PAULDING EXEMPTED VILLAGE SCHOOL DISTRICT-PAULDING COUNTY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2015, 2016 and 2017 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2018 THROUGH 2022

Forecast Provided By
Paulding Exempted Village School District
Treasurer's Office
Kim Jones, Treasurer/CFO
October 16, 2017

Paulding Exempted Village School District – Paulding County
Notes to the Five Year Forecast
General Fund Only
October 16, 2017

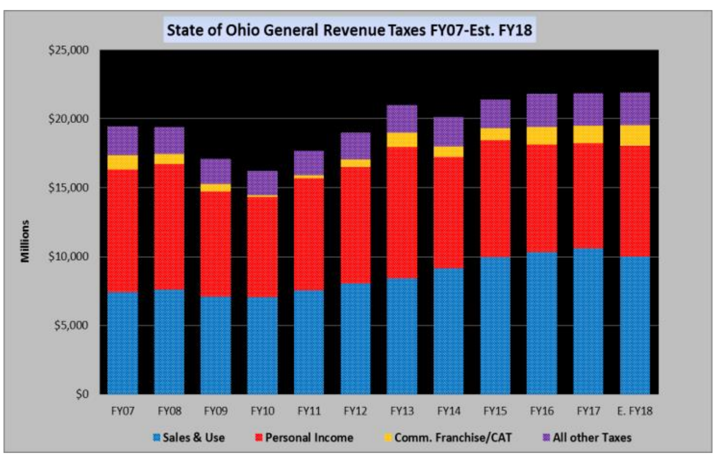
Introduction to the Five Year Forecast

All school districts in Ohio are required to file a five (5) year financial forecast by October 31, and May 31, in each fiscal year (FY). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Fiscal year 2018 (July 1, 2017-June 30, 2018) is the first year of the five year forecast and is considered the baseline year. Our forecast is being updated to reflect the most current economic data available to us for the October 2017 filing.

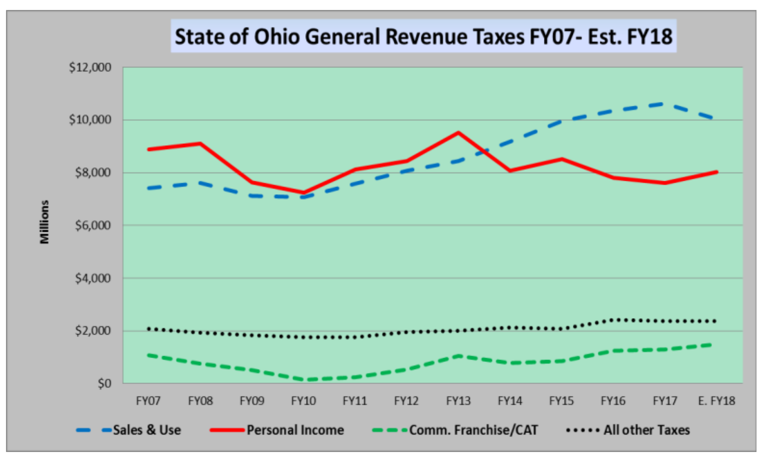
State Economic Variables Affecting the Five Year Forecast

It is prudent in long range forecasting to consider the economic climate in which projections of revenues are made. Below are significant statewide economic data which suggests that the economy for the FY18-22 period is slowing substantially and will be relatively flat for FY18 and 19. It is important for our school district to consider the statewide economic data for two important reasons. First, our state funding is directly affected by state revenue collections and the health of the state budget. The effects of the 2008 recession required the State of Ohio to make nearly $8 billion in reductions in the FY12-FY13 state biennium budget which translated into flat funding and/or funding reductions for nearly every school district in Ohio. Second, the same economic forces driving state tax revenues are also generally affecting the underlying economics of most communities across Ohio, which impacts the ability to collect local tax revenue. Generally speaking, local school district economic viability is tied to the same fundamental economics that drive the state's economic viability.

The graphs below note that the State of Ohio revenues through FY17 have recovered in spite of sharp personal income tax cuts in FY15 and FY16. State revenue was flat from FY16 to FY17 and is expected to remain flat in total for FY18. The state economy is not expected to tip into a recession during FY18 or FY19 but long term that could be a concern. The decline in personal income tax in FY15 is due to an 8.5% rate reduction from HB59 and the drop in FY16 and FY17 is due to a 6.3% rate reduction in HB64. No new personal income tax cuts were legislated in HB49 the current state budget bill. Not withstanding these reductions income tax would have grown steadily since FY13. Baring further legislative cuts personal income should continue to grow.



