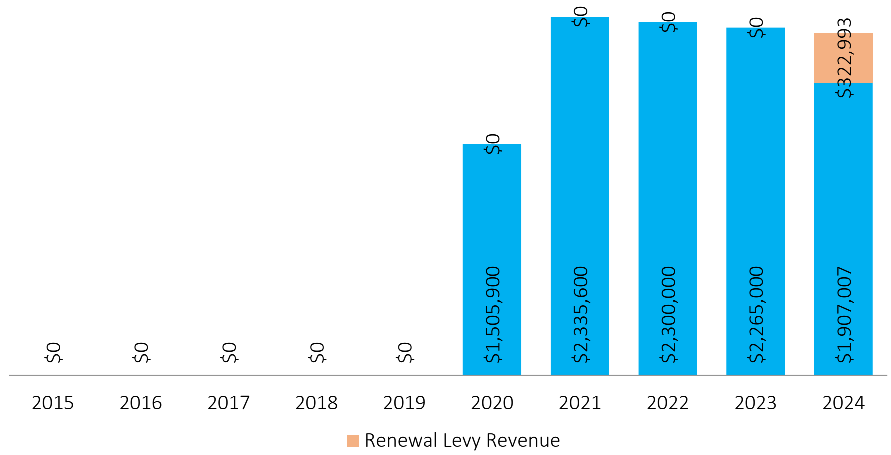
Real estate property tax revenue accounts for 38.73% of total revenue. Class I or residential/agricultural taxes make up approximately 65.60% of the real estate property tax revenue. The Class I tax rate is 23.09 mills in tax year 2019. The district is modeling the renewal of real estate property taxes levies through 2024. The projections reflect an average gross collection rate of 99.5% annually through tax year 2023 with a slight decrease in tax year 2020 to account for the current economic climate change. The revenue changed at an average annual historical rate of 1.99% and is projected to change at an average annual rate of -1.05% through FY 2024. Historically, Public utility was recorded on this line and adjustments were made in this forecast to put it on the proper line which accounts for the majority of this line's decrease as it is reallocated to line 1.020. The County Auditor’s office performed the sexennial reappraisal in calendar year 2018. Triennial Update is in 2021. The District has an 8.5 mill operating levy that was renewed in November 2017 and expires in tax year 2022 with collection ending in calendar year 2023.

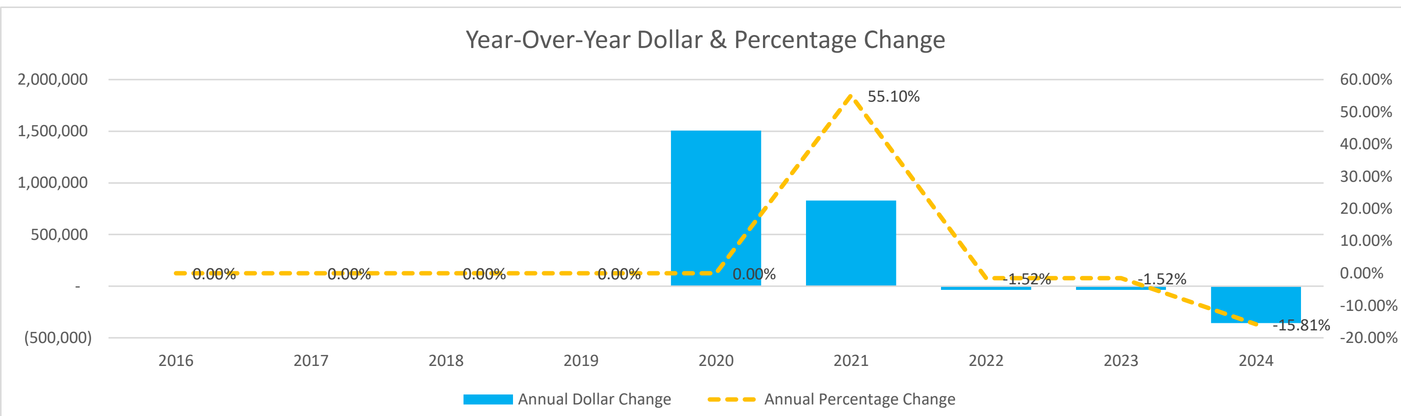
**Projected % trends include renewal levies*

1.020 - Public Utility Personal Property

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







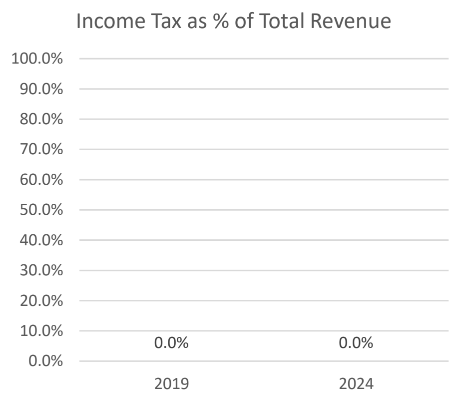
Values and Tax Rates					Gross Collection Rate
Tax Year	Valuation	Value Change	Full Voted Rate	Change	Including Delinquencies
2018	12,588,060	551,360	54.90	-	100.0%
2019	43,262,160	30,674,100	54.90	-	100.0%
2020	42,180,606	(1,081,554)	54.90	-	100.0%
2021	41,126,091	(1,054,515)	54.90	-	100.0%
2022	40,097,939	(1,028,152)	54.90	-	100.0%
2023	39,095,491	(1,002,448)	54.90	-	100.0%

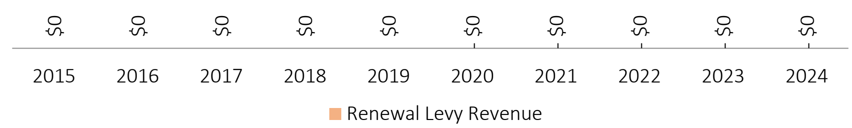
The public utility personal property tax revenue is generated from the personal property values, additions, and depreciation reported by the utility companies. The property is taxed at the full voted tax rate which in tax year 2019 is 54.9 mills. NEXUS Pipeline revenue is receipted here in the amount of approximately $842,000 for FY2020, and $1,644,000 for FY2021. Pipeline valuation is expected to have roughly a 2.5% decrease annually which is factored into the calculations. Current valuation reflects the amended value at approximately 47% of the original assessed valuation due to the appeal that had taken place this year. The amounts are forecasted at the current lowest appealed value. Under Ohio law all property tax levies apply to all property valuation (real property and Public Utility Tangible Property). This means that if an existing levy falls off, it is no longer applied to any type of value. Additionally, NEXUS has the right to appeal valuation annually.

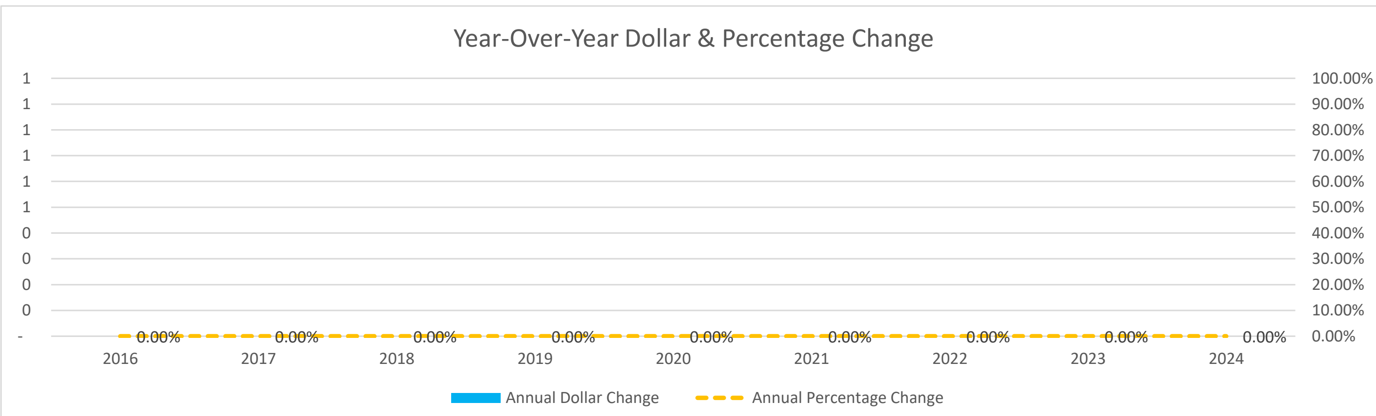
**Projected % trends include renewal levies*

1.030 - No Income Tax

Revenue collected from income tax earmarked specifically to support schools with a voter approved tax by residents of the school district; separate from federal, state and municipal income taxes.





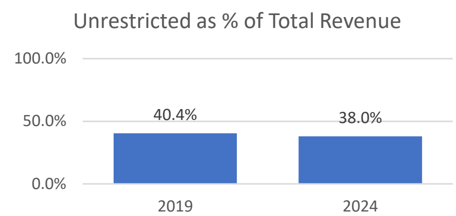


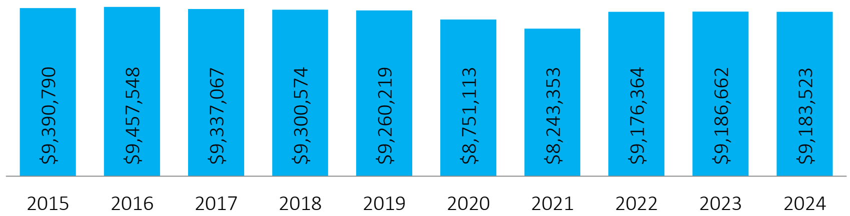
The district does not have an income tax levy.

