

NORWOOD CITY SCHOOL DISTRICT								
Schedule Of Revenue, Expenditures and Changes In Fund Balances								
Actual and Forecasted Operating Fund								
	ACTUAL			FORECASTED				
	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Revenue:								
1.010 - General Property Tax (Real Estate)	13,337,021	14,708,053	14,380,703	14,503,554	14,895,782	13,542,500	12,066,517	12,136,359
1.020 - Public Utility Personal Property	1,145,977	1,174,698	1,232,358	1,306,652	1,378,325	1,334,164	1,293,651	1,349,123
1.030 - Income Tax	-	-	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	7,457,160	7,102,803	7,072,316	7,059,338	7,058,479	7,052,697	7,050,792	7,048,886
1.040 - Restricted Grants-in-Aid	891,899	772,338	803,698	953,698	953,698	953,698	903,698	903,698
1.045 - Restricted Federal Grants-in-Aid - SFSF	-	-	-	-	-	-	-	-
1.050 - Property Tax Allocation	2,034,572	2,015,008	1,614,352	1,544,920	1,430,467	1,203,933	1,008,456	1,014,035
1.060 - All Other Operating Revenues	3,398,108	3,948,916	2,875,130	3,962,634	3,380,048	3,315,301	3,315,301	3,365,301
1.070 - Total Revenue	28,264,737	29,721,816	27,978,557	29,330,796	29,096,799	27,402,293	25,638,415	25,817,402
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	359,378	313,802	1,105,289	112,680	-	-	-	-
2.060 - All Other Financing Sources	26,968	254,877	355,452	103,667	30,000	30,000	30,000	30,000
2.070 - Total Other Financing Sources	386,346	1,521,561	1,460,741	216,347	30,000	30,000	30,000	30,000
2.080 - Total Revenues and Other Financing Sources	28,651,083	31,243,376	29,439,298	29,547,143	29,126,799	27,432,293	25,668,415	25,847,402
Expenditures:								
3.010 - Personnel Services	13,870,617	14,702,220	15,494,092	16,022,592	16,547,896	17,242,617	17,830,242	18,426,814
3.020 - Employees' Retirement/Insurance Benefits	4,326,808	4,602,373	4,971,297	5,115,003	5,283,185	5,492,463	5,700,842	5,914,200
3.030 - Purchased Services	6,153,449	5,918,672	5,961,231	6,277,687	6,425,689	6,273,157	6,425,809	6,452,680
3.040 - Supplies and Materials	713,343	808,254	702,987	855,608	850,010	860,010	870,010	880,010
3.050 - Capital Outlay	33,186	23,822	60,102	55,408	55,408	55,408	55,408	55,408
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	295,921	385,985	349,757	372,614	400,772	375,772	375,772	375,772
4.500 - Total Expenditures	25,393,324	26,441,325	27,539,465	28,698,912	29,562,960	30,299,427	31,258,083	32,104,884
Other Financing Uses								
5.010 - Operating Transfers-Out	998,273	1,052,813	2,008,732	505,000	505,000	40,000	40,000	40,000
5.020 - Advances-Out	258,802	1,556,064	669,787	-	-	-	-	-
5.030 - All Other Financing Uses	-	35,704	-	-	-	-	-	-
5.040 - Total Other Financing Uses	1,257,075	2,644,581	2,678,519	505,000	505,000	40,000	40,000	40,000
5.050 - Total Expenditures and Other Financing Uses	26,650,399	29,085,906	30,217,984	29,203,912	30,067,960	30,339,427	31,298,083	32,144,884
Excess of Rev & Other Financing Uses Over (Under)								
6.010 - Expenditures and Other Financing Uses	2,000,684	2,157,470	(778,686)	343,231	(941,161)	(2,907,134)	(5,629,668)	(6,297,482)
Cash Balance July 1 - Excluding Proposed Renewal/								
7.010 - Replacement and New Levies	6,246,319	8,247,003	10,404,473	9,625,787	9,969,018	9,027,857	6,120,722	491,054
7.020 - Cash Balance June 30	8,247,003	10,404,473	9,625,787	9,969,018	9,027,857	6,120,722	491,054	(5,806,428)
8.010 - Estimated Encumbrances June 30	-	-	233,112	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	8,247,003	10,404,473	9,392,675	9,769,018	8,827,857	5,920,722	291,054	(6,006,428)
Rev from Replacement/Renewal Levies								
11.010 - Income Tax - Renewal	-	-	-	-	-	-	-	-
11.020 - Property Tax - Renewal or Replacement	-	-	-	-	-	1,785,619	3,571,392	3,571,588
11.030 - Cumulative Balance of Replacement/Renewal Levies	-	-	-	-	-	1,785,619	5,357,011	8,928,599
Fund Balance June 30 for Certification								
12.010 - of Contracts, Salary and Other Obligations	8,247,003	10,404,473	9,392,675	9,769,018	8,827,857	7,706,341	5,648,065	2,922,171
Revenue from New Levies								
13.010 - Income Tax - New	-	-	-	-	-	-	-	-
13.020 - Property Tax - New	-	-	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-	-	-
14.010 - Revenue from Future State Advancements	-	-	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	8,247,003	10,404,473	9,392,675	9,769,018	8,827,857	7,706,341	5,648,065	2,922,171

NORWOOD CITY SCHOOL DISTRICT

Five Year Forecast Financial Report

October, 2019

Julie A Kamphaus, Treasurer/CFO



Table of Contents

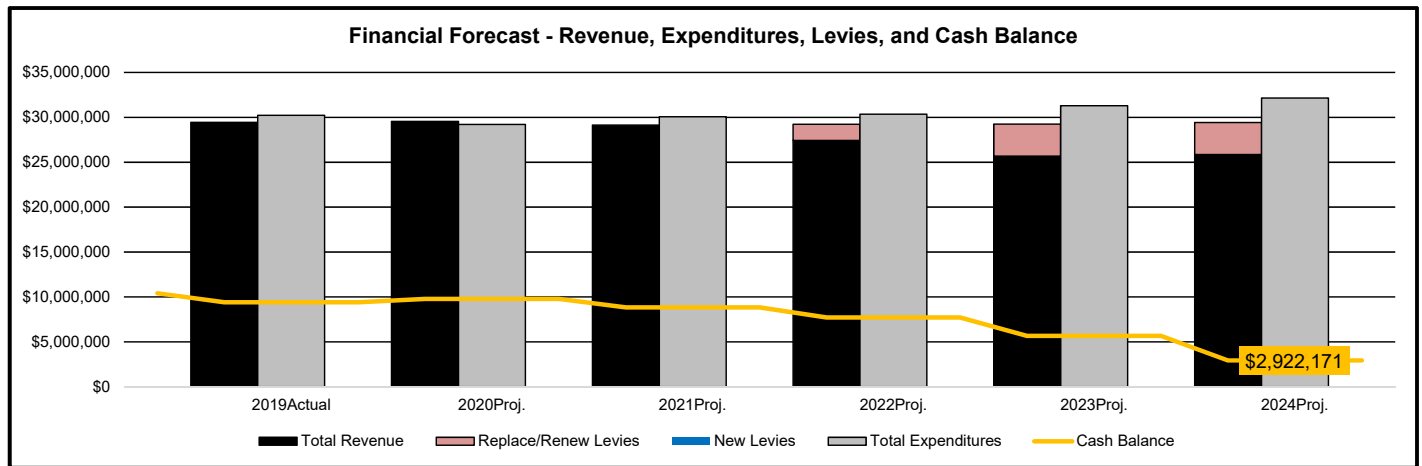
	<u>Page</u>
Table of Contents	2
Forecast Summary	3
Revenue Sources and Forecast Year-Over-Year Projected Overview	4
1.010 - General Property Tax (Real Estate)	5
1.020 - Public Utility Personal Property	6
1.030 - Income Tax	7
1.035 - Unrestricted Grants-in-Aid	8
1.040 & 1.045 - Restricted Grants-in-Aid	9
1.050 - Property Tax Allocation	10
1.060 - All Other Operating Revenues	11
2.070 - Total Other Financing Sources	12
Expenditures Overview	13
3.010 - Personnel Services	14
3.020 - Employee Benefits	15
3.030 - Purchased Services	16
3.040 - Supplies and Materials	17
3.050 - Capital Outlay	18
3.060 - 4.060 - Intergovernmental & Debt	19
4.300 - Other Objects	20
5.040 - Total Other Financing Uses	21
Five Year Forecast	22
Forecast Compare - Compares Previous Forecast to Current	23
PI Levy Fund Analysis	24

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 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Beginning Balance	9,625,787	9,969,018	9,027,857	7,906,341	5,848,065
+ Revenue	29,547,143	29,126,799	27,432,293	25,668,415	25,847,402
+ Proposed Renew/Replacement Levies	-	-	1,785,619	3,571,392	3,571,588
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(29,203,912)	(30,067,960)	(30,339,427)	(31,298,083)	(32,144,884)
= Revenue Surplus or Deficit	343,231	(941,161)	(1,121,515)	(2,058,276)	(2,725,894)
Ending Balance with renewal levies Note: Not Reduced for Encumbrances	9,969,018	9,027,857	7,906,341	5,848,065	3,122,171

Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	343,231	(941,161)	(2,907,134)	(5,629,668)	(6,297,482)
Ending Balance w/o Levies	9,969,018	9,027,857	6,120,722	491,054	(5,806,428)

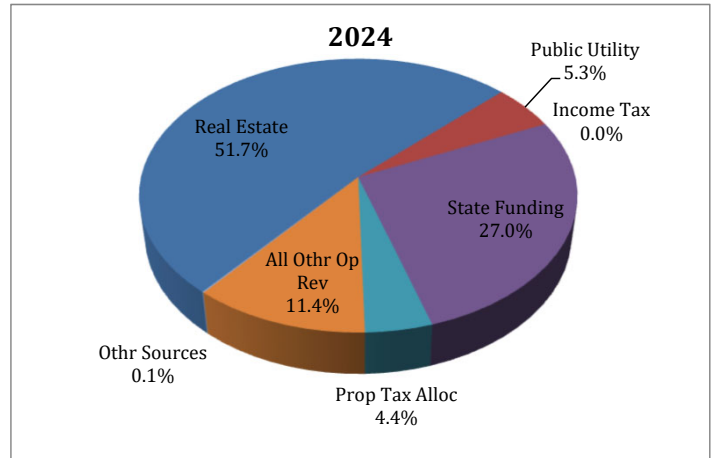
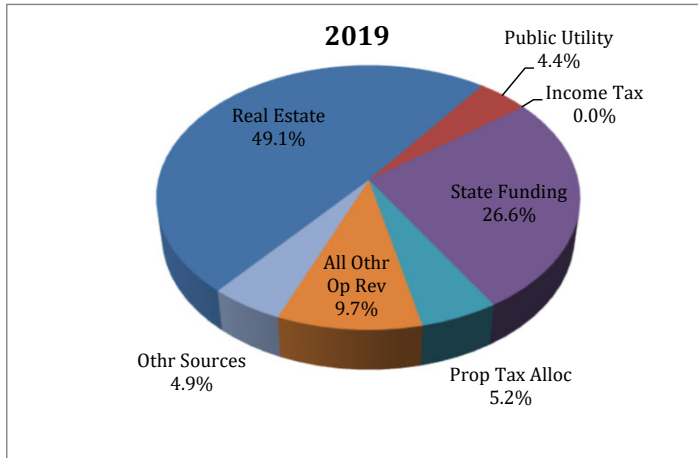
Our summary forecast shows us balanced this year but spending into our cash balance every year thereafter of the projected five year forecast. Next year, we will spend \$941,161 more than we bring in if we don't see changes. The following years are worse. Please note, FY22 shows the expected substitution of the emergency levy under "Proposed Renew/Replacement Levies". Therefore, our bottom line will be much worse if the levy doesn't pass. Cash balance line 7.020 of the forecast. Also, staff reductions are estimated in the forecast.

If all expenditures remain as expected and if the levy doesn't pass, we will be out of cash in FY23, three short years.

The Bar graph at the top of this page, shows our estimated cash balances, revenues and expenses as if the levy has passed. Cash balance as of line 12.01 of the forecast.

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 is planning a substitute levy strategy that they will propose to voters November of 2020 for the same tax revenue amount. The substitute levy strategy is the same that was employed in 2010 to renew emergency levies.

Revenue Sources and Forecast Year-Over-Year Projected Overview



**Projected % trends include renewal levies*

	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	
Revenue:							
1.010-Real Estate	0.92%	0.85%	2.70%	1.27%	0.42%	0.43%	1.14%
1.020-Public Utility	5.21%	6.03%	5.49%	4.46%	4.81%	4.05%	4.97%
1.030-Income Tax	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.035-State Funding	1.27%	-0.18%	-0.01%	-0.08%	-0.03%	-0.03%	-0.07%
1.040-Restricted Aid	-2.23%	18.66%	0.00%	0.00%	-5.24%	0.00%	2.68%
1.045-Restr Federal SFSF	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.050-Property Tax Alloc	-11.58%	-4.30%	-7.41%	-6.27%	-4.43%	0.35%	-4.41%
1.060-All Other Operating	31.25%	37.82%	-14.70%	-1.92%	0.00%	1.51%	4.54%
1.070-Total Revenue	1.09%	4.83%	-0.80%	0.31%	0.08%	0.61%	1.01%
2.070-Total Other Sources	78.58%	-85.19%	-86.13%	0.00%	0.00%	0.00%	-34.26%
2.080-Total w/Other Srcs	2.02%	0.37%	-1.42%	0.31%	0.07%	0.61%	-0.01%

Real estate taxes provide nearly 50% of the district's total revenue. That percentage will continue to grow as state funding (our only other significant source of funding) continues to stagnate and TPP allocations (Tax allocations) continue to fall.

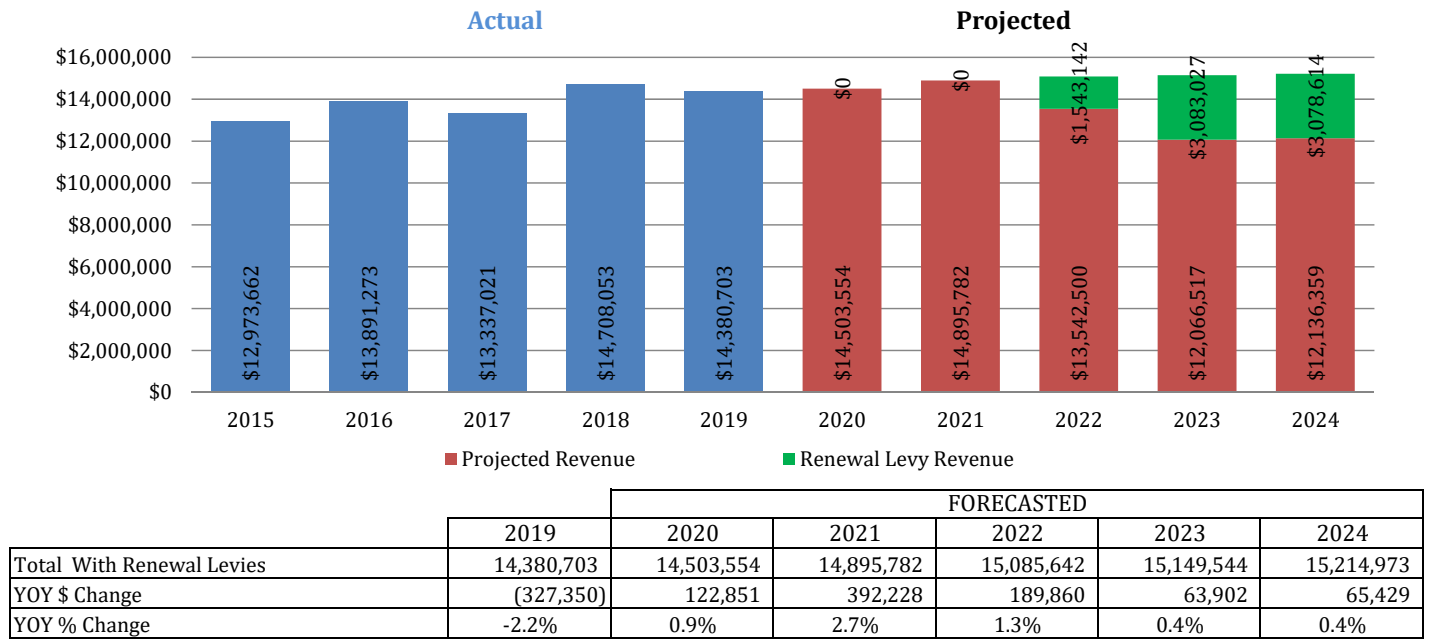
In the following graph, you will see that we only expect an increase of .93 % annually in total revenues over future five years. In the past, we have seen total annual average increases of only 1.09% in total revenue.

Increases in tax revenue cannot overcome the losses in state funding, including the complete loss of Tangible personal property tax allocations (tax allocations).

Total Other Sources are refunds and returns of advances which vary year to year, causing the seemingly high percentage increases. These are not a source of operating revenue as they cannot be counted on to educate students.

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).



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total With Renewal Levies	14,380,703	14,503,554	14,895,782	15,085,642	15,149,544	15,214,973
YOY \$ Change	(327,350)	122,851	392,228	189,860	63,902	65,429
YOY % Change	-2.2%	0.9%	2.7%	1.3%	0.4%	0.4%

Percentage of Total Revenue	48.8%	49.1%	51.1%	51.6%	51.8%	51.7%
-----------------------------	-------	-------	-------	-------	-------	-------

Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2018	387,395,210	1,774,640	39.93	(0.02)	42.59	(0.41)	99.3%
2019	404,136,995	16,741,785	39.95	0.02	41.03	(1.56)	97.5%
2020	423,303,626	19,166,630	38.68	(1.27)	39.79	(1.24)	98.0%
2021	425,442,986	2,139,360	38.88	0.20	39.98	0.20	98.0%
2022	427,667,986	2,225,000	38.84	(0.03)	39.95	(0.03)	97.5%
2023	439,792,986	12,125,000	38.05	(0.79)	39.15	(0.80)	97.5%

Nearly fifty cents of every revenue dollar is generated from local property taxes.

