

# Ripley-Union-Lewis-Huntington

Brown

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2017, 2018 and 2019 Actual;  
Forecasted Fiscal Years Ending June 30, 2020 Through 2024

	Actual			Average Change	Forecasted				
	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019		Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
<b>Revenues</b>									
1.010 General Property Tax (Real Estate)	\$2,127,175	\$1,965,466	\$2,314,004	5.1%	\$2,151,807	\$2,151,807	\$2,287,127	\$2,287,127	\$2,287,127
1.035 Unrestricted State Grants-in-Aid	6,906,266	6,943,583	6,986,627	0.6%	6,853,280	6,419,530	6,969,262	6,969,262	6,969,262
1.040 Restricted State Grants-in-Aid	456,234	377,236	327,089	-15.3%	419,487	379,655	379,655	379,655	379,655
1.050 Property Tax Allocation	300,832	294,292	300,194	-0.1%	292,228	292,228	303,194	303,194	303,194
1.060 All Other Revenues	1,004,681	782,370	868,796	-5.5%	959,639	830,512	804,161	795,494	783,119
1.070 <b>Total Revenues</b>	<b>10,795,188</b>	<b>10,362,947</b>	<b>10,796,710</b>	<b>0.1%</b>	<b>10,676,441</b>	<b>10,073,732</b>	<b>10,743,399</b>	<b>10,734,732</b>	<b>10,722,357</b>
<b>Other Financing Sources</b>									
2.040 Operating Transfers-In	454	4,213	2,730	396.4%					
2.050 Advances-In	59,161	31,479	19,195	-42.9%	67,452	20,000	20,000	20,000	20,000
2.060 All Other Financing Sources	12,491	26,937	6,475	19.8%	2,636				
2.070 <b>Total Other Financing Sources</b>	<b>72,106</b>	<b>62,629</b>	<b>28,400</b>	<b>-33.9%</b>	<b>70,088</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
2.080 <b>Total Revenues and Other Financing Sources</b>	<b>10,867,294</b>	<b>10,425,576</b>	<b>10,825,110</b>	<b>-0.1%</b>	<b>10,746,529</b>	<b>10,093,732</b>	<b>10,763,399</b>	<b>10,754,732</b>	<b>10,742,357</b>
<b>Expenditures</b>									
3.010 Personal Services	4,974,980	5,229,299	5,479,927	5.0%	5,547,075	5,456,830	5,615,783	5,777,673	5,876,858
3.020 Employees' Retirement/Insurance Benefits	1,965,721	2,134,688	2,373,817	9.9%	2,332,880	2,281,671	2,454,225	2,602,094	2,691,279
3.030 Purchased Services	2,295,201	2,546,923	2,601,793	6.6%	2,491,667	2,409,119	2,447,125	2,469,471	2,490,695
3.040 Supplies and Materials	277,460	310,776	250,273	-3.7%	246,337	250,209	254,160	252,586	252,586
3.050 Capital Outlay	252,089	91,998	114,494	-19.5%	2,500	75,000			
Debt Service:									
4.020 Principal-Notes	36,000	38,000	38,000	2.8%	41,000	43,000	45,000	47,000	
4.060 Interest and Fiscal Charges	15,037	13,198	12,257	-9.7%	9,215	7,071	4,825	2,476	
4.300 Other Objects	139,556	154,070	155,745	5.7%	163,185	165,645	166,488	167,347	168,224
4.500 <b>Total Expenditures</b>	<b>9,956,044</b>	<b>10,518,952</b>	<b>11,026,306</b>	<b>5.2%</b>	<b>10,833,859</b>	<b>10,688,545</b>	<b>10,987,606</b>	<b>11,318,647</b>	<b>11,479,642</b>
<b>Other Financing Uses</b>									
5.010 Operating Transfers-Out	103,140	138,892	150,686	21.6%	164,672	123,903	123,077	122,115	126,015
5.020 Advances-Out	31,479	19,195	67,453	106.2%	20,000	20,000	20,000	20,000	20,000
5.030 All Other Financing Uses		222							
5.040 <b>Total Other Financing Uses</b>	<b>134,619</b>	<b>158,309</b>	<b>218,139</b>	<b>27.7%</b>	<b>184,672</b>	<b>143,903</b>	<b>143,077</b>	<b>142,115</b>	<b>146,015</b>
5.050 <b>Total Expenditures and Other Financing Uses</b>	<b>10,090,663</b>	<b>10,677,261</b>	<b>11,244,445</b>	<b>5.6%</b>	<b>11,018,531</b>	<b>10,832,448</b>	<b>11,130,683</b>	<b>11,460,762</b>	<b>11,625,657</b>
6.010 <b>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>	<b>776,631</b>	<b>251,685-</b>	<b>419,335-</b>	<b>-32.9%</b>	<b>272,002-</b>	<b>738,716-</b>	<b>367,284-</b>	<b>706,030-</b>	<b>883,300-</b>
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	4,692,490	5,469,121	5,217,436	6.0%	4,798,101	4,526,099	3,787,383	3,420,099	2,714,069
7.020 <b>Cash Balance June 30</b>	<b>5,469,121</b>	<b>5,217,436</b>	<b>4,798,101</b>	<b>-6.3%</b>	<b>4,526,099</b>	<b>3,787,383</b>	<b>3,420,099</b>	<b>2,714,069</b>	<b>1,830,769</b>
8.010 <b>Estimated Encumbrances June 30</b>	<b>89,851</b>	<b>110,858</b>	<b>11,399</b>	<b>-33.2%</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
10.010 <b>Fund Balance June 30 for Certification of Appropriations</b>	<b>5,379,270</b>	<b>5,106,578</b>	<b>4,786,702</b>	<b>-5.7%</b>	<b>4,506,099</b>	<b>3,767,383</b>	<b>3,400,099</b>	<b>2,694,069</b>	<b>1,810,769</b>
12.010 <b>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</b>	<b>5,379,270</b>	<b>5,106,578</b>	<b>4,786,702</b>	<b>-5.7%</b>	<b>4,506,099</b>	<b>3,767,383</b>	<b>3,400,099</b>	<b>2,694,069</b>	<b>1,810,769</b>
15.010 <b>Unreserved Fund Balance June 30</b>	<b>5,379,270</b>	<b>5,106,578</b>	<b>4,786,702</b>	<b>-5.7%</b>	<b>4,506,099</b>	<b>3,767,383</b>	<b>3,400,099</b>	<b>2,694,069</b>	<b>1,810,769</b>