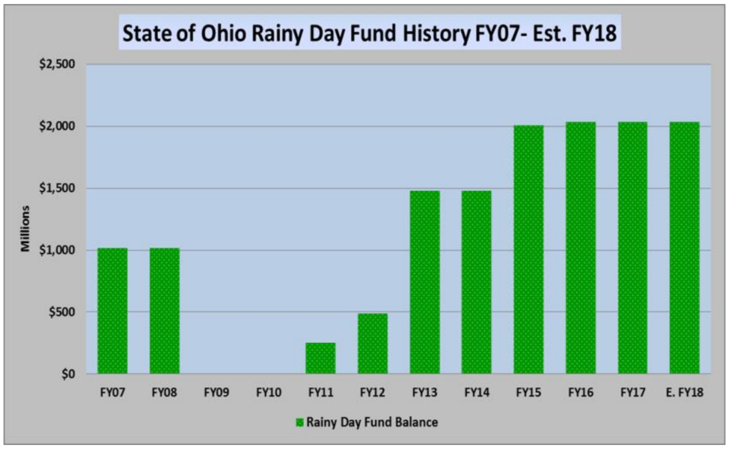
Source: Ohio Legislative Service Commission



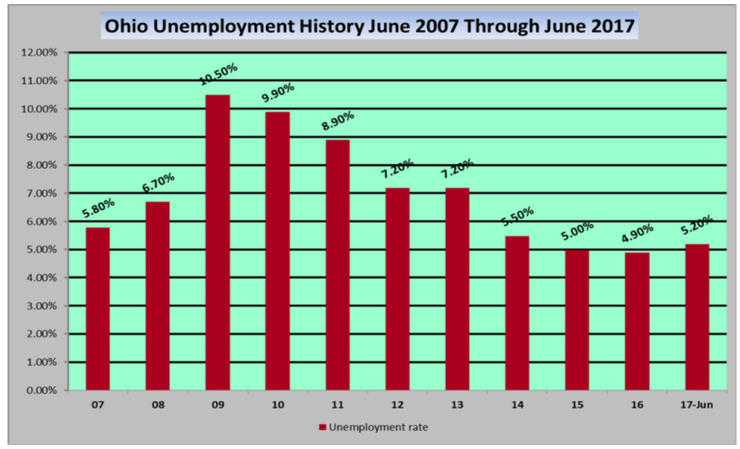
Source: Ohio Legislative Service Commission

The recovery of the labor market which began in 2010 continues in 2017 as noted in personal income tax but sales tax collections dipped in 2017. Flat state revenue is an indication that the economy is slowing and that there is concern about slowing growth for future years. The state rainy day fund (RDF) has been steady since FY15 with no new additions made since then or anticipated for FY18. The recession depleted the RDF in

FY09. FY11 began the recovery of the economy and enabled the state to contribute excess revenues to the RDF. As noted, the RDF balance in FY17 has reached an all time record high deposit of $2.034 billion thanks to a higher statutory balance allowed by HB64. This cushion should continue to help ensure that funding for schools approved in state biennium budget HB49 will be met through FY19 and could be continued into the future even if a brief slow down in the economy occurs as some economist anticipate.



Source: Ohio Legislative Service Commission

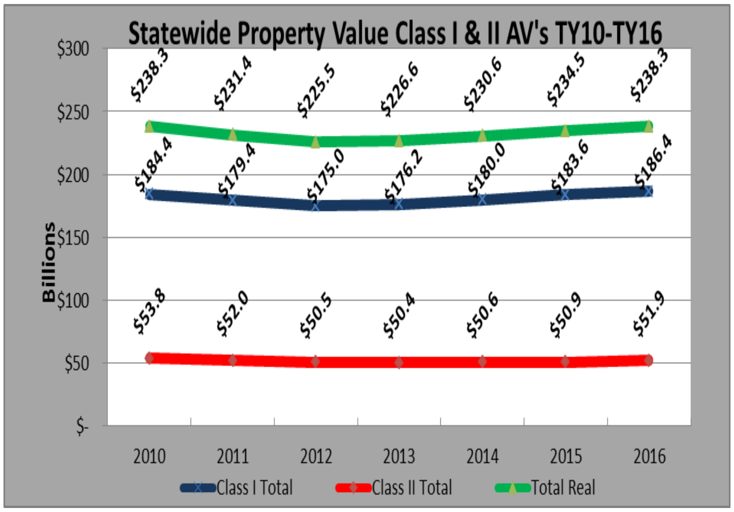


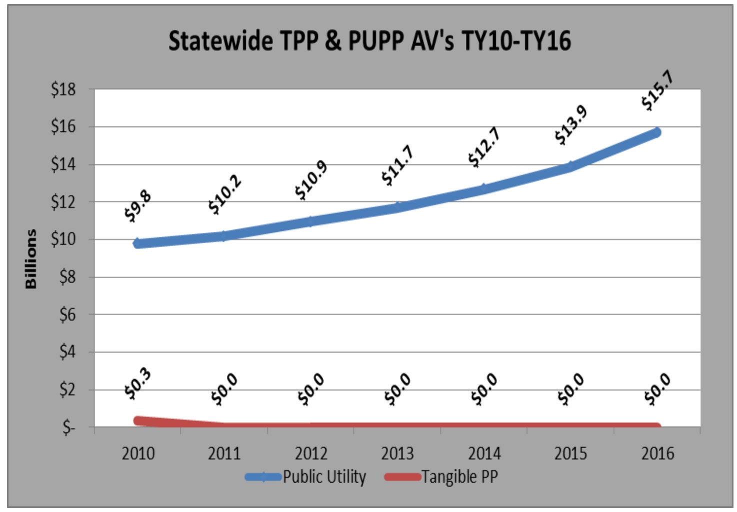
Source: U.S. Bureau of Labor Market Information

