



MOHAWK LOCAL SCHOOL DISTRICT

Five Year Forecast Financial Report

May 11, 2020

Rhonda M. Feasel, Treasurer/CFO



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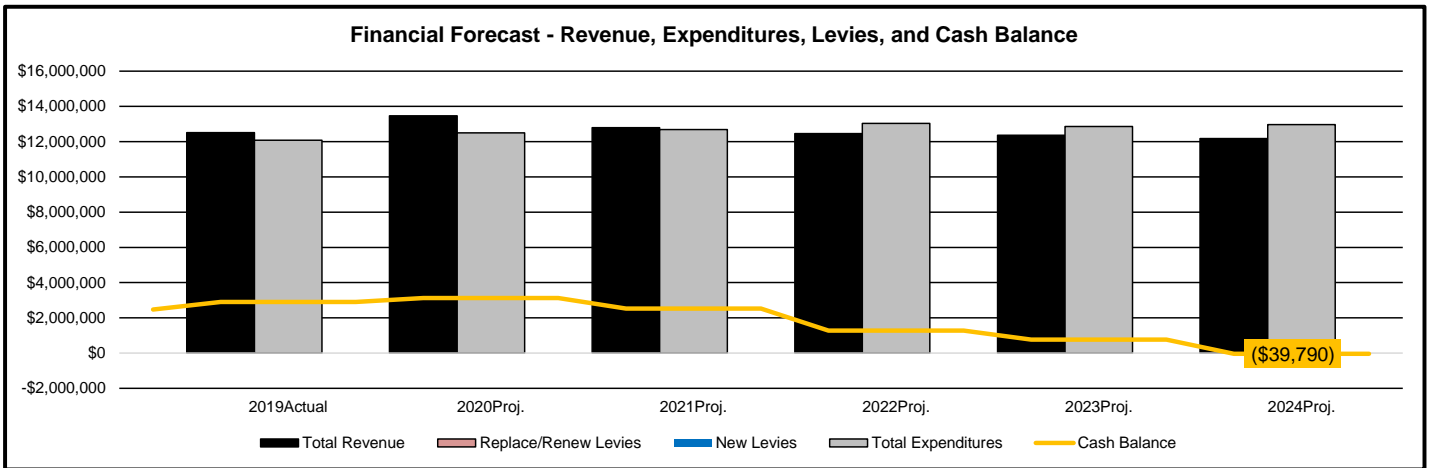
Forecast Purpose/Objectives

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



MOHAWK LOCAL SCHOOL DISTRICT

Financial Forecast

Financial Forecast	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Beginning Balance	4,037,442	4,994,644	5,098,341	4,520,194	4,029,874
+ Revenue	13,459,814	12,791,030	12,462,673	12,365,536	12,181,237
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(12,502,612)	(12,687,332)	(13,040,820)	(12,855,856)	(12,967,607)
= Revenue Surplus or Deficit	957,202	103,698	(578,147)	(490,320)	(786,370)
Ending Balance with renewal levies Note: Not Reduced for Encumbrances	4,994,644	5,098,341	4,520,194	4,029,874	3,243,504

Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	957,202	103,698	(578,147)	(490,320)	(786,370)
Ending Balance w/o Levies	4,994,644	5,098,341	4,520,194	4,029,874	3,243,504

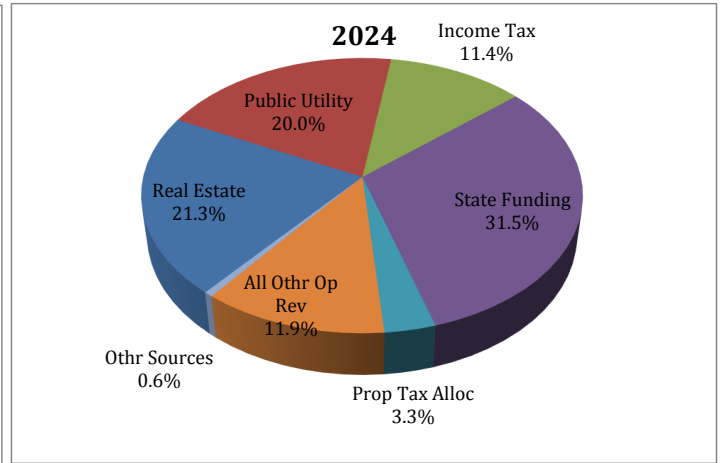
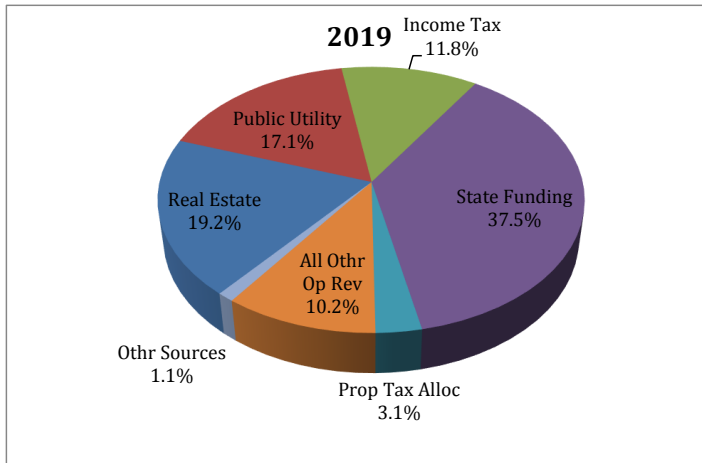
A financial forecast is prospective financial statements that present to the best of management’s knowledge and belief, the district’s expected revenues, expenditures, and fund balance. It is based upon management’s assumptions reflecting conditions it expects to exist and the course of action it expects to take.

The district’s revenue is expected to decrease on average by .45% over the next five years. At the same time expenditures are projected to grow annually on average by 1.43%. The chart above shows the projected revenues exceeding expenditures. in two of the five years forecasted. Thus, resulting in a stable forecast for only two years. It is important to note, transfers to the "Rainy Day" fund in year three contribute to a portion of this "deficit" spending. Please see page 21 for more information as to the purpose of this transfer.

Performing a financial forecast has a variety of challenges. There are many factors that are beyond the control of management which can impact the forecast. School districts have experienced major changes in legislation, school funding initiatives, and local economic conditions, as well as, increased costs for health care. The roles and influence of legislative officials is also somewhat unpredictable and will also impact future school funding decisions. The world pandemic due to COVID-19 presents more unknowns than knows. The forecast should be used as a resource for financial modeling during these uncertain times.

Any fluctuation in revenues or expenditures were not solely established based upon historical trends, but include supportable professional judgment. Accordingly, the forecast reflects the district’s judgment of the anticipated conditions and its expected course of action as of May 11, 2020, the date of this forecast.