See accompanying summary of significant forecast assumptions and accounting policies

Includes: General fund, Emergency Levy fund, DPIA fund, Textbook fund and any portion of Debt Service fund related to General fund debt

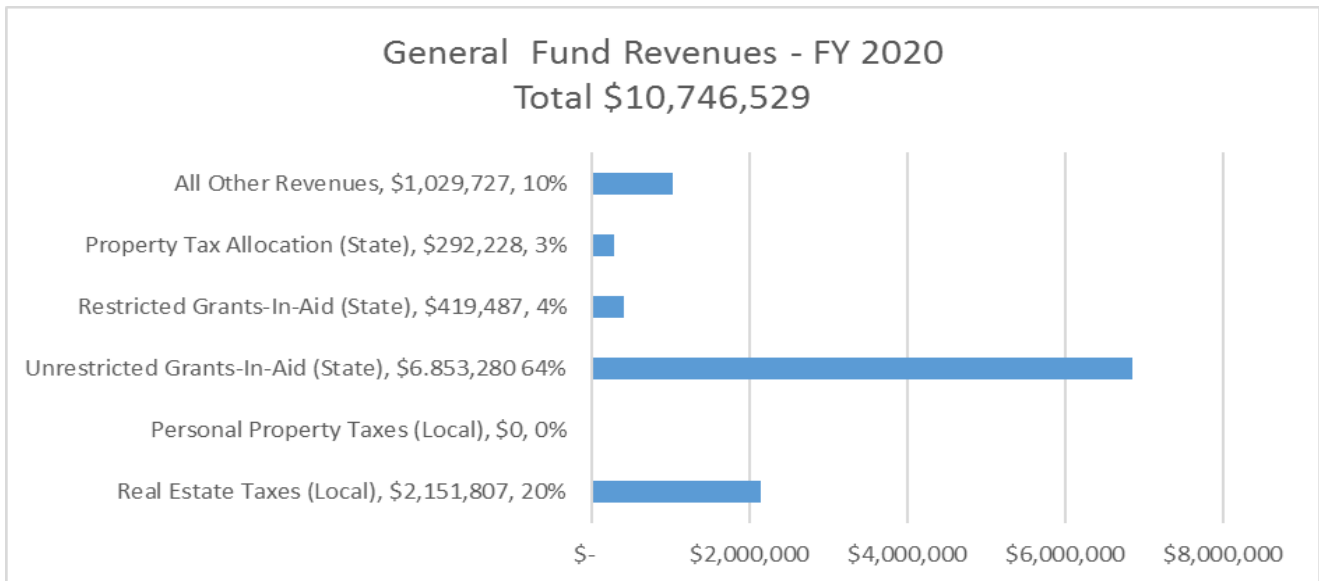
**RIPLEY-UNION-LEWIS-HUNTINGTON SCHOOL DISTRICT**  
**NOTES TO THE FIVE-YEAR FORECAST**  
**May 2020**

