Louisville City School District

Stark 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

MAY 2016

		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)	$5,902,389	$6,627,922	$7,341,644	11.5%	$7,548,140	$7,548,949	$7,593,426	$6,905,524	$6,217,834
1.020	Tangible Personal Property Tax	401,085	561,978	569,013	20.7%	633,218	698,933	705,115	676,430	648,558
1.035	Unrestricted State Grants-in-Aid	14,008,364	14,029,823	14,162,557	0.5%	14,416,278	14,289,415	14,289,415	14,289,415	14,289,415
1.040	Restricted State Grants-in-Aid	70,173	239,554	321,905	137.9%	228,965	383,948	316,266	312,967	312,348
1.050	Property Tax Allocation	1,016,255	1,175,385	1,318,383	13.9%	1,299,214	1,315,056	1,331,126	1,205,317	1,079,515
1.060	All Other Revenues	1,387,970	1,604,976	1,700,977	10.8%	1,631,718	1,570,136	1,553,602	1,565,681	1,579,706
1.070	*Total Revenues*	22,786,236	24,239,638	25,414,479	5.6%	25,757,533	25,806,437	25,788,950	24,955,334	24,127,376
	Other Financing Sources									
2.040	Transfers-In	59,494	56,431	58,369	-0.9%					
2.050	Advances-In	8,119	135,000	125,000	777.7%					
2.060	All Other Financing Sources	23,876		296		20,285	11,000	11,000	11,000	11,000
2.070	*Total Other Financing Sources*	91,489	191,431	183,665	52.6%	20,285	11,000	11,000	11,000	11,000
2.080	*Total Revenues and Other Financing Sources*	22,877,725	24,431,069	25,598,144	5.8%	25,777,818	25,817,437	25,799,950	24,966,334	24,138,376
	Expenditures									
3.010	Personal Services	14,892,535	14,243,685	14,513,154	-1.2%	14,923,853	14,553,814	14,851,343	14,970,903	15,153,152
3.020	Employees' Retirement/Insurance Benefits	5,763,737	5,511,777	5,555,787	-1.8%	5,906,479	5,602,163	7,044,596	7,529,056	8,061,447
3.030	Purchased Services	2,360,909	2,406,958	2,796,006	9.1%	3,126,237	3,089,616	3,176,551	3,257,625	3,370,329
3.040	Supplies and Materials	591,224	578,759	749,440	13.7%	878,490	620,750	631,700	643,100	654,500
3.050	Capital Outlay	5,344	137,777	215,329	1267.2%	211,000	200,000	200,000	200,000	200,000
	Debt Service:									
4.010	Principal-All (Historical Only)	50,000	50,000	55,000	5.0%					
4.055	Principal-Other					30,542	62,498	64,434	66,430	68,488
4.060	Interest and Fiscal Charges	9,494	6,431	3,368	-39.9%	5,032	8,650	6,714	4,718	2,660
4.300	Other Objects	343,423	345,953	304,905	-5.6%	328,970	334,550	351,350	343,686	348,559
4.500	*Total Expenditures*	24,016,666	23,281,340	24,192,989	0.4%	25,410,603	24,472,041	26,326,688	27,015,518	27,859,135
	Other Financing Uses									
5.010	Transfers-Out	59,494	58,431	58,919	-0.5%					
5.020	Advances-Out		135,000	125,000						
5.040	*Total Other Financing Uses*	59,494	193,431	183,919	110.1%					
5.050	*Total Expenditures and Other Financing Uses*	24,076,160	23,474,771	24,376,908	0.7%	25,410,603	24,472,041	26,326,688	27,015,518	27,859,135
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	1,198,435-	956,298	1,221,236	-76.0%	367,215	1,345,396	526,738-	2,049,184-	3,720,759-
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	2,552,669	1,354,234	2,310,532	11.8%	3,531,768	3,898,983	5,244,379	4,717,641	2,668,457
7.020	*Cash Balance June 30*	1,354,234	2,310,532	3,531,768	61.7%	3,898,983	5,244,379	4,717,641	2,668,457	1,052,302-
8.010	*Estimated Encumbrances June 30*	344,222	509,177	479,183	21.0%					
	Reservation of Fund Balance									
9.070	Bus Purchases	75,566	75,566	75,566		66,371				
9.080	*Subtotal*	75,566	75,566	75,566		66,371				
10.010	*Fund Balance June 30 for Certification of Appropriations*	934,446	1,725,789	2,977,019	78.6%	3,832,612	5,244,379	4,717,641	2,668,457	1,052,302-
	Revenue from Replacement/Renewal Levies									
11.020	Property Tax - Renewal or Replacement								916,439	1,832,892
11.300	Cumulative Balance of Replacement/Renewal Levies								916,439	2,749,331
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	934,446	1,725,789	2,977,019	78.6%	3,832,612	5,244,379	4,717,641	3,584,896	1,697,029
15.010	*Unreserved Fund Balance June 30*	934,446	1,725,789	2,977,019	78.6%	3,832,612	5,244,379	4,717,641	3,584,896	1,697,029
	ADM Forecasts									
20.010	Kindergarten - October Count	206	230	229	5.6%	193	197	203	198	213
20.015	Grades 1-12 - October Count	2,932	2,880	2,829	-1.8%	2756	2702	2657	2613	2589

5.16.2016

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



Louisville City School District - Stark County

Notes to the
Five Year Forecast

May 2016

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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.

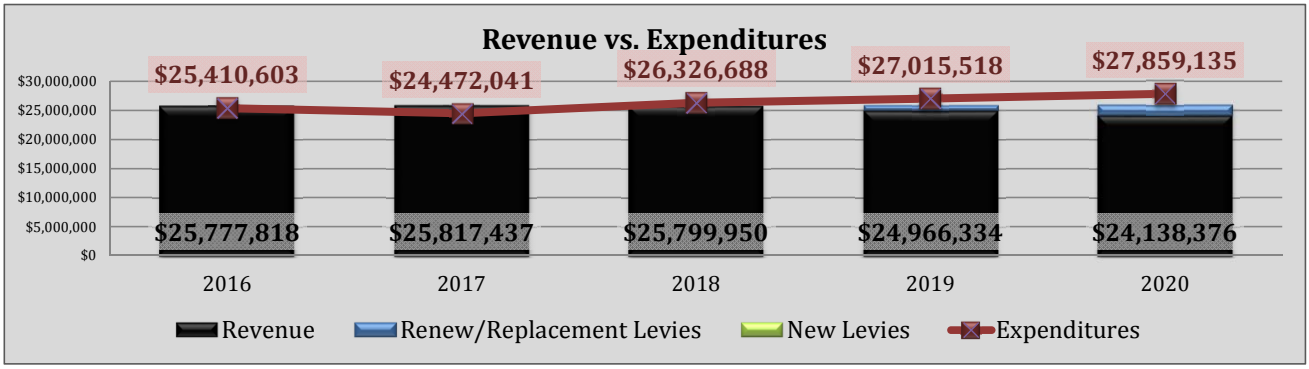
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Executive Summary

	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
Beginning Balance	3,531,768	3,898,983	5,244,379	4,717,641	3,584,896
+ Revenue	25,777,818	25,817,437	25,799,950	24,966,334	24,138,376
+ Proposed Renew/Replacement Levies	-	-	-	916,439	1,832,892
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(25,410,603)	(24,472,041)	(26,326,688)	(27,015,518)	(27,859,135)
= Revenue Surplus or Deficit	367,215	1,345,397	(526,738)	(1,132,745)	(1,887,867)
Ending Balance	3,898,983	5,244,379	4,717,641	3,584,896	1,697,029
Revenue Surplus or Deficit w/o Levies	367,215	1,345,397	(526,738)	(2,049,184)	(3,720,759)
Ending Balance w/o Levies	3,898,983	5,244,379	4,717,641	2,668,457	(1,052,302)

Executive Summary:

The five year forecast is a planning tool for the Board of Education and District administration. There are many assumptions made within the forecasted amounts which are discussed in further detail in the following pages. The District is on target to once again operate within a balanced budget for fiscal year 2016. This will mark the third year in a row that revenues exceeded expenditures in the District's general operating fund. Although this turn around is due to many factors, the primary change was the passage of the five year emergency operating levy in May 2013. The five year forecast provides evidence of the District's reliance on the additional tax dollars. Prior to fiscal year 2014, the District was in a deficit spending situation for three fiscal years. This directly resulted in the significant reduction in the District's cash balance. In fiscal years 2018 through 2020 of the forecast, the District is projected to once again look at deficit spending. The five year forecast is a planning tool which will aid the Board of Education and District administration in making important operational decisions. The Louisville City School District is committed to be a good steward of the community's resources while continuing to provide high quality programming for all students.



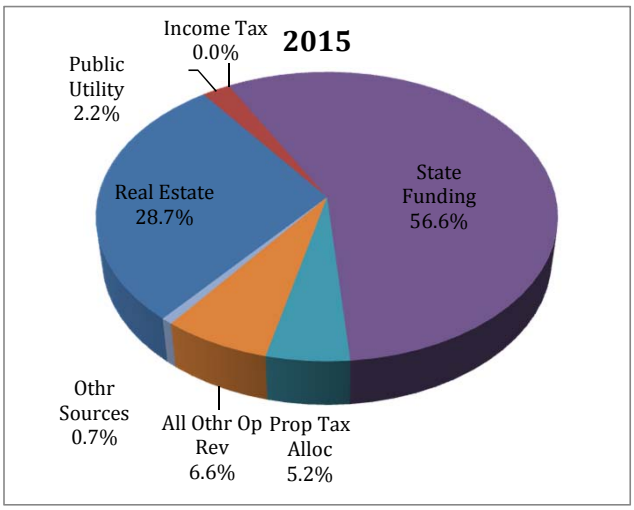
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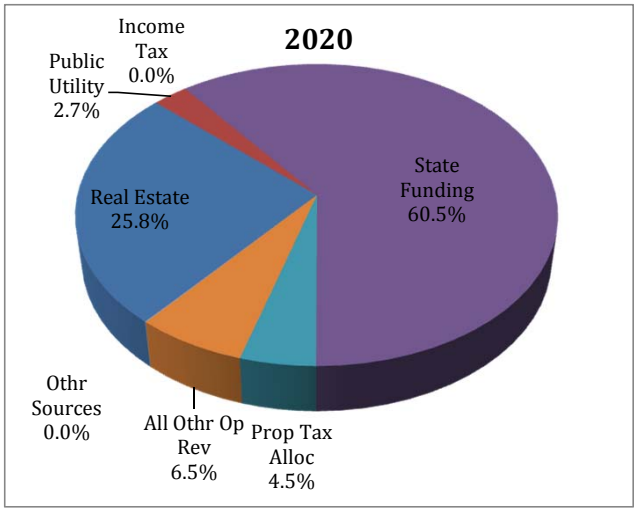
Revenue Overview

	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	
Revenue:							
1.010 - Real Estate	3.70%	2.81%	0.01%	0.59%	-9.06%	-9.96%	-3.12%
1.020 - Public Utility	100.40%	11.28%	10.38%	0.88%	-4.07%	-4.12%	2.87%
1.030 - Income Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1.035 - State Funding	0.26%	1.79%	-0.88%	0.00%	0.00%	0.00%	0.18%
1.040 - Restr Aid	42.67%	-28.87%	67.69%	-17.63%	-1.04%	-0.20%	3.99%
1.045 - Restr Federal SFSF	-36.31%	n/a	n/a	n/a	n/a	n/a	n/a
1.050 - Property Tax Alloc	-1.60%	-1.45%	1.22%	1.22%	-9.45%	-10.44%	-3.78%
1.060 - All Other Operating	23.28%	-4.07%	-3.77%	-1.05%	0.78%	0.90%	-1.45%
1.070 - Total Revenue	1.64%	1.35%	0.19%	-0.07%	-3.23%	-3.32%	-1.02%
2.070 - Total Other Sources	12.41%	-88.96%	-45.77%	0.00%	0.00%	0.00%	-26.95%
2.080 - Total	0.92%	0.70%	0.15%	-0.07%	-3.23%	-3.32%	-1.15%

Notes & Assumptions:

In total, revenues are projected to increase by $179,674, or 0.7 percent, in fiscal year 2016. This is partially due to the anticipated increase in the District's unrestricted state foundation funding. However, even though an increase is anticipated in unrestricted state foundation revenue, it is important to note that the amount forecasted in 2016 at $14,416,278 is still well below the state foundation funding received in fiscal year 2009 at $15,050,615. Real estate tax revenues are also projected to increase based on the updated assessed valuations as estimated by the County Auditor for tax year 2015's update. Total revenues are forecasted to decrease each year throughout the remaining fiscal years. As represented below, state funding, real estate tax, public utility tax accounted for 87.5% of total revenues in fiscal year 2015 while property tax allocation and other revenues/sources comprised the remaining 12.5%. Further information on each revenue source is provided on the next several pages.

