

NORWOOD CITY SCHOOL DISTRICT Schedule Of Revenue, Expenditures and Changes In Fund Balances Actual and Forecasted Operating Fund								
	ACTUAL			FORECASTED				
	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Revenue:								
1.010 - General Property Tax (Real Estate)	13,891,273	13,337,021	14,708,053	14,380,702	14,642,701	14,736,796	13,398,470	11,937,401
1.020 - Public Utility Personal Property	1,109,969	1,145,977	1,174,698	1,232,358	1,312,601	1,369,666	1,323,770	1,281,853
1.030 - Income Tax	-	-	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	7,407,221	7,457,160	7,102,803	7,076,704	6,713,355	6,723,306	6,399,310	6,401,509
1.040 - Restricted Grants-in-Aid	625,154	891,899	772,338	771,038	766,198	754,803	719,026	716,542
1.045 - Restricted Federal Grants-in-Aid - SFSF	-	-	-	-	-	-	-	-
1.050 - Property Tax Allocation	2,613,120	2,034,572	2,015,008	1,614,353	1,540,903	1,453,891	1,223,192	1,035,798
1.060 - All Other Operating Revenues	1,677,826	3,398,108	3,948,916	2,775,561	2,766,873	2,796,873	2,743,873	2,886,873
1.070 - Total Revenue	27,324,563	28,264,737	29,721,816	27,850,716	27,742,631	27,835,335	25,807,641	24,259,976
Other Financing Sources:								
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-	-	-
2.020 - State Emergency Loans and Advancements	-	-	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	952,882	-	-	-	-	-
2.050 - Advances-In	203,530	359,378	313,802	1,179,448	-	-	-	-
2.060 - All Other Financing Sources	104,761	26,968	254,877	416,643	320,000	320,000	320,000	320,000
2.070 - Total Other Financing Sources	308,291	386,346	1,521,561	1,596,091	320,000	320,000	320,000	320,000
2.080 - Total Revenues and Other Financing Sources	27,632,854	28,651,083	31,243,376	29,446,807	28,062,631	28,155,335	26,127,641	24,579,976
Expenditures:								
3.010 - Personnel Services	13,104,749	13,870,617	14,702,220	15,521,191	15,875,677	16,310,167	16,636,809	17,340,583
3.020 - Employees' Retirement/Insurance Benefits	4,377,458	4,326,808	4,602,373	4,987,771	5,011,464	5,179,459	5,282,308	5,566,231
3.030 - Purchased Services	5,757,677	6,153,449	5,918,672	5,962,244	6,038,986	6,251,065	6,123,281	6,148,676
3.040 - Supplies and Materials	633,672	713,343	808,254	740,543	805,449	815,552	847,384	875,657
3.050 - Capital Outlay	39,920	33,186	23,822	66,761	22,160	22,160	22,160	22,160
3.060 - Intergovernmental	-	-	-	-	-	-	-	-
Debt Service:								
4.010 - Principal-All Years	-	-	-	-	-	-	-	-
4.020 - Principal - Notes	-	-	-	-	-	-	-	-
4.030 - Principal - State Loans	-	-	-	-	-	-	-	-
4.040 - Principal - State Advances	-	-	-	-	-	-	-	-
4.050 - Principal - HB264 Loan	-	-	-	-	-	-	-	-
4.055 - Principal - Other	-	-	-	-	-	-	-	-
4.060 - Interest and Fiscal Charges	-	-	-	-	-	-	-	-
4.300 - Other Objects	336,521	295,921	385,985	369,562	367,614	372,049	371,434	370,766
4.500 - Total Expenditures	24,249,997	25,393,324	26,441,325	27,648,072	28,121,350	28,950,452	29,283,376	30,324,073
Other Financing Uses								
5.010 - Operating Transfers-Out	2,171,462	998,273	1,052,813	2,026,342	505,000	505,000	40,000	40,000
5.020 - Advances-Out	359,378	258,802	1,556,064	633,479	50,000	50,000	-	-
5.030 - All Other Financing Uses	-	-	35,704	-	-	-	-	-
5.040 - Total Other Financing Uses	2,530,840	1,257,075	2,644,581	2,659,821	555,000	555,000	40,000	40,000
5.050 - Total Expenditures and Other Financing Uses	26,780,837	26,650,399	29,085,906	30,307,893	28,676,350	29,505,452	29,323,376	30,364,073
Excess of Rev & Other Financing Uses Over (Under)								
6.010 - Expenditures and Other Financing Uses	852,017	2,000,684	2,157,470	(861,086)	(613,719)	(1,350,117)	(3,195,735)	(5,784,097)
Cash Balance July 1 - Excluding Proposed Renewal/ 7.010 - Replacement and New Levies	5,394,302	6,246,319	8,247,003	10,404,473	9,543,387	8,929,668	7,579,551	4,383,816
7.020 - Cash Balance June 30	6,246,319	8,247,003	10,404,473	9,543,387	8,929,668	7,579,551	4,383,816	(1,400,281)
8.010 - Estimated Encumbrances June 30	-	-	-	200,000	200,000	200,000	200,000	200,000
Reservations of Fund Balance:								
9.010 - Textbooks and Instructional Materials	-	-	-	-	-	-	-	-
9.020 - Capital Improvements	-	-	-	-	-	-	-	-
9.030 - Budget Reserve	-	-	-	-	-	-	-	-
9.040 - DPIA	-	-	-	-	-	-	-	-
9.050 - Debt Service	-	-	-	-	-	-	-	-
9.060 - Property Tax Advances	-	-	-	-	-	-	-	-
9.070 - Bus Purchases	-	-	-	-	-	-	-	-
9.080 - Subtotal	-	-	-	-	-	-	-	-
Fund Balance June 30 for Certification								
10.010 - of Appropriations	6,246,319	8,247,003	10,404,473	9,343,387	8,729,668	7,379,551	4,183,816	(1,600,281)
Rev from Replacement/Renewal Levies								
11.010 - Income Tax - Renewal	-	-	-	-	-	-	-	-
11.020 - Property Tax - Renewal or Replacement	-	-	-	-	-	-	1,782,724	3,565,597
11.030 - Cumulative Balance of Replacement/Renewal Levies	-	-	-	-	-	-	1,782,724	5,348,321
Fund Balance June 30 for Certification								
12.010 - of Contracts, Salary and Other Obligations	6,246,319	8,247,003	10,404,473	9,343,387	8,729,668	7,379,551	5,966,540	3,748,040
Revenue from New Levies								
13.010 - Income Tax - New	-	-	-	-	-	-	-	-
13.020 - Property Tax - New	-	-	-	-	-	-	-	12,816
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-	-	12,816
14.010 - Revenue from Future State Advancements	-	-	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	6,246,319	8,247,003	10,404,473	9,343,387	8,729,668	7,379,551	5,966,540	3,760,856



NORWOOD CITY SCHOOL DISTRICT

Five Year Forecast Financial Report

May, 2019

Julie A. Kamphaus, CFO

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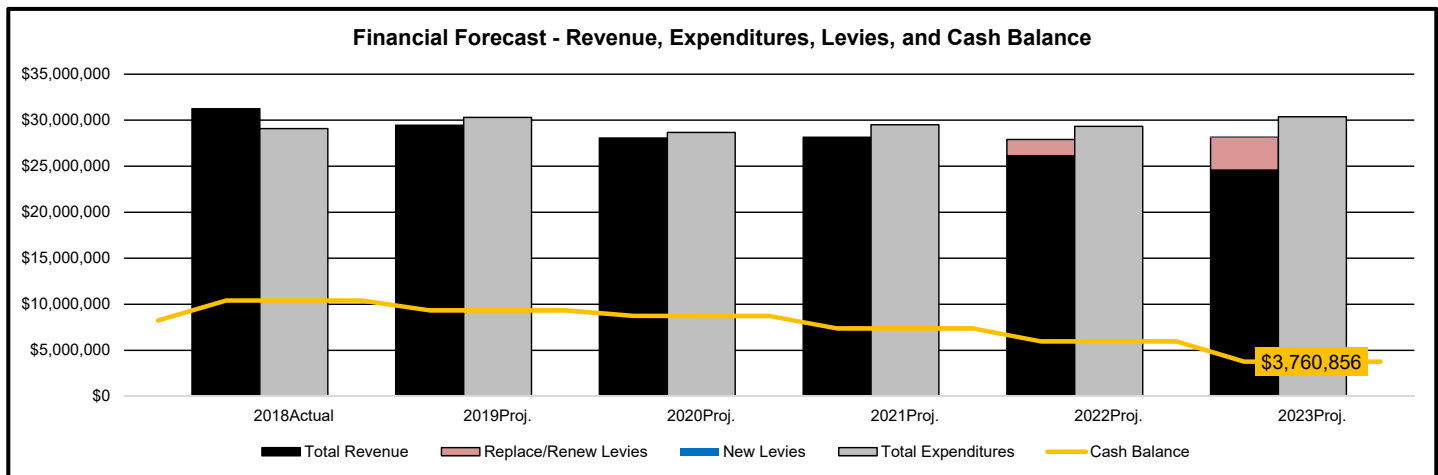
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Forecast Purpose/Objectives

Ohio Department of Education's purposes/objectives for the five-year forecast are:

1. To engage the local board of education and the community in the 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 school districts with potential financial problems.

Forecast Methodology - This forecast is prepared based upon historical trends and current factors. This information is then extrapolated into estimates for subsequent years. The forecast variables can change multiple times throughout the fiscal year and while cash flow monitoring helps to identify unexpected variances no process is guaranteed. The intent is to provide the district's financial trend over time and a roadmap for decisions aimed at encouraging financial sustainability and stability.



