

Marlington Local School District

Stark County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2017, 2018 and 2019 Actual;

	Actual				Average Change	Forecasted				
	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019			Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Revenues										
1.010 General Property Tax (Real Estate)	\$8,644,097	\$8,655,105	\$8,878,455	1.4%	\$9,034,445	\$9,079,617	\$9,079,617	\$9,079,617	\$7,817,477	
1.020 Tangible Personal Property Tax					1,784,302	3,461,545	3,357,700	3,256,968	3,159,260	
1.035 Unrestricted State Grants-in-Aid	9,337,067	9,300,574	9,260,219	-0.4%	9,275,288	9,275,288	9,275,288	9,275,288	9,275,288	
1.040 Restricted State Grants-in-Aid	285,641	355,792	327,402	8.3%	319,000	319,000	319,000	319,000	319,000	
1.045 Restricted Federal Grants-in-Aid - SFSF/EdJobs										
1.050 Property Tax Allocation	1,241,890	1,077,537	1,038,774	-8.4%	1,037,061	1,037,061	1,037,061	1,037,061	1,037,061	
1.060 All Other Revenues	3,111,841	3,207,349	3,211,400	1.6%	3,854,220	3,100,000	3,100,000	3,100,000	3,100,000	
1.070 Total Revenues	22,620,536	22,596,357	22,716,250	0.2%	25,304,316	26,272,511	26,168,666	26,067,934	24,708,086	
Other Financing Sources										
2.040 Transfers-In										
2.050 Advances-In	15,000									
2.060 All Other Financing Sources	69,406	125,029	206,328	72.6%	175,000	150,000	130,000	130,000	130,000	
2.070 Total Other Financing Sources	84,406	125,029	206,328	56.6%	175,000	150,000	130,000	130,000	130,000	
2.080 Total Revenues and Other Financing Sources	22,704,942	22,721,386	22,922,578	0.5%	25,479,316	26,422,511	26,298,666	26,197,934	24,838,086	
Expenditures										
3.010 Personal Services	11,251,124	11,625,515	11,804,763	2.4%	12,096,870	12,227,330	12,854,267	12,956,677	13,088,330	
3.020 Employees' Retirement/Insurance Benefits	4,809,411	5,318,165	5,221,325	4.4%	5,594,159	6,209,533	6,640,530	7,002,293	7,286,313	
3.030 Purchased Services	3,686,557	4,087,468	4,338,009	8.5%	4,256,915	3,937,915	4,158,556	4,214,730	4,257,778	
3.040 Supplies and Materials	741,283	784,942	840,067	6.5%	839,264	807,133	814,337	821,614	828,963	
3.050 Capital Outlay	207,854	74,008	371,362	168.7%	199,370	454,870	304,870	304,870	285,000	
Debt Service:										
4.050 Principal-HB 264 Loans	72,574	74,276	77,775	3.5%	77,774	79,625	81,493	83,405	85,356	
4.055 Principal-Other	179,552	181,438	225,848	12.8%	134,878	40,735	41,611			
4.060 Interest and Fiscal Charges	21,012	17,425	12,021	-24.0%	15,573	12,895	7,273	4,466	2,515	
4.300 Other Objects	368,742	429,209	423,905	7.6%	450,000	444,500	430,000	430,500	430,500	
4.500 Total Expenditures	21,338,109	22,592,446	23,315,075	4.5%	23,664,803	24,214,536	25,332,937	25,818,555	26,264,755	
Other Financing Uses										
5.010 Transfers-Out	1,550,000	1,102,361	1,000,000	-19.1%	1,784,302	3,461,545	3,357,700	3,256,968	3,159,260	
5.020 Advances-Out	15,000									
5.030 All Other Financing Uses										
5.040 Total Other Financing Uses	1,565,000	1,102,361	1,000,000	-19.4%	1,784,302	3,461,545	3,357,700	3,256,968	3,159,260	
5.050 Total Expenditures and Other Financing Uses	22,903,109	23,694,807	24,315,075	3.0%	25,449,105	27,676,081	28,690,637	29,075,523	29,424,015	
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	198,167-	973,421-	1,392,497-	217.1%	30,211	1,253,570-	2,391,971-	2,877,589-	4,585,929-	
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	9,674,614	9,476,447	8,503,026	-6.2%	7,110,529	7,140,740	5,887,170	3,495,200	617,611	
7.020 Cash Balance June 30	9,476,447	8,503,026	7,110,529	-13.3%	7,140,740	5,887,170	3,495,200	617,611	3,968,318-	
8.010 Estimated Encumbrances June 30	481,012	493,870	375,477	-10.6%	300,000					
10.010 Appropriations	8,995,435	8,009,156	6,735,052	-13.4%	6,840,740	5,887,170	3,495,200	617,611	3,968,318-	
Revenue from Replacement/Renewal Levies										
11.020 Property Tax - Renewal or Replacement									1,262,140	
11.300 Cumulative Balance of Replacement/Renewal Levies									1,262,140	
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	8,995,435	8,009,156	6,735,052	-13.4%	6,840,740	5,887,170	3,495,200	617,611	2,706,178-	
15.010 Unreserved Fund Balance June 30	8,995,435	8,009,156	6,735,052	-13.4%	6,840,740	5,887,170	3,495,200	617,611	2,706,178-	
ADM Forecasts										
20.010 Kindergarten - October Count	160	129	130	-9.3%	146	146	146	146	146	
20.015 Grades 1-12 - October Count	2,184	2,066	1,972	-5.0%	1,927	1,927	1,927	1,927	1,927	

