

WEST MUSKINGUM Local School District



**FIVE-YEAR FORECAST
FOR THE PERIOD
JULY 1, 2023 - JUNE 30, 2027**

WEST MUSKINGUM LOCAL SCHOOL DISTRICT

Muskingum County

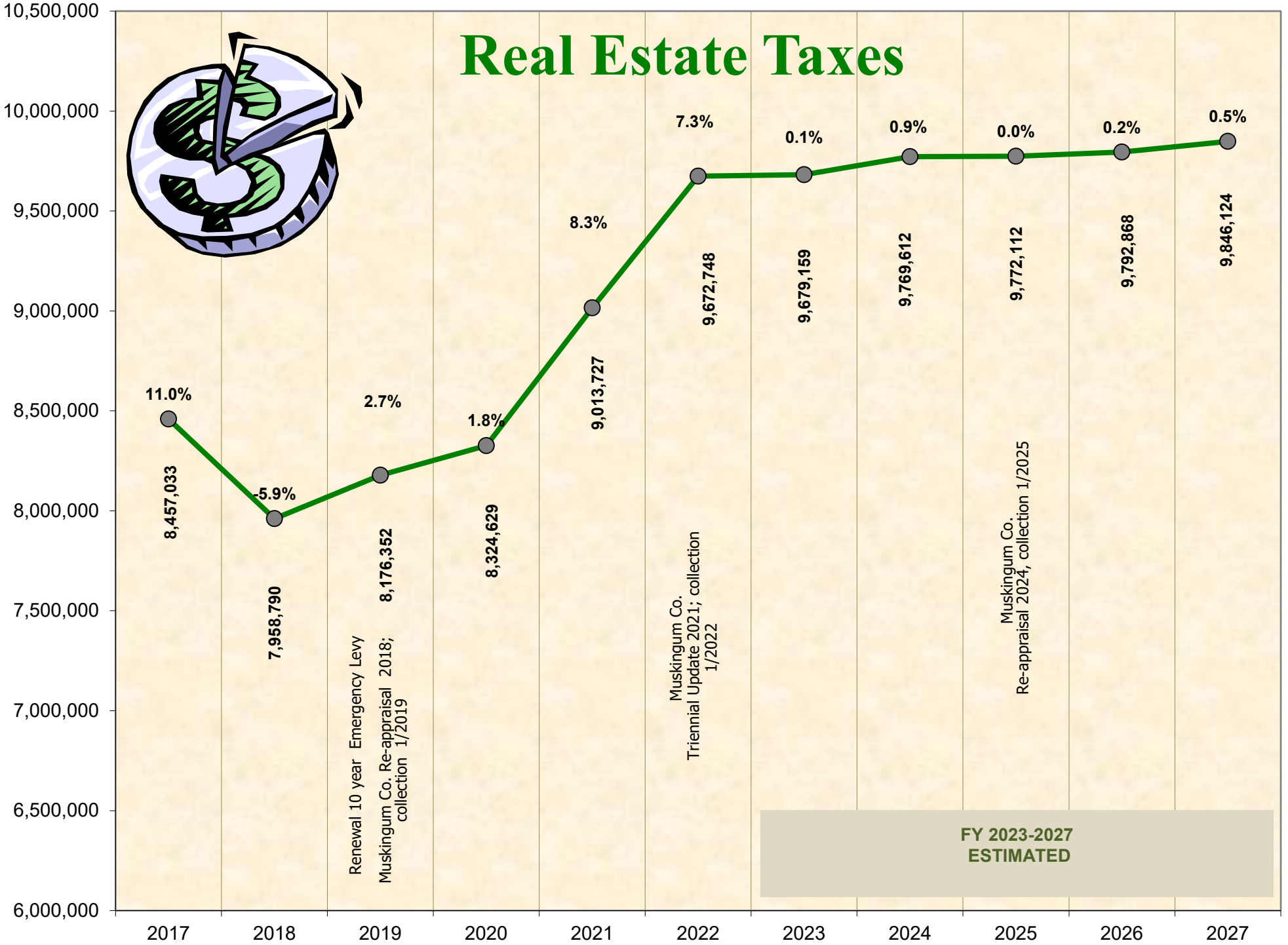
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2020, 2021 and 2022 Actual;
Forecasted Fiscal Years Ending June 30, 2023 Through 2027