NORWOOD CITY SCHOOL DISTRICT

Financial Forecast

	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Beginning Balance	10,404,473	9,543,387	8,929,668	7,579,551	6,166,540
+ Revenue	29,446,807	28,062,631	28,155,335	26,127,641	24,579,976
+ Proposed Renew/Replacement Levies	-	-	-	1,782,724	3,565,597
+ Proposed New Levies	-	-	-	-	12,816
- Expenditures	(30,307,893)	(28,676,350)	(29,505,452)	(29,323,376)	(30,364,073)
= Revenue Surplus or Deficit	(861,086)	(613,719)	(1,350,117)	(1,413,011)	(2,205,684)
Ending Balance with renewal levies	9,543,387	8,929,668	7,579,551	6,166,540	3,960,856
Note: Not Reduced for Encumbrances					

Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	(861,086)	(613,719)	(1,350,117)	(3,195,735)	(5,784,097)
Ending Balance w/o Levies	9,543,387	8,929,668	7,579,551	4,383,816	(1,400,281)

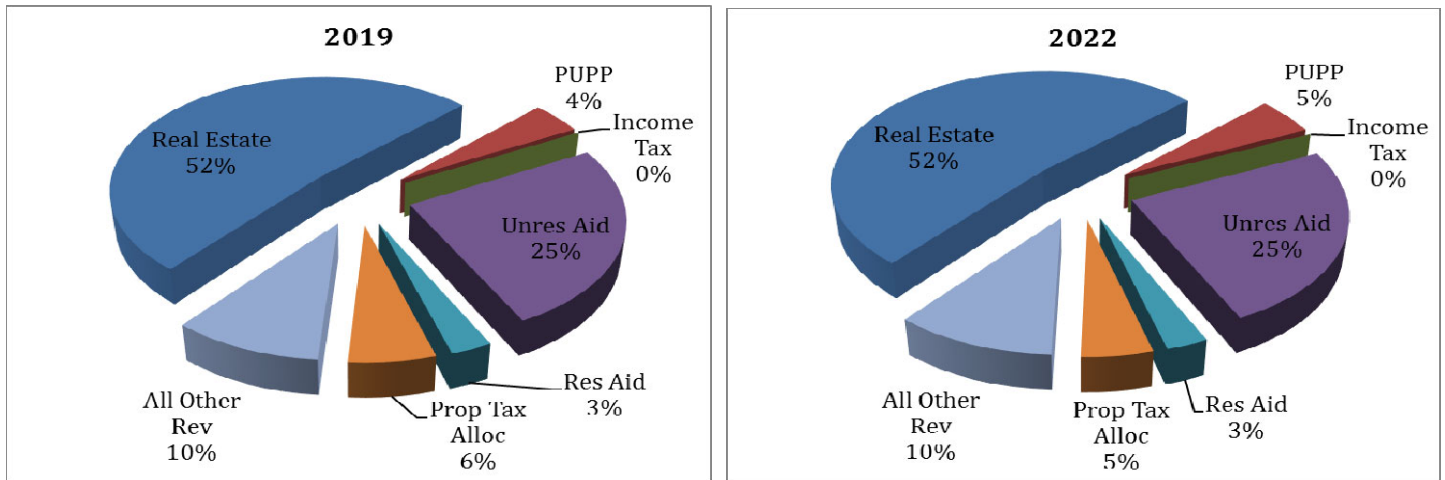
Our summary forecast shows us spending into our cash balance each year of the projected five year forecast. The first two years are by \$861,000 then \$613,000 and the third year by \$1.350 million, the last two years are worse. This includes renewing the expiring emergency levy.

The pink lines in the bar graph reflect an expiring emergency levy; at this time, it is the districts intention to renew that levy.

It is best to maintain our general fund cash balance at least \$7.3 million. We spend about \$83,000 per day. A cash balance of \$7.5 million would give us a cash reserve of about 90 days. Please keep in mind, when staff leaves us in May, we owe them 90 days of salary and benefits, for work already completed. It is reasonable to have a cash balance of 90 days to protect our position and guarantee salary and benefits to staff in the summer. Our forecast shows us dropping below that hoped for reserve at the end of the 2022 school year.

There is clear evidence that the existing emergency levy (approved in 2011) must be maintained in order to support the current level of services. While the levy is not required to be renewed until November, 2021, the district can consider a substitute levy strategy and propose it to voters sooner. The substitute levy strategy is the same that was employed in 2010 to renew emergency levies. District operating decisions will impact the timing of any additional levy requests. After working to balance revenue and expenditures in the next year, the levy replacement/renewal decision will be made.

Revenue Sources and Forecast Year-Over-Year Projected Overview



	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	
Revenue:							
1.010-Real Estate	1.77%	-2.23%	1.82%	0.64%	1.31%	0.45%	0.40%
1.020-Public Utility	5.60%	4.91%	6.51%	4.35%	4.51%	4.89%	5.03%
1.030-Income Tax	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.035-State Funding	-0.82%	-0.37%	-5.13%	0.15%	-4.82%	0.03%	-2.03%
1.040-Restricted Aid	430.65%	-0.17%	-0.63%	-1.49%	-4.74%	-0.35%	-1.47%
1.045-Restr Federal SFSF	-100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.050-Property Tax Alloc	-7.60%	-19.88%	-4.55%	-5.65%	-5.97%	-3.23%	-7.86%
1.060-All Other Operating	37.57%	-29.71%	-0.31%	1.08%	-1.89%	5.21%	-5.13%
1.070-Total Revenue	2.68%	-6.30%	-0.39%	0.33%	-0.88%	0.85%	-1.28%
2.070-Total Other Sources	62.10%	4.90%	-79.95%	0.00%	0.00%	0.00%	-15.01%
2.080-Total w/Other Srcs	2.74%	-5.75%	-4.70%	0.33%	-0.87%	0.84%	-2.03%

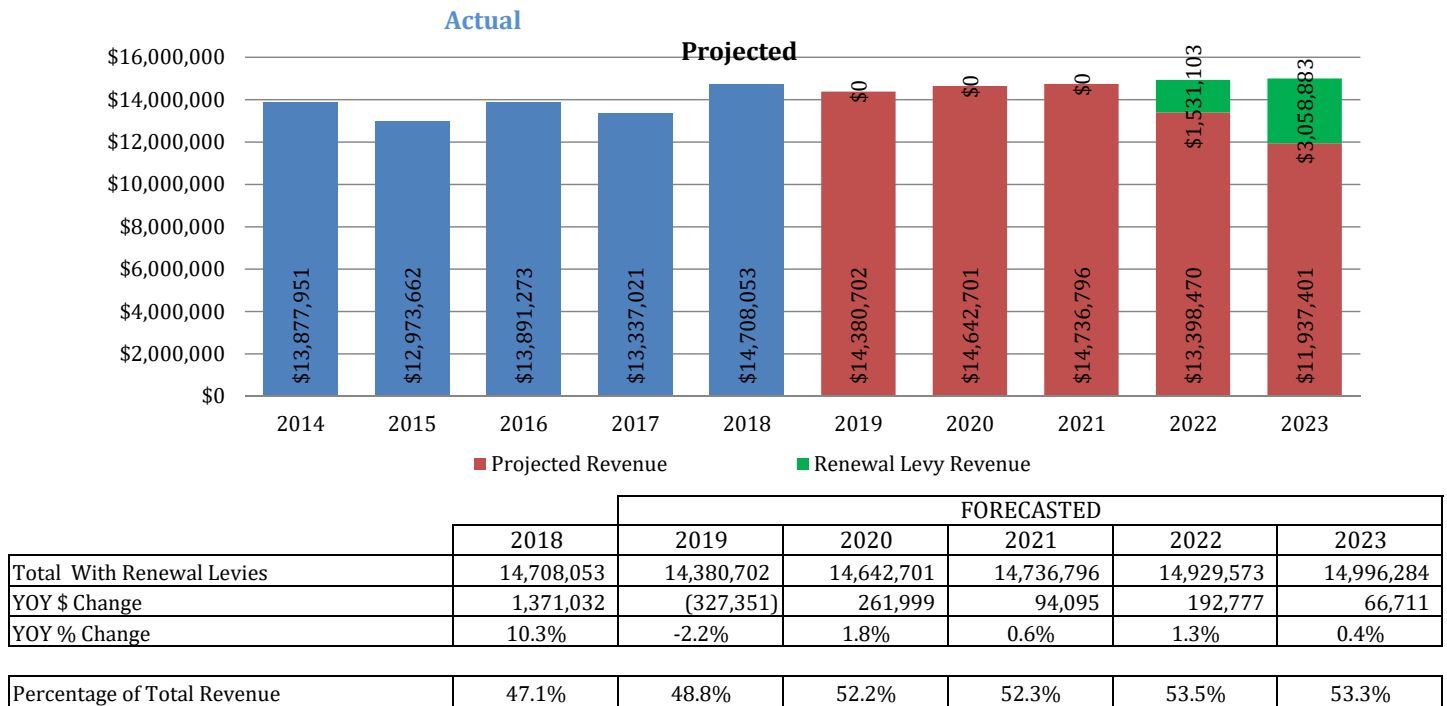
Real estate taxes provide 52% of the district's total revenue and that is expected to remain stable in the future. (Pie graph)

In the following graph, you will see we expect to see general fund revenues decline by 1.28% over the life of the forecast. This decrease is driven by state funding reductions. Increases in tax revenue cannot overcome the losses in state funding, including the complete loss of Tangible personal property tax allocations.

Total average increases in general fund revenues over the past five years were only 2.68%.

1.010 - General Property Tax (Real Estate)

Revenue collected from taxes levied by a school district by the assessed valuation of real property using effective tax rates for class I (residential/agricultural) and class II (business).



Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2017	385,620,570	41,901,050	39.95	(2.77)	43.00	(4.80)	100.0%
2018	387,395,210	1,774,640	40.44	0.50	43.11	0.11	98.9%
2019	388,426,752	1,031,542	40.70	0.26	43.35	0.24	98.1%
2020	407,593,383	19,166,630	39.37	(1.33)	41.93	(1.42)	97.8%
2021	409,732,743	2,139,360	39.57	0.20	42.14	0.21	97.8%
2022	411,957,743	2,225,000	39.53	(0.04)	42.11	(0.03)	97.3%

Nearly fifty cents of every revenue dollar is generated from local property taxes (pie graph).