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. In FY2020, we expect a taxpayer refund of \$122,000 overpayment due to a settlement. 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 expected substitution of our current emergency levy for the same amount of tax revenue.

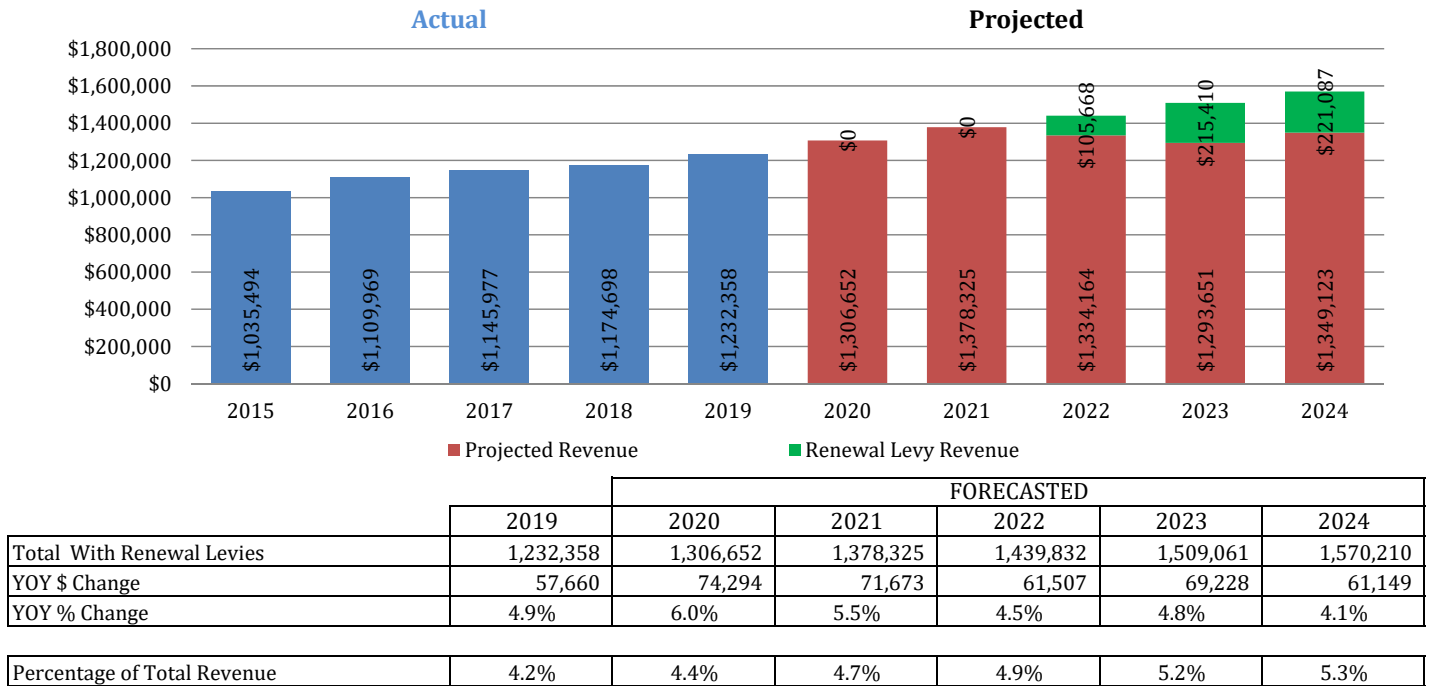
The district continues to watch and protest valuation changes as well as defend our commercial property tax base. The goals of the district are not only to protect our tax revenue stream but to make sure our residential tax payers are not seeing increasingly burdensome taxes due to commercial abatements and valuation decreases.

(last graph) In TY2020, 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 in tax revenue)

**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.



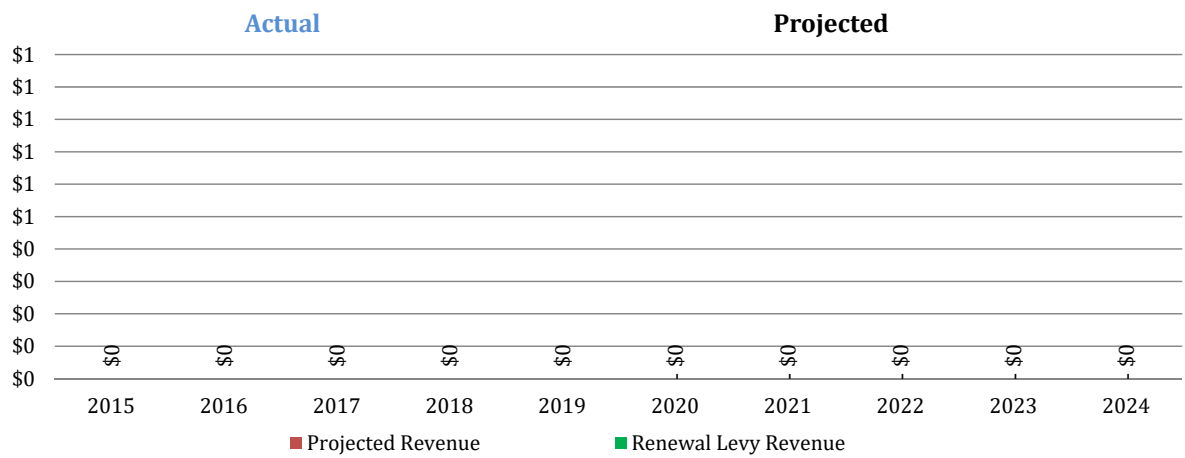
Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2018	21,647,370	1,208,970	58.47	(0.14)	100.0%
2019	23,147,700	1,500,330	58.44	(0.03)	100.0%
2020	24,264,077	1,116,377	57.86	(0.58)	100.0%
2021	25,436,272	1,172,195	58.02	0.16	100.0%
2022	26,616,272	1,180,000	57.95	(0.07)	100.0%
2023	27,796,272	1,180,000	57.49	(0.46)	100.0%

Public utility taxes are estimated to increase based on an average valuation increase of about 5% annually. Public utility taxes are a growing 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 substitute that levy at the same amount of revenue.

**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.



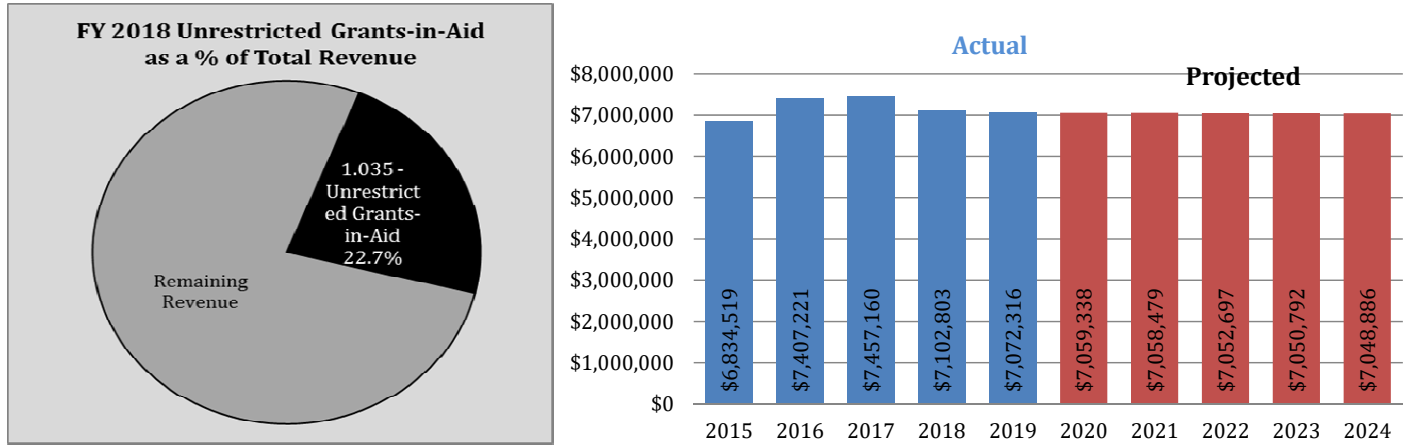
	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	-	-	-	-	-	-
YOY \$ Change	-	-	-	-	-	-
YOY % Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Norwood City Schools receives no Income tax revenue from its taxpayers.

