HUBER HEIGHTS CITY SCHOOL DISTRICT
MONTGOMERY COUNTY

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS ENDED JUNE 30, 2013, 2014 and 2015 ACTUAL FORECASTED FISCAL YEARS ENDING JUNE 30, 2016 THROUGH 2020

Forecast Provided By
Huber Heights City School District
Treasurer's Office
Gina M. Helmick, CPA, Treasurer/CFO
937-237-4126
September 24, 2015

Huber Heights City School District

Montgomery County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2013, 2014 and 2015 Actual;
Forecasted Fiscal Years Ending June 30, 2016 Through 2020

		Actual				Forecasted				
		Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Average Change	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
	Revenues									
1.010	General Property Tax (Real Estate)	25,951,025	25,745,795	25,921,222	-0.1%	$25,177,353	$25,308,656	25,254,164	25,202,280	25,202,757
1.020	Tangible Personal Property	6,282	-	259	0.0%	-	-	-	-	-
1.035	Unrestricted State Grants-in-Aid	25,955,929	27,227,498	29,882,417	7.3%	$31,843,485	$34,259,318	34,256,511	34,253,806	34,251,206
1.040	Restricted State Grants-in-Aid	172,046	963,244	1,515,988	258.6%	$1,526,705	$1,537,531	1,548,465	1,559,508	1,570,662
1.045	Restricted Fed. SFSF Fd. 532 FY10&11/Ed Jobs Fd.504 FY	-	-	-	0.0%	-	-	-	-	-
1.050	Property Tax Allocation	4,039,353	4,093,077	4,098,357	0.7%	$4,055,847	$4,052,019	4,044,008	4,036,998	4,039,427
1.060	All Other Revenues	2,582,003	2,809,140	2,533,353	-0.5%	$1,935,534	$1,943,623	1,951,778	1,960,001	1,968,291
1.070	*Total Revenues*	58,706,638	60,838,754	63,951,596	4.4%	64,538,924	67,101,147	67,054,926	67,012,593	67,032,343
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	4,009,360	-	-	0.0%	-	-	-	-	-
2.020	State Emergency Loans and Advancements (Approved)	-	-	-	0.0%	-	-	-	-	-
2.040	Operating Transfers-In	-	-	-	0.0%	-	-	-	-	-
2.050	Advances-In	560,851	1,296,800	605,791	39.0%	750,000	750,000	750,000	750,000	750,000
2.060	All Other Financing Sources	-	374,982	5,115	0.0%	-	-	-	-	-
2.070	*Total Other Financing Sources*	4,570,211	1,671,782	610,906	-63.4%	750,000	750,000	750,000	750,000	750,000
2.080	*Total Revenues and Other Financing Sources*	63,276,849	62,510,536	64,562,502	1.0%	65,288,924	67,851,147	67,804,926	67,762,593	67,782,343
	Expenditures									
3.010	Personal Services	35,288,787	29,857,613	29,499,246	-8.3%	$31,645,136	$32,914,883	34,280,510	35,237,905	36,235,976
3.020	Employees' Retirement/Insurance Benefits	14,710,997	13,550,738	11,867,124	-10.2%	$13,363,170	$14,061,575	15,066,676	15,364,364	16,488,455
3.030	Purchased Services	10,845,444	11,265,623	11,723,712	4.0%	$12,249,409	$12,799,128	13,373,985	13,975,147	14,603,834
3.040	Supplies and Materials	1,024,249	946,002	1,207,353	10.0%	2,588,576	2,666,233	2,746,220	2,828,607	2,913,465
3.050	Capital Outlay	11,668	8,308	53,943	260.2%	246,308	454,308	668,548	870,308	896,417
3.060	Intergovernmental	-	-	-	0.0%	-	-	-	-	-
	Debt Service:				0.0%					
4.010	Principal-All (Historical Only)	-	-	-	0.0%	-	-	-	-	-
4.020	Principal-Notes	4,000,000	-	-	0.0%	-	-	-	-	-
4.030	Principal-State Loans	-	-	-	0.0%	-	-	-	-	-
4.040	Principal-State Advancements	-	-	-	0.0%	-	-	-	-	-
4.050	Principal-HB 264 Loans	-	-	-	0.0%	-	-	-	-	-
4.055	Principal-Other	-	-	-	0.0%	-	-	-	-	-
4.060	Interest and Fiscal Charges	15,667	-	-	0.0%	-	-	-	-	-
4.300	Other Objects	524,852	688,249	604,722	9.5%	646,811	666,217	688,701	711,835	735,779
4.500	*Total Expenditures*	66,421,664	56,316,533	54,956,100	-8.8%	60,739,410	63,562,344	66,824,641	68,988,166	71,873,926
	Other Financing Uses									
5.010	Operating Transfers-Out	-	-	5,162	0.0%	-	-	-	-	-
5.020	Advances-Out	1,296,800	605,791	931,591	0.2%	750,000	750,000	750,000	750,000	750,000
5.030	All Other Financing Uses	3,732	-	-	0.0%	-	-	-	-	-
5.040	*Total Other Financing Uses*	1,300,532	605,791	936,753	0.6%	750,000	750,000	750,000	750,000	750,000
5.050	*Total Expenditures and Other Financing Uses*	67,722,196	56,922,324	55,892,853	-8.9%	61,489,410	64,312,344	67,574,641	69,738,166	72,623,926
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	(4,445,347)	5,588,212	8,669,649	-85.3%	3,799,513	3,538,804	230,286	(1,975,572)	(4,841,582)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	10,287,291	5,841,944	11,430,156	26.2%	20,099,805	23,899,318	27,438,122	27,668,408	25,692,836
7.020	*Cash Balance June 30*	5,841,944	11,430,156	20,099,805	85.8%	23,899,318	27,438,122	27,668,408	25,692,836	20,851,253
8.010	*Estimated Encumbrances June 30*	857,140	1,137,203	1,890,130	49.4%	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
`	**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%	-	-	-	-	-
10.010	*Fund Balance June 30 for Certification of Appropriations*	4,984,804	10,292,953	18,209,675	91.7%	22,399,318	25,938,122	26,168,408	24,192,836	19,351,253
	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	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	4,984,804	10,292,953	18,209,675	91.7%	22,399,318	25,938,122	26,168,408	24,192,836	19,351,253

Huber Heights City School District Original
Revisions to the May 2015 Forecast
Revised 9/9/15

1. Tax revenue (Lines 1.01 & 1.02) has been changed to reflect current collections. 5 Yr. Change

	FY2016	FY2017	FY2018	FY2019	FY2020	5 Yr. Change
Original	$25,612,000	$25,715,355	$25,820,487	25,926,502	25,202,757	
Revised	$25,177,353	$25,308,656	$25,254,164	25,202,280	25,202,757	
Inc (Dec)	($434,647)	($406,699)	($566,323)	($724,222)	$0	($2,131,891)

2. School Distrcit Income Tax (Lines 1.03)

	FY2016	FY2017	FY2018	FY2019	FY2020	5 Yr. Change
Original	$0	$0	$0	$0	$0	
Revised	$0	$0	$0	$0	$0	
Inc (Dec)	$0	$0	$0	$0	$0	$0

3. Restricted & Unrestricted grants in Aid (Lines 1.035, 1.04, 1.045)
Have been adjusted to reflect the most current state foundation formula and ADM count which is same as Fall 2014.
State revenue reflects $5,900 per pupil FY16 and $6,000 per pupil FY17 per HB 64.

