

FINAL

FAC review: April 19, 2017
 Presented to Board: May 2, 2017
 Board adoption: May 16, 2017

Columbus City Schools

Franklin County

Schedule of Revenues, Expenditures and Changes in Fund Balances
 For the Fiscal Years Ended June 30, 2014, 2015 and 2016 Actual;
 Forecasted Fiscal Years Ending June 30, 2017 Through 2021

	Actual				Average Change	Forecasted				
	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016			Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Revenues										
1.010 General Property Tax (Real Estate)	401,210,418	406,453,259	406,166,467	0.6%	452,700,000	479,300,000	481,300,000	482,800,000	484,200,000	
1.020 Tangible Personal Property	198,314	54,648	31,428	-57.5%	8,744	3,497	1,399	560	224	
1.030 Income Tax	-	-	-	0.0%	0	0	0	0	0	
1.035 Unrestricted State Grants-in-Aid	244,995,925	248,387,972	257,464,819	2.5%	283,100,000	296,500,000	310,500,000	325,400,000	341,200,000	
1.040 Restricted State Grants-in-Aid	16,869,615	45,836,958	43,794,881	83.6%	46,200,000	48,700,000	51,300,000	54,000,000	56,700,000	
1.045 Restricted Fed. Grants	665,638	478,507	483,614	-13.5%	483,614	483,614	483,614	483,614	483,614	
1.050 Property Tax Allocation	62,236,075	62,439,801	53,154,974	-7.3%	45,600,000	36,100,000	33,300,000	33,400,000	33,400,000	
1.060 All Other Revenues	18,478,560	19,786,151	27,305,925	22.5%	18,200,000	16,500,000	15,900,000	15,400,000	14,800,000	
1.070 Total Revenues	744,654,545	783,437,296	788,402,108	2.9%	846,292,358	877,587,111	892,785,013	911,484,174	930,783,838	
Other Financing Sources										
2.010 Proceeds from Sale of Notes	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0	
2.020 State Emergency Loans and Advancements (Approved)	-	-	-	0.0%	-	-	-	-	-	
2.040 Operating Transfers-In	1,031,675	4,779,500	2,581,804	158.6%	2,581,804	2,581,804	2,581,804	2,581,804	2,581,804	
2.050 Advances-In	16,540,843	18,268,232	13,470,939	-7.9%	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	
2.060 All Other Financing Sources	149,755	2,483,173	376,175	736.7%	150,000	150,000	150,000	150,000	150,000	
2.070 Total Other Financing Sources	17,722,273	25,530,905	16,428,918	4.2%	22,731,804	22,731,804	22,731,804	22,731,804	22,731,804	
2.080 Total Revenues and Other Financing Sources	762,376,818	808,968,201	804,831,026	2.8%	869,024,162	900,318,915	915,516,817	934,215,978	953,515,642	
Expenditures										
3.010 Personal Services	\$376,663,569	\$371,538,886	\$380,842,371	0.6%	\$409,100,000	\$409,100,000	\$420,300,000	\$431,900,000	\$449,500,000	
3.020 Employees' Retirement/Insurance Benefits	\$152,534,066	\$159,063,417	\$163,070,716	3.4%	\$170,000,000	\$175,400,000	\$183,000,000	\$197,900,000	\$208,700,000	
3.030 Purchased Services	\$182,297,782	\$209,469,058	\$217,924,449	9.5%	\$235,700,000	\$260,100,000	\$273,800,000	\$290,700,000	\$307,800,000	
3.040 Supplies and Materials	16,776,217	14,541,080	18,969,766	8.6%	17,500,000	21,400,000	21,800,000	22,300,000	22,900,000	
3.050 Capital Outlay	2,296,026	2,758,685	3,989,088	32.4%	3,900,000	3,000,000	3,300,000	2,800,000	5,700,000	
3.060 Intergovernmental	-	-	-	0.0%	-	-	-	-	-	
Debt Service:										
4.010 Principal-All (Historical Only)	-	-	-	0.0%	-	-	-	-	-	
4.020 Principal-Notes	-	3,280,000	\$2,370,000	0.0%	\$2,325,000	\$2,370,000	\$2,430,000	\$2,520,000	\$2,520,000	
4.030 Principal-State Loans	-	-	-	0.0%	-	-	-	-	-	
4.040 Principal-State Advancements	-	-	-	0.0%	-	-	-	-	-	
4.050 Principal-HB 264 Loans	965,000	775,000	\$0	-59.8%	\$0	\$0	\$0	\$0	\$0	
4.055 Principal-Other	657,665	657,665	657,665	0.0%	657,665	657,665	657,665	657,665	657,665	
4.060 Interest and Fiscal Charges	1,284,977	1,272,994	1,211,519	-2.9%	1,168,944	1,117,256	1,041,719	1,041,719	1,041,719	
4.300 Other Objects	9,909,067	9,096,315	8,736,184	-6.1%	9,900,000	10,300,000	10,600,000	10,900,000	11,200,000	
4.500 Total Expenditures	743,384,369	\$772,453,100	797,771,758	3.6%	850,251,609	883,444,921	916,929,384	960,719,384	1,010,019,384	
Other Financing Uses										
5.010 Operating Transfers-Out	\$1,674,475	\$5,422,300	\$3,224,604	91.6%	\$3,600,000	\$3,700,000	\$3,700,000	\$3,700,000	\$3,700,000	
5.020 Advances-Out	17,723,535	12,417,673	\$10,808,889	-21.4%	15,300,000	20,000,000	20,000,000	20,000,000	20,000,000	
5.030 All Other Financing Uses	1,529	210	\$3,691	785.7%	\$4,000	\$14,000	\$14,000	\$14,000	\$14,000	
5.040 Total Other Financing Uses	19,399,539	17,840,183	14,037,184	-14.7%	18,904,000	23,714,000	23,714,000	23,714,000	23,714,000	
5.050 Total Expenditures and Other Financing Uses	762,783,908	790,293,283	811,808,942	3.2%	869,155,609	907,158,921	940,643,384	984,433,384	1,033,733,384	
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	(407,090)	18,674,918	(6,977,916)	-2412.4%	(131,447)	(6,840,006)	(25,126,567)	(50,217,406)	(80,217,742)	
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	120,605,461	120,198,371	138,873,289	7.6%	131,895,373	131,763,926	124,923,920	99,797,353	49,579,947	
7.020 Cash Balance June 30	120,198,371	138,873,289	131,895,373	5.3%	131,763,926	124,923,920	99,797,353	49,579,947	(30,637,795)	
8.010 Estimated Encumbrances June 30	10,823,622	13,844,976	13,557,932	12.9%	12,000,000	12,000,000	12,000,000	12,000,000	\$12,000,000	
Reservation of Fund Balance										
9.010 Textbooks and Instructional Materials	-	-	-	0.0%	-	-	-	-	-	
9.020 Capital Improvements	-	-	-	0.0%	-	-	-	-	-	
9.030 Budget Reserve	-	-	-	0.0%	-	-	-	-	-	
9.040 DPIA	-	-	-	0.0%	-	-	-	-	-	
9.045 Fiscal Stabilization	-	-	-	0.0%	-	-	-	-	-	
9.050 Debt Service	-	-	-	0.0%	-	-	-	-	-	
9.060 Property Tax Advances	-	-	-	0.0%	-	-	-	-	-	
9.070 Bus Purchases	-	-	-	0.0%	-	-	-	-	-	
9.080 Subtotal	-	-	-	0.0%	-	-	-	-	-	
Fund Balance June 30 for Certification of Appropriations	109,374,749	125,028,313	118,337,441	4.5%	119,763,926	112,923,920	87,797,353	37,579,947	(42,637,795)	

FINAL

FAC review: April 19, 2017
 Presented to Board: May 2, 2017
 Board adoption: May 16, 2017

Columbus City Schools

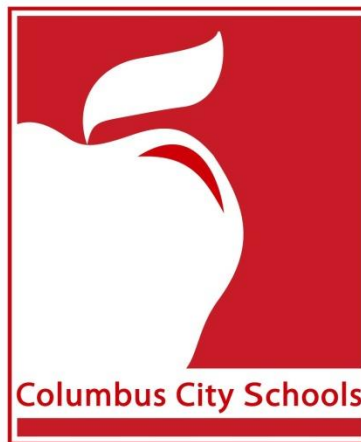
Franklin County

Schedule of Revenues, Expenditures and Changes in Fund Balances
 For the Fiscal Years Ended June 30, 2014, 2015 and 2016 Actual;
 Forecasted Fiscal Years Ending June 30, 2017 Through 2021

	Actual				Forecasted				
	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Average Change	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Revenue from Replacement/Renewal Levies									
11.010 Income Tax - Renewal	-	-	-	0.0%	-	-	-	-	-
11.020 Property Tax - Renewal or Replacement	-	-	-	0.0%	-	-	-	-	-
11.300 Cumulative Balance of Replacement/Renewal Levies	-	-	-	0.0%	-	-	-	-	-
12.010 <i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>	109,374,749	125,028,313	118,337,441	4.5%	119,763,926	112,923,920	87,797,353	37,579,947	(42,637,795)
Revenue from New Levies									
13.010 Income Tax - New	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0
13.020 Property Tax - New	-	-	-	0.0%	-	-	-	-	-
13.030 Cumulative Balance of New Levies	-	-	-	0.0%	-	-	-	-	-
14.010 Revenue from Future State Advancements	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0
15.010 <i>Unreserved Fund Balance June 30</i>	109,374,749	125,028,313	118,337,441	4.5%	119,763,926	112,923,920	87,797,353	37,579,947	(42,637,795)

See accompanying summary of significant forecast assumptions and accounting policies
 Includes: General fund, Emergency Levy fund, and any portion of Debt Service fund related to General fund debt.

