



SWANTON LOCAL SCHOOL DISTRICT

Five Year Forecast Financial Report

May, 2020

Joyce Kinsman, CFO/Treasurer

5/20/2020

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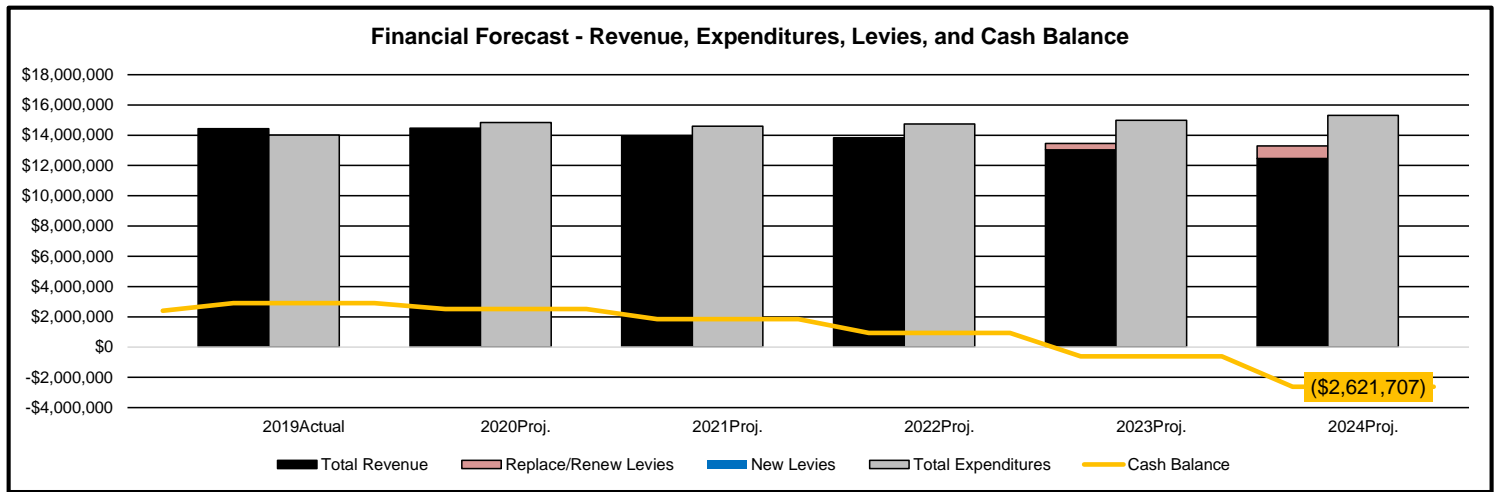
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Forecast Purpose/Objectives

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

- : To engage the local board of education and the community in the long range planning and discussions of financial issues facing the school district.
- : 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."
- : 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.



SWANTON LOCAL SCHOOL DISTRICT

Financial Forecast

Financial Forecast	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Beginning Balance	2,964,860	2,592,989	1,922,835	1,006,388	(528,347)
+ Revenue	14,470,764	13,933,176	13,826,665	13,040,024	12,459,435
+ Proposed Renew/Replacement Levies	-	-	-	418,636	837,245
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(14,842,635)	(14,603,330)	(14,743,112)	(14,993,395)	(15,315,041)
= Revenue Surplus or Deficit	(371,871)	(670,154)	(916,447)	(1,534,734)	(2,018,360)
Ending Balance with renewal levies Note: Not Reduced for Encumbrances	2,592,989	1,922,835	1,006,388	(528,347)	(2,546,707)

Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	(371,871)	(670,154)	(916,447)	(1,953,371)	(2,855,606)
Ending Balance w/o Levies	2,592,989	1,922,835	1,006,388	(946,983)	(3,802,588)

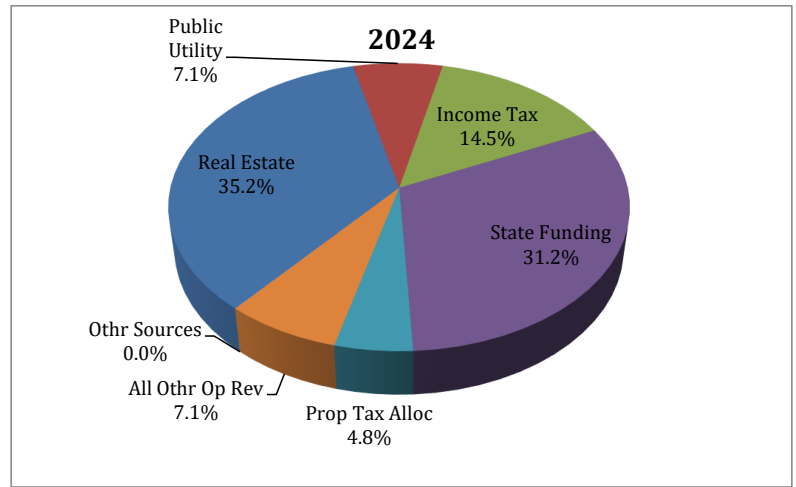
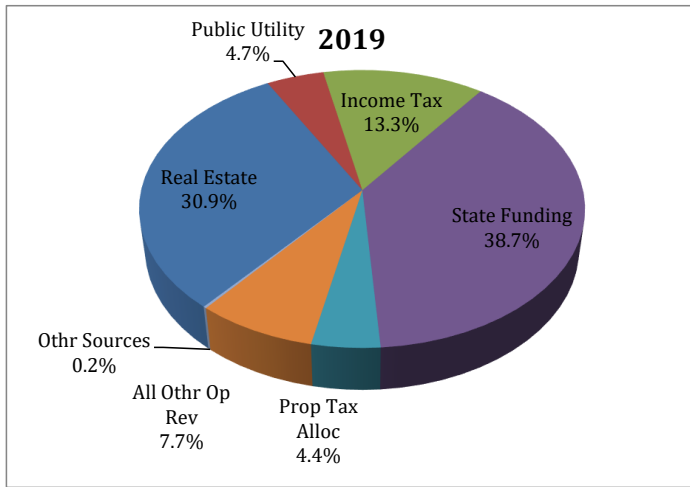
The Swanton Local School District uses the Five Year Forecast as a tool to manage operating cash flow for the District in the current and future fiscal years. The District has experienced several years of positive operating cash flow while at the same time reducing the cash on hand to fund the building renovations at the Swanton Elementary School and Swanton Middle School, the demolition of the Cherry Street Building, the renovations at Fisher Gym to make it a stand-alone facility and upgrade the entrance vestibules at each of the three remaining educational facilities.

The Five Year Forecast shows the future operations of the districts relies on the renewal of the \$825,000 Emergency Levy renewal in 2022. The District appreciates the community support in renewing the 0.75% School District Income Tax Levy in the May of 2019.

The Swanton Local Board of Education empowers the Superintendent and the CFO/Treasurer to run the District in fiscally responsible manner while providing the students of the District the best educational program possible for student success.

May 2020 Update - The Forecast includes reduction in State Funding for FY20 and FY21 due to the economy shut down in March & April 2020. The Forecast also includes an assumption that School District Income Tax will drop by 5% during FY21. Based on current information, public schools will be re-opening in the fall of 2020 after the state mandated school closure in March 2020. The Forecast includes expenses for returning to full time school. The District took pro-active action to reduce the teaching staff by 2 positions for the 20/21 school year through attrition and by 1 classified staff.

Revenue Sources and Forecast Year-Over-Year Projected Overview



**Projected % trends include renewal levies*

	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	
Revenue:							
1.010-Real Estate	1.91%	1.57%	-0.49%	1.94%	0.40%	0.47%	0.78%
1.020-Public Utility	11.72%	35.35%	41.82%	-1.66%	-1.51%	-1.58%	14.48%
1.030-Income Tax	3.29%	5.88%	-5.34%	1.03%	1.03%	1.03%	0.73%
1.035-State Funding	5.55%	-3.64%	-10.89%	-3.96%	-8.28%	-4.39%	-6.23%
1.040-Restricted Aid	336.27%	-22.80%	29.54%	0.00%	0.00%	0.00%	1.35%
1.045-Restr Federal SFSF	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.050-Property Tax Alloc	-6.51%	-1.46%	-0.50%	-0.59%	-0.32%	0.17%	-0.54%
1.060-All Other Operating	7.57%	-13.09%	-4.05%	0.00%	0.00%	0.00%	-3.43%
1.070-Total Revenue	3.40%	-0.06%	-3.26%	-0.76%	-2.66%	-1.20%	-1.59%
2.070-Total Other Sources	644.29%	138.48%	-96.46%	0.00%	0.00%	0.00%	8.40%
2.080-Total w/Other Srcs	3.34%	0.23%	-3.71%	-0.76%	-2.66%	-1.20%	-1.62%

Real estate receipts are projected to increase 0.63% a year on average. There is some growth through new construction within the district but tax rates are adjusted up or down as the valuation changes through re-appraisals and re-evaluations by the county auditors in Fulton and Lucas Counties. Overall Revenue is expected to grow 0.32% on average year over year. This is way below the rate of increases for expenses to grow for the District.