Revenue Sources and Forecast Year-Over-Year Projected Overview



**Projected % trends include renewal levies*

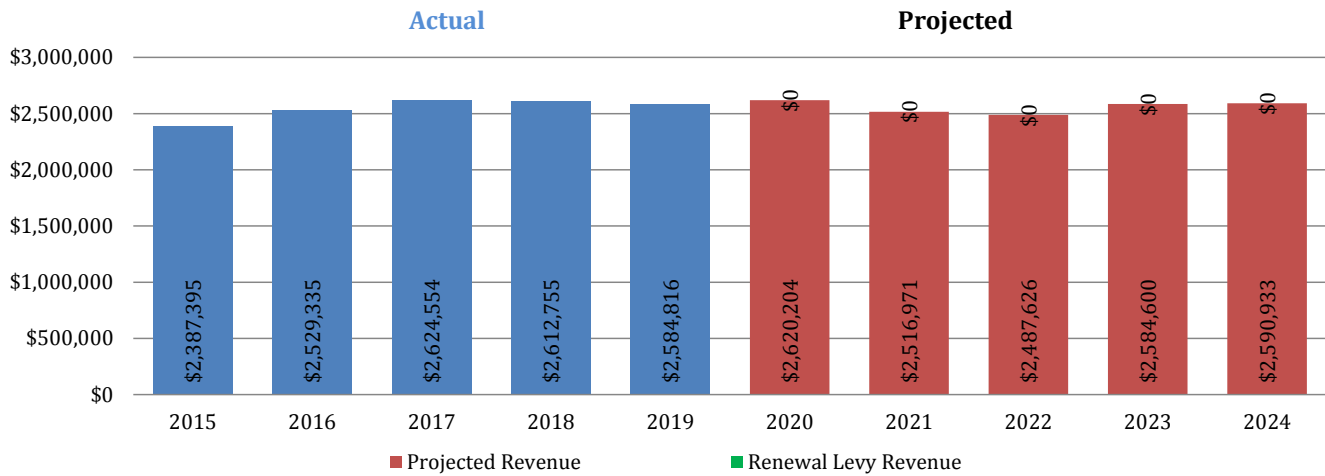
	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	
Revenue:							
1.010-Real Estate	4.66%	1.37%	-3.94%	-1.17%	3.90%	0.25%	0.08%
1.020-Public Utility	48.14%	73.91%	10.41%	-1.81%	-1.78%	-1.77%	15.79%
1.030-Income Tax	2.46%	5.17%	-11.75%	-7.42%	2.90%	2.96%	-1.63%
1.035-State Funding	2.51%	-3.23%	-10.23%	-4.58%	-4.79%	-5.03%	-5.57%
1.040-Restricted Aid	-7.69%	-0.15%	0.00%	0.00%	0.00%	0.00%	-0.03%
1.045-Restr Federal SFSF	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.050-Property Tax Alloc	3.24%	2.57%	-3.59%	-0.13%	0.10%	0.00%	-0.21%
1.060-All Other Operating	9.41%	1.81%	-3.64%	3.90%	1.01%	1.03%	0.82%
1.070-Total Revenue	5.43%	7.89%	-4.63%	-2.59%	-0.78%	-1.50%	-0.32%
2.070-Total Other Sources	44.61%	-20.01%	-42.37%	1.15%	-1.04%	-0.42%	-12.54%
2.080-Total w/Other Srcs	5.55%	7.55%	-4.97%	-2.57%	-0.78%	-1.49%	-0.45%

The district's operating revenue is projected to decrease annually on average by .45% over the forecast period ending 2024. As the above year-over-year changes are considered it should be remembered that:

- Real Estate CAUV values increased greatly in prior years with the trend getting smaller and additional decreases expected over the remainder of the forecast. Due to HB 49, a 12.6% decline in CAUV values is projected in 2020 and 8.62% in 2021. The overall trend will result in a lower property tax valuation and loss of tax revenue from inside millage.
- Public utility revenue is expected to increase significantly due to the completed construction of the Rover Pipeline and upgrades made to AEP transmission lines. The Rover Pipeline has appealed 43% of their assessed valuation. The forecast reflects this reduction in valuation.
- A .5% income tax levy was originally passed in August 2006. In November 2017, the income tax levy was renewed at 1%. The levy is set to expire 12/31/2025 unless renewed. An average decrease of 1.63% has been used in this forecast. This is largely due to record unemployment impacting our area due to the COVID-19 pandemic.
- State funding is expected to be cut by 3.2% in fiscal year 2020. A reduction of 10.2% is forecasted in fiscal year 2021 due to potential ODE cuts in response to the pandemic. The new State budget provided a new funding source, in the amount of, for \$107,639 and \$151,617, in fiscal 2020 and 2021, respectively. This new funding source is restricted for student wellness and success and recorded in a separate fund rather than General fund. Additionally, it is anticipated state funding will decline due to a partial phase out of transitional aid guarantee, in the amount of \$200,000, per year in fiscal years 2022 through 2024.
- Total other sources may decrease by 20.01% in FY 2020. This is due to prior year Medicaid back claims .

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	2,584,816	2,620,204	2,516,971	2,487,626	2,584,600	2,590,933
YOY \$ Change	(27,939)	35,388	(103,233)	(29,345)	96,974	6,333
YOY % Change	-1.1%	1.4%	-3.9%	-1.2%	3.9%	0.2%

Percentage of Total Revenue	2019	2020	2021	2022	2023	2024
	20.7%	19.5%	19.7%	20.0%	20.9%	21.3%

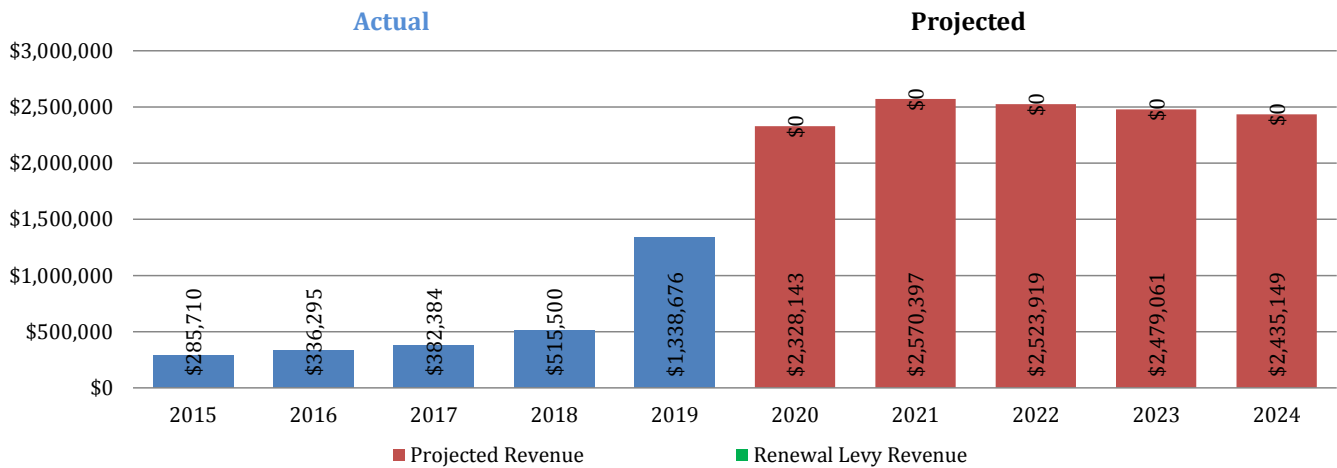
Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2018	142,562,190	159,140	21.01	0.10	26.00	2.07	100.5%
2019	139,497,310	(3,064,880)	21.41	0.40	25.96	(0.04)	100.0%
2020	135,717,282	(3,780,028)	21.94	0.53	25.78	(0.18)	95.3%
2021	135,982,308	265,025	21.93	(0.01)	25.78	-	95.8%
2022	135,673,718	(308,590)	21.99	0.06	25.78	-	101.4%
2023	135,058,318	(615,400)	22.09	0.10	25.78	-	99.9%

- Nearly 20 cents out of every dollar in revenue is generated from local real estate property taxes.
- Our local economy has not recovered from declining property values. Therefore, this revenue source is not expected to change over the forecast period.
- Agriculture values have increased substantially since 2011. However, that trend is not expected to continue due to HB49. The district is projecting a decrease of 19% over the next five years which is largely due to anticipated CAUV reduction in values.
- Agricultural taxpayers will generally receive a net tax reduction in their property taxes owed because their decrease in property value. However, residential property owners will experience an increase in taxes owed because their values are remaining nearly the same. Conversely their tax rates will increase as a consequence of the CAUV valuation changes with adjustments to the tax rate from movement off the 20 mill floor. In summary, residential taxpayers will now pay slightly higher property taxes than they would have without the lower CAUV values.
- The district is anticipating a reduction in CAUV due to reevaluation in Wyandot County
- Collection rates have typically been around 97% for the district. Due to a potential recession, collection rates were reduced by 5% for FY21 and FY22 with collection rates returning to normal in subsequent years.

