



COLUMBUS CITY SCHOOLS

FRANKLIN COUNTY, OHIO

ASSUMPTIONS AND NOTES

FIVE-YEAR FORECAST

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES**

FOR THE FISCAL YEARS

ACTUAL: ENDED JUNE 30, 2015, 2016, 2017

FORECASTED: ENDING JUNE 30, 2018, 2019, 2020, 2021, 2022

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October 17, 2017

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EXECUTIVE SUMMARY

Introduction (Ohio Department of Education)

A 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 businesses moving in or out of the district. The five-year forecast is viewed as a key management tool and must be updated periodically. In Ohio, most school districts understand how they will manage their finances in the current year. The five-year forecast encourages district management teams to examine future years' projections and identify when challenges will arise. This then helps district management to be proactive in meeting those challenges. School districts are encouraged to update their forecasts with ODE when events take place that will significantly change their forecast or, at a minimum, when required under statute.

In a financial forecast, the numbers only tell a small part of the story. For the numbers to be meaningful, the reader must review and consider the *Assumptions to the Financial Forecast* before drawing conclusions or using the data as a basis for other calculations. The assumptions are very important to understanding the rationale of the numbers, particularly when a significant increase or decrease is reflected.

Since the preparation of a meaningful five-year forecast is as much an art as it is a science and entails many intricacies, it is recommended that you contact the Treasurer/Chief Fiscal Officer or Board of Education (BOE) of the individual school district with any questions you may have. The Treasurer or CFO submits the forecast, but the BOE is recognized as ultimately responsible for the development of the forecast and the official owner.

Purposes/Objectives of the Five-Year Forecast (Ohio Department of Education)

Here are at least three purposes or objectives of the five-year forecast:

- (1) To engage the local board of education and the community in long range planning and discussions of financial issues facing the school district
- (2) To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate"
- (3) To provide a method for the Department of Education and Auditor of State to identify schools districts with potential financial problems

O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to submit a five-year projection of operational revenues and expenditures along with assumptions to the Department of Education prior to October 31 of each fiscal year and to update this forecast between April 1 and May 31 of each fiscal year. ODE encourages school districts to update their forecast whenever events take place that will significantly change the forecast.

General Economic Conditions and Outlook

General economic conditions drive state and local tax revenues, which in turn impact school district finances. Local tax revenues are derived from property taxes, which tend to be a more stable source of income. Boards of education have the ability to levy additional taxes on real property upon a favorable vote of the residents of the district; anecdotally, voters tend to more be more likely to support imposing additional taxes upon themselves when the economy is good, and less so when economic conditions are poor. State revenue – which is distributed via a funding formula – is an amalgamation of various tax sources, though the primary drivers in Ohio are the sales and income taxes. These two sources in particular are often directly correlated with economic conditions (though specific policy decisions may also impact collections).

According to the Ohio Office of Budget and Management:

Real GDP growth during the second quarter was revised up from 2.6 percent to 3.0 percent, compared with 1.2 percent in the first quarter. Compared with a year earlier, real GDP was up by 2.2 percent in the second quarter. The growth rate was 1.5 percent for all of 2016, which is the slowest rate of growth for any calendar year since the end of the 2007-2009 recession. The upward revision reflected positive adjustments to personal consumption expenditures and to nonresidential fixed investment. A downward adjustment to state and local government spending subtracted from the upward revision to GDP growth. After the adjustments, personal consumption expenditures accounted for approximately two-thirds of growth during the second quarter, followed by nonresidential fixed investment, net exports, and federal government spending. State and local government spending made the only notable negative contribution (OBM, 2017).

OBM notes that the Ohio unemployment rate increased in July to 5.2 percent, up 0.2 percentage points from the prior month and up 0.5 points from the cyclical low of 4.7 percent reached in October 2015 (OBM, 2017). The increase since the October 2015 low point has resulted from a larger increase in the Ohio labor force (+88,200) than in total employment (+56,300) (OBM, 2017). Nationally, the unemployment rate increased from the month before by a statistically significant amount in three states in the month of July (Alaska, Maine, and South Dakota), with the only significant decrease occurring in one state (Texas). The unemployment rate was unchanged or not statistically different from the month before in all other states (OBM, 2017).

According to the Ohio Legislative Service Commission (LSC), General Revenue Fund (GRF) tax receipts for the first two months of FY 2018 was \$23.6 million above estimates (LSC, 2017). Revenue from both the income tax and the commercial activity tax exceeded their respective estimates, with the personal income tax coming in \$34.7 million above estimate (LSC, 2017). This likely illustrates the leveling out of previous reductions to the personal income tax rates initially enacted in HB 59 and continued in HB 64.

GRF revenue from the non-auto sales and use tax totaled \$681.5 million, \$9.0 million (1.3 percent) above estimate, in August 2017; this result partially offset a negative variance of \$26.8 million (3.1 percent) in July (LSC, 2017). According to LSC, “the non-auto portion of the sales and use tax was historically weak last fiscal year, and through August 2017, this tax has fallen behind projections by \$17.8 million (1.2 percent), continuing the pattern established earlier in 2017.” (LSC, 2017) However,

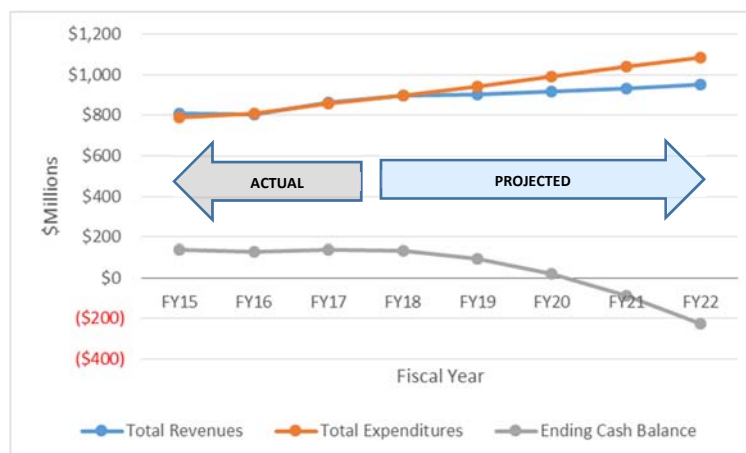
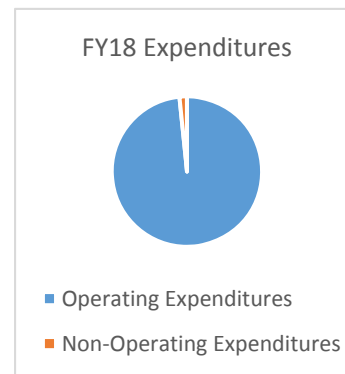
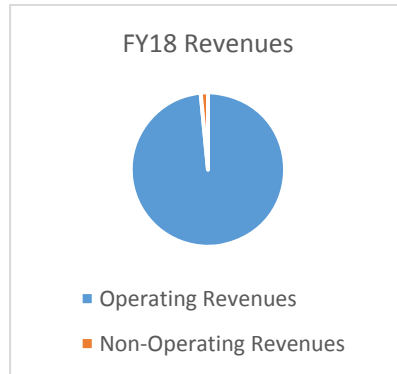
OBM notes that “monthly personal consumption expenditures picked up to 0.3 percent in July, and the June rise was revised up to 0.2 percent.” (OBM, 2017) OBM further reports that spending on durable goods increased 0.6 percent, with another revision to the June figure resulting in a gain of 0.6 percent, up from a decline of 0.4 percent. (OBM, 2017) Additionally, OBM notes that consumer attitudes brightened further in August, with the Conference Board measure of consumer confidence increasing to its highest level since March. (OBM, 2017) The University of Michigan/Reuters survey painted a similar picture in August. (OBM, 2017) Increases in both measures were driven by better expectations. (OBM, 2017) Thus, it is possible that, when accounting for changes made in HB 49 to the non-auto sales tax base, net growth in the non-auto sales and use tax may also outperform estimates.

While negative variances from several other tax sources were recorded, overall GRF tax revenue for the first two months of FY 2018 was \$3.5 million (2.8 percent) higher than tax receipts when compared to the same period in FY 2017. (LSC, 2017) It may bode well for school districts should receipts continue to outpace estimates, though it is likely that any such benefit would not be realized until the next biennium.

Revenues, Expenditures and Ending Cash Balances

Total revenues are projected to increase at the rate of 1.9% annually climbing from \$864.9 million in FY17 to \$951.7 million in FY22. Total expenditures are projected to increase at the rate of 4.8% from \$859.4 million in FY17 to \$1.09 billion in FY22. Expenditures begin to exceed revenues in FY18 driving the June 30 fiscal year ending cash balance from a positive \$137.4 million at the end of FY17 to a negative \$224.0 million at the end of FY22. FY21 is the first year of the five-year forecast with a deficit ending cash balance. 30-days cash balance, a typical target for public sector financial planning, is \$73 million in FY18 and climbs to \$88 million in FY22. This target is met in FY18 and FY19, but the forecasted cash balance falls short beginning in FY20 and thereafter.

	ACTUAL			PROJECTED				
	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
<i>\$Millions</i>								
<i>Total Revenues</i>	\$809.0	\$804.8	\$864.9	\$895.9	\$900.5	\$916.4	\$933.6	\$951.7
<i>Operating Revenues</i>	\$783.4	\$788.4	\$854.1	\$882.3	\$887.0	\$902.8	\$920.0	\$938.1
<i>Non-Operating Revenues</i>	\$25.5	\$16.4	\$10.8	\$13.6	\$13.6	\$13.6	\$13.6	\$13.6
<i>Total Expenditures</i>	\$790.3	\$811.8	\$859.4	\$897.4	\$941.3	\$992.0	\$1,041.5	\$1,087.1
<i>Operating Expenditures</i>	\$772.5	\$797.8	\$845.6	\$883.2	\$927.1	\$977.8	\$1,027.3	\$1,072.9
<i>Non-Operating Expenditures</i>	\$17.8	\$14.0	\$13.8	\$14.2	\$14.2	\$14.2	\$14.2	\$14.2
<i>Revenues Over (Under) Expenditures</i>	\$18.7	(\$7.0)	\$5.5	(\$1.6)	(\$40.8)	(\$75.7)	(\$108.0)	(\$135.5)
<i>Ending Cash Balance</i>	\$138.9	\$131.9	\$137.4	\$135.8	\$95.1	\$19.4	(\$88.5)	(\$224.0)



REVENUES

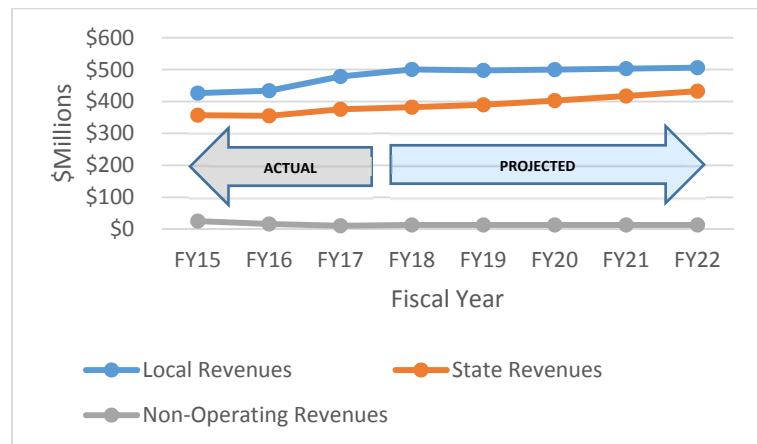
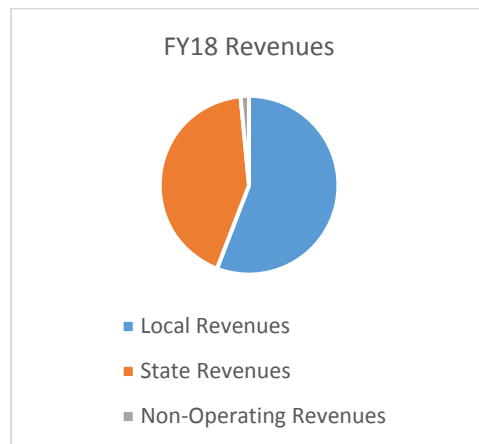
Overview

Local revenues (e.g. property taxes, tuition, fees, earnings on investments, rentals, and donations) are projected to increase at the rate of 1.1% annually to \$506.1 million in FY22 from \$478.5 million in FY17. Property taxes are a major driver of local revenues increasing at a projected rate of 1.64%. Other local revenues are projected to decline during the five-year forecast period largely due to the phase-out of Win-Win payments from other districts.

