

East Knox Local School District

Knox County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2021, 2022 and 2023 Actual;
Forecasted Fiscal Years Ending June 30, 2024 Through 2028

	Actual				Average Change	Forecasted				
	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023			Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
Revenues										
1.010 General Property Tax (Real Estate)	\$6,777,688	\$7,357,190	\$7,491,002	5.18%	\$9,024,163	\$9,821,050	\$9,905,611	\$9,381,790	\$9,045,028	
1.020 Tangible Personal Property Tax	417,315	448,552	513,876	11.02%	579,584	594,770	605,907	594,662	590,155	
1.030 Income Tax										
1.035 Unrestricted State Grants-in-Aid	3,886,866	3,088,721	3,098,237	-10.11%	3,062,709	3,062,089	3,062,410	3,060,410	3,060,731	
1.040 Restricted State Grants-in-Aid	84,767	180,291	163,524	51.70%	247,353	193,000	193,000	193,000	193,000	
1.045 Restricted Federal Grants-in-Aid - SFSF										
1.050 State Share of Local Property Taxes	833,433	893,451	899,209	3.92%	1,102,417	1,133,630	1,146,828	1,083,986	1,044,558	
1.060 All Other Revenues	1,098,755	495,608	959,454	19.35%	1,097,126	969,000	919,000	869,000	819,000	
1.070 Total Revenues	13,098,824	12,463,813	13,125,302	0.23%	15,113,352	15,773,540	15,832,756	15,182,848	14,752,472	
Other Financing Sources										
2.010 Proceeds from Sale of Notes										
2.020 State Emergency Loans and Advancements (Approved)										
2.040 Operating Transfers-In	50,000	50,000	50,000		50,000	50,000	50,000	50,000	50,000	
2.050 Advances-In										
2.060 All Other Financing Sources	38,016	30,762	3,520	-53.82%	6,334					
2.070 Total Other Financing Sources	88,016	80,762	53,520	-20.99%	56,334	50,000	50,000	50,000	50,000	
2.080 Total Revenues and Other Financing Sources	13,186,840	12,544,575	13,178,822	0.09%	15,169,686	15,823,540	15,882,756	15,232,848	14,802,472	
Expenditures										
3.010 Personal Services	4,543,637	4,565,308	4,698,738	1.70%	5,660,494	6,165,039	6,449,706	6,716,796	6,852,209	
3.020 Employees' Retirement/Insurance Benefits	2,187,655	2,179,606	2,158,217	-0.67%	2,700,051	3,028,262	3,236,529	3,422,561	3,596,839	
3.030 Purchased Services	3,513,087	2,113,956	2,767,866	-4.45%	3,171,412	3,178,554	3,273,911	3,372,128	3,473,292	
3.040 Supplies and Materials	382,152	336,616	405,236	4.23%	603,363	590,750	614,380	638,955	664,513	
3.050 Capital Outlay	36,885	35,793	103,400	92.96%	186,090					
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										
4.060 Interest and Fiscal Charges										
4.300 Other Objects	142,519	118,061	173,180	14.76%	242,336	251,775	256,810	261,946	267,185	
4.500 Total Expenditures	10,805,935	9,349,340	10,306,637	-1.62%	12,563,745	13,214,380	13,831,336	14,412,387	14,854,038	
Other Financing Uses										
5.010 Operating Transfers-Out	50,000	50,000	50,000		50,000	50,000	50,000	50,000	50,000	
5.020 Advances-Out										
5.030 All Other Financing Uses										
5.040 Total Other Financing Uses	50,000	50,000	50,000		50,000	50,000	50,000	50,000	50,000	
5.050 Total Expenditures and Other Financing Uses	10,855,935	9,399,340	10,356,637	-1.62%	12,613,745	13,264,380	13,881,336	14,462,387	14,904,038	
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	2,330,905	3,145,235	2,822,185	12.33%	2,555,941	2,559,160	2,001,420	770,462	-101,566	
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	7,512,468	9,843,373	12,988,608	31.49%	15,810,793	18,366,734	20,925,894	22,927,314	23,697,776	
7.020 Cash Balance June 30	9,843,373	12,988,608	15,810,793	26.84%	18,366,734	20,925,894	22,927,314	23,697,776	23,596,210	
8.010 Estimated Encumbrances June 30	62,900	124,694	248,763	98.87%	100,000	100,000	100,000	100,000	100,000	
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										
9.050 Debt Service										
9.060 Property Tax Advancements										
9.070 Bus Purchases										
9.080 Subtotal										
10.010 Fund Balance June 30 for Certification of Appropriations	9,780,473	12,863,914	15,562,030	26.25%	18,266,734	20,825,894	22,827,314	23,597,776	23,496,210	
Revenue from Replacement/Renewal Levies										
11.010 Income Tax - Renewal										
11.020 Property Tax - Renewal or Replacement								708,000	1,200,000	
11.300 Cumulative Balance of Replacement/Renewal Levies								708,000	1,908,000	
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	9,780,473	12,863,914	15,562,030	26.25%	18,266,734	20,825,894	22,827,314	24,305,776	25,404,210	
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	9,780,473	12,863,914	15,562,030	26.25%	18,266,734	20,825,894	22,827,314	24,305,776	25,404,210	
ADM Forecasts										
20.010 Kindergarten - ADM Count					78	75	75	75	75	
20.015 Grades 1-12 - ADM Count					897	892	897	887	885	