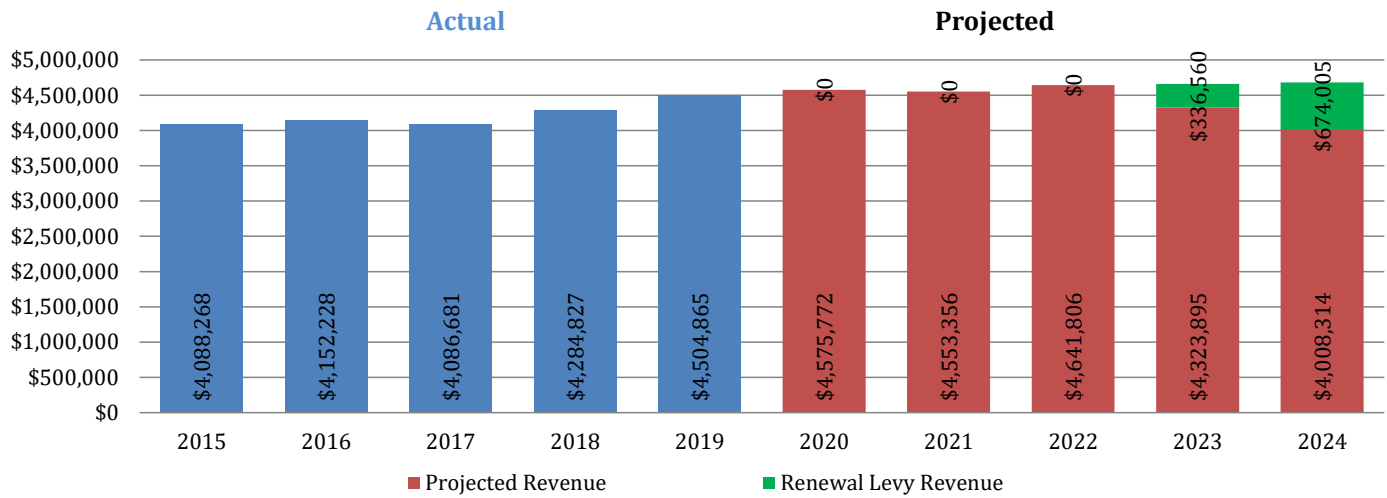
The renewal of the 0.75% School District Income Tax Levy in May 2019 was very important to maintain stable funding for the District. The School District Income Tax revenues represent 13% of the total revenue for the District. In calendar year 2022, the \$825,000 Emergency Levy will need to be renewed to help maintain funding stability.

The district collects about 40% of the total revenues from State Funding through the Ohio Department of Education. The remaining 60% is generated from local sources.

For fiscal year 2021, there is over a 3% reduction in total revenues by assuming a 5% reduction in school district income tax collections and a 10% reduction in state funding.

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).



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total With Renewal Levies	4,504,865	4,575,772	4,553,356	4,641,806	4,660,455	4,682,319
YOY \$ Change	220,038	70,907	(22,416)	88,450	18,649	21,864
YOY % Change	5.1%	1.6%	-0.5%	1.9%	0.4%	0.5%

Percentage of Total Revenue	2019	2020	2021	2022	2023	2024
	31.2%	31.6%	32.7%	33.6%	34.6%	35.2%

Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2018	#####	7,524,530	25.06	(0.11)	30.58	(0.06)	99.1%
2019	#####	3,605,670	24.89	(0.17)	30.39	(0.19)	100.1%
2020	#####	5,374,108	24.40	(0.49)	29.97	(0.42)	99.9%
2021	#####	882,459	24.40	0.00	29.81	(0.16)	99.9%
2022	#####	900,000	24.41	0.00	29.63	(0.18)	99.9%
2023	#####	2,825,000	24.22	(0.19)	29.25	(0.38)	99.9%

Real estate taxes bring in 31% of the district revenue and this amount has not grown over the past several years. The district is not on the 20 mill floor since the real estate values dropped after the 2008 real estate crisis.

There has been some new construction and the real estate receipts increased in FY18. Of the \$7.2 million of increased valuation in Lucas County, approximately \$5 million was for the rail yard construction just east of the Village of Swanton. The estimated additional revenue for fiscal year 2019 was \$220,000.

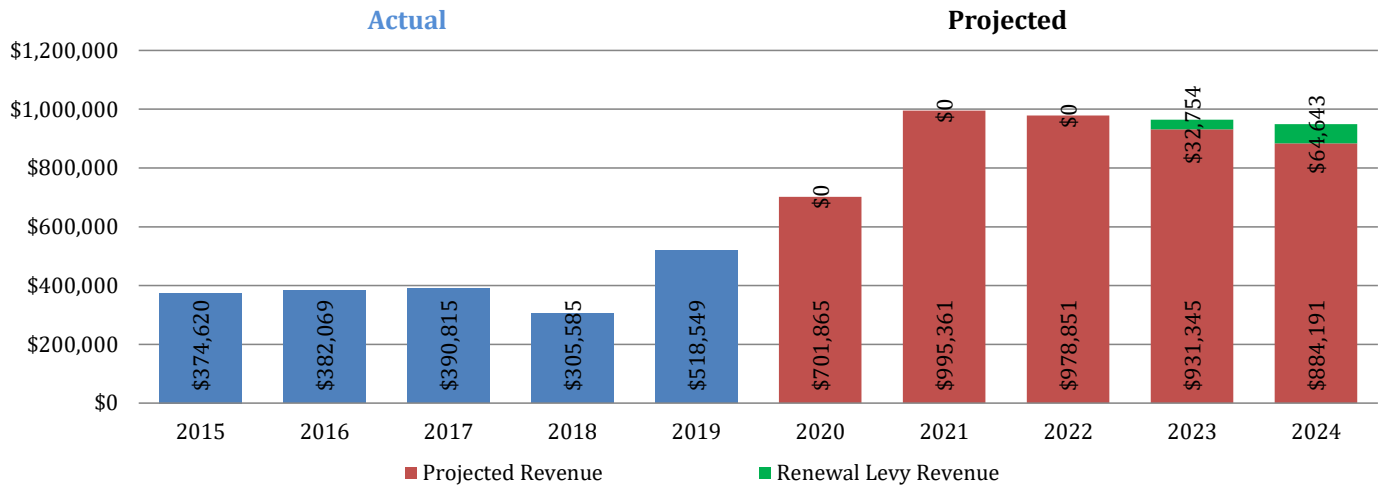
Real estate property values are established each year by the County Auditor based on new construction and updated values. The School District has 36% of the property tax value in Lucas County and 64% of the property value in Fulton County. Due to the split in valuation, the impact of the reappraisal and triennial update cycles are divided accordingly. The next round of property reappraisals and triennial updates will be as follows: Fulton County reappraisal will be in 2020, payable in 2021. Lucas County triennial update will be in 2021, payable in 2022. Fulton County triennial update will be in 2023, payable in 2024. The projections for this cycle are included in the assumptions.

Overall, the total agricultural assessed valuation is 11.7% of the total assessed valuation for the District. This value is determined using the CAUV formula based on soil types, market value of commodities and interest rates.

**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.



	2019	2020	2021	2022	2023	2024
Total With Renewal Levies	518,549	701,865	995,361	978,851	964,099	948,834
YOY \$ Change	212,964	183,316	293,496	(16,510)	(14,752)	(15,265)
YOY % Change	69.7%	35.4%	41.8%	-1.7%	-1.5%	-1.6%
Percentage of Total Revenue	3.6%	4.9%	7.1%	7.1%	7.2%	7.1%

Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2018	7,301,830	(260,560)	55.30	-	100.0%
2019	18,177,340	10,875,510	55.12	(0.18)	100.0%
2020	17,908,340	(269,000)	55.06	(0.06)	100.0%
2021	17,639,340	(269,000)	55.08	0.02	100.0%
2022	17,370,340	(269,000)	55.07	(0.01)	100.0%
2023	17,101,340	(269,000)	55.03	(0.04)	100.0%

The tax receipts for public utility personal property, such as electric companies, natural gas companies and a host of smaller classifications, are included in this line item. For fiscal year 2018, a large tax payer did not make their tax payment in a timely manner so the collection is reduced in fiscal year 2018 and increased in fiscal year 2019. This is the same issue that impacts the reduced collections for fiscal year 2020.