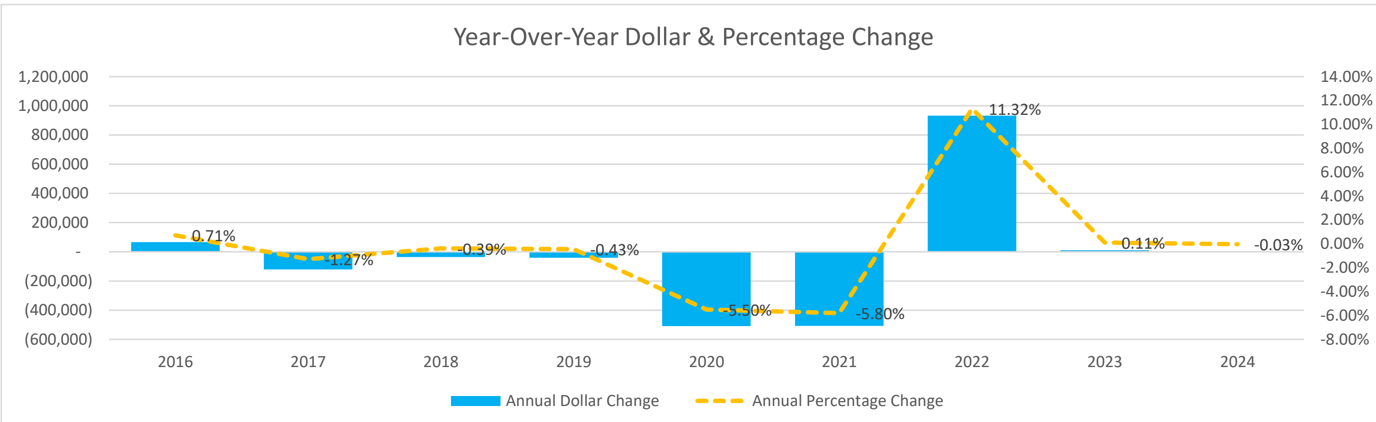
**Projected % trends include renewal levies*

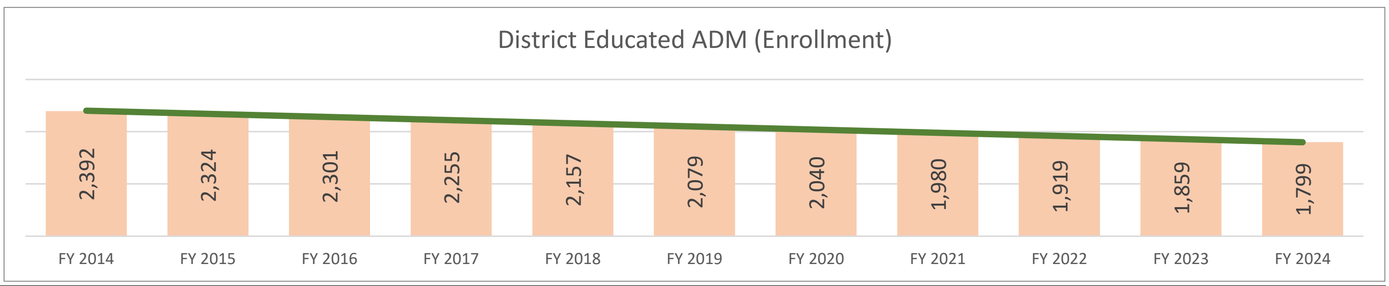
1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.





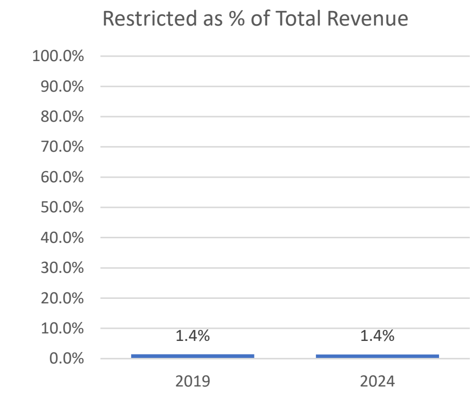


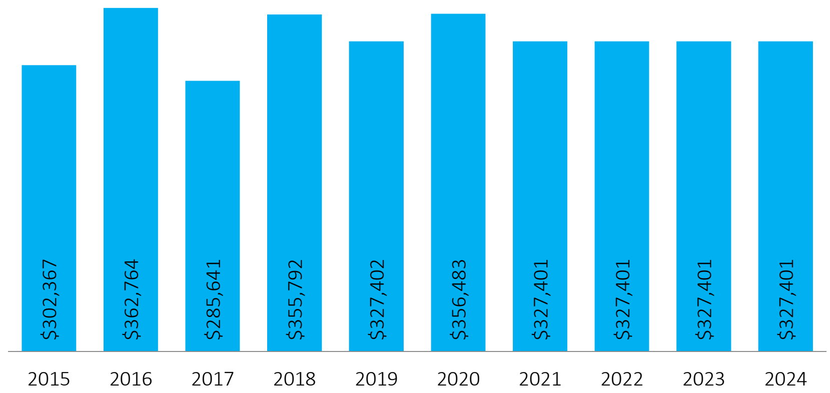


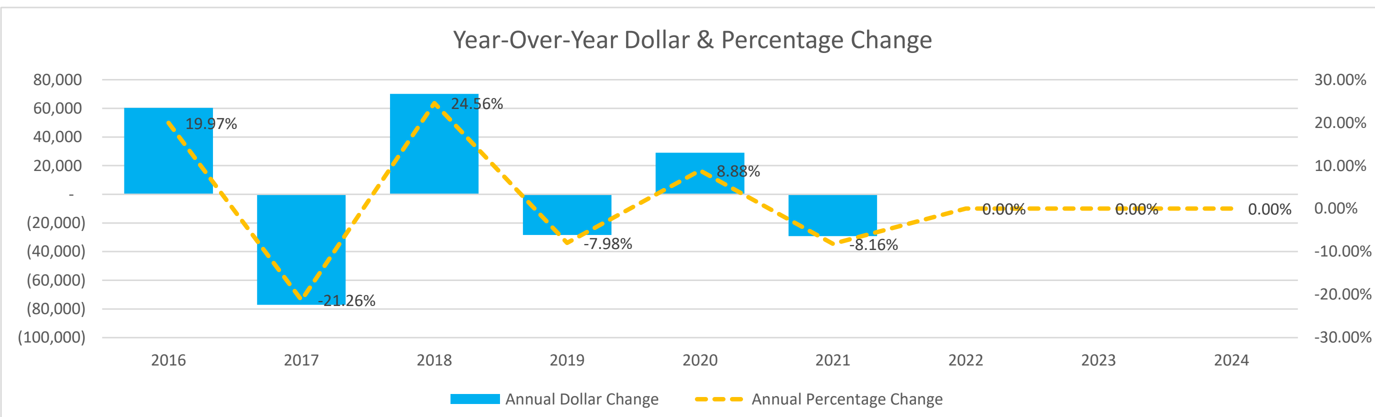
The FY2019 per pupil and foundation revenue amount is the base aid amount used in FY2020. The projected funding that the district should have received for this line including any additional aid adjustments is an estimated $9,159,350 for FY2020. Wellness dollars are recorded in a special revenue fund and are not included in this forecast. The district has the option to move some expenditures from the general fund to the special revenue fund receiving these dollars. The new biennium budget for FY2020-2021 suspended the previous formula at FY2019 levels. Enrollment has historically been decreasing at an annual average rate of about 2.8% since 2015 and is projected accordingly. At the end of FY2020, the state cut foundation funding by $408,237. It is unknown, but likely that there will be cuts in FY2021, however the only information that we have at this time is that the Governor has stated that "there will be a budget shortfall in FY2021" and the Lt. Governor stated “the deficit could be double the rainy day fund." The district's most recent cut was 4.5% of the foundation payment for the year and as such, with the information we have at this current time, the projected foundation revenues are reduced by 10% for FY2021.