	FY2016	FY2017	FY2018	FY2019	FY2020	5 Yr. Change
Original	$31,528,713	$31,528,713	$31,528,713	$31,528,713	$35,821,868	
Revised	$33,370,190	$35,796,849	$35,804,976	$35,813,314	$35,821,868	
Inc (Dec)	$1,841,477	$4,268,136	$4,276,263	$4,284,601	$0	$14,670,478

4. Property Tax Allocation (line 1.05)
Reflects phase out of TPP fixed rate levies per HB 64 in FY 16.

	FY2016	FY2017	FY2018	FY2019	FY2020	5 Yr. Change
Original	$4,088,796	$4,106,210	$4,123,712	$4,141,301	$4,039,427	
Revised	$4,055,847	$4,052,019	$4,044,008	$4,036,998	$4,039,427	
Inc (Dec)	($32,949)	($54,191)	($79,704)	($104,303)	$0	($271,147)

5. Other Revenue (Lines 1.060 and 2.050)

	FY2016	FY2017	FY2018	FY2019	FY2020	5 Yr. Change
Original	$2,431,140	$2,431,140	$2,431,140	$2,431,140	$2,718,291	
Revised	$2,685,534	$2,693,623	$2,701,778	$2,710,001	$2,718,291	
Inc (Dec)	$254,394	$262,483	$270,638	$278,861	$0	$1,066,376

6. Personal Services (Line 3.010)
Original forecast projected a 1.5% increase for staff. Updated forecast includes 3% base pay increase as well as restoration of steps, longevity and furlough days.

	FY2016	FY2017	FY2018	FY2019	FY2020	5 Yr. Change
Original	$30,957,001	$31,421,356	$31,892,677	$32,371,067	$36,235,976	
Revised	$31,645,136	$32,914,883	$34,280,510	$35,237,905	$36,235,976	
Save (Cost)	($688,135)	($1,493,527)	($2,387,833)	($2,866,838)	$0	($7,436,332)

7. Employees Retirement/Insurance Benefits (Line 3.020)
Current forecast reflects change to HDHP including District funding of HAS, premium holiday and premium reductions.

	FY2016	FY2017	FY2018	FY2019	FY2020	5 Yr. Change
Original	$14,549,566	$15,679,471	$16,926,609	$18,303,767	$16,488,455	
Revised	$13,363,170	$14,061,575	$15,066,676	$15,364,364	$16,488,455	
Save (Cost)	$1,186,396	$1,617,896	$1,859,933	$2,939,403	$0	$7,603,628

8. Purchased Services (Line 3.030)

	FY2016	FY2017	FY2018	FY2019	FY2020	5 Yr. Change
Original	$15,975,843	$16,069,655	$17,118,089	$18,200,110	$19,149,495	
Revised	$15,731,104	$16,585,886	$17,477,454	$18,385,897	$19,149,495	
Save (Cost)	$244,739	($516,231)	($359,365)	($185,787)	$0	($816,644)

9. Advances-Out (Line 5.020)

	FY2016	FY2017	FY2018	FY2019	FY2020	5 Yr. Change
Original	$750,000	$750,000	$750,000	$750,000	$750,000	
Revised	$750,000	$750,000	$750,000	$750,000	$750,000	
Save (Cost)	$0	$0	$0	$0	$0	$0

Summary

	FY2016	FY2017	FY2018	FY2019	FY2020	5 Yr. Change
Current Year	$2,371,274	$3,677,868	$3,013,609	$3,621,716	$0	
Cumulative	$2,371,274	$6,049,142	$9,062,751	$12,684,467	$12,684,467	$12,684,467

Original Cash Ending Balance FY 2019	$9,374,502
Changes	$12,684,467
New balance	$22,058,969
Check figure (hand enter from new forecast cash balance)	20,851,253
	$1,207,716 "--->>

Total Orig Revenues	$63,660,649	$63,781,418	$63,904,052	$64,027,656	$67,782,343	
Total New Revenues	$65,288,924	$67,851,147	$67,804,926	$67,762,593	$67,782,343	
				FY15 Excess	FY20 Deficit	Difference
			Excess Cash	$3,633,867	($4,841,582)	($1,207,715)

Total Orig Expenditures	$62,232,410	$63,920,482	$66,687,375	$69,624,944	$72,623,926
Total New Expenditures	$61,489,410	$64,312,344	$67,574,641	$69,738,166	$72,623,926

Excess (Deficit) Original	$1,428,239	($139,064)	($2,783,323)	($5,597,288)	
Excess (Deficit) New	$3,799,513	$3,538,804	$230,286	($1,975,572)	($4,841,582)

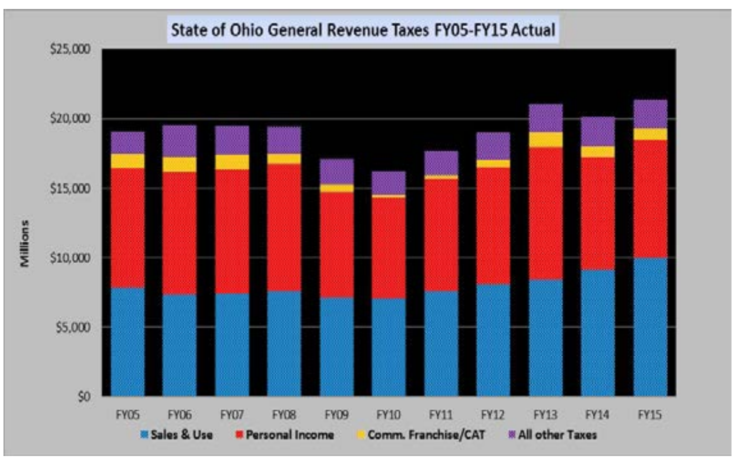
Huber Heights City School District-Montgomery County
Notes to the Five Year Forecast
General Fund Only
September 24, 2015

Introduction to the Five Year Forecast
All school districts in Ohio are required to file a five (5) year forecast by October 31, and May 31, in each fiscal year. The five year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Fiscal year 2016 is the first year of the five year forecast and is considered the baseline year. Our forecast is being updated to reflect the most current economic data for the October 2015 filing.

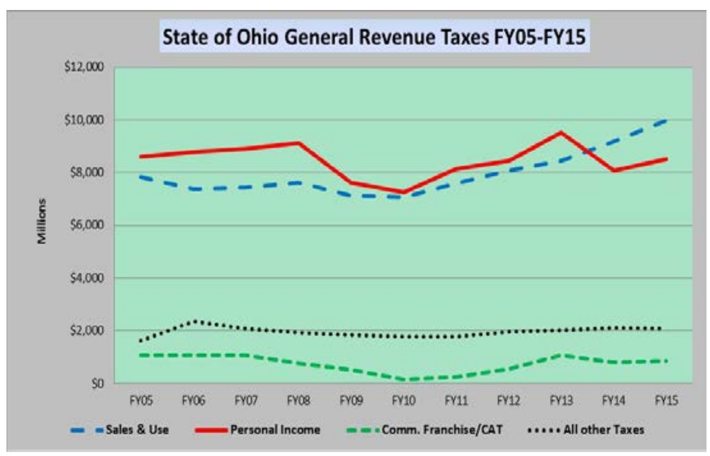
Economic Environment Affecting Forecast Variables –State Economy

It is important in long range forecasting to consider the economic climate in which projections of revenues are made. Below is significant statewide economic data which suggests that the economy for the FY16-20 period is growing moderately and has recovered from the Great Recession of 2008. It is important for our school district to consider the statewide economic data for two very important reasons. First, our state funding is directly affected by state revenue collections. The effects of the recession on the economy at the state level created a budget deficit which required the State of Ohio to make nearly $8 billion in reductions in the FY12-FY13 state biennium budget which translated into flat funding and/or funding reductions for nearly every school district in Ohio. Second, the same economic forces driving state tax revenues are also likely affecting the underlying economics of most communities in Ohio, which directly impacts the ability to collect local tax revenue. Generally speaking, local school district economic viability is tied to the same fundamental economics that drive the state's economic viability.