Tax payer settlements cause the variances in the blue area of the bar graph. In 2015, the county issued a large refund to a taxpayer in response to the taxpayers' appeal of property values. That refund, nearly \$500,000 caused the drop in overall revenues in 2015. In 2017, prior delinquent collections dropped and caused the lower overall tax revenue in 2017. No future settlements are estimated in the forecast but will be reflected as they happen.

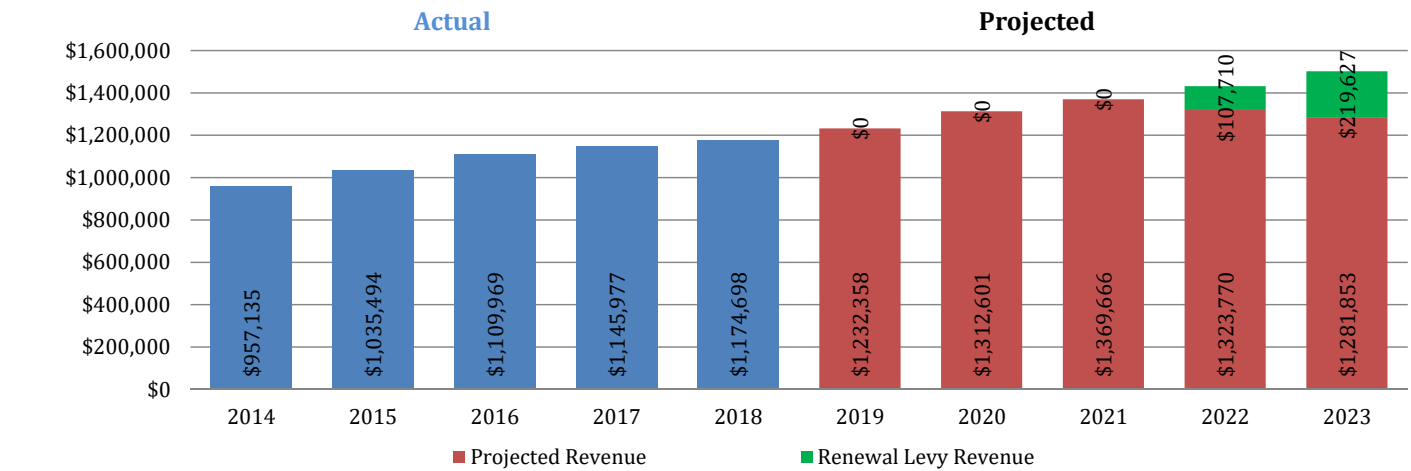
Tax revenue is estimated to increase slightly in the future. No new levies are estimated. In the green part of the bar graph, you will see the renewal of our current emergency levy.

The district continues to watch and protest valuation changes as well as defend our commercial property tax base. The goals of the district are not only to protect our tax revenue stream but to make sure our residential tax payers are not seeing increasingly burdensome taxes due to commercial abatements and valuation decreases. In 2020, Hamilton County will experience a revaluation of all properties. At that time, we expect to see large increases in property value which will effectively decrease our tax rate, again keeping revenues stable as was the intent of HB920. (no inflationary increases)

**Projected % trends include renewal levies*

1.020 - Public Utility Personal Property

Revenue generated from public utility personal property valuations multiplied by the district's full voted tax rate.



	2018	FORECASTED				
		2019	2020	2021	2022	2023
Total With Renewal Levies	1,174,698	1,232,358	1,312,601	1,369,666	1,431,480	1,501,480
YOY \$ Change	28,721	57,660	80,243	57,065	61,814	70,000
YOY % Change	2.5%	4.9%	6.5%	4.3%	4.5%	4.9%

Percentage of Total Revenue	3.8%	4.2%	4.7%	4.9%	5.1%	5.3%
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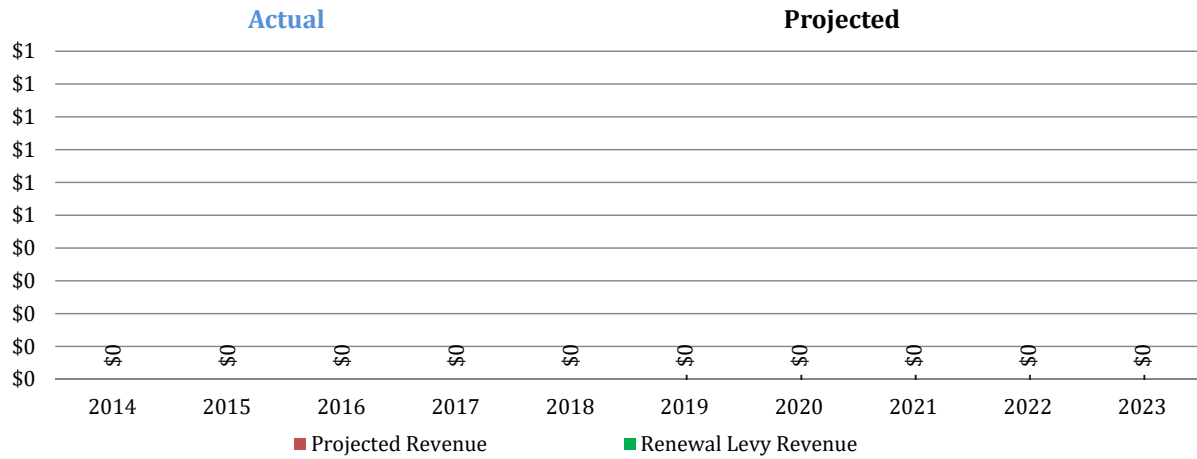
Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2017	20,438,400	1,215,850	58.61	(1.49)	100.0%
2018	21,647,370	1,208,970	58.99	0.38	100.0%
2019	22,710,586	1,063,216	59.19	0.20	100.0%
2020	23,826,962	1,116,377	58.55	(0.63)	100.0%
2021	24,999,158	1,172,195	58.71	0.16	100.0%
2022	26,179,158	1,180,000	58.64	(0.07)	100.0%

Public utility taxes are estimated to increase based on an average valuation increase of about 5% annually. Public utility taxes are a stable but small source of revenue for the district. The green bars show the loss of our emergency levy as it expires. It is the intention of the district, at this time, to renew that levy.

**Projected % trends include renewal levies*

1.030 - Income Tax

Revenue collected from income tax earmarked specifically to support schools with a voter approved tax by residents of the school district; separate from federal, state and municipal income taxes.



	2018	FORECASTED				
		2019	2020	2021	2022	2023
Total	-	-	-	-	-	-
YOY \$ Change	-	-	-	-	-	-
YOY % Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

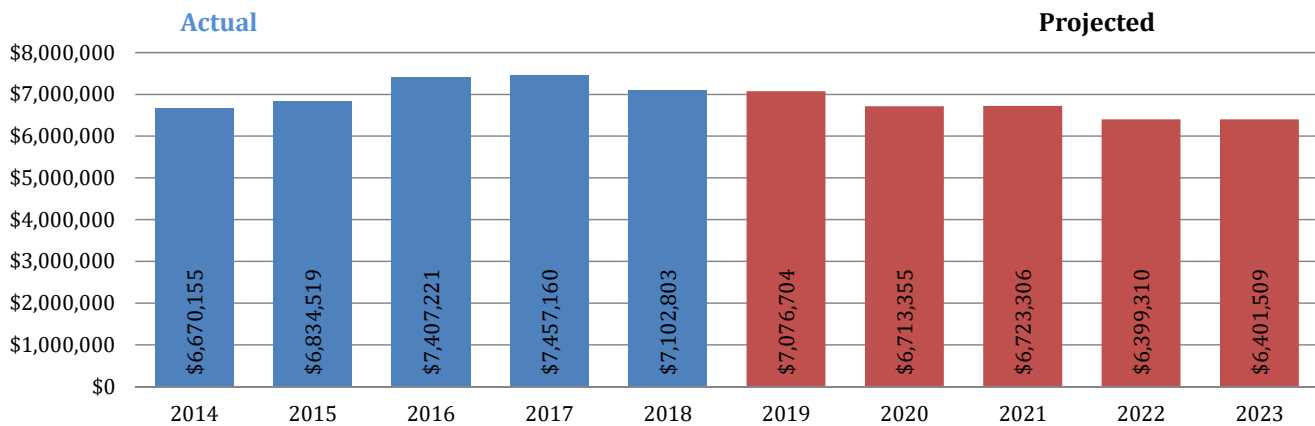
The district collects no income taxes from the taxpayers of Norwood.

**Projected % trends include renewal levies*

1.035 - Unrestricted Grants-in-Aid

1.0

Funds received through the State Foundation Program with no restriction.



	2018	FORECASTED				
		2019	2020	2021	2022	2023
Total	7,102,803	7,076,704	6,713,355	6,723,306	6,399,310	6,401,509
YOY \$ Change	(354,357)	(26,099)	(363,349)	9,951	(323,996)	2,199
YOY % Change	-4.8%	-0.4%	-5.1%	0.1%	-4.8%	0.0%
Percentage of Total Revenue	22.7%	24.0%	23.9%	23.9%	22.9%	22.7%
Core Funding Per Pupil	6,010	6,020	6,020	6,020	6,100	6,100
State Share Index (SSI)	41.4%	41.4%	36.9%	36.9%	35.0%	35.0%
State Core Funding Per Pupil	2,491	2,495	2,222	2,222	2,137	2,137
Formula ADM (Funded Student Count)	2,020	1,951	1,927	1,896	1,881	1,871
Funding Status	Guarantee	Guarantee	Guarantee	Guarantee	Guarantee	Guarantee

State funding makes up only 24% of Norwood's total funding.

State funding is expected to decrease due to falling student counts and expected losses to the guarantee. You will see Norwood city schools is on the guarantee every year of the forecast as are the majority of districts in the State of Ohio. This again emphasizes the need for a new, fair funding formula based on actual costs to educate children in Ohio.

Current law is the basis for my estimated revenue for state funding. Page 26 of the assumptions spells out the effects of a new fair funding formula on the district if indeed the formula is made law for FY20 and following.