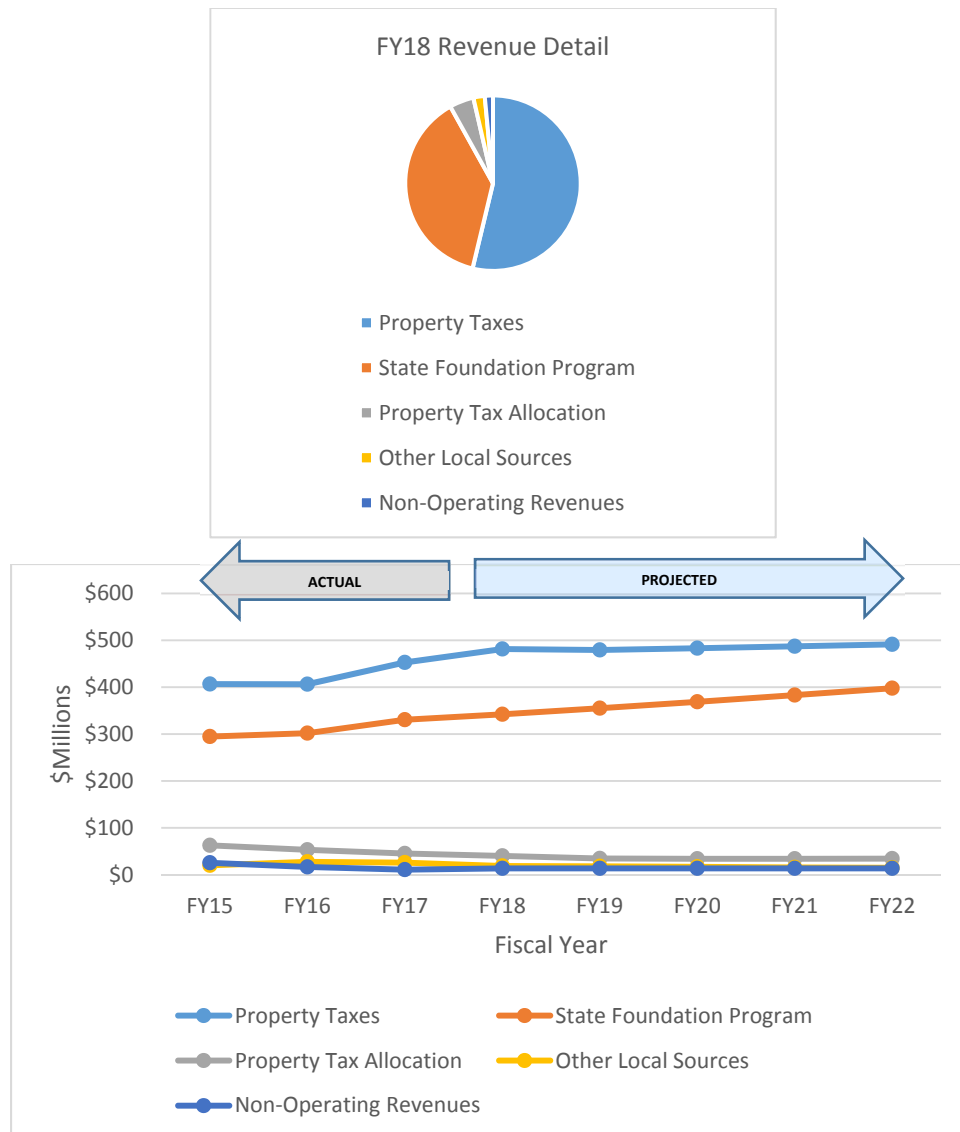
State revenues (e.g. State Foundation Program, rollback and homestead exemption reimbursement, and personal property tax reimbursement) are projected to increase at the rate of 2.8% annually to \$432.0 million in FY22 from \$375.6 million in FY17. 92% of state revenues are related to the State Foundation Program and are projected at a growth rate of 3.8% from FY17 to FY22. The property tax allocation received from the State is projected to decline due to the elimination of the personal property tax reimbursement in FY19.

Non-operating revenues (“Other Financing Sources” in the Five-Year Forecast and comprised of transfers-in, advances-in and other financing sources) are projected to be flat for the five years of the forecast at \$13.5 million per year an increase over the FY17 amount of \$10.8 million.

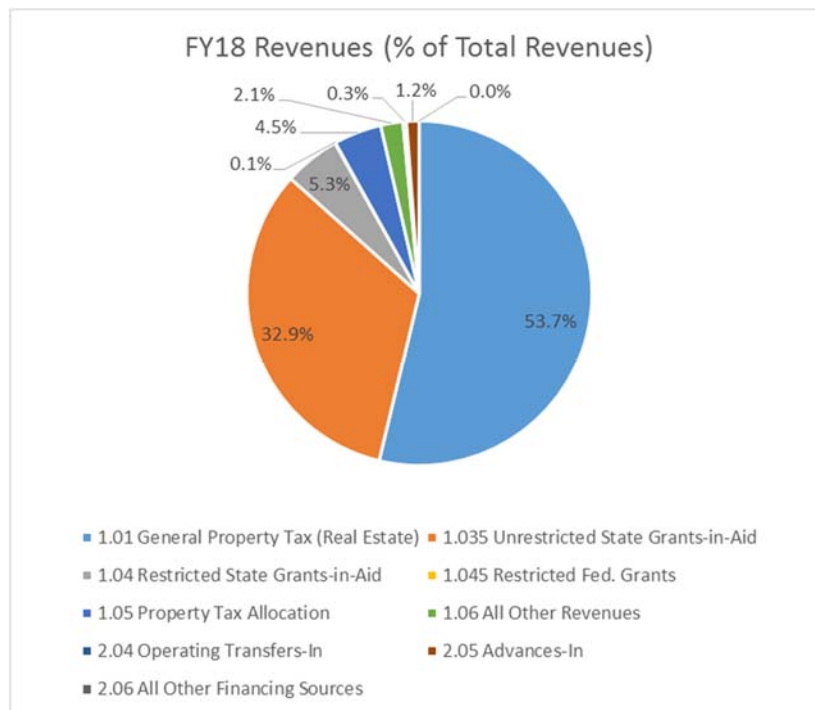
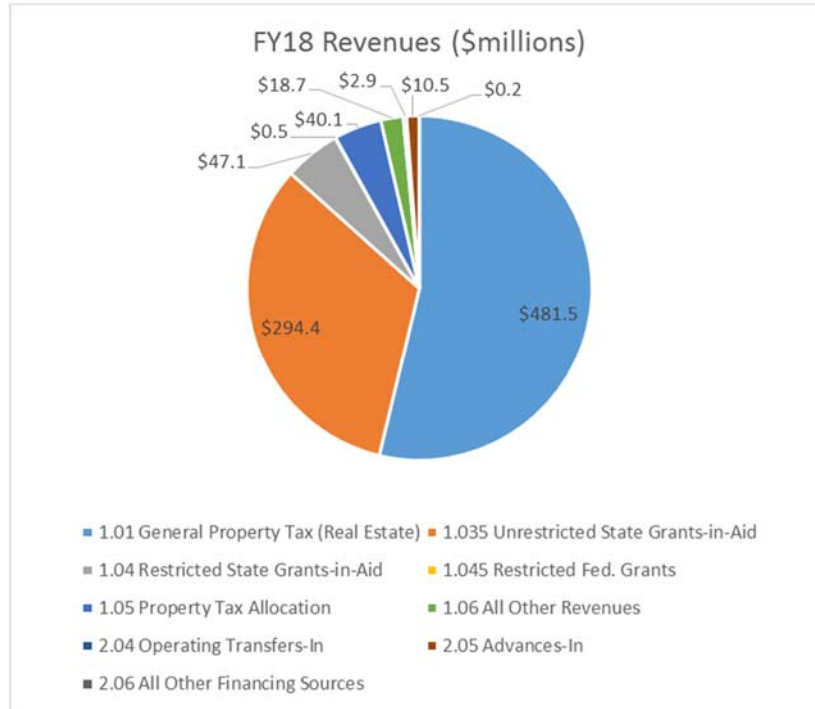
	ACTUAL			PROJECTED				
	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
<i>Total Revenues</i>	\$809.0	\$804.8	\$864.9	\$895.9	\$900.5	\$916.4	\$933.6	\$951.7
<i>Local Revenues</i>	\$426.3	\$433.5	\$478.5	\$500.2	\$497.3	\$500.0	\$502.8	\$506.1
<i>State Revenues</i>	\$357.1	\$354.9	\$375.6	\$382.1	\$389.7	\$402.8	\$417.2	\$432.0
<i>Non-Operating Revenues</i>	\$25.5	\$16.4	\$10.8	\$13.6	\$13.6	\$13.6	\$13.6	\$13.6



	ACTUAL			PROJECTED				
	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
<i>Property Taxes</i>	\$406.5	\$406.2	\$452.8	\$481.5	\$479.5	\$483.2	\$487.2	\$491.2
<i>Other Local Sources</i>	\$19.8	\$27.3	\$25.8	\$18.7	\$17.8	\$16.8	\$15.6	\$14.9
<i>Total Local Revenues</i>	\$426.3	\$433.5	\$478.5	\$500.2	\$497.3	\$500.0	\$502.8	\$506.1
<i>State Foundation Program</i>	\$294.7	\$301.7	\$330.5	\$342.0	\$355.1	\$368.8	\$383.1	\$397.8
<i>Property Tax Allocation</i>	\$62.4	\$53.2	\$45.1	\$40.1	\$34.6	\$34.0	\$34.1	\$34.2
<i>Total State Revenues</i>	\$357.1	\$354.9	\$375.6	\$382.1	\$389.7	\$402.8	\$417.2	\$432.0
<i>Non-Operating Revenues</i>	\$25.5	\$16.4	\$10.8	\$13.6	\$13.6	\$13.6	\$13.6	\$13.6
<i>Total Revenues</i>	\$809.0	\$804.8	\$864.9	\$895.9	\$900.5	\$916.4	\$933.6	\$951.7



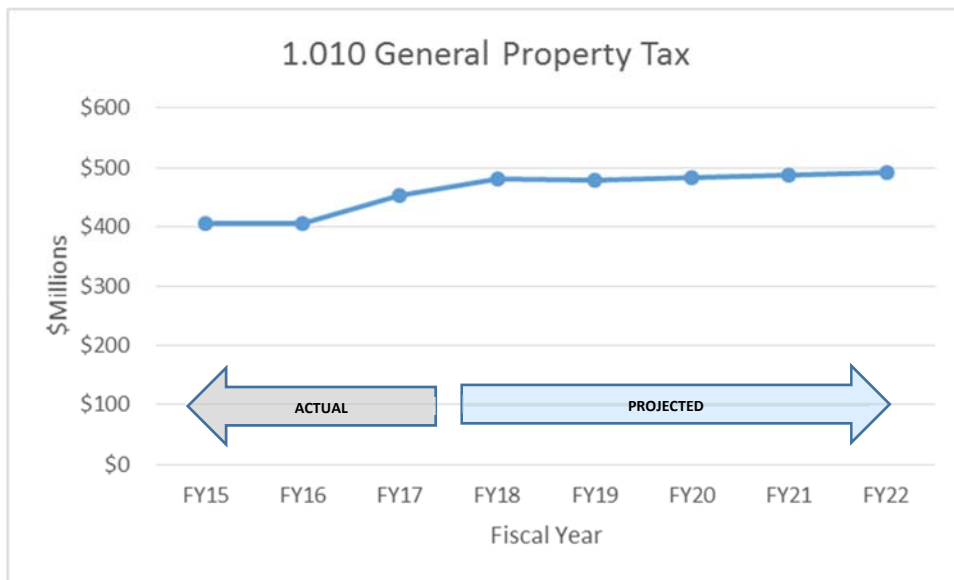
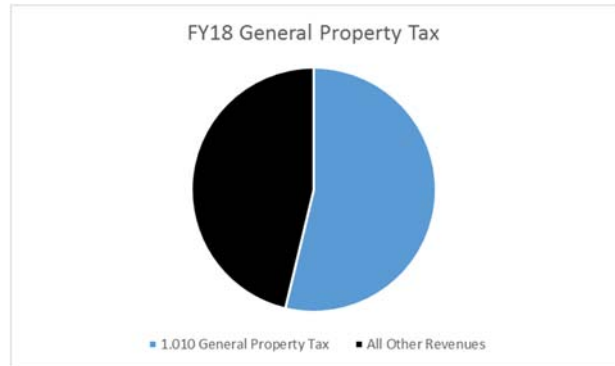
FYF Line Breakdown



1.010 General Property Tax (Real Estate)

Taxes levied by a school district by the assessed valuation of real property located within the school district.