**Nature of the Forecast**

This financial forecast is somewhat like a painting of the future based upon a snapshot of today. That snapshot, however, will be adjusted, and the further into the future the forecast extends, the more likely it is that the projections will deviate from actual experience. A variety of events will ultimately impact the latter years of the forecast, such as state budgets (adopted every two years), tax levies (new/renewal/replacement), salary increases, or families/businesses moving in or out of the district. The five-year forecast is viewed as a key management tool, and is intended to engage the local board of education and the community in long range planning and discussions of financial issues facing the school district. It is also intended to provide a method for the Ohio Department of Education and Ohio Auditor of State to identify schools districts with potential financial problems.

The assumptions described below are those that are material to the forecast. Differences between forecasted and actual results usually occur because events and circumstances frequently do not occur as expected, and those differences may be significant.

**REVENUES**



**Property Taxes (Lines 1.010 and 1.020)**

Property tax revenues for the General Fund are generated from 29.90 gross operating mills which consist of 4.60 inside mills and 25.30 outside mills. The outside millage consists of various operating levies, all for a continuing period of years. The effective tax rate and valuation per classification for tax year 2018 (calendar year 2019 collections) are as follows:

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Property Class	Value	Effective Tax Rate
Residential Real Estate	\$64,844,490	24.67 mills
Agricultural Real Estate	\$24,157,110	24.67 mills
Commercial/Industrial Real Estate	\$15,459,550	25.41 mills
Public Utility Personal Property	\$8,102,260	25.30 mills
<b>Total Valuation</b>	<b>\$112,563,410</b>	

Ohio Law provides for a reduction of the effective tax rate for agricultural/residential and commercial/industrial real estate to offset increased values resulting from reappraisal of property. Likewise, effective tax rates may be increased to offset decreased values resulting from reappraisal. Reduction factors are applied to outside millage so that each levy yields approximately the same amount of revenue as the preceding year, excluding new construction. Increases in value from new construction will increase the revenues generated by the levies. State law prohibits the reduction factors from reducing the effective millage below 20.00 mills.

General Property Tax – Real Estate (Line 1.010) includes all real estate property taxes, including residential, agricultural, and commercial/industrial real estate. Brown County went through a revaluation in tax year 2018 (calendar year 2019 collections) and a triennial update is scheduled for tax year 2021 (calendar year 2022 collections). Due to the number of job losses district wide as a result of the COVID-19 shutdown in CY 2020, we are anticipating an increase in the number of delinquent tax accounts, the amount of which cannot be quantified at this time, so projections for tax year 2021 and beyond are being held constant going forward. There is a strong likelihood that the negative effects of the job losses on delinquencies and the decrease in the final CAUV adjustment revaluation in 2021 will likely offset any valuation increases due to new construction.

**Unrestricted Grants-in-Aid (Line 1.035) and Restricted Grants-in-Aid (Line 1.040)**

Unrestricted Grants-in-Aid and Restricted Grants-in-Aid represent revenues projected to be received primarily from the State under the foundation program.

Projections for fiscal year 2020 and beyond are based on the enacted HB166, the state’s biennial budget passed in July 2019. The HB166 funding formula still has the district on the guarantee, which everything being left status-quo would have meant that the district’s basic formula funding would have remained the same in fiscal years 2020 and 2021, as the district received in 2019 (utilizing HB49 components). However, as a result of the COVID-19 shutdown of businesses and schools across the State of Ohio in March of 2020, the negative impact to the State’s Budget resulted in the District’s basic funding being cut \$138,795 in FY20, and we are projected the cut by the State of Ohio in FY21 to be 3 times that amount in order to meet the Office of Budget and Management projected \$5.4M State Budget Deficit at fiscal year-end June 2021. Projections outside the basic funding formula are likely to fluctuate based on enrollment changes throughout the 2020-2021 school years.