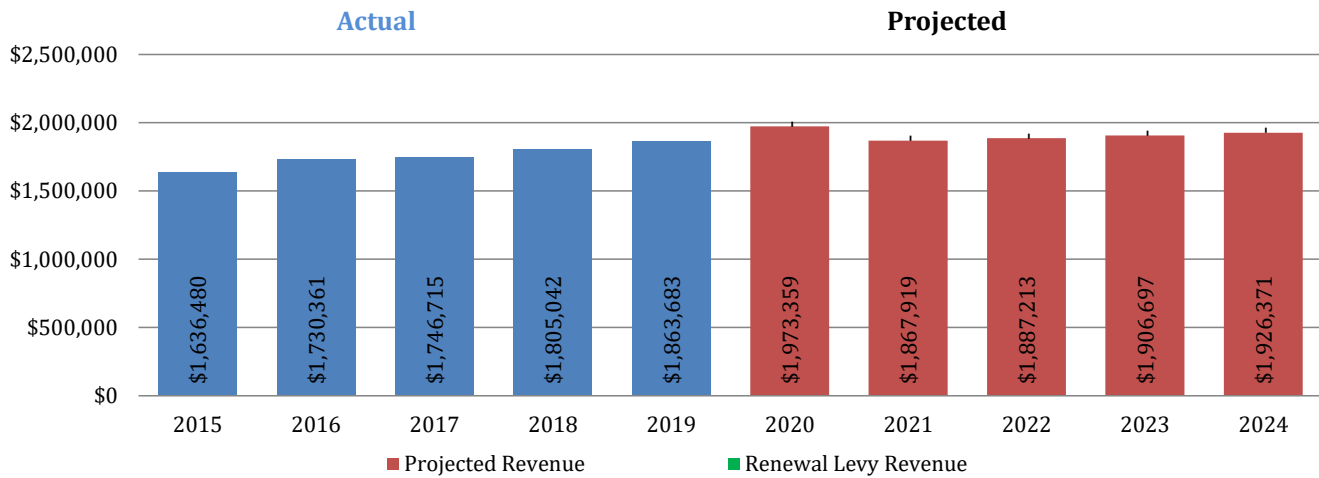
The District did have a portion of the Nexus Pipeline installed within its boundaries in 2018 and the Nexus Pipeline is now operational. When the District receives updated property values from the Fulton County Auditor in December 2019, this valuation may increase significantly. For this forecast, there is no assumption included for the valuation of the Nexus Pipeline due to the unknown valuation amounts at this time.

April 2020 Update - The Nexus Pipeline paid their property taxes for the 1st half payment at a lower amount due to the valuation appeal filed with the Ohio Department of Taxation. The District is transferring \$291,730 from the General Fund into the Permanent Improvement Fund. The Five Year Forecast shows the increase in Line 1.020 Public Utility for the taxes paid by Nexus Pipeline and an increase in Line 5.01 Operating Transfers Out for FY20.

*Projected % trends include renewal levies

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.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	1,863,683	1,973,359	1,867,919	1,887,213	1,906,697	1,926,371
YOY \$ Change	58,641	109,676	(105,440)	19,294	19,484	19,674
YOY % Change	3.2%	5.9%	-5.3%	1.0%	1.0%	1.0%
Percentage of Total Revenue	12.9%	13.6%	13.4%	13.6%	14.2%	14.5%

The 0.75% School District Income Tax levy was renewed by the voters of the District in May 2019 for another five years. This levy generates just over \$1.8 million with steady increase in collections for the past few years. The District receives School District Income Tax collections on a quarterly basis from the Ohio Department of Taxation. The School District Income Tax is collected on the wages of residents of the Swanton Local School District through withholdings by employers, quarterly estimates and annual filings with the State of Ohio. The District receives approximately 13.5% of the General Fund revenues from the School District Income Tax.

The District started receiving the School District Income Tax in 2005 when the voters approved a 1.25% income tax using the traditional taxing base. In fiscal year 2010, the school district income tax collection was at \$2.1 million. In November 2008, the voters approved the reduction of the income tax rate to 0.75% effective on 1/1/2010. After the full impact of the reduced collection rate in July 2011, the income tax collection for fiscal year 2012 was \$1.5 million.

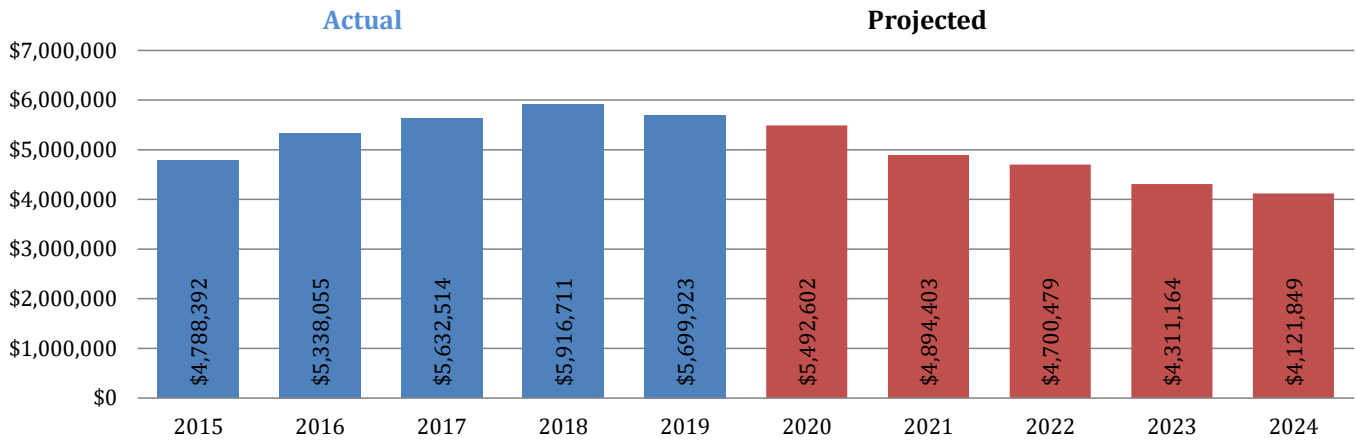
As economic conditions improve or decline for the residents of the district, this collection amount will reflect those changes. The next renewal of this levy will go before the voters during calendar year 2024.

May 2020 Update: With the economy shut down in the State of Ohio due to COVID19 virus, the District is anticipating a 5% reduction in collections during fiscal year 2021. This will be updated once the July 2020 and October 2020 collections are received.

**Projected % trends include renewal levies*

1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	5,699,923	5,492,602	4,894,403	4,700,479	4,311,164	4,121,849
YOY \$ Change	(216,788)	(207,321)	(598,199)	(193,924)	(389,315)	(189,315)
YOY % Change	-3.7%	-3.6%	-10.9%	-4.0%	-8.3%	-4.4%

Percentage of Total Revenue	2019	2020	2021	2022	2023	2024
	39.5%	38.0%	35.1%	34.0%	32.0%	31.0%

	2019	2020	2021	2022	2023	2024
Base Aid	5,495,871	5,495,871	5,495,871	5,495,871	5,495,871	5,495,871
Special Ed Transportation	34,295	31,521	31,521	31,521	31,521	31,521
Pre-School Funding	118,451	131,158	131,158	131,158	131,158	131,158
Casino Revenue	68,597	68,916	68,953	68,366	67,779	67,192

Enrollment	2019	2020	2021	2022	2023	2024
	1,181	1,166	1,167	1,157	1,147	1,137

The State Funding for schools is based on several factors all of which are subject to deliberations and approval of the Ohio General Assembly. School Funding for fiscal year 2020 and 2021 will be the same as the amount received in fiscal year 2019 and is based on the State Budget approved by the Ohio Legislature. **May 2020 Update: State Funding for Swanton Schools was decreased by 4% in FY20 by action of the Governor . An additional 10% reduction is being assumed in this forecast.** With the increase in property valuation from the Nexus Pipeline, there is a potential for a decrease in State Funding with the passage of the next biennium budget for 2022/2023.

Student Wellness & Success Funds are additional funding that came through the 2020/2021 State Budget and this funding is not included in the Five Year Forecast. The Student Wellness & Success Funds will be used to offset costs already incurred by Districts.