1.040 & 1.045 - Restricted Grants-in-Aid

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



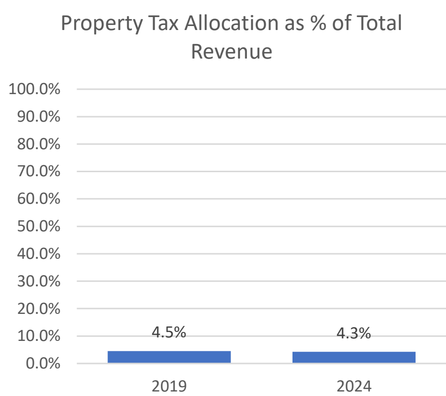


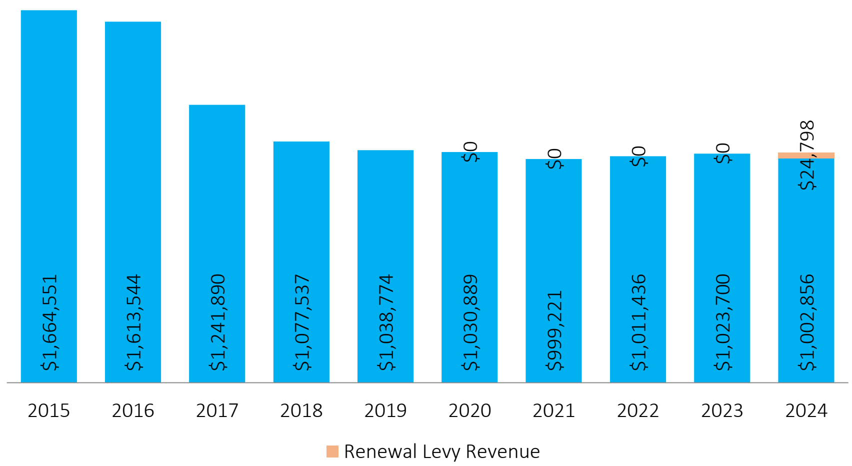


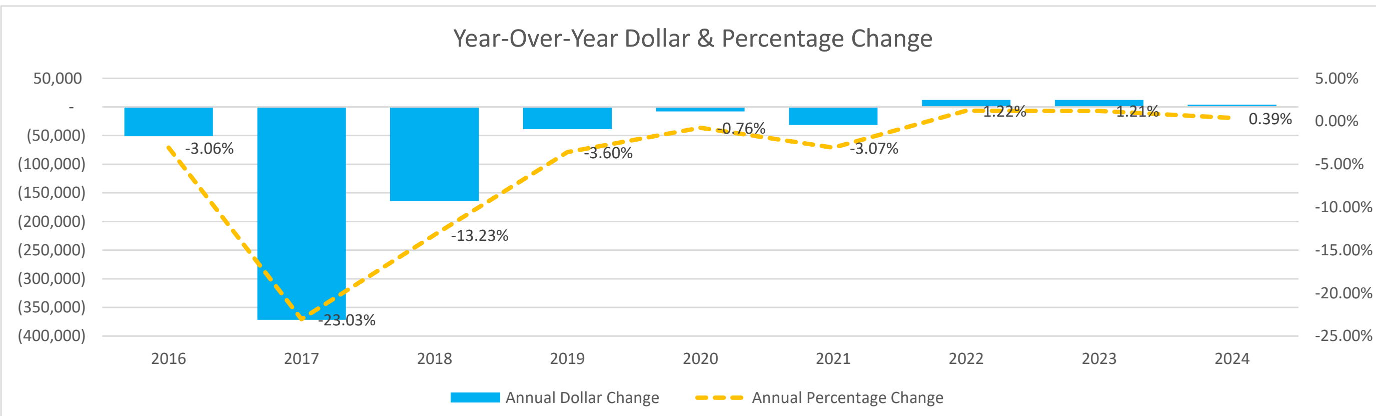
Restricted aid is the portion of state per pupil funding that must be classified as restricted use. Historically the district's restricted state aid changed annually on average by -$11,787 and is projected to change annually on average by $0. Restricted funds represent 1.43% of total revenue. This funding source fluctuates with the quantity of students that qualify under these programs.

1.050 - Property Tax Allocation

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





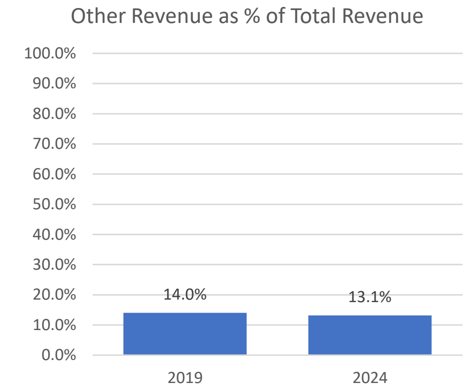


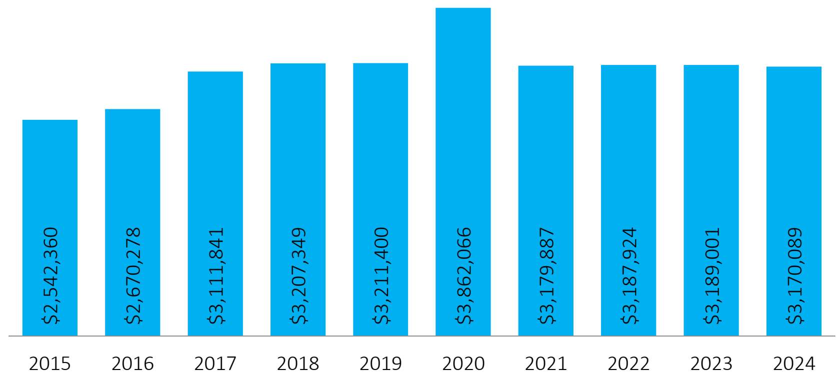
Property tax allocation primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In FY 2020, approximately 11.6% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 3.5% will be reimbursed in the form of qualifying homestead exemption credits. The Property Tax Loss-Make Ups deal with the State's attempt to hold the District harmless for the loss of Tangible Personal Property Taxes. The Property Tax Loss-Make Up monies are scheduled to be phased out over a period of time with the largest reduction experienced in FY2017 of ~$360,000 from FY2016 to a total of ~$202,000 received. In FY2018 approximately $37,000 was received in TPP phase out revenue. The most recent TPP phase out information from ODE has the district receiving $0 going forward, and thus no TPP phase out revenue is included in this forecast.

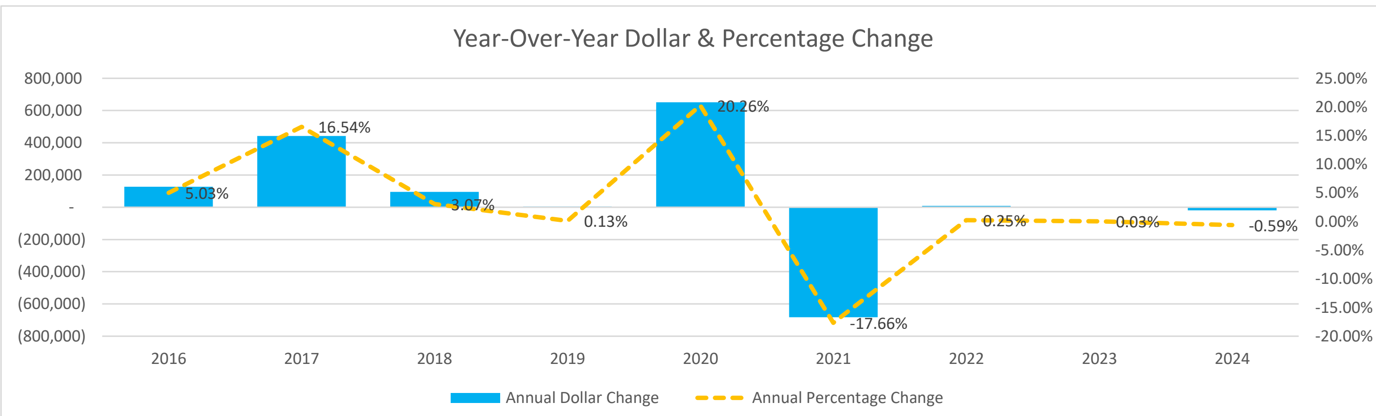
**Projected % trends include renewal levies*