Representing 54% of all revenues, general property taxes beginning in FY17 benefit from the passage of a 5.58 mill continuous operating levy in November 2016. First collected in calendar 2017, FY18 is the first fiscal year which reflects a full year of collection with the new millage. As evidence of this impact, the property tax growth rate from FY16 (the last fiscal year without the November 2016 new millage) and FY22 is 2.8%. The growth rate from FY17 (the first fiscal year with partial collection of the new millage) to FY22 is 1.9% and the growth rate from FY18 to FY22 (all years which include a full collection of the new millage) is 1.5%.



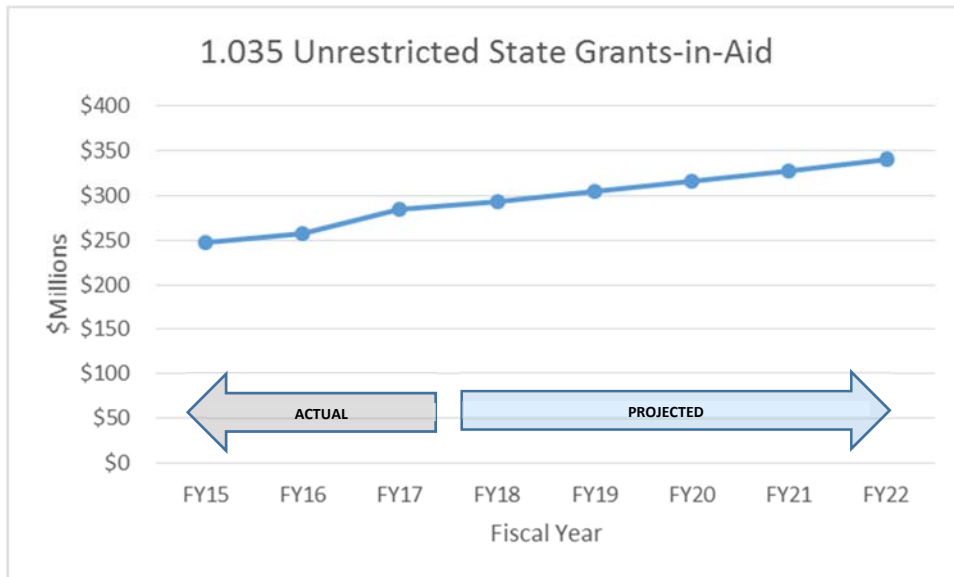
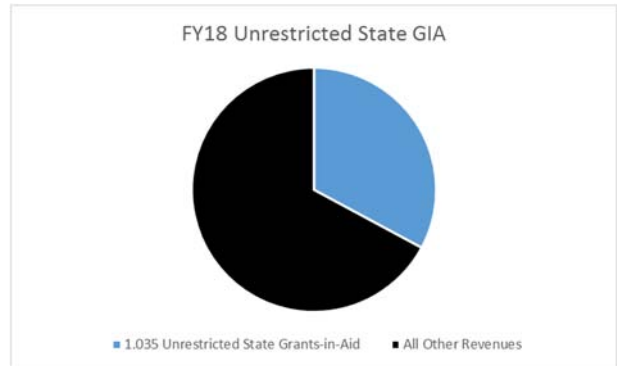
1.020 Tangible Personal Property

Businesses pay the 'tangible personal property tax' on equipment or supplies/materials of which they own. This tax is being phased out and is being replaced with the Commercial Activities Tax (CAT). There is no revenue from tangible personal taxes included in this FYF. Reimbursement from the state for this loss is included in line 1.050 Property Tax Allocation. This reimbursement is also being phased out.

1.035 Unrestricted State Grants-in-Aid

Funds received through the State Foundation Program with no restriction. The foundation formula is the primary vehicle which the Ohio legislature uses to determine how much state aid each school district is to receive.

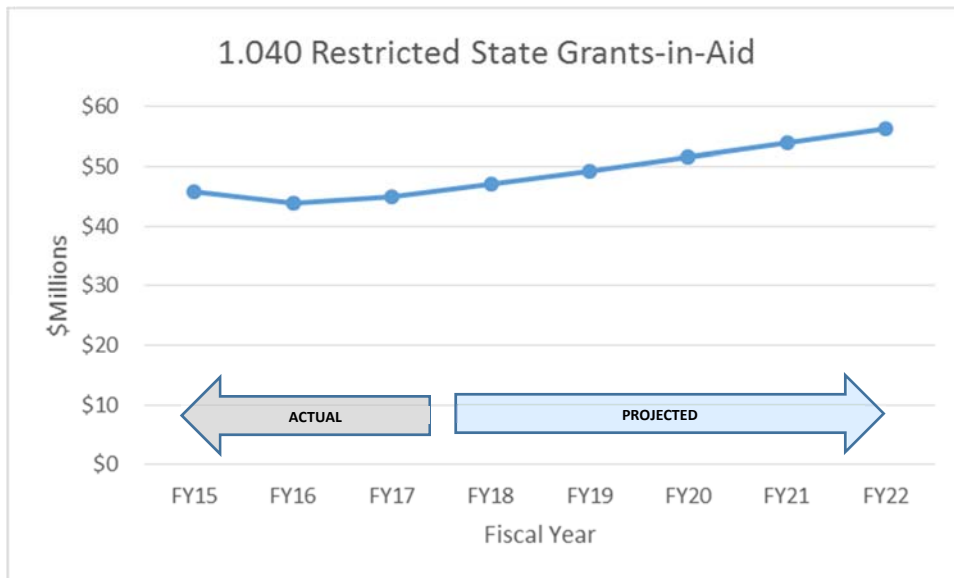
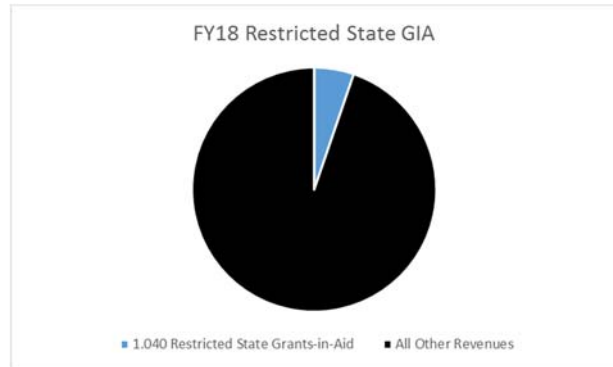
This revenue line represents 33% of all revenues and 77% of all revenues received from the state. It is expected that the district will be subject to the cap for the duration of the years covered in this forecast. The assumption is that the cap will increase annually 4.1% for FY18 and 4.0% for FY19 as included in the state’s current biennial budget. For FY20 – FY22 the assumption is that the cap will increase 4.0% annually. Due to the nature of the “cap” calculation and that some items are not subject to the cap, the allocation to this line may vary during the year. Therefore, the district monitors the total of lines 1.035 and 1.040 against the total capped amount and not necessarily line by line.



1.040 Restricted State Grants-in-Aid

Funds received through the State Foundation Program or other allocations that are restricted for specific purposes. Examples include career-technical funds.

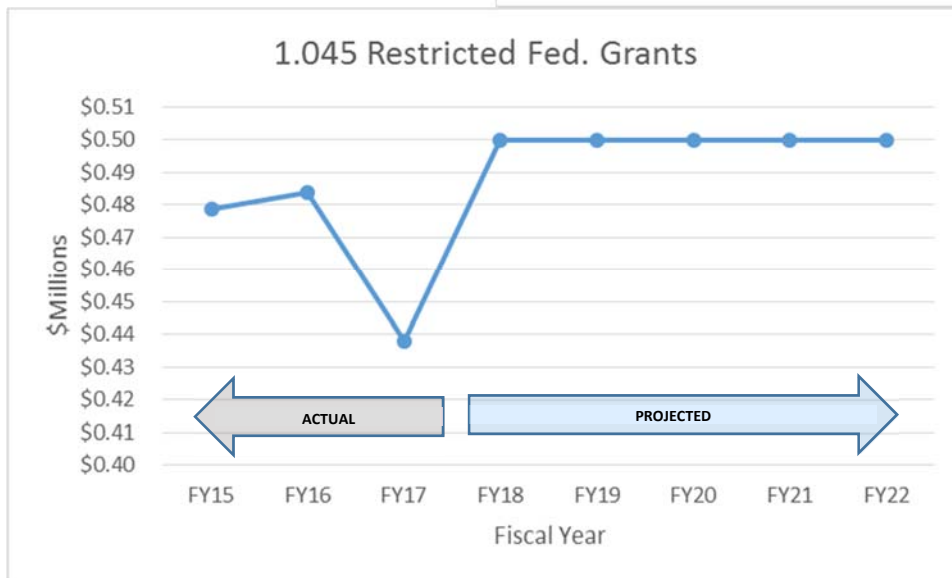
These funds are 5% of all revenues and 12% of state revenues. As with line 1.035, changes in the calculated funding during the year and the effect of the “cap” on the allocation of state revenues to each line may cause this amount to vary during the year. In total for the fiscal year, however, the district may expect to receive the full cap amount even though lines 1.035 and 1.040 may appear to be over or under.



1.045 Restricted Federal Grants

Funds received through the State Foundation Program or other allocations that are restricted for specific purposes. Examples include the Education Jobs fund.

For CCS, this is the QSCB interest rebate from the Federal government and is a very small portion of overall revenues.



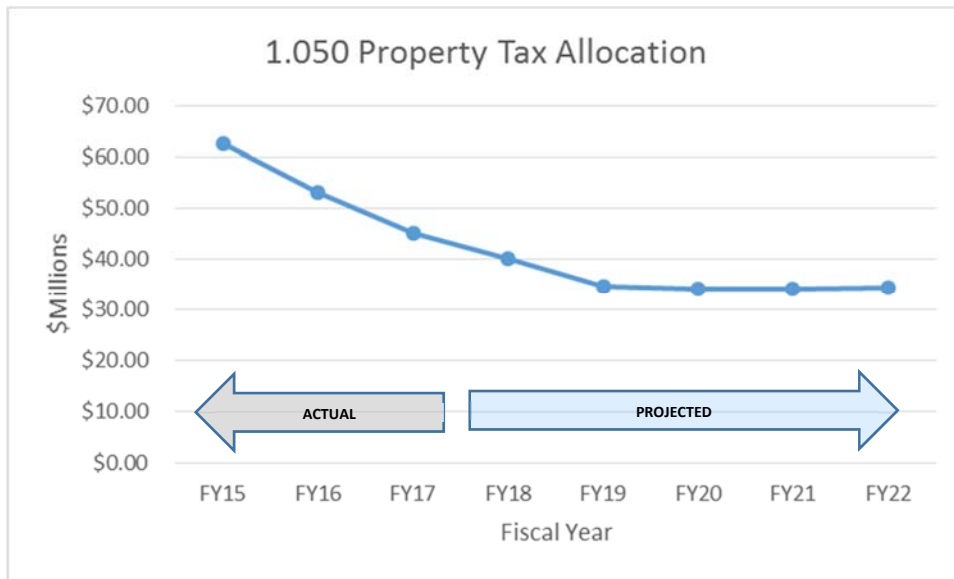
1.050 Property Tax Allocation

This line includes funds received for Tangible Personal Property Tax (TPP) Reimbursement (as discussed above), Electric Deregulation, Homestead and Rollback, and the “ten thousand dollar exemption” where businesses are exempt from paying the first \$10,000 of property tax and the district is reimbursed through state funding.

TPP reimbursement is estimated to be \$3.1 million in FY18, \$0.3 million in FY19 and then is totally phased out beginning in FY20.

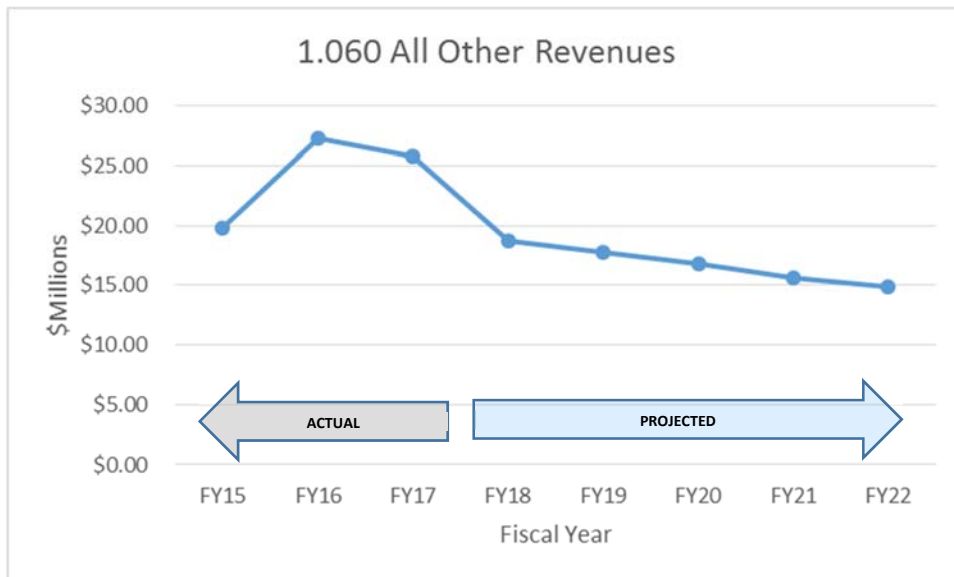


This revenue source is 4% of total revenues and 10% of funds received from the state. The 10.5% Rollback provision was repealed in 2013 (HB59) and as a result all tax levies approved by voters beginning in 2014 are not subject to the rollback, saving the state money but passing that cost on to local taxpayers. The November 2016, 5.58 mills is therefore not subject to the rollback and local taxpayers bear the full cost of that levy. Rollback is generally forecasted as a percentage of total estimate Residential (R1) tax collections with an adjustment for levies not subject to the rollback.