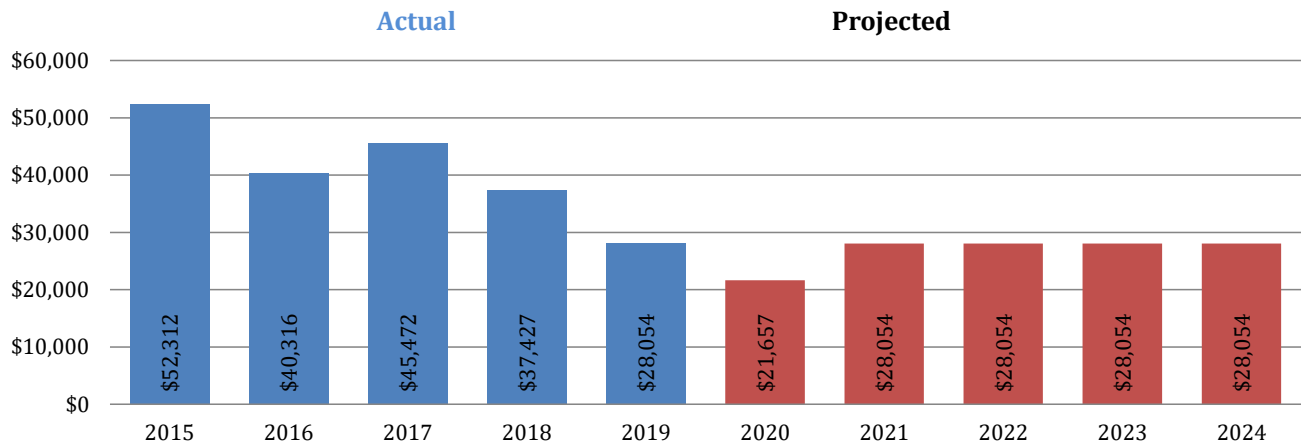
The Enrollment number included for this assumption is the number of students who are attending classes at Swanton Local School District. This removes students who are open enrolling to other schools, attending community schools, participating in the various scholarship programs to attend other educational programs, and then adds the students who live in other school districts but choose to attend the Swanton Local School District. With large graduating classes and smaller Kindergarten classes, declining enrollment has been experienced and is projected to continue for several more years.

As of January 2013, this line of the Forecast also includes the payments for Casino Revenues from the State of Ohio that comes to Districts twice a year. Typically, the amount of the casino payments has been \$52 per student, or approximately \$66,000 annually.

The District receives about 40% of total revenues from the State funding formula.

1.040 & 1.045 - Restricted Grants-in-Aid

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



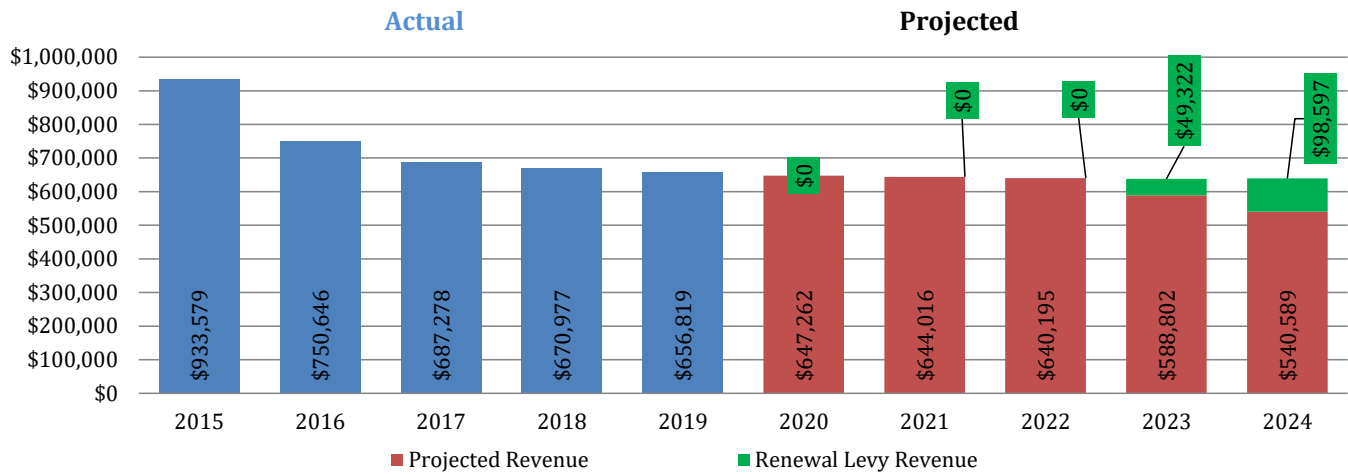
	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	28,054	21,657	28,054	28,054	28,054	28,054
YOY \$ Change	(9,373)	(6,397)	6,397	-	-	-
YOY % Change	-25.0%	-22.8%	29.5%	0.0%	0.0%	0.0%
Percentage of Total Revenue	0.2%	0.1%	0.2%	0.2%	0.2%	0.2%

The items funded through this line of the forecast are received from the State of Ohio and can only be used for limited types of projects. The main sources of funding for the District include, but are not limited to, career tech weighted funds and catastrophic special education reimbursement.

The amount for Catastrophic Cost Reimbursement can vary from year to year depending on the services received by students.

1.050 - Property Tax Allocation

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



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total With Renewal Levies	656,819	647,262	644,016	640,195	638,124	639,186
YOY \$ Change	(14,158)	(9,557)	(3,246)	(3,821)	(2,071)	1,062
YOY % Change	-2.1%	-1.5%	-0.5%	-0.6%	-0.3%	0.2%
Percentage of Total Revenue	4.5%	4.5%	4.6%	4.6%	4.7%	4.8%
% of Residential Real Estate 10% Rollback	9.99%	9.99%	9.99%	9.99%	9.99%	9.99%
% of Residential Real Estate 2.5% Rollback	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%
% of Residential Real Estate Homestead	3.28%	3.28%	3.28%	3.28%	3.28%	3.28%
TPP Fixed Sum Reimbursement	21,895	15,639	9,384	3,128	0	0

This line of the Forecast includes payments from the State of Ohio for the rollback and homestead reimbursements for tax credit programs granted to the owners of real estate property and for the Tangible Personal Property Emergency Levy Reimbursement Payment

The two big tax credit programs for real estate owners are the 10% credit granted to real property not used for business or commercial use and the 2.5% credit granted if the property owner occupies the residential property.

The other exemption program is the homestead exemption program. This is for all homeowners who are either permanently or totally disabled, 65 years of age or older, or who are surviving spouses at least 59 years of age and whose deceased spouses had previously received the exemption. Starting with tax year 2007, payable in 2008, the homestead exemption was expanded to become available for all homeowners over the age of 65, regardless of income.

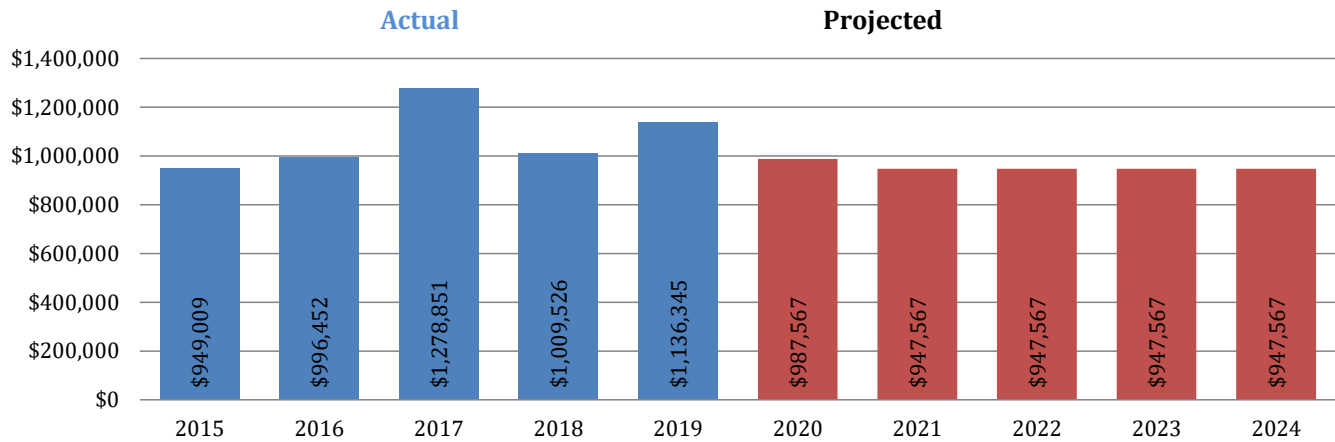
The credits on the property taxes granted to the property owner are paid by the State of Ohio to the District. Rollback and homestead reimbursement will generally increase or decrease with new construction, reappraisals, updates and new levies.

