

SPRINGFIELD CITY SCHOOL DISTRICT-CLARK COUNTY

Capital Plan

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED**

**JUNE 30, 2013, 2014 and 2015 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2016 THROUGH 2020**



**Report Provided By
Springfield City School District
Treasurer's Office
Dale R. Miller, CPA, Treasurer/CFO
937-505-2814
(May 2016)**

Springfield City School District – Clark County
Notes to the Five Year Capital Plan
October 2016

Introduction to the Five Year Capital Plan

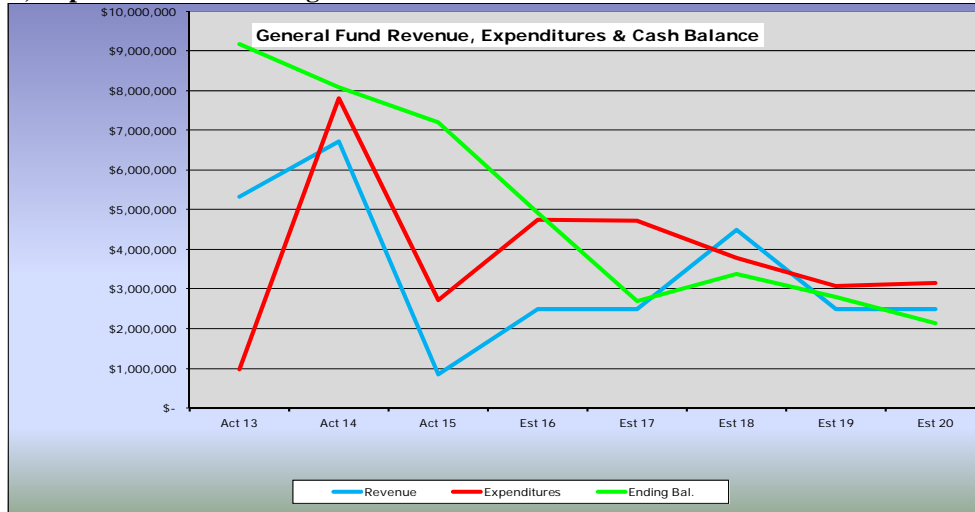
The school district prepares an operation five (5) year financial forecast by October 31, and May 31, in each fiscal year (FY). The five-year forecast includes three years of actual and five years of projected general fund only in revenues and expenditures. Springfield City School District is supplementing the May report with a five year capital plan similar to the five year forecast, this document is not required by Board Policy or State Law.

Capital Plan Risks and Uncertainty:

Any five year financial report is laden with risks and uncertainty not only due to economic uncertainties but also the condition of the largest valued assets across the district. When reviewing capital planning the greatest risk is determining when a major asset (Roofs, Asphalt, or HVAC) fails and matching the available resources to the expenditure. We have estimated revenues and expenses based on the best data available to us at the time of this capital plan, as well as annual reviews of buildings and asphalt. We have categories of assets that the estimated expenditure as risk of replacement or significant repair over a 10 to 15 year at total of \$29,447,118 or 33% of depreciation of the district assets.

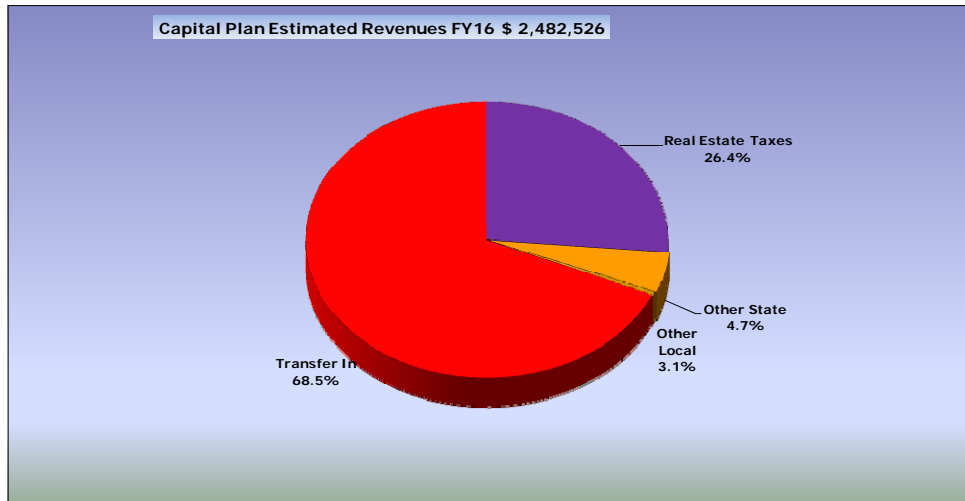
The major categories of revenue and expenditures on the capital plan are noted below in the headings to make it easier to reference the assumptions made for the capital plan. It should be of assistance to the reader to review the assumptions noted below in understanding the overall capital plan for our district. If you would like further information please feel free to contact Mr. Dale R. Miller, Treasurer/CFO of Springfield City School District at 937-505-2811.