*Projected % trends include renewal levies

1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	7,072,316	7,059,338	7,058,479	7,052,697	7,050,792	7,048,886
YOY \$ Change	(30,487)	(12,978)	(859)	(5,782)	(1,905)	(1,905)
YOY % Change	-0.4%	-0.2%	0.0%	-0.1%	0.0%	0.0%
Percentage of Total Revenue	24.0%	23.9%	24.2%	24.1%	24.1%	24.0%
Base Aid	7,567,177	7,567,177	7,567,177	7,567,177	7,567,177	7,567,177
Student Wellness Aid		444,726	630,855	617,664	604,473	591,283
Supplemental Aid - Wellness & Growing		-	-	-	-	-
Enrollment	1,776	1,779	1,752	1,716	1,679	1,642

State funding makes up over 22% of Norwood's total funding and is expected to remain stable at best. The current biennium is still funded with SFPR formula but it has been suppressed so that each district is on a guarantee, to receive the same funding as last year. The exception is wellness funding that is restricted for student mental health needs only. For that reason, it was decided by the state to not include it in public school five year forecast. Mental health funding is not included in Norwood's Five Year Forecast but instead is estimated and spent from fund 467 as regulated by Ohio Auditor of State.

Three strikes:

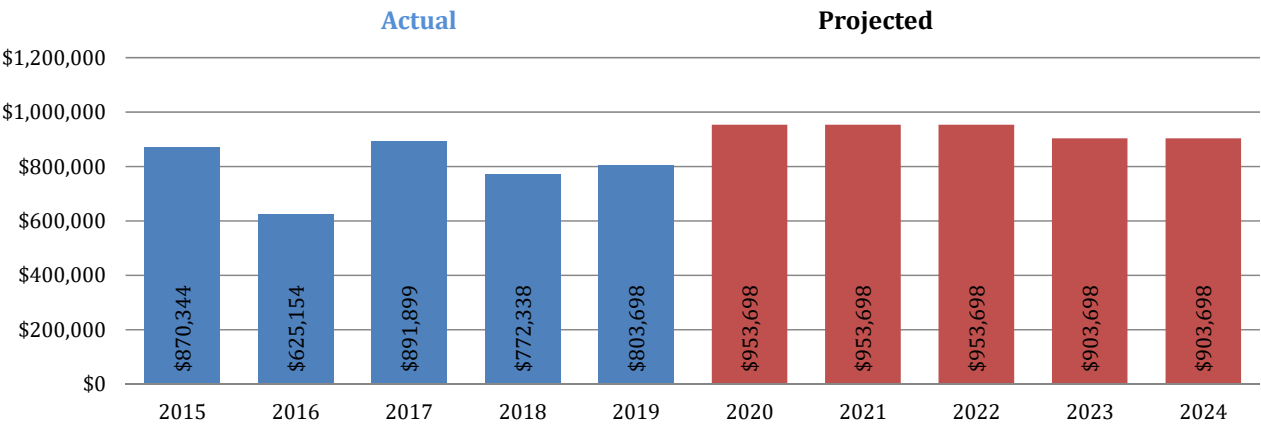
- Median income for the district of Norwood is increasing faster than the state average median income.
- District valuation is increasing faster than the state's average valuation.
- Norwood student counts are falling.

We are appearing wealthier in the state's eyes! This year and next we are funded with a guarantee funding based on last year. The next biennium the funding formula is unknown. But even more importantly, we have no hope of getting significant new money based on our three strikes.

Current law is the basis for my estimated revenue for state funding with no increase in the second biennium. However, guarantee reductions have been removed from all future projections which has helped the district's bottom line. In the event of serious recession, guarantee reductions will be most definite to districts like Norwood.

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					
	2019	2020	2021	2022	2023	2024
Total	803,698	953,698	953,698	953,698	903,698	903,698
YOY \$ Change	31,360	150,000	-	-	(50,000)	-
YOY % Change	4.1%	18.7%	0.0%	0.0%	-5.2%	0.0%

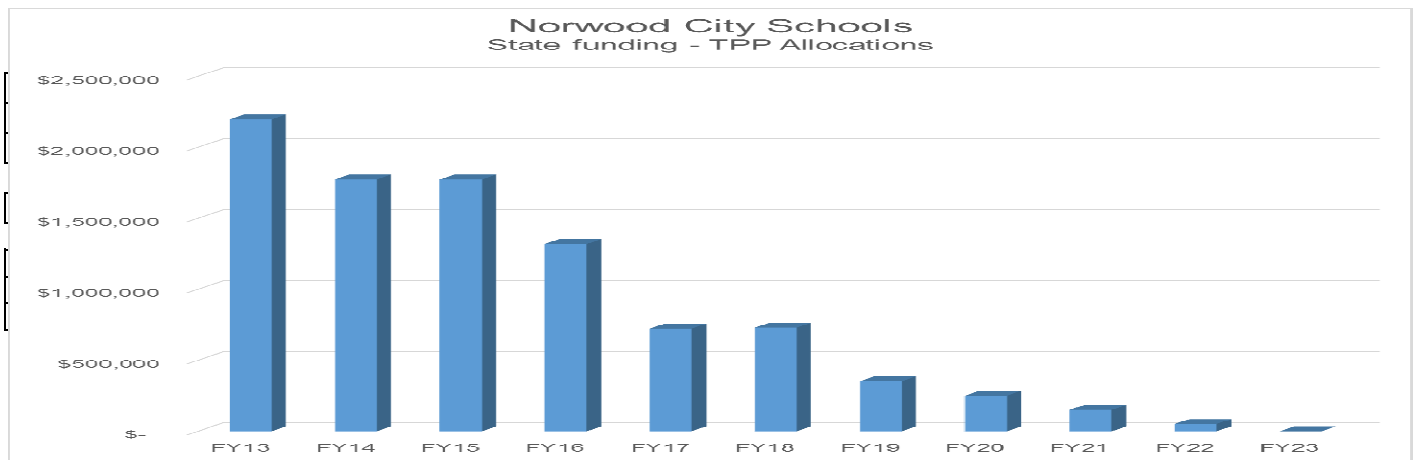
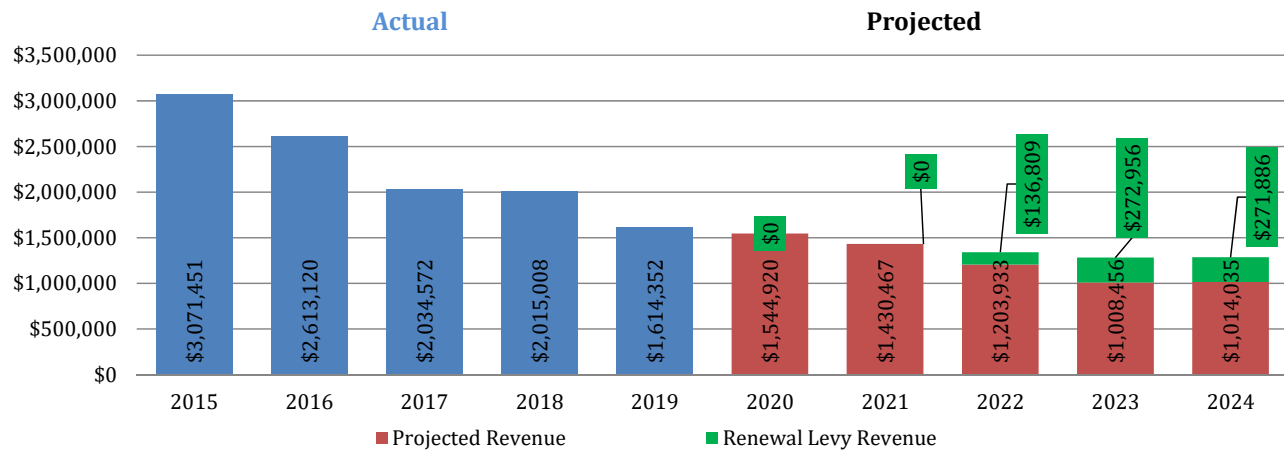
Percentage of Total Revenue	2.7%	3.2%	3.3%	3.3%	3.1%	3.1%
-----------------------------	------	------	------	------	------	------

1.045 - Restricted Federal Grants-in-Aid - SFSF	-	-	-	-	-	-	-	-
1.050 - Property Tax Allocation	2,034,572	2,015,008	1,614,352	1,512,653	1,431,655	1,203,085	1,017,935	1,023,393

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 remain stable each year of the forecast. *In the event of serious recession, guarantee reductions will be most definite to districts like Norwood.* Starting FY20, catastrophic reimbursement (\$150,000) is included in restricted funding rather than other sources. This is not an increase in funding!

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. (Blue Graph) 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 know as Rollback and Homestead. For all new levies, Rollback and Homestead payments will not be reimbursed to the district.