**COLUMBUS CITY SCHOOLS - FRANKLIN COUNTY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
ACTUAL JUNE 30, 2014, 2015, 2016
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2017 THROUGH 2021**



**Forecast Provided By
Columbus City Schools
Treasurer's Office
Stanley Bahorek, Treasurer CFO
May 16, 2017**

Columbus City School District – Franklin County
Notes to the Five Year Forecast
General Fund Only
May 16, 2017

Introduction to the Five Year Forecast

All school districts in Ohio are required to file a 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 revenues and expenditures. Fiscal year 2017 (July 1, 2016-June 30, 2017) is the first year of the five year forecast and is considered the baseline year. The May forecast is used to provide an update of the previous October forecast for the current fiscal year and the effect of this year on the remaining years of the forecast.

Current Year (Fiscal 2017) Update:

Revenues:

We have made adjustments to the forecast resulting in an increase of \$244.5M in revenue over the life of the forecast. These changes are primarily the result of the successful passage of our operating levy resulting in an increase of \$334.5M and a change in our state foundation estimates resulting in a decrease of \$90M. Total General Fund revenues and other financing sources (line 2.08) are estimated to be \$869.0M for fiscal year 2017.

Expenditures and other financing uses:

We have decreased our expectations for expenditures by \$1.4M during the life of the forecast. Wages and benefits have decreased in the amount of \$14.10M over the life of the forecast. We have increased our expectations for services, supplies and equipment by \$15.3M over the life of the forecast and decreased other financing uses and expenses by \$2.6M. Total General Fund expenditures and other financing uses are estimated to be \$869.2M for fiscal year 2017.

Ending Cash Balance:

The changes to revenue and expenditure assumptions result in a positive impact on our ending cash balance. We had anticipated an ending balance of (\$110.4M) and are now forecasting a balance of (\$30.6M) as of June 30, 2021.

Forecast Risks and Uncertainty:

Our financial forecast is laden with risks and uncertainty not only due to economic uncertainties but also due to the volatility of the legislative changes that will be happening in the spring of 2017 and 2019 during deliberations of the next two (2) state biennium budgets for FY18-19 & FY20-21, both of which affect this forecast. We have estimated revenues and expenses based on the best data available to us at the time of this forecast. The items below give a short description of the current issues and how they may affect our forecast long term:

- I. **State Foundation Funding** - The State Budget represents nearly 44.3% of district revenues. It is clearly a significant area of risk. The risk comes in FY18 and beyond if the state economy worsens or if the state funding formula is changed in a way that reduces funds to our district. Future uncertainty in

both the state foundation funding formula and the state's economy makes this area an elevated risk to district funding through FY21.

- II. **Tangible Personal Property Tax Reimbursement** - The new State Budget (HB64) reinstates the phase out of Tangible Personal Property (TPP) fixed rate reimbursements to the district. HB64 resumes the phase out in FY16 and will continue it until we receive no reimbursement after FY18.
- III. **Tuition Vouchers & Community Schools** - There are many provisions in the current state budget bill HB64 that will increase the district expenditures in the form of expanded school choice programs and increases in the amounts deducted from our state aid in the 2016-17 school year and beyond. The cost of each Autism Scholarship and many Peterson Special Needs vouchers increased sharply from \$20,000 to \$27,000 each, a 35% increase. Expansion or creation of programs such as these could expose the district to new expenditures that are not currently in the forecast. We are monitoring any new threats to our state aid and increased costs very closely.
- IV. **Patient Protection and Affordable Care Act (PPACA)** – This program was approved March 23, 2010 along with the Health Care and Education Reconciliation Act. Many of the provisions of this federal statute were supposed to be implemented January 1, 2014 but were delayed by the IRS on July 2, 2013 until January 1, 2015. The Cadillac tax is expected to go into effect January 1, 2020 at a rate of 40% of the cost of insurance above predetermined amounts. We have made allowances for increased cost in the forecast based on what we know at this time. Rules for the PPACA are in flux at this time and we are tracking them closely. Future uncertainty over rules and implementation of PPACA is a risk.
- V. **Rollback** - HB59 eliminated the Rollback exemption on any future new or replacement levy. This means that should the District place a new levy on the ballot, taxpayers will no longer receive the 12.5% reduction as they do now on current levies. This could make passing any new levy more difficult and results in a shift of the tax burden from the State of Ohio onto local taxpayers. The new levy approved in November 2016 is not subject to this rollback.

The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information please feel free to contact Stanley J. Bahorek, Treasurer of Columbus City Schools, at 614-365-6472.

Revenue Assumptions

Estimated General Fund Operating Revenues for FY 17

Real Estate Value Assumptions

Property Tax Value and Collections:

Property Values are established each year by the County Auditor based on new construction, demolitions, BOR/BTA outcomes, and complete reappraisal or updated values. A reappraisal update of the district property value occurred for 2014 values collected in calendar year 2015 which reduced residential/agricultural assessed values by (-2.9%) and commercial assessed values by (-0.14%). We experienced a slight increase in values of .488% for 2015 values to be collected in 2016. While we have anticipated no further reductions in values due to appraisals based on conversations with the Franklin County Auditor, it is important to note that if values do

continue to drop the district will lose money on the 4.51 inside millage, the 7.85 mill 2008 levy and the new November 2016 Levy.

The district will experience a complete appraisal update in 2017 to be collected in 2018. We have anticipated a 5.0% increase in residential and 0.5% for commercial property at that time. These assumptions will require further analysis as more data is obtained nearer to the actual appraisal date.

Property tax collections are the largest single revenue source for the school system. The predictability of this revenue has been difficult due to the weak real estate and property values. Residential and commercial property values increased slightly overall in 2016 for collection in 2017 based on the latest tax abstract data. Another bit of good news for the district values was a \$50.9 million increase in public utility personal property (PUPP) values. This represents a 17.24% increase in PUPP values, which is collected at our gross tax rates.

Property Tax Delinquencies:

A growing concern with property taxes in the past several years since 2007 is delinquencies and Board of Revision (BOR) and Board of Tax Appeals (BTA) cases. Outstanding delinquent taxes were \$49,456,534 at the close of the 2015 tax year (June 2016). This is a decrease from tax year 2011 levels but still represents a substantial amount unpaid to the district. Part of the decrease in delinquent taxes is a result of the land bank program where delinquent taxes are reduced but not collected by the district. We continued to collect large delinquent payments in the February and August tax settlements and the county auditor has lowered his estimate of delinquent current tax collections from 5.54% to 4.78%. We believe this is a good signal that delinquencies may not continue to grow and possibly collect on unpaid back taxes due the district. We will continue to monitor delinquent taxes and tax appeals closely.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Actual	Estimated	Estimated	Estimated	Estimated
	TAX	TAX	TAX	TAX	TAX
	YEAR2016	YEAR2017	YEAR2018	YEAR2019	YEAR2020
Classification	COLLECT	COLLECT	COLLECT	COLLECT	COLLECT
	2017	2018	2019	2020	2021
Res./Ag.	\$4,984,465,150	\$5,236,188,408	\$5,238,688,408	\$5,241,188,408	\$5,243,688,408
Comm./Ind.	3,755,902,670	3,769,682,183	3,764,682,183	3,759,682,183	3,754,682,183
Utility Pers. Prop. (PUPP)	<u>346,111,200</u>	<u>356,111,200</u>	<u>366,111,200</u>	<u>376,111,200</u>	<u>386,111,200</u>
Total Assessed Values	<u>\$9,086,479,020</u>	<u>\$9,361,981,791</u>	<u>\$9,369,481,791</u>	<u>\$9,376,981,791</u>	<u>\$9,384,481,791</u>

Tax Abatements

One economic development tool the City of Columbus utilizes is the abatement (partial or full) of property taxes for certain periods of time to developers. The school district has tabulated the existing abatements to better understand when those abatements expire and therefore when the district might expect the estimated foregone tax revenue begin to be received. The following table shows the estimated foregone property tax revenue by tax year that the abatements expire. This tax revenue is included in the calculation of estimated tax revenue due to new construction.