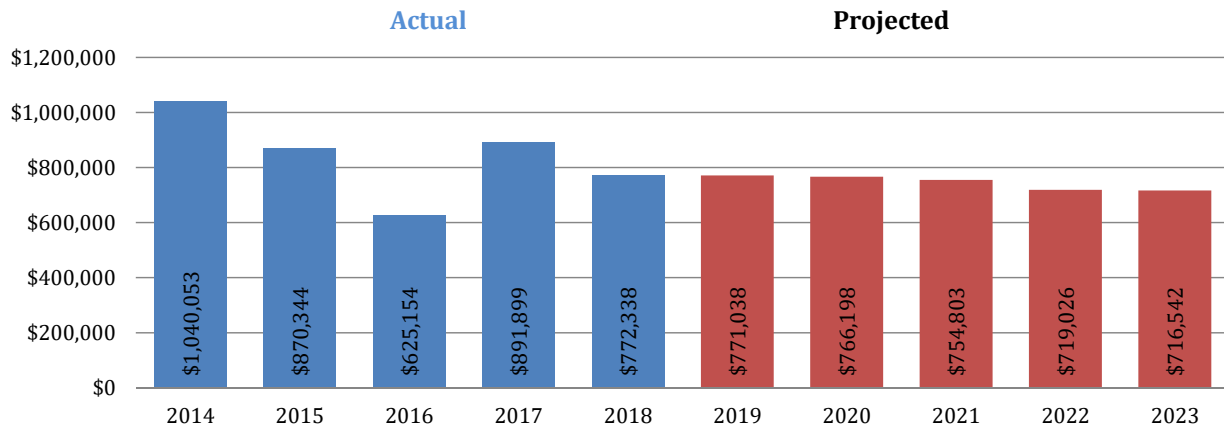
03 - Unrestricted Grants-in-Aid

	2018	2019	2020	2021	2022	2023
Funding Status	Guarantee	Guarantee	Guarantee	Guarantee	Guarantee	Guarantee
Formula ADM	2,019.52	1,950.91	1,927.20	1,895.93	1,880.55	1,871.41
State Share Index	41.4%	41.4%	36.9%	36.9%	35.0%	35.0%
State Core Funding Per Pupil	\$2,491	\$2,495	\$2,222	\$2,222	\$2,137	\$2,137
GUARANTEE	\$ 115,352	\$317,979	\$557,517	\$710,471	\$583,368	\$534,563
Guarantee as % of Foundation Funding	1.5%	4.4%	8.4%	11.0%	9.3%	8.5%
# of ADM to come off Guarantee	31.42	86.24	163.39	209.76	177.08	160.17
CAPPED						
Unfunded Cap as % of Foundation Funding						
# of ADM to drop below Cap						
FORMULA FUNDED:						
# of ADM to reach Cap						
# of ADM to drop to Guarantee						

Currently, we would need to enroll more than 86 students to be off the guarantee funding and onto the formula. This number increases throughout the forecast. Most districts in the state are on formula funding. This again emphasizes the need for a new, fair funding formula based on actual costs to educate children in Ohio

1.040 & 1.045 - Restricted Grants-in-Aid

Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.

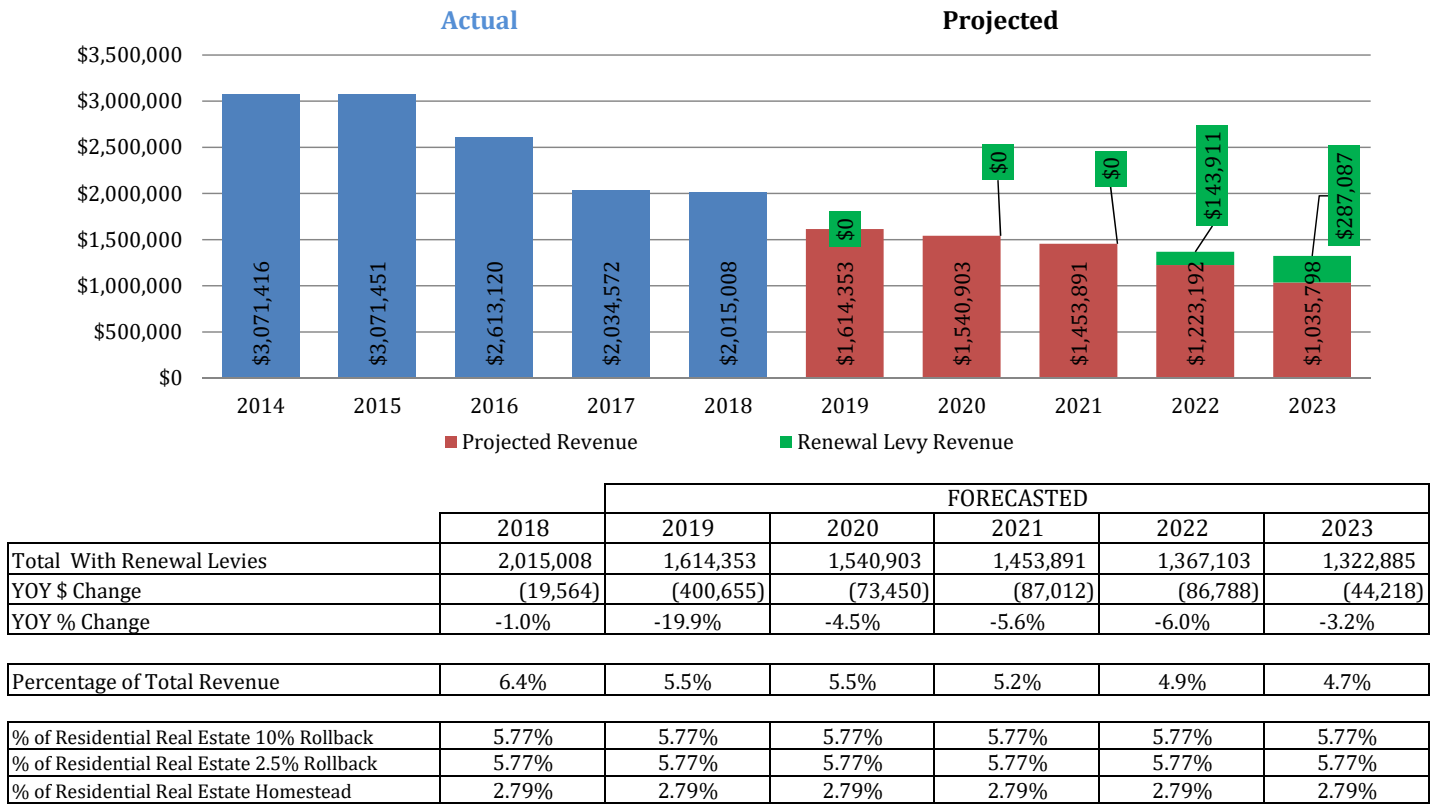


	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	772,338	771,038	766,198	754,803	719,026	716,542
YOY \$ Change	(119,561)	(1,300)	(4,840)	(11,395)	(35,777)	(2,484)
YOY % Change	-13.4%	-0.2%	-0.6%	-1.5%	-4.7%	-0.3%
Percentage of Total Revenue	2.5%	2.6%	2.7%	2.7%	2.6%	2.5%
Economic Disadvantaged Funding	771,539	765,235	759,998	748,603	712,826	710,342
Percentage of Disadvantaged Students	69.0%	69.1%	70.0%	70.0%	69.0%	69.0%

This state funding source is restricted to its use and therefore is separate from regular state funding. The funds are used for additional educational supports for economically disadvantaged students. Restricted state funding is expected to decrease again due to falling student counts and expected reductions to guarantee provisions in the law

1.050 - Property Tax Allocation

Includes funds received for Tangible Personal Property Tax Reimbursement, Electric Deregulation, Homestead and Rollback.



This category is additional revenue from the state that replaces two different kinds of tax revenue.

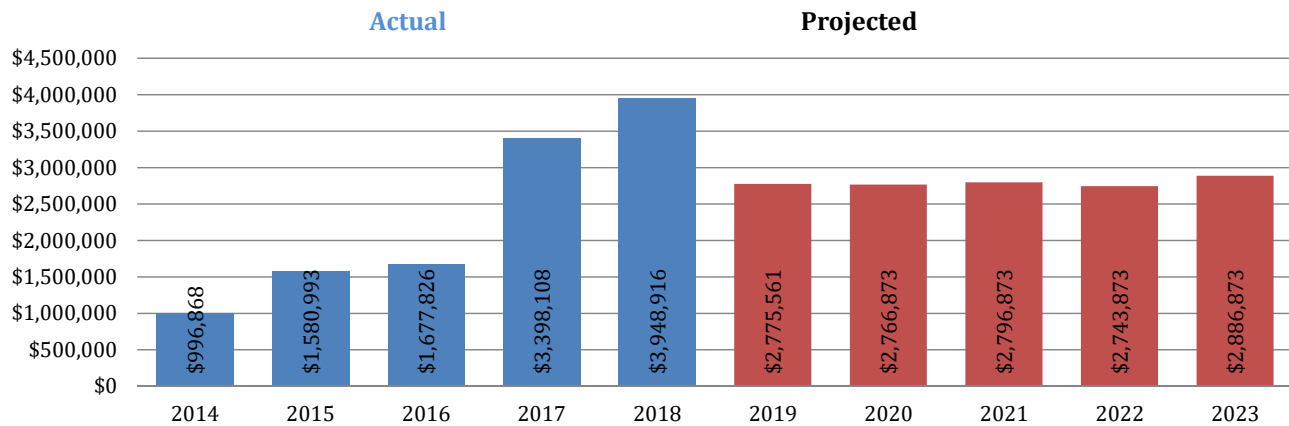
1. In the past, we received Personal Property Tax from business based on equipment and inventory. That tax was discontinued years ago. The state revenue to replace that lost tax is being phased out also. In fiscal year 12, we received \$2,240,844 in TPP replacement funding. In 2022, we expect to receive \$50,242 and the following year it will all be gone.
2. This revenue category also includes the state's reimbursement for residential real estate tax credits known as Rollback and Homestead. For all new levies, Rollback and Homestead payments will not be reimbursed to the district.