	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Average Change	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
Revenues									
1.010 General Property Tax (Real Estate)	\$8,324,629	\$9,013,727	\$9,672,748	7.8%	\$9,679,159	\$9,769,612	\$9,772,112	\$9,792,868	\$9,846,124
1.020 Tangible Personal Property Tax									
1.030 Income Tax									
1.035 Unrestricted State Grants-in-Aid	5,097,602	5,490,661	4,549,504	-4.7%	4,556,790	4,556,790	4,556,790	4,556,790	4,556,790
1.040 Restricted State Grants-in-Aid	412,904	319,382	547,339	24.4%	547,339	583,500	541,140	545,405	552,943
1.045 Restricted Federal Grants-in-Aid									
1.050 Property Tax Allocation	944,278	946,195	987,428	2.3%	982,281	970,281	967,781	957,781	950,281
1.060 All Other Revenues	1,921,191	2,153,582	482,931	-32.7%	482,931	279,561	376,765	367,300	363,200
1.070 Total Revenues	16,700,604	17,923,547	16,239,950	-1.0%	16,248,500	16,159,744	16,214,588	16,220,144	16,269,338
Other Financing Sources									
2.010 Proceeds from Sale of Notes									
2.020 State Emergency Loans and Advancements (Approved)									
2.040 Operating Transfers-In		500,000		99.9%					
2.050 Advances-In									
2.060 All Other Financing Sources	5,416	3,140	9,021	72.6%	1,016,000	8,000	8,000	8,000	8,000
2.070 Total Other Financing Sources	5,416	503,140	9,021	999.99%	1,016,000	8,000	8,000	8,000	8,000
2.080 Total Revenues and Other Financing Sources	16,706,020	18,426,687	16,248,971	-0.8%	17,264,500	16,167,744	16,222,588	16,228,144	16,277,338
Expenditures									
3.010 Personal Services	6,964,434	6,714,791	6,787,836	-1.2%	7,296,708	7,688,165	7,901,369	8,066,904	8,257,076
3.020 Employees' Retirement/Insurance Benefits	3,176,925	3,246,686	3,462,565	4.4%	3,860,047	4,117,108	4,428,312	4,576,528	4,733,869
3.030 Purchased Services	5,814,736	4,925,037	2,290,136	-34.4%	2,952,103	3,062,800	3,069,115	3,114,140	3,131,480
3.040 Supplies and Materials	316,016	318,069	341,972	4.1%	714,322	714,595	715,968	717,801	734,808
3.050 Capital Outlay	4,370	251,297	412,502	-99.99%	1,528,000	480,500	621,000	287,000	260,000
3.060 Intergovernmental									
Debt Service:									
4.010 Principal-All (Historical Only)									
4.020 Principal-Notes									
4.030 Principal-State Loans									
4.040 Principal-State Advancements									
4.050 Principal-HB 264 Loans									
4.055 Principal-Other	66,000	69,000	72,000	4.4%	75,000	79,000	82,000	86,000	90,000
4.060 Interest and Fiscal Charges	53,648	52,125	47,256	-6.1%	43,846	40,294	36,555	32,672	28,600
4.300 Other Objects	230,881	244,410	265,253	7.2%	292,283	293,088	293,163	293,786	295,384
4.500 Total Expenditures	16,627,010	15,821,415	13,679,520	-9.2%	16,762,309	16,475,550	17,147,482	17,174,831	17,531,217
Other Financing Uses									
5.010 Operating Transfers-Out	225,000	571,000	70,000	-99.99%	190,000	110,000	150,000	150,000	150,000
5.020 Advances-Out									
5.030 All Other Financing Uses									
5.040 Total Other Financing Uses	225,000	571,000	70,000	33.0%	190,000	110,000	150,000	150,000	150,000
5.050 Total Expenditures and Other Financing Uses	16,852,010	16,392,415	13,749,520	-9.4%	16,952,309	16,585,550	17,297,482	17,324,831	17,681,217
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	145,990-	2,034,272	2,499,451	-735.3%	312,191	417,806-	1,074,894-	1,096,687-	1,403,879-