*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	FORECASTED		
				2022	2023	2024
Total With Renewal Levies	1,338,676	2,328,143	2,570,397	2,523,919	2,479,061	2,435,149
YOY \$ Change	823,176	989,467	242,254	(46,478)	(44,858)	(43,912)
YOY % Change	159.7%	73.9%	10.4%	-1.8%	-1.8%	-1.8%

Percentage of Total Revenue	2019	2020	2021	2022	2023	2024
	10.7%	17.3%	20.1%	20.3%	20.0%	20.0%

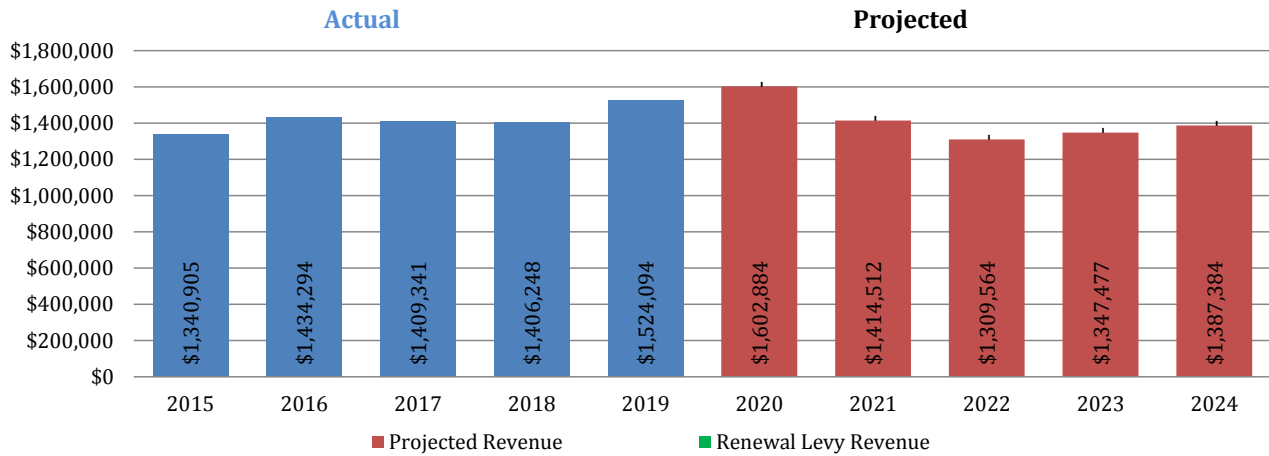
Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2018	36,685,110	22,371,670	36.90	-	99.9%
2019	70,886,236	34,201,126	36.90	-	99.7%
2020	69,591,178	(1,295,058)	36.90	-	99.7%
2021	68,337,240	(1,253,938)	36.90	-	99.7%
2022	67,127,310	(1,209,930)	36.90	-	99.7%
2023	65,938,133	(1,189,177)	36.90	-	99.7%

- Due to significant increases in property values from the Rover Pipeline, public utility personal property went from 10.7% of total revenues to 17%.
- The public utility personal property tax rate does not have a HB920 tax rate reduction. The full voted rate of 36.90 mills is applied to this type of property.
- Additional increases are speculated in FY20 due to expansion of AEP transmission lines.
- It is projected this value will begin decreasing in fiscal year 2021 due to depreciation of the pipeline.
- It should be noted the Rover Company paid the full tax bill with the first half settlement in FY2019. In subsequent years the forecast assumes the Rover Company will only pay half the tax bill with the first half collection in February. The remaining portion will come in the second half in August.
- The Rover Company appealed 43% of its value in December 2019. Accordingly, the forecast reflects this valuation reduction. The Ohio Department of Taxation is expected to rule on the appeal by June 2020. However, it is anticipated future appeals will follow with the process lasting several years. After all appeals are exhausted and the final value is established, any overpayment made will be required to be paid back plus 5% interest. In order to protect the District from this potential liability, the District is planning to transfer a portion of funds to the Rainy Day for possible repayment.

**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	1,524,094	1,602,884	1,414,512	1,309,564	1,347,477	1,387,384
YOY \$ Change	117,846	78,790	(188,372)	(104,948)	37,913	39,907
YOY % Change	8.4%	5.2%	-11.8%	-7.4%	2.9%	3.0%
Percentage of Total Revenue	12.2%	11.9%	11.1%	10.5%	10.9%	11.4%

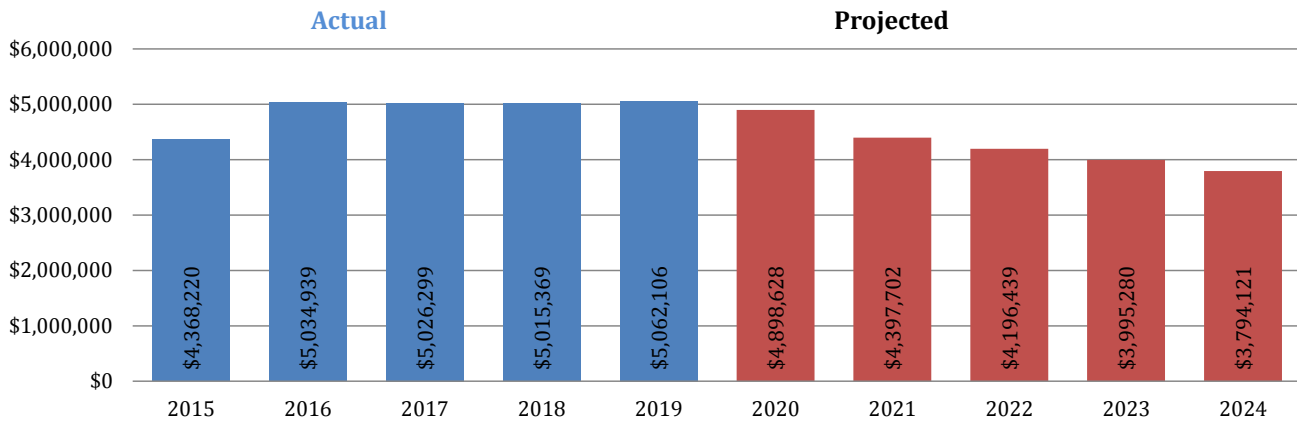
- Income tax collections have averaged a 2.46% increase during the previous five years. Although there was a small dip in collections in 2015 and 2017, it is expected to decrease by 1.63% on average over the next five years.
- A decrease of 11.8% and 7.4% for fiscal years 2021 and 2022, respectively, have been forecasted due to unprecedented unemployment due to the COVID-19 pandemic with anticipated growth forecasted beginning fiscal 2023.
- The “traditional” income tax levy is 1% annually for a five year period with expiration on December 31, 2025.



*Projected % trends include renewal levies

1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.