You will see in the bar graph how far this revenue has dropped and is expected to continue to fall. The green bars show the loss of our emergency levy as it expires. It is the intention of the district, at this time, to renew that levy.

**Projected % trends include renewal levies*

1.060 - All Other Operating Revenues

Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.



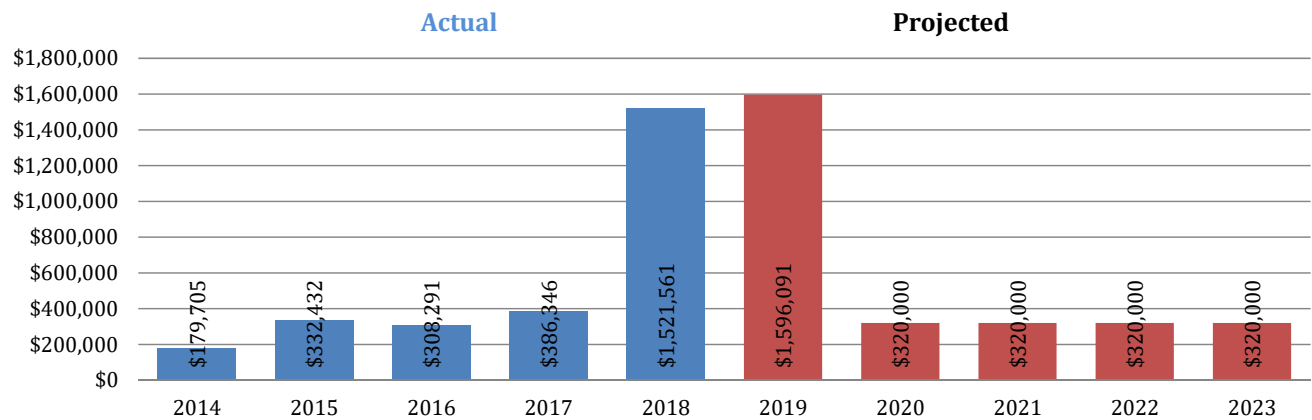
	2018	FORECASTED				
		2019	2020	2021	2022	2023
Total	3,948,916	2,775,561	2,766,873	2,796,873	2,743,873	2,886,873
YOY \$ Change	550,808	(1,173,355)	(8,688)	30,000	(53,000)	143,000
YOY % Change	16.2%	-29.7%	-0.3%	1.1%	-1.9%	5.2%
Percentage of Total Revenue	12.6%	9.4%	9.9%	9.9%	9.8%	10.3%

The largest source of “other revenue” is payments in lieu of taxes. In FY2018, the district received \$1,773,446 in Tax Incentive Payments (TIF) from area business taxpayers. It is expected that amount will remain stable in the forecast, but see below. Any future new business agreements will be reflected in revenues in future forecasts. This revenue source is complex and is monitored (by district bond legal counsel) because of the relationship of the district’s revenue received relative to the property owner’s payment, and the City of Norwood’s debt payments.

The Board of Education authorized independent appraisal of the property values of many of the TIF’d properties in March, 2018. The TIF revenue will not meet expectations unless the values are representative of the developer’s originally proposed market value. The district has seen appraisals come back in the district’s favor and believes after the appeals conclude that valuations will be higher than the county values before the appraisals. Values in the forecast will be updated after the appeal process. Pending these valuation appeals, TIF revenue could grow in the range of \$300,000 to \$400,000 annually.

2.070 - Total Other Financing Sources

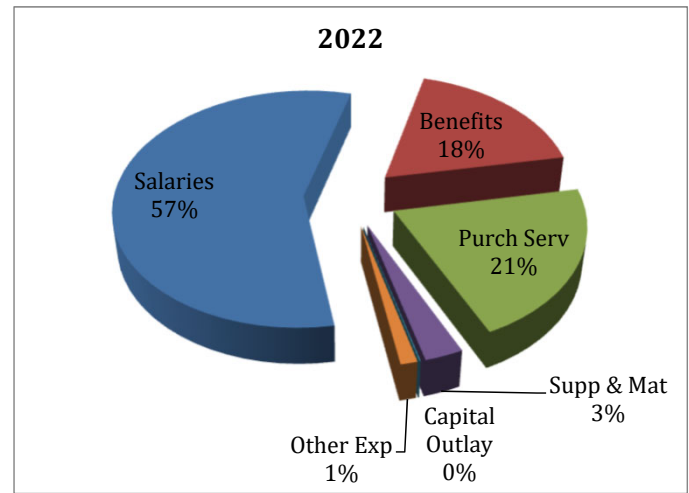
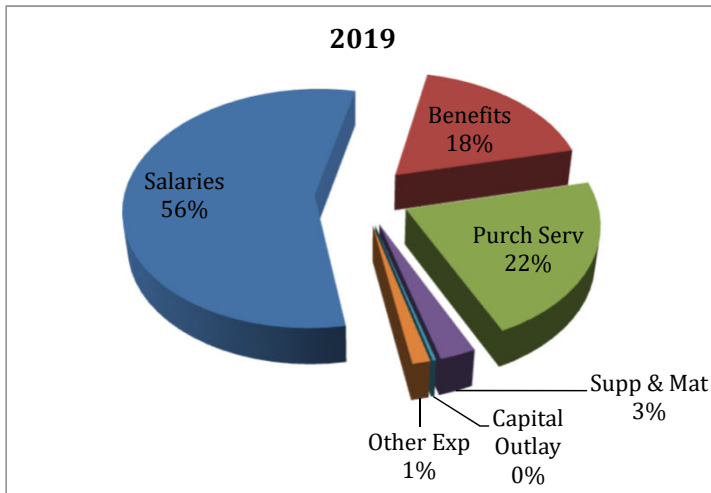
Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.



	2018	FORECASTED				
		2019	2020	2021	2022	2023
Total	1,521,561	1,596,091	320,000	320,000	320,000	320,000
YOY \$ Change	1,135,215	74,530	(1,276,091)	-	-	-
YOY % Change	293.8%	4.9%	-80.0%	0.0%	0.0%	0.0%
Percentage of Total Revenue	4.9%	5.4%	1.1%	1.1%	1.1%	1.1%
Transfers In	952,882	-	-	-	-	-
Advances In	313,802	1,179,448	-	-	-	-

The largest source for “other financing sources” would be the repayment of advances. In the past, Federal grant funds needed advances and then provided repayment more than any other fund. Currently our procedures have changed so that advances aren’t needed as often. Much fewer advances and repayments are projected for future years.

Expenditure Categories and Forecast Year-Over-Year Projected Overview



	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	
Expenditures:							
3.010-Salaries	3.06%	5.57%	2.28%	2.74%	2.00%	4.23%	3.36%
3.020-Benefits	1.63%	8.37%	0.48%	3.35%	1.99%	5.37%	3.91%
3.030-Purchased Services	2.94%	0.74%	1.29%	3.51%	-2.04%	0.41%	0.78%
3.040-Supplies & Materials	6.55%	-8.38%	8.76%	1.25%	3.90%	3.34%	1.78%
3.050-Capital Outlay	-28.04%	180.26%	-66.81%	0.00%	0.00%	0.00%	22.69%
3.060-Intergov	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.010-4.060-Debt	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.300-Other Objects	1.11%	-4.25%	-0.53%	1.21%	-0.17%	-0.18%	-0.78%
4.500-Total Expenditures	2.54%	4.56%	1.71%	2.95%	1.15%	3.55%	2.79%
5.040-Total Other Uses	25.09%	0.58%	-79.13%	0.00%	-92.79%	0.00%	-34.27%
5.050-Total w/Other Uses	0.57%	4.20%	-5.38%	2.89%	-0.62%	3.55%	0.93%

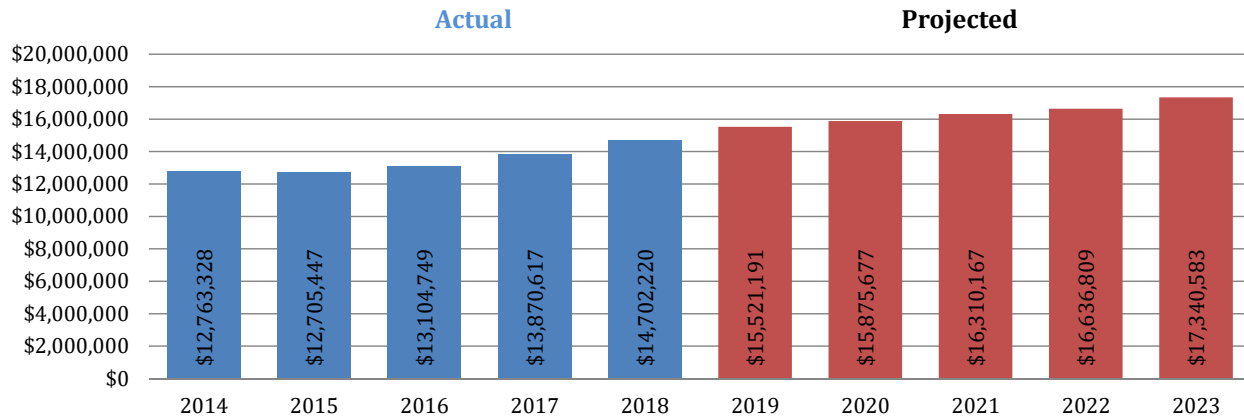
Payroll and benefits make up 74% of Norwood City School's budget for the current year. That percentage is expected to increase rapidly despite the planned staffing reductions. Other uses is expected to decrease (transfers and advances) (pie graph)

Operating expenses for the general fund grew by 2.54% in the past five years. We project an increase of 2.79% for future five years.

Capital Outlay is a very small expense of the general fund despite showing large increases in one year that bloated the five year average. Most Capital Outlay costs are provided from the permanent improvement levy, see that forecast page 25.

3.010 - Personnel Services

Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.