See accompanying summary of significant forecast assumptions and accounting policies.
Includes: General fund, SFSF fund, EdJobs fund, Emergency Levy fund, DPIA fund, Textbook fund and any portion of Debt Service fund related to General fur

Notes to the Five Year Forecast

November 2019

While the Marlinton Local School District is focused on providing excellent educational programming for students, the District is also committed to fiscal responsibility and transparency. The five year forecast is required by State law to be updated and filed with the Ohio Department of Education twice each fiscal year. It is a valuable tool for assessing the District's financial outlook, which aids the Board of Education and administration in making decisions with regards to all district operations while focusing on continued financial sustainability. The Marlinton Local Board of Education has a long history of a strong commitment to providing the best opportunities to the students of Marlinton while being fiscally responsible with public funds and support from the community.

REVENUES

1.010 General Property (Real Estate) Tax

General Property Tax revenues have historically increased slightly from year to year. In addition to a new property valuation by the County each six years and updates every third year in between which generally increase values, real estate taxes have generally increased due to new construction and additions. The County Auditor's office performed the sexennial reappraisal in calendar year 2018. The estimated valuations provided by the auditor's office from the reappraisal show values have risen by ~13%. FY2019 and FY2020 show increases in tax receipts to reflect the Auditor's estimated increase in values. 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.

1.020 Tangible Personal Property Tax

NEXUS Pipeline revenue is receipted here in the amount of \$1,784,302 for FY2020, \$3,461,545 for FY2021, \$3,357,700 for FY2022, \$3,236,968 for FY2023, and \$3,159,260 for FY2024. This represents a three percent (3%) decrease in annual revenue.

1.035 Unrestricted Grants-in-Aid

Unrestricted Grants-in-Aid consists of the revenue received through state foundation monies. These amounts consist of the various parts of the state school funding formula. The new biennium budget for FY2020-2021 suspended the previous formula at 2019 levels. State Foundation receipts have been forecasted flat in all years of the forecast (FY2020-2024). It is difficult to predict how changes in the biennial budget or state funding formula will affect the district. The District benefits from being on the Transitional Aid Guarantee, which has funded the district at essentially FY2017 levels in both FY2018 and FY2019. If the Transitional Aid Guarantee would be eliminated or changed the District could potentially see a significant decrease in State funding. The district in general continues to experience flat to declining enrollment with FY2018 being the most significant recent reduction of ~ 149 students; 2,344 total enrollment in FY2017 to 2,195 total enrollment in FY2018; FY2019 saw a decline of 93 students from 2,195 in FY2019 to 2,102 in FY2020. Enrollment is kept stable in the remaining years of the forecast through 2024.

1.040 Restricted Grants-in-Aid

Restricted Grants-in-Aid consists of the District's Career Tech Allocation and Economically Disadvantaged Funding. The career tech allocation has changed under the new funding formula. It is once again funded per student FTE based on class offering tiers. An increase in career tech funding was realized in Fiscal Year 2016 due to the addition of middle school programming being funded. In the past, only high school courses were eligible for these weighted funds. Under the funding formula, the other designation has been given to restrict a portion of the funding for economically disadvantaged students. This funding can only be used for certain expenditures as defined within the law. This funding source fluctuates with the quantity of students that qualify under these programs.

1.050 Property Tax Allocation

Property Tax Allocation revenues consist of Homestead & Rollback and the Homestead Exemption. The Homestead & Rollback and Homestead Exemption amounts are forecasted to remain relatively flat even as real estate property tax collections are predicted to increase slightly in all years. 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.

1.060 All Other Operating 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 another small increase is anticipated in FY2020. It is anticipated that open enrolled students into the school district will only slightly increase during Fiscal Years 2021 through 2024, so the revenue has been adjusted accordingly. Open Enrolled tuition also increased in FY2017 due to the increase in per student funding. FY2020 includes \$704,425 from the settlement with Terry's Tire Town.