The graphs below note that the State of Ohio revenues through FY15 have recovered and are at record levels despite a personal income tax reduction in FY14. The two significant contributors to the economic recovery continue to be personal income taxes and sales and use taxes. The decline in personal income tax of $1.442 billion and corporate franchise taxes of $273.3 million is due to HB59's across-the-board reductions in income and corporate franchise tax rates which began in FY14. Tax revenues would have been up $835.2 million or 3.96% over FY13 levels if no tax reductions were made. Steady growth is seen through FY15 and is expected to continue for FY16 and FY17.



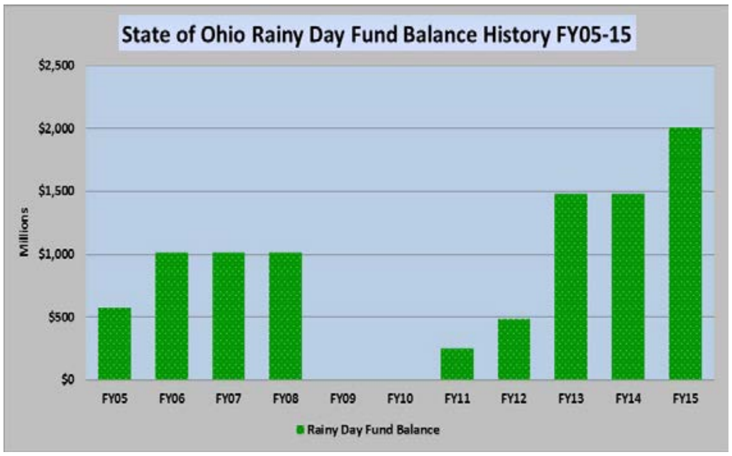
Source: Ohio Legislative Service Commission



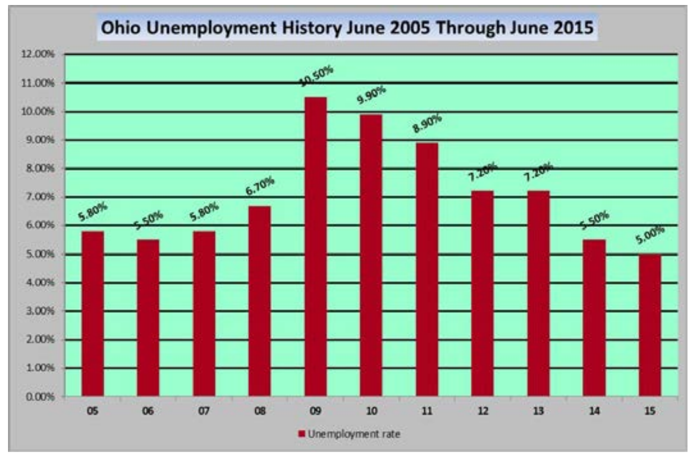
Source: Ohio Legislative Service Commission

The recovery of the labor market which began in 2010 continued in 2015 as noted in both personal income tax and sales tax collections. The above State revenue is a clear indication that the economy has recovered and that there is economic growth in our state. Another indication that the state of Ohio has achieved solid footing economically is the accumulation of reserves in the State Rainy Day Fund (RDF). The graph below shows the ten-year history of the Rainy Day Fund balance. The recession depleted the RDF in FY09. FY11 began the recovery of the economy and enabled the state to contribute excess revenues to the RDF. As noted, the RDF balance in FY15 has reached an all time record high deposit of $2.005 billion thanks to a higher statutory balance allowed by HB64. This cushion should continue to help ensure that funding for schools approved in the recent state biennium budget HB64 will be met through FY17and could be continued into the future if a brief pull back in the economy occurs over the next few years.

The state of Ohio's unemployment rate hit 5.0% in June 2015. The last time it was at this level was in October 2001. Over the past 12 months the unemployment rate dropped .5% as 40,500 new jobs were created. This is a significant measure to monitor for continued economic growth and viability. As noted above, personal income taxes and sales tax are highly correlated and have been the two major drivers of the recent recovery. As of June 2015, the unemployment rate in Montgomery County was 5.1 % which is slightly above the 5.0% state average.



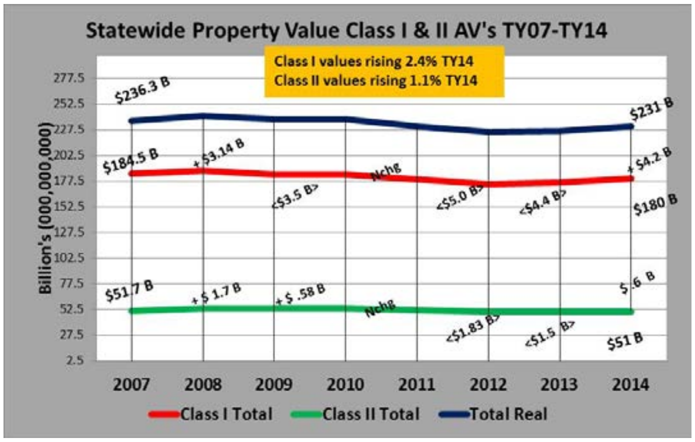
Source: Ohio Legislative Service Commission



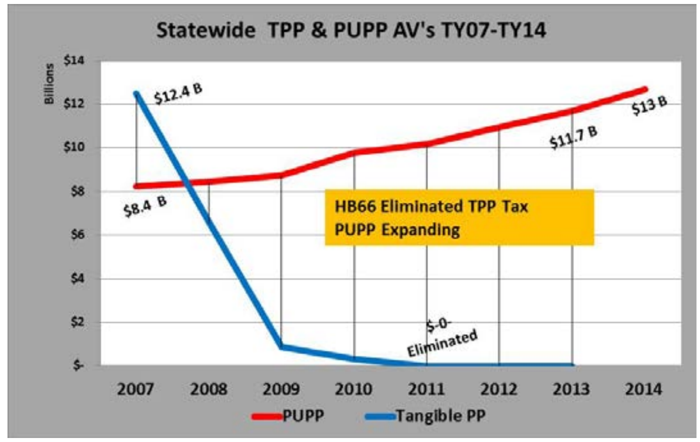
Source: U.S. Bureau of Labor Market Information

For school districts, a final piece of economic data which is highly relevant is the value of real property. In the 2014 Tax Year, 41 of Ohio's 88 counties, including Montgomery County, went through a reappraisal or update for Class 1 (Residential and Agricultural Property) and Class 2 (Commercial, Industrial and Mineral Property). Statewide from tax year 2007 to 2012, Class 1 and 2 property values declined by $10.8 billion, a reduction of 4.6%. In 2014 Class 1 values rose by $4.2 billion or 2.4% statewide, while Class 2 property increased for the first time since 2009 by $377.0 million or 1.1% statewide. Home values for the 12 month period ending in June 2015 were up statewide by 3.1%. Clearly property values have stabilized and should begin to rise at varying levels across the state.

The final category of property is Public Utility Personal Property (PUPP) values. The graph on the following page shows that Tangible Personal Property (TPP) was eliminated for all categories of TPP in tax year 2011 by HB66, which became effective July 1, 2005. PUPP values continued to grow throughout the Great Recession due in part to continued new construction, reinvestment in aging infrastructure and development of natural gas and petroleum transmission lines across the state. PUPP values are of higher value as they are taxed at the full gross tax rate.