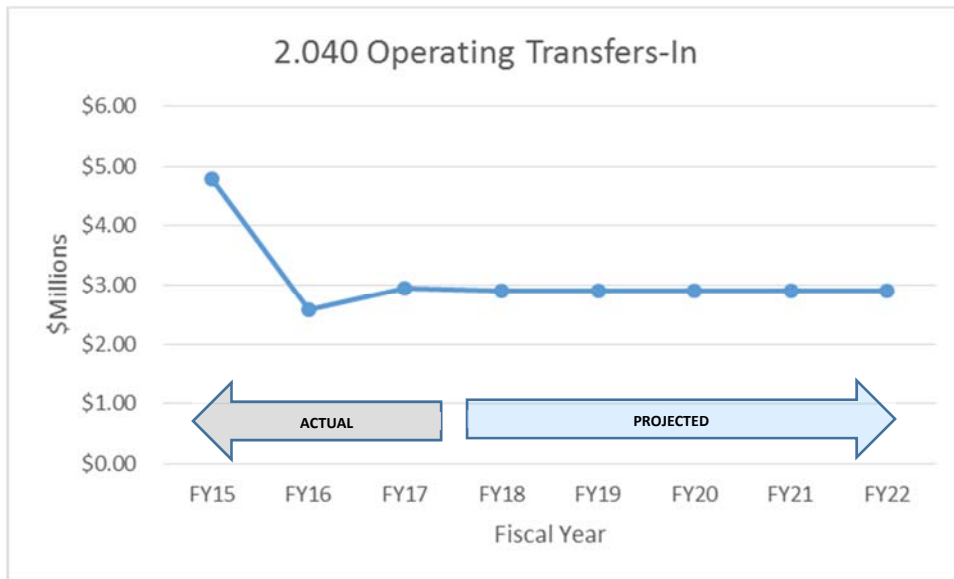
1.060 All Other Operating Revenues

Operating revenue sources not included above. Examples include but are not limited to tuition, fees, earnings on investments, rentals, and donations. Significant items included here as well are payments in lieu of taxes (PILOTs), Win-Win payments and Medicaid reimbursement. PILOTs are difficult to predict as they depend on cases before the Board of Revision and/or Board of Tax Appeals and any out-of-court settlements we may reach. This line also includes income tax revenue sharing from the City of Columbus resulting from various CRAs and/or TIFs. Win-Win payments are projected to decline over time (80%, 60%, 40%, 20%, 0% of the calculated amount for FY18-FY22) until completely eliminated in FY22. Medicaid reimbursement is projected at the 4-year average of \$3.4 million per year each year of the FYF.



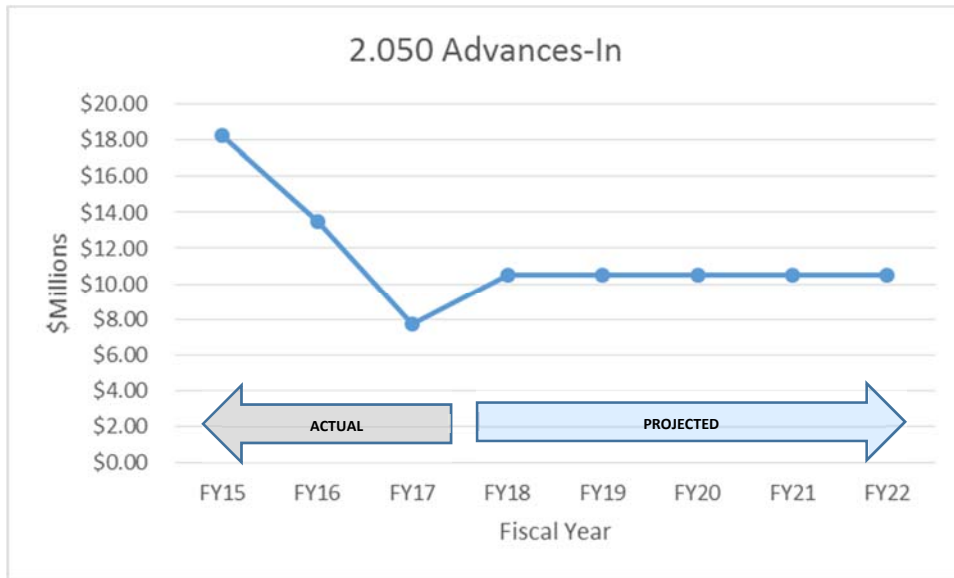
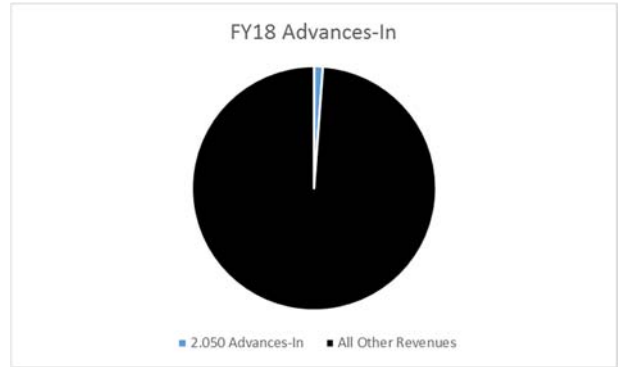
2.040 Operating Transfers-In

Permanent movement of monies between funds. This is related to a transfer to the Debt Service fund to pay debt service on bonds issued for the purchase of school buses.



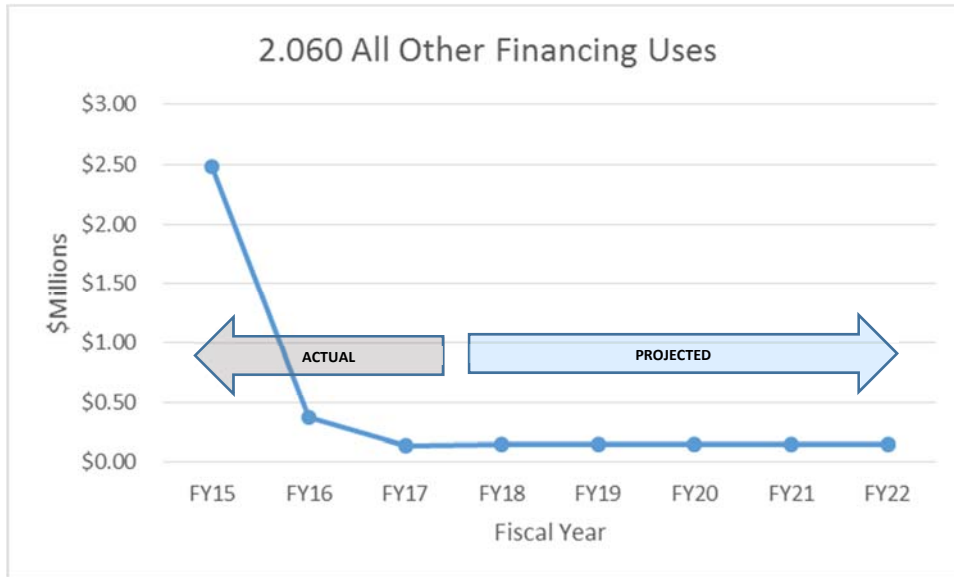
2.050 Advances-In

Temporary movement of monies between funds. Generally dependent on the cash flow needs of other funds, this is the return of funds temporarily advances to other funds from the General Fund. The corollary expenditure line is line 5.020 Advances-Out. This line has in the past been much higher (\$20-30 million in some prior years) creating large, meaningless unfavorable variances. The current projection of \$10.5 million is more in line with recent actual experience.



2.060 All Other Financing Sources

Sale and Loss of Assets, Refund of Prior Year Expenditures. At \$150,000, this represents less than 0.02% of total revenue and is projected flat¹ for the duration of the FYF.



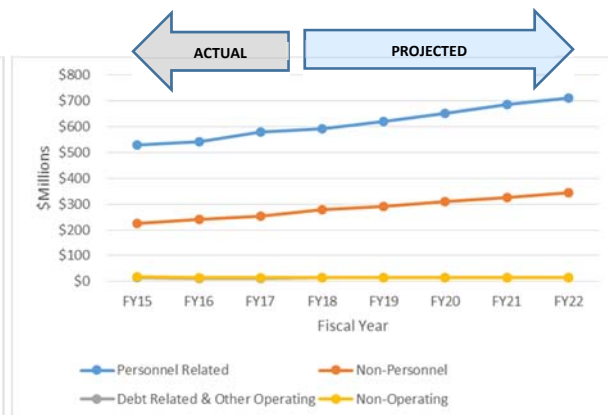
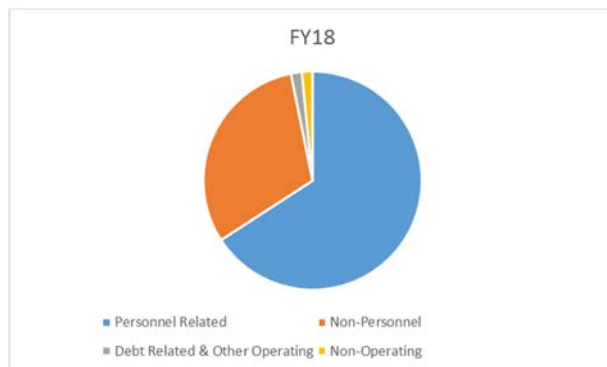
¹ In FY15 the district received a one-time refund of County Auditor and Treasurer Fees of \$2.2 million.

EXPENDITURES

Overview

Personnel related expenditures (Salaries/Wages and Benefits, lines 3.010 and 3.020 in the FYF) are forecasted to increase at a rate of 3.7% annually from \$579 million in FY17 to \$693.9 million in FY22. Non-personnel items (lines 3.020 – 3.050 in the FYF) increase from \$253.7 million in FY17 to \$345 million in FY22, a growth rate of 6.3% annually². Debt related expenditures (lines 4.020 – 4.060 in the FYF) are projected to remain substantially unchanged during the forecast period as do other operating expenditures (line 4.300 in the FYF) however appear to grow at 4.8% annually when compared to FY17 levels. Non-Operating expenditures (“Other Financing Uses”, line 5.040 in the FYF, which includes Transfers and Advances Out and Other Financing Uses) are projected flat for the FYF period consistent with recent experience.