Over the past 12 months ended June 2017 Ohio's unemployment rate increased slightly by .3% to 5.2% at the end of June 2017. This is a significant measure to monitor for continued economic growth and viability. As noted above, personal income taxes and sales tax are highly correlated to employment and have been the two major drivers of the recent recovery. As of July 2017, the unemployment rate in Paulding County was 5.0% which is slightly below the 5.2% state average.

For school districts, real property values are another important piece of economic data. In the 2016 Tax Year, 23 of Ohio's 88 counties experienced a reappraisal or update for Class 1 (Residential and Agricultural Property) and Class 2 (Commercial, Industrial and Mineral Property). From Tax Year 2007 to 2012, Class 1 and 2 property values declined by $10.8 billion, a reduction of 4.6%. In 2016 Class 1 values rose by $2.81 billion or 1.53% statewide, while Class 2 property increased for the third and highest amount since 2009 by $1.06 billion or 2.1% statewide. Property values in Tax Year 2016 have fully recovered back to pre-recession losses. Home values for the 12 month period ending in June 2017 were up statewide by 5.9%. May 2017 recorded the highest number of homes sales in one month in Ohio history.

The final category of property is Public Utility Personal Property (PUPP) values. The graph on the following page shows that Tangible Personal Property (TPP) was eliminated for all categories of TPP in tax year 2011 by HB66, which became effective July 1, 2005. PUPP values on the other hand continued to grow throughout the Great Recession and into Tax Year 2016 due in part to continued new construction, reinvestment in aging infrastructure due to historic low interest rates and development of natural gas and petroleum transmission lines across the state. PUPP values are of higher worth as they are taxed at the full gross tax rate. PUPP values grew $1.8 billion or 12.9% statewide in Tax Year 2016.

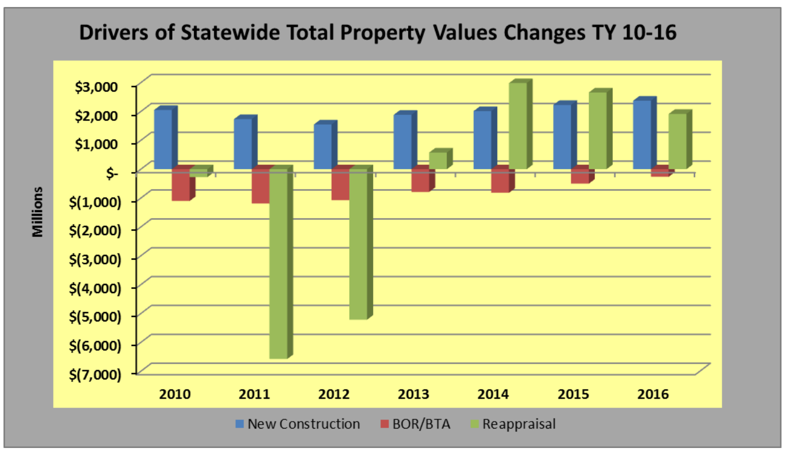




Source: Ohio Department of Taxation

Source: Ohio Department of Taxation

The graph below sums up the main drivers of real property value changes across the state for Tax Year 2010 through 2016. The changes noted below are for Class 1 and 2 property values. Note that new construction is picking up, reappraisal and update values have moved from negative to positive for the last four tax years and Board of Revision/Board of Tax appeals continue to trend down from record levels from 2010 through 2012.



Source: Ohio Department of Taxation

Overall, we believe the economy of the state is stable and should continue to grow slightly during the forecast period. This should provide a stable basis for which to make projections of state revenues to the district as noted in HB49 through FY19 and continuing through FY22 in future state budgets. The improved labor market is also providing for steady property tax collections in this forecast by: 1) increasing and stabilizing property values; 2) increasing current property tax collections; and, 3) liquidating prior delinquent tax collections.