Capital Plan Revenue, Expenditure and Ending Cash Balance:



Revenue Assumptions

Estimated Capital Plan Revenues:



Real Estate Value Assumptions – Line # 1.010

Property values are established each year by the County Auditor based on new construction and complete reappraisal or updated values. A reappraisal update of the district property value occurred for 2013 values collected in calendar year 2014. Residential values fell 9.77% or a drop of \$43,280,150 as a result of the reappraisal. When values fall, reduction factors are lowered and House Bill 920 increases effective tax rates so the district tax revenues are held harmless. These factors are reflected in the flat property tax revenues on Line 1.01 for fiscal year 2015 through fiscal year 2020. However for the No New Millage Bond Levy the reduction in Assessed Value has a negatively impact on cash flow and funding of new debt. At the current time you are not in a position to issue additional No New Millage Debt and should fund the plan on a cash basis.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

<u>Classifications</u>	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>
	<u>TAX YEAR2015</u>	<u>TAX YEAR2016</u>	<u>TAX YEAR2017</u>	<u>TAX YEAR2018</u>	<u>TAX YEAR2019</u>
	<u>COLLECT 2016</u>	<u>COLLECT 2017</u>	<u>COLLECT 2018</u>	<u>COLLECT 2019</u>	<u>COLLECT 2020</u>
Res/Ag	\$394,899,060	\$394,324,060	\$393,749,060	\$393,174,060	\$392,599,060
Comm/Ind	\$167,594,220	\$167,994,220	\$168,394,220	\$168,794,220	\$169,194,220
PUPP	\$36,681,960	\$37,181,960	\$37,681,960	\$38,181,960	\$38,681,960
TPP	\$0	\$0	\$0	\$0	\$0
Total All Property Value To SF-3 Valuation Info	\$599,175,240	\$599,500,240	\$599,825,240	\$600,150,240	\$600,475,240

ESTIMATED REAL ESTATE TAX (Line #1.010)

<u>Source</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>
Effective Millage	1.25012	1.24944	1.24877	1.24809	1.24742
Property Tax Estimate	\$655,412	\$655,412	\$655,412	\$655,412	\$655,412

Renewal and Replacement Levies – Line #11.02

The district currently has no renewal of capital levies planned

New Tax Levies – Line #13.030

No new levies are modeled in this capital plan.

Other Local Revenues – Line #1.060

Local revenues include the sale of any Fixed Assets purchased with Permanent Improvement dollars, interest, and any miscellaneous receipts to any of the capital funds.

<u>Source</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>
Other Local Revenues	\$0	\$0	\$0	\$0	\$0
Sale of Fixed Asset	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Total Line #1.06 Total Other	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000

State Taxes Reimbursement/Property Tax Allocation

a) Rollback and Homestead Reimbursement

These funds are reimbursements from Ohio for tax credits given owner occupied residences equaling 12.5% of the gross property taxes charged to residential taxpayers. House Bill 59 eliminated the reimbursement on new and replacement levies and new construction in resident property classifications. House Bill 66 eliminated the 10% rollback on Class II property (commercial and industrial), and House Bill 119 has expanded the homestead exemption for seniors on the first \$25,000 of value.

b) Tangible Personal Property Reimbursements – Fixed Rate/Fixed Sum

These amounts reflect the state’s reimbursement of tangible personal property tax that was phased out in House Bill 66. House Bill 153, the previous state budget, dramatically reduced this revenue due to changes in eligibility requirements. The decrease in revenue is due to the district no longer receiving TPP reimbursements.