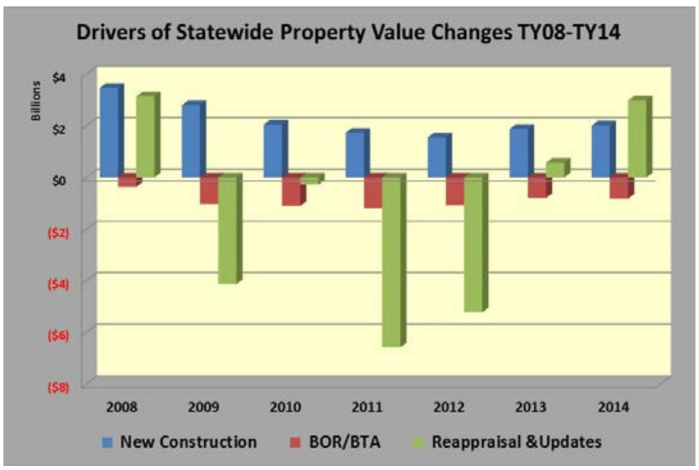


Source: Ohio Department of Taxation



Source: Ohio Department of Taxation

The graph below sums up the main drivers of property value changes across the state for Tax Year 2008 through 2014. The changes noted below are for Class 1 and 2 property values. Note that new construction is picking up, reappraisal and update values have moved from negative to positive for the last two tax years and Board of Revision/Board of Tax appeals property value changes are trending down from record levels the previous four tax years.



Source: Ohio Department of Taxation

Overall, we believe the economy of the state is stable and growing. This should provide a stable basis for which to make projections of state revenues to the district as noted in HB64through FY17 and continuing through FY20 in future state budgets. The improving labor market is also providing for a recovery in property tax collections in this forecast by: 1) increasing or stabilizing property values; 2) increasing current property tax collections; and, 3) increasing prior delinquent tax collections.

Forecast Risks and Uncertainty:

A five year financial forecast is laden with risks and uncertainty not only due to economic uncertainties but also due to state legislative changes that will be happening in the spring of 2017 and 2019 due to deliberation of the next two (2) state biennium budget for FY18-19 & FY20-21, both of which affect this five year 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. Montgomery County went through a reappraisal update in the 2014 tax year to be collected in 2015. A full update occurred in tax year 2011 for collection in 2012, which decreased assessed values by $34.6 million or a decrease of 5.71%. The reappraisal update that took place in the 2014 tax year resulted in decreased assessed values of $35.0 million or 6.14%. In 2016 we are expecting values to remain steady based on trends following previous updates and reappraisals.

II. The State Budget represents 57% of district revenues, which means it is a significant area of risk to revenue. The risk comes in FY18 and beyond if the state economy worsens or if the currently adopted HB64 funding formula is changed to reduce funding to our district in a future state budget. There are two future State Biennium Budgets covering the period from FY18 through FY20 in this forecast. Future uncertainty in both the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long range through FY20.

III. 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 amounts deducted from our state aid in the 2016-17 school years. The cost of each Peterson Special Needs voucher and Autism Scholarship Program increased sharply in HB64 from $20,000 each to $27,000, a 35% increase. These are examples of new choice programs that cost the district money. Expansion or creation of programs such as these exposes 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.

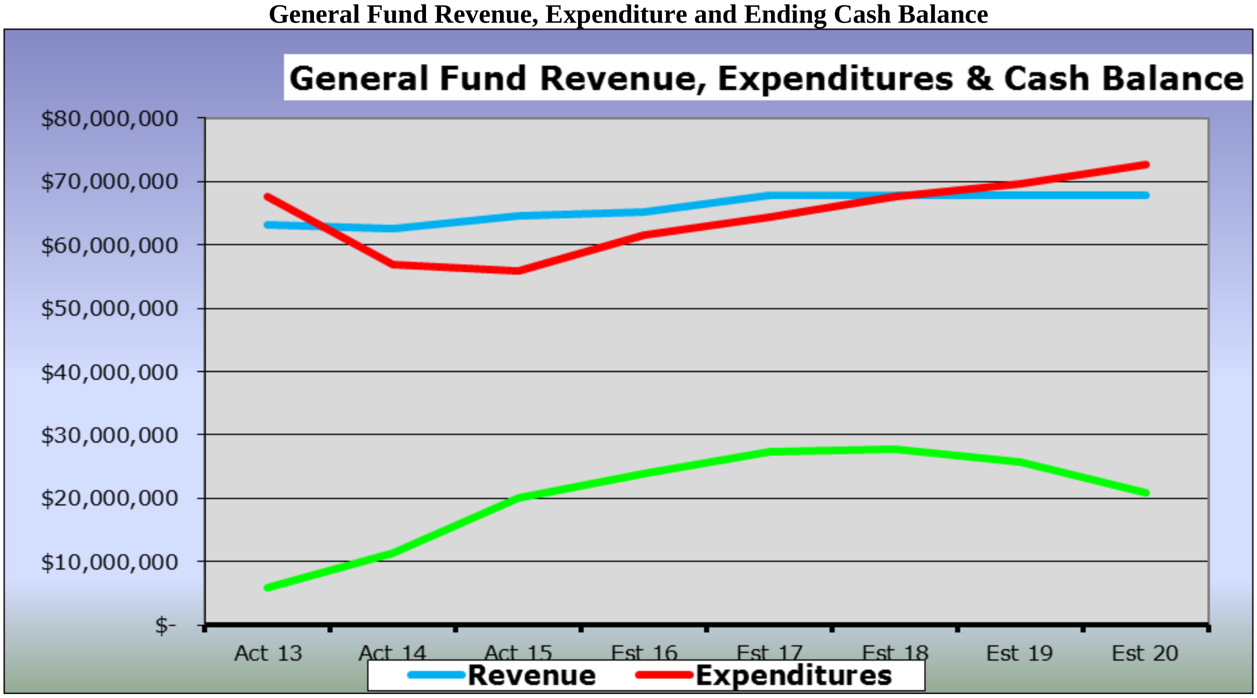
IV. Patient Protection and Affordable Care Act (PPACA) – This program was approved March 23, 2010 along with the Health Care and Education Reconciliation Act. Many of the provisions of this federal statute were to be implemented January 1, 2015. Implementation of those provisions has increased costs by as much as 2%. There is the additional risk that costs will go up as additional staff is added to our health care rolls. We have made allowance for increases in our costs for health care in the forecast based on what we know at this time. Future uncertainty over rules and implementation of PPACA is a risk to district costs. We continue to monitor the rules and implementation as this significant change to health care evolves.

V. 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 on current levies. This could make passing any new levy more difficult. This will not effect the total collection for the school district but will further shift the tax burden from the State of Ohio onto local taxpayers.

VI. Labor relations in the district have been amicable with all parties working for the best interest of students and realizing the resource challenges the district faces. We believe as the district moves forward a strong working relationship will continue.

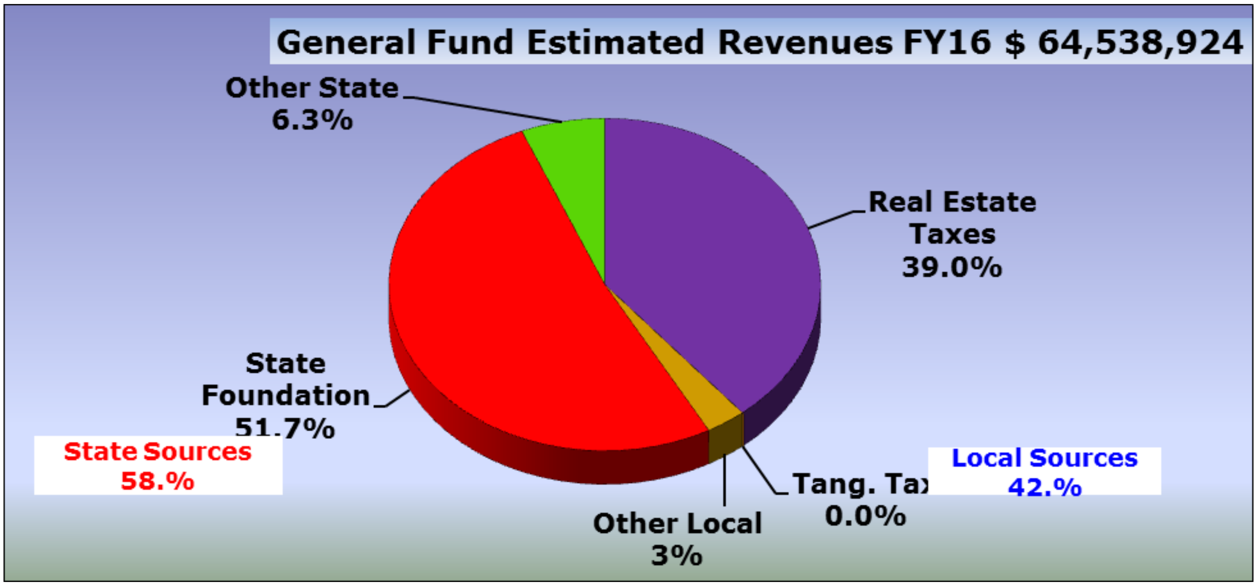
The major categories of revenue and expenditures on the forecast are noted below in the headings to make it easier to reference the assumptions made for the forecast item. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information please feel free to contact me – Ms. Gina Helmick, Treasurer/CFO of Huber Heights City School District at 937-237-4126.