The 2019 funding formula utilized a method to measure a district’s wealth and capacity to raise local revenue. The wealth measure is called the State Share Index (SSI). There are three (3) components of the SSI:

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1. Valuation Index that measures the district's average property value per pupil for tax year 2014, 2015, and 2016 compared to the statewide average valuation per pupil;
2. Median Income Index that uses tax year 2015 median income compared to statewide median income that is used to measure the ability of a district's residents to pay property taxes;
3. Wealth Index which uses 60% of the Valuation Index and 40% of the Median Income Index to compute the overall district Wealth Index.

The three components taken together form the State Share Index (SSI) which equalizes state funding based on wealth. In prior funding formulas, the primary equalization was based on tax valuation per pupil. The SSI, or one or more of the other three indexes, are applied in determining need on the twelve separate components that constitute state aid in fiscal years 2020 and 2021. The twelve components of the funding model are as follows:

1. Opportunity Grant – Per pupil amount of \$6,020 in FY19 multiplied by the SSI
2. Targeted Assistance – Funding provided to districts that do not raise much revenue beyond the local share of the foundation formula. Targeted Assistance targets school districts that are below a certain threshold of wealth in the state.
3. K-3 Literacy – Funding targeted to students in grades kindergarten through three to provide early additional educational investment.
4. Economic Disadvantaged – Funding to address poverty and its effects on educational outcomes. Funding amount is based on a per-pupil amount of \$272 equalized by the poverty index of the district. The poverty index is based on the district's poverty percentage relative to the statewide poverty percentage.
5. Limited English Proficiency – Funding provided to help districts provide additional educational services to student for whom English is not the native language.
6. Gifted Education – Funding for identification and service provision to gifted students. Funding is based on the enrollment of the district and is comprised of identification, coordinator, and teacher components.
7. Transportation – Funding to support transportation of students and is based on a formula with daily ridership and miles as the primary inputs.
8. Special Education – Funding for students with special needs and is based on additional per student funding amounts for six categories of disabilities equalized by the SSI.
9. Career Technical Education – Funding to support career technical programs and is based on additional per student funding amounts for five categories of programs equalized by the SSI.
10. Capacity Aid – Funding to provide supplemental funds to districts that raise less than the median amount of revenue from 1 mill of local property taxes.
11. Graduation Bonus – Performance bonus funding based on graduation rates in the previous year.
12. Third Grade Reading Bonus – Performance bonus funding based on 3<sup>rd</sup> grade reading test results in the previous year.

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The twelve components together comprise the total state funding formula amount for the school district. Projections by component for fiscal year 2020 and beyond are as follows:

<u>HB166 Funding Component</u>	<u>FY2020</u>
Opportunity Grant	\$ 3,012,335
Targeted Assistance	883,830
K-3 Literacy	55,209
Economic Disadvantaged	204,645
Gifted Education	50,945
Transportation	440,500
Special Education	609,548
Career Technical Education	108,761
Capacity Aid	988,945
Transitional Aid Guarantee	801,142
Graduation Bonus	18,723
3rd Grade Reading Bonus	3,752
COVID-19 State Funding Cut	(138,795)
Total State Funding - HB49 Formula	<u>\$ 7,039,540</u>

Funding amounts for all categories above are unrestricted with the exception of Economic Disadvantaged and Career Technical Funding, which are restricted as to use and is presented in Line 1.040.

A breakdown of Unrestricted Grants-in-Aid (Line 1.035), which includes the unrestricted components above is as follows:

<u>Unrestricted Grants-in-Aid (Line 1.035)</u>	<u>FY2020</u>
HB 166 Formula Funding	\$ 6,726,134
(Excluding Economic Disadvantaged and Career-Tech)	
Preschool Special Education Funding	35,076
Special Education Transportation	48,657
Casino Revenues	43,413
Total Unrestricted Grants-in-Aid (Line 1.035)	<u>\$ 6,853,280</u>

Additional aid items contained within line 1.035 include preschool special education and special education transportation, which are not part of the HB166 formula. Casino Revenues are a result of the Ohio Casino ballot issued passed in 2009. A portion of gross casino tax revenues is distributed to school districts based on enrollment and is currently projected at approximately \$50 per student. However, due to the COVID-19 shutdown of Casino's in March 2020, we are projecting a 40% reduction in Casino Tax Revenue from the State in FY21.