Forecast Risks and Uncertainty:

A five year financial forecast has risks and uncertainty not only due to economic uncertainties but also due to state legislative changes that will occur in the spring of 2019 and 2021 due to deliberation of the next two (2) state biennium budgets for FY20-21 and FY22-23, both of which affect this five year forecast. We have estimated revenues and expenses based on the best data available to us at the time of this forecast. The items below give a short description of the current issues and how they may affect our forecast long term:

I. Paulding County went through a reappraisal update in the 2016 tax year to be collected in FY17. In 2016 our district values increased 5.6% due to another increase in CAUV values and a slight increase in residential and commercial values. Paulding County will go through a tax update in tax year 2019 to be collected in fiscal year 2020. We anticipate value decreases for Class I – Residential/Agricultural of 9.2% due to the provisions in HB49 related to CAUV values. The changes authorized by HB49 to CAUV values will lower the CAUV values by an estimated 30% beginning with counties experiencing a reappraisal or update in Tax Year 2017. It is anticipated this reduction will be mostly offset by HB920 as rates will adjust up if net values for Class I are lower. It is also expected that cuts in CAUV will shift a larger tax burden to residential taxpayers which may be an unintended consequence of the legislature responding to agricultural interests. There is however always a minor risk that the district could sustain a reduction in values in the next appraisal update but we do not anticipate that at this time.

II. The State Budget represents 60% of district revenues, which means it is a significant area of risk to revenue. The risk comes in FY20 and beyond if the state economy worsens or if the funding formula in future state budgets reduce funding to our district. There are two future State Biennium Budgets covering the period from FY20-21 and FY22-23 in this forecast. Future uncertainty in both the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long range through FY22.

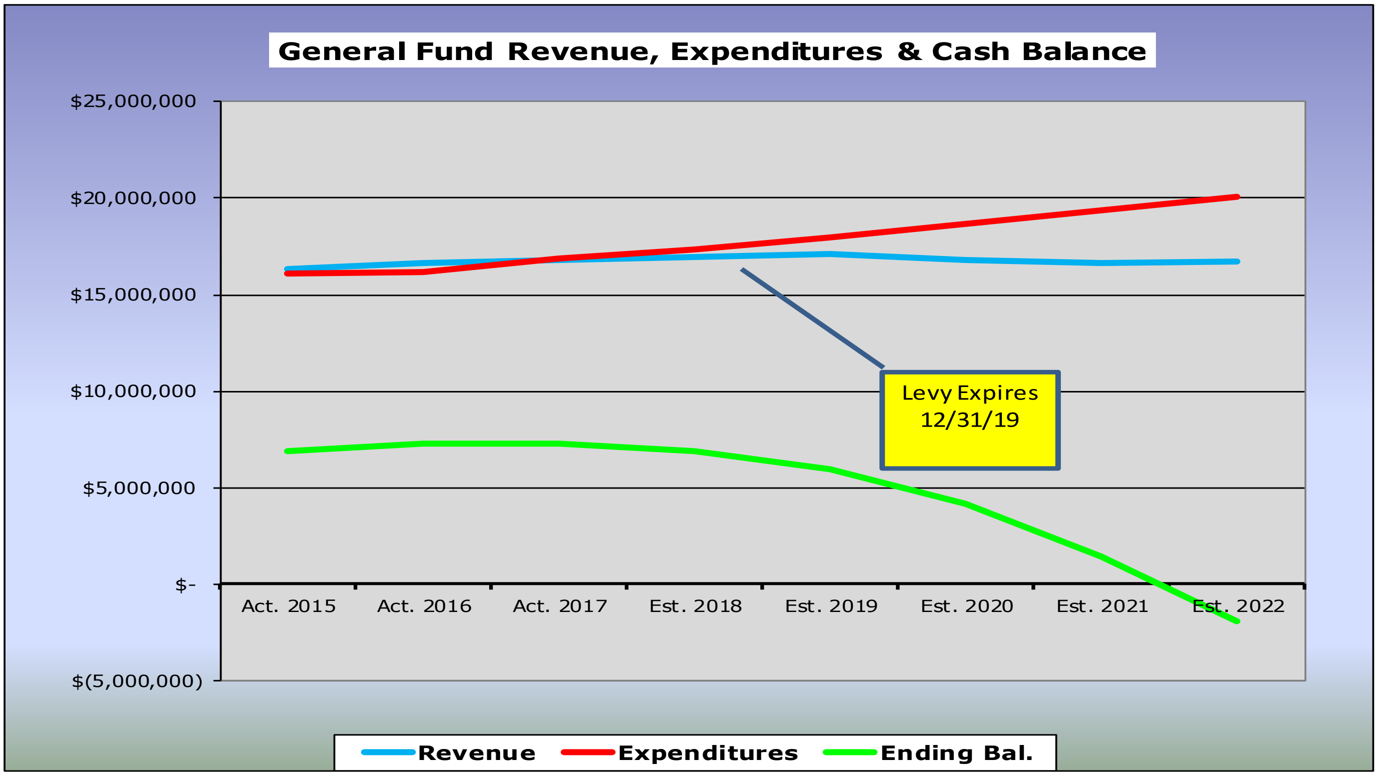
III. There are many provisions in the current state budget bill HB49 that will continue to draw funds from our district through continuing school choice programs such as College Credit Plus and increases in amounts deducted from our state aid in the 2017-18 school years. The cost of each Peterson Special Needs voucher and Autism Scholarship Program increased sharply FY16 from $20,000 to $27,000 each, a 35% increase. College Credit Plus costs continue to increase as this program becomes more understood. These are examples of new choice programs that cost the district money. Expansion or creation of programs such as these exposes the district to new expenditures that are not currently in the forecast. We are monitoring any new threats to our state aid and increased costs very closely.

