

# Columbiana County Vocational School District

## Columbiana County

### Financial Forecast May 2021

#### May Update

The District took a conservative approach to forecasting revenue at the beginning of fiscal year 2021 due to the unknown economic impact the COVID-19 pandemic would have on global, state, and local economies. Our May Update includes actual revenues received in fiscal year 2021. Since revenues appear to be stable, a slightly less conservative approach was used to forecast revenues for fiscal year 2022 and beyond.

Here is a summary of changes in the revenue forecast for 2021:

	November Forecast	May Forecast	\$ Change	% Change	
1.01 General Property Tax (Real Estate)	2,170,361	\$2,160,381	(9,980)	-0.46%	
1.02 Tangible Personal Property Tax	568,915	714,761	145,846	25.64%	<i>Nexus Pipeline</i>
1.035 Unrestricted State Grants-in-Aid	2,847,511	2,844,480	(3,031)	-0.11%	
1.04 Restricted State Grants-in-Aid	701,703	701,703	-	0.00%	
1.05 Property Tax Allocation	333,817	321,387	(12,430)	-3.72%	
1.06 All Other Revenues	320,534	481,149	160,615	50.11%	<i>Open Enrollment - \$92,556 Grants - \$68,059</i>
1.07 Total Revenues	6,942,841	7,223,861	281,020	4.05%	

#### Description of the District

The Columbiana County Vocational School District is organized under section 3311.88 of the Ohio Revised Code. The District provides vocational education for 9 school districts serving students throughout 501 square miles of eastern Ohio, including Columbiana County and portions of Mahoning and Jefferson Counties. The District fosters cooperative relationships with business and industry, professional organizations, participating school districts and other interested, concerned groups and organizations to consider, plan, and implement educational programs designed to meet the common needs and interests of students.

## **General Assumptions**

A series of assumptions were developed in order to project the individual revenue and expense amounts presented. The assumptions are based upon the best information known at the time the projections were developed. Since many circumstances and conditions assumed in the projections are beyond the control of the district, projections lose some of their validity the further into the future we attempt to project.

## **Revenue Assumptions**

### **1.010 Property Tax and 1.050 Property Tax Allocation**

*Approximately 35.3% of projected revenues*

The District collects a current expense levy with a voted rate of 2.80 mills and an effective rate of approximately 2.00 mills on real property. The effective rate is a result of the tax reduction factor in HB 920 that limits the amount a levy can generate to nearly the same level as originally approved by the voters.

### **1.020 Personal Property Tax**

*Approximately 9.35% of projected revenues*

The amounts noted on Line 1.02 in the forecast are public utility personal property taxes. Collections include payments on the Nexus gas transmission pipeline. Nexus has appealed the state's valuation of the pipeline, asking that the values be further reduced. The appeal is pending, but we have been informed by the county auditor that we may be required by the court to return to Nexus a portion of the money collected. The possible refund to Nexus if they win their appeal is \$43,400. The appeal process can take several years.

### **1.030 Unrestricted Grants-in-Aid and 1.040 Restricted Grants-in-Aid**

*Approximately 49.13% of projected revenues*

Unrestricted Grants-in-Aid include State Foundation Formula Funding, Casino Revenue, CTE Credential Reimbursement, and WorkKeys Reimbursement. Restricted Grants-in-Aid include economic disadvantaged and career technical weighted funding.

HB166, the biennial budget for Fiscal Years 2020 and 2021, flat funded the total sum amount received for State Support to the amount received in Fiscal Year 2019. Projections for 2021 through 2025 include no increase. The uncertain future of

growth in State funding presents an ongoing challenge for long-range financial planning.

**1.060 All Other Revenues**

*Approximately 6.22% of projected revenues*

Open Enrollment, Mini Grants, Associated Services, and Rental of Property are included under all other revenues.

Open Enrollment can fluctuate greatly from year to year. Based on current enrollment, projections are based on an average of the last four years.

Actual			Projections				
2018	2019	2020	2021	2022	2023	2024	2025
519,263	320,252	308,006	400,562	387,020	387,020	387,020	387,020

**2.080 All Other Financing Sources**

Included in this category are refunds from prior year expenditures.

**Expenditure Assumptions**

*Please note that encumbrances at the end of FY20 totaled \$401,962, and are included in FY21 forecasted expenditures. The COVID-19 Pandemic created a longer than normal lead time for supplies. Therefore, purchase orders for FY21 were issued in FY20.*

**3.010 Personal Services (Wages)**

*Approximately 46.53% of total projected expenditures and other financing uses*

Projections are based on expected increases in base wages and the anticipated effect of step increases. Staffing levels are projected to remain unchanged from 2021 through 2025.

**3.020 Employees’ Retirement/Insurance Benefits**

*Approximately 19.8% of total projected expenditures and other financing uses*

This category includes board share of retirement (14% of wages), board share of Medicare, worker’s compensation, insurance benefits, tuition reimbursement, and unemployment claims. Projections are based on forecasted wages and current employee benefit packages.

### **3.030 Purchased Services**

*Approximately 9.24% of total projected expenditures and other financing uses*

Expenses for utilities, property insurance, liability insurance, professional development, repair/maintenance of building, professional services, security services, etc. are included in this category.

### **3.040 Supplies and Materials**

*Approximately 9.38% of total projected expenditures and other financing uses*

This category includes expenses for instructional supplies, teaching aids, office supplies, textbooks, library books, newspapers, and periodicals.

### **3.050 Capital Outlay**

*Approximately 2.21% of total projected expenditures and other financing uses*

This category includes expenses for the acquisition of equipment.

### **4.300 Other Objects**

*Approximately 1.53% of total projected expenditures and other financing uses*

This category includes professional dues/fees, audit fees, tax collection fees, and general bonds.

### **5.010 Transfers – Out**

*Approximately 11.32% of total projected expenditures and other financing uses*

Annual transfers are made to Food Service and Permanent Improvement.

The district operates a free breakfast and lunch program for high school students. The program is funded through transfers from the general fund, Federal meal reimbursements, and adult/a la carte sales.

Transfers to Permanent Improvement are earmarked for the acquisition of, or additions to, fixed assets having an estimated life or usefulness of five years or more. Included are expenditures for improvement of existing buildings and grounds; additions to buildings; construction of buildings; initial and additional equipment, furnishings and vehicles.

### **15.010 Unreserved Fund Balance June 30**

The Unreserved Fund Balance is estimated to remain at approximately \$3 million throughout the forecasted years.