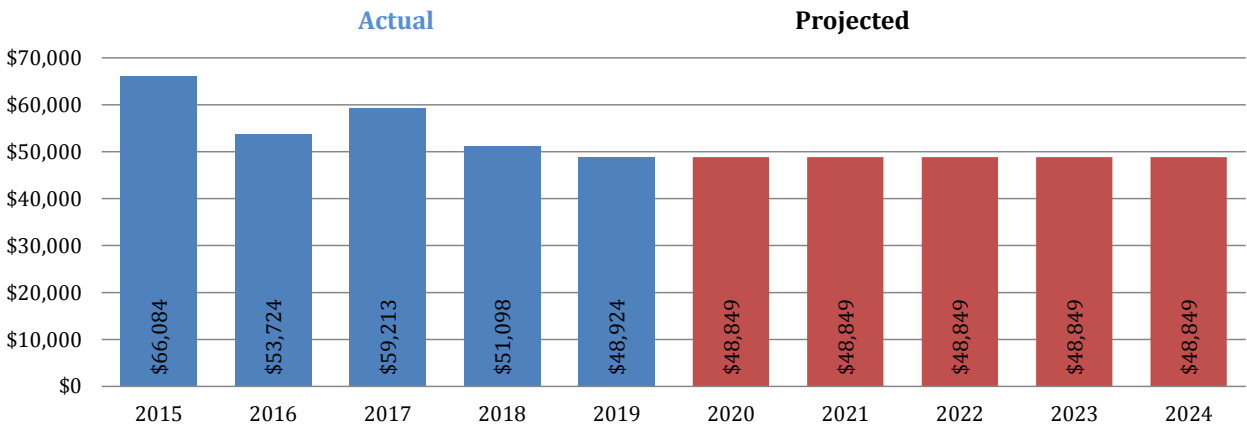


	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	5,062,106	4,898,628	4,397,702	4,196,439	3,995,280	3,794,121
YOY \$ Change	46,737	(163,478)	(500,926)	(201,263)	(201,159)	(201,159)
YOY % Change	0.9%	-3.2%	-10.2%	-4.6%	-4.8%	-5.0%
Percentage of Total Revenue	40.4%	36.4%	34.4%	33.7%	32.3%	31.1%
Base Aid	4,684,529	4,684,529	4,684,529	4,684,529	4,684,529	4,684,529
Student Wellness Aid		80,396	110,753	107,315	104,239	101,163
Supplemental Aid - Wellness & Growing		27,243	40,864	40,864	40,864	40,864
Enrollment	824	820	802	778	755	733

- Unrestricted state foundation makes up just over 36% of the district revenues.
- Over the forecast period this revenue is expected to decrease by 3.2% for the current year and then decrease the following four. The decreases are anticipated due to an estimated 10% State budget cuts as a result of the COVID-19 pandemic and a potential phase out of transitional aid guarantee, in the amount of, \$200,000 per year in fiscal years 2022 through 2024. This is a direct result of the District’s significant increase in public utility valuation. The amount of state funding received is based on a formula which takes into account student enrollment, property values, and income wealth of the district.
- The new State budget provided a new funding source, in the amount of, \$107,639 and \$151,617, in fiscal 2020 and 2021, respectively. This new funding source is restricted for student wellness and success and recorded in a separate fund rather than General fund. A portion of this new funding will be used to offset summer school costs, before school tutoring, a bus monitor, a school nurse, and several professional developments previously paid from the General fund. A small portion of these funds was used to create a student/staff liaison. After fiscal 2021 all these expenditures are expected to revert back to the General fund.

1.040 & 1.045 - Restricted Grants-in-Aid

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

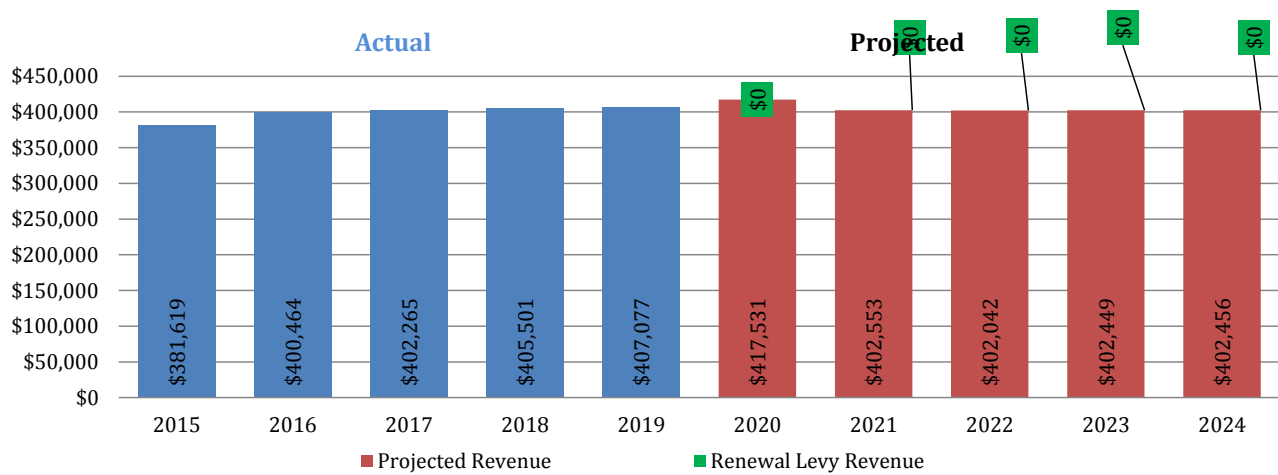


	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	48,924	48,849	48,849	48,849	48,849	48,849
YOY \$ Change	(2,174)	(75)	-	-	-	-
YOY % Change	-4.3%	-0.2%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Revenue	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%

- The amount currently reflected for restricted grants is primarily the component of per pupil funding designated as economic disadvantaged and Career Technical Education (CTE).
- This revenue source makes up less than one half percent of total revenues.

1.050 - Property Tax Allocation

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



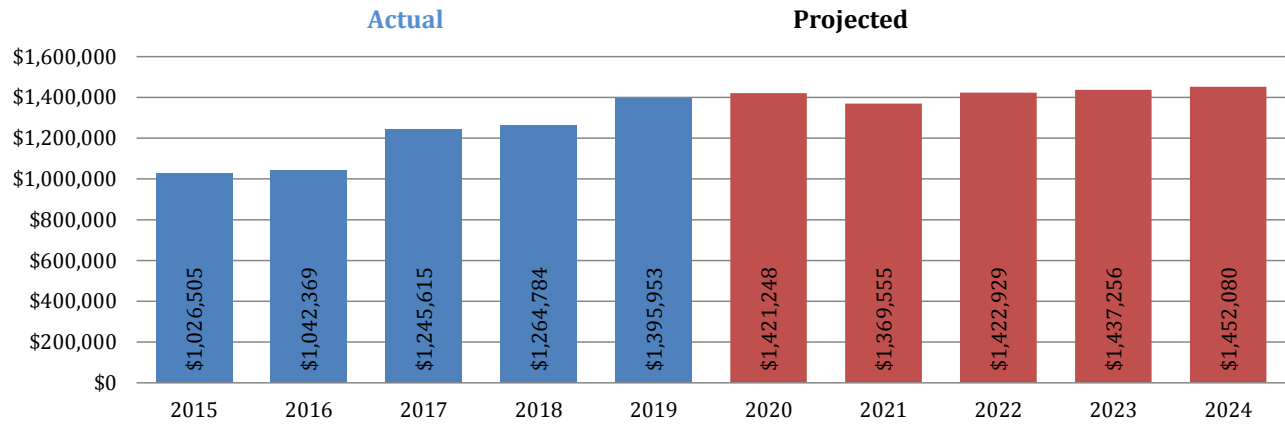
	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total With Renewal Levies	407,077	417,531	402,553	402,042	402,449	402,456
YOY \$ Change	1,576	10,454	(14,978)	(511)	407	7
YOY % Change	0.4%	2.6%	-3.6%	-0.1%	0.1%	0.0%
Percentage of Total Revenue	3.3%	3.1%	3.1%	3.2%	3.3%	3.3%
% of Residential Real Estate 10% Rollback	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
% of Residential Real Estate 2.5% Rollback	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%
% of Residential Real Estate Homestead	2.74%	2.74%	2.74%	2.74%	2.74%	2.74%

- Property tax allocation is property tax credits given to qualifying residential taxpayers and then paid to the District by the State of Ohio. These are credits are for taxpayers who live in their own home and low-income senior citizens or totally disabled individuals.
- This revenue source makes up 3.1% of total revenues.
- Any growth that has occurred over the last five years is due to rollback and homestead tax reimbursements that increased as property values and rates increased.