Summary of State Tax Reimbursement

<u>Source</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>
Rollback and Homestead	\$93,630	\$93,630	\$93,630	\$93,630	\$93,630
TPP Reimbursement Fixed Rate	\$23,484	\$0	\$0	\$0	\$0
Total	\$117,114	\$93,630	\$93,630	\$93,630	\$93,630

Transfers In / Return of Advances – Line #2.040 & Line #2.050

The District has committed an annual transfer of ½ of the levy that was renewed in May 2015. The transfer in lieu of accounting for capital expenditures in the General Fund as to not inflate the cost per student to educated. Transfers are not included in the calculation

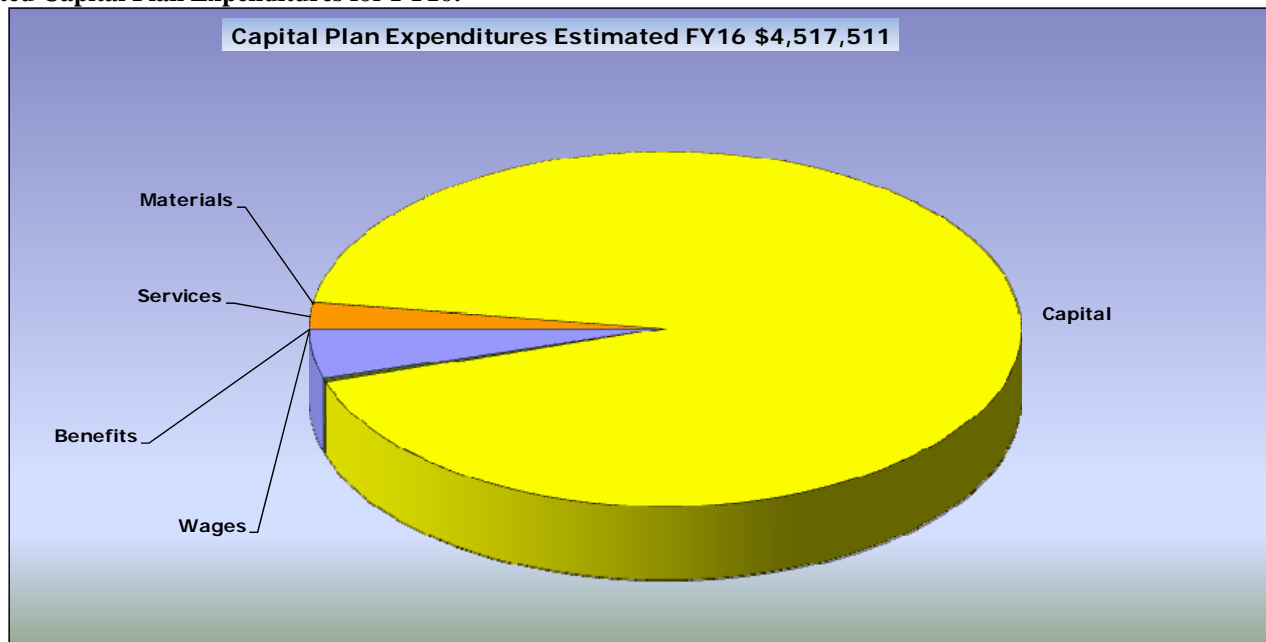
and the District reports a more accurate Cost per Pupil. Also included in the Other Financial Sources is Debt, the No New Millage Bond Issue was approved by the voters in 2013. The levy approved the issuance of \$13,995,000 in debt for a capital plan. As of December 2015, the district has issued only \$6,000,000 in debt. We review the Assessed Value and the update plans submitted by the administrative team to determine a beneficial and necessary time frame to issue any of the remaining debt. When reviewing the plan and debt the district must consider the significant outlays in roof, asphalt, and HVAC.

All Other Financial Sources – Line #2.060

<u>All Other Financing Sources</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>
Debt Issuance	\$0	\$0	\$0	\$0	\$0
Transfers In	\$1,700,000	\$1,700,000	\$1,700,000	\$1,700,000	\$1,700,000
Advances	\$0	\$0	\$0	\$0	\$0
Total Other Financing Sources	\$1,700,000	\$1,700,000	\$1,700,000	\$1,700,000	\$1,700,000

Expenditures Assumptions

Estimated Capital Plan Expenditures for FY16:



Purchased Services – Line #3.030

Purchases Services include mainly architect and attorney fees related to the projects.