Tax Year of Expiration	Estimated Annual Property Tax Revenue
2018	\$2,601,497
2019	\$1,338,115
2020	\$2,064,403
2021	\$1,904,400
2022	\$423,933
2023	\$1,596,090
2024	\$385,104
2025	\$1,671,084
2026	\$971,480
2027	\$507,458
2028	\$293,174
2029	\$2,937,532
2030	\$1,419,948
2031	\$3,752,873
Grand Total	\$21,867,090

Estimated Real Estate & Public Utility Personal Property Taxes - Line #1.010

Property tax levies are estimated to be collected at net rate of approximately 94% of current collections allowing for a 6% delinquency which fluctuates year to year. In general 51% of the new Residential and Commercial/Industrial real estate taxes are estimated to be collected in February tax settlements and 49% collected in August tax settlements. Public Utility tax settlements (PUPP taxes) are estimated to be received 50% in February and 50% in August settlement from Franklin County Auditor. This line includes collections from the 5.58 mill levy approved in November 2016.

Source	FY17	FY18	FY19	FY20	FY21
Est. Real Estate Taxes	\$452,700,000	\$479,300,000	\$481,300,000	\$482,800,000	\$484,200,000

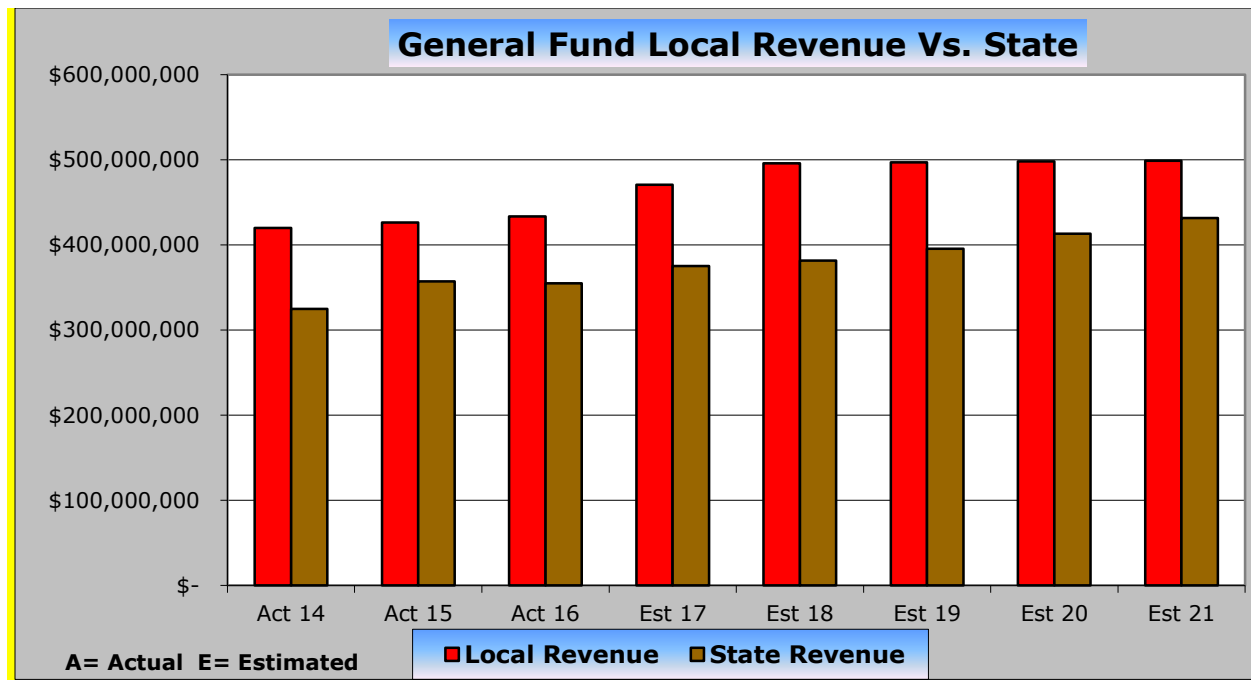
Estimated Tangible Personal Tax – Line#1.020

General tangible personal property taxes (TPP) are expected to be received throughout the forecast as delinquent tax collections. HB66 passed July 1, 2005 enacted law to phase out Tangible Personal Property assessed valuation and taxes locally. There was \$4,631,404, in outstanding delinquent (TPP) taxes at October 31, 2016. We have no idea of the amount and when these taxes will be collected; we will see them trickle in from time to time as we did this year.

In 2004 before the phase out began district Tangible Personal Property assessed values were \$910 million yielding \$52 million in Tangible Personal Property general fund receipts being collected (equivalent to a 5.3 mill levy at that time). It is no surprise that the district passed a new 7.85 mill levy in 2008, in part, to replace these lost local funds. This in effect transferred the burden for those lost dollars into increased taxes on local taxpayers. As noted earlier HB153 cut the prior promised level of state TPP reimbursements to the district in FY12 and FY13 and HB64 resumes the phaseout of the reimbursement until it is eliminated in FY18.

Source	FY17	FY18	FY19	FY20	FY21
Tangible Personal Property	\$8,744	\$3,497	\$1,399	\$560	\$224
Total Line # 1.020	\$8,744	\$3,497	\$1,399	\$560	\$224

General Fund State and Local Revenue Share



State Foundation Revenue Estimates – Lines #1.035; #1.040; and, Line #1.045

The amounts estimated for FY17 through FY21 for state funding is based on funding component computations from the most recent April 2017 State Foundation Payment Report(SFPR). The current FY16-17 state budget HB64 includes an increase in funding for our district. We are projected to be a cap district until FY21. Our state funding status for FY18-21 will depend on the FY18-19 and the FY20-21 state budgets. There are two unknown state budgets in this forecast period covering four fiscal years.

In FY14-15 HB59 is using the fourth (4th) new funding formula for public education since 2009. HB64 made alterations to the funding formula and added several new components. The new funding formula is very complex and could change again with the new FY18-19 or FY20-21 state budgets. The funding formula in HB64 has a modified State Share Index(SSI) method to measure a district's wealth and capacity to raise local revenue. The SSI is a calculation method to measure a district's wealth and capacity to raise local revenue. There are three (3) components of the SSI:

- 1) Valuation Index that measures the district average property value per pupil for tax year 2010, 2011 and 2012 compared to the statewide average valuation per pupil;
- 2) Median Income Index that uses tax year 2011 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 two thirds (2/3) of the Valuation Index and one third (1/3) of the Median Income Index to compute the overall district Wealth Index.

The three components taken together form the one (1) overarching State Share Index (SSI) which equalizes state funding based on wealth. In prior funding formulas the main tool to equalize wealth was a millage charge-off of 23 mills of adjusted valuation per pupil. If the SSI were reduced to a charge-off as in past formulas there would not be a uniform charge-off, rather a range of charge-off rates from 11.3 mills to 22.9 mills.

The SSI is applied to the nine (9) separate components that constitute state aid in FY16 and FY17 to determine need. The nine (9) components of the funding model are:

- 1) Opportunity Grant – Per pupil amount \$5,900 in FY16 and \$6,000 in FY17
- 2) Targeted Assistance – Tier I based on wealth and Tier II based on percentage of district agricultural assessed value
- 3) Special Education Additional Aid – Based on six (6) categories of disability
- 4) Limited English Proficiency – Based on three (3) categories based on time student enrolled in schools
- 5) Economically Disadvantaged Aid- Based on number and concentration of economically disadvantaged students
- 6) K-3 Literacy Funds- Based on districts K-3 average daily membership and two Tiers
- 7) Gifted Funds –Based on average daily membership at \$5.05 per pupil in FY16 & FY17
- 8) Career-Technical Education Funds – Based on career technical average daily membership of students enrolled in five (5) categories.
- 9) Transportation Aid – Funding based on total ridership rather than qualifying ridership in determining statewide cost per rider. HB64 fully funds this item but at a share of 50% rather than 60% in prior years.