**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	1,395,953	1,421,248	1,369,555	1,422,929	1,437,256	1,452,080
YOY \$ Change	131,169	25,295	(51,693)	53,374	14,327	14,824
YOY % Change	10.4%	1.8%	-3.6%	3.9%	1.0%	1.0%
Percentage of Total Revenue	11.2%	10.6%	10.7%	11.4%	11.6%	11.9%

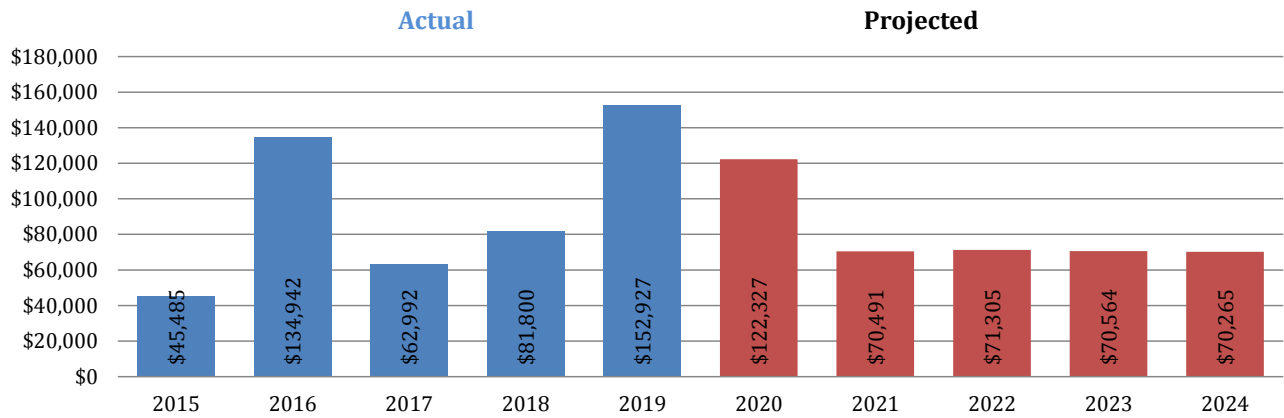
- Other revenue is 10.6% of total revenue with a trend in the previous five years averaging increases at 9.41%. Future projections reflect average increases of .82 % over the next five years.
- A reduction in preschool tuition in fiscal year 2021 is anticipated with the uncertainty of reopening school buildings due to the COVID-19 pandemic.
- Additional revenue of \$50,000 was received in fiscal year 2017 and every year thereafter for a period of thirty years due leasing our radio license on the open market.
- Of the \$1.4 million revenue anticipated, the bulk of the revenue is derived from five sources:

2

Open Enrollment In	\$ 949,191	64.76%
Excess Costs	181,000	12.35%
Preschool and SF14 Tuition	52,000	3.55%
Rent/Royalties	56,000	3.82%
Interest	89,500	6.11%
	<u>\$ 1,327,691</u>	<u>90.59%</u>

2.070 - Total Other Financing Sources

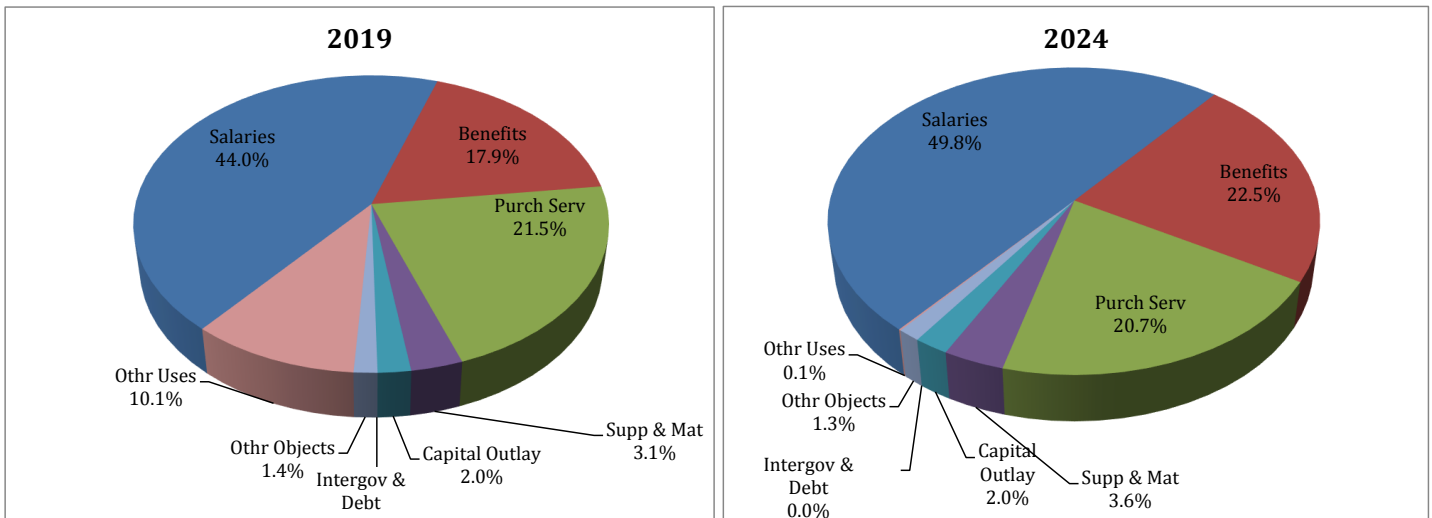
Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	152,927	122,327	70,491	71,305	70,564	70,265
YOY \$ Change	71,127	(30,600)	(51,836)	814	(741)	(299)
YOY % Change	87.0%	-20.0%	-42.4%	1.2%	-1.0%	-0.4%
Percentage of Total Revenue	1.2%	0.9%	0.6%	0.6%	0.6%	0.6%
Transfers In	664	2,947	491	1,305	564	265
Advances In	-	-	-	-	-	-

- This revenue line item is primarily made up of rebates and refunds of previous years' expenditures.
- In 2019, back Medicaid claims increased by \$74,000 over the prior year's collection. This trend is not anticipated in 2020. Thus, resulting in a year over year decrease.
- In 2020, the Bureau of Workers Compensation refunded 2018 premiums of nearly \$35,000. The District has not forecasted this refund in subsequent fiscal years.

Expenditure Categories and Forecast Year-Over-Year Projected Overview

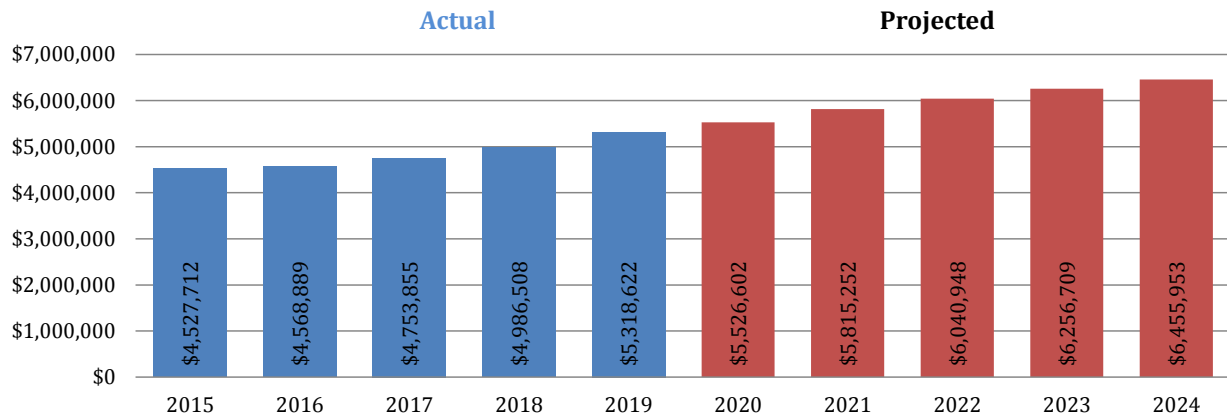


	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	
Expenditures:							
3.010-Salaries	4.16%	3.91%	5.22%	3.88%	3.57%	3.18%	3.95%
3.020-Benefits	6.34%	5.48%	9.96%	5.43%	5.14%	4.88%	6.18%
3.030-Purchased Services	3.80%	-8.43%	4.83%	4.19%	1.62%	1.62%	0.77%
3.040-Supplies & Materials	4.05%	-2.25%	10.16%	2.16%	8.33%	3.00%	4.28%
3.050-Capital Outlay	21.97%	11.91%	-5.53%	0.79%	0.98%	1.16%	1.86%
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	11.75%	0.06%	13.20%	-11.66%	13.20%	-11.66%	0.63%
4.500-Total Expenditures	4.44%	1.17%	6.15%	3.90%	3.74%	2.95%	3.58%
5.040-Total Other Uses	15044.91%	23.78%	-32.62%	-9.99%	-69.90%	-94.54%	-36.66%
5.050-Total w/Other Uses	6.68%	3.45%	1.48%	2.79%	-1.42%	0.87%	1.43%