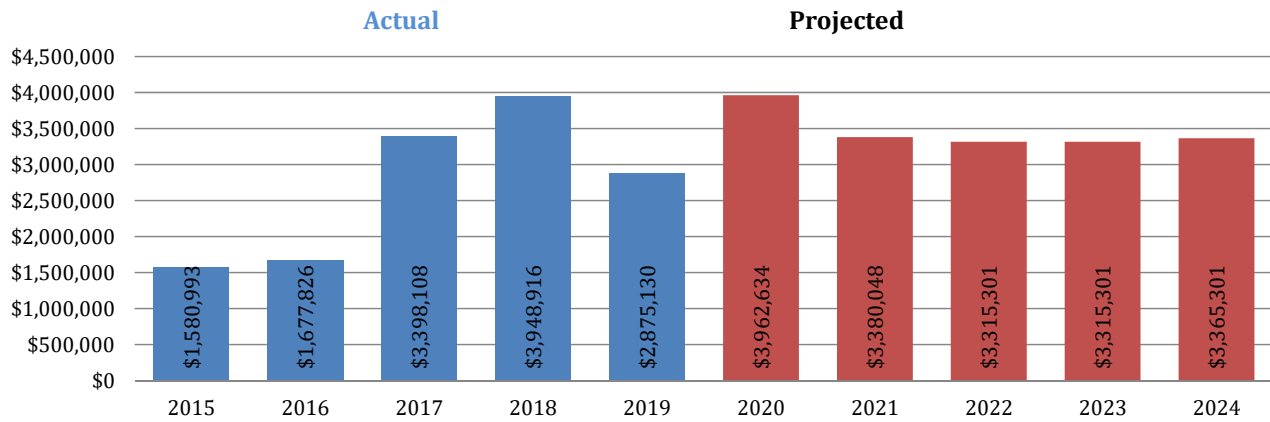
You will see in the bar graph (blue and red) how far this revenue has dropped just since 2015 and is expected to continue to fall.

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.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	2,875,130	3,962,634	3,380,048	3,315,301	3,315,301	3,365,301
YOY \$ Change	(1,073,785)	1,087,504	(582,586)	(64,747)	-	50,000
YOY % Change	-27.2%	37.8%	-14.7%	-1.9%	0.0%	1.5%

Percentage of Total Revenue	9.8%	13.4%	11.6%	11.3%	11.3%	11.4%
-----------------------------	------	-------	-------	-------	-------	-------

The largest source of "other revenue" is payments in lieu of taxes. In FY2019, the district received \$1,713,985 in Tax Incentive Payments (TIF) from area business taxpayers. The annual amount varies due to settlements but also due to growth.

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. After the entire process, the district saw increases in these TIF'd properties that results in additional TIF revenue. All additional revenue is included in the forecast.

In FY20, the district expects \$3,052,333 in TIF revenue. Of that, about \$600,000 is growth due to the appraisal process. However, \$587,586 was received late that was actually due from the prior year.

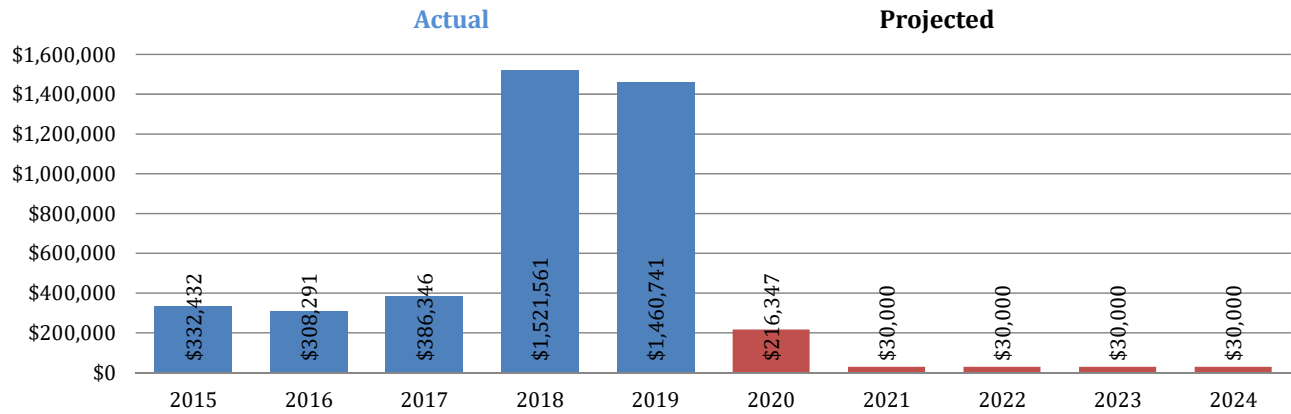
This explains the drop expected in future years.

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

This category also includes interest revenue for the general fund and several other types of reimbursements.

2.070 - Total Other Financing Sources

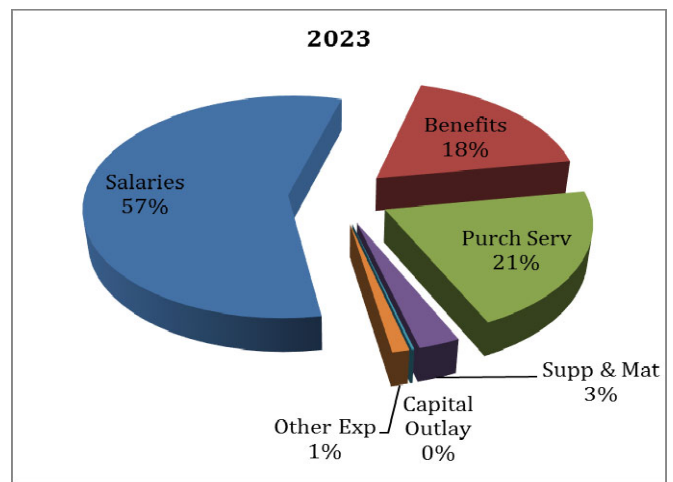
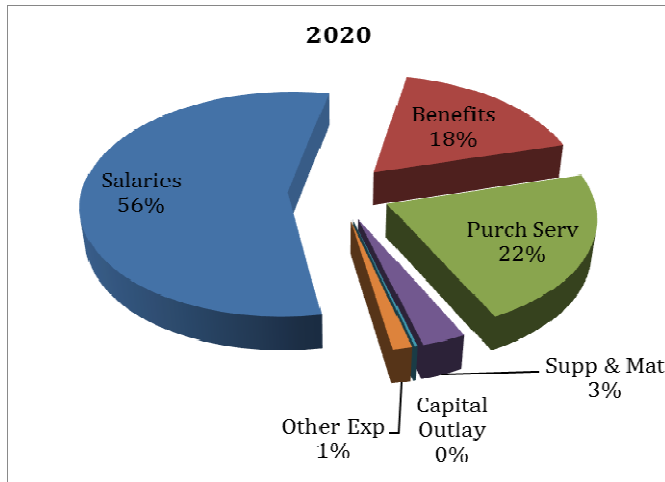
Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	1,460,741	216,347	30,000	30,000	30,000	30,000
YOY \$ Change	(60,820)	(1,244,394)	(186,347)	-	-	-
YOY % Change	-4.0%	-85.2%	-86.1%	0.0%	0.0%	0.0%
Percentage of Total Revenue	5.0%	0.7%	0.1%	0.1%	0.1%	0.1%
Transfers In	-	-	-	-	-	-
Advances In	1,105,289	112,680	-	-	-	-

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 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	
Expenditures:							
3.010-Salaries	3.98%	3.41%	3.28%	4.20%	3.41%	3.35%	3.53%
3.020-Benefits	2.93%	2.89%	3.29%	3.96%	3.79%	3.74%	3.54%
3.030-Purchased Services	4.20%	5.31%	2.36%	-2.37%	2.43%	0.42%	1.63%
3.040-Supplies & Materials	4.78%	21.71%	-0.65%	1.18%	1.16%	1.15%	4.91%
3.050-Capital Outlay	0.55%	-7.81%	0.00%	0.00%	0.00%	0.00%	-1.56%
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	4.00%	6.54%	7.56%	-6.24%	0.00%	0.00%	1.57%
4.500-Total Expenditures	3.57%	4.21%	3.01%	2.49%	3.16%	2.71%	3.12%
5.040-Total Other Uses	42.18%	-81.15%	0.00%	-92.08%	0.00%	0.00%	-34.65%
5.050-Total w/Other Uses	4.76%	-3.36%	2.96%	0.90%	3.16%	2.71%	1.27%

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

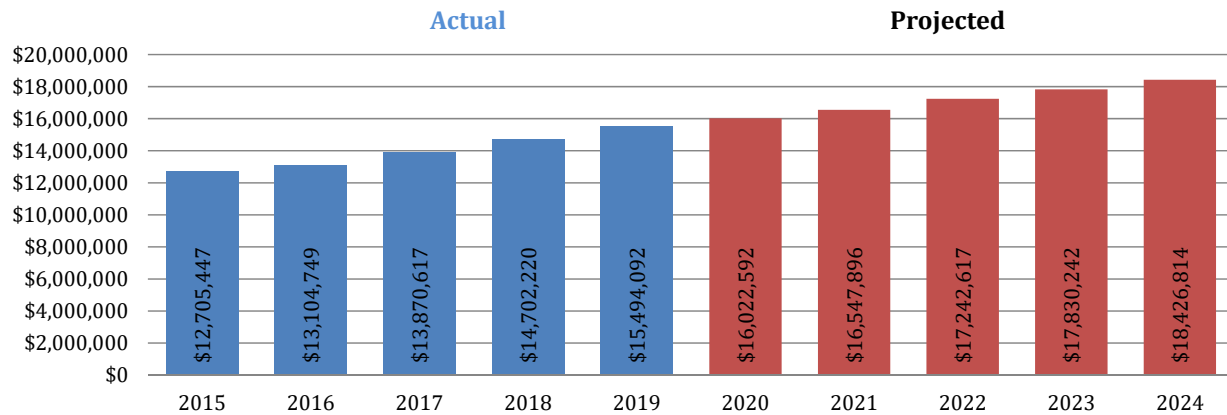
Total operating expenses for the general fund grew by 3.57% annually on average in the past five years. We project an increase of 3.12% for future five years.