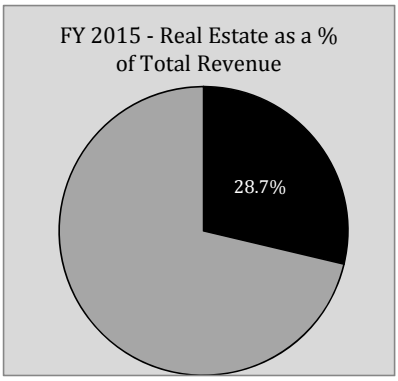


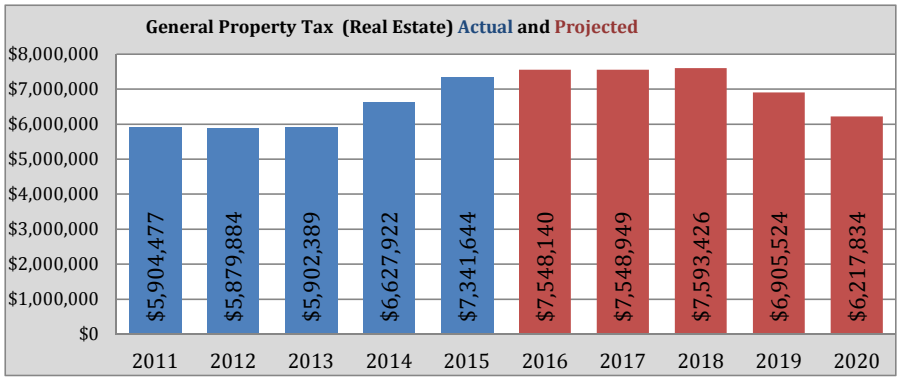


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1.010 - General Property Tax (Real Estate)

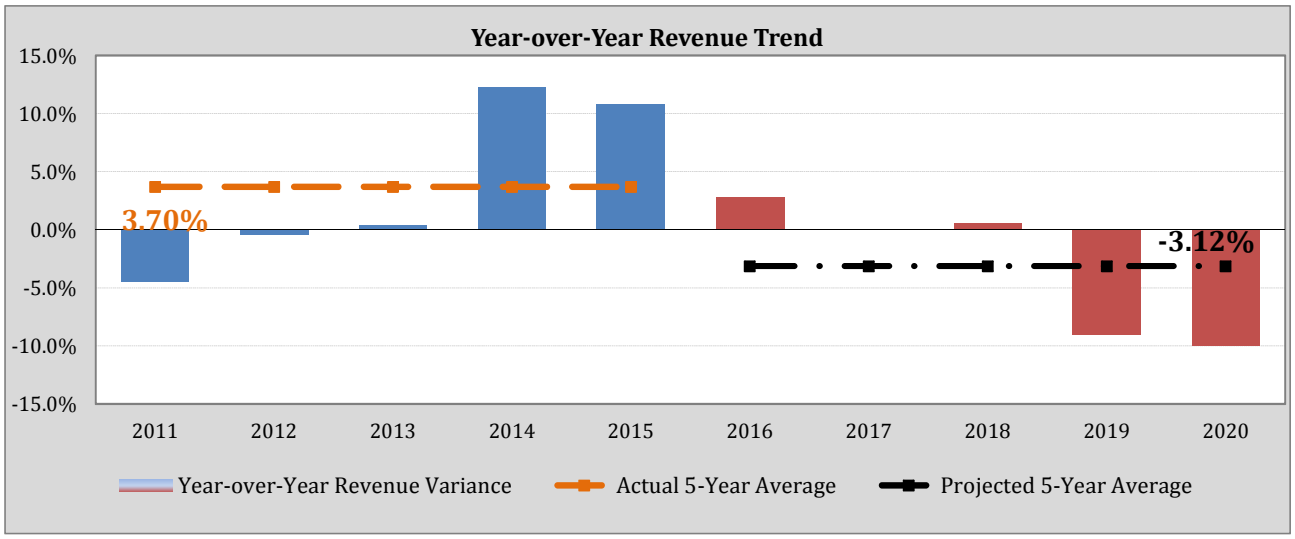
Revenue collected from taxes levied by a school district by the assessed valuation of real property using effective tax rates for class I (residential/agricultural) and class II (business).





Notes & Assumptions:

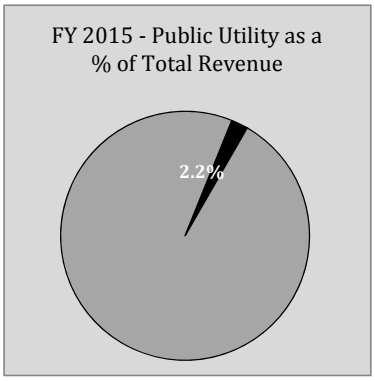
Real estate tax revenue is the second largest revenue source for the District's general fund. In fiscal year 2015, the District finally began to realize the full effect of the new emergency levy passed in May, 2013. The District began collecting the new tax in the second half of fiscal year 2014 and will receive a full year's worth of revenue for 2015, 2016, 2017 and 2018. In 2019, the District will receive the proceeds from the five-year levy for the first half of the fiscal year but not in the second half unless the levy is renewed. The first opportunity to attempt a levy renewal will come in November 2017. The District has until November 2018 to renew the levy without the loss of any revenue. For forecasting purposes, the renewal of the levy cannot be assumed in any of the line items that currently receive proceeds from the levy (this includes lines 1.010, 1.020 and 1.050). Instead, the value of the levy is held in line 11.020 until it is renewed. This is the reason for the revenue drop in 2019. The real estate market within the District appears to be rebounding. Following the 2012 sexennial reappraisal, the District saw its total valuation drop from $341 million to $313 million. Stark County recently completed the triennial update process for tax year 2015. As a result, the District's assessed valuation has realized a significant increase to $358 million. Past 2015, assessed valuation increases are projected at an average of 0.32% each year except in tax year 2018, which is projecting an increase of 0.64% due to the next reappraisal year. Another factor driving up valuation is the completion of two tax abatements. The abatements for St. Joseph's Nursing Home and Biery Cheese will both expire during this five year forecast. The expiration will reduce other revenue on the forecast because the District will no longer receive payments in lieu of taxes, but it will increase total tax receipts.

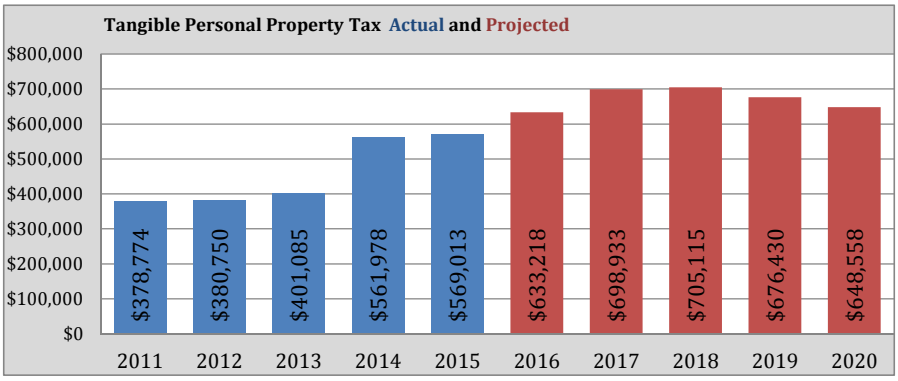


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1.020 - Public Utility Personal Property

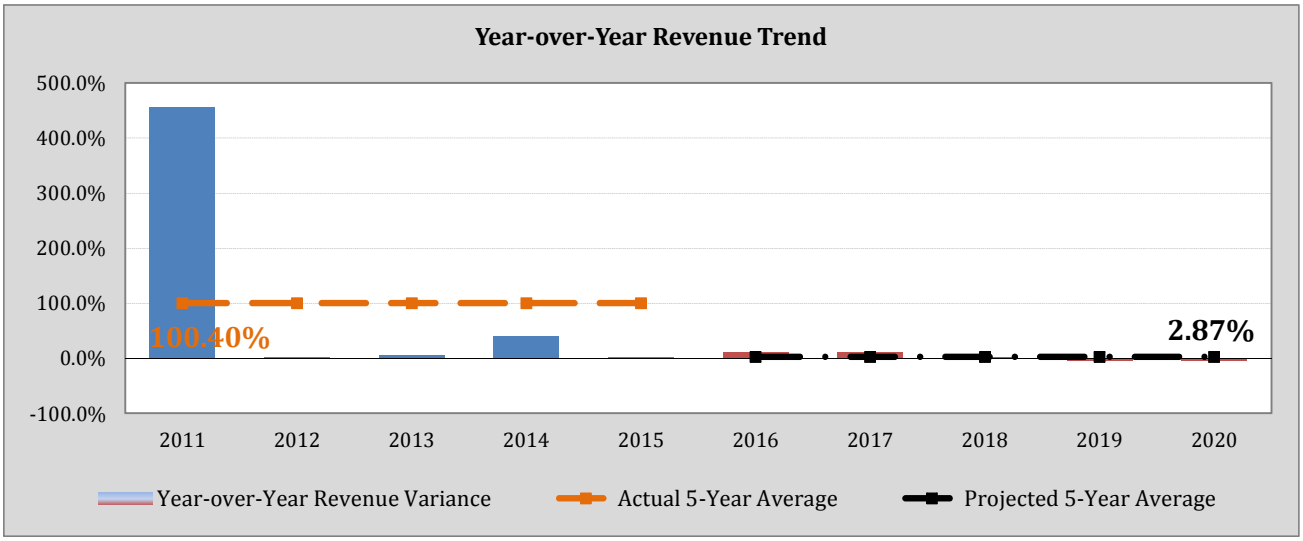
Revenue generated from public utility personal property valuations multiplied by the district's full voted tax rate.





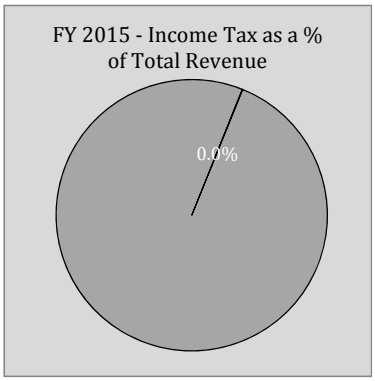
Notes & Assumptions:

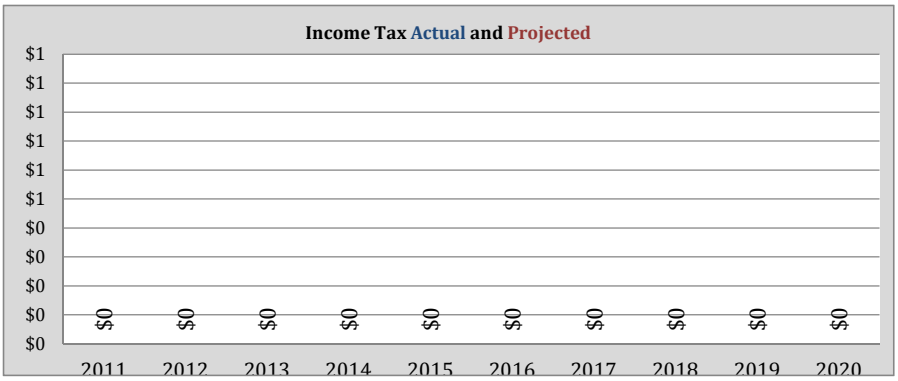
This line item reflects the taxes raised from the only companies still required to pay tangible personal property tax: utility companies. Gradual growth is assumed moving forward with a drop off in 2019 due to the emergency levy situation referenced previously. In general, valuations for the utility companies have been strong in recent years, averaging an increase of about 5% for tax years 2010 through 2013, with spike to nearly 13% for tax year 2014 and to approximately 27.5% for tax year 2015. Utility companies have been heavily reinvesting in their own infrastructures. The overall valuation growth has allowed for the growth of this revenue stream. Moving forward, the reinvestment taking place is expected to taper off. Assessed valuation increases for public utilties is forecasted at one percent for each of the forecast years.