7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	518,698	372,708	2,406,980	258.8%	4,906,431	5,218,622	4,800,816	3,725,922	2,629,235
7.020	Cash Balance June 30	372,708	2,406,980	4,906,431	324.8%	5,218,622	4,800,816	3,725,922	2,629,235	1,225,356
8.010	Estimated Encumbrances June 30	266,241	451,709	474,321	37.3%	450,000	450,000	450,000	450,000	450,000
	Reservation of Fund Balance									
9.010	Textbooks and Instructional Materials									
9.020	Capital Improvements									
9.030	Budget Reserve									
9.040	DPIA									
9.045	Fiscal Stabilization		500,000	500,000		500,000	500,000	500,000	500,000	500,000
9.050	Debt Service									
9.060	Property Tax Advances									
9.070	Bus Purchases									
9.080	Subtotal		500,000	500,000		500,000	500,000	500,000	500,000	500,000
10.010	Fund Balance June 30 for Certification of Appropriations	106,467	1,455,271	3,932,110	718.5%	4,268,622	3,850,816	2,775,922	1,679,235	275,356
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal									
11.020	Property Tax - Renewal or Replacement									
11.300	Cumulative Balance of Replacement/Renewal Levies									
12.010	Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	106,467	1,455,271	3,932,110	718.5%	4,268,622	3,850,816	2,775,922	1,679,235	275,356
	Revenue from New Levies									
13.010	Income Tax - New									
13.020	Property Tax - New									
13.030	Cumulative Balance of New Levies									
14.010	Revenue from Future State Advancements									
15.010	Unreserved Fund Balance June 30	106,467	1,455,271	3,932,110	718.5%	4,268,622	3,850,816	2,775,922	1,679,235	275,356

See accompanying summary of significant forecast assumptions and accounting policies

Real Estate Taxes



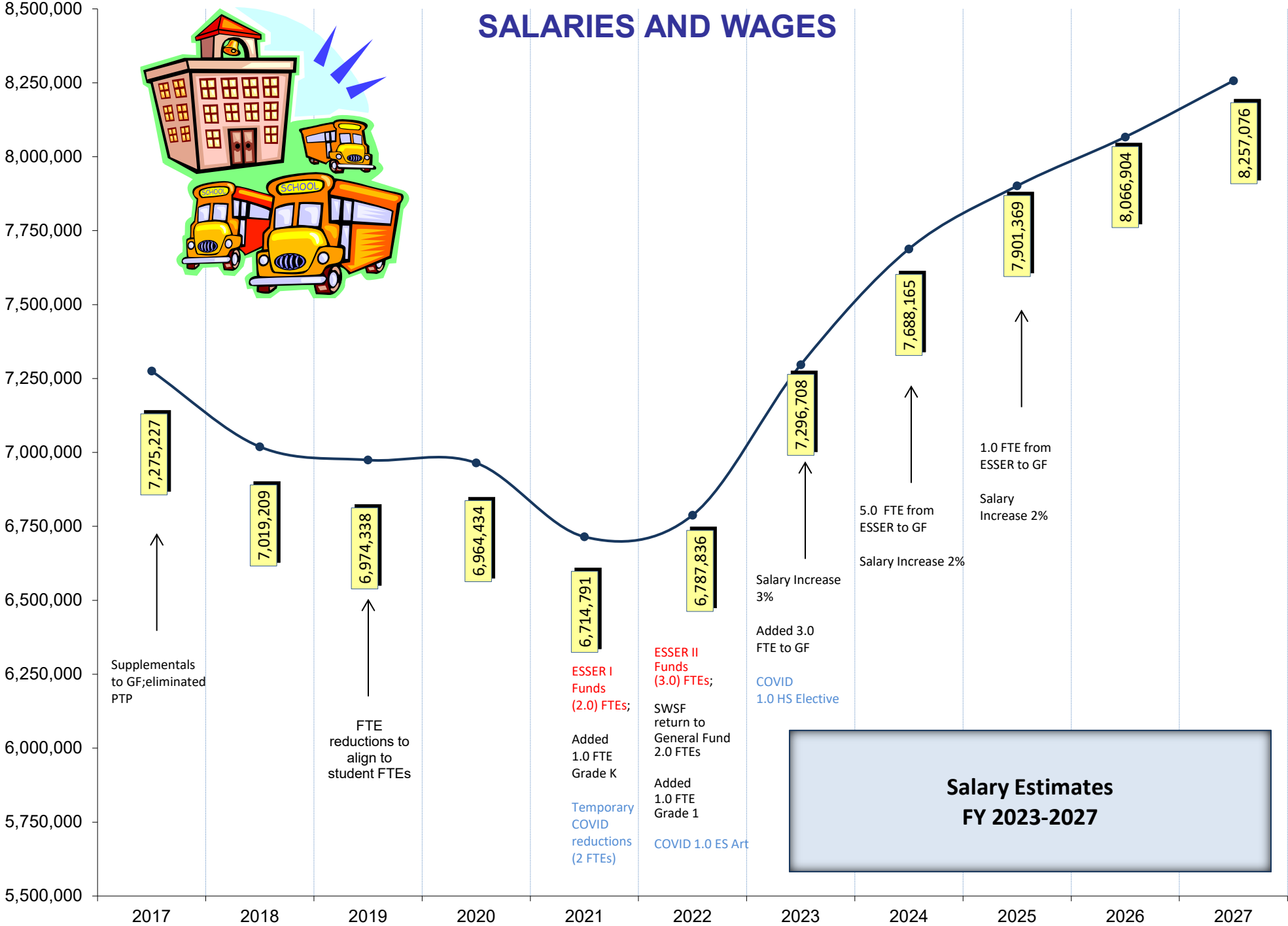
Renewal 10 year Emergency Levy
Muskingum Co. Re-appraisal 2018;
collection 1/2019