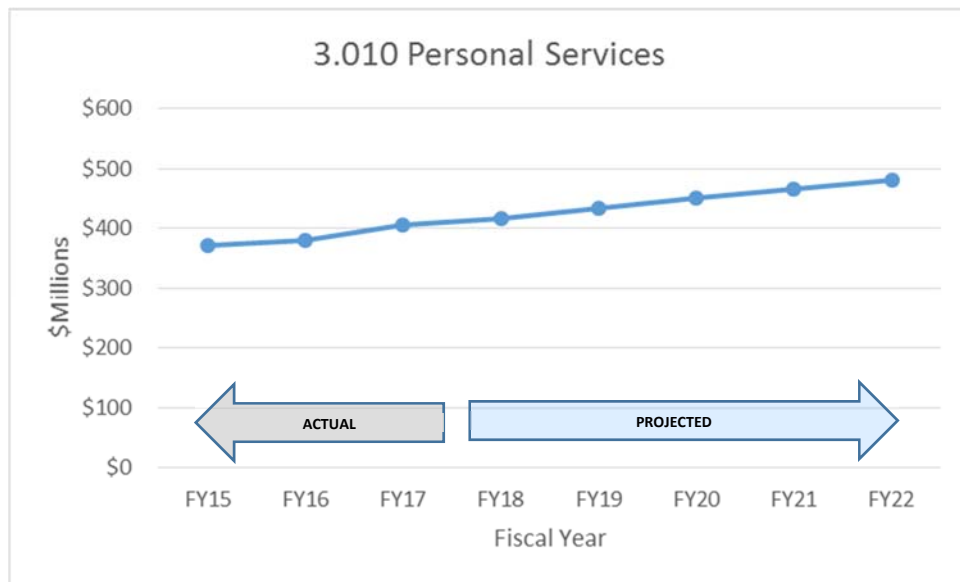
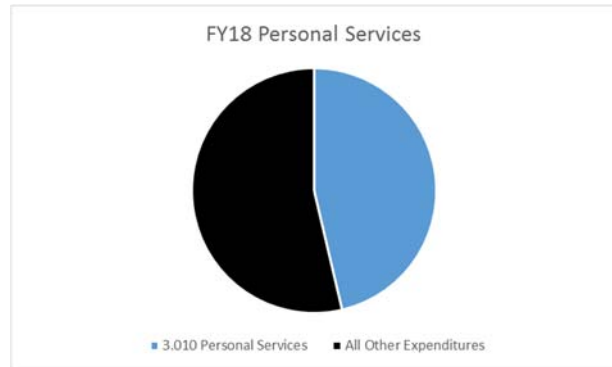
	ACTUAL			PROJECTED				
	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
<i>\$Millions</i>								
<i>Total Expenditures</i>	\$790.3	\$811.8	\$859.4	\$897.4	\$941.3	\$992.0	\$1,041.5	\$1,087.1
<i>Personnel Related</i>	\$530.6	\$543.9	\$579.0	\$591.1	\$620.7	\$653.7	\$685.2	\$712.5
<i>Non-Personnel</i>	\$226.8	\$240.9	\$253.7	\$277.7	\$291.7	\$309.0	\$326.7	\$345.0
<i>Debt Related</i>	\$6.0	\$4.2	\$4.0	\$4.2	\$4.1	\$4.2	\$4.2	\$4.2
<i>Other Operating</i>	\$9.1	\$8.7	\$8.9	\$10.2	\$10.6	\$10.9	\$11.2	\$11.2
<i>Non-Operating</i>	\$17.8	\$14.0	\$13.8	\$14.2	\$14.2	\$14.2	\$14.2	\$14.2



² The non-personnel forecast is based on the district’s 5 year budget process, not a “last year plus” methodology. The percent growth rate while descriptive is not indicative of the process employed to arrive at the five-year projection.

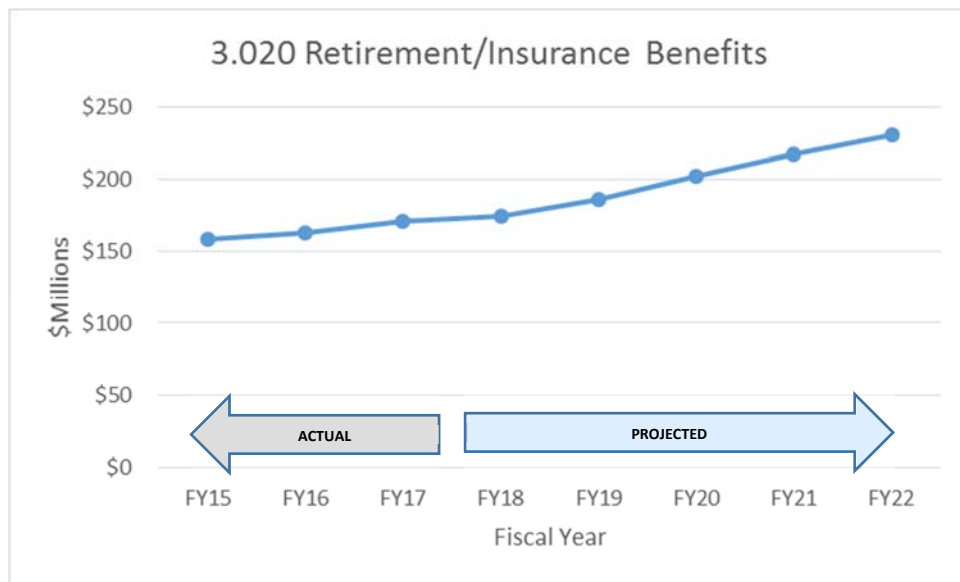
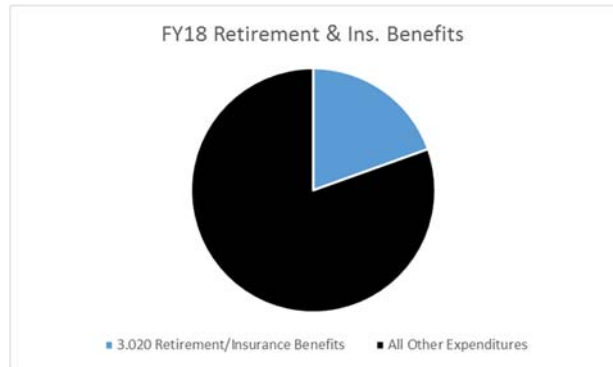
3.010 Personal Services

Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc. The forecast includes step increases for current staff, additional staff in FY17 – FY22 as promised in the November 2016 levy campaign, and negotiated base salary/wage increases for FY18 and FY19. The CBAs with two of the district’s collective bargaining groups expire in August 2019 and any subsequent base increase is subject to negotiations at that time, however, a 1% across the board base increase is included in the FYF for FY20 – FY22. Personal Services represents 46% of all expenditures.



3.020 Employees' Retirement/Insurance Benefits

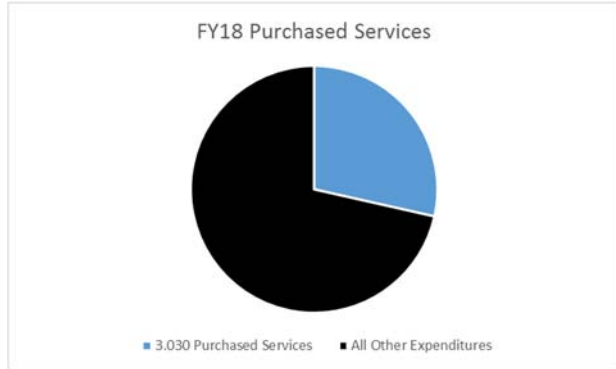
Retirement for all employees, Workers Comp., early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances. Retirement, workers comp., and Medicare are all based on a percentage of applicable salaries/wages. Health-related insurances are projected based on trend averaging +5%³ annually.



³ Trends for medical, life, dental and vision individually ranged from 0.86% to 12.38% annually.

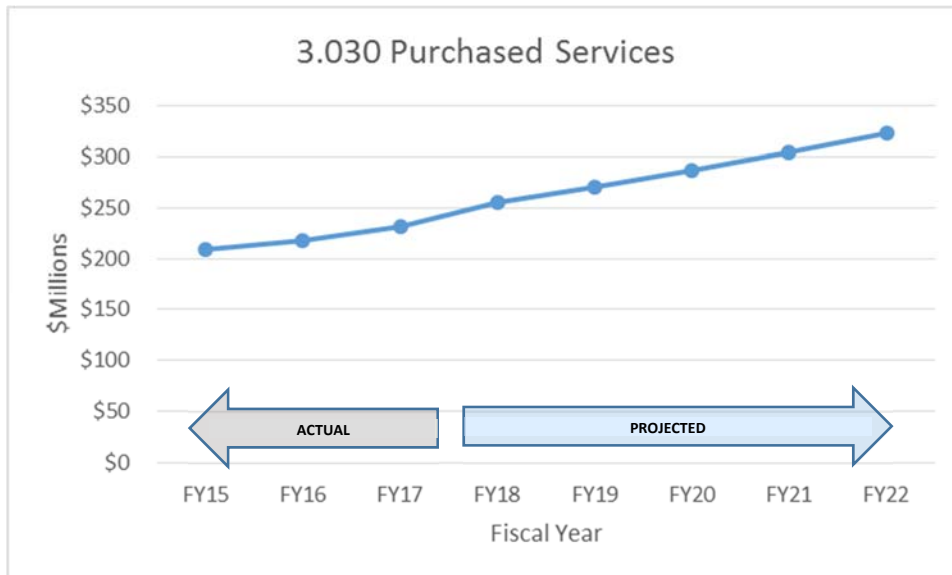
3.030 Purchased Services

Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, and other services which the school district may purchase. Examples include but are not limited to legal fees, maintenance agreements, utilities, and tuition paid for students attending other school districts, including open enrollment and community schools. In total, purchased services account for 29% of General Fund expenditures. As with all other non-personnel

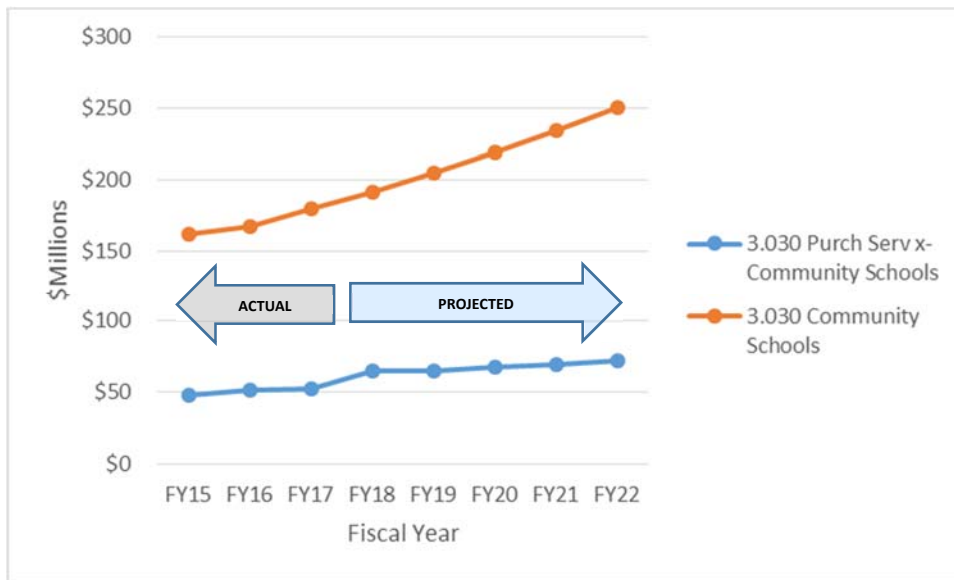
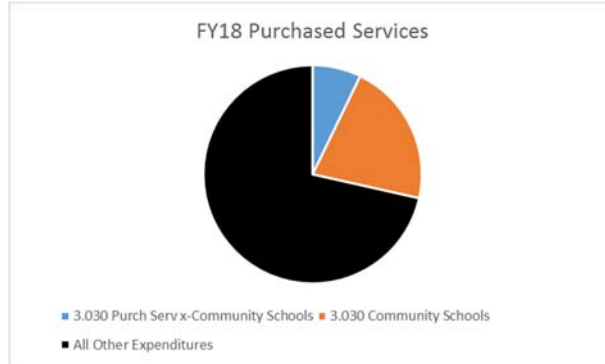


lines (3.040 Supplies and Materials, 3.050 Capital Outlay, and 4.030 Other Objects), projected expenditures are based on the district’s annual budget preparation process which generally begins during the second quarter of the fiscal year and continues through May culminating in the adoption of an appropriation resolution for the ensuing fiscal year. Details of departmental budgets are included in the 904-page budget document adopted by the Board and may be accessed at [FY18 General Fund Budget Narratives](#) (scroll down and open attachment “Exhibit B – FY 2018 General Fund Budget Narratives.pdf”).

A significant expenditure within purchased services is the deduction for community schools. Because of its financial and political impact, this deduction/expenditure is called out in most financial reporting of the district. The projection for community schools, etc., is based on an estimate of both the number of students and the dollars per student that leave the district based on trend.