	2018	FORECASTED				
		2019	2020	2021	2022	2023
Total	14,702,220	15,521,191	15,875,677	16,310,167	16,636,809	17,340,583
YOY \$ Change	831,603	818,971	354,486	434,490	326,642	703,774
YOY % Change	6.0%	5.6%	2.3%	2.7%	2.0%	4.2%
Percentage of Total Budget	50.5%	51.2%	55.4%	55.3%	56.7%	57.1%

Salaries are 56% of the district's total budget for the current year. Salaries increased 6% last year and 5.6% this year. As the district starts reducing staff counts, based on reduced student counts, those increases will drop.

In the forecast, the following assumptions are made regarding staff counts:

FY20 will have 9 fewer staff members

FY21 will have 7 fewer staff members

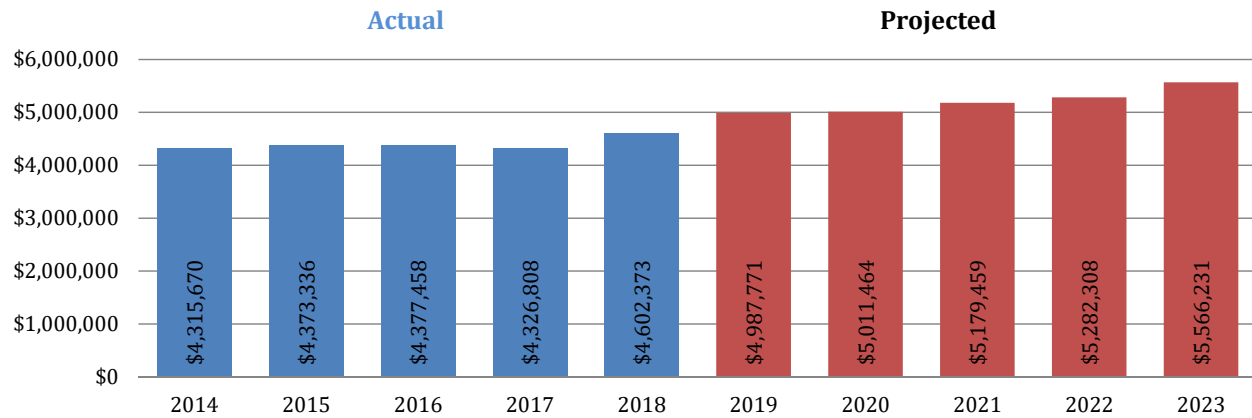
FY22 will have 11 fewer staff members

If these reductions via attrition are not accomplished, the forecast will have to be restated as costs will be much higher.

Pay increases are based on actual union agreements, if settled, otherwise increases are based on history.

3.020 - Employees' Benefits

Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.



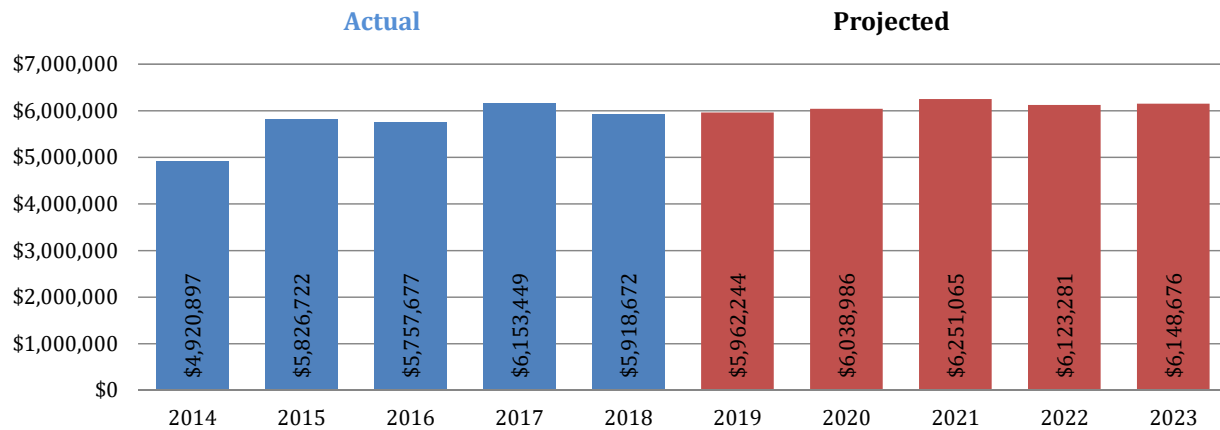
	2018	FORECASTED				
		2019	2020	2021	2022	2023
Total	4,602,373	4,987,771	5,011,464	5,179,459	5,282,308	5,566,231
YOY \$ Change	275,565	385,398	23,693	167,995	102,849	283,923
YOY % Change	6.4%	8.4%	0.5%	3.4%	2.0%	5.4%
Percentage of Total Budget	15.8%	16.5%	17.5%	17.6%	18.0%	18.3%

This category makes up 18% of the district's total budget. Last year benefits increased 6.4% and this year benefits increased over 8.4%. These increases were led by a 10% increase in health insurance premiums and salary driven increases in retirement and other employer costs for the current year. Additional increases came as higher than expected insurance enrollment for staff. The district participates in the Greater Cincinnati Insurance Consortium (GCIC). After the 10% increase in health insurance for FY19, we expect a 2.2% increase in FY20 and have projected 8% for each year of the forecast thereafter. The board cost for Health, Dental, and Life Insurance in FY19 was over \$2,200,000.

All employees groups have increased their percentage of health insurance premiums to at least 20%. Reductions in staff counts are also assumed to reduce enrollment in insurance programs.

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.



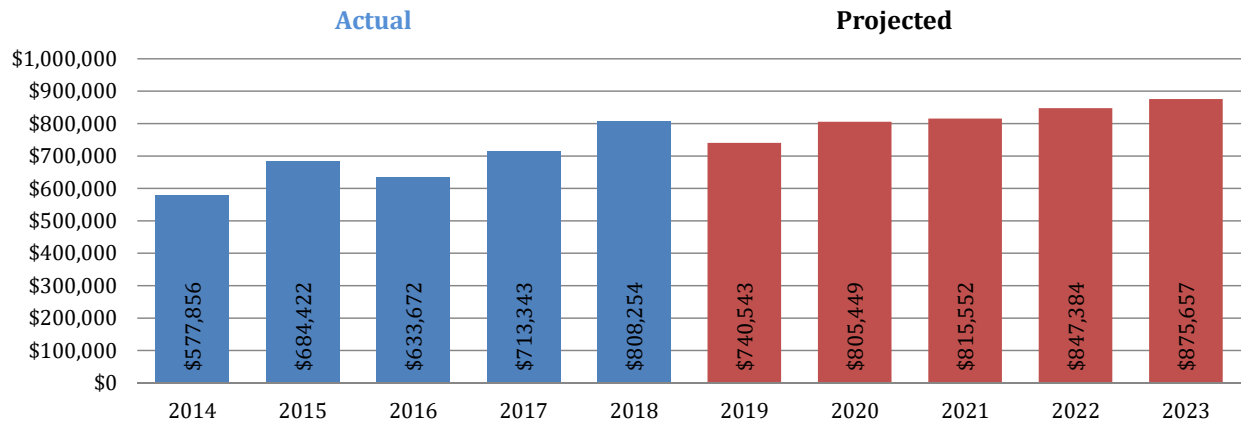
	2018	FORECASTED				
		2019	2020	2021	2022	2023
Total	5,918,672	5,962,244	6,038,986	6,251,065	6,123,281	6,148,676
YOY \$ Change	(234,777)	43,572	76,742	212,079	(127,784)	25,395
YOY % Change	-3.8%	0.7%	1.3%	3.5%	-2.0%	0.4%
Percentage of Total Budget	20.3%	19.7%	21.1%	21.2%	20.9%	20.2%

Purchase services comes in at 22% of the district's total budget. That number is high as we are a small school and take advantage of the County ESC for some services that we cannot provide ourselves. This allows us to purchase part of a service rather than hire a full time person when economies of scale don't permit.

We expect purchase services to increase just .8% over the next five years after increasing nearly 3% the past five years. Of course, keep in mind that almost 35% of our purchase services budget are costs related to educating special education students that cannot be serviced in our district. Nearly 20% of our purchase service costs are deductions from the State of Ohio for SCHOOL Choice. That means that over 55% of this category are simply costs that the district cannot control due to mandates directing our budget. In addition, we could see large increases in those categories without any way to control them; the forecast will be updated if those large increases happen. In contrast, our custodial costs, repairs, utilities, staff training, etc. are well controlled. Though we do expect increases in electricity as we transition to an air conditioned campus.

3.040 - Supplies & Materials

Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.

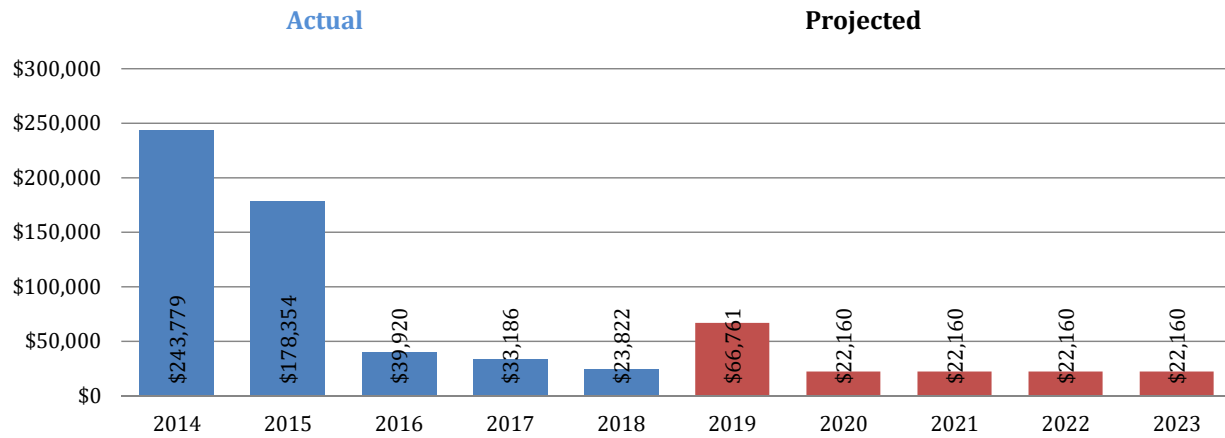


	2018	FORECASTED				
		2019	2020	2021	2022	2023
Total	808,254	740,543	805,449	815,552	847,384	875,657
YOY \$ Change	94,911	(67,711)	64,906	10,103	31,832	28,273
YOY % Change	13.3%	-8.4%	8.8%	1.3%	3.9%	3.3%
Percentage of Total Budget	2.8%	2.4%	2.8%	2.8%	2.9%	2.9%

Supplies, just 3% of our total budget, are well controlled. We have seen 2.8% increases in the total past five years and expect about the same for the next five years. Increases come in the form of textbooks (electronic versions and software) and parts and supplies for building maintenance.