Muskingum Co.
Triennial Update 2021; collection
1/2022

Muskingum Co.
Re-appraisal 2024, collection 1/2025

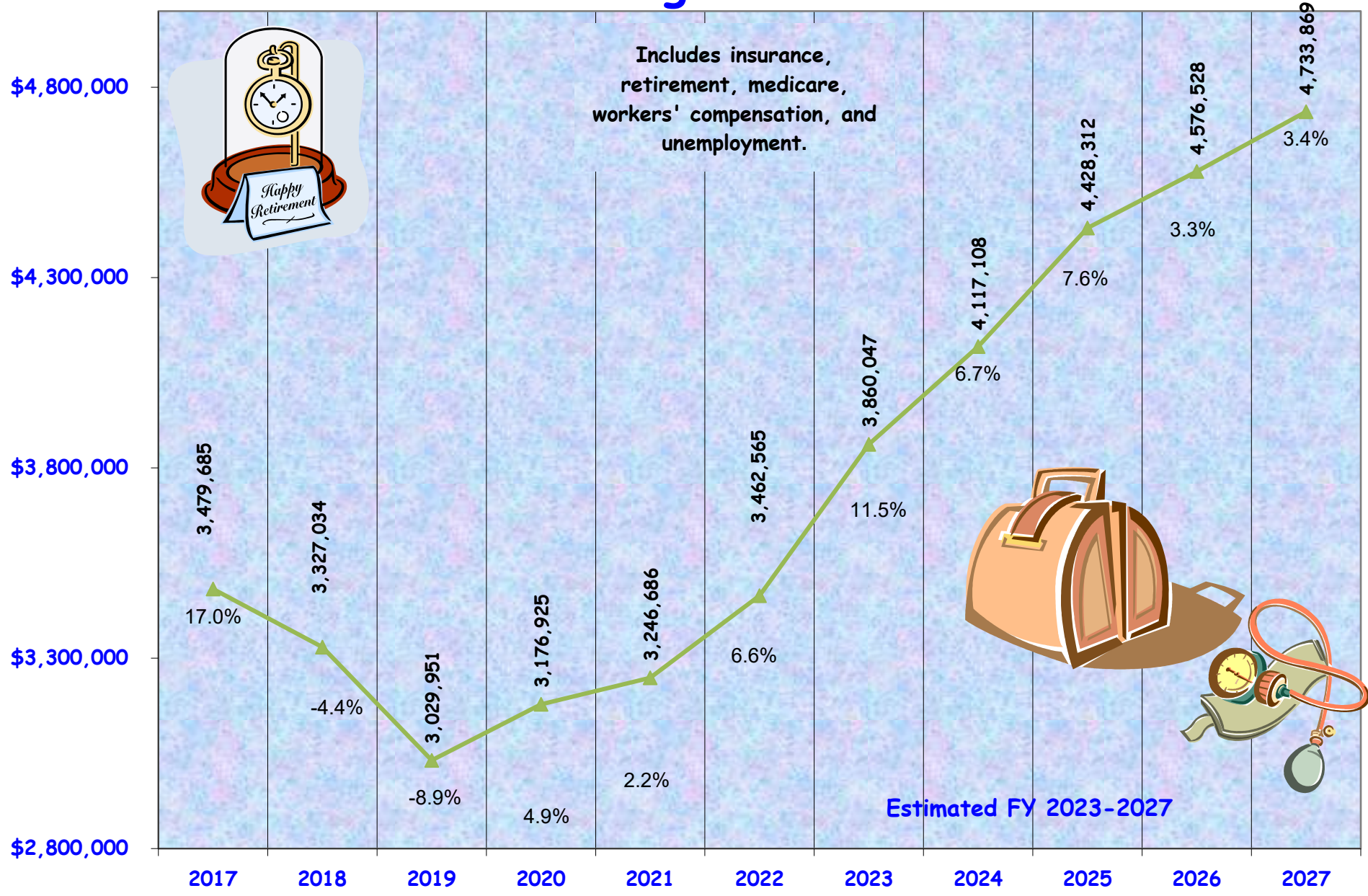
**FY 2023-2027
ESTIMATED**

SALARIES AND WAGES



**Salary Estimates
FY 2023-2027**

Fringe Benefits



West Muskingum Schools

Five-Year Forecast Assumptions and Notes

For the Period July 1, 2021 Through June 30, 2026

Overview

The five-year forecast is a document that reflects three years of history and five years of estimates. It is a working document that changes as updated information becomes available or when any of the underlying assumptions significantly change. Forecasts by nature are not designed to be precise, but are rather a tool to provide information to assist the District in its planning.

The Ohio Legislature advances the concept that school funding should be a state and local partnership. State and local funds are combined to fulfill the educational needs of our students. The ratio of state to local support is based upon demographics and community socioeconomic factors used in the calculation of the state funding formula. As a result of the diverse geographic population which exists within the West Muskingum Local School District, the state funding formula calculation dictates a heavy reliance on local funding from our taxpayer base.

The West Muskingum Local School District is located on one campus and includes the West Muskingum High School, West Muskingum Middle School and West Muskingum Elementary School. West Muskingum School District offers an excellent educational opportunity. The Board of Education continuously monitors the financial condition of the District and strives to make the best decisions for students in the face of an ever-changing future.