1.060 - All Other Operating Revenues

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



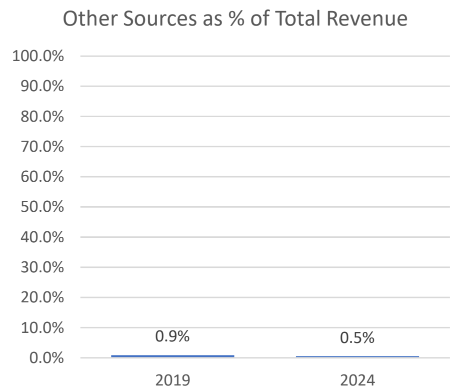


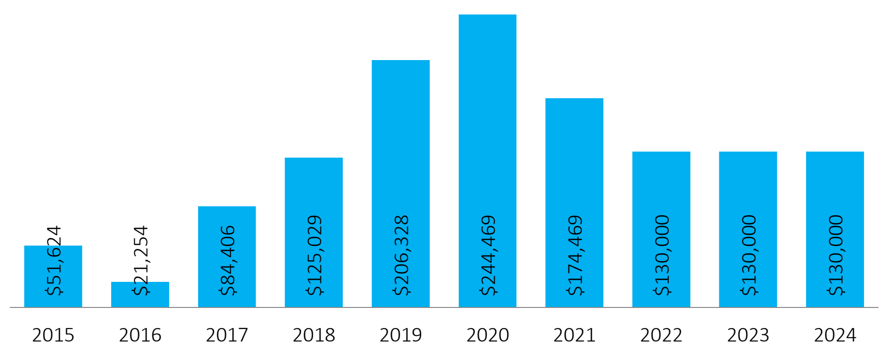


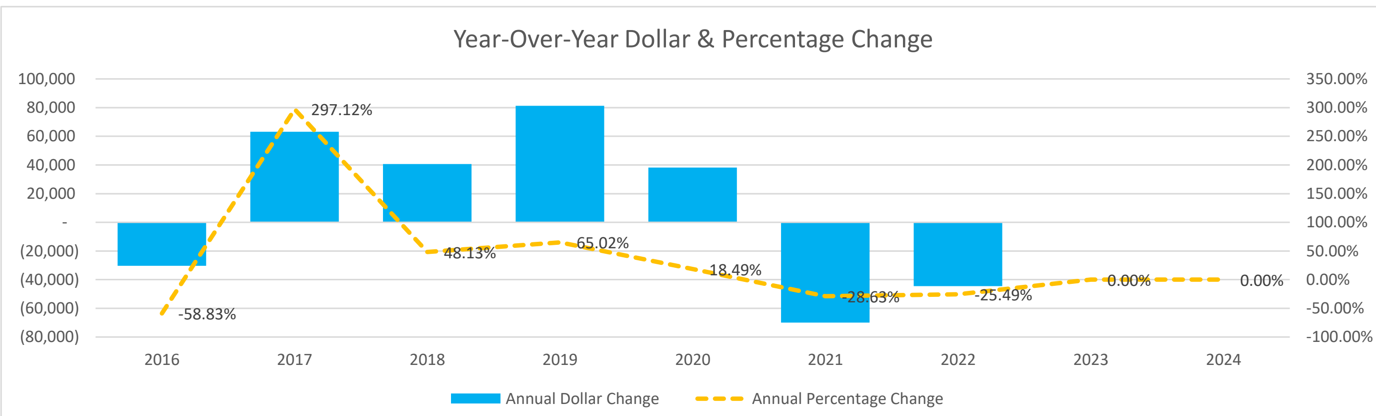
Other revenue includes tuition received by the district for non-resident students educated by the district. It also includes interest income, payments in lieu of taxes, and miscellaneous revenue. All Other Operating Revenues consists largely of Open Enrollment tuition, investment earnings, other taxes, reimbursement of excess costs for student support services, and various other miscellaneous revenues. Open Enrollment In has increased the past several years and started to level off. Revenues associated with open enrolled students will be adjusted as trends change. Open Enrolled tuition also increased in FY2017 due to the increase in per student funding. FY2020 also includes $704,425 from the settlement with Terry's Tire Town.

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.





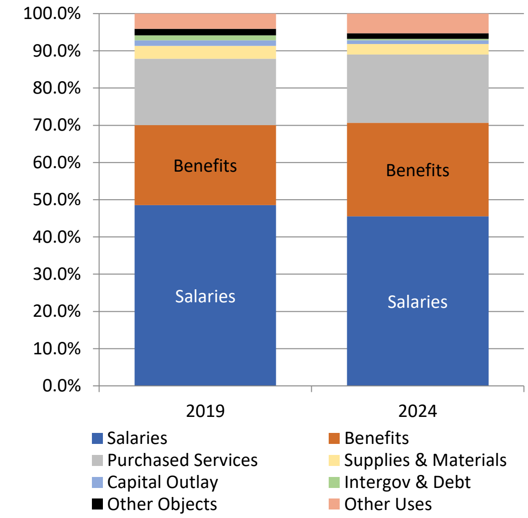


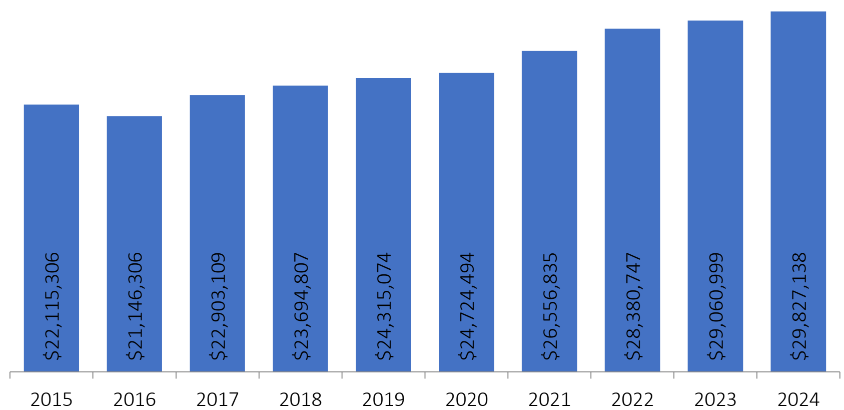
		FORECASTED				
	2019	2020	2021	2022	2023	2024
Transfers In	-	-	-	-	-	-
Advances In	-	-	-	-	-	-
All Other Financing Sources	206,328	244,469	174,469	130,000	130,000	130,000

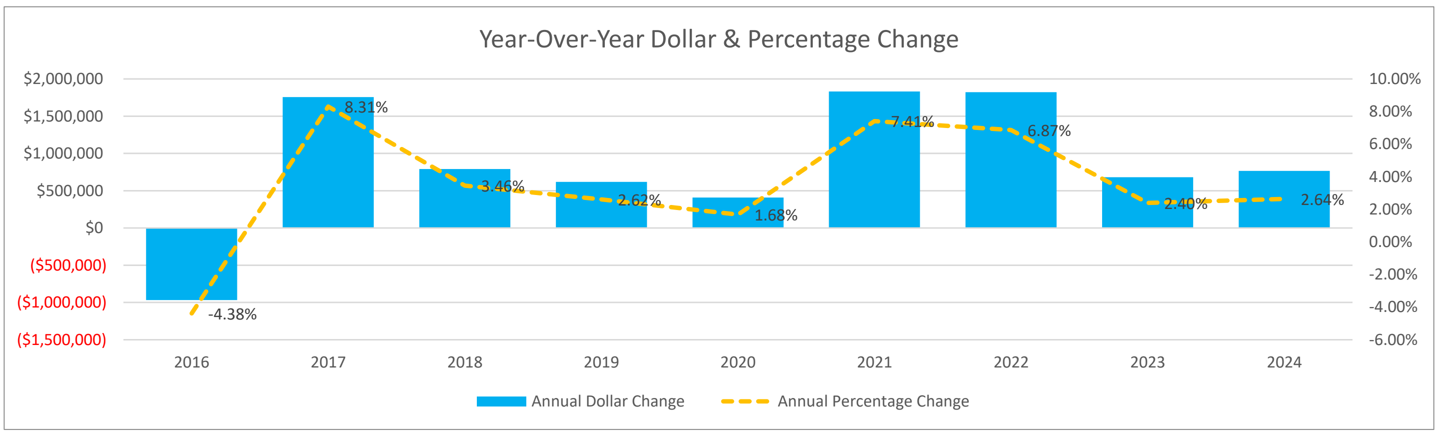
All Other Financing Sources consists primarily of refunds of prior fiscal year expenditures. These amounts are usually nominal, are difficult to predict, and can vary greatly from year-to-year. In FY 2019 the district receipted $0 as advances-in and is projecting advances of $0 in FY 2020. The district is projecting that all other financing sources will be $244,469 in FY 2020 and average $141,117 annually through FY 2024.

Expenditure Categories and Forecast Year-Over-Year Projected Overview

Expenditure Categories Over Time







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
Salaries	$149,031	$357,521	$208,490
Benefits	$180,292	$453,103	$272,810
Purchased Services	$384,719	$225,402	($159,317)
Supplies & Materials	$91,726	$1,780	($89,946)
Capital Outlay	($107,772)	($14,121)	$93,651
Intergov & Debt	$14,169	($42,337)	($56,506)
Other Objects	$10,758	$7,102	($3,656)
Other Uses	$333,333	$113,963	($219,370)
Total Average Annual Change	$1,056,256	$1,102,413	$46,157
	4.79%	4.53%	-0.26%

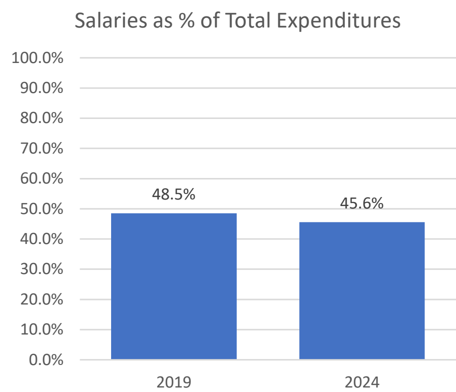
Total expenditures increased 4.79% or $1,056,256 annually during the past five years and is projected to increase 4.53% or $1,102,413 annually through FY2024. Benefits has the largest projected average annual variance compared to the historical average at $272,810.

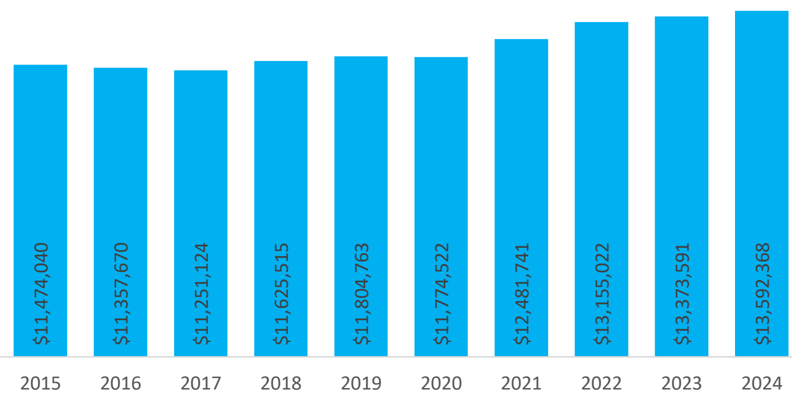
Note: Expenditure average annual change is projected to be > $1,102,413

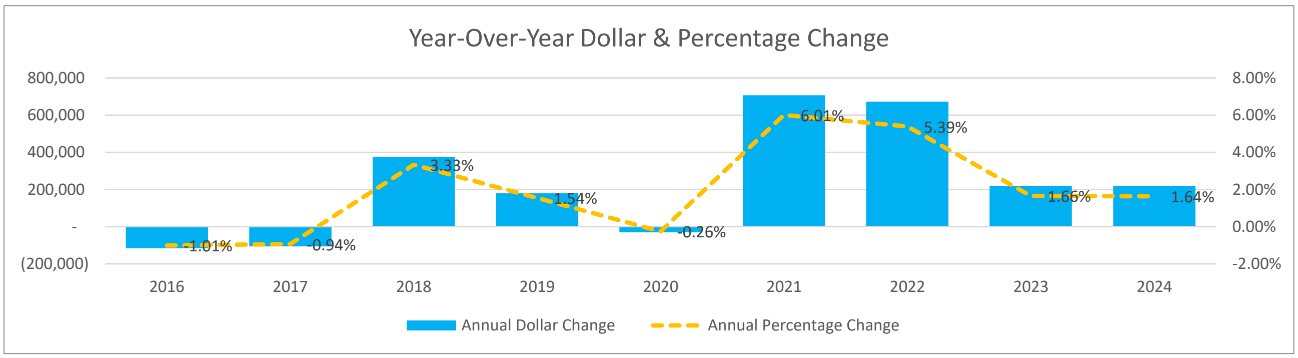
On an annual average basis, revenues are projected to grow slower than expenditures.