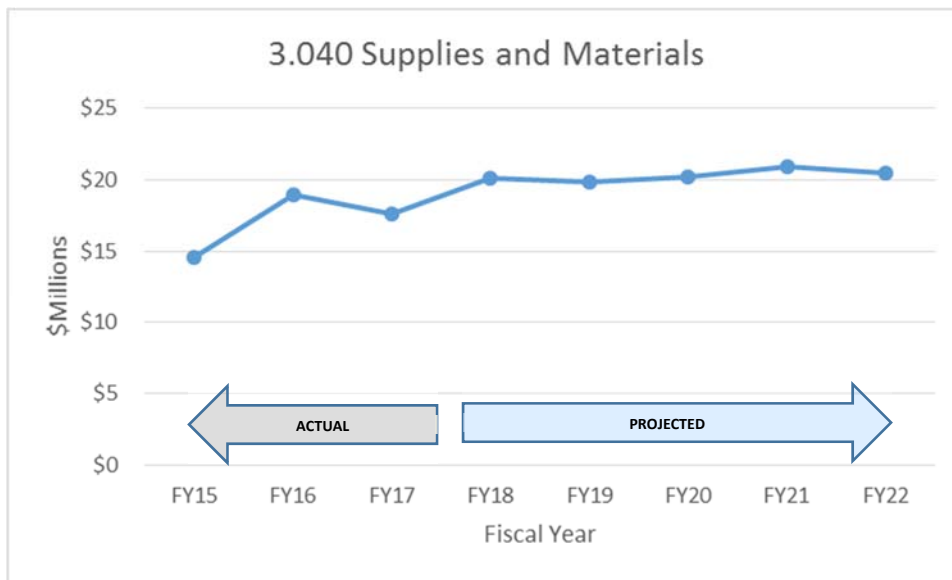
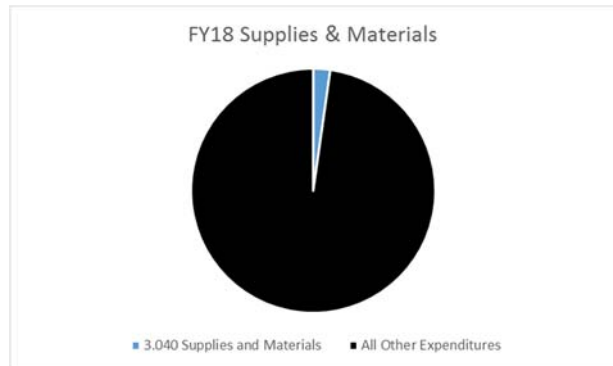


Community Schools Break Out



3.040 Supplies and Materials

Examples include but are not limited to general supplies, instructional materials including textbooks and media materials, bus fuel and tires, and all other maintenance supplies. At 2% of total expenditures, this line is projected flat FY18 – FY22 (\$20.1 million in FY18, \$20.5 million in FY22) after an increase in FY18 which equates to a growth rate of 3.1% annually when compared to FY17. Again, the projection for this non-personnel line item is not based on “last year plus”, instead it’s based on the district’s 5 year budget process (see [FY18 General Fund Budget Narratives](#) for details).

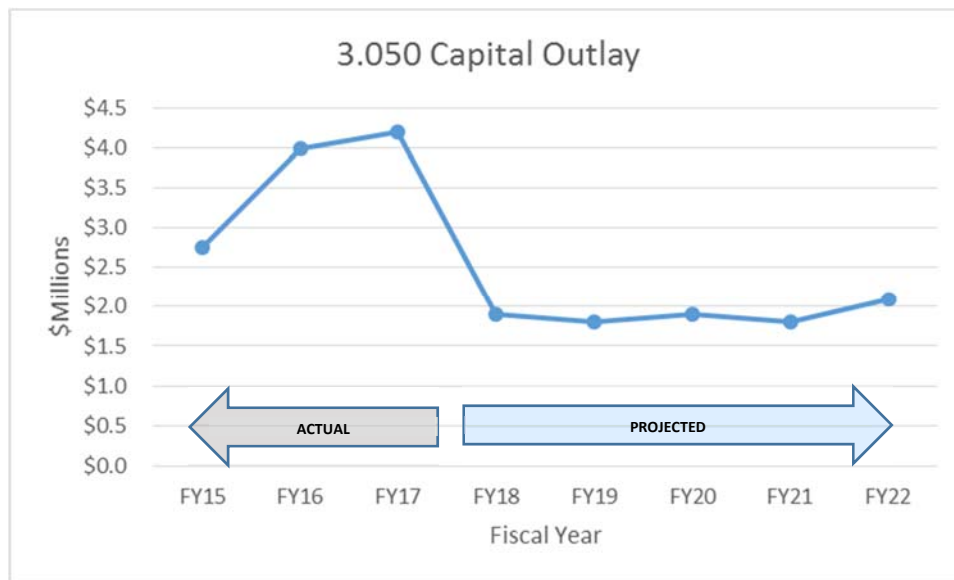


3.050 Capital Outlay

This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, buses, and vehicles. For FY18 this represents less than 1% of the General Fund expenditures. As a result of reduced state funding which came to light in Q3 of FY17, the district identified during the budget preparation process as much capital outlay as possible that could be shifted to alternate sources

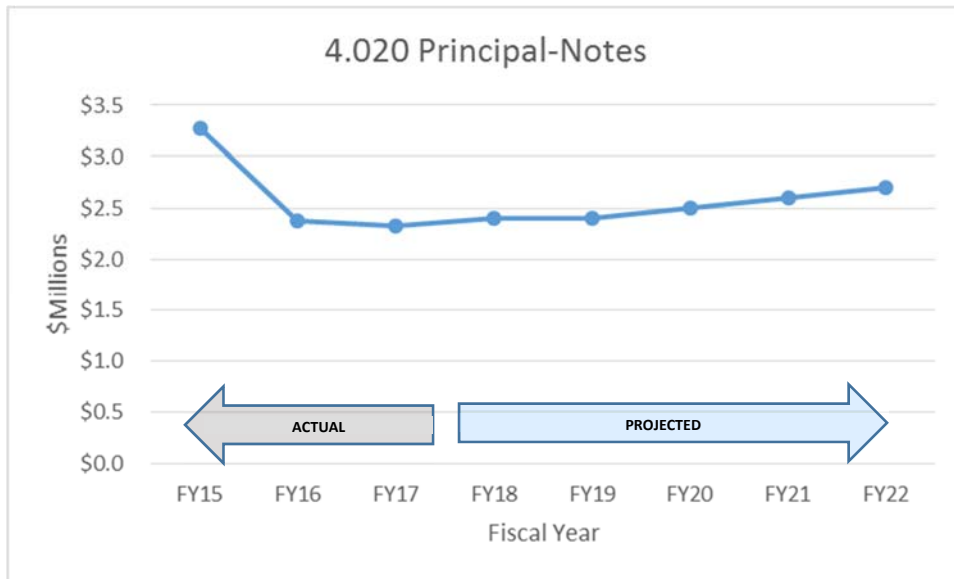
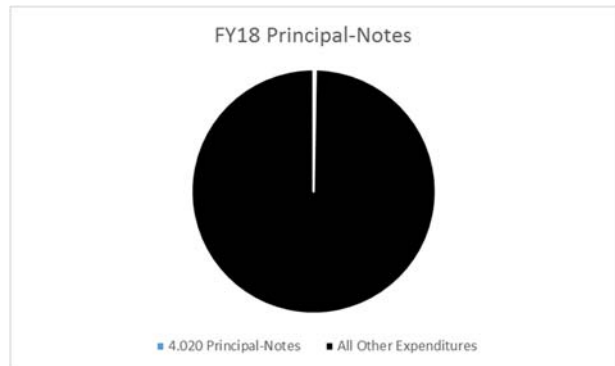


of funding such as the newly approved Permanent Improvement Fund and bond issue (operation "Fix-It"). The result is a significant drop in the allocation for capital outlay in FY18 versus FY17 and previously. Again, the projection for this non-personnel line item is not based on "last year plus", instead it's based on the district's 5 year budget process (see [FY18 General Fund Budget Narratives](#) for details).



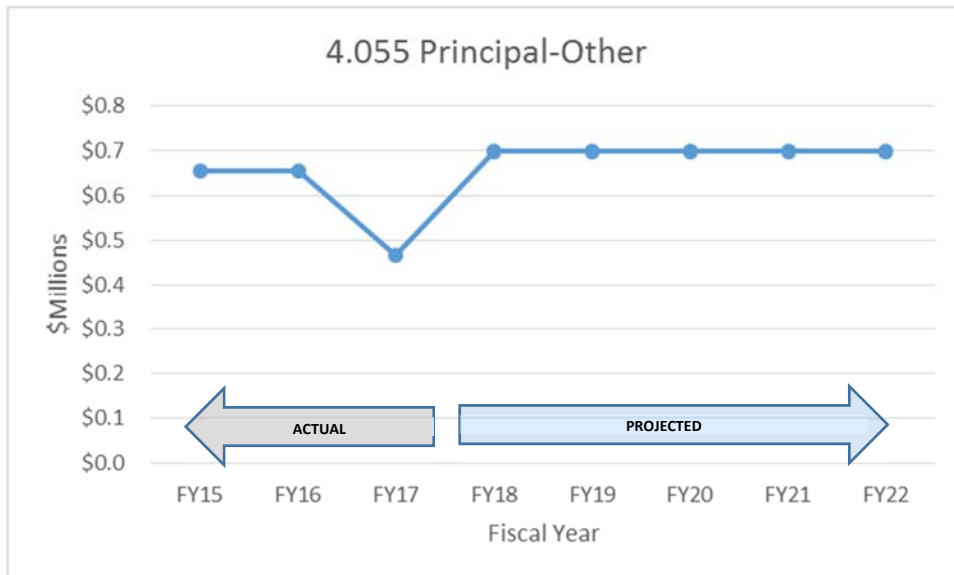
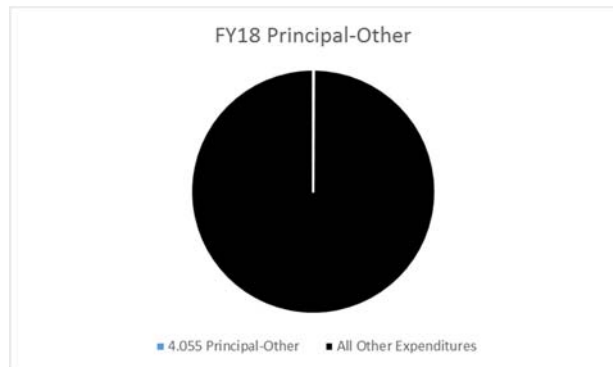
4.020 Principal-Notes

Payment of principal on the BANs issued in 2013 for the purchase of school buses. This debt will be fully retired at the end of FY24. This expenditure flows through the Debt Service Fund on the district records but is included and reported here due to a requirement that the FYF reflect all General Fund related activities.



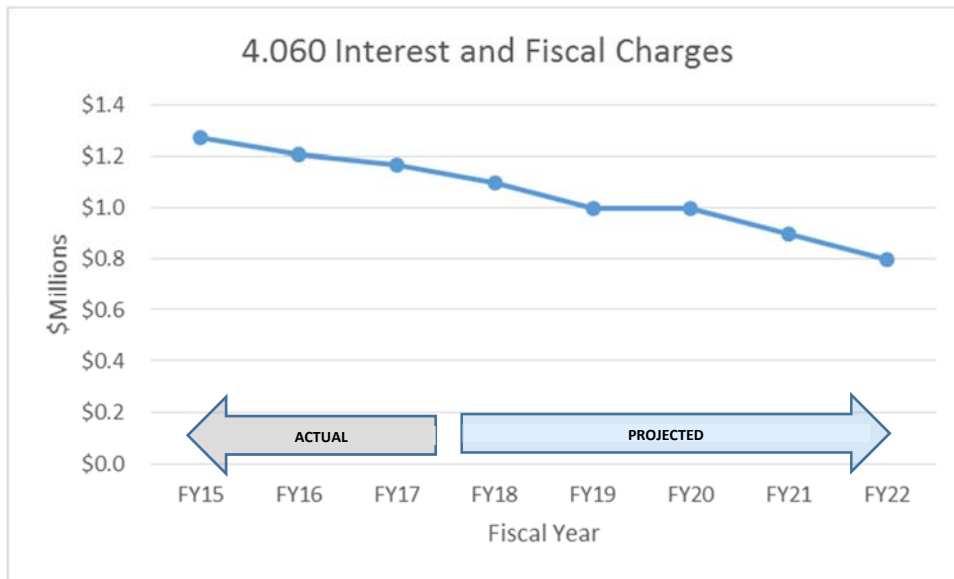
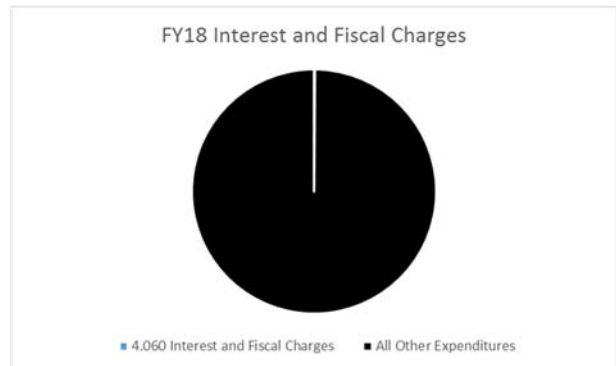
4.055 Principal-Other

Payment of principal on Qualified School Construction Bonds issued in 2011. Another example of Debt Service Fund activity reported in the FYF as General Fund related. This debt is fully retired after FY25.