The revenue from this line equals about 4.5% of the total revenue for the District.

**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.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	1,136,345	987,567	947,567	947,567	947,567	947,567
YOY \$ Change	126,819	(148,778)	(40,000)	-	-	-
YOY % Change	12.6%	-13.1%	-4.1%	0.0%	0.0%	0.0%
Percentage of Total Revenue	7.9%	6.8%	6.8%	6.9%	7.0%	7.1%

The amount for this line is estimated based on activity trends over the past several years and future expectations. This line includes interest income, open enrollment tuition, court-placed student tuition, excess cost tuition for special education court-placed students, student fees, payment from Medicaid for services provided to students and donations.

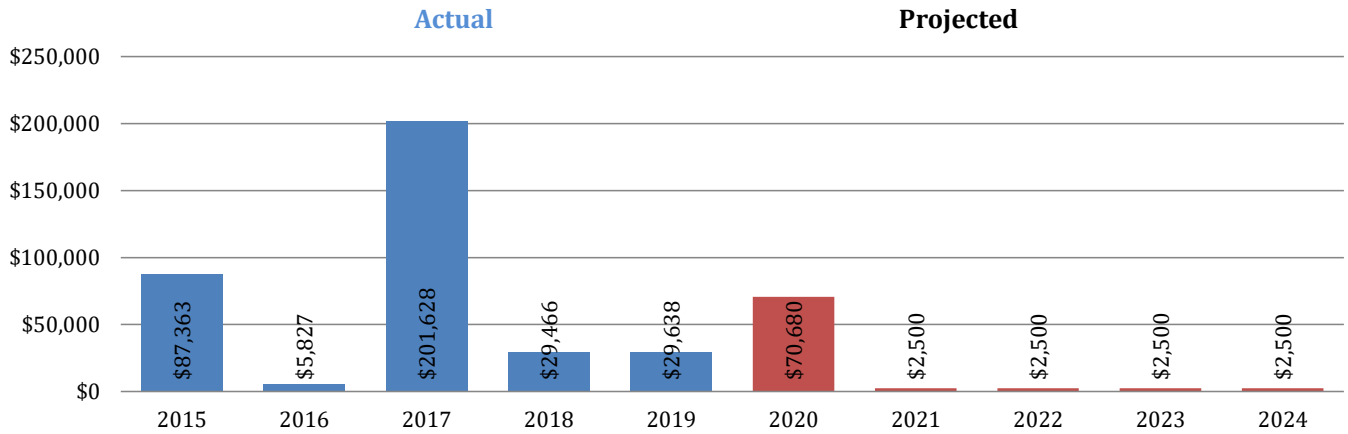
Interest Income will increase and decrease as the cash position of the General Fund fluctuates over the forecast period assuming the cash is actively invested. With the reduction in the overall cash balance of the district due to the renovation project completed in the summer of 2017, the overall investments of the district have decreased. Interest income dropped from \$114,400 in fiscal year 2017 to \$77,509 in fiscal year 2018. With the increasing interest rates in 2018, the interest income was \$86,595. In calendar year 2020, the interest rates on cash management accounts dropped with cuts of Federal Interest Rates.

Over the past few years, the Medicaid program for schools has been catching up on final settlements for prior service years. In fiscal year 2019, the District received settlement payments for 2016 and 2017 program years. For fiscal year 2020, the settlement for 2018 program year is anticipated.

The revenue from this line equals about 7% of the total revenue for the District.

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
Total	29,638	70,680	2,500	2,500	2,500	2,500
YOY \$ Change	172	41,042	(68,180)	-	-	-
YOY % Change	0.6%	138.5%	-96.5%	0.0%	0.0%	0.0%
Percentage of Total Revenue	0.2%	0.5%	0.0%	0.0%	0.0%	0.0%
Transfers In	-	-	-	-	-	-
Advances In	1,564	36,013	-	-	-	-

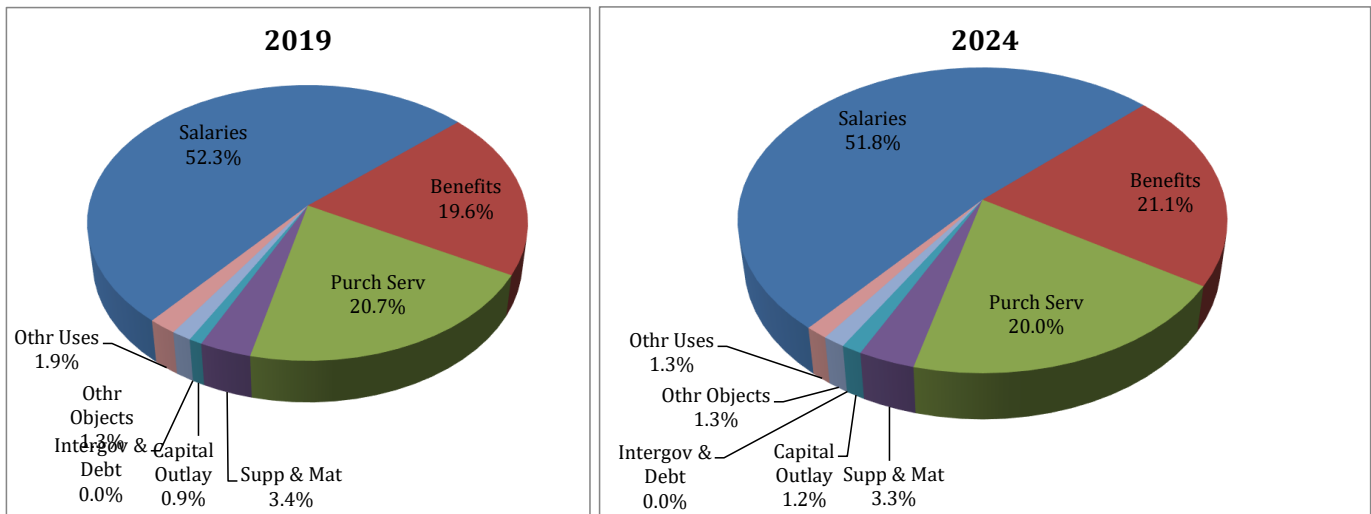
This section reflects two types of transactions: returns of advances to the General Fund and refund of prior fiscal year's General Fund expenses.

For the past several years, the District has received refunds for prior year expenditures for various reasons such as BWC premium refunds, retirement system refunds, miscellaneous expenses that were reimbursed, etc. The Ohio BWC program issued another refund for premiums paid in 2017. The refund was received in fiscal year 2020.

For fiscal year 2017, there was a \$150,000 advance to another fund to help cover expenses for the building project until the financing for the project was received. These funds were returned to the general fund prior to the end of the fiscal year. For fiscal year 2020, there was a \$36,000 advance returned from the Food Service Fund for an advance in the prior year.

Typically, this line item is not a significant amount.

Expenditure Categories and Forecast Year-Over-Year Projected Overview



	Prev. 5-Year Avg. Annu Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	
Expenditures:							
3.010-Salaries	3.16%	1.21%	0.88%	1.96%	2.01%	2.01%	1.61%
3.020-Benefits	4.47%	6.51%	4.74%	-1.51%	3.36%	3.38%	3.30%
3.030-Purchased Services	1.58%	3.20%	0.96%	1.29%	0.00%	0.00%	1.09%
3.040-Supplies & Material	3.92%	8.09%	-1.05%	0.00%	0.00%	0.00%	1.41%
3.050-Capital Outlay	-1.33%	114.58%	-54.19%	0.00%	0.00%	54.83%	23.04%
3.060-Intergov	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.010-4.060-Debt	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.300-Other Objects	-1.07%	13.30%	0.00%	0.00%	0.00%	-2.89%	2.08%
4.500-Total Expenditures	2.72%	4.08%	0.61%	0.97%	1.75%	2.17%	1.92%
5.040-Total Other Uses	#####	104.90%	-61.28%	0.23%	-2.22%	0.17%	8.36%
5.050-Total w/Other Uses	5.27%	5.95%	-1.61%	0.96%	1.70%	2.15%	1.83%