3.010 - Personnel Services

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



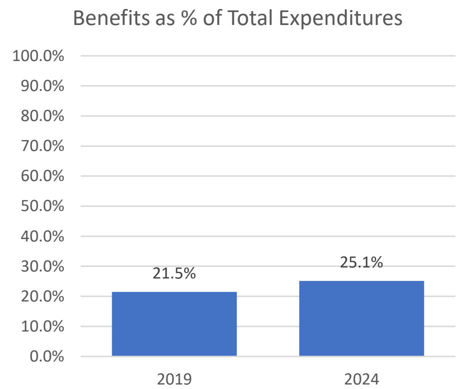


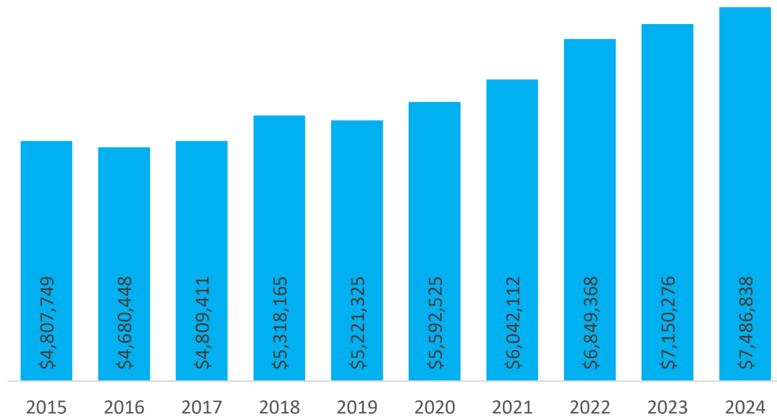


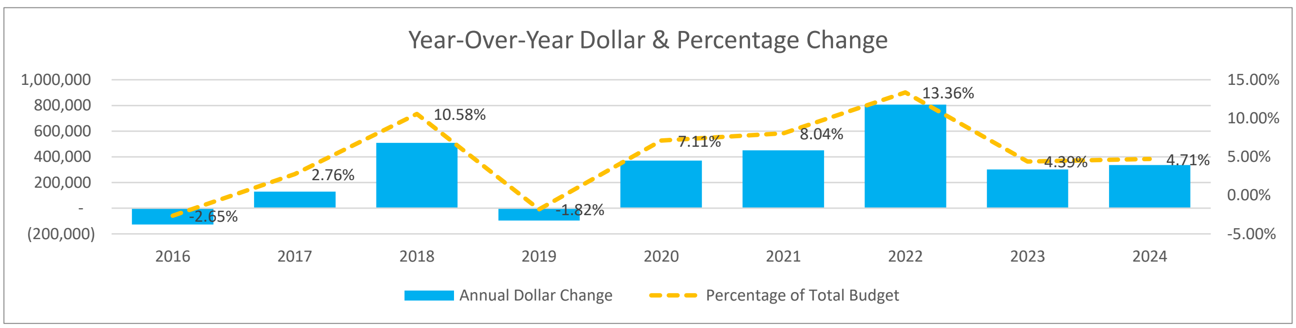
Salaries represent 48.55% of total expenditures and increased at a historical average annual rate of 1.31% or $149,031. This category of expenditure is projected to grow at an average annual rate of 2.89% or $357,521 through FY 2024. The projected average annual rate of change is 1.58% more than the five-year historical annual average. Personnel Services include salaries and paid leave for all district employees. The current three-year certified and classified contracts were ratified and board approved on April 2019 and April 2020 with effective dates of July 1, 2019 - June 30, 2022 and July 1, 2020-June 2023 respectively. The contracts include base increases of 2.5% each year in addition to continuation of one step movement for each year - both of those items are included in FY2020-2022. FY 2023-2024 includes only the continuation of one step movement for both certified and classified staff. FY2020 included reclassification of $186,000 in expenditures to federal funds, decreased expenditures from reduction of staff, a one-time 2% bonus payout for staff and decreased payroll March through June due to COVID-19. FY2021 includes an estimated $230,000 annually that will change as staffing decisions are finalized (not including benefits, only general fund reported) as well as a non-replaced staff retirement. Food service staffing is also being discussed at this point which would come from the food service fund. This fund has been experiencing a need to reduce expenditures this past year in addition to a strain caused by the current economic situation. The wellness funding granted to the district is temporarily offsetting the various salaries, benefits and purchased service line item expenditures. The dollars are restricted to specific initiatives and are not included in this forecast. In years going forward, the line item expenditures are brought back into the forecast in 2022 as there is no guarantee that those funds will continue past FY2021. The current projected amount for wellness funds for FY2020-2021 is $1,178,996, however this is based on a per pupil amount and will likely change. The expenditures that are currently being offset are put back into the forecast in FY2022 in the case that the funding does not continue. With respect to the current economic situation, it is important to keep in mind that these assumptions could also be strongly impacted by decreases in federal funding as those expenses would have to be reallocated back to the general fund.

3.020 - Employees' Benefits

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





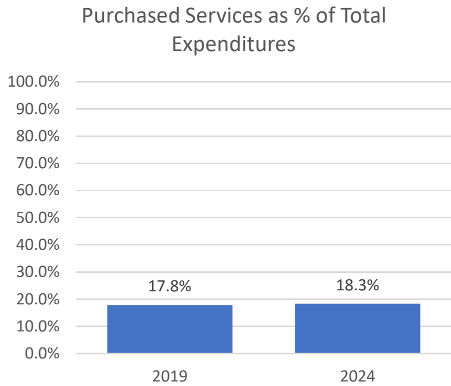


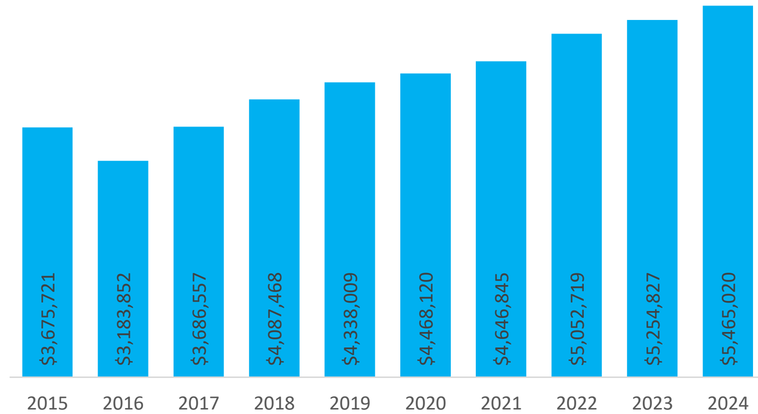
Benefits represent 21.47% of total expenditures and increased at a historical average annual rate of 3.84% This category of expenditure is projected to grow at an annual average rate of 7.52% through FY 2024. The projected average annual rate of change is 3.68% more than the five year historical annual average. An estimated $120,000 (General Fund) in benefits related to the district staffing increasees are also included on this line for FY2021 and forward which will change as staffing decisions are finalized. Employees' Retirement/Insurance Benefits include pension, medical/ prescription/ dental/ life insurances, workers' compensation, unemployment, and tuition reimbursement. Pension benefits are forecasted to increase/decrease based on the projected salaries. The district has historically forecasted 7% premium increases and the premium holiday projections of typically 1 annually. One additional premium holiday has been added for FY2021 due to the probability of occurrence and historical figures. The Board share of Pension Benefits is 14% of employee's compensation for both certified and classified retirement systems. This line also includes current expenditures associated with wellness dollars which would be brought back into the general funds if those funds do not continue after FY2021. Historical data along with projections on benefits is shown below:

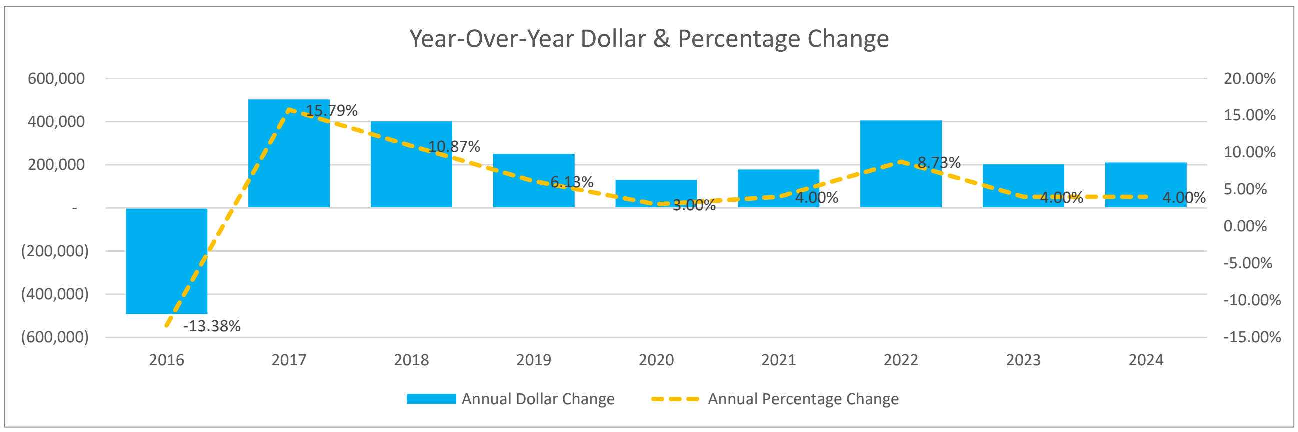
	Employee Share			Premium Increase		Premium Holiday	
	Medical	Dental					
			2016			2	
2015-2017	10.00%	20.00%	2017	2.50%		3	
2018	11.00%	20.00%	2018	5.40%		2	
2019	12.00%	20.00%	2019	6.85%		3	
2020	12.00%	20.00%	2020	3.25%		2	
2021	13.00%	20.00%	2021	7.00%	est	2	est
2022	14.00%	20.00%	2022	7.00%	est	1	est
			2023	7.00%	est	1	est
			2024	7.00%	est	1	est

3.030 - Purchased Services

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



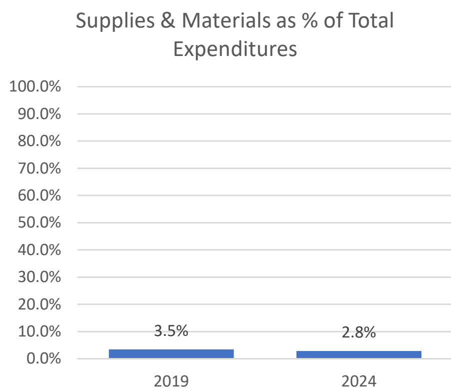


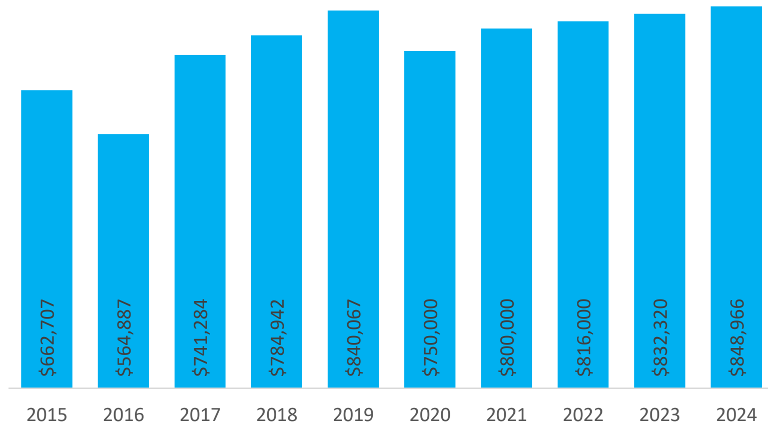


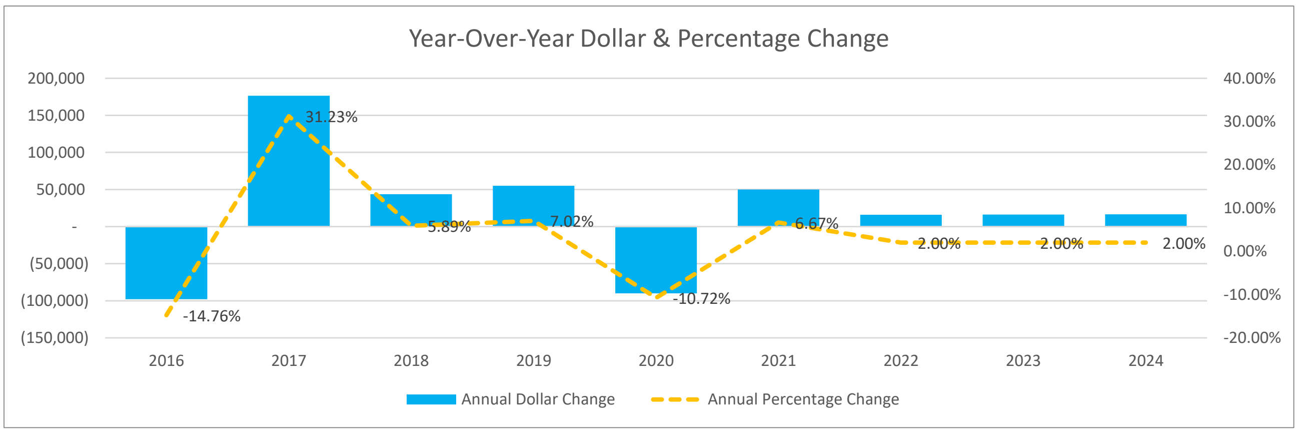
Purchased Services represent 17.84% of total expenditures and increased at a historical average annual rate of 10.93%. This category of expenditure is projected to grow at an annual average rate of 4.75% through FY 2024 based on historical trends. Purchased Services are made up of many items, primarily costs associated with Open Enrollment Out, other tuition payments to school districts and community schools, preschool instructional services, repair services, utilities, legal services and various other services performed by others outside of the school district. Costs associated with other tuition payments to community schools, Stem schools, scholarship programs and other school districts vary based on the quantities of students in given year in these other educational programs. This line also includes current expenditures associated with wellenss dollars which would be brought back into the general funds if those funds do not contiue after FY2021.

3.040 - Supplies & Materials

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



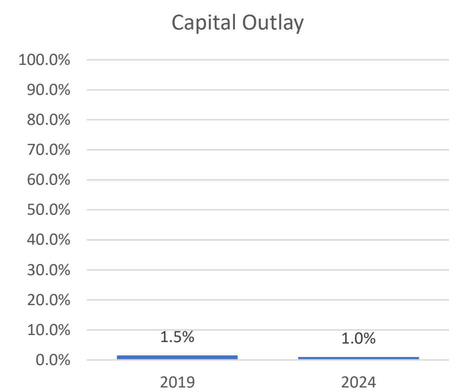


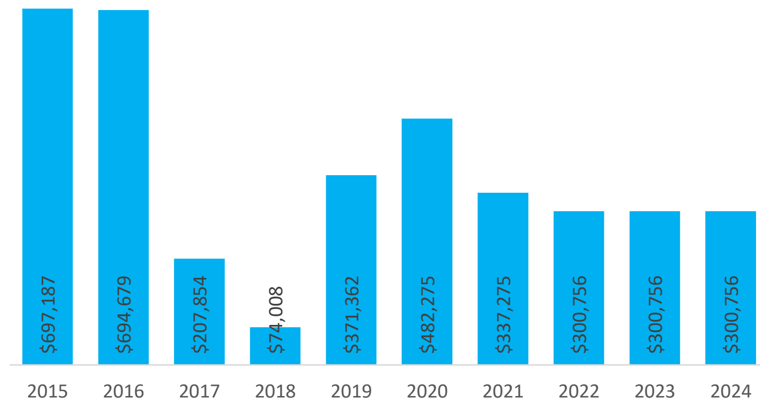


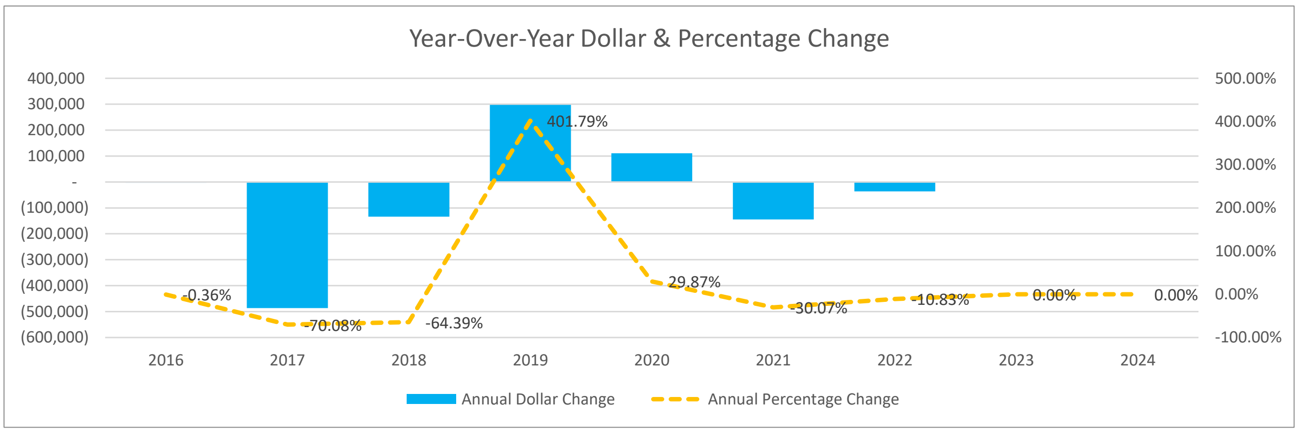
Supplies & Materials represent 3.45% of total expenditures and increased at a historical average annual rate of 14.71%. This category of expenditure is projected to grow at an annual average rate of .39% through FY 2024. Supplies and Materials consists of primarily instructional and general supplies, textbooks, electronic instructional materials, transportation supplies, maintenance supplies and fuel for transportation. This line reflects a decrease in spending for career tech supplies as in past years too much funding has been allocated. In FY2020 when comparing budgeted amounts to ODE actual funding and guidelines, the deviation was around $45,000. Since the programs are based on headcount, this number will vary and is the basis for the reduction from the FY2019 spend. FY2020 is projected to end with slight savings over the previous years due to the COVID-19 epidemic and FY 2021 is returned to normal spending with 2% inflationary increases.