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

The financial forecast presents, to the best of the Paulding Exempted Village School District Board of Education's knowledge and belief, the expected revenues, expenditures, and operating balance of the General Fund. Accordingly, the forecast reflects the Board of Education's judgment of the expected conditions and its expected course of action as of the date of this forecast. The assumptions disclosed herein are those that management believes are significant to the forecast. Differences between the forecasted and actual results will usually arise because events and circumstances frequently do not occur as expected, and those differences may be material.

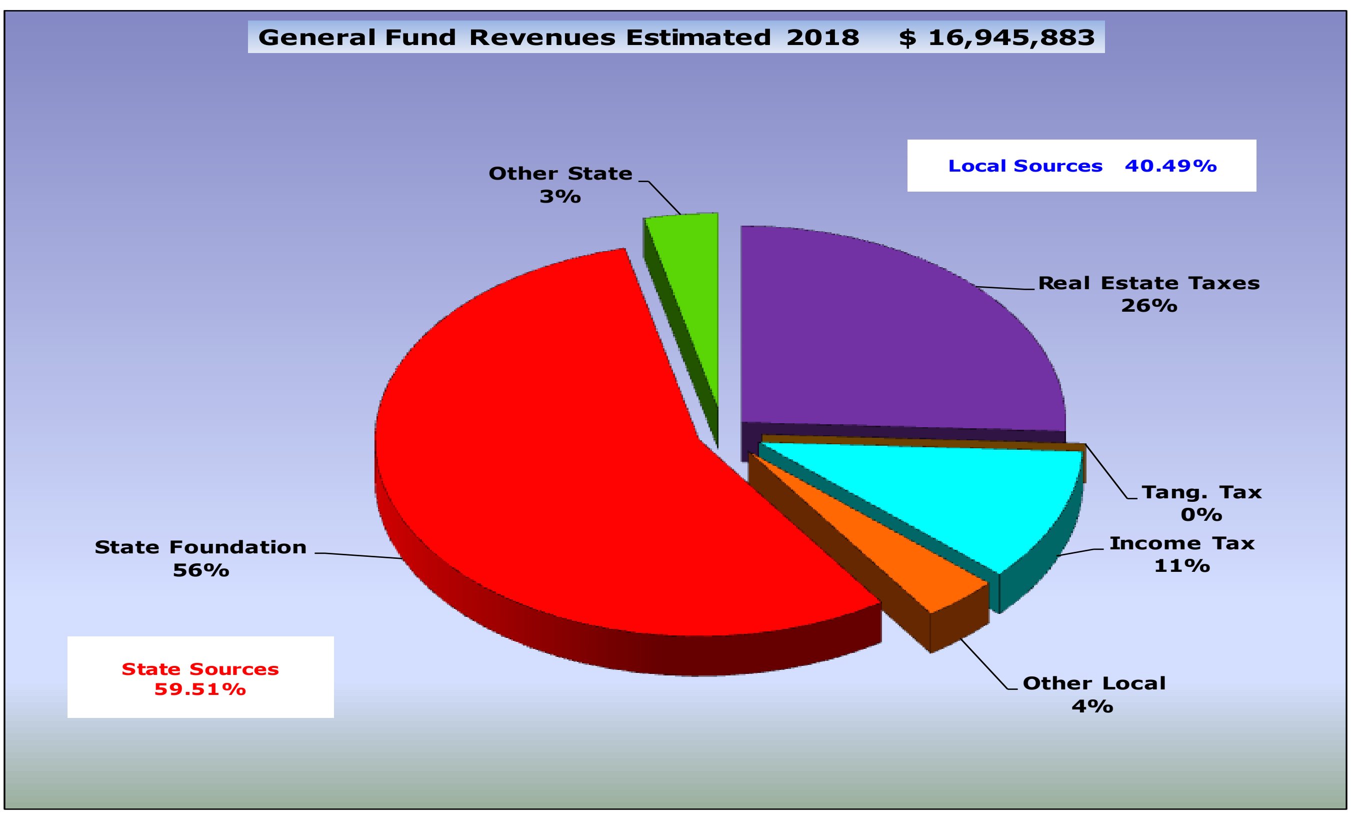
The major Lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information please feel free to contact Ms. Kim Jones, Treasurer of Paulding Exempted Village Schools 419-399-4656.