There are potentially 342 independent variables in the SFPR formula. If any of the variables are changed, either independently or in conjunction with other variables, there could be a change to forecasted state aid for FY17-21. Currently, there are still changes being made to the above variables as well as changes that could result once ODE finalizes the calculations from FY17, which is not expected until late August 2017. Our estimates are based on the best information available to us and the most current calculation used by ODE. Changes to our forecasted data could occur if there are large adjustments made by ODE based on the final FY17 reconciliation.

There are several new funding components provided in HB64 for FY16 &17. These are additional funds that can be earned by a district or is intended to help a district who has an undo burden or inability to raise local revenue. Our estimates for these components are from the April 2017 SFPR.

- 1) Capacity Aid – Provides additional funding for districts where income generated for one mill of property tax is below the state median for what is generated. We will receive \$0.
- 2) Transportation Supplement – Provides additional funding for districts with rider density (riders per square mile) less than 35 students in FY16 and 50 in FY17. Provides additional funding based on rider density and the number of miles driven by the school buses. Our supplement is expected to be \$0.
- 3) 3rd Grade Reading Proficiency Bonus- Provides a bonus to districts based on third grade reading results. Our bonus is expected to be \$371,918.
- 4) High School Graduation Rate Bonus-Provides a bonus to districts based on high school graduation rates up to approximately \$450 per student. Our bonus is expected to be \$0.

Current calculations indicate our district is a “CAP” funded district for FY17 and we anticipate that we will remain on the CAP through FY21. The CAP growth rate for FY16 & 17 is 7.5% each year. We believe the district will receive additional funds for the period FY18 through FY21. We have conservatively estimated an increase in the CAP amount of 5% each year for FY18-21, but this amount could be higher or lower. There is no guidance on the state funding model or increases for the FY18-21 period. The following table illustrates our actual basic foundation aid compared to the fully calculated amount without the cap:

Source	FY17	FY18	FY19	FY20	FY21
Uncapped Formula Aid	\$395,119,285	\$398,119,892	\$400,523,359	\$403,070,186	\$406,065,510
Capped Formula Aid	<u>318,324,789</u>	<u>334,241,028</u>	<u>350,953,080</u>	<u>368,500,734</u>	<u>386,925,770</u>
Difference	76,794,496	63,878,864	49,570,279	34,569,452	19,139,740

On November 3, 2009 Ohio voters passed the Ohio casino ballot issue. This state issue allowed for the opening of four (4) casinos one each in Cleveland, Toledo, Columbus and Cincinnati. As of March 4, 2013 all four (4) casinos are open for business and generating Gross Casino Tax Revenues (GCR). Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the total tax that will be paid into a student fund at the state level. These funds are distributed to school districts on the 31st of January and August each year beginning January 2013.

The initial student payment to school in January 2013 was \$21.00 per pupil based on 1,816,000 pupils in Ohio. As more actual taxes are collected the state has indicated that the original 2009 estimates of \$1.9 Billion of Gross Casino Revenue (GCR) may be closer to \$900 million as revenues from casinos are not growing robustly as originally predicted. We are estimating statewide student enrollment to decline by ½ of 1% annually. Based on the estimated decrease in enrollment paired with the lower anticipated statewide revenues, we expect FY17 payments of \$52.00 per pupil. For FY18-21 we are estimating a continued statewide enrollment decline and stable casino revenues will allow for continuing the amount per pupil at \$52. We will increase estimates for the out years when actual casino revenues show signs of stronger increases.

A) Unrestricted State Foundation Revenue SF-3 Form – Line #1.035

Source	FY17	FY18	FY19	FY20	FY21
Basic Aid- Per	\$272,300,000	\$285,700,000	\$299,700,000	\$314,600,000	\$330,400,000
Pre School Spec Ed Transportation	<u>7,695,621</u>	<u>8,200,000</u>	<u>8,200,000</u>	<u>8,200,000</u>	<u>8,200,000</u>
Subtotal State Basic Aid	\$245,879,326	\$293,900,000	\$307,900,000	\$322,800,000	\$338,600,000
Casino Revenue	<u>2,600,000</u>	<u>2,600,000</u>	<u>2,600,000</u>	<u>2,600,000</u>	<u>2,600,000</u>
Total Unrestricted State Aid Line # 1.035	<u>\$283,100,000</u>	<u>\$296,500,000</u>	<u>\$310,500,000</u>	<u>\$325,400,000</u>	<u>\$341,200,000</u>

Restricted State Revenues – Line # 1.040

HB64 continues funding two restricted sources of revenues to school district which are Economic Disadvantaged Funding and Career Technical Education funding. We have incorporated this amount into the restricted aid amount in Line # 1.04 for FY17-21.

Source	FY17	FY18	FY19	FY20	FY21
Econ. Disadvantaged Aid	\$44,000,000	\$46,400,000	\$49,000,000	\$51,600,000	\$54,200,000
Career Tech - Restricted	<u>2,200,000</u>	<u>2,300,000</u>	<u>2,300,000</u>	<u>2,400,000</u>	<u>2,500,000</u>
Total Restricted State	<u>\$46,200,000</u>	<u>\$48,700,000</u>	<u>\$51,300,000</u>	<u>\$54,000,000</u>	<u>\$56,700,000</u>

B) Restricted Federal Grants in Aid – Line #1.045

The Qualified School Construction Bond interest credit is for the subsidy to help reduce borrowing costs on the Stewart Elementary bonds. This is restricted for the payment of interest and will help reduce net borrowing costs on that debt. The Federal government has decreased the reimbursement on these bonds by 7.5% from the original amount expected.

Source	FY17	FY18	FY19	FY20	FY21
IRS QSCB Interest credit	\$483,614	\$483,614	\$483,614	\$483,614	\$483,614
Total Line # 1.045	<u>\$478,507</u>	<u>\$483,614</u>	<u>\$483,614</u>	<u>\$483,614</u>	<u>\$483,614</u>

SUMMARY OF STATE FOUNDATION REVENUES

Source	FY17	FY18	FY19	FY20	FY21
Unrestricted Line # 1.035	\$283,100,000	\$296,500,000	\$310,500,000	\$325,400,000	\$341,200,000
Restricted Line # 1.040	46,200,000	48,700,000	51,300,000	54,000,000	56,700,000
Restricted - Line #1.045	<u>483,614</u>	<u>483,614</u>	<u>483,614</u>	<u>483,614</u>	<u>483,614</u>
Total State Foundation	<u>\$329,783,614</u>	<u>\$345,683,614</u>	<u>\$362,283,614</u>	<u>\$379,883,614</u>	<u>\$398,383,614</u>

Property Tax Allocations- Line #1.050

a) Rollback and Homestead Reimbursement

Rollback funds are reimbursements paid to the district from Ohio for tax credits given owner occupied residences equaling 12.5% of the gross property taxes charged residential taxpayers on tax levies passed prior to September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013 which is the effective date of HB59. HB66 the FY06-07 budget bill previously eliminated 10% rollback on Class II (commercial and industrial) property.

Homestead Exemptions are also credits paid to the district from the state of Ohio for qualified elderly and disabled. In 2007 HB119 expanded the Homestead Exemption for all seniors over age 65 years of age or older or who are disabled regardless of income. Effective September 29, 2013 HB59 changes the requirement for Homestead Exemptions. Individual taxpayers who do not currently have their Homestead Exemption approved or those who do not get a new application approved for tax year 2013, and who become eligible thereafter will only received a Homestead Exemption if they meet the income qualifications. Taxpayers who currently have their Homestead Exemption as of September 29, 2013 will not lose it going forward and will not have to meet the new income qualification. This will slow the growth of homestead reimbursements to the district, and as with the rollback reimbursements above, increase the taxes collected locally on taxpayers.

Source	FY17	FY18	FY19	FY20	FY21
Rollback and Homestead	\$33,600,000	\$33,200,000	\$33,300,000	\$33,400,000	\$33,400,000

b) Tangible Personal Property Reimbursements – Fixed Rate

School districts were to be reimbursed for the TPP tax losses by the state of Ohio at varying levels through 2026 but those reimbursements were severely curtailed or eliminated by HB153 effective July 1, 2012. The state of Ohio reduced its funding to school districts for TPP reimbursements from \$1.13 billion in FY11 to \$510 million in FY13, where it was frozen for FY15. HB64 the current state budget has reinstated the phase out of TPP reimbursements to districts beginning in FY16. The phase out is based on five wealth tiers called quintiles. A Quintile 1 district will loose TPP funding based on 1% of qualifying revenue and a Quintile 5 districts will loose TPP reimbursements equal to 2% of qualifying revenue. Revenue will be phased out at these quintile levels until all TPP state funds are gone. We are in quintile #2 with a scheduled loss of 1.25% of qualifying revenue each year. We do not qualify for the supplement and therefore will see our reimbursement end after FY18.