- Expenditures are projected to grow annually at 1.43 % over the forecast period. The previous five year period reflects 6.68% growth.
- Personal services have been relatively stable over the last several years due to staff retirements and hiring new employees at lower costs. That trend has come to an end with costs increasing due to staff movement on the salary schedule for degree advancements and less retirements.
- Fringe benefits are projected to increase at 6.18% over the next five years. This is largely due to insurance rates rising at an average rate of 7.5% annually.
- Materials and supplies are anticipated to decrease by 2.25% in fiscal year 2020 due to the closure of the school building from mid-March to May.
- Capital outlay is estimated to increase by \$30,000 in fiscal year 2020 mostly due to the purchase of student desks and chairs, as well as, bus cameras.
- Other objects are expected to increase in fiscal years 2021, and 2023 due to biannual audit expenses.
- Total other financing uses had large increases the last five years due to allocating 20% of the district's income tax proceeds to a permanent improvement fund, significant transfers to fund a future roof project, and a transfer to the debt service fund. In 2020, additional transfers are anticipated to the Rainy Day fund in order to retain district programs should the COVID-19 pandemic result in significant revenue shortfalls, as well as, set aside funds for the potential payback of pipeline revenues with interest. The forecast reflects this transfer over the next three years.

3.010 - Personnel Services

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

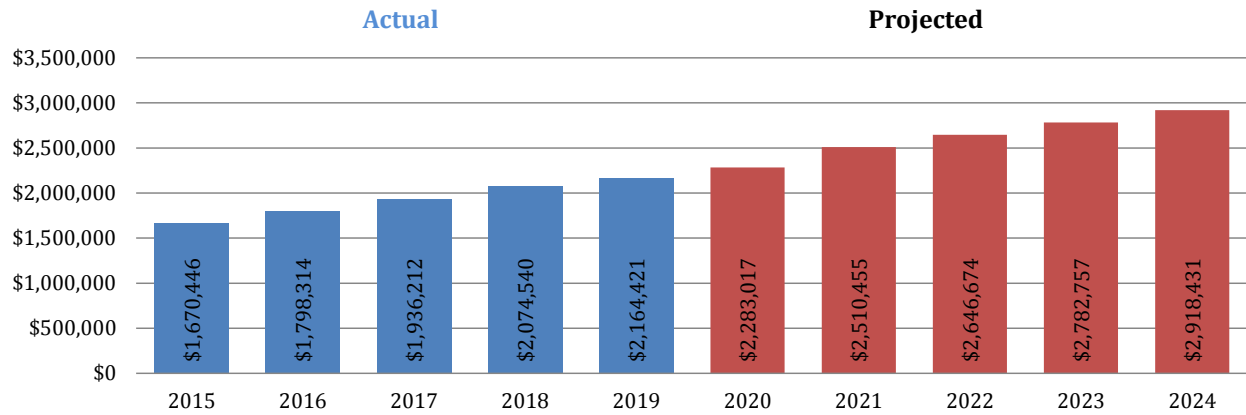


	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	5,318,622	5,526,602	5,815,252	6,040,948	6,256,709	6,455,953
YOY \$ Change	332,114	207,980	288,650	225,696	215,761	199,244
YOY % Change	6.7%	3.9%	5.2%	3.9%	3.6%	3.2%
Percentage of Total Budget	44.0%	44.2%	45.8%	46.3%	48.7%	49.8%

- Salaries make up 44% of the district’s budget and are projected to grow annually at 3.95% over the forecast period. These costs are driven by a combination of annual step increases, base salary increases, and movement on the salary schedule as newer staff seek additional educational experience. The trend of staff retirements and hiring new employees at lower costs has come to an end.
- A 3% annual salary increase has been projected in fiscal year 2020 in accordance with the district’s negotiated agreement. The remainder of the forecast period reflects nominal increases.

3.020 - Employees' Benefits

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

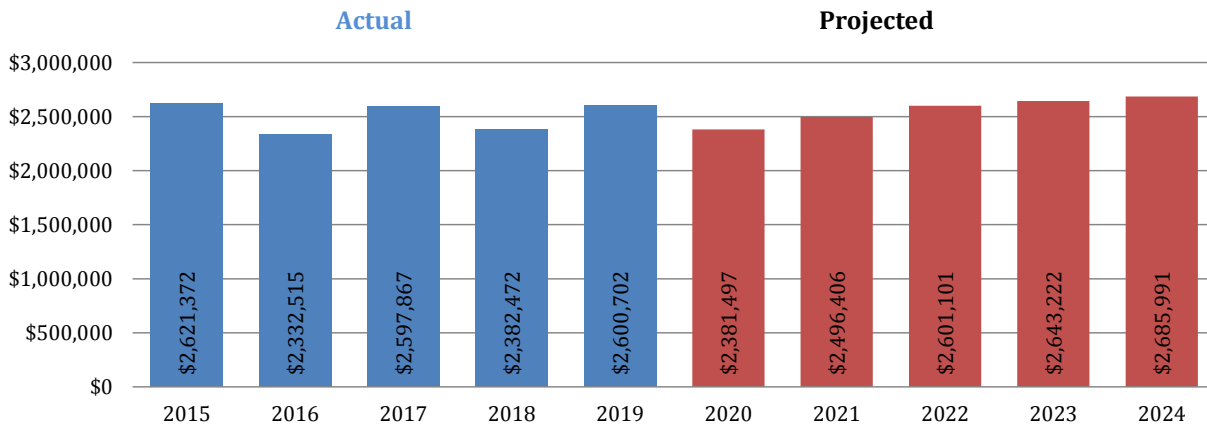


	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	2,164,421	2,283,017	2,510,455	2,646,674	2,782,757	2,918,431
YOY \$ Change	89,881	118,596	227,438	136,219	136,083	135,674
YOY % Change	4.3%	5.5%	10.0%	5.4%	5.1%	4.9%
Percentage of Total Budget	17.9%	18.3%	19.8%	20.3%	21.6%	22.5%

- Benefits make up 18% of the districts' budget and are projected to grow annually at 6% over the forecast period.
- Health insurance premiums are projected to increase an average of 7.5% per year over the forecast with a double digit increase anticipated in fiscal year 2021.
- In collaboration with the district's union to control health care costs, beginning fiscal years 2019 and 2020 staff will pick up 3.75% and 7.50%, respectively, of the district's health insurance premiums.

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.