Federal Stimulus Funding

The current forecast for FY2020 through FY2023 reflects a combination of favorable one-time influences. Federal stimulus funding absorbed costs previously funded by the general fund. The federal stimulus absorbed costs will return to the general fund in FY24, reflecting the addition of impactful expenditures.

Amended Substitute House Bill 110

House Bill 110 was enacted as the 2021-2022 Biennial Budget Bill. HB110 included significant changes to the calculation and payment of state foundation funding. One of the biggest educational changes to state funding for individual districts is to fund students where they are educated, rather than where they reside. Open Enrollment students, community school students, STEM school students, and students participating in a scholarship program will all be directly funded to the educating entity. As a result, significant accounting changes are reflected in the forecast for revenues and expenses in FY 2022 and beyond.

----Revenues----

General Property Tax (Real Estate) Line 1.010

The District receives real estate taxes from Muskingum and Licking Counties. Real Estate property tax revenue accounts for 59.57% of total revenue. Real Estate taxes forecasted for FY 2023 through FY 2027 are based upon 100% collection rate, rather than the 96% rate that the County Auditor certifies. Muskingum County reappraisal will occur in 2024, with collection in 2025.

West Muskingum is on the 20-mill floor for Class I, residential and agricultural property; Class II, commercial property has an effective rate of 21.12 mills.

The district's 10-year emergency levy, which generates approximately \$1,777,741 annually, expires calendar year 2028.