Source	FY17	FY18	FY19	FY20	FY21
TPP Reimbursement	<u>\$12,000,000</u>	<u>\$2,900,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

SUMMARY OF PROPERTY TAX ALLOCATION REVENUE

Source	FY17	FY18	FY19	FY20	FY21
Rollback and Homestead	\$33,600,000	\$33,200,000	\$33,300,000	\$33,400,000	\$33,400,000
TPP Reimbursement	<u>12,000,000</u>	<u>2,900,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Line #1.050	<u>\$45,600,000</u>	<u>\$36,100,000</u>	<u>\$33,300,000</u>	<u>\$33,400,000</u>	<u>\$33,400,000</u>

Other Local Revenues – Line #1.060

All other revenues include interest earnings and other various income sources. Interest income is forecast to decrease this year due to a decreasing cash balance available for investments. We have interest remaining constant in the following years as the district's balances available for investment vary month to month due to cash flow needs and interest rates are expected to vary over the duration of the forecast. District funds are invested in U.S. Government agency discount notes, banker's acceptances, treasury notes, certificates of deposits, and money held in STAROHIO, the State Treasurer's investment pool. The treasurer's office ladders out investments to catch a portion of the yield curve offering slightly better rates and will continue to monitor rates to invest the available capital at the most secure and highest yield possible. Security of the public funds collected by the district is however the top priority of the treasurer's office.

Win Win payments for FY17 are a result of new calculations all parties have agreed upon. The Win Win agreement came up for renewal with suburban districts in 2016 and the result will be a decrease in future revenues.

Source	FY17	FY18	FY19	FY20	FY21
Interest in Investments 1410	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000
Win Win Agreement	4,600,000	2,900,000	2,300,000	1,800,000	1,200,000
PILOT Payments 2400	4,100,000	4,100,000	4,100,000	4,100,000	4,100,000
Tuition SF-14 & SF-14H (12xx)	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000
Medicaid, rentals and other	<u>3,800,000</u>	<u>3,800,000</u>	<u>3,800,000</u>	<u>3,800,000</u>	<u>3,800,000</u>
Total Line # 1.060	<u>\$18,200,000</u>	<u>\$16,500,000</u>	<u>\$15,900,000</u>	<u>\$15,400,000</u>	<u>\$14,800,000</u>

Short-Term Borrowing – Lines #2.010 & Line #2.020

There is no short term borrowing planned for in this forecast at this time from any sources.

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

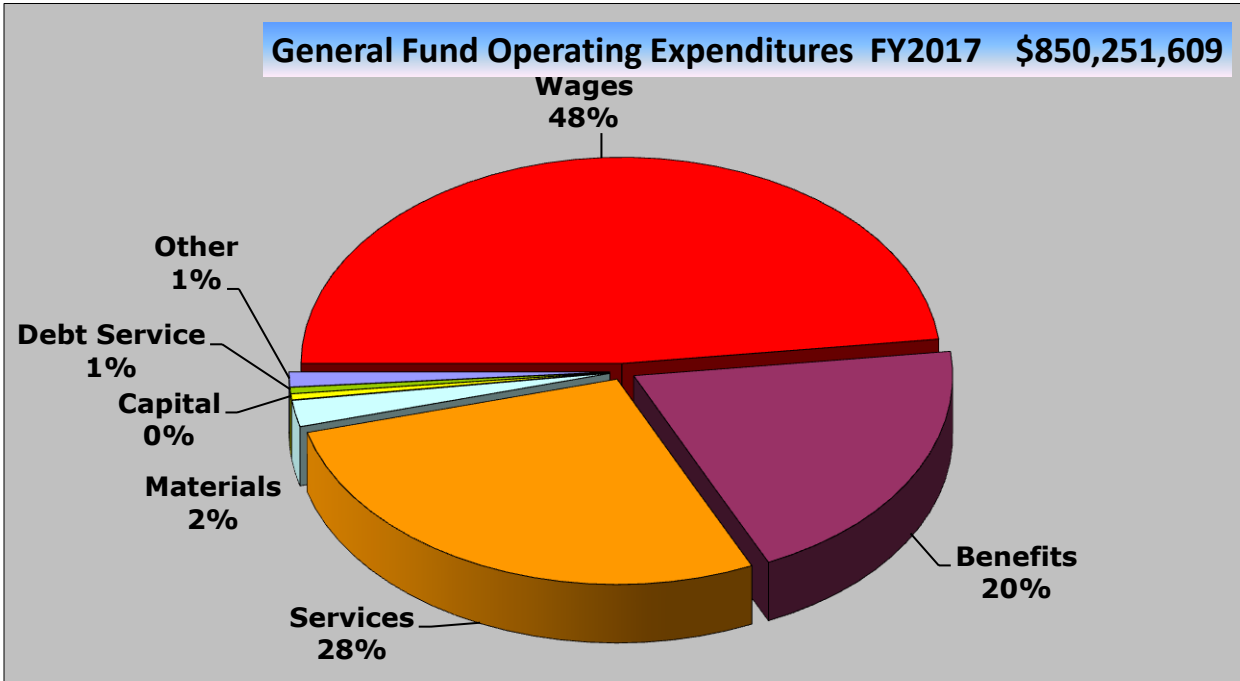
These are non-operating revenues which are the repayment of short term loans to other funds. The amount of advances in and advances out are both captured as a “snap-shot” for June 30. There is a lag in timing of when these funds are repaid to the general fund from the Federal and State grant funds versus when they are loaned. Ohio budgetary laws require the district to loan funds from the General Fund to the grants. Also, federal and state budgetary spending requirements require the district to spend before the funds are repaid to the general fund – the district must present a “Project Cash Request” form or “PCR” to be repaid from the state and federal governments. We do not control the timing of these fund repayments.

All Other Financial Sources – Line #2.060 & Line #14.010

Source	FY17	FY18	FY19	FY20	FY21
Transfers In - Line 2.040	\$2,581,804	\$2,581,804	\$2,581,804	\$2,581,804	\$2,581,804
Advance Returns	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>
Total Transfer & Advances In	<u>\$22,581,804</u>	<u>\$22,581,804</u>	<u>\$22,581,804</u>	<u>\$22,581,804</u>	<u>\$22,581,804</u>

Source	FY17	FY18	FY19	FY20	FY21
ROPYE & Sale FA - Line #2.060	<u>\$150,000</u>	<u>\$150,000</u>	<u>\$150,000</u>	<u>\$150,000</u>	<u>\$150,000</u>

Expenditures Assumptions
General Fund Operating Expenditures FY17



Wages & Personal Services – Line #3.010

The estimate for Wages includes a number of factors. For FY17, we have provided for step increases of 2.2% while accounting for staff additions of 130 certified for FY17 as well as staff additions in FY18-FY21 as promised in the levy campaign. We included a base wage increase of 2% for year FY17 pursuant to current collective bargaining agreements and 0% in the out years of the forecast and step increases of 2.2% for all the remaining years of the forecast.

Source	FY17	FY18	FY19	FY20	FY21
Base Wages	\$380,842,371	\$397,750,000	\$409,100,000	\$420,300,000	\$431,950,000
Wage Adjustments	8,400,000	0	0	0	0
Step Increases	8,400,000	8,800,000	9,000,000	9,200,000	9,500,000
FY17 27th pay	11,400,000	0	0	0	0
Staff Changes	1,198,739	3,780,388	3,392,192	3,610,385	9,235,596
Retirement/Replacement savings/ or YoY change	(1,100,000)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)
Total Wages Line 3.010	\$409,100,000	\$409,100,000	\$420,300,000	\$431,900,000	\$449,500,000

Fringe Benefits Estimates - Line 3.02

This area of the forecast captures all costs associated with benefits and retirement costs. Fringe benefits ran 20.4% of expenditures in FY16, and are estimated to be 19.8% in FY17 and then increase each year driven by health insurance.

A) STRS/SERS Retirement Contributions

The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System or the School Employees Retirement System as required by Ohio law. No change in employer contributions have been estimated in this forecast however it has been actively discussed during the past state budget deliberations.

SERS announced on April 5, 2010 that they were requiring districts to pay SERS on a current fiscal year basis and not 6 months in arrears which has been the case since 1987 when districts moved from calendar year to fiscal year. This cost which began in FY11 ended in FY16.