General Fund Revenue, Expenditure and Ending Cash Balance:



Revenue Assumptions

Estimated General Fund Operating Revenue for FY18



Real Estate Value Assumptions – Line # 1.010

Property Values are established each year by the County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. A full reappraisal occurred in 2016 for collection in 2017. The reappraisal resulted in an additional increase of 5.6% that was once again largely driven by increased CAUV values. Commercial/industrial values also saw an increase but at a slower rate of .46%. Public Utility Personal Property (PUPP) values rose slightly for collection in 2017. These values are certified to the Paulding County Auditor by the Ohio Department of Taxation. We expect PUPP values to continue to rise a modest 1% for future years.

CAUV values represent 42.5% of Class I residential agricultural values. HB49 authorized a reduction in CAUV computations that will result in these values falling on average by 30%. These reductions will occur as districts experience their next reappraisal or update cycle. We will experience this in the Tax Year 2019 update. A reduction of value has been weighted in to our average Class I value change in 2019. This will cause a shift in taxes from agricultural taxpayers to residential taxpayers but should not result in lower taxes to our district.

As a reminder Tangible Personal Property (TPP) values were reduced to $-0- in 2011 as a result of HB 66 to be effective July 1, 2005. The district was supposed to be made whole on reimbursements from the state of Ohio on TPP losses through FY18, however, HB153 effective July 1, 2011 eliminated the TPP reimbursement for Paulding EVSD in FY12.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Estimated TAX YEAR 2017 Collect 2018	Estimated TAX YEAR 2018 Collect 2019	Estimated TAX YEAR 2019 Collect 2020	Estimated TAX YEAR 2020 COLLECT 2021	Estimated TAX YEAR 2021 COLLECT 2022
Res./Ag.	$179,063,870	$179,538,870	$163,496,294	$163,971,294	$164,446,294
Comm./Ind.	$21,259,030	$21,474,030	$21,689,030	$21,904,030	$22,119,030
PUPP	$21,628,330	$21,778,330	$21,928,330	$22,078,330	$22,228,330
Tangible (TPP)	$0	$0	$0	$0	$0
Total Assessed Value	$221,951,230	$222,791,230	$207,113,654	$207,953,654	$208,793,654

ESTIMATED REAL ESTATE TAX (Line #1.010)

Source	FY18	FY19	FY20	FY21	FY22
Est. Property Tax Line #1.010	$4,361,062	$4,494,755	$4,250,421	$4,104,294	$4,123,421

Property tax levies are estimated to be collected at 100% of the annual amount. In general 58% of the new Res/Ag and Comm/Ind are expected to be collected in the February tax settlements and 42% collected with the August tax settlements. Public Utility tax settlements (PUPP taxes) are estimated to be received 50% in February and 50% in August settlement from Paulding County Auditor.

Renewal and Replacement Levies – Line #11.02

The district renewed the 5-Year Emergency levy in November 2013. The levy will next expire on December 31, 2019. Renewal revenue has been moved to Line 11.02 from Line 1.01, 1.02 and 1.05 of the forecast.

New Tax Levies – Line #13.030

No new levies are modeled in this forecast.

Estimated Tangible Personal Tax – Line#1.020

The phase out of TPP taxes as noted earlier began in FY06. HB66 was adopted in June 2005 and the provisions of the legislation have estimated the tangible personal property tax would be eliminated after FY11. Any revenues received in FY12 and beyond are delinquent TPP taxes.

Income Tax – Line #1.03

The district passed a permanent income tax of 1% in 1991. We are projecting an increase of 2.55% for FY 18 and a 1% growth rate annually for FY19-22 based on a stable unemployment rate and slow but improving economy.

Source	FY18	FY19	FY20	FY21	FY22
SDIT Collection	$1,813,026	$1,859,258	$1,877,851	$1,896,630	$1,915,596
Adjustments	$46,232	$18,593	$18,779	$18,966	$19,156
Total to Line #1.030	$1,859,258	$1,877,851	$1,896,630	$1,915,596	$1,934,752

Other Local Revenues – Line #1.060

Revenues from all other sources are based on historical growth patterns. This revenue largely consists of rental income, open enrollment, tuition payments, Medicaid reimbursements, and investment income. Open Enrollment is an area that can change each month with the students moving in and out of other school districts, we are hoping to see an increase in open enrollment in future years. The Medicaid reimbursement is forecasting a 3% increase each year of the forecast. The district maintains a conservative investment philosophy, investing predominately in Star Ohio, CD's, US Agencies and interest bearing sweep accounts. Interest rates are estimated to remain low for the forecast.