1.030 - Income Tax

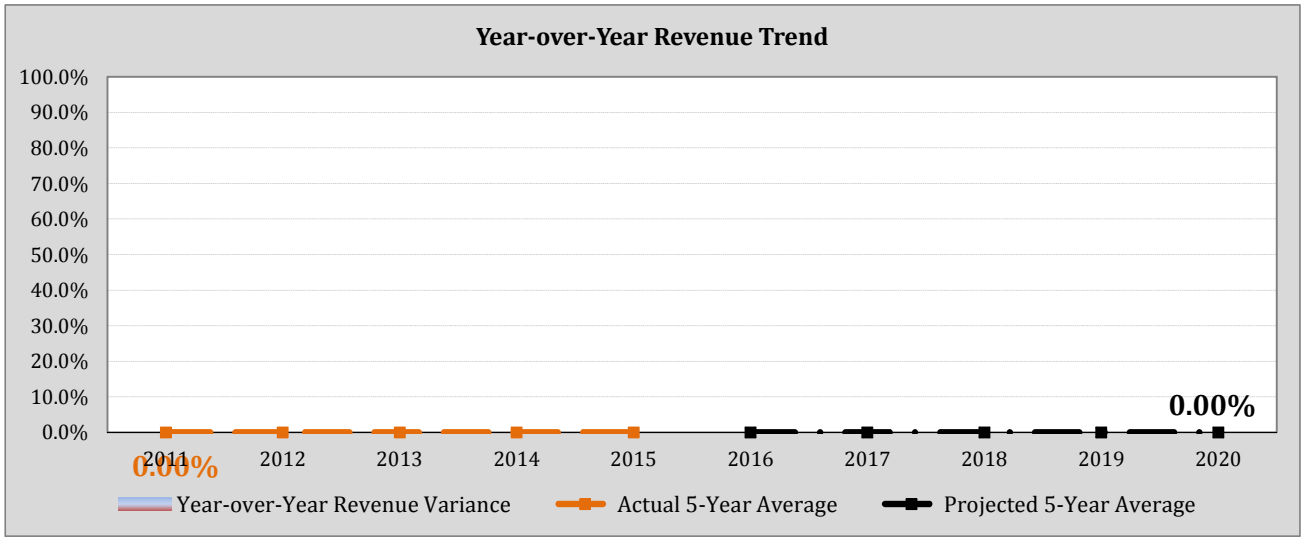
Revenue collected from income tax earmarked specifically to support schools with a voter approved tax by residents of the school district; separate from federal, state and municipal income taxes.





Notes & Assumptions:

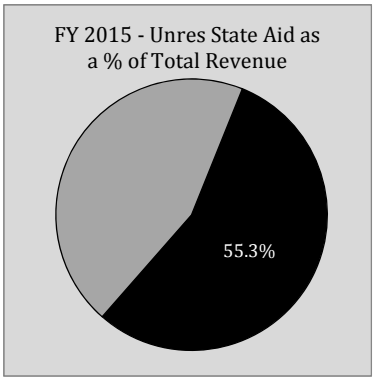
Not Applicable

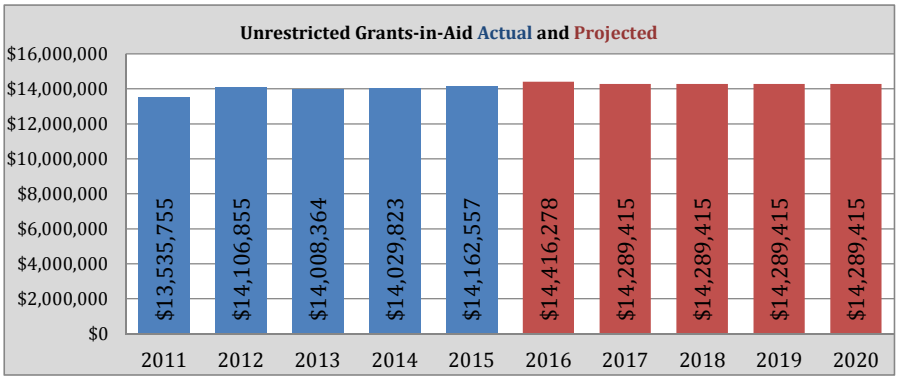


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1.035 - Unrestricted Grants-in-Aid

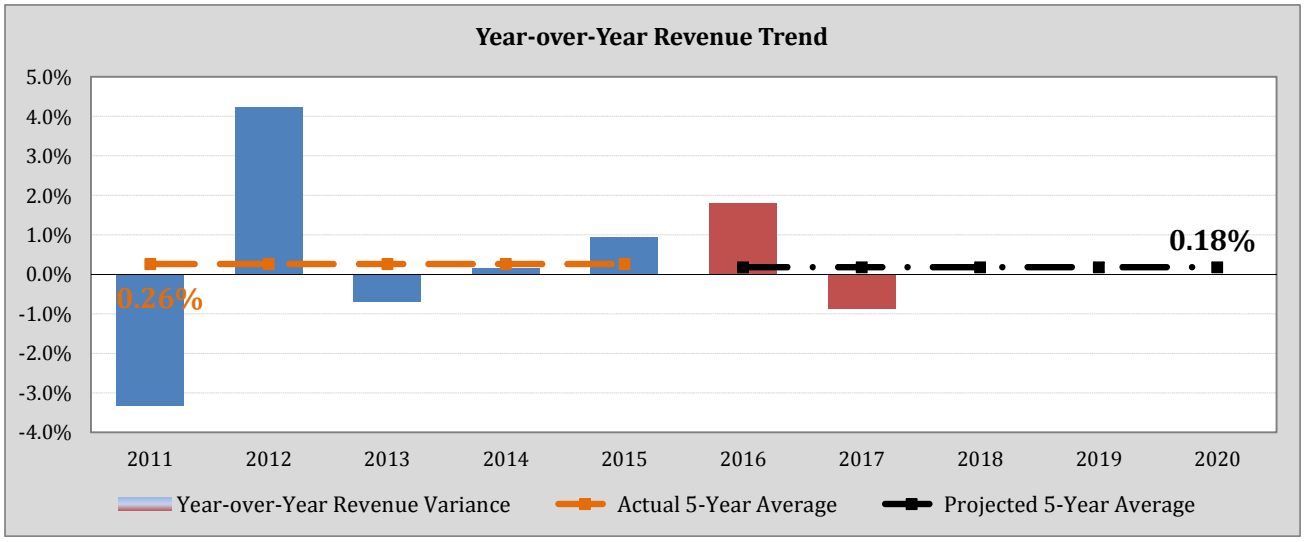
Funds received through the State Foundation Program with no restriction.





Notes & Assumptions:

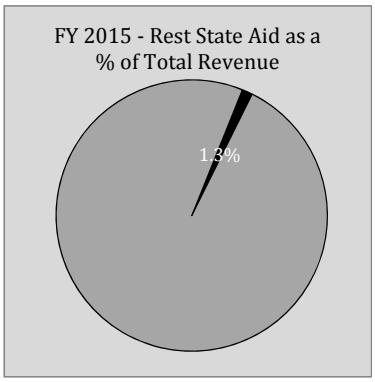
Unrestricted Grants in Aid is the District's largest revenue source and is determined by the current state funding formula for schools in Ohio. In July, 2015, the State Legislature approved the new biennium budget which kept the same funding formula introduced in the previous biennium with only minor changes. The various components of the formula are based on student enrollment and the relative wealth of the District in comparison to districts around the state. A three-year average property value per student is calculated and compared to the same calculation on a statewide level. That comparison determines how large of a percentage the District will receive of the per pupil amount the state allocates. For fiscal years 2016 and 2017, the per pupil amount has been set at $5,900 and $6,000, respectively. The District's percentage for fiscal year 2015 was 58.2%, and is currenlty calculating at 59.6% for fiscal year 2016. After that, it is projected to decrease based on the District appearing wealthier due to the projected increase in property valuations and the projected decrease in student enrollment. As has been the case in recent years, the decreasing student enrollment is going to present a long-term problem for the District. The District has seen its enrollment drop from a high of 3,315 in 2007 to 3,058 for 2015. Meanwhile, open enrollment has gone from 0 in 2007 to approximately 169 this year. Moving forward, the expectation is the trend on residential enrollment will continue. The decreased enrollment between fiscal year 2016 and fiscal year 2020 show an average loss of 37 students per year. In addition to state foundation revenue, casino tax revenue is also included on this revenue line item. The District is expecting to receive approximately $51 per resident student, which is roughly what it received last year. The per student funding figure is expected to remain flat for the entire forecast, but the total distribution for the District will decline as enrollment declines.

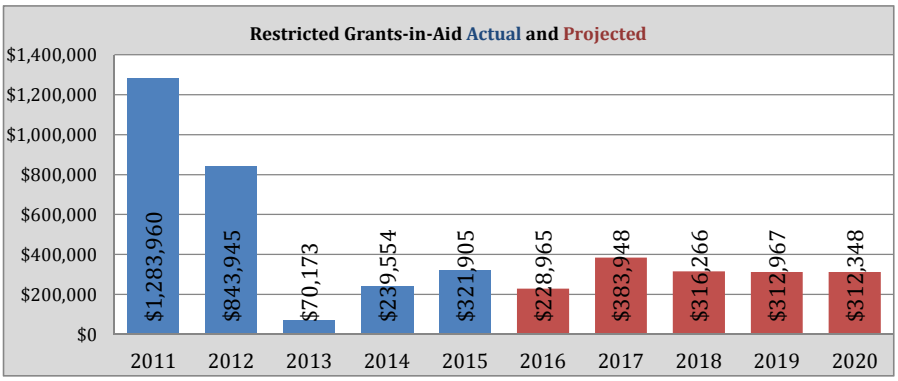


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1.040 & 1.045 - Restricted Grants-in-Aid

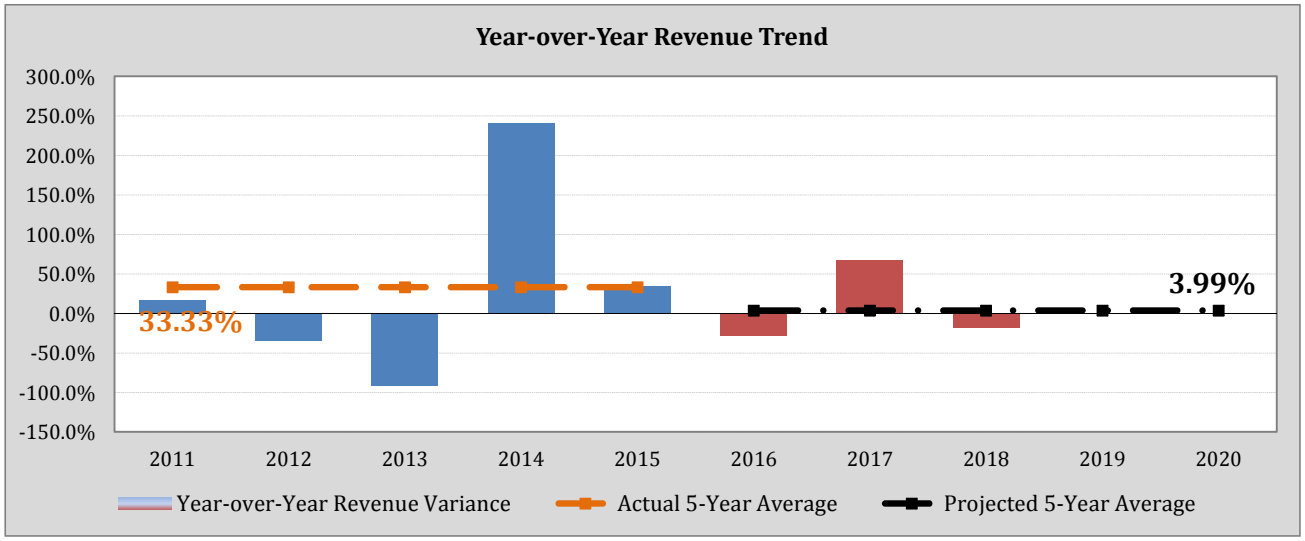
Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.