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.



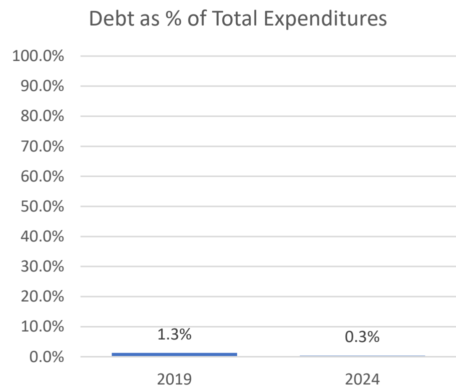


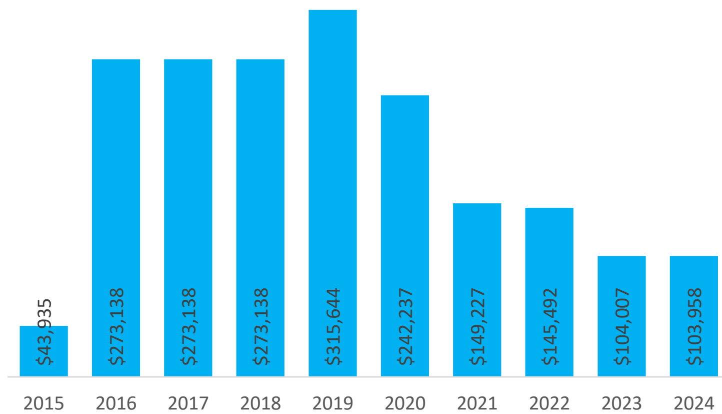


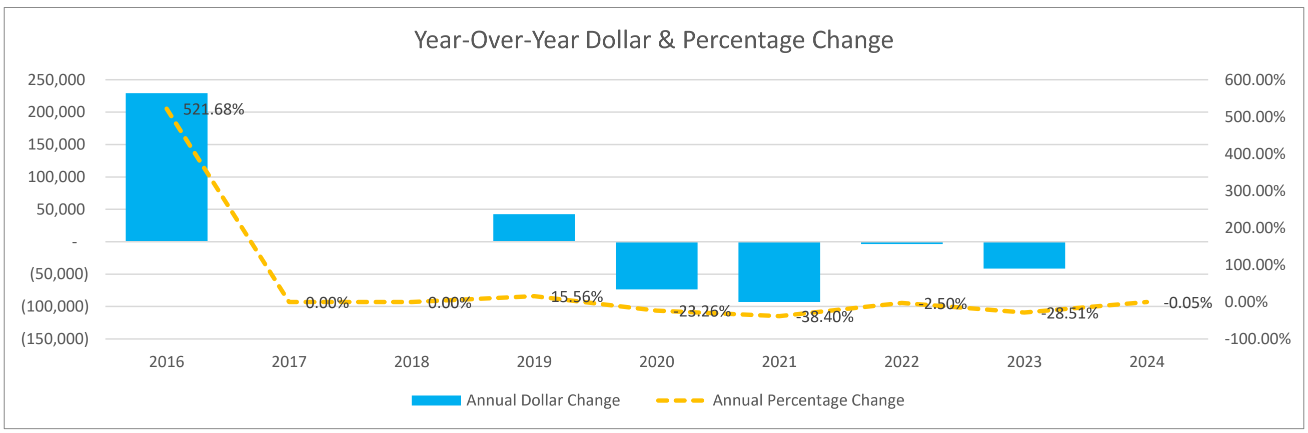
Capital Outlay represent 1.53% of total expenditures. Capital Outlay consists of building/land improvements and new/replacement equipment. Due to the age and condition of our current school facilities, upkeep is required. FY2016 included the cost of renovating two high school science rooms, $516,018, and completion of the repair of the bus garage $70,795, the construction of the landscape building $13,101, and various equipment purchases. FY2017 consists of investments in classroom furniture, career tech equipment, technology equipment and grounds maintenance equipment. FY2018 included the purchase of iPads for 6th grade. FY2019 reflects the purchase of new bleachers for the high school gymnasium and the purchase of property on Moulin Avenue. FY2019 also includes the purchase of iPads for 6th and for 3rd grade as the district continues working towards achieving a one-to-one device ratio with students in grades 3-12. FY2020 includes the payment for the erate wireless upgrade for $92,808 and is also reduced by remaining CARES money funds that were not allocated toward the Apple technology purchase in FY2021 of $347,132. The payment for the FY2020 bus purchase is also housed on this line and will be a reduction of expenditure the following year when the money is reimbursed. The total CARES funding to be received to reduce expenditurees between FY2020 and FY2021 is $394,225.31. FY2022-2024 is forecasted to include the purchase of iPads for 3rd and 6th and other building or technology needs.

3.060-4.060 - Intergovernmental & Debt

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



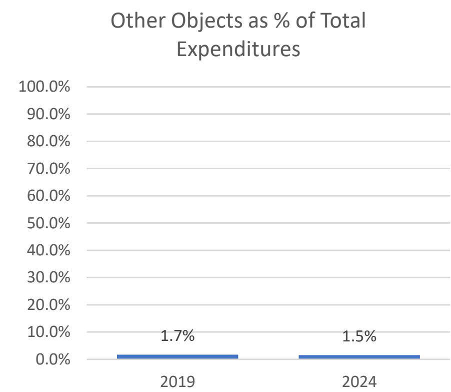


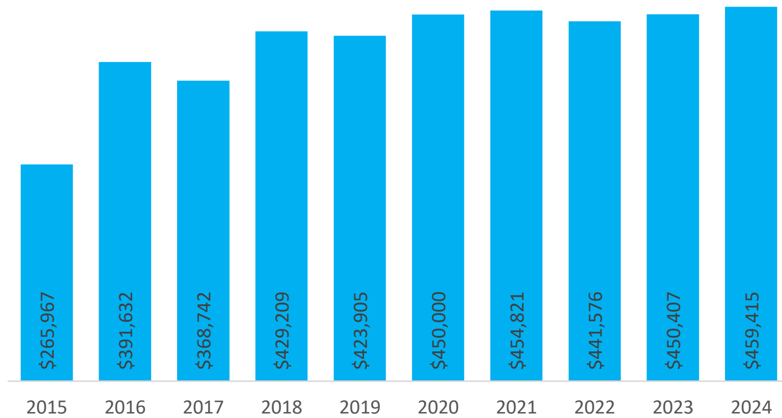


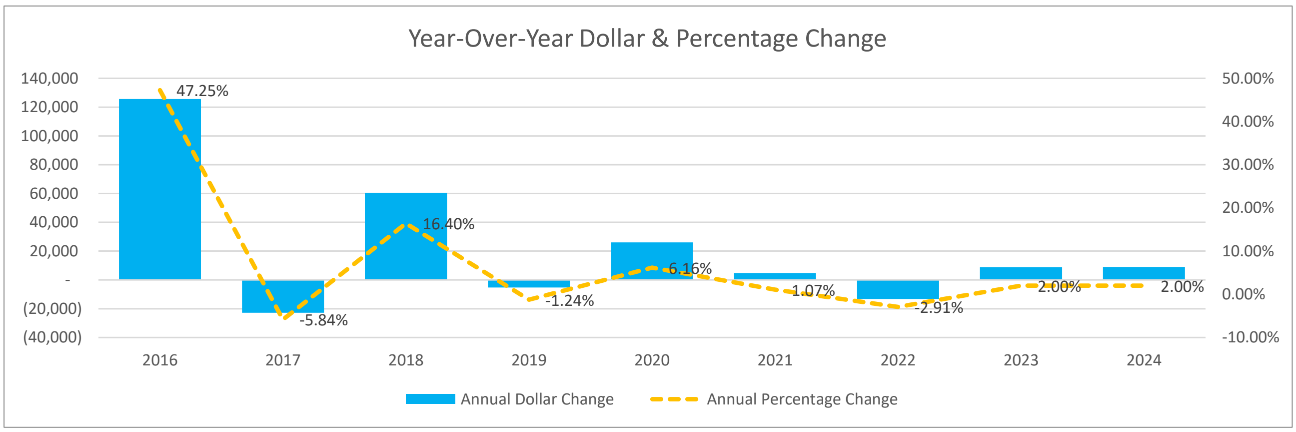
The Intergovernmental/Debt expenditure category details general fund debt issued by the District. Debt service payments began in FY2015 to fund the HB264 energy conservation project. The loan is for a period of 10 years and will mature in December of 2024. FY2019 included a four year lease for MacBook Air laptops for staff. This is a four year lease with ability to trade in used laptops for credit after three years. Interest and fiscal charges for the HB264 loan and leases mentioned above are shown on line 4.060.