State Funding Lines 1.035, 1.040, and 1.045

State funding for schools is set every two years as part of the State of Ohio biennial budget. The primary funding component for state funding is enrollment. HB110 provided a new funding formula for educational funding for FY 2021 through FY 2022. The new formula continues to base the state formula for funding on a district's capacity to generate local revenues. Capacity is defined as property wealth, average income and median income of the residents of the district. State share funding for West Muskingum as a result of HB110 is 22.9%.

Property Tax Allocation Line 1.050

Property tax allocations reflected in line 1.050 include Rollback, Homestead Exemption and tangible personal property reimbursements by the State of Ohio.

Other Revenues 1.060

The largest revenue source in line 1.060, in FY21 and prior, was open enrollment students coming into the district. In FY 2022, based upon HB110, these students are now funded within the state funding line item 1.035. Revenue sources in this line item include e-rate reimbursements, interest on bank deposits, tuition, revenue in lieu of taxes from enterprise zone agreements, and other miscellaneous receipts.

---Expenditures---

West Muskingum per pupil expenditure for FY 2022 was \$7,466 which is below the State of Ohio per pupil expenditure of \$9,780. Enrollment patterns and trends are monitored and evaluated when determining expenditure estimates and appropriate resource allocations. The district is required to allocate resources in the most effective and efficient manner while still maintaining high academic standards.

Salaries/Personal Services 3.010

Based upon the Master Agreement between the West Muskingum Local School District Board of Education and the West Muskingum Education Association, effective July 1, 2022 the base salary increased by 3.0%, 2.0% for 2023-24 and 2.0% for the 2024-2025 school year, plus the corresponding step increases. Based upon the Master Agreement between West Muskingum Local School District Board of Education and the West Muskingum Support Association effective July 1, 2022, all hourly rates increased by seventy cents (.70) for the 2022-2023 school year, thirty-five cents (.35) for 2023-2024, and thirty-five cents (.35) for 2024-2025 school year, plus the corresponding step increases.

Benefits Line 3.020

For FY 2023, benefits are estimated based on the staff employed as reflected in Line 3.010 and the benefits to which they are entitled. These benefits include STRS and SERS retirement, medical, dental, vision and life insurance, workers' compensation, and Medicare.

The Board of Education is a member of the Ohio School Benefits Cooperative, an insurance consortium, with enrollment into a medical benefit program as a fully funded member. The Board of Education offers a triple option plan for employee healthcare, with a corresponding Flexible Spending Plan opportunity.

Healthcare premiums increased 9.0% in January 2022, will increase 8% in January 2023, and are estimated at 8% annually throughout the forecast.

Purchased Services Line 3.030

Purchased services include service agreements, utilities, building repairs and maintenance, bus repairs and maintenance, copier leases, meeting and mileage expenses, technology services and site licenses, special education tuition and services. For FY2020 through 2021 the most significant cost to purchased services is the student residency open enrollment, community school and scholarship deductions. HB110 designates these dollars to be directly funded to the schools of attendance. The forecast reflects the reduction in expenditures for students attending elsewhere in FY2022 and beyond.

Supplies and Materials Line 3.040

This line item includes instructional supplies, textbooks, online instructional curriculums, bus fuel, and maintenance supplies. During the current forecast period, the economy has experienced supply chain disruptions and corresponding price increases which are most impactful in the supplies and materials line item.

Capital Outlay Line 3.050

Capital outlay is a relatively small part of the District's budget. Bus replacement needs are consistently reviewed and updated. For FY 2024 through FY 2027, one school bus purchase per year has been budgeted. The need to replace the current bus fleet at one per year is justified based upon the current fleet mileage and overall age.

Debt Service Payments Line 4.055 and 4.060

In July of 2005, the District entered into a lease-purchase financing agreement with the OASBO Expanded Asset Pooled Financing Program in order to complete the renovation and expansion of the middle school. The lease-purchase financing agreement is for \$1.8 million and is for a 27-year period from August, 2005 thru July, 2032. Debt service payments are known with certainty and payments have been made timely.

Other Expenditures Line 4.300

Other expenditures include, but are not limited to, fees paid to the county auditor and treasurer to collect the District's property taxes, membership fees and the cost of the annual audit.