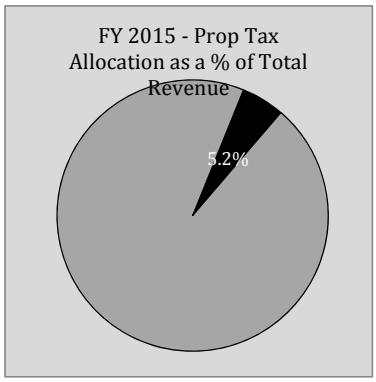
Notes & Assumptions:

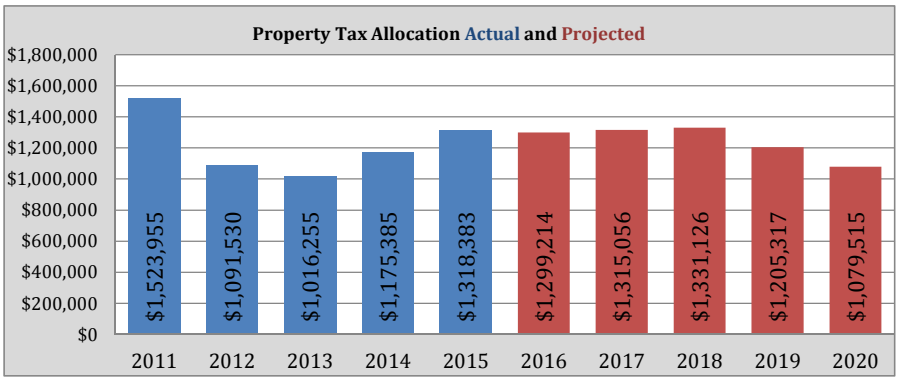
Formerly, this line item, 1.040, was only used to record the state funding for Career and Technical Education and Catastrophic Aide. However, under the new funding model, the state is directing a portion of state aid to provide economic disadvantage funding. The proceeds for that funding are now also recorded here. Similar to Career and Technical Education dollars, the state has established a list of guidelines for what specifically these dollars can be used for. The District is expecting about $41,505 in Career and Technical Education Funding and $187,460 in economic and disadvantage funding. This would represent a combined increase of about 19.8% for these two areas over last year.. Catastrophic Aide caused this line item to experience a spike in 2015 due to higher program costs relating to special education. As a part of the previous state biennium budget, additional money was allocated to the Catastrophic Aide pool to help all districts. This increased pool allowed the District to receive $144,200 in aide for 2015, up from nearly $74,000 in 2014. Prior to that, the District had been receiving less than $20,000 annually. It is also assumed that due to the ever-growing number of program costs needed to serve the District's special education student population, the District will continue to receive at least $75,000 per year in Catastrophic Aide. This line item could easily shift higher or lower depending on the specific needs of the special education department. Due the ODE's timing of the filing process the reimbursement due in FY16 for the 2014-15 school year is not anticipated to be received until early FY17. The restricted federal aid line item, 1.045, for 2012 is from a one-time federal grant called the Education Jobs Grant. This grant was awarded in 2011, but the District chose to hold the grant until 2012 to help soften the blow of losing stimulus foundation dollars. The District does not expect any new revenue in this line item moving forward.



1.050 - Property Tax Allocation

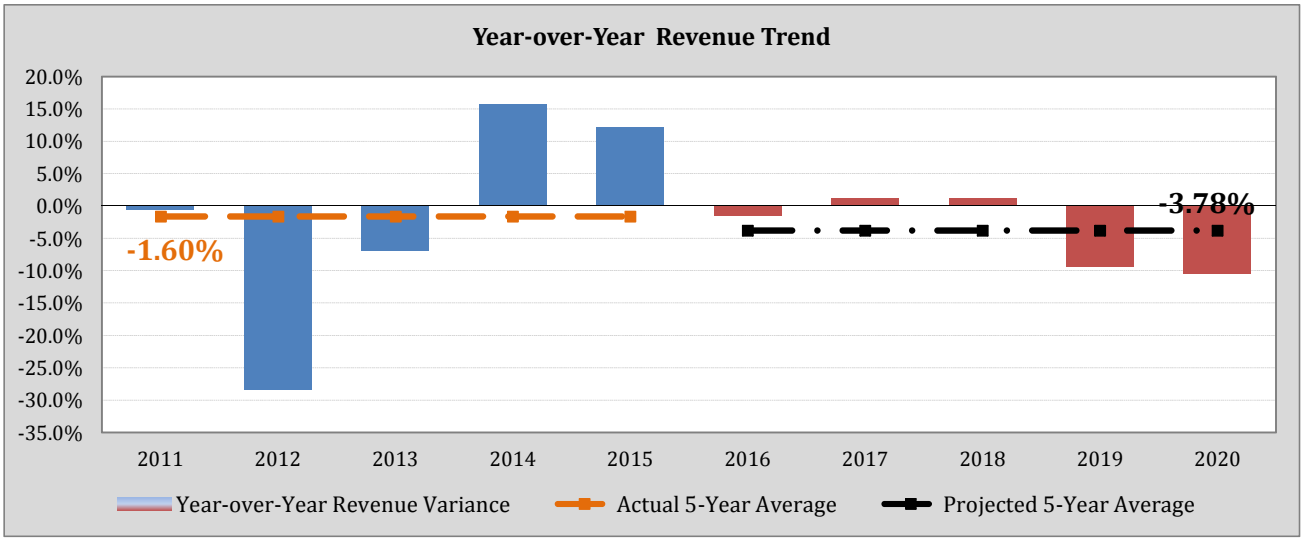
Includes funds received for Tangible Personal Property Tax Reimbursement, Electric Deregulation, Homestead and Rollback.





Notes & Assumptions:

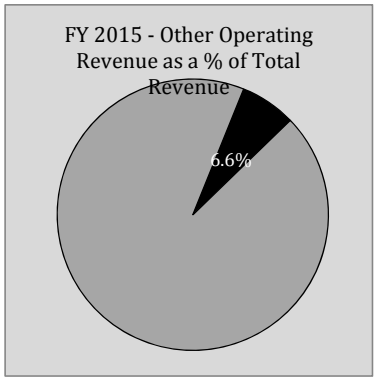
This allocation includes state reimbursements for Tangible Personal Property Tax loss, Homestead Exemption, and 10%/2.5% Rollback. Homestead and Rollback are state deductions taxpayers receive on their local property taxes based on certain requirements. The state, in turn, reimburses the District for revenue lost from these deductions. Historically, these reimbursements represent about 16.38% of the taxes levied for Louisville Schools, but that percentage is expected to climb this year to about 16.85%. The increase is due to a steady increase in the Homestead Exemption, which is indicative of an aging community. The last state biennium budget made some very drastic changes to these allocations moving forward. New levies passed after November 2013 will not be eligible for the rollback exemption. Fortunately, the District's emergency levy will not be impacted by this when it is up for renewal in 2017 as long as it is a renewal of the same levy with no modifications. Also the Homestead Exemption was modified for anyone not already earning it to include a new income threshold. The change will greatly decrease the number of individuals eligible in the future. Historically, this line item mirrors line 1.010 in growth or decline because it is a function of property tax collections. However, over time, this allocation will start to show decline as line 1.010 starts to increase due to reduced deductions.

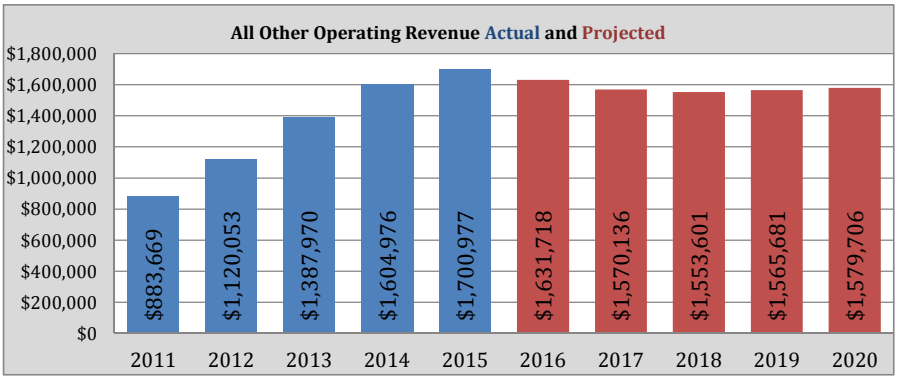


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1.060 - All Other Operating Revenues

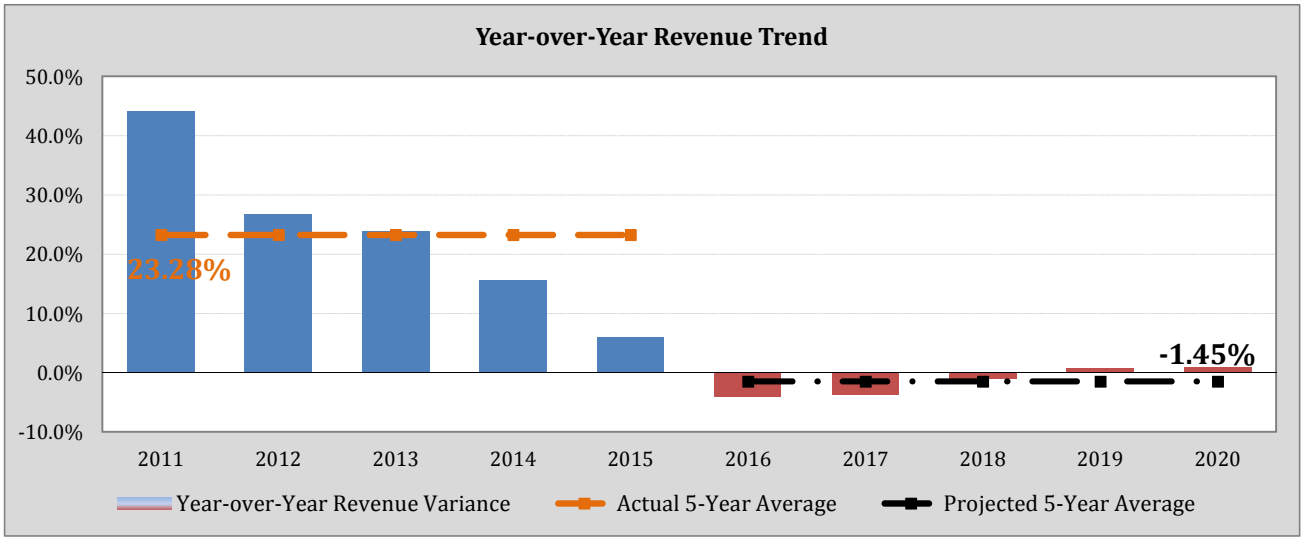
Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.