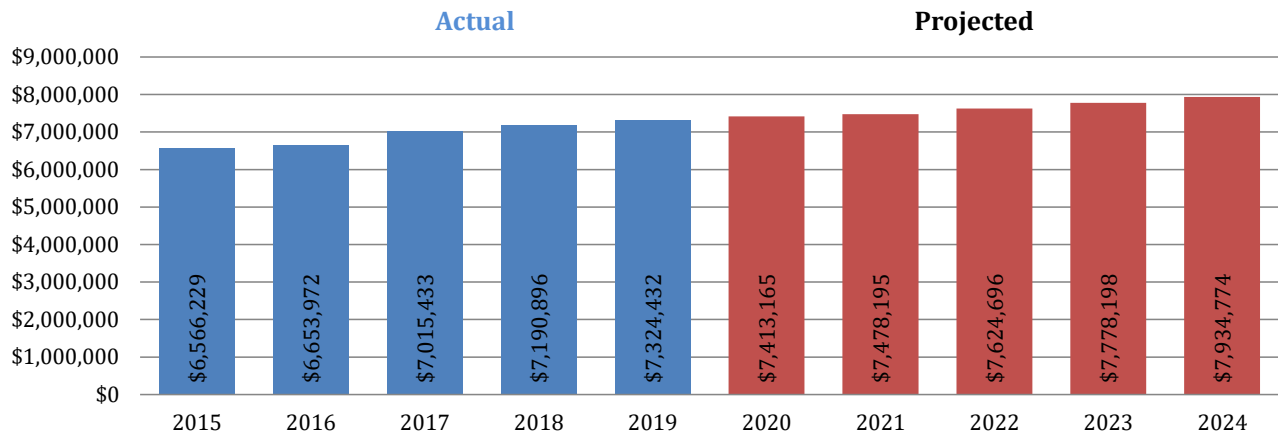
Over the next five years, expenditures are expected to increase by 1.99% on average. This is a larger growth than anticipated for the growth in revenues. With the anticipated decline in enrollment over the next several years, staffing adjustments are anticipated through attrition (staff retirements and/or resignations). Each position vacancy is evaluated closely about whether the position is needed to ensure services to student will continue at expected levels. The assumptions include the current level staffing throughout the forecast.

The cost of salaries and benefits are under the 80% benchmark at 71.9% (52.3% + 19.6%). There is a segment of the purchased services being paid for staffing of student services at other programs outside of the District.

The remaining expenditure areas are reviewed and evaluated to ensure the contracts benefit the District at the best price for the best service.

3.010 - Personnel Services

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



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	7,324,432	7,413,165	7,478,195	7,624,696	7,778,198	7,934,774
YOY \$ Change	133,536	88,733	65,030	146,501	153,502	156,576
YOY % Change	1.9%	1.2%	0.9%	2.0%	2.0%	2.0%
Percentage of Total Budget	52.3%	49.9%	51.2%	51.7%	51.9%	51.8%

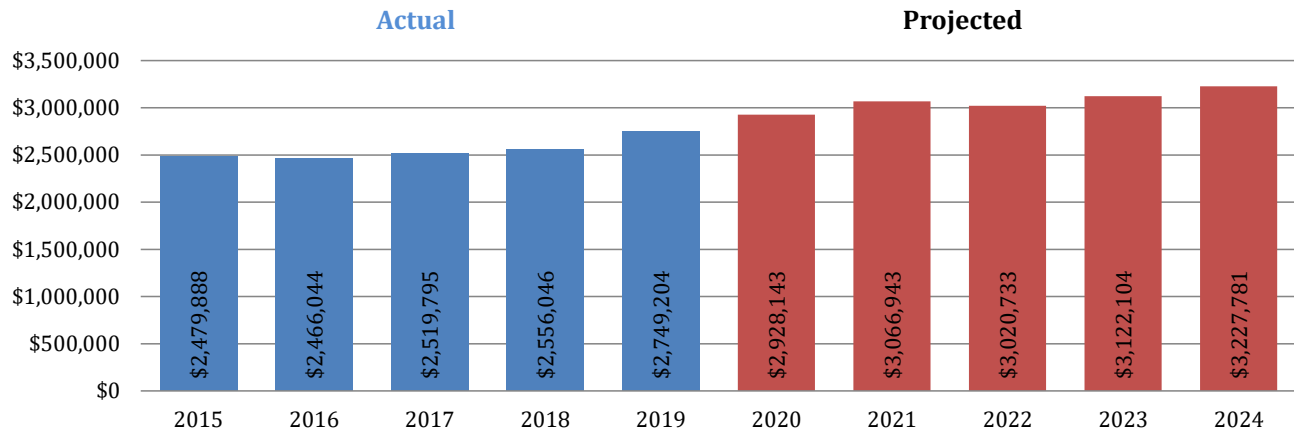
This line item includes all salaries paid by the District for all employees hired by the Swanton Local Board of Education. The salaries include amounts for all regular employees, substitutes for certificated and classified staff, supplemental contracts, and overtime for regular staff. As employees decide to leave through retirements or resignations, positions are evaluated closely to ensure the position is needed prior to it being filled.

The expenditures for salaries is 52% of the total expenditures of the District. Currently there are three active unions within the District and a portion of the employees are not represented by a union. The SEA represents the teachers of the District. The SSSA represents the secretaries of the District. The OAPSE represents the bus drivers of the District. The assumptions include negotiated increases for the employees, including the cost for annual step increases and for educational advancements.

May 2020 Update: For the 2020/2021 school year, this line includes the reduction of two teaching positions through resignations and retirements. There is also one less classified position in the assumptions at this time. If school returns to full session in the fall of 2020, this position may be filled at that time.

3.020 - Employees' Benefits

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



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	2,749,204	2,928,143	3,066,943	3,020,733	3,122,104	3,227,781
YOY \$ Change	193,158	178,939	138,800	(46,210)	101,371	105,677
YOY % Change	7.6%	6.5%	4.7%	-1.5%	3.4%	3.4%
Percentage of Total Budget	19.6%	19.7%	21.0%	20.5%	20.8%	21.1%

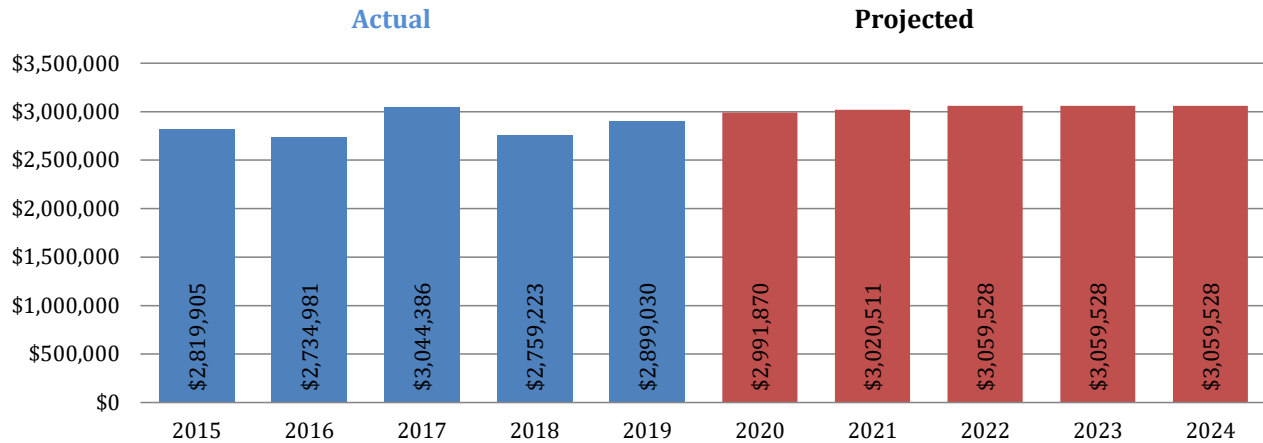
This line represents required contributions to the state retirement systems for all employees, the board's share of medical/prescription insurance benefits for eligible and enrolled employees, SERS surcharge, worker's compensation expenses, unemployment benefits, and other miscellaneous employee benefits. The STRS and SERS contributions will increase or decrease by 14% of wages being paid each year. SERS Surcharge is an additional employer charge levied on the salaries of lower-paid SERS members. The surcharge is figured at 14% of the difference between the member's annual compensation and the minimum compensation level.

The District participates in the Jefferson Health Plan, a consortium that provides group pricing for medical/prescription coverage, and dental insurance using an allocated pricing model. Overall 10% of the General Fund expenditures were for medical, prescription, dental and life insurance for fiscal year 2019. The District's goal is to contribute premium dollars to the self-insurance account with Jefferson Health Plan equal to the estimated costs for the health insurance program. The annual premium increases for the medical/prescription insurance programs are estimated at 5% for future years. The District has taken one month of premium holiday to help offset the expenditures for the Chromebook 1:1 Initiative replacement devices. May 2020 Update: There will not be a premium holiday for FY20 or FY21 because the prescription claims for the insurance program have increased drastically. The premium increase for FY21 will be 10% with 5% increases assumed for future years.

All employees pay a portion of the medical/prescription insurance costs and the dental insurance costs. The District does offer an insurance waiver payment for employees who are eligible for health benefits but do not enroll. There is a spousal provision for the medical/prescription coverage if the covered spouse has access to medical/prescription coverage through their employer.