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, and buses.



	2018	FORECASTED				
		2019	2020	2021	2022	2023
Total	23,822	66,761	22,160	22,160	22,160	22,160
YOY \$ Change	(9,364)	42,939	(44,601)	-	-	-
YOY % Change	-28.2%	180.3%	-66.8%	0.0%	0.0%	0.0%
Percentage of Total Budget	0.1%	0.2%	0.1%	0.1%	0.1%	0.1%

Capital Outlay has a very small footprint on the general fund budget. The district has a permanent improvement fund that supplies almost all capital equipment needs like major repairs to buildings and technology equipment. See the detailed analysis of the permanent improvement fund on page 25 of these assumptions.

3.060-4.060 - Intergovernmental & Debt

These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.

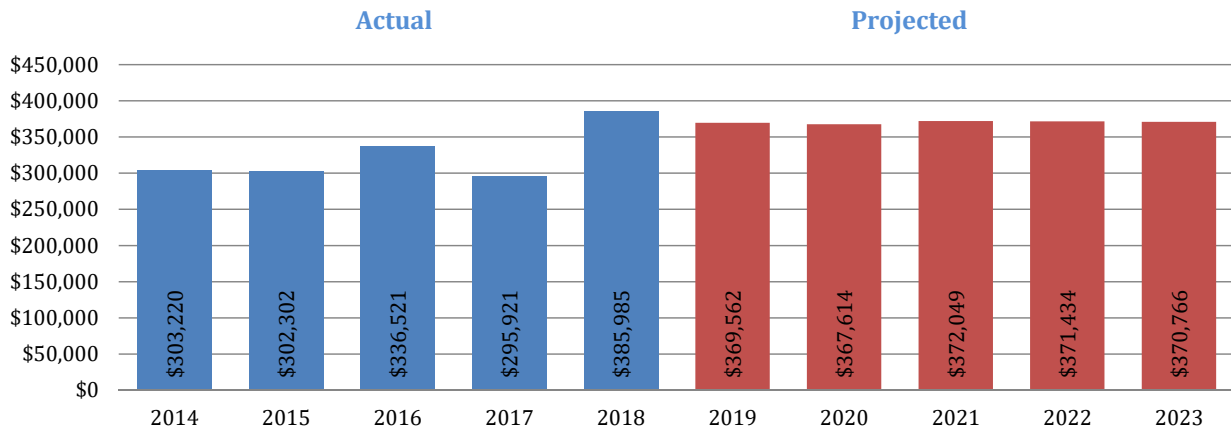
Year	Actual	Projected
2014	\$0	
2015	\$0	
2016	\$0	
2017	\$0	
2018	\$0	
2019	\$0	
2020		\$0
2021		\$0
2022		\$0
2023		\$0

		FORECASTED				
	2018	2019	2020	2021	2022	2023
Total	-	-	-	-	-	-
YOY \$ Change	-	-	-	-	-	-
YOY % Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Budget	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

No debt is paid directly from the general fund. However, transfers are made from the general fund to the debt service fund to make payments for a 2004 debt issue that matures in FY2022.

4.300 - Other Objects

Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.

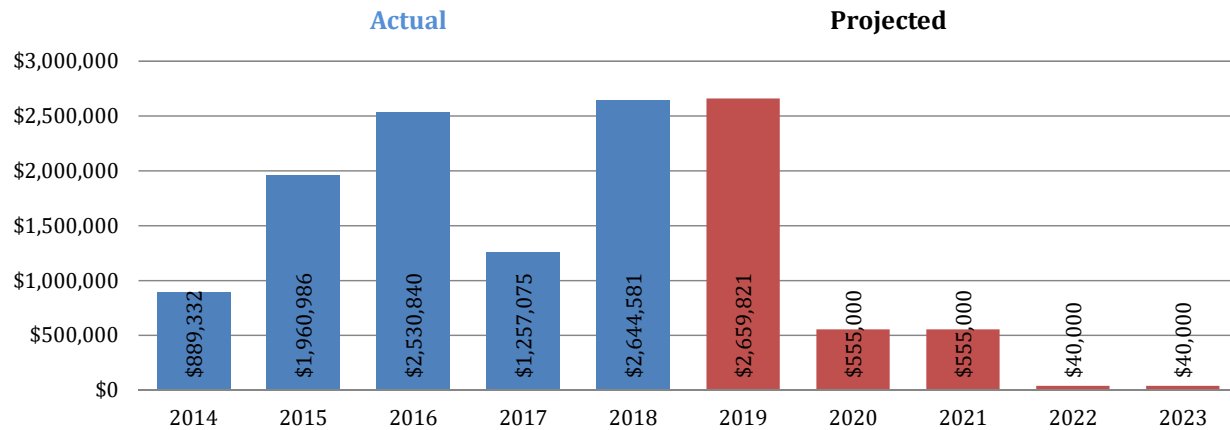


	2018	FORECASTED				
		2019	2020	2021	2022	2023
Total	385,985	369,562	367,614	372,049	371,434	370,766
YOY \$ Change	90,064	(16,423)	(1,948)	4,435	(615)	(668)
YOY % Change	30.4%	-4.3%	-0.5%	1.2%	-0.2%	-0.2%
Percentage of Total Budget	1.3%	1.2%	1.3%	1.3%	1.3%	1.2%

While less than 1.5% of the total budget, other objects are expected to grow in response to year over year inflationary pressures. The largest component of this category is the payments to Hamilton County Auditor/Treasurer fees for tax billing and collection services.

5.040 - Total Other Financing Uses

Operating transfers-out, advances out to other funds, and all other general fund financing uses.



	2018	FORECASTED				
		2019	2020	2021	2022	2023
Total	2,644,581	2,659,821	555,000	555,000	40,000	40,000
YOY \$ Change	1,387,506	15,240	(2,104,821)	-	(515,000)	-
YOY % Change	110.4%	0.6%	-79.1%	0.0%	-92.8%	0.0%

Percentage of Total Budget	9.1%	8.8%	1.9%	1.9%	0.1%	0.1%
Transfers Out	1,052,813	2,026,342	505,000	505,000	40,000	40,000
Advances Out	1,556,064	633,479	50,000	50,000	-	-

This category provides transfers and advances to other funds to either meet debt payments or to provide state auditor regulated positive cash balances.

The district plans to continue the transfer for debt service, see page 20, of \$465,000 for two more years, until debt matures. After a \$1,000,000 transfer in June of 2019 to permanent improvement for technology equipment, the district will discontinue future transfers to PI. What will remain is small transfers from the general fund to other funds at year end for compliance, estimated to be \$40,000. We anticipate further advances to food service of \$50,000 annually as the cafeteria struggles to make a profit with crippling mandates regarding food choices. Any further transfer/advance needs will need to be documented in the forecast as needed.

NORWOOD CITY SCHOOL DISTRICT

Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2018	2019	2020	2021	2022	2023
Revenue:						
1.010 - General Property Tax (Real Estate)	14,708,053	14,380,702	14,642,701	14,736,796	13,398,470	11,937,401
1.020 - Public Utility Personal Property	1,174,698	1,232,358	1,312,601	1,369,666	1,323,770	1,281,853
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	7,102,803	7,076,704	6,713,355	6,723,306	6,399,310	6,401,509
1.040 - Restricted Grants-in-Aid	772,338	771,038	766,198	754,803	719,026	716,542
1.050 - Property Tax Allocation	2,015,008	1,614,353	1,540,903	1,453,891	1,223,192	1,035,798
1.060 - All Other Operating Revenues	3,948,916	2,775,561	2,766,873	2,796,873	2,743,873	2,886,873
1.070 - Total Revenue	29,721,816	27,850,716	27,742,631	27,835,335	25,807,641	24,259,976
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	952,882	-	-	-	-	-
2.050 - Advances-In	313,802	1,179,448	-	-	-	-
2.060 - All Other Financing Sources	254,877	416,643	320,000	320,000	320,000	320,000
2.070 - Total Other Financing Sources	1,521,561	1,596,091	320,000	320,000	320,000	320,000
2.080 - Total Rev & Other Sources	31,243,376	29,446,807	28,062,631	28,155,335	26,127,641	24,579,976
Expenditures:						
3.010 - Personnel Services	14,702,220	15,521,191	15,875,677	16,310,167	16,636,809	17,340,583
3.020 - Employee Benefits	4,602,373	4,987,771	5,011,464	5,179,459	5,282,308	5,566,231
3.030 - Purchased Services	5,918,672	5,962,244	6,038,986	6,251,065	6,123,281	6,148,676
3.040 - Supplies and Materials	808,254	740,543	805,449	815,552	847,384	875,657
3.050 - Capital Outlay	23,822	66,761	22,160	22,160	22,160	22,160
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	385,985	369,562	367,614	372,049	371,434	370,766
4.500 - Total Expenditures	26,441,325	27,648,072	28,121,350	28,950,452	29,283,376	30,324,073
Other Financing Uses						
5.010 - Operating Transfers-Out	1,052,813	2,026,342	505,000	505,000	40,000	40,000
5.020 - Advances-Out	1,556,064	633,479	50,000	50,000	-	-
5.030 - All Other Financing Uses	35,704	-	-	-	-	-
5.040 - Total Other Financing Uses	2,644,581	2,659,821	555,000	555,000	40,000	40,000
5.050 - Total Exp and Other Financing Uses	29,085,906	30,307,893	28,676,350	29,505,452	29,323,376	30,364,073
6.010 - Excess of Rev Over/(Under) Exp	2,157,470	(861,086)	(613,719)	(1,350,117)	(3,195,735)	(5,784,097)
7.010 - Cash Balance July 1 (No Levies)	8,247,003	10,404,473	9,543,387	8,929,668	7,579,551	4,383,816
7.020 - Cash Balance June 30 (No Levies)	10,404,473	9,543,387	8,929,668	7,579,551	4,383,816	(1,400,281)
		Reservations				
8.010 - Estimated Encumbrances June 30	-	200,000	200,000	200,000	200,000	200,000
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	10,404,473	9,343,387	8,729,668	7,379,551	4,183,816	(1,600,281)
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Renewal Levies	-	-	-	-	1,782,724	3,565,597
11.030 - Cumulative Balance of Levies	-	-	-	-	1,782,724	5,348,321
12.010 - Fund Bal June 30 for Cert of Obligations	10,404,473	9,343,387	8,729,668	7,379,551	5,966,540	3,748,040
Revenue from New Levies						
13.010 & 13.020 - New Levies	-	-	-	-	-	12,816
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	12,816
15.010 - Unreserved Fund Balance June 30	10,404,473	9,343,387	8,729,668	7,379,551	5,966,540	3,760,856