Source	FY18	FY19	FY20	FY21	FY22
Open Enrollment Gross	$227,790	$232,346	$236,993	$241,733	$246,568
Interest	$95,219	$90,458	$85,935	$81,638	$77,556
Medicaid Reimbursement	$170,259	$171,959	$173,676	$175,410	$177,161
Tuition SF-14 & SF-14H	$40,459	$40,864	$41,273	$41,686	$42,103
PILOT, Rentals, Fines, Fees, erate & Gifts	$107,653	$108,730	$109,817	$110,915	$112,024
Total Line # 1.060	$641,380	$644,357	$647,694	$651,382	$655,412

State Taxes Reimbursement/Property Tax Allocation Line 1.050

a) Rollback and Homestead Reimbursement

Rollback funds are reimbursements paid to the district from Ohio for tax credits given owner occupied residences equaling 12.5% of the gross property taxes charged residential taxpayers on tax levies passed prior to September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013 which is the effective date of HB59. HB66 the FY06-07 budget bill previously eliminated 10% rollback on Class II (commercial and industrial) property.

Homestead Exemptions are also credits paid to the district from the state of Ohio for qualified elderly and disabled. In 2007 HB119 expanded the Homestead Exemption for all seniors over age 65 years of age or older or who are disabled regardless of income. Effective September 29, 2013 HB59 changes the requirement for Homestead Exemptions. Individual taxpayers who do not currently have their Homestead Exemption approved or those who do not get a new application approved for tax year 2013, and who become eligible thereafter will only received a Homestead Exemption if they meet the income qualifications. Taxpayers who currently have their Homestead Exemption as of September 29, 2013 will not loose it going forward and will not have to meet the new income qualification. This will slow the growth of homestead reimbursements to the district, and as with the rollback reimbursements above, increase the taxes collected locally on taxpayers.

b) Tangible Personal Property Reimbursements – Fixed Rate

The previous state budget, HB153, slashed these reimbursements to our district after FY12, reducing our state revenue by $241,046 each year.

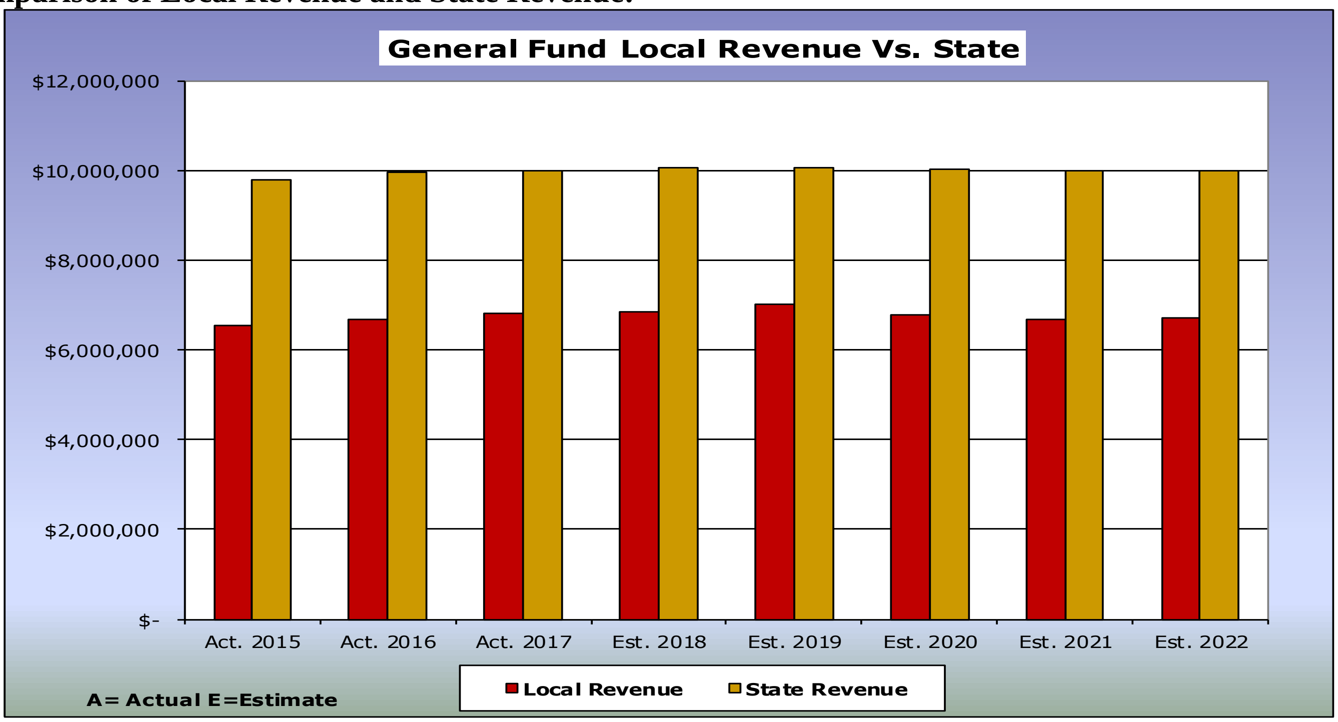
c) Tangible Personal Property Reimbursements – Fixed Sum

HB 49 has continued the Fixed Sum TPP phase out over five years through FY21. There will be no fixed sum TPP reimbursement in FY22. Districts will not lose money due to the phase out. The amount of money the state is cutting its reimbursement by will be added on the local fixed sum millage and collected in local property taxes. This is directly shifting the burden to local tax payers by the state cut in fixed sum TPP reimbursement.