**Five-Year Forecast
Assumptions
May 2024**

The East Knox Local School District Board of Education approved the Five-Year Forecast at their regular meeting on May 23, 2024.

REVENUE ASSUMPTIONS

GENERAL PROPERTY TAX (REAL ESTATE)

Real Estate Value Assumptions:

Property values are established each year by the County Auditor based on new construction and complete or updated values. A general reappraisal is mandated by Ohio law every six years with a three-year midpoint update. Property taxes are levied and assessed on a calendar year basis while the district's fiscal year (FY) runs from July through June. Property tax revenue received during calendar year 2023 (the collection year) for real property represents collections of 2022 taxes (the tax year).

Property taxes are applied to real property, public utility personal property, and manufactured homes which are located within the school district. The District receives property taxes from Knox, Coshocton, and Licking Counties. Approximately 97% of the tax collections are from Knox County and the remaining 3% coming from taxpayers in Licking and Coshocton Counties.

The district passed a 4.4 mill emergency operating levy in November 2016 that generates \$1.2 million per year and collections started January 1, 2017. This was the 10th attempt at passing an operating levy since 2010. 2020 was a reappraisal year for Knox County. Residential values increased by 21% in the district and agricultural values decreased by 5%. Overall, there was a 15.8% increase in valuation from 2019 to 2020 for the school district.

Tax collections for FY21 increased by 10.2% due to the increase in assessed valuation. This was an additional \$631,000 in revenue compared to FY20. Tax collections for FY22 increased by 8.6%. This was an additional \$579,000 in revenue compared to FY21. Tax revenue collections are projected to average 0% change over the next five years. The no change is because the emergency levy from 2016 will be up for renewal. Until that levy is renewed, it is required to reflect those potential lost tax receipts in Line 11.02. This first impacts the forecast in FY27 with a projected loss of \$708,000 and the an additional \$1,200,000 in FY28.

It is important to note that Knox County just had a triennial update for 2023. The value increase in Knox County was 43% and 43% overall for the district. This had a significant impact on our FY24 tax collections. The real estate collections increased by \$1.5 million and are projected to increase by another \$800,000 in FY25. It is unknown how this will impact the district long-term. There have been proposals at the state level to help taxpayers with these monumental increases. At the moment, the projections hesitantly project the tax revenue increases to be maintained.