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<u>Restricted Grants-in-Aid (Line 1.040)</u>	<u>FY2020</u>
Economic Disadvantaged (HB49 Formula)	\$ 204,645
Career Technical Education (HB49 Formula)	108,761
State Safety Grant	39,832
Special Education Catastrophic Cost	66,249
Total Restricted Grants-in-Aid (Line 1.040)	<u>\$ 419,487</u>

Special Education Catastrophic Cost dollars are provided by the State for special education expenses exceeding cost thresholds for students within special education categories.

Given the instability of the state foundation program over the last eight years, projections beyond the current proposed biennial budget must be considered highly speculative. For purposes of this forecast, as mentioned above we have cut Unrestricted Grants-in-Aid (Line 1.035) for FY21 by \$433,750 for expected reduction in basic formula funding and casino revenues, but are projected those to return to FY20 amounts for FY22 and beyond. Restricted Grants-in-Aid (Line 1.040) was reduced in fiscal year 2020 by \$39,832, which was the amount of a BWC safety grant received in FY2019.

**Property Tax Allocation (Line 1.050)**

Homestead & Rollback revenue is in the form of tax relief to local property taxpayers. The State grants a ten percent rollback on all agricultural and residential real estate taxes and a two and one-half percent rollback on owner-occupied single-family residences. The State also grants tax relief to qualified elderly and disabled homeowners based on income eligibility. The State reimburses the District for these reductions of property taxes. These revenues are projected at approximately 13-14% of real estate taxes annually.

**All Other Operating Revenue (Line 1.060)**

Projections for All Other Operating Revenues are as follows:

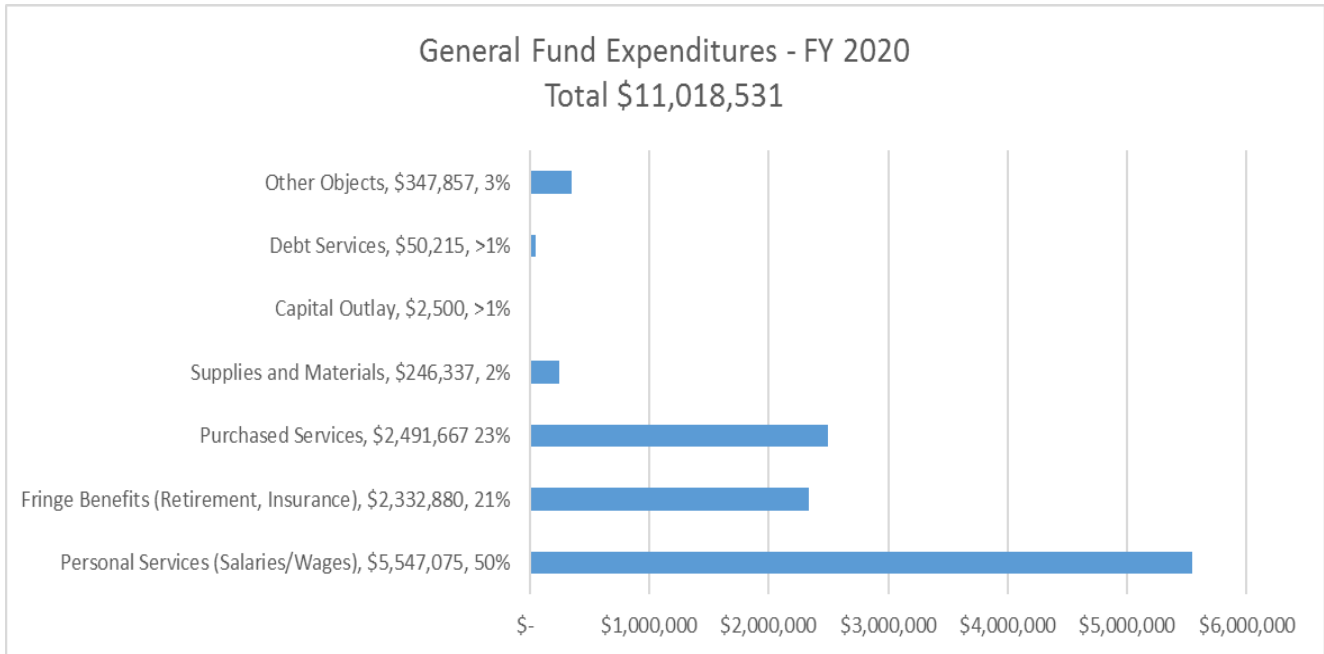
Category	2020	2021	2022	2023	2024
Tuition	147,858	147,858	147,858	147,858	147,858
Earnings on Investments	106,360	63,816	56,016	48,517	39,142
Open Enrollment	286,892	286,892	286,892	286,892	286,892
JROTC Reimbursements	67,850	89,850	91,648	93,480	93,480
Classroom Materials & Fees	13,596	13,596	13,596	13,596	13,596
E-Rate Reimbursement	51,431	23,348	6,000	6,000	6,000
Medicaid Reimbursement	186,000	108,500	108,500	108,500	108,500
Other Miscellaneous	99,652	96,652	93,651	90,651	87,651
Total All Other Revenue	959,639	830,512	804,161	795,494	783,119