Source	FY17	FY18	FY19	FY20	FY21
Base Wages 211, 221	\$53,813,027	\$56,202,075	\$57,805,830	\$59,388,390	\$61,034,535
Wage Adjustments	1,176,000	0	0	0	0
Step Increases	1,176,000	1,232,000	1,260,000	1,288,000	1,330,000
YoY Change	0	0	0	0	0
FY17 27th pay	1,596,000	0	0	0	0
Staff Changes	167,823	529,254	474,907	505,454	1,292,983
Retirement/Replacement savings	(154,000)	(168,000)	(168,000)	(168,000)	(168,000)
Total Retirement System Estimates	<u>\$57,774,850</u>	<u>\$57,795,329</u>	<u>\$59,372,737</u>	<u>\$61,013,844</u>	<u>\$63,489,518</u>

B) Health Insurance Contributions

We are estimating costs to increased 4.4% composite for all coverage’s (medical, dental and vision) for FY17. For FY18 and beyond a rate increase of 4.2% is estimated. Insurance generally runs 22% of wages paid but will increase annually with the rate trend noted.

Patient Protection and Affordable Care Act (PPACA) Costs- the Patient Protection and Affordable Care Act (PPACA) commonly called Obamacare or the Affordable Care Act (ACA), is a United States federal statute signed into law by President Barack Obama on March 23, 2010. Together with the Health Care and Education Reconciliation Act, it represents the most significant regulatory overhaul of the country's healthcare system since the passage of Medicare and Medicaid in 1965. Many of the significant provisions of the PPACA that were scheduled to be implemented by employers on January 1, 2014 were delayed until January 1, 2015 by a July 2, 2013 ruling from the IRS. It is uncertain to what extent the implementation of PPACA will cost our district additional funds. There are numerous new regulations that potentially will require added staff time, at least initially due to increased demands, and it is likely that additional employees will be added to coverage that do not have coverage now. We are not certain what these added costs maybe but there are “taxes” mandated by the act which we are aware of. The Transition Reinsurance fee due January 15, 2015, is a fee due the IRS for \$5.25 per covered member per month for the prior year (2014).This will be \$63 for each employee who had a full year of coverage in the prior year. Longer-term a significant concern is the 40% “Cadillac Tax” that will be imposed in 2020 for plans whose value of benefits exceed \$10,200 for individual plans and \$27,500 for family plans. We have included payment of \$7M in FY20 and FY21 for the Cadillac Tax. The rules and implementation of the PPACA is an ongoing issue we are watching closely to evaluate the effect on our district.

Source	FY17	FY18	FY19	FY20	FY21
Base Costs	\$92,229,563	\$96,860,591	\$102,214,538	\$107,759,319	\$113,624,541
Cadillac Tax	0	0	0	7,000,000	7,000,000
Retirement/Replacement savings	(217,800)	(237,600)	(237,600)	(237,600)	(237,600)
Staff Changes	237,350	748,517	671,654	714,856	1,828,648
Insurance Trend Adjustment	4,611,478	4,843,030	5,110,727	5,387,966	6,031,227
Total Insurance Estimates	<u>\$96,860,591</u>	<u>\$102,214,538</u>	<u>\$107,759,319</u>	<u>\$120,624,541</u>	<u>\$128,246,816</u>

C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to rise to 2.35% of wages in FY17-21. BWC will increase and decrease typically as wages rise and fall. The district is a direct reimbursement payer for Unemployment Compensation thereby paying only the claims that are paid on its behalf when claims are made.

Source	FY17	FY18	FY19	FY20	FY21
Workers Comp Base Cost Estimates	\$9,204,750	\$9,204,750	\$9,456,750	\$9,717,750	\$10,113,750
Unemployment Comp	409,100	409,100	420,300	431,900	449,500
Total BWC & UC Estimates	<u>\$9,613,850</u>	<u>\$9,613,850</u>	<u>\$9,877,050</u>	<u>\$10,149,650</u>	<u>\$10,563,250</u>

D) Medicare

Medicare will continue to increase at the rate of increase of wages. Contributions are 1.45% for all new employees to the district on or after April 1, 1986. These amounts are growing at the general growth rate of wages.

Source	FY17	FY18	FY19	FY20	FY21
Base Costs	\$5,562,976	\$5,569,735	\$5,769,780	\$5,927,100	\$6,092,010
YoY Change	0	0	0	0	0
Other Staff Changes	1,432	37,416	31,787	34,951	116,516
Total Medicare Estimate	<u>\$5,564,408</u>	<u>\$5,607,151</u>	<u>\$5,801,567</u>	<u>\$5,962,051</u>	<u>\$6,208,526</u>

Summary of Fringe Benefits – Line #3.020

Source	FY17	FY18	FY19	FY20	FY21
STRS/SERS	\$57,774,850	\$57,795,329	\$59,372,737	\$61,013,844	\$63,489,518
Insurance's	96,860,591	102,214,538	107,759,319	120,624,541	128,246,816
Workers Comp & Unemployment	9,613,850	9,613,850	9,877,050	10,149,650	10,563,250
Medicare	5,564,408	5,607,151	5,801,567	5,962,051	6,208,526
Other/Tuition	164,024	164,024	164,024	164,024	164,024
Fringe Benefit Total Line 3.020	<u>\$170,000,000</u>	<u>\$175,400,000</u>	<u>\$183,000,000</u>	<u>\$197,900,000</u>	<u>\$208,700,000</u>

Purchased Services – Line #3.030

Expenditures in this category include: instructional services, instructional improvement services, health services, data processing services, professional/legal services, garbage removal, repairs and maintenance services, rentals, property insurance, lease-purchase agreements, meeting and mileage expenses, telephone expenses, postage, advertising, utilities, and tuition paid to other districts. Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, and other services that the school district may purchase. Most significantly, this category includes payments to Community Schools, Peterson Scholarship, Autism scholarship and ongoing costs for the Ed Choice Voucher program. These costs will rise significantly under HB64 as the scholarship was \$20,000 in FY15 and is \$27,000 in FY16 and beyond. If there are new laws enacted in the future to expand choice it is certain costs for these programs will increase over the next several years.

Community School Enrollment - We are adjusting projections for FY17 to account for the increase noted above as well as lower than average increase in the number of students attending community schools this year. For FY18 – FY21 we are projecting an additional 1,100 students each year leaving the district. The amount per pupil is projected to increase an average of 2% each year FY18 – FY21.

Ed Choice Vouchers - We are projecting an increase on average of 870 students each year utilizing the Educational Choice (Voucher) and other scholarship programs in FY17 – FY21. The average cost per pupil is projected to increase about 4% per year through FY21.

On August 8, 2012 the Public Utility Commission of Ohio (PUCO) issued a modified electric security plan (ESP) for American Electric Power (AEP) to establish generation rates through May 2015. Base electric rates are frozen at this time; however riders that will be implemented are expected to increase rates on average from 5% to 7% with a 12% cap on increases. We have estimated a rate of 5.0% for electric in FY17.

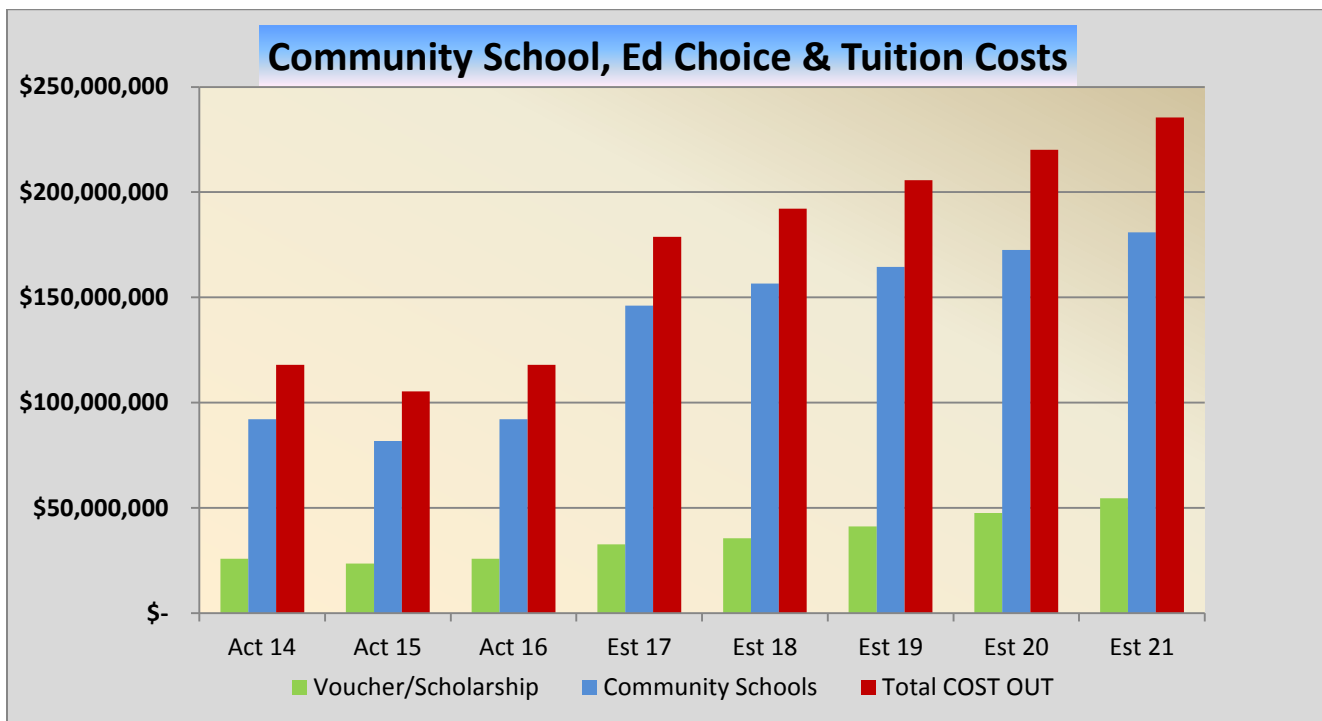
FY17 is based on the Appropriations Resolution the Board adopted in June 2016. For FY18 and beyond these costs are taken directly from the FY18 five year budget document presented to the finance and appropriations committee in March 2017. We anticipate changes to FY18 – FY21 budgets based on the outcome and impact of the FY18-FY19 State biennial budget. The preparation of this budget was based on a modified-zero based model and is value driven focused on programmatic needs and aspirations. For more information please see: <http://www.boarddocs.com/oh/columbus/Board.nsf/goto?open&id=AARLFU51FA7F>