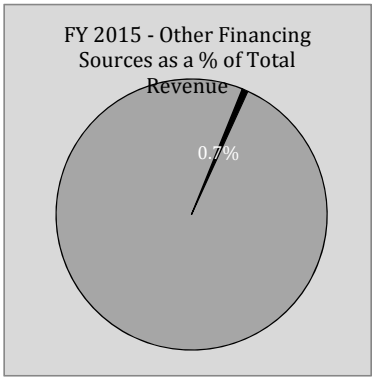
Notes & Assumptions:

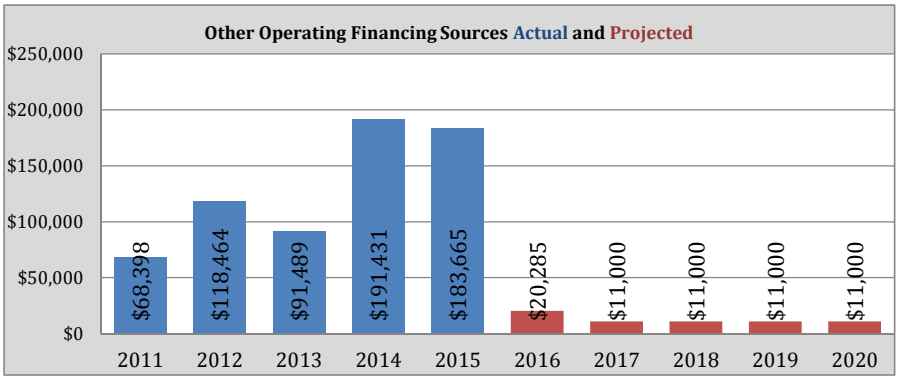
The largest revenue item classified here is funding for open enrollment students. Last year, the District received $973,849 for open enrollment. That figure is anticipated to approximately $956,000 in 2016 for an estimated 174 open enrolled students. The forecast is assuming that level of students to remain at 174. Another revenue stream included in this category is the collection of fees charged to students who participate in sports and other activities. These fees help cover the cost of offering extracurricular programming. These fees do not completely cover the cost of activities and are thus subsidized by the general fund. In 2014, the Board eliminated the provision that exempts free and reduced families from these fees, and the Board also increased the caps on these fees. These changes resulted in an increase of almost $50,000 in fees collected. In the spring of 2014, the Board studied the history of pay to participate fees, the impact on the District's programs and the impact on the District's families. The Board determined there was very little consistency in how much fees were charged from one year to the next and found that higher fees hurt participation. In an attempt to correct both problems, the Board decided to cut all of the fees in half and lower family caps. Furthermore, the Board committed to leaving the fees set at that amount for the three years (2015, 2016, and 2017) at which time they will be reevaluated. The total amount collected from these fees was about $84,000 in 2015, which was a $60,000 decrease from 2014 collections. The projected fee revenue is kept at $84,000 for all five years of the forecast. The District also receives reimbursements from Medicaid for a small portion of the costs incurred providing services to special needs students. This reimbursement was much higher than normal in 2015 due the fact that the District recieved a large reimbursement for back claims in the amount of nearly $144,000. Annual projected revenues average around $85,000 each year for Medicaid reimbursements.



2.070 - Total Other Financing Sources

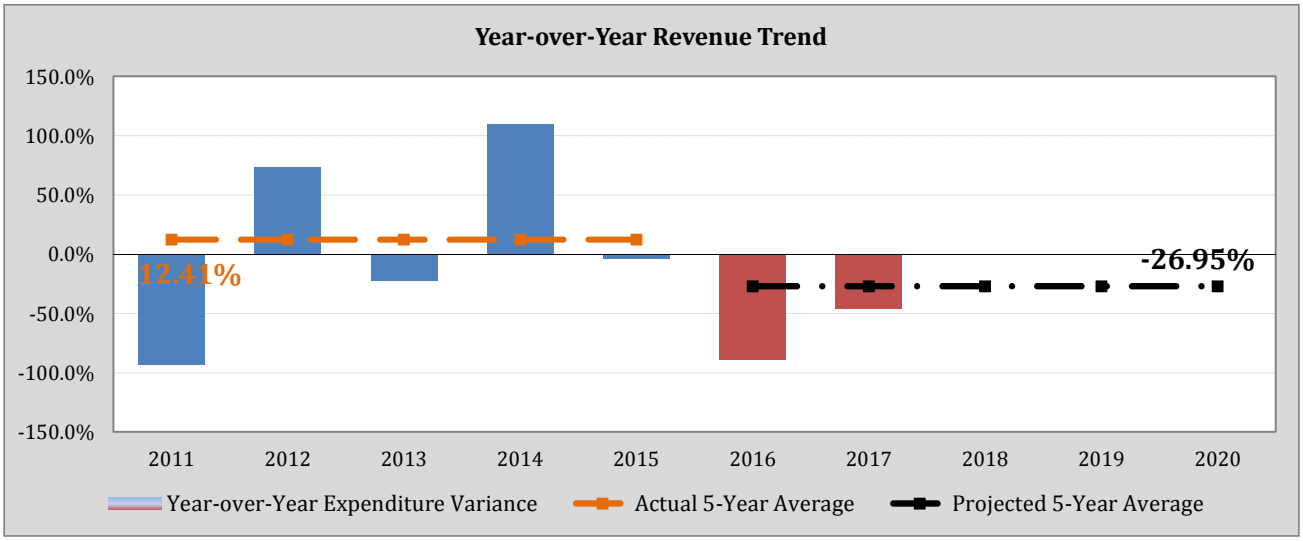
Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.





Notes & Assumptions:

A transfer in was made in 2015. This transfer was used for the debt service of a House Bill 264 Energy Conservation Project, which was completely paid off at the end of 2015, so the transfer will no longer be needed. Also in 2015, an advance in of $125,000 was made. This advance in was the repayment of a short term loan given to the food service fund from the general fund to meet the food service programs liquidity needs. The food service department underwent a restructuring in 2014, which should allow it to become profitable again and allow it to rebuild its liquidity over time. A small amount ($11,000) is projected each year from fiscal year 2017 and beyond for various refunds to be received by the District.

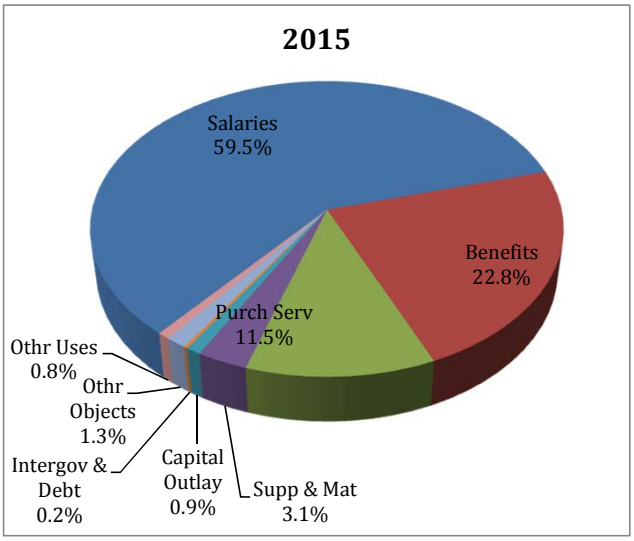


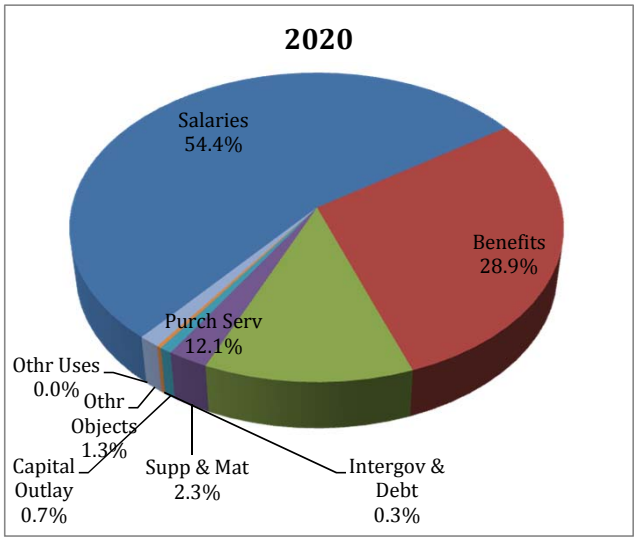
Expenditures Overview

	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	
Revenue:							
3.010 - Salaries	0.31%	2.83%	-2.48%	2.04%	0.81%	1.22%	0.88%
3.020 - Benefits	1.14%	6.31%	-5.15%	25.75%	6.88%	7.07%	8.17%
3.030 - Purchased Services	5.70%	11.81%	-1.17%	2.81%	2.55%	3.46%	3.89%
3.040 - Supplies & Materials	4.92%	17.22%	-29.34%	1.76%	1.80%	1.77%	-1.36%
3.050 - Capital Outlay	473.19%	-2.01%	-5.21%	0.00%	0.00%	0.00%	-1.44%
3.060 - Intergov	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.010 - 4.060 - Debt	0.52%	-39.05%	100.00%	0.00%	0.00%	0.00%	12.19%
4.300 - Other Objects	2.08%	7.89%	1.70%	5.02%	-2.18%	1.42%	2.77%
4.500 - Total Expenditures	1.09%	5.03%	-3.69%	7.58%	2.62%	3.12%	2.93%
5.040 - Total Other Uses	47.05%	-100.00%	n/a	n/a	n/a	n/a	-100.00%
5.050 - Total	1.18%	4.24%	-3.69%	7.58%	2.62%	3.12%	2.77%

Notes & Assumptions:

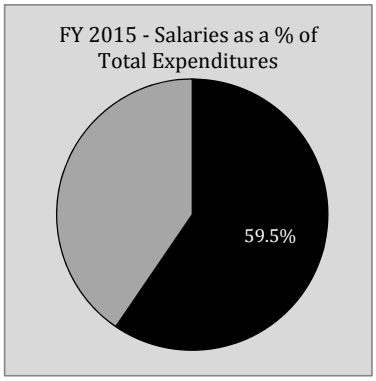
In total, expenditures are projected to increase by $1,033,695, or 4.24%, in fiscal year 2016. This is due to the anticipated increases the District will realize in personnel services, employees' retirement/insurance benefits, purchased services, and supplies and materials. Total expenditures are forecasted to decrease in fiscal year 2017 and then increase each of hte remaining forecasted years. As represented below, salaries and benefits accounted for 82.3% of total expenditures in fiscal year 2015 while purchased services, supplies, capital outlay, and other expenditures comprised the remaining 17.7%. Further information on each expenditure category is provided on the next several pages.

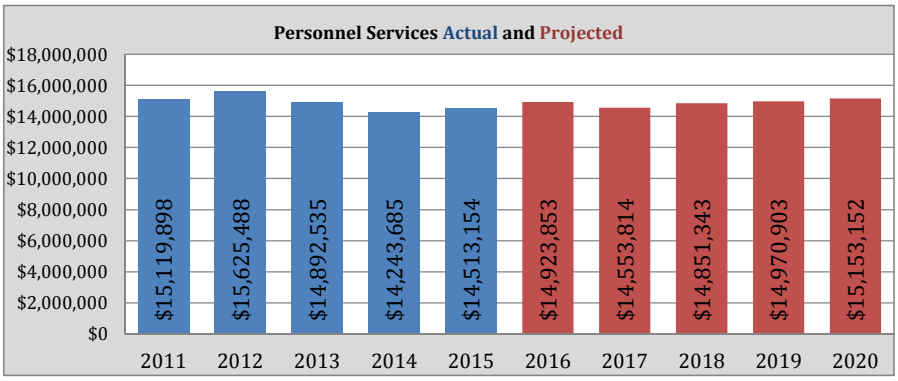




3.010 - Personnel Services

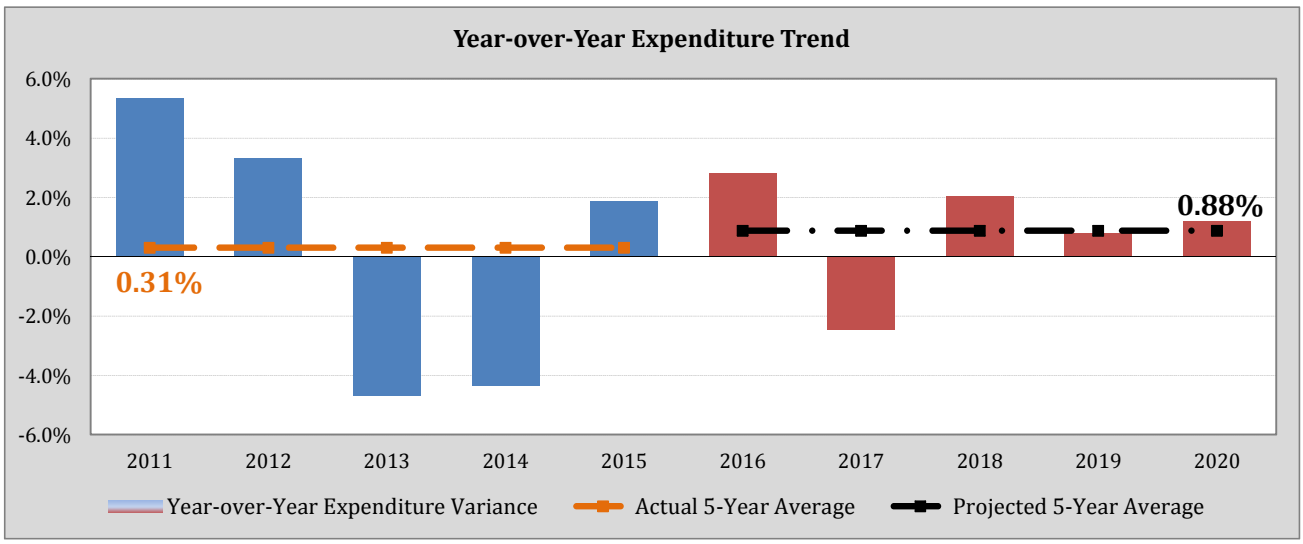
Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.