Prior year forecast comparison

Forecast Compare - Compares Previous Forecast to Current Forecast

NORWOOD CITY SCHOOL DISTRICT

For Fiscal Year: 2019

Forecasted as of:

10/30/2018

4/29/2019

*Includes Renewal Levy Revenue in Lines 1.01, 1.02, 1.03, and 1.05

Revenue:	Fiscal Year 2019	Fiscal Year 2019	Dollar Difference	Percentage Variance	Revenue Variance Notes:
1.010 - General Property Tax (Real Estate)	14,242,317	14,380,702	138,385	0.97%	Property taxes came in about 1% higher than expected due to higher delinquent collections.
1.020 - Public Utility Personal Property	1,229,302	1,232,358	3,056	0.25%	
1.030 - Income Tax	-	-	-	0	State funding was on target.
1.035 - Unrestricted Grants-in-Aid	7,086,569	7,076,704	(9,865)	-0.14%	
1.040 - Restricted Grants-in-Aid	768,255	771,038	2,783	0.36%	Property tax allocations are slightly lower than expected in October as are All Other Operating Revenues.
1.045 - Restricted Federal Grants-in-Aid - SFSF	-	-	-	0	
1.050 - Property Tax Allocation	1,633,506	1,614,353	(19,153)	-1.17%	
1.060 - All Other Operating Revenues	2,793,334	2,775,561	(17,773)	-0.64%	
1.070 - Total Revenue	27,753,283	27,850,716	97,433	0.35%	
2.070 - Total Other Financing Sources	1,596,121	1,596,091	(30)	0.00%	
2.080 - Total Revenues and Other Financing Sources	29,349,404	29,446,807	97,403	0.33%	
Expenditures:					Expenditure Variance Notes:
3.010 - Personnel Services	15,564,070	15,521,191	(42,879)	-0.28%	We saw savings in Personnel Services due to attrition throughout the year.
3.020 - Employees' Retirement/Insurance Benefits	4,828,358	4,987,771	159,413	3.30%	
3.030 - Purchased Services	6,308,168	5,962,244	(345,924)	-5.48%	Benefits exceeded our budget due to increased enrollment in health insurance.
3.040 - Supplies and Materials	798,713	740,543	(58,170)	-7.28%	
3.050 - Capital Outlay	61,711	66,761	5,050	8.18%	We saw savings in Purchase Services.
3.060 - Intergovernmental	-	-	-	0	
4.010 - 4.060 - Principal, Interest & Fiscal Charges	-	-	-	0	We saw savings in Supplies.
4.300 - Other Objects	408,930	369,562	(39,368)	-9.63%	
4.500 - Total Expenditures	27,969,950	27,648,072	(321,878)	-1.15%	We exceeded our very small Capital Outlay budget due to PACE needs. Other objects we saw savings.
5.040 - Total Other Financing Uses	1,524,821	2,659,821	1,135,000	74.43%	
5.050 - Total Expenditures and Other Financing Uses	29,494,771	30,307,893	813,122	2.76%	
				0	
6.010 - Revenue Surplus/(Shortfall) - Line 2.080, Less 5.050	(145,367)	(861,086)	(715,719)	-2.4%*	
7.010 - Cash Balance at Beginning of Year	10,404,473	10,404,473	-	0%*	
7.020 - Cash Balance at End of Year [Line 7.010 +/- Line 6.010]	10,259,106	9,543,387	(715,719)	-2.4%*	
				*Percentage expressed in terms of total expenditures	
11.010 + 11.020 - Projected Renewal & Replacement Levies [Lines 1.010, 1.020, 1.030, 1.050, 1.070, 2.080]	-	-	-	0	
13.010 + 13.020 - Projected New Levies [Lines 1.010, 1.020, 1.030, 1.050, 1.070, 2.080]	-	-	-	0	
11.030 - Cumulative Projected Renewal/Replacement Levies	-	-	-	0	
13.030 - Cumulative Projected New Levies	-	-	-	0	
8.010 - End of Year Outstanding Purchase Orders	-	200,000	200,000	0	

Permanent Improvement Levy (Fund) Analysis

Permanent Improvement Levy (Fund) Analysis

As part of the November, 2016 Building project levy strategy, taxpayers approved a bond levy and a continuing permanent improvement levy. The purpose of the PI levy was twofold. First it served as the revenue stream to support \$10,000,000 of the \$41,000,000 in borrowing needed (\$31 million was directly supported by the bond levy) to fulfill the district wide remodeling project budget. Secondly, the PI levy provides revenue to help offset the general fund capital-related expenditures such as technology, instructional equipment, capital improvements and textbook needs, etc. This offset in expenditures helps to extend the district's timeframe before an additional operational levy is needed.

Permanent Improvement Fund Budgeting					
FY2019					
Cash Balance July 1,	Tax revenue	Other Revenue	Transfers in	Expected expenditures	FY ending balance
\$ 3,809,878	\$ 960,746	\$ 21,972	\$1,424,000	\$ 630,675	\$ 5,585,921
FY2020					
\$ 5,585,921	\$ 984,765	\$ 23,500	\$ -	\$1,767,000	\$ 4,827,186
FY2021					
\$ 4,827,186	\$ 1,034,770	\$ 23,500	\$ -	\$ 835,800	\$ 5,049,656

The table to the left assumes the general fund will transfer \$1,424,000 in FY2019 to the PI fund. From the PI fund, we have estimated the district will spend \$630,675 in FY19, \$1,767,000 in FY20 and \$835,800 in FY21. The district plans to replace most of the students' aging Chromebooks in the summer of 19 which caused the large variance. It is our plan that, with the projected revenue and spending estimates, the district will see growth in the PI fund and that the balance will be approximately \$5,000,000 at the end of FY21. The scenario to the left

could provide revenue to service the \$10,000,000 remodeling project debt needed. Transfers have been stopped in FY20 and future in order to provide additional sustainability to the district's general fund.

Potential Fair Funding Formula affect on Norwood Five Year Forecast

Fair school funding Plan possible effect on Norwood forecast

Forecast using SFPR funding formula estimates (Current Law)

Income and Expense Simplified Statement - Projected Fiscal Years						NORWOOD CITY SCHOOL DISTRICT	
	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023		
Beginning Balance	10,404,473	9,543,387	8,929,668	7,579,551	6,166,540		
+ Revenue	29,446,807	28,062,631	28,155,335	26,127,641	24,579,976		
+ Proposed Renew/Replacement Levies	-	-	-	1,782,724	3,565,597		
+ Proposed New Levies	-	-	-	-	12,816		
- Expenditures	(30,307,893)	(28,676,350)	(29,505,452)	(29,323,376)	(30,364,073)		
= Revenue Surplus or Deficit	(861,086)	(613,719)	(1,350,117)	(1,413,011)	(2,205,684)		
Ending Balance	9,543,387	8,929,668	7,579,551	6,166,540	3,960,856		
Revenue Surplus or Deficit w/o Levies	(861,086)	(613,719)	(1,350,117)	(3,195,735)	(5,784,097)		
Ending Balance w/o Levies	9,543,387	8,929,668	7,579,551	4,383,816	(1,400,281)		

Forecast using Fair School Funding Plan estimates (new formula will affect both revenues and expenditures)

Income and Expense Simplified Statement - Projected Fiscal Years						NORWOOD CITY SCHOOL DISTRICT	
	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023		
Beginning Balance	10,404,473	10,036,515	10,521,903	10,270,390	10,279,979		
+ Revenue	28,551,540	27,773,343	27,865,544	26,161,846	24,611,982		
+ Proposed Renew/Replacement Levies	-	-	-	1,782,724	3,565,597		
+ Proposed New Levies	-	-	-	-	12,816		
- Expenditures	(28,919,498)	(27,287,955)	(28,117,057)	(27,934,981)	(28,975,678)		
= Revenue Surplus or Deficit	(367,958)	485,388	(251,513)	9,589	(785,283)		
Ending Balance	10,036,515	10,521,903	10,270,390	10,279,979	9,494,696		
Revenue Surplus or Deficit w/o Levies	(367,958)	485,388	(251,513)	(1,773,135)	(4,363,696)		
Ending Balance w/o Levies	10,036,515	10,521,903	10,270,390	8,497,255	4,133,559		

Please keep in mind the FSFP snip is an estimate of a new funding formula that is not yet law, in fact it may never be law. This estimate is for our review only not planning for the future.

Even though the FSFP formula provides less state funding for Norwood, it will help us balance our bottom line as it no longer takes our local share for students transferring out of Norwood. Currently, we get state funding for all Norwood students, even if they leave Norwood via open enrollment out, community school enrollment, or the special education voucher program. The state currently gives us approximately \$2,495 for each of those students attending school elsewhere. In purchase services, they take away \$6,020 per student. So you can imagine that funding students where they are educated will benefit Norwood, keeping our local dollars in our district, serving our students.