Supply budgets grew in FY20 as we update curriculum and software.

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.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	15,494,092	16,022,592	16,547,896	17,242,617	17,830,242	18,426,814
YOY \$ Change	791,872	528,500	525,304	694,721	587,625	596,572
YOY % Change	5.4%	3.4%	3.3%	4.2%	3.4%	3.3%

Percentage of Total Budget	51.3%	54.9%	55.0%	56.8%	57.0%	57.3%
----------------------------	-------	-------	-------	-------	-------	-------

This year, salaries account for 51.3% of the district's total budget. Salaries increased nearly 4% annually, on average in the past five years.

We expect salaries to increase 3.5% annually over the next five years.

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

FY21 will have 7 fewer staff members

FY22 will have 6 fewer staff members

FY23 will have 5 fewer staff members

FY24 will have 5 fewer staff members

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

On the other hand, we would need to reduce staff by 24 employees in 2021 to get a balanced budget for the general fund.

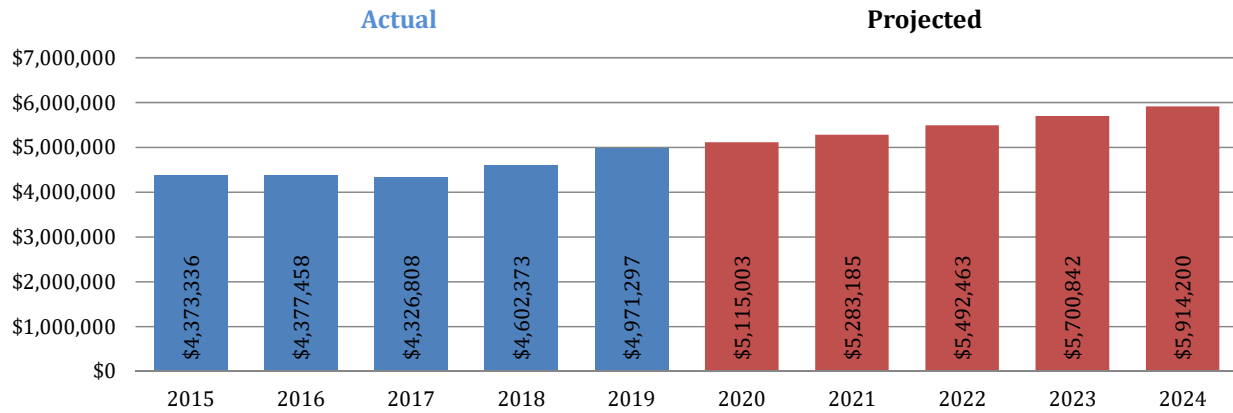
Pay increases are based on actual union agreements, if settled, otherwise increases are estimated based on history.

A teacher step audit began in October. Results of this audit are not known nor are they in the forecast.

Any negative results will be portrayed in a future forecast or the forecast will need to be restated.

3.020 - Employees' Benefits

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



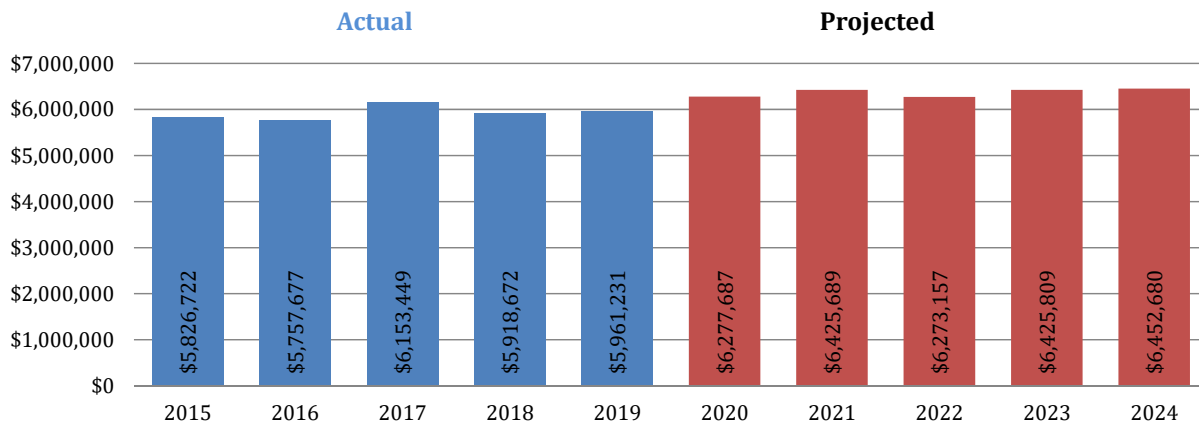
	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	4,971,297	5,115,003	5,283,185	5,492,463	5,700,842	5,914,200
YOY \$ Change	368,924	143,706	168,182	209,278	208,379	213,358
YOY % Change	8.0%	2.9%	3.3%	4.0%	3.8%	3.7%

Percentage of Total Budget	16.5%	17.5%	17.6%	18.1%	18.2%	18.4%
----------------------------	-------	-------	-------	-------	-------	-------

This category makes up 16.5% of the district's total budget. Last year, total benefits grew by 8% led by health insurance premiums increasing 10%! This year health insurance premiums increased another 2.2%. Additional increases came as higher than expected insurance enrollment for staff. The district participates in the Greater Cincinnati Insurance Consortium (GCIC). After the 2.2% increase in health insurance premiums for FY20, we expect an 8% increase annually for future years of the forecast, though 10% is considered industry standard. The board cost for Health, Dental, and Life Insurance in FY19 was over \$2,200,000. It is worth noting, that all staff at Norwood schools pay at least 20% of their health insurance premiums. 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.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	5,961,231	6,277,687	6,425,689	6,273,157	6,425,809	6,452,680
YOY \$ Change	42,559	316,456	148,002	(152,532)	152,652	26,871
YOY % Change	0.7%	5.3%	2.4%	-2.4%	2.4%	0.4%
Percentage of Total Budget	19.7%	21.5%	21.4%	20.7%	20.5%	20.1%

Purchase services comes in at 19.7% of the district's total budget. That number is high as we are a small school and must take advantage of other contracted services that we cannot provide ourselves while considering economies of scale.

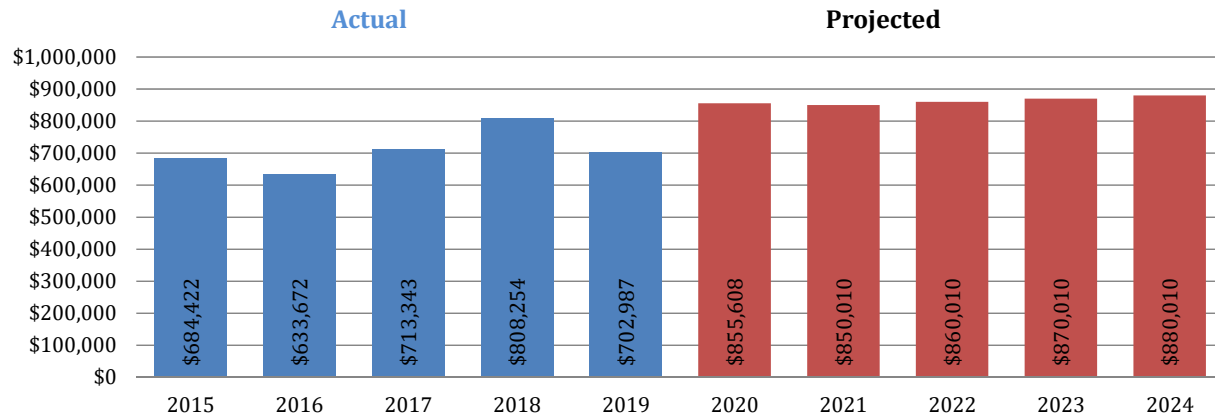
We expect purchase services to increase just 1.6% annually over the next five years after increasing 4.2% annually the past five years. Of course, keep in mind that nearly 38% of our purchase services budget are costs related to educating special education students that cannot be serviced in our district. More than 20% of our purchase service costs are deductions from the State of Ohio for SCHOOL Choice options. That means that over 58% of this category are simply costs that the district cannot control due to state 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.

A late notice from ODE indicates that Norwood Middle school and Norwood High school both qualified for students to take the Ed Choice Scholarship. Costs for School Choice will increase significantly and could increase in the \$400,000 range annually. These costs are not included on the forecast as the notice was so late. Future forecasts will include the estimated increase.