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.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	2,899,030	2,991,870	3,020,511	3,059,528	3,059,528	3,059,528
YOY \$ Change	139,807	92,840	28,641	39,017	-	-
YOY % Change	5.1%	3.2%	1.0%	1.3%	0.0%	0.0%
Percentage of Total Budget	20.7%	20.2%	20.7%	20.8%	20.4%	20.0%

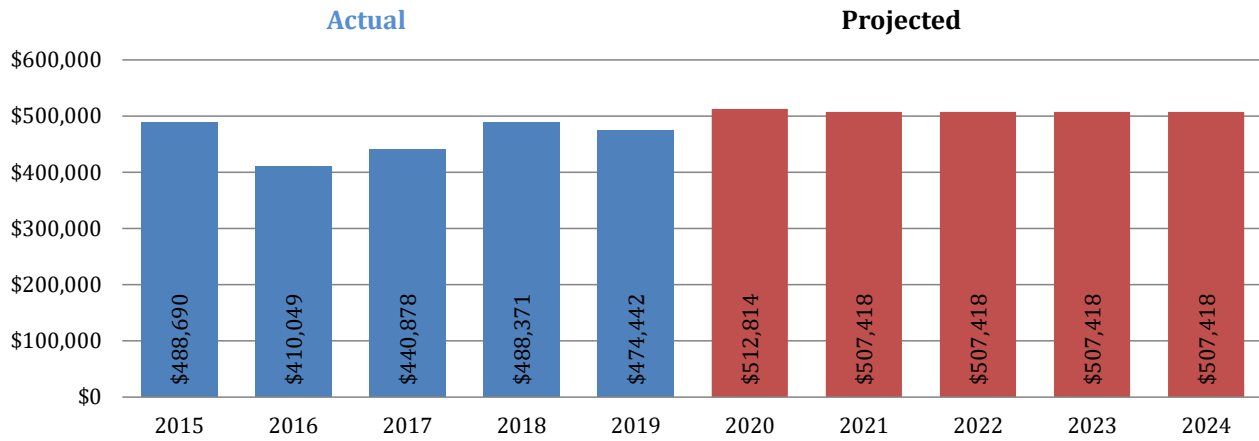
This area primarily includes Open Enrollment Tuition, Utilities, Property and Fleet Insurance, and services received from the North West Ohio Educational Service Center (NWOESC) and A&G Education Services (LEAP) for students. Many of the factors which influence the changes in purchased services are outside the direct control of the District such as utilities and property/fleet insurance coverage that are purchased on the open market. Through the Power 4 Schools program, the District secured a fixed generation rate for the electricity usage from June 2011 through December 2019, with new lower pricing starting January 1, 2020 for 24 months.

Open enrollment and community school tuition payments are based on the number of resident students who choose to attend another public school or community school. For each student who attends another district, \$6,020 will be transferred out of the District for fiscal year 2020. If resident students decide to attend a private school, no direct transfer is made.

Our cost for services from NWOESC and A&G Education Services will increase or decrease based on the number of students and the level of services utilized by the students. Starting in FY16, several students needing specialized instruction were served at A&G Education Services (LEAP) in Holland, Ohio. The cost savings for making this change in service providers was approximately \$5,000 per student annually plus the length of the bus ride was reduced significantly for the students.

3.040 - Supplies & Materials

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



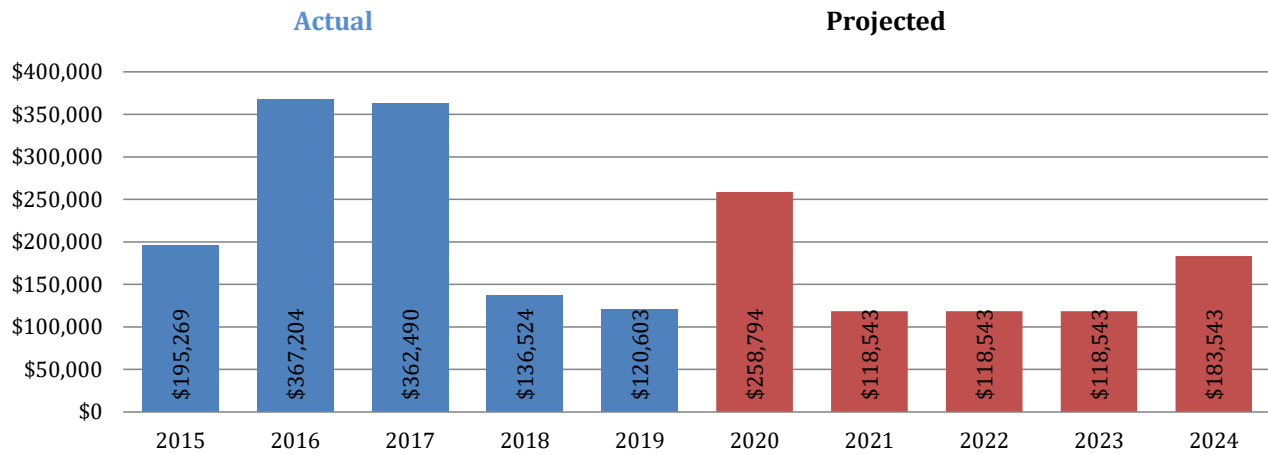
	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	474,442	512,814	507,418	507,418	507,418	507,418
YOY \$ Change	(13,929)	38,372	(5,396)	-	-	-
YOY % Change	-2.9%	8.1%	-1.1%	0.0%	0.0%	0.0%
Percentage of Total Budget	3.4%	3.5%	3.5%	3.4%	3.4%	3.3%

Building level budgets are provided for principals and supervisors to monitor their expenditures. This is primarily where instructional supplies and textbooks are purchased as well as custodial supplies, maintenance supplies, transportation supplies and fuel for the bus fleet.

For fiscal year 2020, the District purchased online textbooks, which increased the supply expenditures by \$60,000.

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.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	120,603	258,794	118,543	118,543	118,543	183,543
YOY \$ Change	(15,921)	138,191	(140,251)	-	-	65,000
YOY % Change	-11.7%	114.6%	-54.2%	0.0%	0.0%	54.8%
Percentage of Total Budget	0.9%	1.7%	0.8%	0.8%	0.8%	1.2%

The capital outlay purchases are for equipment with estimated life of five years or greater to be used in the operations or instructional areas of the district.

The amount for future years of this line item includes the Chromebook 1:1 Initiative for grades 5 through 12 that was implemented during fiscal year 2016 and fiscal year 2017. This project cost approximately \$210,000 in fiscal year 2016 and \$130,000 in fiscal year 2017 to put devices in the hands of students in grades 5 through 12. In future years, the replacement schedule for the Chromebook 1:1 Initiative will be approximately \$80,000 each year. For fiscal year 2020, the District purchased replacement units for the Chromebook carts at the elementary building and equipment for the startup of the eSports Club, plus other technology updates.

The Capital Outlay line also includes projected replacement of maintenance equipment including lawn mowers and vehicles.

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.

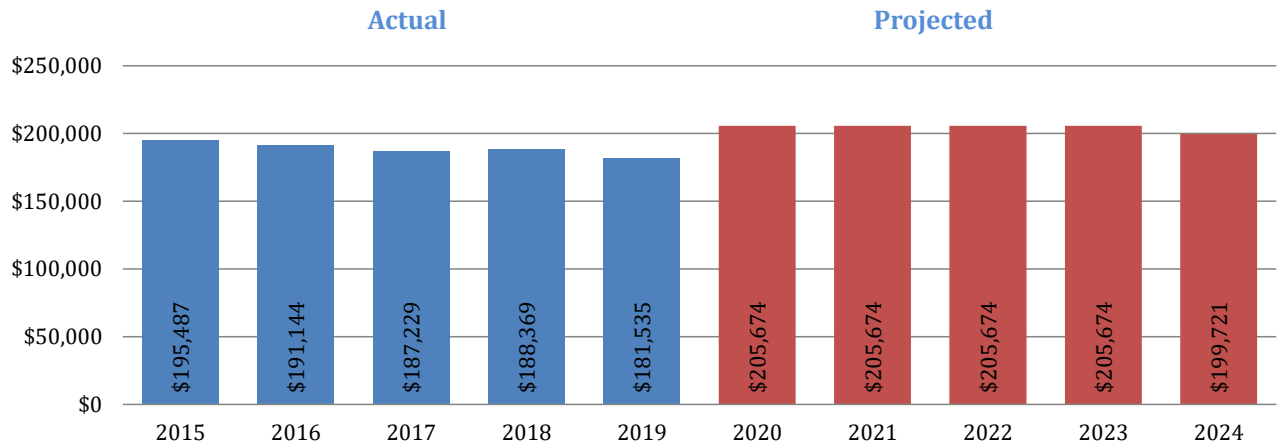
	Actual			Projected						
\$1										
\$1										
\$1										
\$1										
\$1										
\$1										
\$1										
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\$0										
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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024

	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	-	-	-	-	-	-
YOY \$ Change	-	-	-	-	-	-
YOY % Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Budget	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

There are no debt payments being paid from the General Fund at this time. Nothing is projected for future years of the forecast.