TANGIBLE PERSONAL PROPERTY TAX

The District also receives public utility real and personal property taxes. These tax receipts are reflected in Line 1.020. The collections increased by 10.2% in 2021, 7.5% in 2022, and 14.5% in 2023. In 2024 collections are estimated to increase by 12% or \$66,000. The majority of the District's Tangible Personal Property Tax revenue is from Public Utilities.

UNRESTRICTED GRANTS-IN-AID

State Revenue Estimates:

State revenue is reflected in Line 1.035. The District receives around \$65,000 per year in casino tax funding. The fluctuations in revenue from prior years in Line 1.035 are due to pre-school enrollment changes and the receipt of true-up payments from previous year funding allocations. The District anticipates no increase in state funding in the remaining years of the forecast due to flat enrollment and current state funding methods used. On May 6, 2020 the District received notice that funding for FY20 would be reduced by \$277,579 due to state budget cuts due to the COVID-19 pandemic. In earlier calendar 2021, the district was notified that tax collections at the state level

were better than anticipated and our original reduction in funding was reduced. The reduction in funding ended up being \$198,000. For the state biennial budget effective July 1, 2021, there were significant changes to the funding. Open Enrollment revenue is no longer be reflected in our state funding. On the other hand, the Community School Transfer and Open enrollment expenses will no longer be reflected in purchased service expenses. There is also some state funding that is now reported as restricted revenue. The result was a decrease in state funding of \$800,000 in FY22. As of May 2024, the district is still on the transitional aid guarantee for state funding for \$493,000.

RESTRICTED GRANTS-IN-AID

Line 1.040 now consists of career technical, economic disadvantaged, gifted, English Learners, and Student Success and Wellness funding. These funds are restricted in their use to a specific purpose. These funds total about \$193,000 per year. There was an additional one-time contribution from ODEW of \$54,451 for high quality instructional materials in FY24. The total restricted funding amounts are projected to remain flat.

STATE SHARE OF LOCAL PROPERTY TAXES

State Rollback, Homestead:

The Rollback and Homestead are reimbursements from the state for tax relief given to owner-occupied residences equaling 12.5% of the gross property taxes charged residential taxpayers and up to 10% for commercial and industrial taxpayers. Tax relief is also granted to qualified elderly and disabled homeowners based on their income. These amounts grow in proportion to the Real Estate tax receipts based on Residential/Agricultural and Commercial/Industrial property classifications. The reimbursements fluctuate each year as property values increase/decrease and can be seen in line item 1.050. These amounts are projected to increase by an average of 13.2% over the FY24 to FY26 forecast period. There was a 22.6% increase in FY24 due to the property value increase. FY27 and FY28 has a projected reduction because the emergency levy will be up for renewal. The proceeds from the renewal are reflected in Line 11.02. New levies such as the one approved in November 2016 do not receive the Rollback credits, but they do receive the Homestead credit.

ALL OTHER REVENUES

Open Enrollment/ Tuition:

Open enrollment is no longer reported through state funding. This resulted in a decrease of \$603,000 in other revenue for FY22.

Interest Income:

The District has been working with a public funds investing company since August 2017 to expand investment options. There was then a decline of \$88,000 in FY21 and \$21,000 in FY22 due to declining rates. There was a \$419,000 increase in interest earnings in FY23 due to rising rates and proper investing. An additional \$87,000 in interest earnings is projected for FY24 compared to FY23. The revenue has projected to be flat in this area, but it will likely fluctuate as the rates decrease over time.

Other Miscellaneous revenue:

The District has received significant funding for the past few years for Medicaid reimbursements. The District participates in the Medicaid School Program (MSP). Through this program the District is able to bill the state for services such as physical therapy, speech, and occupational therapy provided to Medicaid eligible students. Prior year true-up payments have been paid to the district resulting in \$50,069 in FY21, \$86,000 in FY22, and \$30,928 in FY23. In FY21, there were \$75,000 in BWC dividends from Ohio BWC due to the ongoing pandemic. These are one time funds that were deposited into the general fund.