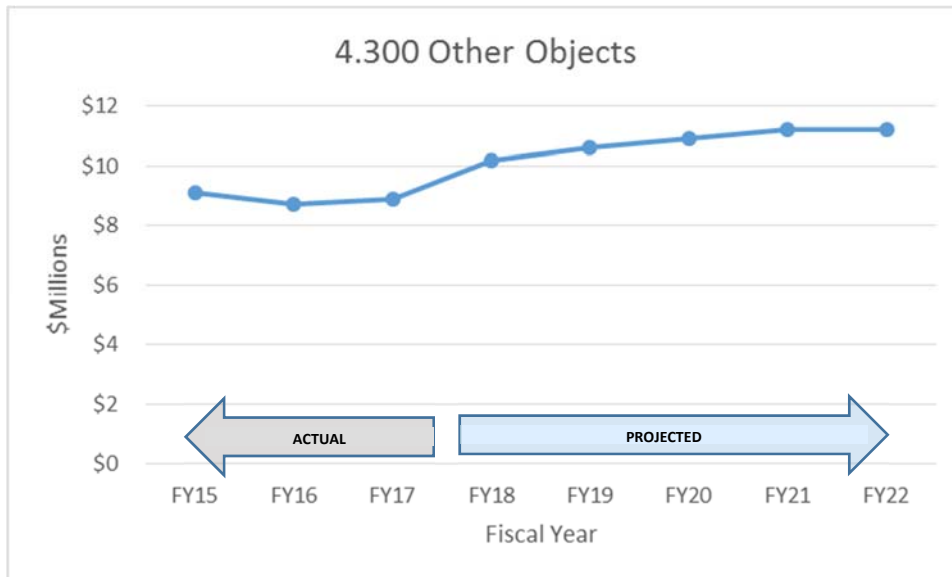
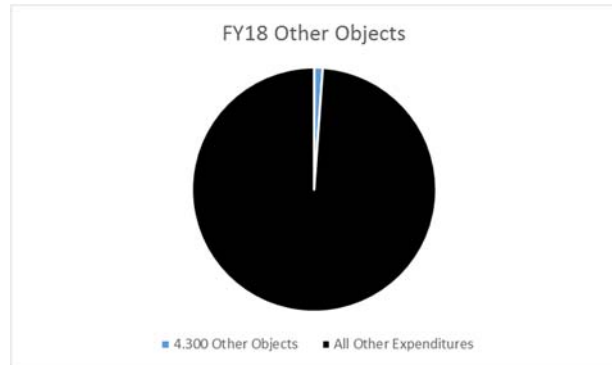
4.060 Interest and Fiscal Charges

Interest payable on the BANs and QSCBs the principal of which is shown on lines 4.020 and 4.055.



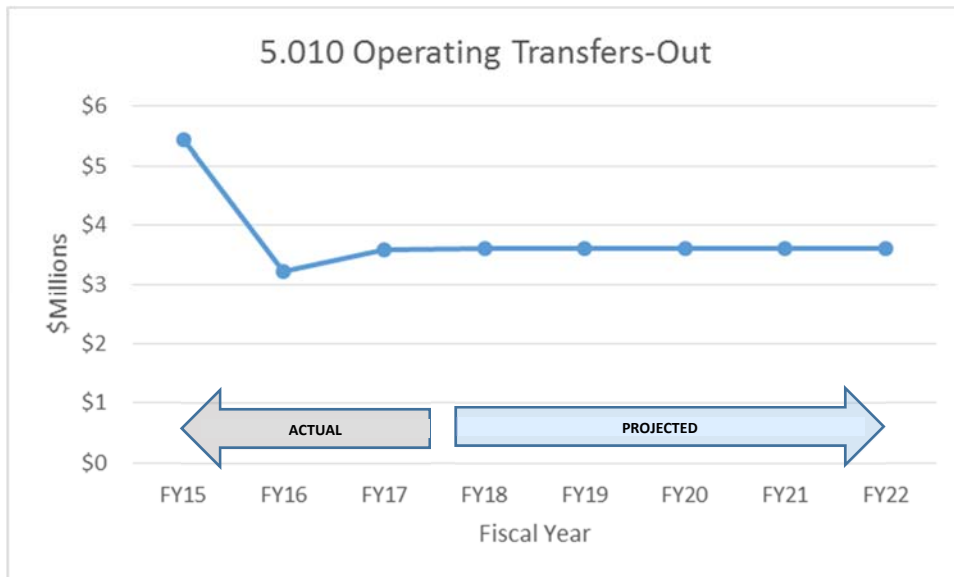
4.300 Other Objects

The primary components listed here consists of membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, election expenses, etc. Just over 91% of the line is for County Auditor and Treasurer fees for the calculation, assessment, collection and distribution of property taxes.



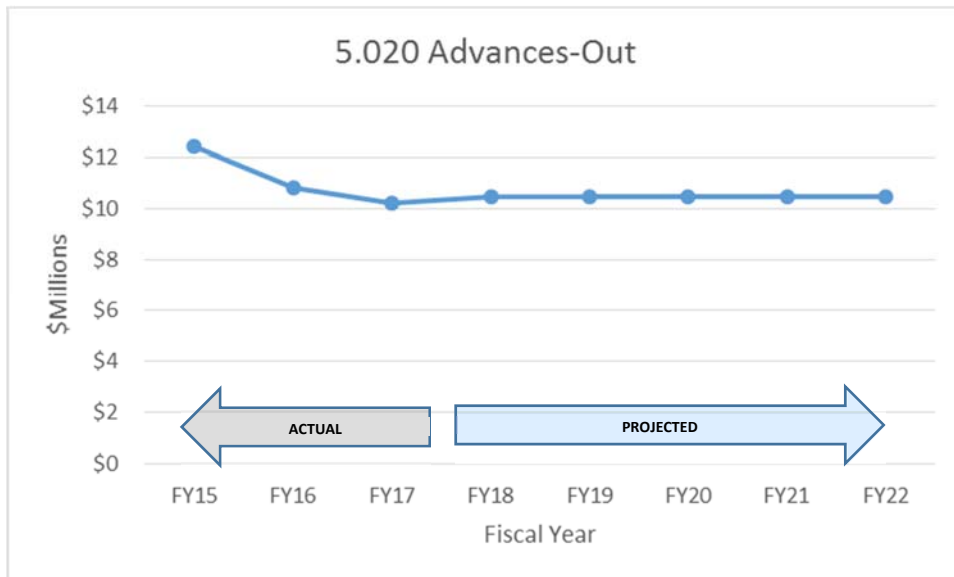
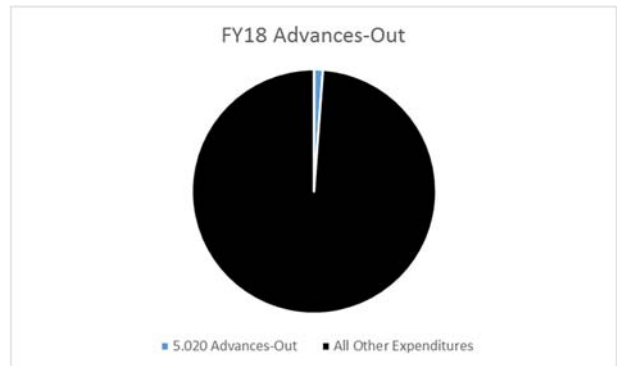
5.010 Operating Transfers-Out

Permanent movement of monies between funds. Included here is a transfer of \$2.9 million to the Debt Service Fund for the payment of debt service on the school bus BANs (the expenditure corollary to revenue line 2.04) and the annual transfer of \$642,800 to the Athletics Funds. The transfer for payment of the bus BANs will end after FY24 once the bonds are paid off.



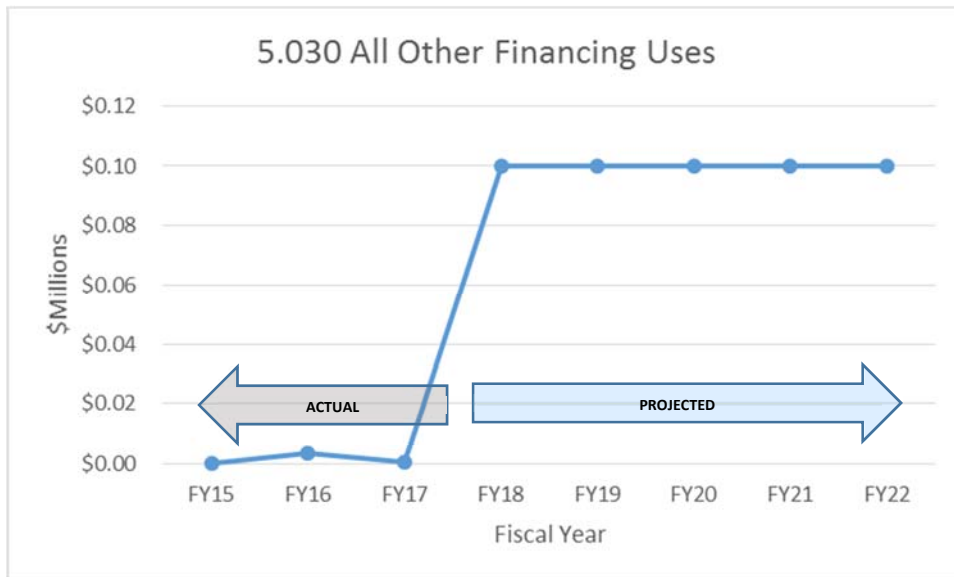
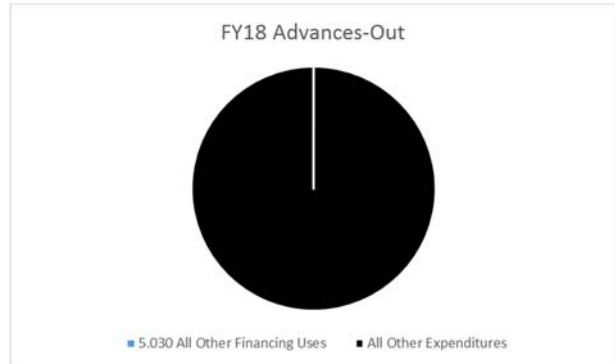
5.020 Advances-Out

Temporary movement of monies between funds. Activity here is dependent on the cash flow needs of other funds. This is the expenditure corollary to revenue line 2.050 Advances-In.



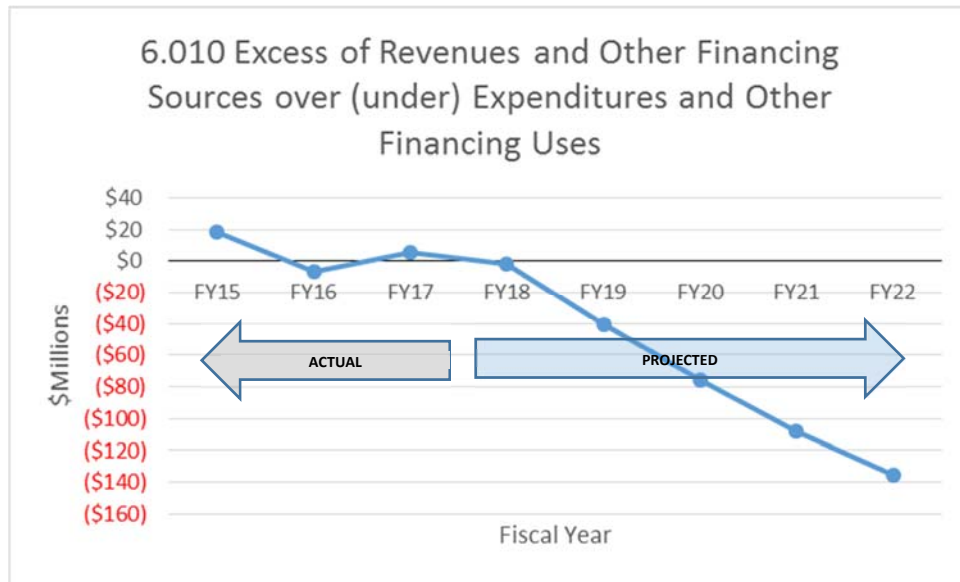
5.030 All Other Financing Uses

A line item for contingencies and refund of prior year receipts. While budgeted (and hence included in the FYF) very little if any expenditure activity occurs on this line.