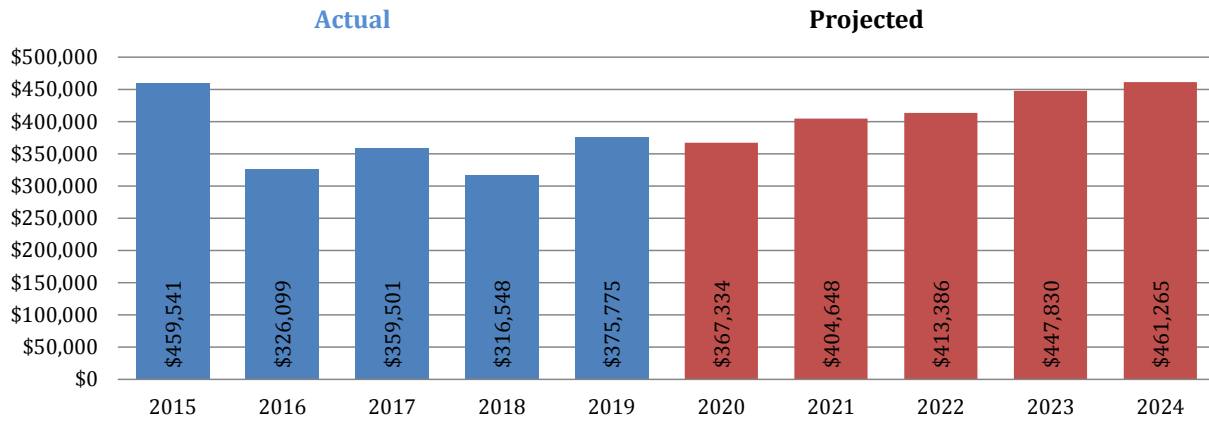
	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	2,600,702	2,381,497	2,496,406	2,601,101	2,643,222	2,685,991
YOY \$ Change	218,230	(219,205)	114,909	104,695	42,121	42,769
YOY % Change	9.2%	-8.4%	4.8%	4.2%	1.6%	1.6%
Percentage of Total Budget	21.5%	19.0%	19.7%	19.9%	20.6%	20.7%

- Purchased services make up 19% of the districts’ budget and are projected to increase annually at .77%.
- In fiscal 2019, tuition payments for special education services significantly increase.
- A reduction is anticipated during fiscal 2020 due to rent of the MCI building concluding in January and the offsetting of school nursing services and professional development to the Student Wellness and Success fund rather than the General fund. After fiscal 2021 these expenditures are expected to revert back to the General fund.
- Of the \$2.3 million expenditures anticipated, the bulk is from the following five sources:

Open Enrollment Out	\$ 621,599	24.16%
Community School Transfer	246,631	9.59%
Tuition (includes CCP)	292,320	11.36%
Utilities	313,574	12.19%
ESC Contract	534,109	20.76%
	\$ 2,008,233	78.07%

3.040 - Supplies & Materials

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

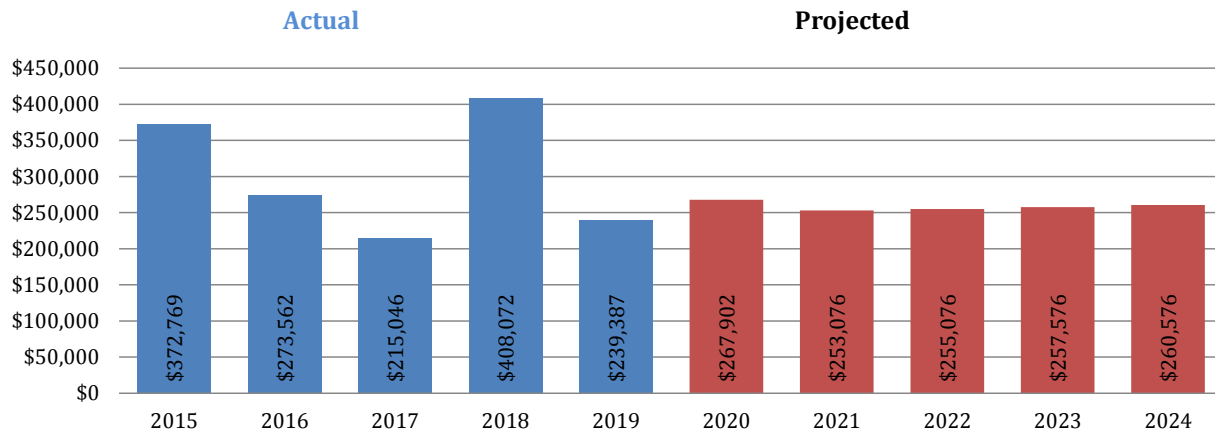


	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	375,775	367,334	404,648	413,386	447,830	461,265
YOY \$ Change	59,227	(8,441)	37,314	8,738	34,444	13,435
YOY % Change	18.7%	-2.2%	10.2%	2.2%	8.3%	3.0%
Percentage of Total Budget	3.1%	2.9%	3.2%	3.2%	3.5%	3.6%

- Materials and supplies make up nearly 3% of the total expenditures.
- In fiscal year 2020, materials and supplies are expected to decrease by \$8,441 due to the closure of the school building from mid-March through May. It should be noted the District purchased 7th grade and high school English language arts and high school world history textbooks during the year. The district is considering establishing a textbook committee to evaluate these purchases every year to avoid significant fluctuations with this type of purchase.
- In fiscal year 2021, plans are underway to purchase high school math and science textbooks, as well as, elementary math textbooks.

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	239,387	267,902	253,076	255,076	257,576	260,576
YOY \$ Change	(168,685)	28,515	(14,826)	2,000	2,500	3,000
YOY % Change	-41.3%	11.9%	-5.5%	0.8%	1.0%	1.2%
Percentage of Total Budget	2.0%	2.1%	2.0%	2.0%	2.0%	2.0%

- Capital outlay makes up 2% of the district’s budget.
- The district purchases one school bus each year. However, sometimes the delivery of the bus will occur in the following year from the time of purchase.
- During fiscal 2020, purchases of student desks, student chairs, and bus cameras accounted for most of the yearly increase.
- In future years much of the capital outlay budget will continue from the permanent improvement fund.

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.

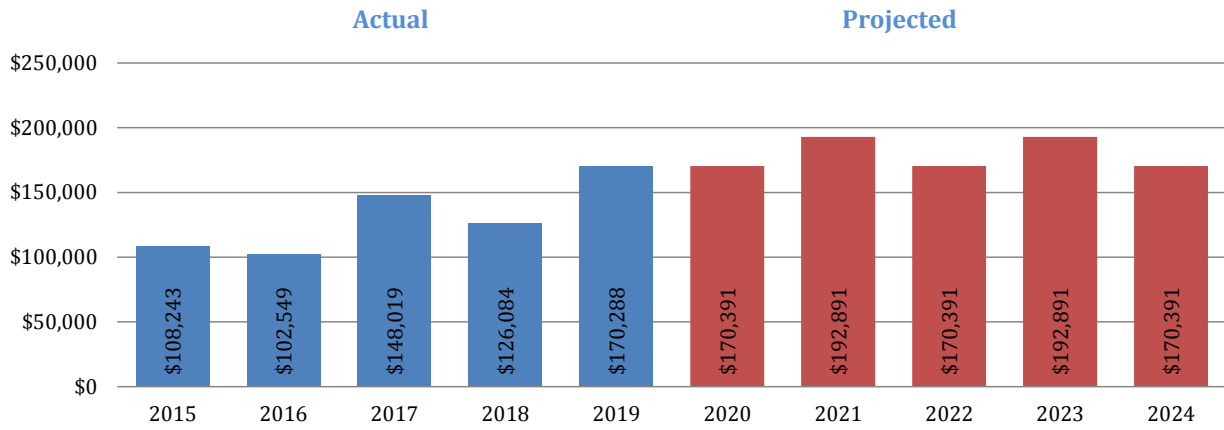
	Actual	Projected									
\$1											
\$1											
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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	

	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%

- The district has no intergovernmental and debt service that are funded by the general fund.

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.