Notes & Assumptions:

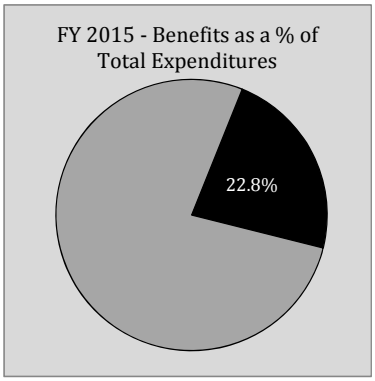
Personnel Services is the largest expense category for the District. Fiscal year 2016 is the last year of the three year negotiated agreements with both the certified (LEA) and classified (OAPSE) unions. The salaries for 2016 are based on the schedules set forth in those contracts. In 2015, there were schedule index increases in both contracts with no base increases. Under the contract, all LEA members will receive their index increases for 2016 and 2017. Contingency language within the contract was met which resulted in a 1% lump sum payment to be made to all employees in July 2015 (FY16) since the OAPSE contract incudes a "me too" clause which applied to the lump sum payment. Furthermore, for 2016, there is a contingency in place that also requires a 1% base increase to be put in place if met. The contingencies were met, and the 1% base increase was applied for both LEA and OAPSE The District is expecting to see some cost savings due to sixteen teachers and one administrator retiring in 2015. Moving forward, the District does not expect to see a high number of retirements. For fiscal years 2017 through 2020 of the forecast, index raises are forecasted with no base increases. Total salaries show a significant decrease in fiscal year 2017 due to the reduction of five certified positions.

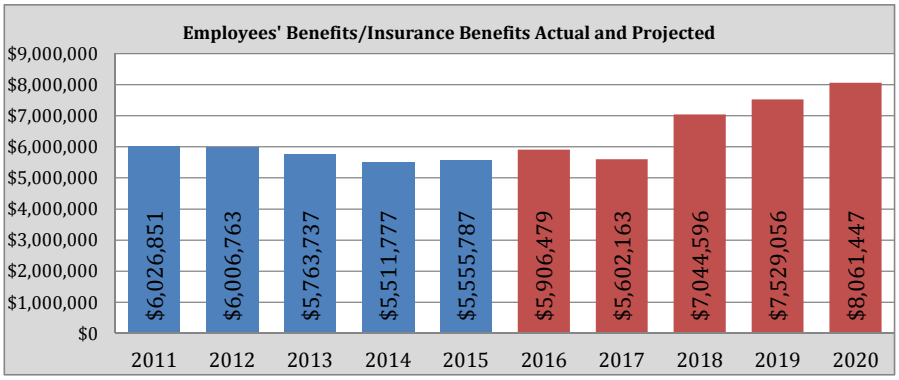


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3.020 - Employees' Benefits

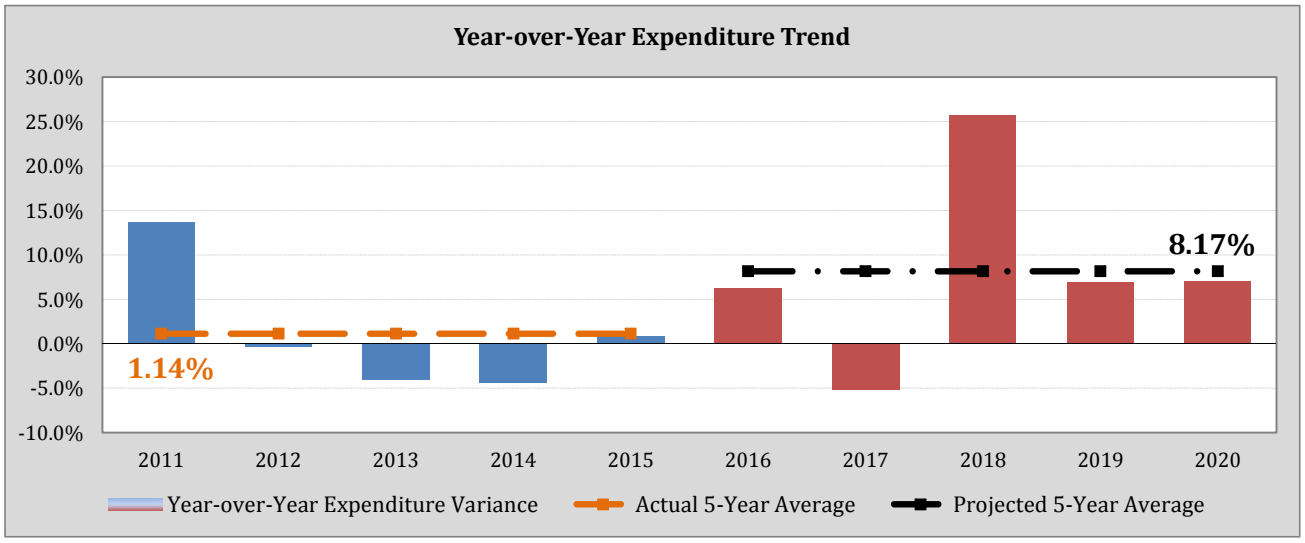
Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.





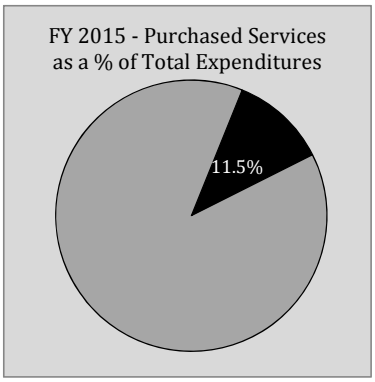
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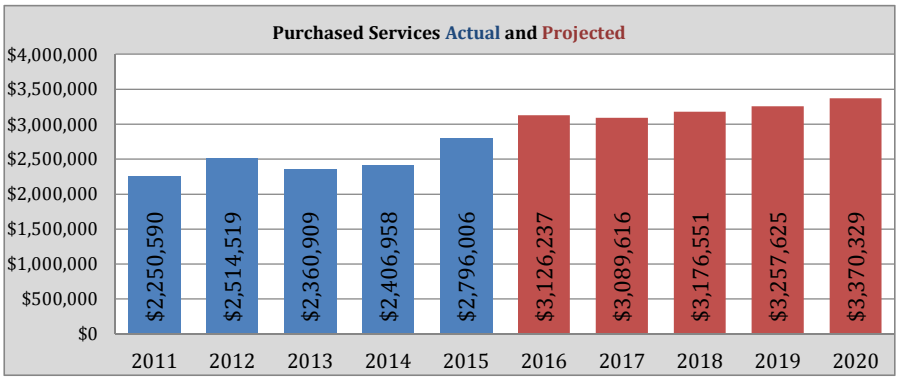
The largest expense for the benefits line is health, vision, dental and life insurance costs. For 2015, insurance costs rose by 5%, and the District received the benefit of two premium holidays. For 2016, the insurance rate increase has been set at 2.6% with two additional premium holidays. Each month of premium holiday equates to savings of nearly $365,000 for the District in fiscal year 2016. Currently, the insurance proposal includes a rate increase for fiscal year 2017 of 2.5% with three premium holidays. Beyond 2017, the insurance provider has advised Districts to assume 10% growth for each year and no additional premium holidays. Presently, certified employees pay 12% of the health insurance premium cost. In 2017, those employees will pay 13%. All classified personnel pay 10%. In 2015, administrators and non-bargaining personnel began paying 15% of health insurance premium costs. These increases in employee contributions are vital to helping the District counter the large increases in overall health insurance costs. The second largest expense is for pension costs. Pension costs for the District are 14% of each employee's salary. In 2016, certified employees are required to pay 13% of their salary, and classified employees are required to pay 10% to the pension plans. Starting in July, 2016, that figure moves to 14% for certified staff.



3.030 - Purchased Services

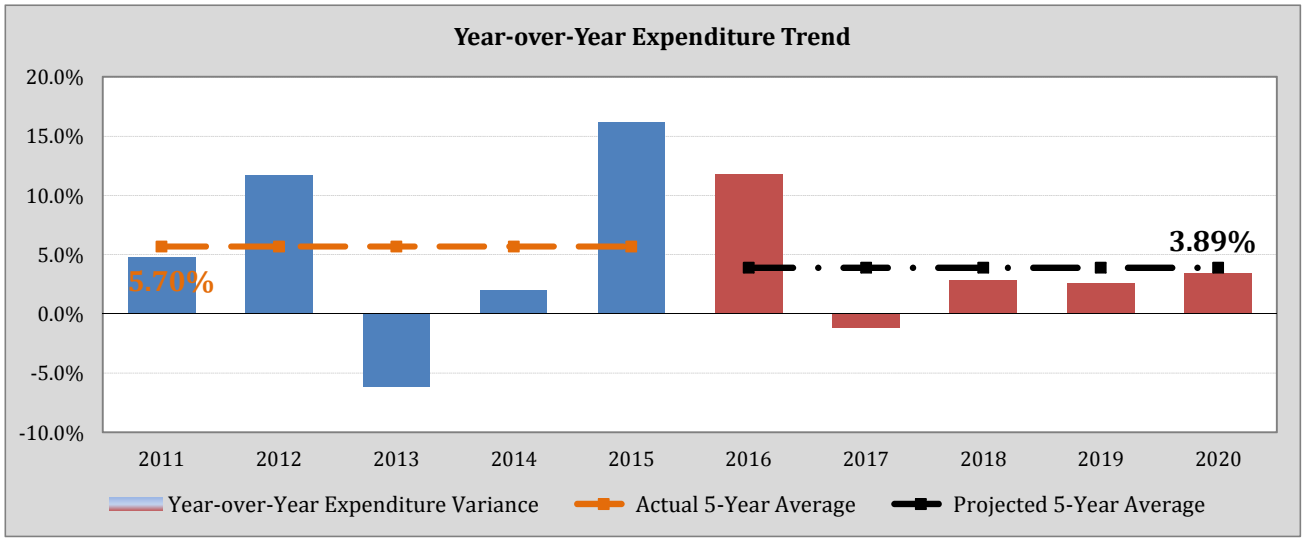
Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, and other services which the school district may purchase.





Notes & Assumptions:

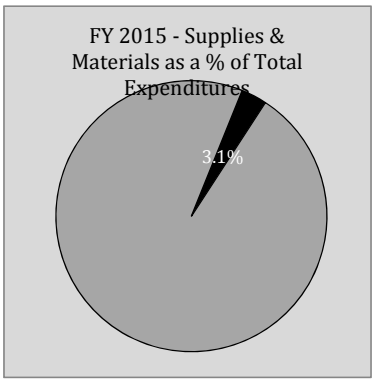
In 2015, the District realized a 16% increase in purchased services. There are several large cost items causing the growth. Excess cost rose by 24% from 2014 to 2015. The cost of outsourced programs for the District's special education students along with the number of students requiring these programs continue to increase. These expenditures can fluctuate drastically based on the student population needing such services. Current appropriations for fiscal year 2016 are around $400,000. A 8.5% increase is projected each year thereafter. Community school costs are another area of expected growth and came in just under $480,000 in 2015. The money paid to community schools is expected to grow throughout the five years of the forecast and is expected to reach over $500,000 in fiscal year 2016. A final area of cost growth is some administrative outsourcing. The technology director was hired through the ESC for 2016, which will cause salary to decrease but purchased services to increase. Utilities account for another significant portion of this expense line. Electric costs declined by $39,958, or 8.9%, in 2015. This reduction is a direct result of contracting with an engineer to evaluate all of the District's heating and cooling systems. The engineer was able to make numerous improvements throughout the District, resulting in significant cost savings and rebates from the District's electric provider. The District will continue to benefit from these improved efficiencies. In addition, the District was able to take advantage of low natural gas prices and entered into a new contract for fiscal years 2016 and 2017. With the locked-in rate, the District will save approximately $26,000 in each of those years.