Tuition includes revenue received from other Districts for their student(s) attending Ripley-Union-Lewis-Huntington School District as a result of a court-ordered placement or foster care. Earnings on Investments include interest earned on the District's deposits and investments. In the past 2-3 months interest rates have declined from the 2-3% range down to less than 1%, and due to the

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COVID-19 economic impact we expect rates to remain at less than 1% on reinvestments. We have reduced expected returns on investments by 40% in FY21 due to the expected cuts in state funding. The open enrollment revenue projection for fiscal year 2020 and beyond is based on 51 students attending schools within the District through open enrollment. E-rate reimbursement is based on the new service funding structure on a four-year cycle, and primarily being driven by two new service contracts with META for Internet Services and Charter Communications (Spectrum) for the high-speed line from the high school to the middle school, but both will be fully phased out by FY2022. ROTC Reimbursements are impacted by two primary factors, the number of instructors and the salary increases in the Marine Instructor pay which are projected between 1-2% through the forecast. Manufactured Homes Tax, Classroom Materials and Fees, Medicaid Reimbursement, and Other Miscellaneous Revenues are not projected to change materially.

**EXPENDITURES**



**Personal Services (Line 3.01)**

The projections for Personal Services are as follows:

Category	2020	2021	2022	2023	2024
Certificated Salaries	\$ 3,743,245	\$ 3,625,322	\$ 3,736,314	\$ 3,868,986	\$ 3,907,176
Non-Certificated Salaries	637,975	658,100	686,851	699,241	748,113
Administrative Salaries	715,990	724,262	746,745	763,573	775,696
Supplementals	186,405	189,286	189,286	189,286	189,286
Substitutes and Other	263,460	259,860	256,587	256,587	256,587
<b>Total Personal Services</b>	<b>\$ 5,547,075</b>	<b>\$ 5,456,830</b>	<b>\$ 5,615,783</b>	<b>\$ 5,777,673</b>	<b>\$ 5,876,858</b>

Certificated salary projections are based on the newly ratified agreement with the RULH Education

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Association. The agreement which expires June 30, 2023 provides a 2.25% for 2021, 1.5% for 2022, and 1.25% for 2023. All projected years include incremental increases for advancement on the salary schedule by employees. Certificated salary projections for fiscal years 2020 and beyond assume current staffing levels, excluding retirees.

Non-Certificated salary projections are based on the agreement with OAPSE which is set to expire on June 30, 2020. Due to a new agreement not being negotiated yet, we have projected the same annual base increase for the non-certificated staff as was negotiated for the Certified above. All projected years include 2.6% in incremental increases for advancement on the salary schedule by employees. Non-Certificated salary projections for fiscal year 2020 and beyond assume no staffing changes from current levels.

Administrative salaries and all other personal services projections for fiscal year 2021 and beyond reflect the same base increase negotiated with the teacher's union. All projected years include 2.6% in incremental increases for advancement on the salary schedule by employees. Administrative salaries and all other personal services projections assume current staffing levels remain constant.

**Employees' Retirement/Insurance Benefits (Line 3.020)**

Projections for this line include employer costs for contributions to the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS), employer share of Medicare, workers' compensation premiums, and health insurance premiums paid on behalf of employees.