2.060 All Other Financing Sources

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.

EXPENDITURES

3.010 Personal Services

Personal Services include salaries and paid leave for all District employees. The current three-year certified contract was ratified and Board approved in April 2019 with effective dates of July 1, 2019 through June 30, 2022. This contract includes 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. FY2023-2024 includes only the continuation of one

step movement. FY2020 includes a two percent (2%) one time lump sum payment for all staff pending board approval. The classified contract was ratified in May 2017 with effective dates of July 1, 2017 through June 30, 2020. The forecasted amounts for Personal Services for Fiscal Year 2019 through 2023 are based on the salary terms in each of these contracts, as applicable. Projections for step increases are based on averages of current and estimated mix of employees and their related years of service. FY2020 includes reductions of ~\$400,000 for staff as well as the reclassification of expenses to Fund 467-Student Success and Wellness fund. The FY2020-FY2021 biennium budget included a total of \$1,212,229 granted to the district in lieu of increases in Foundation funding. The dollars are restricted to specific initiatives and are not included in this Forecast.

3.020 Employees' Retirement/Insurance Benefits

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 Board share of Pension Benefits is 14% of employee's compensation for both certified and classified retirement systems. The District participates in the Stark County COG for insurance benefits. For FY2015-2017, district employees paid 10% of medical insurance premiums and 20% of dental insurance premiums. Employees paid 11% in FY2018 and 12% in FY2019 for medical insurance premiums. Employee share of dental insurance premiums remain unchanged in both FY2018 and FY2019. Under the new certified contract employees will pay 12% of the premium for medical insurance in FY2020, 13% in FY2021 and 14% in FY2022. FY2017 included insurance premium increases of 2.5%, FY2018 included a premium increase of 5.4% and FY2019 included an increase of 6.85%. FY2020 includes a 3.25% premium increase. FY2021-2024 reflects an estimated premium increase of 7.00% each year. The District was eligible for and took advantage of 2 premium holiday months in FY2016, 3 premium holiday months in FY2017, 2 premium holiday months in FY2018, 3 premium holiday months in FY2019 and 2 premium holiday months in FY2020. For FY2021-2023 one premium holiday month is forecasted each year.

3.030 Purchased Services

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 and various other services performed by others outside of the school district. Open Enrollment Out is the largest Purchased Service expense. Fortunately the Open Enrollment IN revenue has increased and significantly exceeds the Open Enrollment OUT expenditure. In general, the district has approximately twice as many students Open Enroll IN as those that Open Enroll OUT. 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. In FY2017 an additional Pre School class was added increasing the Purchased Service costs in this area. In consideration of normal inflationary increases, many of the purchased services are projected with increases each year. Repair Services are based on the needs of the aged school facilities of the district and can fluctuate in amount based on current demands. Utilities consist of garbage removal, phone, electricity, water, and natural gas. Natural gas costs have decreased beginning in fiscal year 2017 based on both the HB264 project and on a new contract with

reduced rates that was entered into through the Stark County Council of Governments which commenced on July 1, 2015.

3.040 Supplies and Materials

Supplies and Materials consists of primarily instructional and general supplies, textbooks, electronic instructional materials, transportation supplies, maintenance supplies and fuel for transportation. FY2019 included a repeated investment in Electronic Instructional Materials as the District continues to implement and expand its one to one learning. This investment in Electronic Instructional Material began in FY2017. In consideration of normal inflationary increases, many of the supplies are projected with slight increases each year.

3.050 Capital Outlay

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. FY2020-2024 is forecasted to include the purchase of iPads for 3rd and 6th grades as well as grades 9-12. The permanent improvement levy fund, which is not included in this forecast, is the fund which accounts for a significant portion of the District's annual capital outlay expenditures.

4.050/ Principal – HB264 Loans and Lease of Tech Equipment

4.060 Interest and Fiscal Charges

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. In FY2016, the District invested in MacBook Air laptops for High School Students to provide one to one learning at the High School level. This is a four year lease with ability to trade in used laptops for credit after three years. The High School Students laptop lease expired in FY2019 and the district has yet to determine if the same product will be leased again for another 4 years. It is anticipated this decision will be made in FY2020 and an adjustment to the forecast will be made for FY2021. 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

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 Other Financing Uses

Other financing uses included transfers out. FY2017 includes \$1,500,000 transferred to the Permanent Improvement Fund to provide funds to renovate the Middle 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 at 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 tax revenues that are receipted into line 1.010 and transferred to the Board established 070 Fund for Capital Improvements.