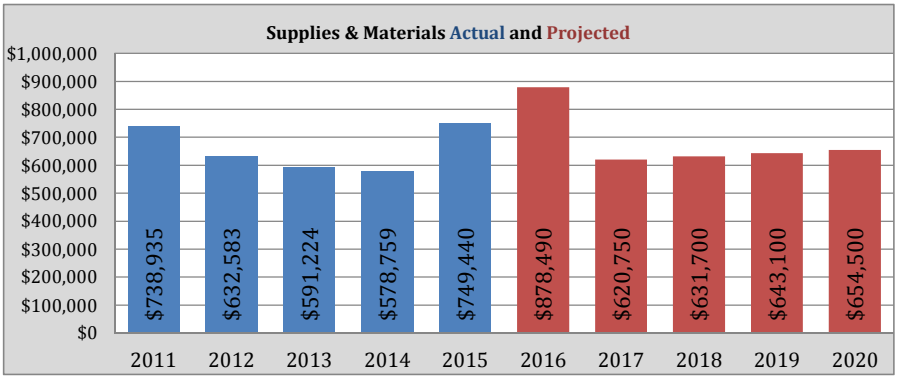


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3.040 - Supplies & Materials

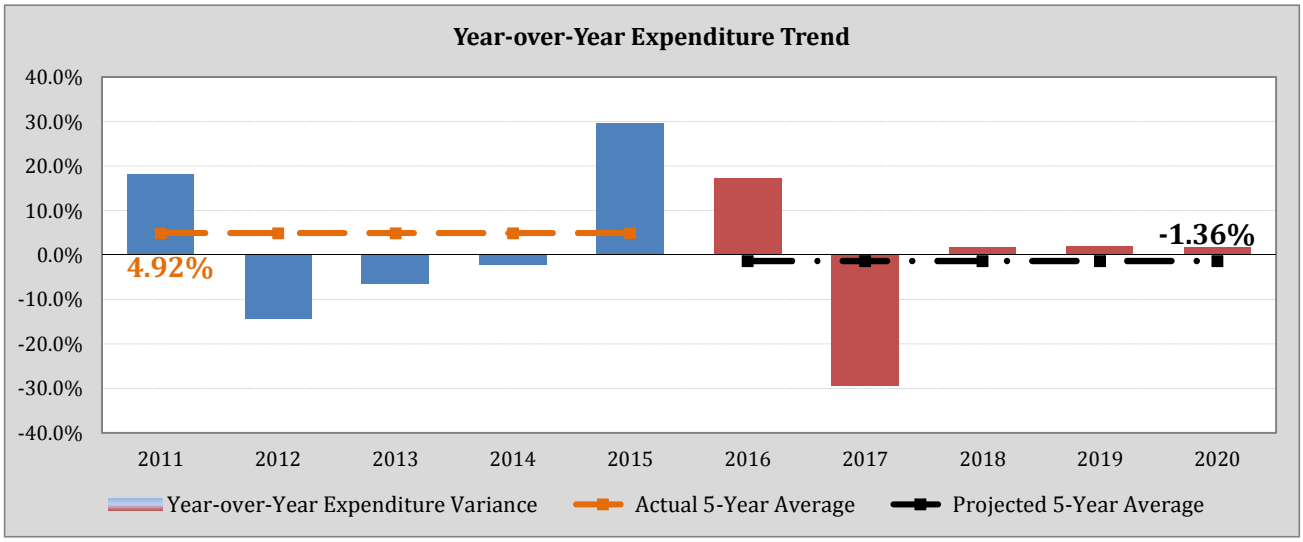
Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.





Notes & Assumptions:

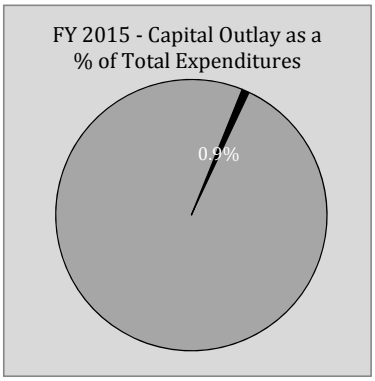
2014 marked the fourth consecutive year the District spent less on supplies than in the previous year. Reductions to the supply budget were necessitated by the District's overall financial position. Although necessary, these reductions set the District back years in its curriculum. This trend ended in 2015 as the District dedicated additional resources for supply/textbook purchases. Moving forward, the District is appropriating $80,000 annually for the purchase of new curriculum through 2020. This expense will be necessary to bring the District's curriculum back in alignment with the new state standards. Building/custodial supplies and fuel are the remaining two large expenses in this category. Building/custodial supplies have been fairly consistent at around $130,000 in fiscal years 2014 and 2015 and are projected at similar amounts. Based on the fluctuation in the fuel market, the District realized savings of $44,923, or 23%, between fiscal years 2014 and 2015 and will see further savings for fiscal year 2016. The forecast projects inflationary increases each year thereafter.

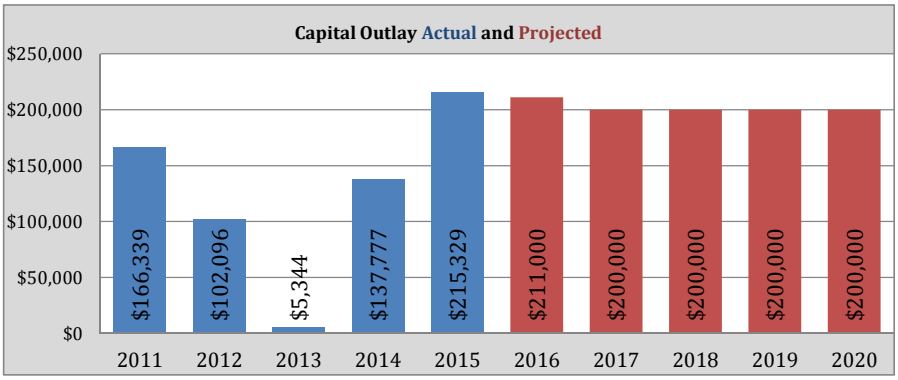


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3.050 - Capital Outlay

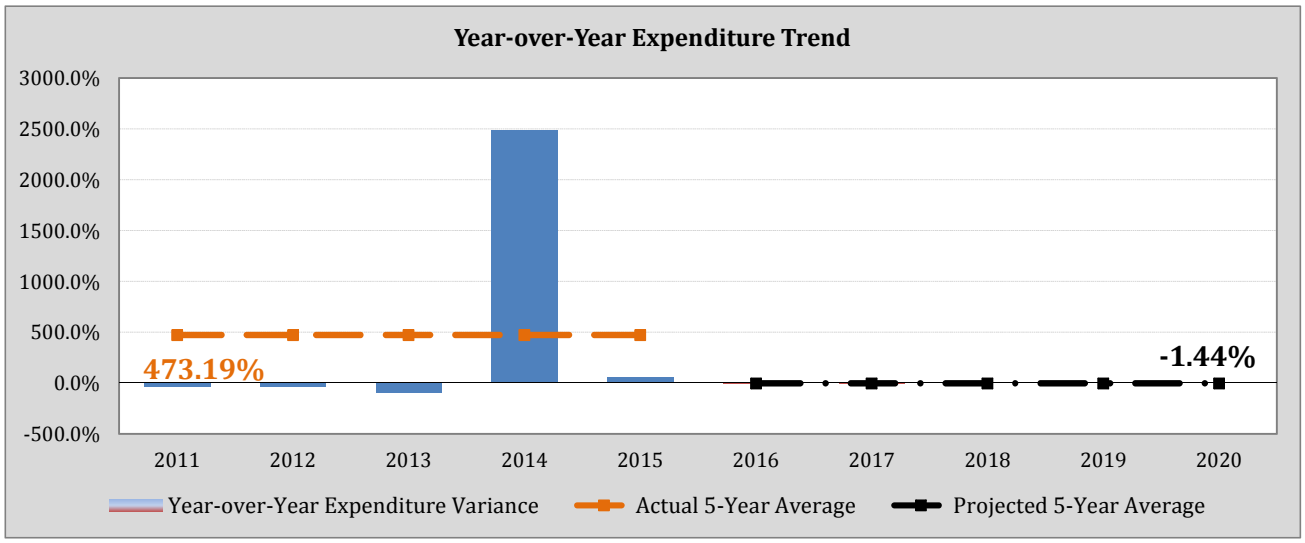
This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.





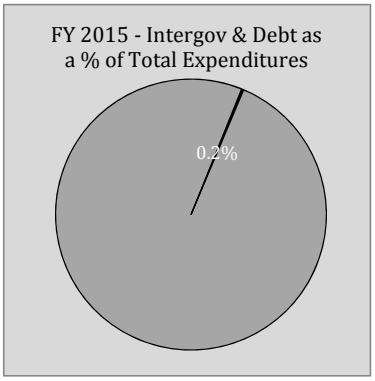
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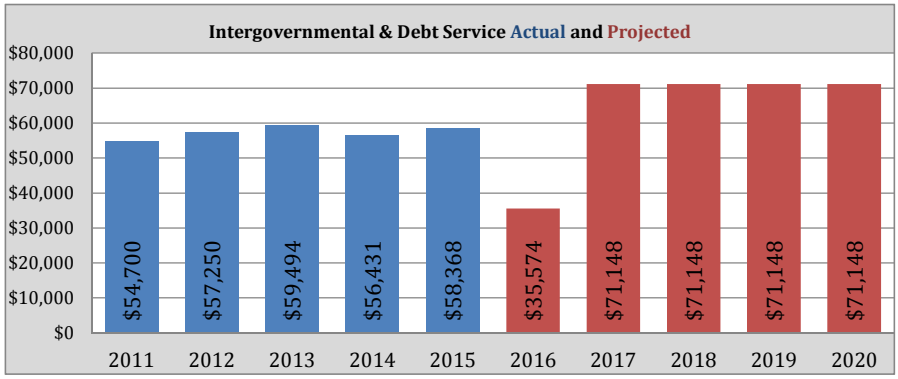
The District is making a concerted effort to spend resources on its capital needs. The District has purposefully limited its capital outlay expenditures due to budgetary constraints which forced the District to stretch equipment and technology far beyond regular useful lives and threw the District off any regular update cycles. Compounding the problem is the fact that annually $150,000 of the District's permanent improvement fund is committed to retiring long-term debt. The debt will not be retired until 2018. With an improved bottom line due to the passage of the emergency operating levy, the District is committed to updating instructional technology for the students. The District spent approximately $215,329 on capital expenditures in fiscal year 2015, which only equates to less that 1% of the total operating budget and accounted for technology purchases, a paving project, and transportation equipment including a maintenance truck. The forecast continues to appropriate $100,000 for technology in each year with additional appropriations for various transportation and building equipment.



3.060-4.060 - Intergovernmental & Debt

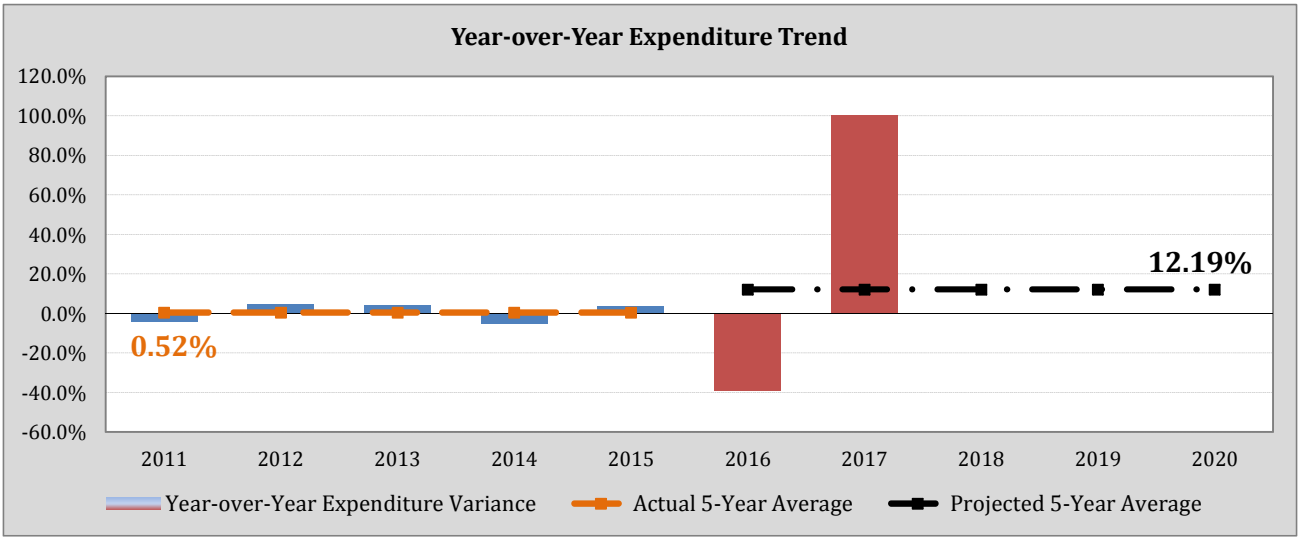
These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.