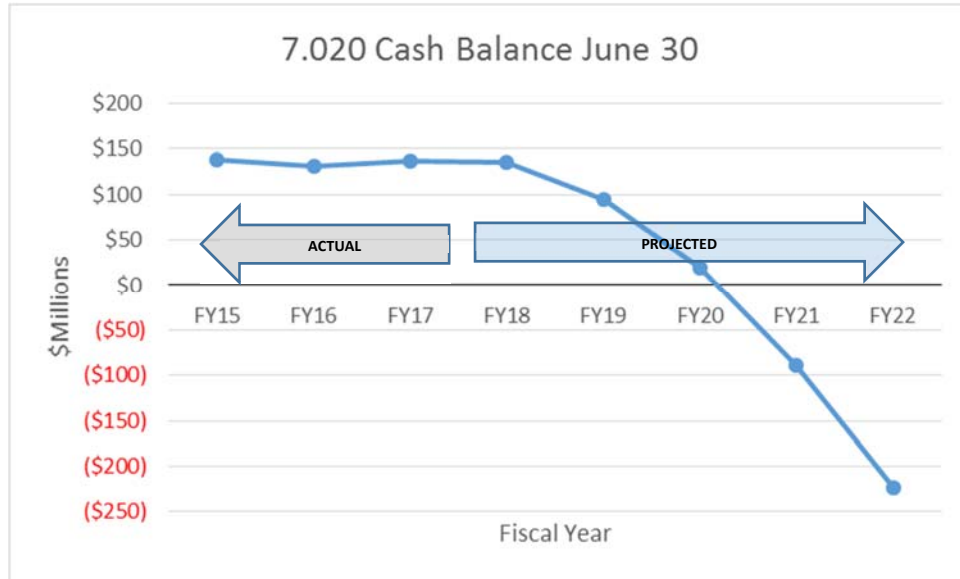


6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses

Line 2.080 minus 5.050. This line can be used to get a good sense of a school district’s fiscal health. A positive number indicates that a school district spent within its revenue for that fiscal year. A negative number indicates that a school district’s expenditures exceeded the revenue generated for that fiscal year resulting in a reduction to any surplus the district may hold. A school district experiencing several years of “overspending” will almost always result in fiscal concerns or insolvency.

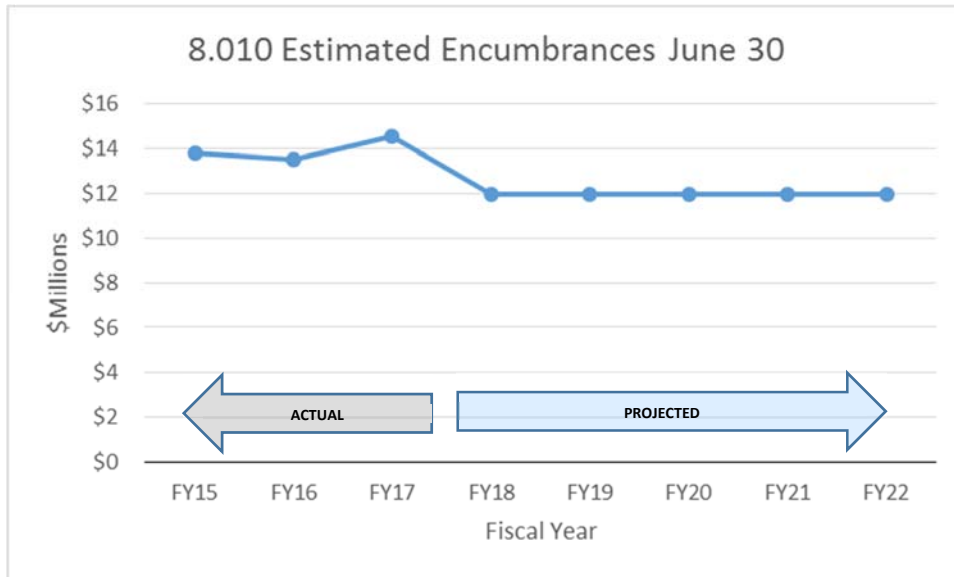


7.020 Cash Balance June 30



8.010 Estimated Encumbrances June 30

The amount of money already requested through a purchase order. The funds have been obligated, but a check has not yet been written. Funds may be encumbered (obligated) in one fiscal year and paid in another.



References

- LSC. (2017). *Budget Footnotes 41(1)*. Columbus, Ohio: Ohio Legislative Service Commission :
http://obm.ohio.gov/Budget/monthlyfinancial/doc/2017-09_mfr.pdf.
- OBM. (2017). *Monthly Economic Summary and State Financial Report*. Columbus, Ohio: Ohio Office of Budget and Management, http://obm.ohio.gov/Budget/monthlyfinancial/doc/2017-09_mfr.pdf.
- Ohio Department of Education. (n.d.). Retrieved from
<http://education.ohio.gov/getattachment/Topics/Finance-and-Funding/Five-Year-Forecast/How-to-Read-a-Five-Year-Forecast/HOW-TO-READ-A-FORECAST.pdf.aspx>

Five Year Forecast – Schedule of Revenue, Expenditures, and Changes in Fund Balances

See forecast document on following pages.

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COLUMBUS CITY SCHOOLS FIVE YEAR FORECAST FOR FISCAL YEAR 2018

APPROVED
FAC review: October 12, 2017
 Presented to Board: October 17, 2017
 Board adoption: October 17, 2017

DISTRICT TYPE: CITY

IRN: 043802

COUNTY: FRANKLIN

	ACTUAL				AVERAGE CHANGE	FORECASTED				
	FISCAL YEAR 2015	FISCAL YEAR 2016	FISCAL YEAR 2017	FISCAL YEAR 2018		FISCAL YEAR 2019	FISCAL YEAR 2020	FISCAL YEAR 2021	FISCAL YEAR 2022	
Revenues										
1.010 General Property Tax (Real Estate)	406,453,259	406,166,467	452,750,906	5.7%	481,500,000	479,500,000	483,200,000	487,200,000	491,200,000	
1.020 Tangible Personal Property	54,648	31,428	4,567	-64.0%	0	0	0	0	0	
1.030 Income Tax	0	0	0	0.0%	0	0	0	0	0	
1.035 Unrestricted State Grants-in-Aid	248,387,972	257,464,819	285,157,418	7.2%	294,400,000	305,300,000	316,700,000	328,600,000	340,900,000	
1.040 Restricted State Grants-in-Aid	45,836,957	43,794,881	44,915,324	-0.9%	47,100,000	49,300,000	51,600,000	54,000,000	56,400,000	
1.045 Restricted Fed. Grants	478,507	483,614	437,697	-4.2%	500,000	500,000	500,000	500,000	500,000	
1.050 Property Tax Allocation	62,439,801	53,154,974	45,055,095	-15.1%	40,100,000	34,600,000	34,000,000	34,100,000	34,200,000	
1.060 All Other Revenues	19,786,151	27,305,927	25,758,080	16.2%	18,700,000	17,770,000	16,800,000	15,600,000	14,900,000	
1.070 Total Revenues	783,437,295	788,402,110	854,079,086	4.5%	882,300,000	886,970,000	902,800,000	920,000,000	938,100,000	
Other Financing Sources										
2.010 Proceeds from Sale of Notes	0	0	0	0.0%	0	0	0	0	0	
2.020 State Emergency Loans and Advancements (Approved)	0	0	0	0.0%	0	0	0	0	0	
2.040 Operating Transfers-In	4,779,500	2,581,804	2,945,450	-15.9%	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	
2.050 Advances-In	18,268,232	13,470,939	7,726,404	-34.5%	10,500,000	10,500,000	10,500,000	10,500,000	10,500,000	
2.060 All Other Financing Sources	2,483,173	376,175	136,686	-74.3%	150,000	150,000	150,000	150,000	150,000	
2.070 Total Other Financing Sources	25,530,905	16,428,918	10,808,541	-34.9%	13,550,000	13,550,000	13,550,000	13,550,000	13,550,000	
2.080 Total Revenues and Other Financing Sources	808,968,200	804,831,028	864,887,626	3.5%	895,850,000	900,520,000	916,350,000	933,550,000	951,650,000	
Expenditures										
3.010 Personal Services	371,538,886	380,842,371	407,284,137	4.7%	416,000,000	433,800,000	450,800,000	467,100,000	481,600,000	
3.020 Employees' Retirement/Insurance Benefits	159,063,417	163,070,716	171,690,855	3.9%	175,100,000	186,900,000	202,900,000	218,100,000	230,900,000	
3.030 Purchased Services	209,469,059	217,924,449	231,939,656	5.2%	255,700,000	270,100,000	286,900,000	304,000,000	322,400,000	
3.040 Supplies and Materials	14,541,080	18,969,766	17,611,867	11.6%	20,100,000	19,800,000	20,200,000	20,900,000	20,500,000	
3.050 Capital Outlay	2,758,685	3,989,088	4,189,791	24.8%	1,900,000	1,800,000	1,900,000	1,800,000	2,100,000	
3.060 Intergovernmental	0	0	0	0.0%	0	0	0	0	0	
Debt Service:										
4.010 Principal-All (Historical Only)				0.0%						
4.020 Principal-Notes	3,280,000	2,370,000	2,325,000	-14.8%	2,400,000	2,400,000	2,500,000	2,600,000	2,700,000	
4.030 Principal-State Loans	0	0	0	0.0%	0	0	0	0	0	
4.040 Principal-State Advancements	0	0	0	0.0%	0	0	0	0	0	
4.050 Principal-HB 264 Loans	775,000	0	0	0.0%	0	0	0	0	0	
4.055 Principal-Other	657,665	657,665	469,065	-14.3%	700,000	700,000	700,000	700,000	700,000	
4.060 Interest and Fiscal Charges	1,272,994	1,211,519	1,168,944	-4.2%	1,100,000	1,000,000	1,000,000	900,000	800,000	
4.300 Other Objects	9,096,315	8,736,184	8,875,716	-1.2%	10,200,000	10,600,000	10,900,000	11,200,000	11,200,000	
4.500 Total Expenditures	772,453,101	797,771,758	845,555,031	4.6%	883,200,000	927,100,000	977,800,000	1,027,300,000	1,072,900,000	
Other Financing Uses										
5.010 Operating Transfers-Out	5,422,300	3,224,604	3,588,250	-14.6%	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	
5.020 Advances-Out	12,417,673	10,808,889	10,241,811	-9.1%	10,500,000	10,500,000	10,500,000	10,500,000	10,500,000	
5.030 All Other Financing Uses	210	3,691	793	789.6%	100,000	100,000	100,000	100,000	100,000	
5.040 Total Other Financing Uses	17,840,183	14,037,184	13,830,853	-11.4%	14,200,000	14,200,000	14,200,000	14,200,000	14,200,000	
5.050 Total Expenditures and Other Financing Uses	790,293,283	811,808,943	859,385,884	4.3%	897,400,000	941,300,000	992,000,000	1,041,500,000	1,087,100,000	
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	18,674,917	(6,977,914)	5,501,743	-158.1%	(1,550,000)	(40,780,000)	(75,650,000)	(107,950,000)	(135,450,000)	
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	120,198,371	138,873,288	131,895,373	5.3%	137,397,116	135,847,116	95,067,116	19,417,116	(88,532,884)	
7.020 Cash Balance June 30	138,873,288	131,895,373	137,397,116	-0.4%	135,847,116	95,067,116	19,417,116	(88,532,884)	(223,982,884)	
8.010 Estimated Encumbrances June 30	13,844,977	13,557,932	14,583,814	2.7%	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	0	0.0%	0	0	0	0	0	
9.020 Capital Improvements	0	0	0	0.0%	0	0	0	0	0	
9.030 Budget Reserve	0	0	0	0.0%	0	0	0	0	0	
9.040 DPIA	0	0	0	0.0%	0	0	0	0	0	
9.045 Fiscal Stabilization	0	0	0	0.0%	0	0	0	0	0	
9.050 Debt Service	0	0	0	0.0%	0	0	0	0	0	
9.060 Property Tax Advances	0	0	0	0.0%	0	0	0	0	0	
9.070 Bus Purchases	0	0	0	0.0%	0	0	0	0	0	
9.080 Subtotal	0	0	0	0.0%	0	0	0	0	0	
Fund Balance June 30 for Certification of										
10.010 Appropriations	125,028,311	118,337,442	122,813,302	-0.8%	123,847,116	83,067,116	7,417,116	(100,532,884)	(235,982,884)	

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APPROVED
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DISTRICT TYPE: CITY
 IRN: 043802
 COUNTY: FRANKLIN

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Revenue from Replacement/Renewal Levies									
11.010				0.0%					
11.020				0.0%					
11.300				0.0%	0	0	0	0	0
Fund Balance June 30 for Certification of Contracts,									
12.010	125,028,311	118,337,442	122,813,302	-0.8%	123,847,116	83,067,116	7,417,116	(100,532,884)	(235,982,884)
Revenue from New Levies									
13.010				0.0%	0	0	0	0	0
13.020				0.0%	0	0	0	0	0
13.030				0.0%	0	0	0	0	0
14.010				0.0%	0	0	0	0	0
15.010	125,028,311	118,337,442	122,813,302	-0.8%	123,847,116	83,067,116	7,417,116	(100,532,884)	(235,982,884)

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.