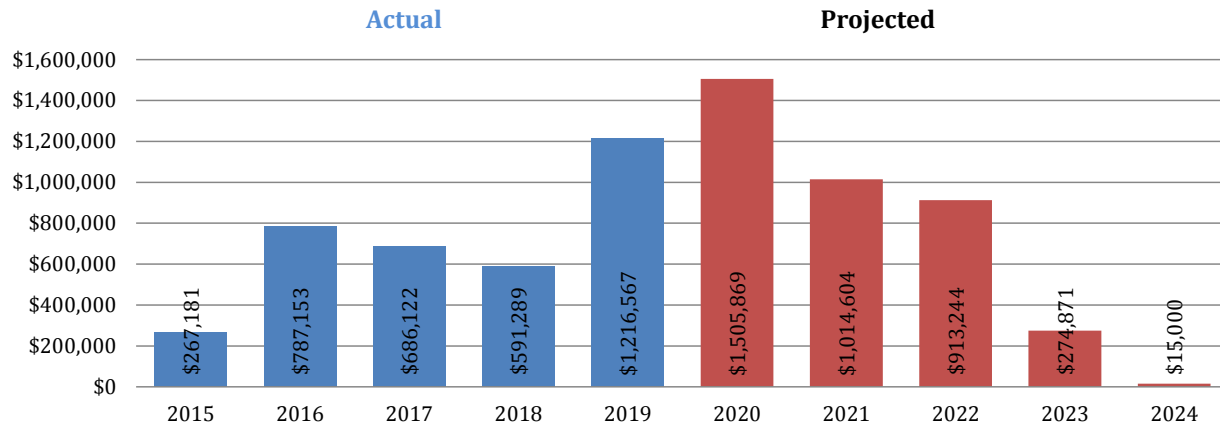


	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	170,288	170,391	192,891	170,391	192,891	170,391
YOY \$ Change	44,204	103	22,500	(22,500)	22,500	(22,500)
YOY % Change	35.1%	0.1%	13.2%	-11.7%	13.2%	-11.7%
Percentage of Total Budget	1.4%	1.4%	1.5%	1.3%	1.5%	1.3%

• Other objects are projected to remain consistent and are mostly comprised of county auditor and treasurers fees for the collection of local tax revenue, as well as, biannual audit costs. The forecast reflects the District biannual audit in FY2021 and FY2022.

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	1,216,567	1,505,869	1,014,604	913,244	274,871	15,000
YOY \$ Change	625,278	289,302	(491,265)	(101,360)	(638,373)	(259,871)
YOY % Change	105.7%	23.8%	-32.6%	-10.0%	-69.9%	-94.5%

Percentage of Total Budget	10.1%	12.0%	8.0%	7.0%	2.1%	0.1%
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Transfers Out	1,216,497	1,505,869	1,014,604	913,244	274,871	15,000
Advances Out	-	-	-	-	-	-

- Beginning in 2015, the district began transferring 20% of the income tax revenue to a Permanent Improvement fund to be used for future capital projects and for the payment of capital leases.
- In fiscal year 2016, the district transferred an additional \$500,000 to the Permanent Improvement fund with a district goal of saving \$1 million for the replacement of a school building roof.
- In fiscal year 2017, the district transferred \$151,237 to establish a Termination Benefits Fund. The purpose of this fund is to pay future severance payments for retiring staff. The fund will be monitored each year to determine if additional funding is required. Additionally, \$250,000 was transferred to the Permanent Improvement fund.
- In fiscal year 2018, the district transferred the final \$250,000 to the Permanent Improvement fund to achieve its goal of \$1 million for roof replacement.
- In fiscal year 2019, the district transferred \$875,000 to the Bond Retirement fund in order to start accumulating funds for early retirement of the school building bonds.
- In fiscal years 2020 through 2022, transfers to the Rainy Day fund are planned to help retain district programs should the COVID-19 pandemic result in significant revenue shortfalls, as well as, set aside funds for the potential payback of pipeline revenues with interest. A transfer of \$500,000 to the Permanent Improvement fund for summer projects and a \$50,000 transfer to the Cafeteria fund for operating losses due to the COVID-19 pandemic are anticipated.

MOHAWK LOCAL SCHOOL DISTRICT

Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2019	2020	2021	2022	2023	2024
Revenue:						
1.010 - General Property Tax (Real Estate)	2,584,816	2,620,204	2,516,971	2,487,626	2,584,600	2,590,933
1.020 - Public Utility Personal Property	1,338,676	2,328,143	2,570,397	2,523,919	2,479,061	2,435,149
1.030 - Income Tax	1,524,094	1,602,884	1,414,512	1,309,564	1,347,477	1,387,384
1.035 - Unrestricted Grants-in-Aid	5,062,106	4,898,628	4,397,702	4,196,439	3,995,280	3,794,121
1.040 - Restricted Grants-in-Aid	48,924	48,849	48,849	48,849	48,849	48,849
1.050 - Property Tax Allocation	407,077	417,531	402,553	402,042	402,449	402,456
1.060 - All Other Operating Revenues	1,395,953	1,421,248	1,369,555	1,422,929	1,437,256	1,452,080
1.070 - Total Revenue	12,361,646	13,337,487	12,720,539	12,391,368	12,294,972	12,110,972
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	664	2,947	491	1,305	564	265
2.050 - Advances-In	-	-	-	-	-	-
2.060 - All Other Financing Sources	152,263	119,380	70,000	70,000	70,000	70,000
2.070 - Total Other Financing Sources	152,927	122,327	70,491	71,305	70,564	70,265
2.080 - Total Rev & Other Sources	12,514,573	13,459,814	12,791,030	12,462,673	12,365,536	12,181,237
Expenditures:						
3.010 - Personnel Services	5,318,622	5,526,602	5,815,252	6,040,948	6,256,709	6,455,953
3.020 - Employee Benefits	2,164,421	2,283,017	2,510,455	2,646,674	2,782,757	2,918,431
3.030 - Purchased Services	2,600,702	2,381,497	2,496,406	2,601,101	2,643,222	2,685,991
3.040 - Supplies and Materials	375,775	367,334	404,648	413,386	447,830	461,265
3.050 - Capital Outlay	239,387	267,902	253,076	255,076	257,576	260,576
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	170,288	170,391	192,891	170,391	192,891	170,391
4.500 - Total Expenditures	10,869,195	10,996,743	11,672,728	12,127,576	12,580,985	12,952,607
Other Financing Uses						
5.010 - Operating Transfers-Out	1,216,497	1,505,869	1,014,604	913,244	274,871	15,000
5.020 - Advances-Out	-	-	-	-	-	-
5.030 - All Other Financing Uses	70	-	-	-	-	-
5.040 - Total Other Financing Uses	1,216,567	1,505,869	1,014,604	913,244	274,871	15,000
5.050 - Total Exp and Other Financing Uses	12,085,762	12,502,612	12,687,332	13,040,820	12,855,856	12,967,607
6.010 - Excess of Rev Over/(Under) Exp	428,811	957,202	103,698	(578,147)	(490,320)	(786,370)
7.010 - Cash Balance July 1 (No Levies)	3,608,631	4,037,442	4,994,644	5,098,341	4,520,194	4,029,874
7.020 - Cash Balance June 30 (No Levies)	4,037,442	4,994,644	5,098,341	4,520,194	4,029,874	3,243,504
Reservations						
8.010 - Estimated Encumbrances June 30	138,011	220,000	220,000	220,000	220,000	220,000
9.080 - Reservations Subtotal	1,000,000	1,650,336	2,352,511	3,023,294	3,043,294	3,063,294
10.010 - Fund Bal June 30 for Cert of App	2,899,431	3,124,308	2,525,830	1,276,900	766,580	(39,790)
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Renewal Levies	-	-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-
12.010 - Fund Bal June 30 for Cert of Obligations	2,899,431	3,124,308	2,525,830	1,276,900	766,580	(39,790)
Revenue from New Levies						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	2,899,431	3,124,308	2,525,830	1,276,900	766,580	(39,790)