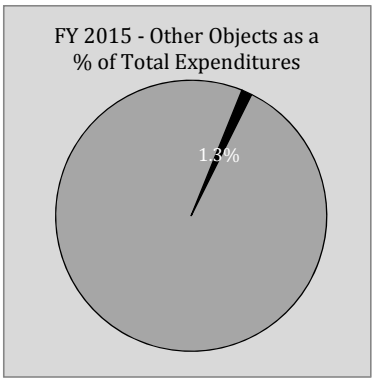
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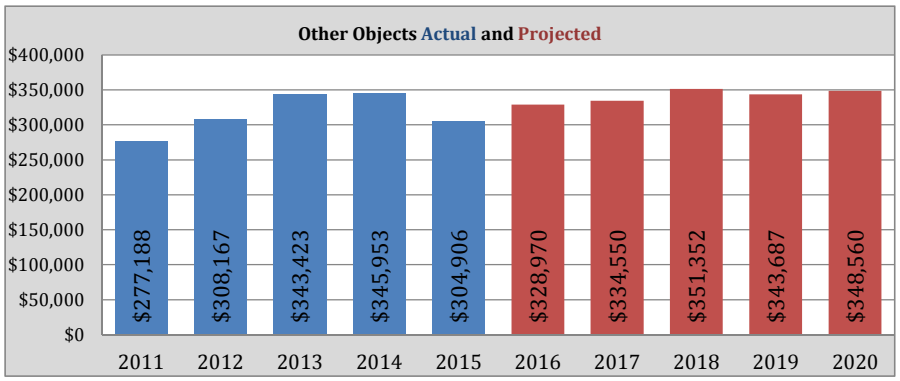
Prior to fiscal year 2016, this expenditure category included the debt service (principal and interest) related to the HB264 Energy Conservation Note. This debt was retired at the end of fiscal year 2015. In early fiscal year 2016, the District entered into a five year lease purchase agreement for four new buses. The amounts represented in fiscal years 2016-2020 are related only to the principal and interest for this lease purchase.



4.300 - Other Objects

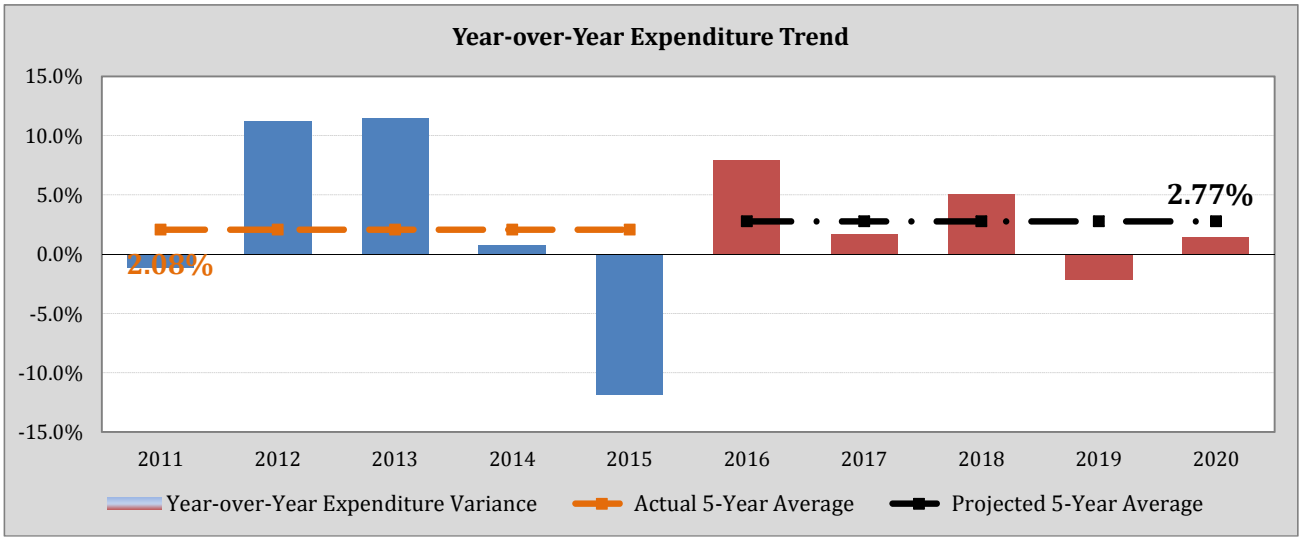
Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.





Notes & Assumptions:

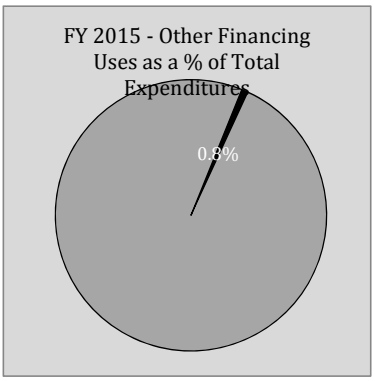
Inflationary increases have been projected for several items within Other Objects including annual audit fees, ESC service fees, and liability insurance premiums. Auditor and treasurer's fees, which are deducted from our tax revenue distribution by the County, account for approximately $150,000 each year. This amount has been forecasted at the same level for all of the forecasted fiscal years.

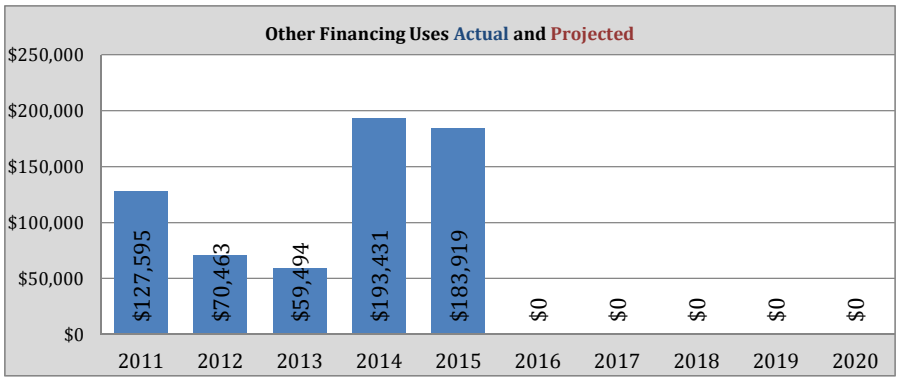


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5.040 - Total Other Financing Uses

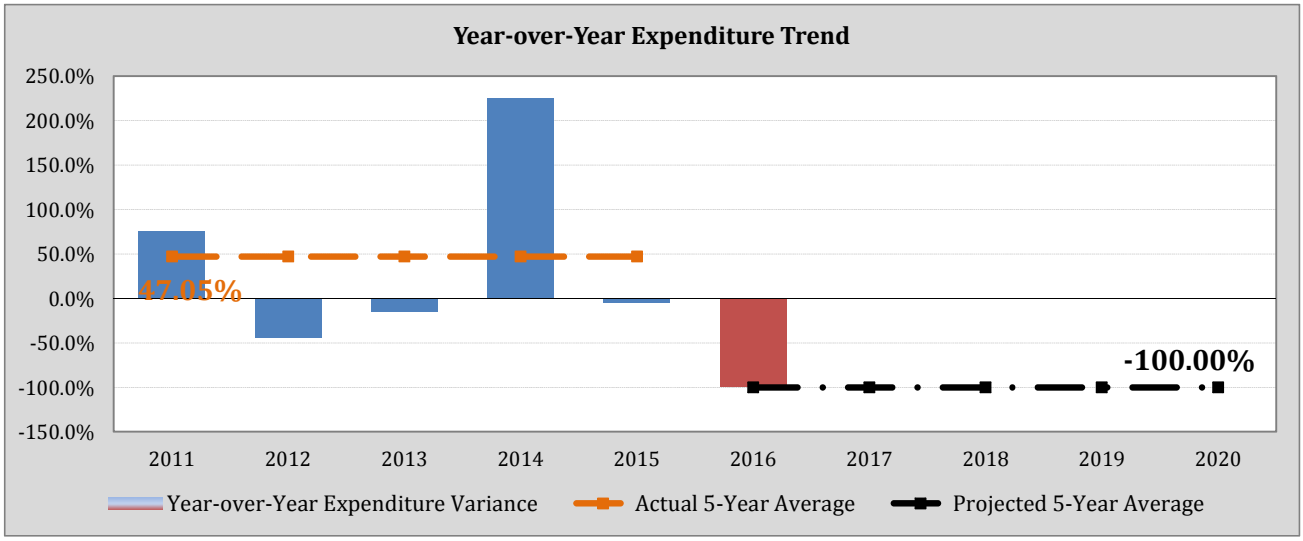
Operating transfers-out, advances out to other funds, and all other general fund financing uses.





Notes & Assumptions:

In fiscal year 2015, $58,369 of the transfer out is for debt service. The remainder, $550, was transferred to the new football stadium concessions account to establish a change drawer for the concession stand. The District chose to restructure how the concession stand was operated for 2015 and beyond, and this transfer is part of that restructuring. Also in 2015, an advance out of $125,000 was made. This advance was for a short term loan given to the food service fund from the general fund to meet the food service programs liquidity needs. As has already been discussed, the advance was repaid back to the general fund prior to the close of fiscal year 2015. A small amount is forecasted for fiscal year 2016, but nothing is forecasted in any of the later years.



Forecast Compare

Comparison of Previous Forecast Amounts to Current Forecasted Numbers
F.Y. 2016

		Column A	Column B	Column C	Column D
		Previous Forecast Amounts For F.Y. 2016 Prepared on: 11/18/2015	Current Forecast Amounts For F.Y. 2016 Prepared on: 5/17/2016	Dollar Difference Between Previous and Current	Percent Difference Between Previous and Current
	Revenue:				
1	Real Estate & Property Allocation	$8,693,501	$8,847,354	$153,853	1.8%
2	Public Utility Personal Property	$504,090	$633,218	$129,128	25.6%
3	Income Tax	$0	$0	$0	n/a
4	State Foundation Restricted & Unrestricted	$14,952,459	$14,645,243	-$307,216	-2.1%
5	Other Revenue	$1,533,706	$1,631,718	$98,012	6.4%
6	Other Non Operating Revenue	$5,000	$20,285	$15,285	305.7%
7	Total Revenue	$25,688,757	$25,777,818	$89,062	0.3%
	Expenditures:				
8	Salaries	$14,920,571	$14,923,853	$3,282	0.0%
9	Fringe Benefits	$5,943,813	$5,906,479	-$37,334	-0.6%
10	Purchased Services	$3,058,319	$3,126,237	$67,918	2.2%
11	Supplies, Debt, Capital Outlay & Other	$1,385,764	$1,454,034	$68,270	4.9%
12	Other Non Operating Expenditures	$30,000	$0	-$30,000	-100.0%
13	Total Expenditures	$25,338,467	$25,410,603	$72,136	0.3%
14	Revenue Over/(Under) Expenditures	$350,290	$367,215	$16,925	0.1%*
15	Ending Cash Balance	$3,882,058	$3,898,983	$16,925	4.8%*

Notes:

Fiscal year 2016 total revenue estimates are very similar between this forecast and the one completed in October 2015. The main difference is related to the fluctuation between real estate/public utility property tax revenud and State foundation revenue. Due to the 2015 update of assessed valuation, tax revenues are seeing a large jump. State foundation revenues are projected lower than in October due to both lower than expected transportation funding as well as lower per pupil funding based on updated student enrollment numbers. Fiscal year 2016 expenditure estimates are also very similar between October and May in total and across each of the expenditure categories. Small increases in purchased services and supplies/capital outlay were realized throughout the fiscal year.

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