General Fund Revenue, Expenditure and Ending Cash Balance



Revenue Assumptions

Estimated General Fund Revenues



Real Estate Value Assumptions – Line # 1.010

Property Values are established each year by the County Auditor based on new construction and complete reappraisal or updated values. There was a full reappraisal completed in 2014 to be collected in 2015. Values decreased by $36.0 million or 5.5% led by a large decrease in residential values. In 2016 we are expecting values to remain steady based on trends following previous updates and reappraisals. These have been factored into the projection for the district's property values along with their corresponding tax reduction factors affecting outside voted millage.

Classification	Estimated TAX YEAR2015 COLLECT 2016	Estimated TAX YEAR2016 COLLECT 2017	Estimated TAX YEAR2017 COLLECT 2018	Estimated TAX YEAR2018 COLLECT 2019	Estimated TAX YEAR2019 COLLECT 2020
Res./Ag.	$534,061,580	$533,511,580	$527,951,464	$528,001,464	$528,101,464
Comm./Ind.	118,190,210	118,231,161	117,435,583	116,960,583	116,660,583
Public Utility Personal Property (PUPP)	13,612,450	14,112,450	14,612,450	15,112,450	15,612,450
Tangible Personal Property (TPP)	0	0	0	0	0
Total Assessed Value	$665,864,240	$665,855,191	$659,999,497	$660,074,497	$660,374,497

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

ESTIMATED REAL ESTATE TAX (Line #1.010)

Source	FY16	FY17	FY18	FY19	FY 20
Estimated Property Taxes	$25,177,353	$25,308,656	$25,254,164	$25,202,280	$25,202,757

Property tax levies are estimated to be collected at 97.5% of the annual amount. This allows a 2.5% delinquency. Typically, 52.5% of the new residential/agriculture (Res/Ag) and commercial/industrial (Comm/Ind) is expected to be collected in the February tax settlements and 47.5% is expected to be collected in the August tax settlements. Public utility tax settlements (PUPP) are estimated to be received 50% in February and 50% in August.

Renewal and Replacement Levies – Line #11.02
No new renewal or replacement levies are modeled in this forecast.

New Tax Levies – Line #13.030
No new tax levies are modeled in this forecast.

Estimated Tangible Personal Tax – Line#1.020
The phase out of tangible personal property tax (TPP) began in fiscal year 2006. The TPP was eliminated after fiscal year 2011.

Other Local Revenues – Line #1.060
Tuition and open enrollment is forecasted to increase slightly for fiscal years 2016 through 2020. The District also received payments in lieu of taxes (TIF payments) from various companies in order to alleviate the loss of property taxes. Student fees, interest and other income are expected to remain constant throughout the forecast.

Source	FY16	FY17	FY18	FY19	FY 20
Tuition SF-14 & SF-14H, Open Enrollment	$565,166	$567,992	$570,832	$573,686	$576,554
Interest	453,445	453,445	453,445	453,445	453,445
TIF & PILOT Payments	526,275	531,538	536,853	542,222	547,644
Student Fees	315,648	315,648	315,648	315,648	315,648
Other Income and rentals	75,000	75,000	75,000	75,000	75,000
Total Line # 1.060	$1,935,534	$1,943,623	$1,951,778	$1,960,001	$1,968,291

State Taxes Reimbursement/Property Tax Allocation

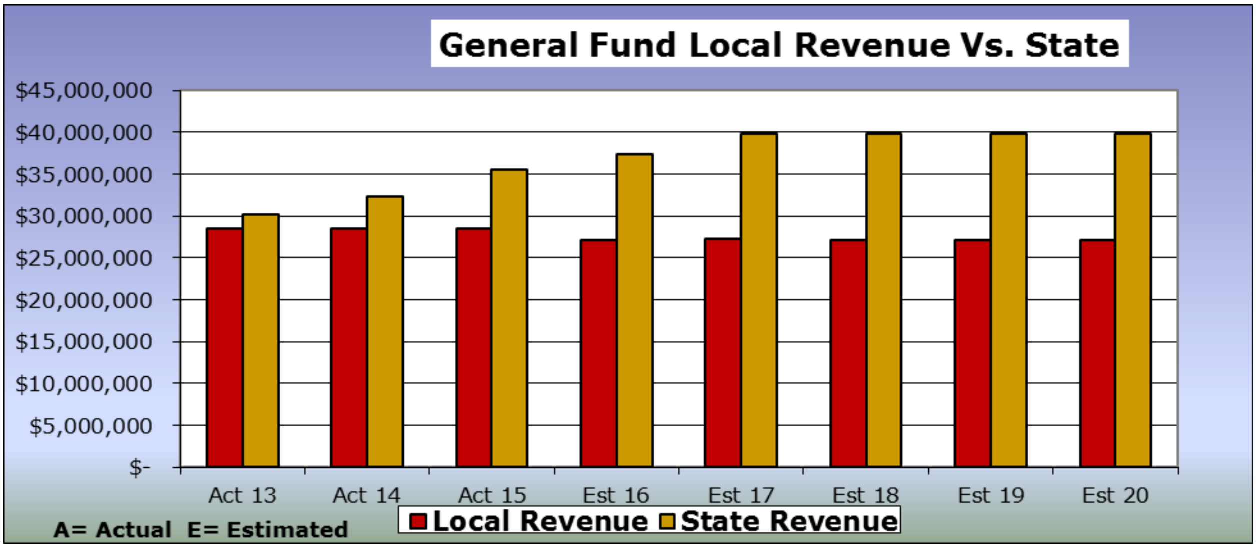
Rollback and Homestead Reimbursement
Rollback funds are reimbursements paid to the district from Ohio for tax credits given owner occupied residences equaling 12.5% of the gross property taxes charged residential taxpayers on tax levies passed prior to September 29, 2013. HB59 eliminated the 10% and 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 changed 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 receive a Homestead Exemption if they meet the income qualifications. Taxpayers who had their Homestead Exemption as of September 29, 2013 will not loose 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.

Summary of State Tax Reimbursement – Line #1.050

Source	FY16	FY17	FY18	FY19	FY 20
a) Rollback and Homestead	$4,055,847	$4,052,019	$4,044,008	$4,036,998	$4,039,427
b) TPP Reimbursement - Fixed Rate	0	0	0	0	0
c) TPP Reimbursement - Fixed Sum	0	0	0	0	0
Total Tax Reimb./Prop. Tax Allocations #1.050	$4,055,847	$4,052,019	$4,044,008	$4,036,998	$4,039,427

Comparison of Local Revenue and State Revenue



State Foundation Revenue Estimates

A) Unrestricted State Foundation Revenue – Line #1.035

The amounts estimated for FY16 for state funding are based on funding component computations from the most recent State Foundation Payment Report (SFPR) and from the July 2015 Legislative Service Commission (LSC) Simulations of HB64. These simulations are required as the actual new state funding formula adopted in HB64 is not yet available to school districts to use in their state aid projections. Therefore, simulations must be used for state aid.