OTHER FINANCING SOURCES

In FY17 the district established a severance set aside fund within the general fund. This was a requirement by the Auditor of State's Office in order to be released from Fiscal Emergency. The District receives refunds from previous year expenditures, such as BWC refunds and other miscellaneous receipts, such as the sale of District property that is receipted into Line 2.07. In FY21, there was a refund of \$5,325 from the Coronavirus Relief Funds (CRF) for expenses in FY20 that the federal grant could cover, auction proceeds, and another worker's compensation refund. In FY22, there were additional auction proceeds and BWC refunds.

EXPENDITURE ASSUMPTIONS

PERSONAL SERVICES

This line item includes salaries paid to all employees including part-time, supplemental, and substitute pay. The teacher's association and the Board of Education agreed to a three-year contract with a 3% base salary increase in FY21 and a salary re-opener in FY22 and FY23. In March 2021 the board approved base salary increases of 2.25% for FY22 for all staff and 2.25% for FY23 for certified staff. Salaries for the next three years have been negotiated and are as follows: FY24-4%, FY25-3%, and FY26-3%. This includes an added work day to the teacher contract. In addition, certified staff will receive retention bonuses of \$1,500 per year if employment is maintained.

Salary costs increased by 1.7% in FY21, only .48% in FY22, and 2.9 in FY23. The average salary increase is projected to increase 7.8% each year through the remainder of the forecast. The district received nearly \$250,000 in ESSER funds and \$1.4 million in ESSER II funds. Approximately \$100,000 of the funds in FY21 went towards teacher salaries that came from the general fund in FY20. In FY22 approximately \$168,000 in salaries is coming from ESSER II funds for general fund positions. The funding of these four positions continued into FY23 with ESSER funds. An additional position was also added for FY23. These five positions have been added back into the general fund in FY24. There was a high rate of teacher and administrator resignation and retirement between FY21 and FY22 and again between FY22 and FY23. This provided additional savings in salary costs. The district added one special education secretary in FY22 and two special education teachers in FY23. Also, an additional science teacher at the JR/SR High was added in FY24 and two additional special education teachers were added. Also, previously contracted occupational therapy and nursing services were hired "in house." These costs move from purchased services to personal services. \$215,550 has been added into the forecast in FY24 for currently funded ESSER II positions and \$35,706 in FY25. This is four general education teachers and one curriculum director/assistant principal. In addition, \$113,971 has been added back in for FY25 for two additional elementary classroom teachers. These were ESSER positions that are expiring that the BOE voted to maintain for FY25.

EMPLOYEES' RETIREMENT/INSURANCE BENEFITS

This line item includes State Teachers Retirement System and School Employees Retirement System contributions, Medicare, Workers Compensation, unemployment and medical, dental, vision, and life insurance premiums. Any increase/decrease in wages increases/decreases the District's liability for retirement, Medicare, and worker's compensation. This is reflected in the amounts for FY24-28 due to projected salary and step increases each year.

The insurance rate increase was 2.76% in FY21, 0% in FY22, and 10.27% in FY23. Overall, the retirement/benefit costs were reduced by 4.56% in FY21 due to the district taking a moratorium on insurance in December 2020. This was a onetime savings of approximately \$120,000. FY24 through FY28, benefits are projected to increase by an average of 11% as payroll costs and medical costs increase. The FY24 insurance rate increase was 9.6% and 3.7% for FY25. There was approximately \$91,000 in ESSER funds being used for retirement and benefit costs for the five positions mentioned above. These insurance benefits and other related payroll benefit costs have been added back in starting in FY24. There were several new positions added in FY24 (as mentioned above) that account for new employees on insurance. In addition, the district federal grants for Title I and IDEA were cut for FY24 due to federal budget cuts. As a result, \$120,000 in costs that would normally be funded with federal funds for special education and economically disadvantaged, are being paid from the general fund. In October 2023, there were 36 single plans and 44 family plans for the general fund. The district plans to retain two ESSER positions for FY25 when the funds expires. This has added an additional \$80,000 to the benefit costs per year.