3.040 - Supplies & Materials

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

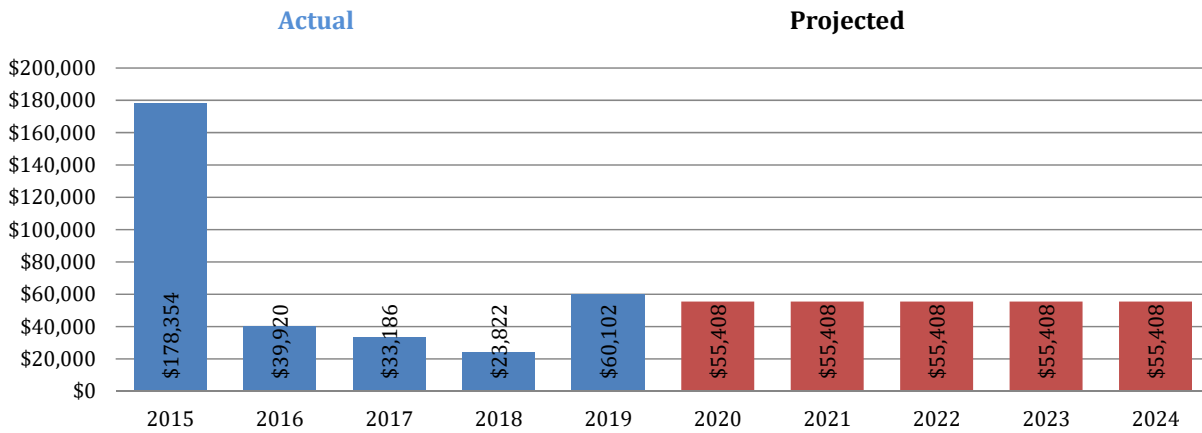


	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	702,987	855,608	850,010	860,010	870,010	880,010
YOY \$ Change	(105,267)	152,621	(5,598)	10,000	10,000	10,000
YOY % Change	-13.0%	21.7%	-0.7%	1.2%	1.2%	1.1%
Percentage of Total Budget	2.3%	2.9%	2.8%	2.8%	2.8%	2.7%

Supplies are just 2.3% of our total budget. We have seen nearly 5% increases on average annually in the past five years and expect about the same for the next five years. Increases come in the form of updating curriculum with new software and textbooks (electronic versions and books) and parts and supplies for building and computer 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.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	60,102	55,408	55,408	55,408	55,408	55,408
YOY \$ Change	36,280	(4,694)	-	-	-	-
YOY % Change	152.3%	-7.8%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Budget	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%

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 24 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.

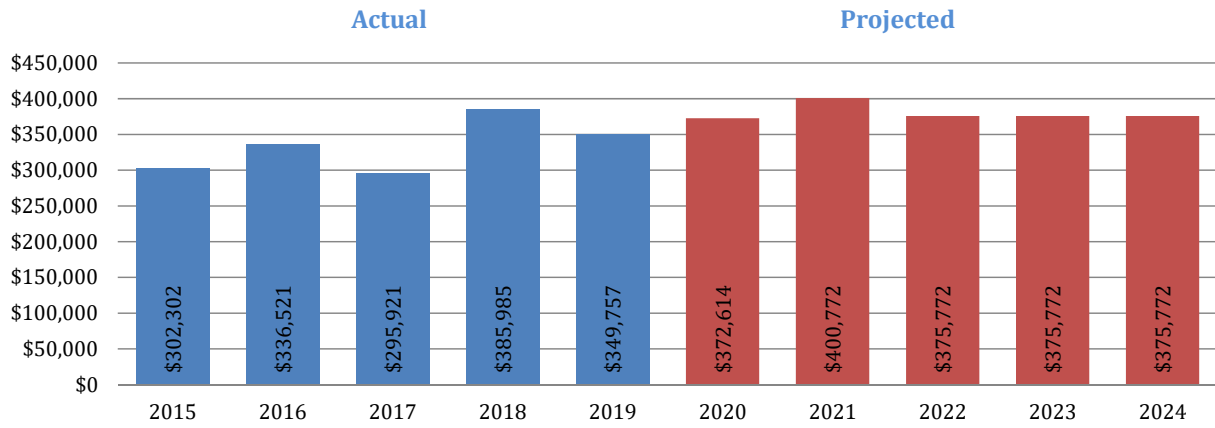
Year	Actual	Projected
2015	\$0	
2016	\$0	
2017	\$0	
2018	\$0	
2019	\$0	
2020	\$0	
2021	\$0	
2022	\$0	
2023	\$0	
2024	\$0	

		FORECASTED				
	2019	2020	2021	2022	2023	2024
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. See page 21 for documentation of transfer.

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.

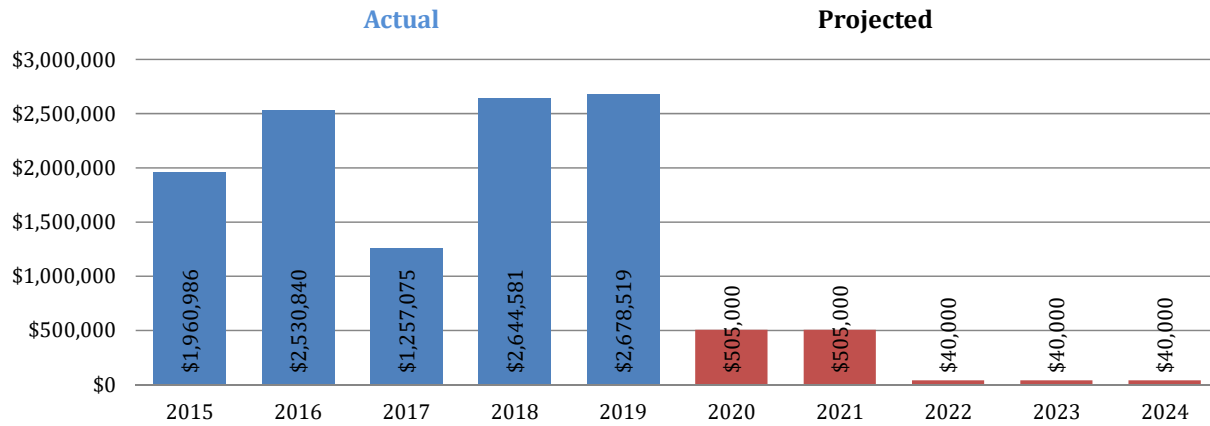


	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	349,757	372,614	400,772	375,772	375,772	375,772
YOY \$ Change	(36,228)	22,857	28,158	(25,000)	-	-
YOY % Change	-9.4%	6.5%	7.6%	-6.2%	0.0%	0.0%
Percentage of Total Budget	1.2%	1.3%	1.3%	1.2%	1.2%	1.2%

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.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	2,678,519	505,000	505,000	40,000	40,000	40,000
YOY \$ Change	33,938	(2,173,519)	-	(465,000)	-	-
YOY % Change	1.3%	-81.1%	0.0%	-92.1%	0.0%	0.0%
Percentage of Total Budget	8.9%	1.7%	1.7%	0.1%	0.1%	0.1%
Transfers Out	2,008,732	505,000	505,000	40,000	40,000	40,000
Advances Out	669,787	-	-	-	-	-