The current FY16-17 state budget HB64 simulation includes an increase in funding for our district. We are projected to be a CAP district regarding state funding in FY16-17. Our state funding status for FY18-20 will depend on the FY18-19 and FY20-21 state budgets. There are two unknown state budgets in this forecast period covering three fiscal years.

In FY14-15, HB59 created the fourth (4^{th}) new funding formula for public education since 2009. HB64 the state FY16-17 state budget 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 FY 18-19 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 applied to the per pupil opportunity grant calculation and many of the other categorical funding items in the state foundation formula as noted below:

1) Opportunity Grant – Per pupil amount increased 1.7% from $5,800 in FY15 to $5,900 in FY16 and 1.7% to $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 in FY16 & FY17
8) Career-Technical Education Funds – Based on career technical average daily membership and five (5) categories students enrolled in
9) Transportation Aid – Funding based on total ridership rather than qualifying ridership in determining statewide cost per rider. Reduces state minimum share from 60% to 50%.

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 FY16-20. Currently we know most of the variables for FY16 &17 that were in the old formula but there has not been a new simulation model released at the time of this forecast.

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 July 2015 LSC simulation since the actual formulas are not available the time of this forecast.

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.
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.
3) 3rd Grade Reading Proficiency Bonus- Provides a bonus to districts based on third grade reading results.
4) High School Graduation Rate Bonus-Provides a bonus to districts based on high school graduation rates up to approximately $450 per student.

Note: these additional components are only paid to districts that are on the CAP or a Formula district.

Our current SFPR estimates for FY16 are using FY15 year end adjusted average daily membership (ADM) and hold those numbers steady through FY20. Beginning in FY15 the state changed the way it measures student ADM. Student counts are now updated October 31, March 31, and June 30 of the fiscal year. In most cases the district will not know its actual student funded ADM until the end of June 2016. This could result in undulating state aid payments throughout the year based on each student count if a district is on the formula. The current payment to the district is based on adjusted student ADM count as of June 30, 2015. Our estimate of state aid is based on the most current data we have available to us at the time. We have estimated stable enrollment through FY20 and a 1.5% per pupil increase each year beginning in FY18 for Opportunity Grant funding.

Current calculations indicate our district is a “CAP” funded district for FY16 and we anticipate that we will remain on the CAP in FY17 as well. The CAP growth rate for FY16 & 17 is 7.5% each year. We believe the district will receive additional funds for the period FY16 through FY20. We have conservatively estimated an increase in the CAP amount of 0% each year for FY18-20.

On November 3, 2009 Ohio voters passed the Ohio casino ballot issue. This 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 were 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 33% GCR that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31st of January and August each year which began for the first time on January 31, 2013.

The initial student payment to schools in January 2013 (FY13) was a half year payment of $21.00 per pupil that rose to $51.50 per pupil for a full year in FY14 and $50.50 in FY15. The state indicated recently that the original 2009 estimates of $1.9 billion of 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% from the FY15 total to average 1,798,000 students and GCR of $820 million with school district’s share of GCR to be $92 million resulting in FY16 payments of $51.25 per pupil. For FY17-20 we estimated another ½ of 1% decline in pupils to 1,789,000and GCR increasing to $93 million or $52 per pupil. We will increase estimates for out years when actual casino revenues show signs of stronger increases.

Source	FY16	FY17	FY18	FY19	FY 20
Basic Aid-Unrestricted	$30,842,855	$33,250,767	$33,239,833	$33,228,790	$33,217,636
Additional Aid Items	701,413	701,413	701,413	701,413	701,413
Basic Aid-Unrestricted Subtotal	$31,544,268	$33,952,180	$33,941,246	$33,930,203	$33,919,049
Ohio Casino Commission ODT	299,217	307,138	315,265	323,603	332,157
Total Unrestricted State Aid Line # 1.035	$31,843,485	$34,259,318	$34,256,511	$34,253,806	$34,251,206

B) Restricted State Revenues – Line # 1.040

HB64 continues funding two restricted sources of revenue, Economically Disadvantaged and Career Technical funds. The amount of the Economically Disadvantaged Aid is estimated to grow by 1% each remaining year of the forecast.

Source	FY16	FY17	FY18	FY19	FY 20
Economically Disadvantaged Aid	$1,082,552	$1,093,378	$1,104,312	$1,115,355	$1,126,509
Career Tech - Restricted	444,153	444,153	444,153	444,153	444,153
Total Restricted State Revenues Line #1.040	$1,526,705	$1,537,531	$1,548,465	$1,559,508	$1,570,662

C) Restricted Federal Grants in Aid – line #1.045

No amounts are included in the forecasted years 2016 through 2020.

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

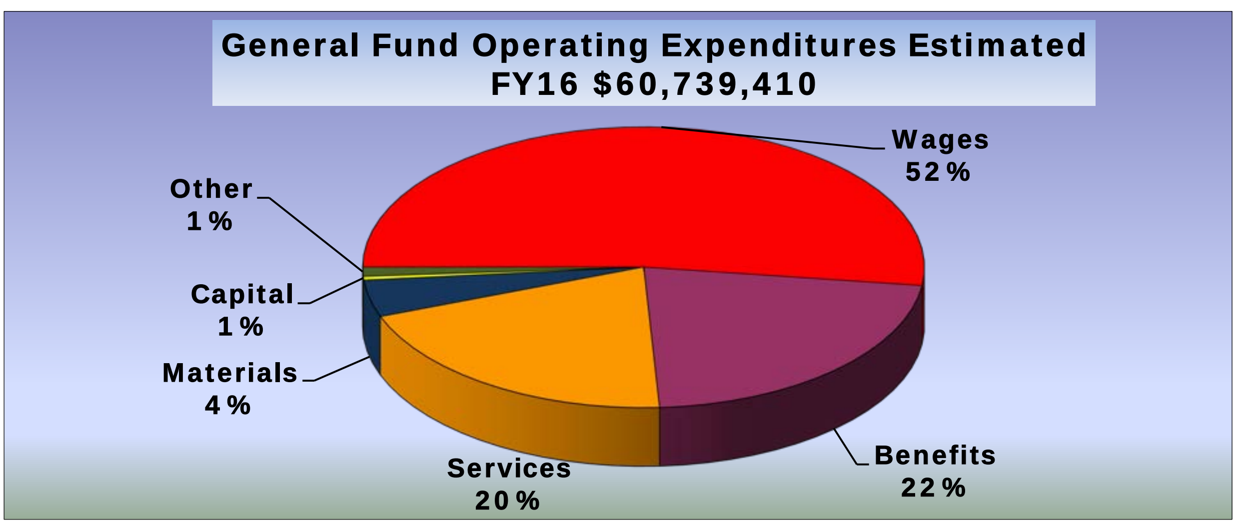
There is no short term borrowing planned for in this forecast at this time from any sources.

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

Other financing sources consist of advances that the school district anticipates will be re-paid during the forecasted period. Advances are made from the general fund to other funds, primarily to cover grant monies that are not received as of fiscal year end. Advances are forecasted based on the historical timeliness of grant monies not received at fiscal year end.

Expenditures Assumptions

Estimated General Fund Expenditures



Wages – Line #3.010
The model reflects a base increase of 3% for FY16-18 and step and training increases of amounting to approximately 1.5% for FY16-20. Additionally, FY16 estimate includes reinstatement of furlough days.