PURCHASED SERVICES

This line is used to account for all service related expenditures of the General Fund. This area consists of educational service center charges for services such as preschool, educational aides, Knox Learning Center and special education units housed off campus. Other costs accounted for here are charges from META for student and fiscal support, technology support, postage, professional development, and utility charges such as telephone, electric, garbage, water and sewer, and heating. As mentioned in the revenue section, open enrollment costs and community school costs will no longer be reflected as an expense in the forecast. The purchased service expenses went down approximately \$1.4 million in FY22 as a result.

In FY21, purchased services decreased by 7.6% due to lower open enrollment, lower utility costs, and a reduction in the cost for services for the Knox ESC. There was a 39% decrease due to the change in reporting open enrollment and community schools. There was a 30% increase in FY23 due to the addition of a second School Resource Officer, increased ESC costs due to increasing the pay rate for educational aides, the cost of having the ESC preschools on campus, and the overall increased cost of ESC services (\$508,000), and additional costs for special education tuition and transportation at other facilities (\$125,000). There is a projected increase in FY24 of 14.5%. This substantial increase is due to the following: utilities for the new building and addition, legal services, special education student transportation and tuition, special education consultants for behavior and vision services, a superintendent search consulting fees, and special education settlement agreement payments. There is a 3% increase projected in the remaining years of the forecast. In addition, contracted social worker services are currently being paid from carryover Student Success and Wellness Funds. The cost for social workers (\$50,000) has been added in for FY25 due to the exhaustion of these funds.

SUPPLIES and MATERIALS

This line is used to account for all material and supply purchases. The major components of this section are classroom instructional materials, instructional software, janitorial and maintenance supplies, office supplies and diesel fuel. For FY23, there was a 20% increase in supply costs. This includes \$14,000 in diesel fuel and an additional \$22,000 for instructional supplies, curriculum, and software. For FY24, there is a 48% increase projected. \$125,000 of this is for instructional supplies, curriculum, and software. A portion of these funds are budgets that have existed in the past, but went unspent and portion reflects new purchases that were previously out of ESSER grant funds such as APEX and NWEA/MAP programming. This spending could be lower if all curriculum funds are not utilized. Average increases of 2.5% are projected for the remaining years.

CAPITAL OUTLAY

This line item is used to account for capital expenditures. There are not usually many expenditures budgeted here because all purchases are made from the permanent improvement fund. The voters approved a 3 Mill Permanent Improvement Levy in March 2008. This levy generates over \$700,000 in revenue per year to be used for capital expenditures. In FY21, the JR/SR High used \$30,685 instructional funds to purchase instructional equipment and additional funds in FY22 to purchase playground equipment. In FY23, the BOE committed \$103,400 to a cellular infrastructure project at the JR/SR High. In FY24 the district used general funds to purchase technology devices (\$64,000) and concealed weapon detection systems (\$121,000).

OTHER OBJECTS

This line is used to account mainly for charges from the Knox County Educational Service Center for a per pupil charge, county auditor and treasurer fees that are a percentage of tax collections, advertising delinquent tax fees, and financial audit fees. County auditor and treasurer fees are usually about 2% of collections. In FY21, the county auditor had excess collections of fees and decided to reduce fees temporarily. This saved about \$38,000 in FY21 and 22. These fees were re-instated at their original levels in FY23 and increased by \$58,000. The only projected fluctuation in this area relates to the county auditor and treasurer fees.

OTHER FINANCING USES

This line includes any transfers or advances to other funds. In 2017, the district established a severance set aside fund. The District uses this fund to plan for and pay future severance expenses upon retirement from the district. This five-year forecast is available at the East Knox Local School District's website in the Board Section.

www.ekschools.org.