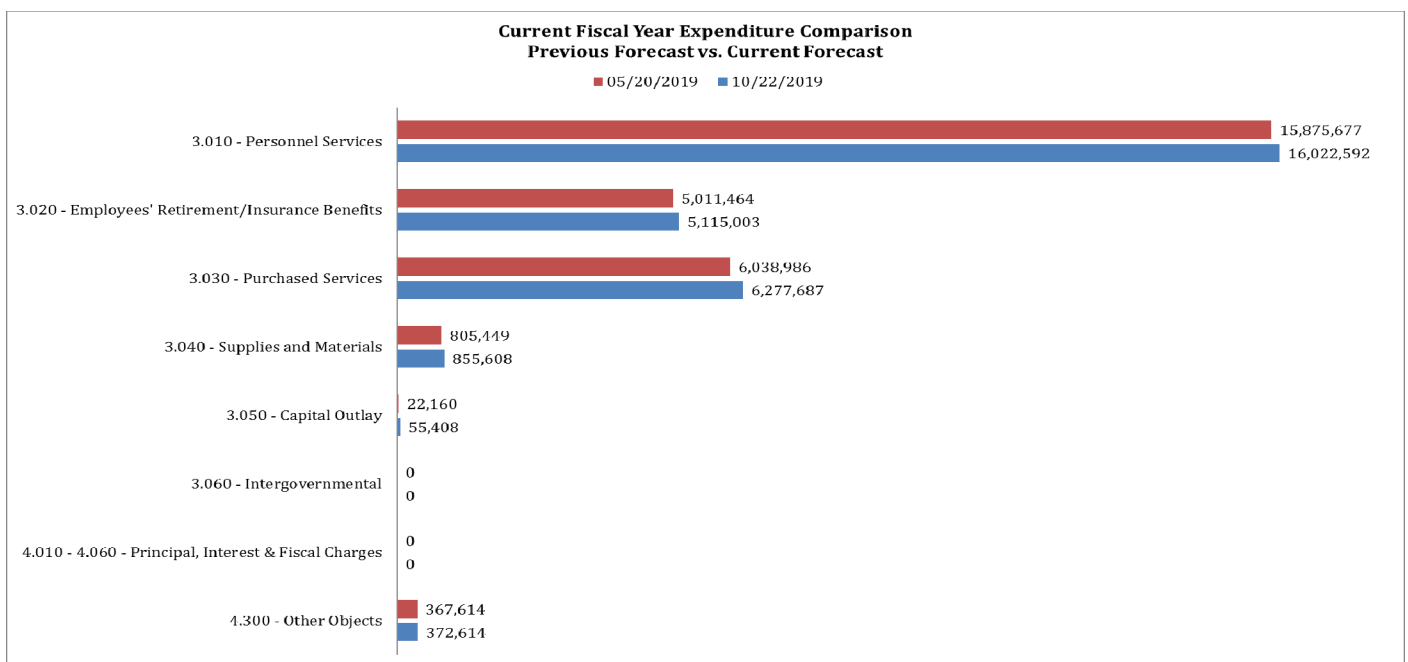
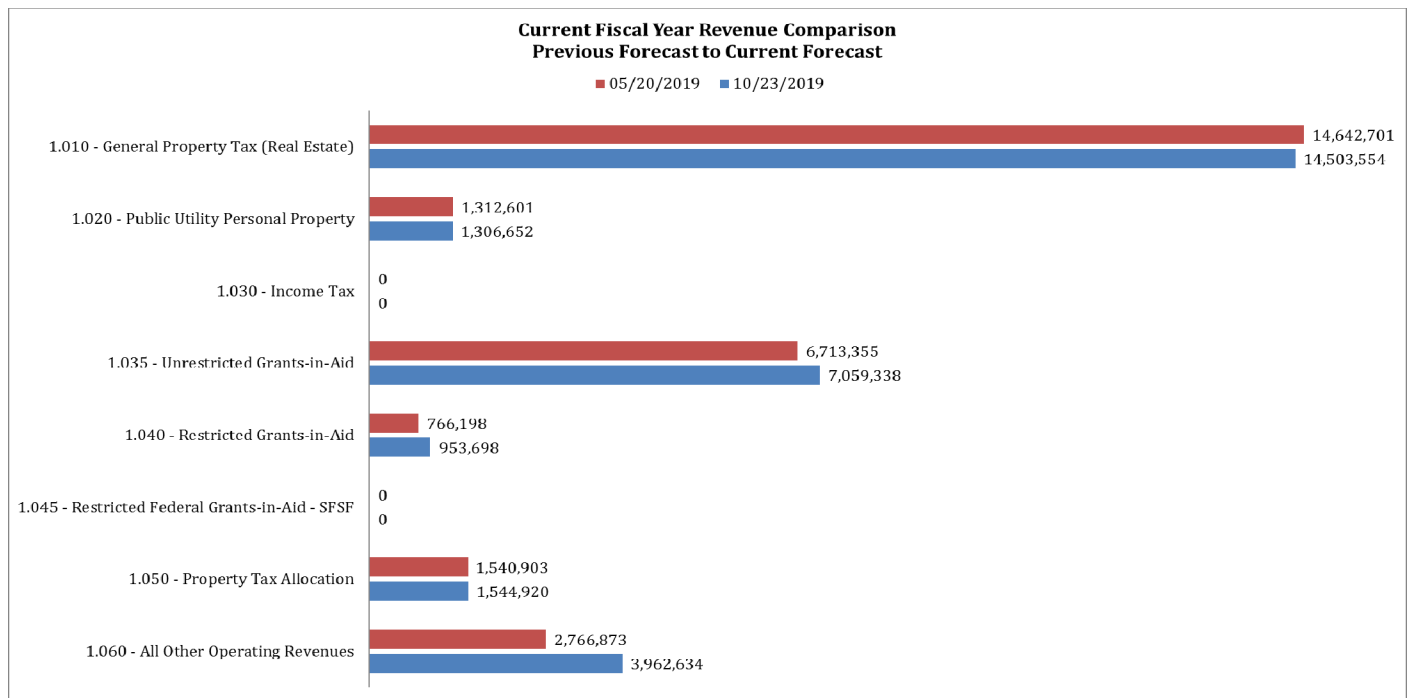
This category provides transfers and advances to other funds to either meet debt payments or to provide state auditor regulated positive cash balances.

The district plans to continue the transfer for debt service, see page 20, of \$465,000 for one more year, until the old 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. 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				
	2019	2020	2021	2022	2023	2024
Revenue:						
1.010 - General Property Tax (Real Estate)	14,380,703	14,503,554	14,895,782	13,542,500	12,066,517	12,136,359
1.020 - Public Utility Personal Property	1,232,358	1,306,652	1,378,325	1,334,164	1,293,651	1,349,123
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	7,072,316	7,059,338	7,058,479	7,052,697	7,050,792	7,048,886
1.040 - Restricted Grants-in-Aid	803,698	953,698	953,698	953,698	903,698	903,698
1.050 - Property Tax Allocation	1,614,352	1,544,920	1,430,467	1,203,933	1,008,456	1,014,035
1.060 - All Other Operating Revenues	2,875,130	3,962,634	3,380,048	3,315,301	3,315,301	3,365,301
1.070 - Total Revenue	27,978,557	29,330,796	29,096,799	27,402,293	25,638,415	25,817,402
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-
2.050 - Advances-In	1,105,289	112,680	-	-	-	-
2.060 - All Other Financing Sources	355,452	103,667	30,000	30,000	30,000	30,000
2.070 - Total Other Financing Sources	1,460,741	216,347	30,000	30,000	30,000	30,000
2.080 - Total Rev & Other Sources	29,439,298	29,547,143	29,126,799	27,432,293	25,668,415	25,847,402
Expenditures:						
3.010 - Personnel Services	15,494,092	16,022,592	16,547,896	17,242,617	17,830,242	18,426,814
3.020 - Employee Benefits	4,971,297	5,115,003	5,283,185	5,492,463	5,700,842	5,914,200
3.030 - Purchased Services	5,961,231	6,277,687	6,425,689	6,273,157	6,425,809	6,452,680
3.040 - Supplies and Materials	702,987	855,608	850,010	860,010	870,010	880,010
3.050 - Capital Outlay	60,102	55,408	55,408	55,408	55,408	55,408
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	349,757	372,614	400,772	375,772	375,772	375,772
4.500 - Total Expenditures	27,539,465	28,698,912	29,562,960	30,299,427	31,258,083	32,104,884
Other Financing Uses						
5.010 - Operating Transfers-Out	2,008,732	505,000	505,000	40,000	40,000	40,000
5.020 - Advances-Out	669,787	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	2,678,519	505,000	505,000	40,000	40,000	40,000
5.050 - Total Exp and Other Financing Uses	30,217,984	29,203,912	30,067,960	30,339,427	31,298,083	32,144,884
6.010 - Excess of Rev Over/(Under) Exp	(778,686)	343,231	(941,161)	(2,907,134)	(5,629,668)	(6,297,482)
7.010 - Cash Balance July 1 (No Levies)	10,404,473	9,625,787	9,969,018	9,027,857	6,120,722	491,054
7.020 - Cash Balance June 30 (No Levies)	9,625,787	9,969,018	9,027,857	6,120,722	491,054	(5,806,428)
		Reservations				
8.010 - Estimated Encumbrances June 30	233,112	200,000	200,000	200,000	200,000	200,000
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	9,392,675	9,769,018	8,827,857	5,920,722	291,054	(6,006,428)
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Renewal Levies	-	-	-	1,785,619	3,571,392	3,571,588
11.030 - Cumulative Balance of Levies	-	-	-	1,785,619	5,357,011	8,928,599
12.010 - Fund Bal June 30 for Cert of Obligations	9,392,675	9,769,018	8,827,857	7,706,341	5,648,065	2,922,171
Revenue from New Levies						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	9,392,675	9,769,018	8,827,857	7,706,341	5,648,065	2,922,171



Forecast compare – comparing current forecast to last May's forecast

We expect a "repayment" of taxes to reduce the estimated property taxes revenue for current year.

State funding-we didn't see expected reductions to the guarantee. Remember, we have a new governor and new biennium.

Other revenue – property appraisals came back in our favor raising estimated TIF payments for this year. Plus one TIF revenue payment was received in current year due last year.

We see higher personnel costs due to less attrition than expected.

Benefits estimates grew due to less attrition than expected.

Purchase Services growth in special education.

Supplies – higher budget due to STEM spending and software upgrades.

Permanent Improvement Fund Budgeting					
Cash Balance July 1,	Tax revenue	Other Revenue	Transfers in	Expected expenditures	FY ending balance
FY2019					
\$ 3,809,878	\$ 960,746	\$ 16,381	\$2,424,000	\$1,565,641	\$ 5,645,364
FY2020					
\$ 5,645,364	\$ 964,000	\$ 16,500	\$ -	\$1,451,818	\$ 5,174,046
FY2021					
\$ 5,174,046	\$ 1,034,770	\$ 18,000	\$ -	\$ 890,000	\$ 5,336,816
FY2022					
\$ 5,336,816	\$ 1,060,639	\$ 18,000	\$ -	\$ 775,000	\$ 5,640,455

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.