Source	FY16	FY17	FY18	FY19	FY 20
Base Wages	$27,616,200	$29,735,567	$30,978,296	$32,316,397	$33,245,745
Increases/COA	828,486	828,486	892,067	464,674	484,746
Steps & Training	414,243	414,243	446,034	464,674	484,746
Restore Staff	673,059	0	0	0	0
Reinstating Furlough Days	203,579	0	0	0	0
Substitutes/Severance pay	1,513,424	1,528,558	1,543,843	1,559,282	1,574,875
Supplementals	396,145	408,029	420,270	432,878	445,864
Staff Reductions	0	0	0	0	0
Total Wages Line 3.010	$31,645,136	$32,914,883	$34,280,510	$35,237,905	$36,235,976

Fringe Benefits Estimates - Line #3.020
This area of the forecast captures all costs associated with benefits and retirement costs, which all except health insurance are directly related to the wages paid. 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.

A) STRS/SERS
SERS announced on April 5, 2010 that they are going to require 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 will have the result of accelerating our costs by up to one-half a year's cost for SERS. We have taken the 1/6 additional costs per year for 6 years option. We are estimating this cost to be $110,000 each year which began in fiscal year 2011will end in fiscal year 2016.

B) Insurance
The estimated increases/decreases for medical, dental, life and vision insurance are a 5% decrease for fiscal year 2016, and an 11% increase for 2017-2020. The increases include adjustments for inflation and the most current research of where premiums will be going in the future.

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.

It is uncertain to what extent the implementation of PPACA will affect costs in our district. 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 insurance coverage that do not have coverage now. The Transition Reinsurance fee that was 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. This tax equated to a roughly a 2% annual increase in fiscal year 2015. Longer-term, a significant concern is the 40% "Cadillac Tax" that will be imposed in 2018 for plans whose value of benefits exceed $10,200 for individual plans and $27,500 for family plans. The rules and implementation of the PPACA is an ongoing issue we are watching closely to evaluate the effect on our district.

C) Workers Compensation & Unemployment Compensation
Workers Compensation and unemployment is holding steady throughout the forecast.

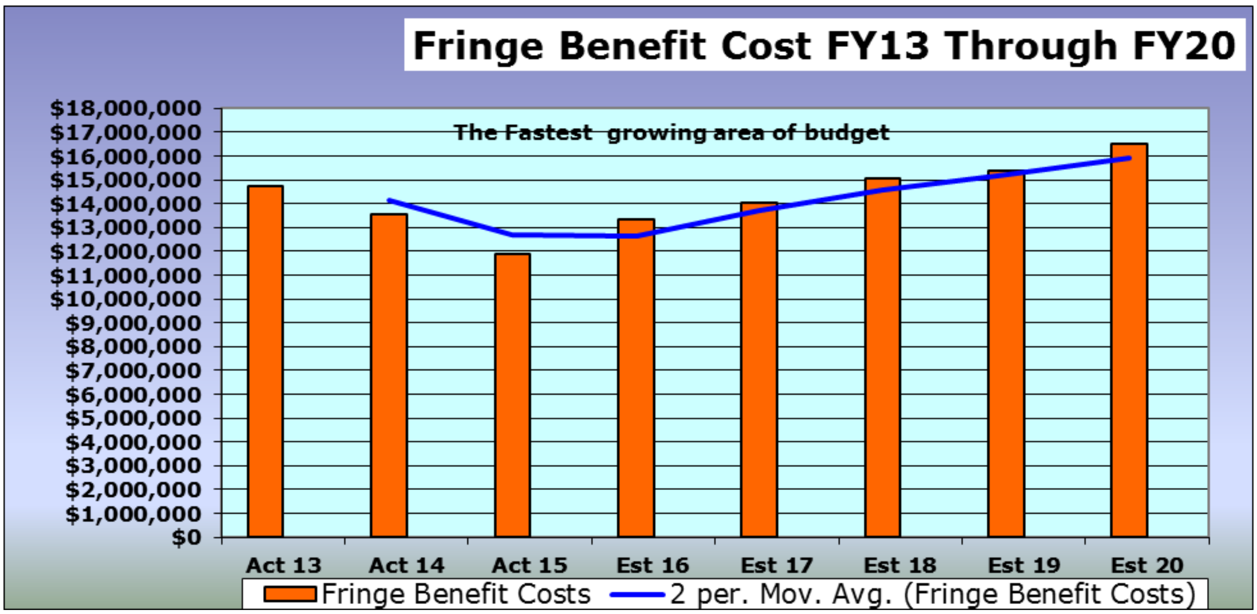
D) Medicare
Medicare will continue to increase at the rate of increase of wages. Contributions are 1.45% for all new employees to the district on or after April 1, 1986. These amounts are growing at the general growth rate of wages.

Summary of Fringe Benefits – Line #3.020

Source	FY16	FY17	FY18	FY19	FY 20
A) STRS/SERS	$4,982,642	$5,202,795	$5,418,837	$5,579,634	$5,737,950
B) Insurance's	6,272,819	6,701,829	7,439,030	8,257,323	9,165,629
C) Workers Comp/Unemployment	205,000	205,000	205,000	205,000	205,000
D) Medicare	470,258	519,500	571,358	625,956	683,425
E) Other/Tuition/HSA Funding	1,432,451	1,432,451	1,432,451	696,451	696,451
Total Line 3.020	$13,363,170	$14,061,575	$15,066,676	$15,364,364	$16,488,455

Fringe Benefits Actual Fiscal Year 2013 through Fiscal Year 2015 and Estimated Fiscal Year 2016 through Fiscal Year 2020

The graph below notes that health care is become the area of expenditures that are outpacing inflation. The federal Affordable Care Act and the increase in claims will require management to control the cost of health care.



Purchased Services – Line #3.030

Purchased services include expenditures for utilities, professional development and state foundation deductions for tuition-type students, including open enrollment, community school, scholarships and post-secondary enrollment option. Estimates for this line item were based on historical trends and estimated service needs. A 4% increase was incorporated throughout the forecast for inflationary purposes as well as estimated increases in community school deductions.

Source	FY16	FY17	FY18	FY19	FY 20
Base Services	$285,819	$297,252	$309,142	$321,508	$334,368
Professional Services	2,332,647	2,425,953	2,522,991	2,623,911	2,728,867
Open Enrollment Deduction	1,157,844	1,215,736	1,276,523	1,340,349	1,407,366
Community School Deductions	4,287,522	4,501,898	4,726,993	4,963,343	5,211,510
Other Tuition Including Ed Scholarship	1,334,697	1,401,432	1,471,504	1,545,079	1,622,333
Utilities	805,777	829,951	854,849	880,495	906,909
Property Maintenace and Repair	2,045,103	2,126,907	2,211,983	2,300,463	2,392,481
Total Line 3.030	$12,249,409	$12,799,128	$13,373,985	$13,975,147	$14,603,834

Supplies and Materials – Line #3.040

An overall base increase due to inflation of 3.0% is being estimated for this category of expenses, as well as, continued support for instructional technology and textbooks. The estimated increase is due to an anticipated increase in fuel costs and instructional materials as a whole.

Source	FY16	FY17	FY18	FY19	FY 20
Supplies, Technology & Curriculum	$2,236,374	$2,303,465	$2,372,569	$2,443,746	$2,517,058
Trasnportation Fuel and Repairs	352,202	362,768	373,651	384,861	396,407
Total Line 3.040	$2,588,576	$2,666,233	$2,746,220	$2,828,607	$2,913,465

Capital Outlay – Line # 3.050

An overall inflation of 3% is being estimated for this category of expenses. In addition these expenses are expected to increase through the purchase of a school bus each year from 2016 through 2019 and the repairs/maintenance required to maintain our aging fleet.