Category	FY17	FY18	FY19	FY20	FY21
Community School	\$142,800,000	\$146,100,000	\$156,600,000	\$164,500,000	\$172,600,000
Est. Increase	<u>3,300,000</u>	<u>10,500,000</u>	<u>7,900,000</u>	<u>8,100,000</u>	<u>8,300,000</u>
Estimated Community School	<u>\$146,100,000</u>	<u>\$156,600,000</u>	<u>\$164,500,000</u>	<u>\$172,600,000</u>	<u>\$180,900,000</u>
Estimated New Students	426	1,307	990	1,000	1,000
Estimated Amount per Student	7,700	8,000	8,000	8,050	8,250
Ed Choice Voucher/STEM	23,500,000	32,700,000	35,500,000	41,200,000	47,600,000
Est. Increase	<u>9,200,000</u>	<u>2,800,000</u>	<u>5,700,000</u>	<u>6,400,000</u>	<u>7,000,000</u>
Estimated Voucher Costs	<u>\$32,700,000</u>	<u>\$35,500,000</u>	<u>\$41,200,000</u>	<u>\$47,600,000</u>	<u>\$54,600,000</u>
Estimated New Students	<u>1,387</u>	<u>417</u>	<u>808</u>	<u>847</u>	<u>892</u>
Estimated Amount per Student	\$6,600	\$6,600	\$7,000	\$7,500	\$7,800

Summary Purchased Services –Line #3.030

Source	FY17	FY18	FY19	FY20	FY21
Other	\$28,000,000	\$36,800,000	\$36,000,000	\$37,500,000	\$38,400,000
Tuition to Other Districts 471,474,475,477	12,000,000	12,700,000	13,100,000	13,500,000	14,000,000
Community School & STEM 478	146,000,000	156,500,000	164,400,000	172,500,000	180,800,000
EdChoice Voucher, Scholarships	32,700,000	35,500,000	41,200,000	47,600,000	54,600,000
Utilities 441,451,452,453	17,000,000	18,600,000	19,100,000	19,600,000	20,000,000
Total Line 3.030	<u>\$235,700,000</u>	<u>\$260,100,000</u>	<u>\$273,800,000</u>	<u>\$290,700,000</u>	<u>\$307,800,000</u>

Our Students Leave the District Taking Nearly 19 mills of Operating Revenue to Other Schools



Supplies and Materials – Line #3.040

Amounts paid for material items of an expendable nature that are consumed, worn out, or deteriorated from use, or items that lose their identity through fabrication or incorporation into different or more complex units or subunits. Expenditures in this category include: instructional supplies, office supplies, teaching aides, software materials, textbooks, library books, newspapers, periodicals, supplies and materials for the operation, maintenance and repair of land, buildings, equipment and furniture. For FY18 and beyond these costs are taken directly from the FY18 five year budget document presented to the finance and appropriations committee in March 2017. We anticipate changes to FY18 – FY21 budgets based on the outcome and impact of the FY18-FY19 State biennial budget. The preparation of this budget was based on a modified-zero based model and is value driven focused on programmatic needs and aspirations. For more information please see: <http://www.boarddocs.com/oh/columbus/Board.nsf/goto?open&id=AARLFU51FA7F>

Source	FY17	FY18	FY19	FY20	FY21
Supplies	<u>\$17,500,000</u>	<u>\$21,400,000</u>	<u>\$21,800,000</u>	<u>\$22,300,000</u>	<u>\$22,900,000</u>

Equipment – Line # 3.050

Expenditures for the acquisition of or addition to fixed assets and replacement of any item previously coded as new capital outlay. has been projected for the balance of the fiscal year based on year to date actual and expectations for the remainder of the year. For FY18 and beyond these costs are taken directly from the FY18 five year budget document presented to the finance and appropriations committee in March 2017. We anticipate changes to FY18 – FY21 budgets based on the outcome and impact of the FY18-FY19 State biennial budget. The preparation of this budget was based on a modified-zero based model and is value driven focused on programmatic needs and aspirations. For more information please see:

<http://www.boarddocs.com/oh/columbus/Board.nsf/goto?open&id=AARLFU51FA7F>

Source	FY17	FY18	FY19	FY20	FY21
Capital Outlay	<u>\$3,900,000</u>	<u>\$3,000,000</u>	<u>\$3,300,000</u>	<u>\$2,800,000</u>	<u>\$5,700,000</u>

Other Expenses – Line #4.300

This category includes expenditures for memberships in professional organizations, charges for audit examinations, county auditor and treasurer fees, election expenses, charges for advertising the delinquent tax list, bank charges, liability insurance, accident insurance, fidelity bonds, and legal judgments against the district, back pay and awards. As with other non-personnel items, FY17 is based on the Appropriations Resolution the Board adopted in June 2016. . For FY18 and beyond these costs are taken directly from the FY18 five year budget document presented to the finance and appropriations committee in March 2017. We anticipate changes to FY18 – FY21 budgets based on the outcome and impact of the FY18-FY19 State biennial budget. The preparation of this budget was based on a modified-zero based model and is value driven focused on programmatic needs and aspirations. For more information please see:

<http://www.boarddocs.com/oh/columbus/Board.nsf/goto?open&id=AARLFU51FA7F>

Source	FY17	FY18	FY19	FY20	FY21
Property Tax Coll. 840	\$9,000,000	\$9,300,000	\$9,600,000	\$9,900,000	\$10,200,000
Other expenses	900,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Line 4.300	<u>\$9,900,000</u>	<u>\$10,300,000</u>	<u>\$10,600,000</u>	<u>\$10,900,000</u>	<u>\$11,200,000</u>

Transfers Out/Advances Out/All Other Financing Uses – Lines# 5.010, 5.020 & 5.030

This account group covers fund to fund transfer (such as for athletic programs) and end of year short term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. These accounts can also support food service program shortfalls.