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.



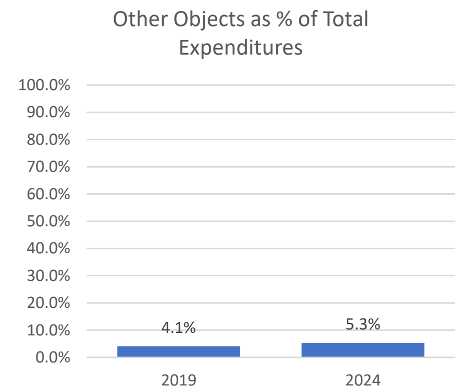


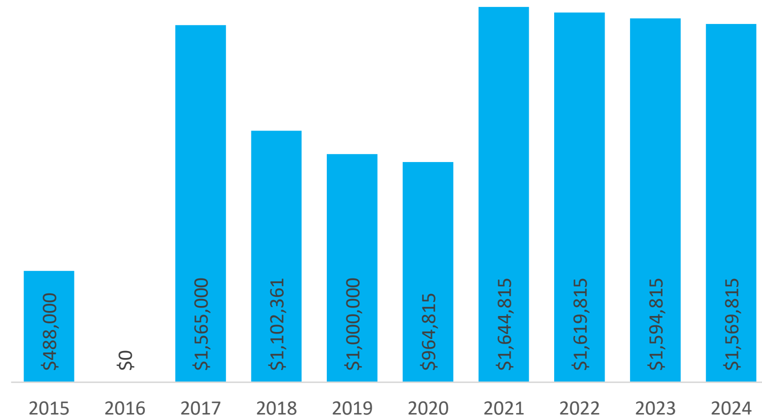


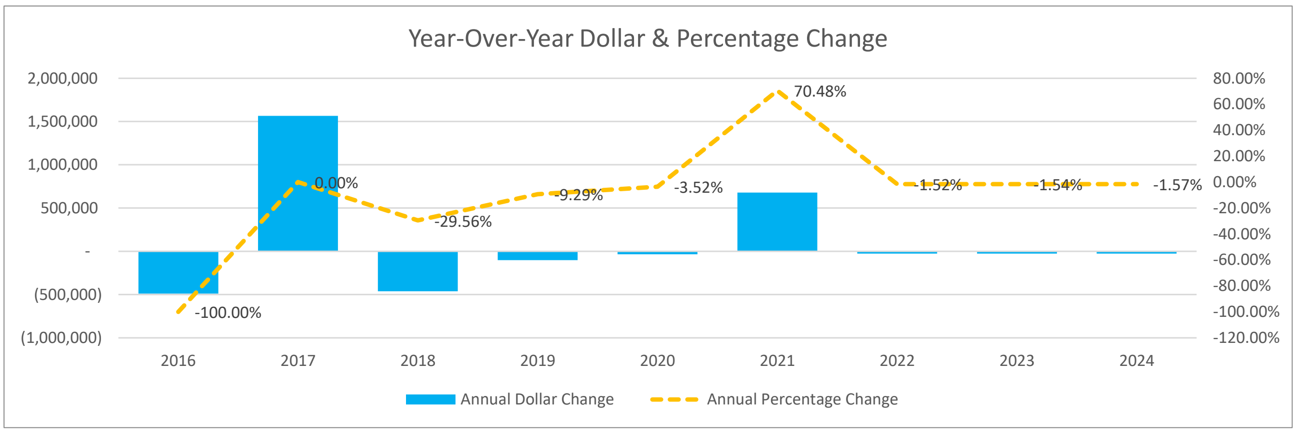
Other Objects represent 1.74% of total expenditures and increased at a historical average annual rate of 3.11%. This category of expenditure is projected to grow at an annual average rate of 1.66% through FY 2024. The projected average annual rate of change is -1.44% less than the five year historical annual average. Other Objects consist of County ESC deductions for various services, County Auditor and Treasurer Collection and other Fees, professional organization memberships, and other miscellaneous expenditures. These costs are anticipated to increase slightly throughout the forecast period.

5.040 - Total Other Financing Uses

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







		FORECASTED				
	2019	2020	2021	2022	2023	2024
Transfers Out	1,000,000	964,815	1,644,815	1,619,815	1,594,815	1,569,815
Advances Out	-	-	-	-	-	-
Other Financing Uses	-	-	-	-	-	-

Other uses include 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 2019 the district had no advances-out and has no advances-out forecasted through FY 2024. The district can also move general funds permanently to other funds and as the schedule above presents, the district has transfers forecasted through FY 2024. The table above presents the district's planned advances and transfers. FY2017 includes $1,500,000 transferred to the Permanent Improvement Fund to provide funds to renovate the middles School Science Rooms and common areas as well as to build a new building in the High School stadium for storage, restrooms and concession stand capabilities on the visitor side of the stadium. FY2017 also includes $50,000 to the Termination of Benefits Fund for retirement severances. Fy2018 includes a transfer of $1,100,000 to the Permanent Improvement Fund to provide funds to replace the Middle School roof and to build a new home side restroom facility for the stadium. FY2019 includes a $1,000,000 transfer to the Permanent Improvement Fund to provide funds for High school air conditioning and window replacement. FY2020-2024 reflects NEXUS pipeline revenues that are receipted into line 1.010 and transferred into the Board established 070 fund for capital improvements. This fund line also includes the transfer of an estimated $150,000 to cover a projected deficit in the food service fund 006.

Marlington Local School District

Five Year Forecast

	Actual	FORECASTED				
Fiscal Year:	2019	2020	2021	2022	2023	2024
Revenue:						
1.010 - General Property Tax (Real Estate)	8,878,455	8,269,007	7,993,473	8,109,645	8,288,700	7,971,807
1.020 - Public Utility Personal Property	-	1,505,900	2,335,600	2,300,000	2,265,000	1,907,007
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	9,260,219	8,751,113	8,243,353	9,176,364	9,186,662	9,183,523
1.040 - Restricted Grants-in-Aid	327,402	356,483	327,401	327,401	327,401	327,401
1.050 - Property Tax Allocation	1,038,774	1,030,889	999,221	1,011,436	1,023,700	1,002,856
1.060 - All Other Operating Revenues	3,211,400	3,862,066	3,179,887	3,187,924	3,189,001	3,170,089
1.070 - Total Revenue	22,716,250	23,775,458	23,078,935	24,112,770	24,280,464	23,562,683
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-
2.050 - Advances-In	-	-	-	-	-	-
2.060 - All Other Financing Sources	206,328	244,469	174,469	130,000	130,000	130,000
2.070 - Total Other Financing Sources	206,328	244,469	174,469	130,000	130,000	130,000
2.080 - Total Rev & Other Sources	22,922,578	24,019,927	23,253,404	24,242,770	24,410,464	23,692,683
Expenditures:						
3.010 - Personnel Services	11,804,763	11,774,522	12,481,741	13,155,022	13,373,591	13,592,368
3.020 - Employee Benefits	5,221,325	5,592,525	6,042,112	6,849,368	7,150,276	7,486,838
3.030 - Purchased Services	4,338,009	4,468,120	4,646,845	5,052,719	5,254,827	5,465,020
3.040 - Supplies and Materials	840,067	750,000	800,000	816,000	832,320	848,966
3.050 - Capital Outlay	371,362	482,275	337,275	300,756	300,756	300,756
Intergovernmental & Debt Service	315,644	242,237	149,227	145,492	104,007	103,958
4.300 - Other Objects	423,905	450,000	454,821	441,576	450,407	459,415
4.500 - Total Expenditures	23,315,074	23,759,679	24,912,020	26,760,932	27,466,184	28,257,323
Other Financing Uses						
5.010 - Operating Transfers-Out	1,000,000	964,815	1,644,815	1,619,815	1,594,815	1,569,815
5.020 - Advances-Out	-	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	1,000,000	964,815	1,644,815	1,619,815	1,594,815	1,569,815
5.050 - Total Exp and Other Financing Uses	24,315,074	24,724,494	26,556,835	28,380,747	29,060,999	29,827,138
6.010 - Excess of Rev Over/(Under) Exp	(1,392,496)	(704,567)	(3,303,431)	(4,137,978)	(4,650,536)	(6,134,455)
7.010 - Cash Balance July 1 (No Levies)	8,503,026	7,110,530	6,405,963	3,102,531	(1,035,446)	(5,685,982)
7.020 - Cash Balance June 30 (No Levies)	7,110,530	6,405,963	3,102,531	(1,035,446)	(5,685,982)	(11,820,437)
		Reservations				
8.010 - Estimated Encumbrances June 30	-	-	-	-	-	-
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	7,110,530	6,405,963	3,102,531	(1,035,446)	(5,685,982)	(11,820,437)
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Renewal Levies		-	-	-	-	769,946
11.030 - Cumulative Balance of Levies	-	-	-	-	-	769,946
12.010 - Fund Bal June 30 for Cert of Obligations	7,110,530	6,405,963	3,102,531	(1,035,446)	(5,685,982)	(11,050,491)
Revenue from New Levies						
13.010 & 13.020 - New Levies		-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	7,110,530	6,405,963	3,102,531	(1,035,446)	(5,685,982)	(11,050,491)

Supplemental Page #1

Supplemental Page #2