Projections for contributions to STRS and SERS, Medicare, and workers' compensation premiums are tied to projected changes in personal services (Line 3.01).

The District provides insurance benefits to employees via participation in the Brown County Schools Insurance Consortium. Health insurance premiums increased by 2% for fiscal year 2020. Fiscal years 2021-2024 projections are based on estimates of a 5% annual increase for FY21, 8% and 7% increases respectively for FY22 and 23 to offset expected medical cost due to COVID-19 impacts on medical providers, and a 5% increase in FY24. Beginning with the October 2019 enrollment period, the District did implement a new medical insurance opt-out payment program to those employees who enroll in another providers (spouse, guardian) coverage plan. That program in FY2020 saved the District \$154,410 with the corresponding opt-outs payments in FY 2021 of \$83,200, for a net savings to the District of \$71,210.

**Purchased Services (Line 3.030)**

Purchased service expenditures include tuition costs for RULH resident students attending elsewhere, services contracted through the Brown County Educational Service Center and Hopewell, utilities, professional services, and other contracted services. Projections for Electrical Utility cost were reduced by an estimated \$90,000 beginning with the FY17 year in anticipation of the annual energy project savings, however, in February of this year the Village of Ripley instituted a 7% increase in Electric Rates so we projected a 4% in FY20, and another 2% in FY 21. Other remaining purchased service projections for 2020 is based on the current year budget, minus estimated year-end encumbrances. Projections for 2021-2024 reflected an overall estimated annual increase of 2-4% where deemed



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applicable and are detailed as follows:

Category	2020	2021	2022	2023	2024
Open Enrollment - Outgoing	\$ 580,592	\$ 580,592	\$ 580,592	\$ 580,592	\$ 580,592
Community School Tuition	72,608	72,608	72,608	72,608	72,608
Post-Secondary Tuition	66,205	66,205	66,205	66,205	66,205
Other Tuition/Vocational Compate	136,722	136,722	136,722	136,722	136,722
Special Ed Services- Brown ESC	267,573	278,276	289,407	300,983	308,734
Special Education - Hopewell	113,667	118,214	122,942	127,860	132,974
Excess Cost (Special Ed)	323,457	256,679	256,679	256,679	256,679
Professional/Tech Services incl Legal	277,938	279,240	293,725	294,697	295,727
Property and Building Repair Services	202,623	164,586	166,416	166,416	166,416
Property Insurance	37,408	37,408	37,408	37,408	37,408
Communication/Internet/Other Tech	9,568	9,723	9,882	9,882	9,882
Utilities	312,115	316,806	321,590	326,470	333,799
Other Miscellaneous	91,191	92,060	92,949	92,949	92,949
<b>Total Purchased Services</b>	<b>\$ 2,491,667</b>	<b>\$ 2,409,119</b>	<b>\$ 2,447,125</b>	<b>\$ 2,469,471</b>	<b>\$ 2,490,695</b>

**Supplies and Materials (Line 3.040)**

This line includes purchases of textbooks and instructional materials, custodial and maintenance supplies, fuel purchases for bus transportation, and other miscellaneous supplies and materials. Projections for 2021 and beyond are based on a 2% annual increases for all material line items to cover inflation. Due to the addition of what will be 9 new buses as of the end of this school year, we have projected no increase in bus parts and fuel respectively for 2021 and beyond.

**Capital Outlay (Line 3.050)**

Capital outlay expenditures include items such as improvements to building property, purchase of school buses, equipment, computers, and other assets with an estimated useful life in excess of five years. For fiscal years 2020 through 2024, it is anticipated that District will be purchasing many of these items from the District's Permanent Improvement Levy Fund which was renewed by the voters in November 2019 for another 5 years. However, due to cost estimates to renovate the elementary school playground being over the funds budgeted from the PI Levy for FY 20-21, we have budget an additional \$75,000 from General Fund Capital Outlay for FY21 to fulfill that project.

**Other Objects (Line 4.300)**

Other objects include expenditures for property, fleet, and liability insurance, as well as all other expenditures which do not fall into one of the above categories. Due to their unpredictable and fluctuation nature, we did not project a change for these line items through the term of the forecast.

**Encumbrances** - Estimated encumbrances have been projected based on historical patterns.