Source	FY17	FY18	FY19	FY20	FY21
Operating Transfers Out Line #5.010					
Athletics Transfer	\$642,800	\$642,800	\$642,800	\$642,800	\$642,800
Bus Transfer	<u>\$2,957,200</u>	<u>\$3,057,200</u>	<u>\$3,057,200</u>	<u>\$3,057,200</u>	<u>\$3,057,200</u>
Operating Transfers Out Line #5.010	\$3,600,000	\$3,700,000	\$3,700,000	\$3,700,000	\$3,700,000
Advances Out Line #5.020	<u>\$15,300,000</u>	<u>\$20,000,000</u>	<u>\$20,000,000</u>	<u>\$20,000,000</u>	<u>\$20,000,000</u>
Total	<u>\$18,900,000</u>	<u>\$23,700,000</u>	<u>\$23,700,000</u>	<u>\$23,700,000</u>	<u>\$23,700,000</u>

General Fund Debt Service Payments – Lines# 4.020; 4.030; 4.040; 4.050; 4.055; 4.060

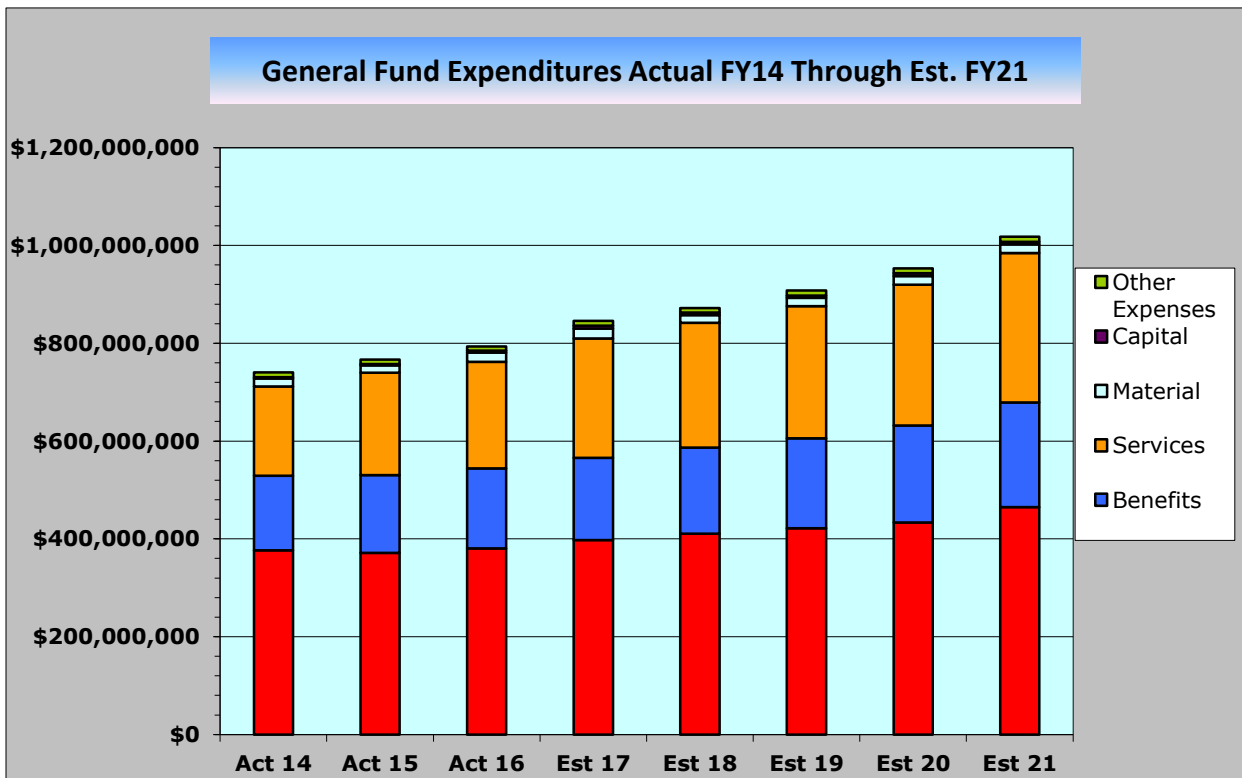
On line 4.055 we are paying a new Qualified School Construction Bond (QSCB) debt issued in 2011 to renovate Stewart Elementary School due to a fire in 2011. The interest is supported by a Federal subsidy to lower net borrowing cost. Beginning in FY14 and lasting through FY18 the district will be paying \$2.4 - \$2.5 million a year for tax anticipation notes to buy new busses to commence in-sourcing transportation in FY14.

Source	FY17	FY18	FY19	FY20	FY21
School bus TANS #4.020	\$2,325,000	\$2,370,000	\$2,430,000	\$2,520,000	\$2,520,000
Principal State Loans Line #4.030	\$0	\$0	\$0	\$0	\$0
Principal State Advances Line #4.040	\$0	\$0	\$0	\$0	\$0
Principal QSCB Line # 4.055	657,665	657,665	657,665	657,665	657,665
Total Principal Payments	<u>\$2,982,665</u>	<u>\$3,027,665</u>	<u>\$3,087,665</u>	<u>\$3,177,665</u>	<u>\$3,177,665</u>

INTEREST AND FISCAL CHARGES – Line #4.060

Source	FY17	FY18	FY19	FY20	FY21
Interest on TANS Total Line 4.060	<u>\$1,168,944</u>	<u>\$1,117,256</u>	<u>\$1,041,719</u>	<u>\$1,041,719</u>	<u>\$1,041,719</u>

General Fund Expenditures By Object Code Actual FY14 Through Estimated FY21



Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses – Line # 6.01

Line 6.01 of the forecast shows the amount of revenue over/(under) expenses. This line shows the equivalent of a profit or loss statement similar to a business enterprise, only on a cash basis. A school district, like a business, cannot continue to spend more than it receives long term unless operating parameters change. The District is projected to start spending more than it is taking in during FY16.

Source	FY17	FY18	FY19	FY20	FY21
Total Revenues over/(under)					
Total Expenses	<u>(\$131,447)</u>	<u>(\$6,840,006)</u>	<u>(\$25,126,567)</u>	<u>(\$50,217,406)</u>	<u>(\$80,217,742)</u>

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. Estimates based on historical data.

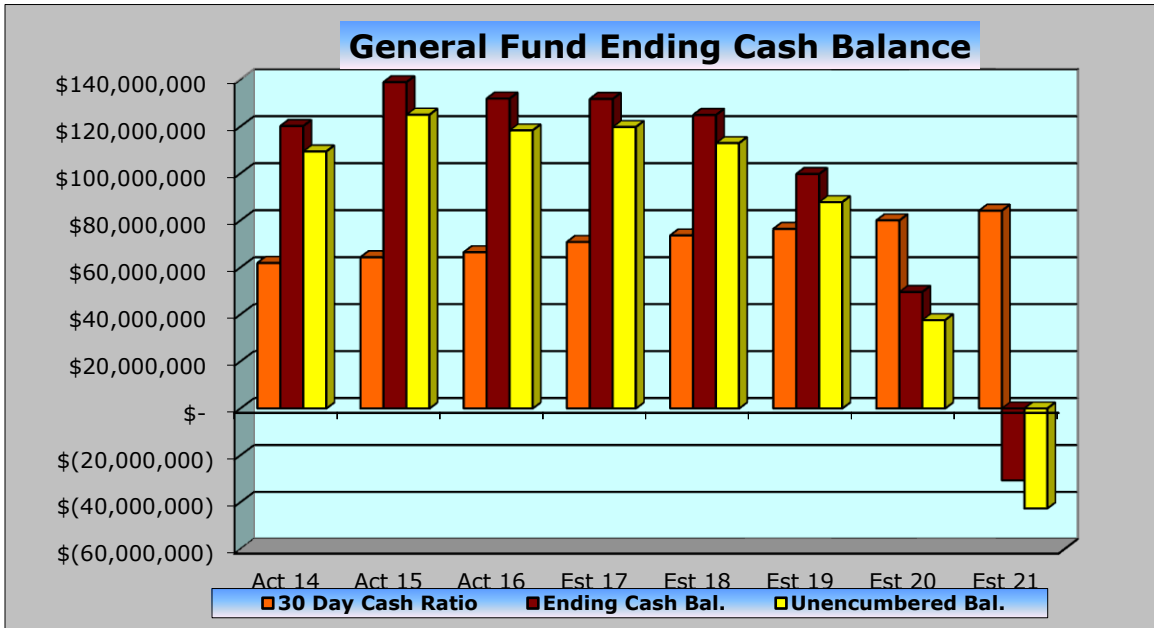
	FY17	FY18	FY19	FY20	FY21
Estimated Encumbrances	<u>\$12,000,000</u>	<u>\$12,000,000</u>	<u>\$12,000,000</u>	<u>\$12,000,000</u>	<u>\$12,000,000</u>

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. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of \$10,000. Ending unreserved cash balances will fall below 30 days of operating capital beginning in FY20. A one month supply of cash is a minimum amount a school district should carry at year end. Based on FY17 operating expenditures of \$850M, 30 days operating capital would be \$71M.

While revenues are expected to increase in FY18 due to the passage of the operating levy, our ending cash balance is still anticipated to be lower in FY18. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be positive through 2020 if assumptions we have made for a minimum of 5.0% increase in state aid were to occur and state reimbursements for tangible personal property are phased-out through FY18.

General Fund Unreserved Ending Cash Balance Actual FY14 Through Estimated FY21



Summary of General Fund Revenue, Expenditures and Ending Balances