<u>Source</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>
Professional Services	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Repairs	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0
Total Line 3.030	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000

Supplies and Materials – Line #3.040

<u>Source</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>
Supplies	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Textbook Upgrade- Electronic or Textbook	\$0	\$0	\$0	\$0	\$0
Compters One-to-One	\$0	\$0	\$0	\$0	\$0
Total Line 3.040	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

Equipment – Line # 3.050

The administration prepared a five year capital plan which is funded with a stable no new millage bond issue. The capital plan has relieved the stress on the General Fund allowing the District to allocate funds that would have been used to complete safety and security projects. The plan will be reviewed and updated annually with the appropriation budget. We have summarized the

expenditures in categories below, the major point to mention again relates to the Building, Roof, and Asphalt as we have earmark dollars which may not be needed as the district reviews the condition of these assets and adjusts accordingly. We have included an estimated 5-15 year cost for information only and compare to the depreciation value for FY15 of \$5,865,215 or funded at 33%.

<u>Source</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>
Building	\$1,890,000	\$190,000	\$40,000	\$190,000	\$0
Roof	\$0	\$807,300	\$863,300	\$687,175	\$1,078,775
Asphalt	\$110,000	\$0	\$667,138	\$0	\$0
Replacement Bus Purchases	\$320,000	\$160,000	\$240,000	\$240,000	\$240,000
Equipment & Furniture	\$184,749	\$188,444	\$192,213	\$196,057	\$199,979
Athletics	\$895,000	\$375,000	\$220,000	\$230,000	\$92,000
Building Principal Requests	\$400,000	\$250,000	\$0	\$0	\$0
Technology	\$400,000	\$2,200,000	\$1,020,000	\$975,000	\$990,000
Budget Reserve	\$0	\$0	\$0	\$0	\$0
Total Line 3.050	\$4,199,749	\$4,170,744	\$3,242,651	\$2,518,232	\$2,600,754

Other Expenses – Line #4.300

The category of Other Expenses consists of the Auditor & Treasurer (A&T) fees. Auditor and Treasurer Fees will increase sharply anytime a new operating levy is collected. Also new construction will cause A&T fees to increase as more dollars are collected. A&T fees noted below are maintained at current levels. Currently, we are estimating annual increase of 1% for this forecast.

<u>Source</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>
Clark County Auditor & Treasurer Fees	\$15,500	\$15,655	\$15,812	\$15,970	\$16,129
Budget Reductions	\$0	\$0	\$0	\$0	\$0
Increased A&T Fees for New Levies	\$0	\$0	\$0	\$0	\$0
Total Line 4.300	\$15,500	\$15,655	\$15,812	\$15,970	\$16,129

Encumbrances –Line#8.010

These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered.

	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>
Estimated Encumbrances	\$1,500,000	\$500,000	\$500,000	\$500,000	\$500,000

Ending Unencumbered Cash Balance “The Bottom-line” – Line#15.010

This amount must not go below \$-0- or the district General Fund will violate all Ohio Budgetary Laws. The table below shows a summary of the balance available within the Permanent Improvement, Building Fund, and the OSFC Maintenance Fund.

	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>
Ending Unencumbered Cash Balance	\$3,429,242	\$2,192,756	\$2,883,958	\$2,299,269	\$1,633,100

We have included a three year history FY2013-FY2015 of the fund balances of all the funds and cost centers that could support the capital plan.

<u>Source</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>
003-9155 1.55 Mil Permenamt Improvement	\$ 752,817	\$ 775,209	\$ 875,410
003-9165 Land Sales Proceed Auditoruim	\$ 1,847,141	\$ 1,858,409	\$ 1,868,489
003-9301 Local LFI PUI Fund	\$ 22,789	\$ 22,789	\$ 22,789
004-9401 Building Fund Land Acquistion	\$ 12,649	\$ 12,753	\$ 12,755
004-9403 District Capital Plan	\$ 4,277,033	\$ 3,152,852	\$ 1,168,335
Others	\$ 1,919	\$ 1,919	\$ 1,919
034-9034 OSFC Maintenance Fund	\$ 2,265,958	\$ 2,131,108	\$ 2,252,062
Total Fund Balance	\$ 9,180,306	\$ 7,955,039	\$ 6,201,759

Major Projects as of May 2016

- Lights at Springfield High School \$350,000
- Parking Lot Clark and Paving Seal across the District \$150,000
- Access Control for All Building \$400,000
- Secure Access at all the Elementary Buildings \$250,000