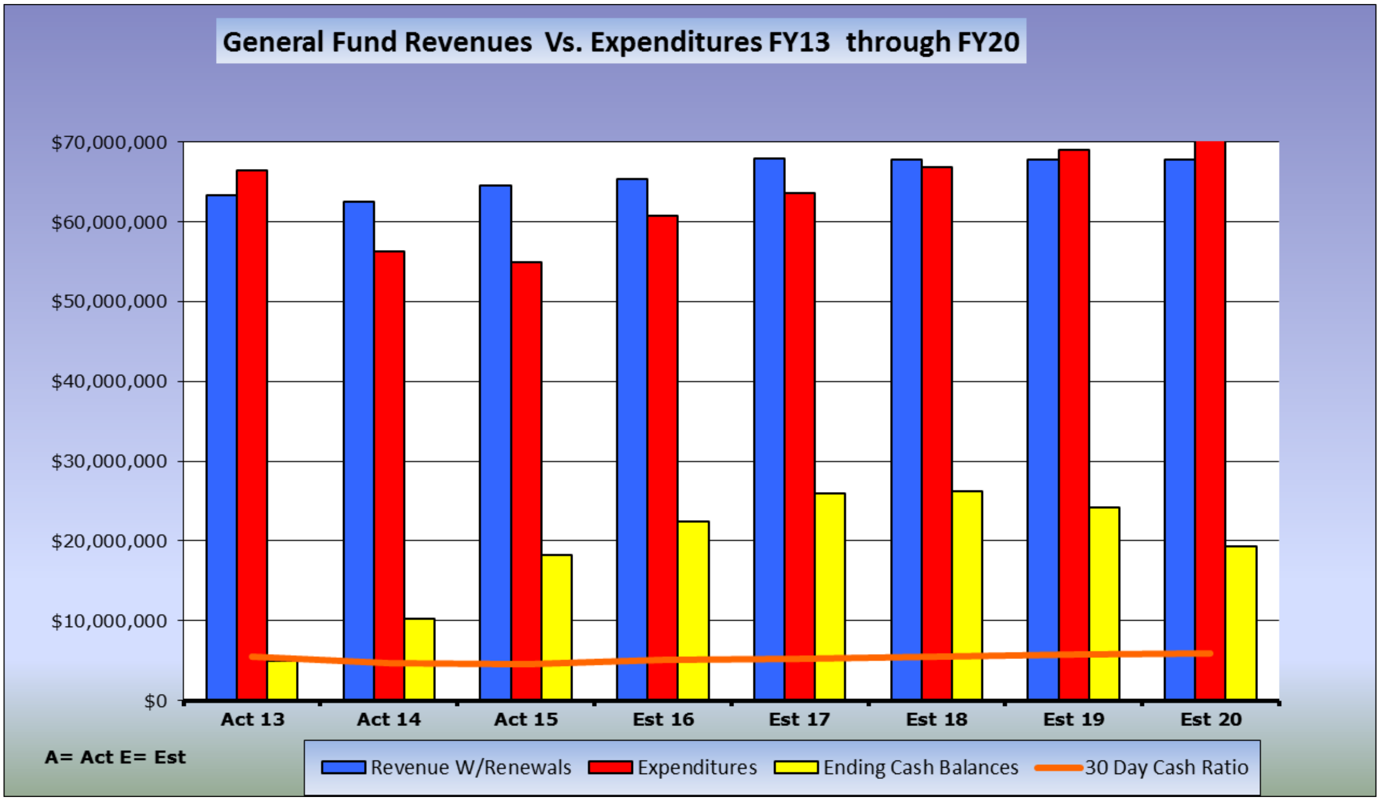
Source	FY16	FY17	FY18	FY19	FY 20
Capital Outlay	$76,308	$284,308	$498,548	$700,308	$726,417
Replacement Bus Purchases	170,000	170,000	170,000	170,000	170,000
Budget Reserves or (Reductions)	0	0	0	0	0
Total Line 3.050	$246,308	$454,308	$668,548	$870,308	$896,417

Other Expenses – Line #4.300

The category of Other Expenses consists primarily of the County ESC deductions for specialized services provided to the District and Auditor & Treasurer (A&T) fees. Auditor and Treasurer Fees will increase sharply anytime a new operating levy is collected. Also new construction will cause A&T fees to increase as more dollars are collected. Currently, we are estimating annual increase of 3% for this forecast.

Source	FY16	FY17	FY18	FY19	FY 20
County Auditor & Treasurer Fees	$435,055	$448,107	$461,550	$475,397	$489,659
County ESC	134,737	138,780	145,441	152,277	159,434
Other expenses	77,019	79,330	81,710	84,161	86,686
Budget Reductions	0	0	0	0	0
Total Line 4.300	$646,811	$666,217	$688,701	$711,835	$735,779

Total Expenditure Categories Actual Fiscal Year 2013 through Fiscal Year 2015 and Estimated Fiscal Year 2016 through Fiscal Year 2020



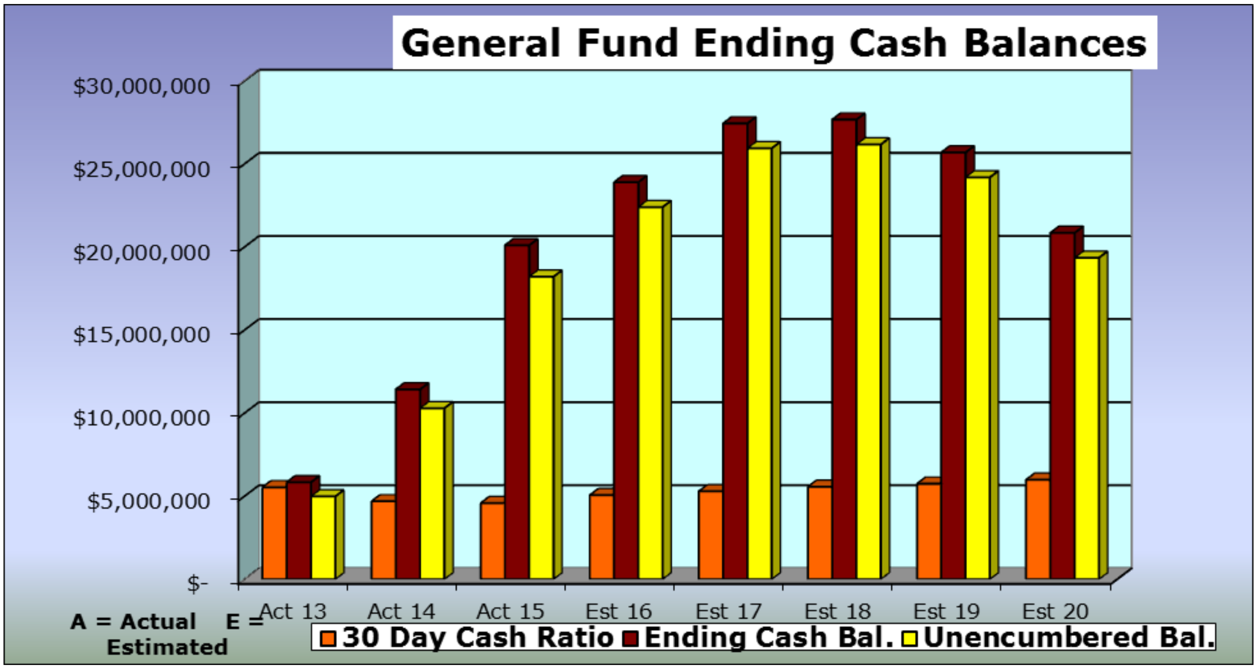
Transfers Out/Advances Out – Line# 5.010

This account group covers fund to fund transfers and end of year short term loans (advances) from the General Fund to other funds until they have received reimbursements to repay the General Fund. Advances have limited impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund.

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.

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 Ohio Revised Code section 5705.412, punishable by personal liability of $10,000, unless an alternative "412" certificate can be issued pursuant to House Bill 153 effective September 30, 2011. Based on the chart immediately below, unencumbered fund balance will be positive throughout the forecast.



	FY16	FY17	FY18	FY19	FY 20
Ending Unencumbered Cash Balance	$22,399,318	$25,938,122	$26,168,408	$24,192,836	$19,351,253