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.

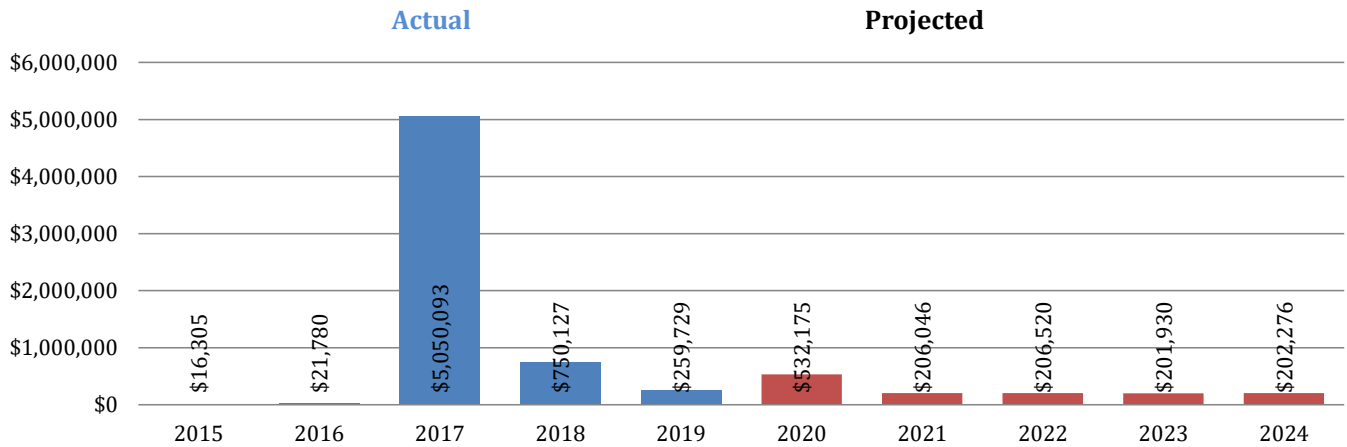


	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	181,535	205,674	205,674	205,674	205,674	199,721
YOY \$ Change	(6,834)	24,139	-	-	-	(5,953)
YOY % Change	-3.6%	13.3%	0.0%	0.0%	0.0%	-2.9%
Percentage of Total Budget	1.3%	1.4%	1.4%	1.4%	1.4%	1.3%

This area includes County Auditor and Treasurer Fees, Liability Insurance, and fees for our audits. The Liability Insurance market is dictated by market forces. Increases for this line are very minimal due to the nature of the expenditures.

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
Total	259,729	532,175	206,046	206,520	201,930	202,276
YOY \$ Change	(490,398)	272,446	(326,129)	474	(4,590)	346
YOY % Change	-65.4%	104.9%	-61.3%	0.2%	-2.2%	0.2%
Percentage of Total Budget	1.9%	3.6%	1.4%	1.4%	1.3%	1.3%
Transfers Out	223,716	532,175	206,046	206,520	201,930	202,276
Advances Out	36,013	-	-	-	-	-

Periodically, the General Fund will transfer and advance funds to another fund within the District to offer financial support during a cash shortfall. The transfers are not expected to be returned to the General Fund. Over the past three years, the District has transferred funds to cover operating deficits in the Athletic Fund. During fiscal year 2017 & fiscal year 2018 there were several transfers to cover a portion of the costs associated with the building project described earlier. The forecast includes \$5,350,000 of transfers to cover the estimated costs of construction costs and soft costs over the two fiscal years. Starting in fiscal year 2018, there will be transfers out of the General Fund to the Debt Service Fund to make the annual payments on the \$1,800,000 certificate of participation financing for the renovation of the buildings in the District.

The General Fund can advance funds to another fund in anticipation that those funds will be returned the General Fund at a later point. For fiscal year 2017, there was a \$150,000 advance to another fund to help cover expenses for the building project until the financing for the project is received. For fiscal year 2019, there was a \$36,000 advance to the food service fund. Both of these advances were returned.

April 2020 Update - The Nexus Pipeline paid their property taxes for the 1st half payment at a lower amount due to the valuation appeal filed with the Ohio Department of Taxation. The District is transferring \$291,730 from the General Fund into the Permanent Improvement Fund. The Five Year Forecast shows the increase in Line 1.020 Public Utility for the taxes paid by Nexus Pipeline and an increase in Line 5.01 Operating Transfers Out.

SWANTON LOCAL SCHOOL DISTRICT

Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2019	2020	2021	2022	2023	2024
Revenue:						
1.010 - General Property Tax (Real Estate)	4,504,865	4,575,772	4,553,356	4,641,806	4,323,895	4,008,314
1.020 - Public Utility Personal Property	518,549	701,865	995,361	978,851	931,345	884,191
1.030 - Income Tax	1,863,683	1,973,359	1,867,919	1,887,213	1,906,697	1,926,371
1.035 - Unrestricted Grants-in-Aid	5,699,923	5,492,602	4,894,403	4,700,479	4,311,164	4,121,849
1.040 - Restricted Grants-in-Aid	28,054	21,657	28,054	28,054	28,054	28,054
1.050 - Property Tax Allocation	656,819	647,262	644,016	640,195	588,802	540,589
1.060 - All Other Operating Revenues	1,136,345	987,567	947,567	947,567	947,567	947,567
1.070 - Total Revenue	14,408,238	14,400,084	13,930,676	13,824,165	13,037,524	12,456,935
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	1,564	36,013	-	-	-	-
2.060 - All Other Financing Sources	28,074	34,667	2,500	2,500	2,500	2,500
2.070 - Total Other Financing Sources	29,638	70,680	2,500	2,500	2,500	2,500
2.080 - Total Rev & Other Sources	14,437,876	14,470,764	13,933,176	13,826,665	13,040,024	12,459,435
Expenditures:						
3.010 - Personnel Services	7,324,432	7,413,165	7,478,195	7,624,696	7,778,198	7,934,774
3.020 - Employee Benefits	2,749,204	2,928,143	3,066,943	3,020,733	3,122,104	3,227,781
3.030 - Purchased Services	2,899,030	2,991,870	3,020,511	3,059,528	3,059,528	3,059,528
3.040 - Supplies and Materials	474,442	512,814	507,418	507,418	507,418	507,418
3.050 - Capital Outlay	120,603	258,794	118,543	118,543	118,543	183,543
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	181,535	205,674	205,674	205,674	205,674	199,721
4.500 - Total Expenditures	13,749,246	14,310,460	14,397,284	14,536,592	14,791,465	15,112,765
Other Financing Uses						
5.010 - Operating Transfers-Out	223,716	532,175	206,046	206,520	201,930	202,276
5.020 - Advances-Out	36,013	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	259,729	532,175	206,046	206,520	201,930	202,276
5.050 - Total Exp and Other Financing Uses	14,008,975	14,842,635	14,603,330	14,743,112	14,993,395	15,315,041
6.010 - Excess of Rev Over/(Under) Exp	428,901	(371,871)	(670,154)	(916,447)	(1,953,371)	(2,855,606)
7.010 - Cash Balance July 1 (No Levies)	2,535,959	2,964,860	2,592,989	1,922,835	1,006,388	(946,983)
7.020 - Cash Balance June 30 (No Levies)	2,964,860	2,592,989	1,922,835	1,006,388	(946,983)	(3,802,588)
		Reservations				
8.010 - Estimated Encumbrances June 30	50,847	75,000	75,000	75,000	75,000	75,000
9.080 - Reservations Subtotal	8,520	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	2,905,493	2,517,989	1,847,835	931,388	(1,021,983)	(3,877,588)
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Renewal Levies	-	-	-	-	418,636	837,245
11.030 - Cumulative Balance of Levies	-	-	-	-	418,636	1,255,881
12.010 - Fund Bal June 30 for Cert of Obligations	2,905,493	2,517,989	1,847,835	931,388	(603,347)	(2,621,707)
Revenue from New Levies						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	2,905,493	2,517,989	1,847,835	931,388	(603,347)	(2,621,707)