Summary of State Tax Reimbursement – Line #1.050

Source	FY18	FY19	FY20	FY21	FY22
a) Rollback and Homestead	$610,629	$612,683	$580,267	$547,951	$549,909
b) TPP Reimbursement - Fixed Rate	$0	$0	$0	$0	$0
c) TPP Reimbursement - Fixed Sum	$13,115	$9,836	$6,558	$2,623	$0
Tax Reimb./Prop. Tax Allocations #1.050	$623,744	$622,519	$586,825	$550,574	$549,909

Comparison of Local Revenue and State Revenue:



State Foundation and Casino Revenue Estimates – Lines # 1.035; 1.040 and 1.045

A) Unrestricted State Foundation Revenue– Line #1.035

HB49 largely retains the current funding formula used to determine the amount and allocation of state aid to school districts, however there were various changes made to the formula for FY18 and FY19. The amounts estimated for state funding are based on component computations from the Legislative Service Commission (LSC) July 7, 2017 funding simulation of HB49 for FY18 and FY19. The ODE **has not** updated all of the State Foundation Payment Report (SFPR) formulas for the various changes made at the time of this report. The ODE is not expected to have the SFPR recomputed until after our forecast is required to be filed. If the LSC simulations are correct, then our state foundation estimates should be accurate. Changes to our forecasted data could occur if there are large adjustments made by ODE based on the final FY17 SFPR reconciliation and the actual formulization of the HB49 variables expected in the next few months. We are projected to be a **Guarantee** district regarding state funding in FY18.

HB49 continues to use the State Share Index (SSI) as a key district wealth measure. The SSI is the formula's measure of a districts capacity to raise local revenue. The higher a district's ability to raise taxes based on wealth the lower the SSI will be, and vice versa. The index is derived from a district's wealth index, which is based on a valuation index, and for certain districts, an income index. Property wealth per pupil is still the major factor in the SSI. Generally, the higher the property valuation per pupil, the lower a district's SSI and therefor the percentage of state aid. The SSI for FY18 and FY19 will be calculated using Tax Year 2014, 2015, and 2016 average assessed values for the district. It will be calculated once for both fiscal year 18 and 19. The SSI is applied to the per pupil opportunity grant calculation and many of the other categorical funding items in the state foundation formula as noted below:

1) Opportunity Grant – Per pupil amount increased .17% from $6,000 in FY17 to $6,010 in FY18 and .17% to $6,020 in FY19. Well below inflation rates.
2) Targeted Assistance – Tier I based on wealth and Tier II based on percentage of district agricultural assessed value. Higher the percentage of agricultural value, higher the targeted assistance.
3) Special Education Additional Aid – Based on six (6) weighted funding categories of disability.
4) Limited English Proficiency – Based on three (3) funded categories based on time student enrolled in schools.
5) Economically Disadvantaged Aid- Based on number and concentration of economically disadvantaged students compared to state average.
6) K-3 Literacy Funds - Based on district K-3 average daily membership and two funded Tiers.
7) Gifted Funds –Based on average daily membership at $5.05 in FY18 & FY19.
8) Career-Technical Education Funds – Based on career technical average daily membership and five (5) weighted funding categories students enrolled in. Funding guaranteed at FY17 levels individually and is in addition to the Cap in FY18 and FY19.
9) Transportation Aid – Funding based on total ridership rather than qualifying ridership in determining statewide cost per rider. Reduces state minimum share from 50% to 37.5% in FY18 and 25% in FY19.

HB49 continues additional funds that can be earned by a district or is intended to help a district who has an undue burden or inability to raise local revenue; however, some items are now included in CAP district payments:

1) Capacity Aid – Provides additional funding for districts where income generated for one mill of property tax is below the state median for what is generated. Included in FY18 and FY19 Guarantee payments and moved to be inside the Cap amount for districts. Not in addition to the Cap payments.
2) Transportation Supplement – Provides additional funding for districts with rider density (riders per square mile) less than 35 students in FY18 and 50 in FY19. Provides additional funding based on rider density and the number of miles driven by the school buses. Included in FY18 and FY19 Guarantee payments and moved to be inside the Cap amount for districts. Not in addition to the Cap payments.
3) 3rd Grade Reading Proficiency Bonus - Provides a bonus to districts based on third grade reading results, is included in FY18 & 19 guarantee at FY17 levels and is in addition to the Cap payments.
4) High School Graduation Rate Bonus - Provides a bonus to districts based on high school graduation rates up to approximately $450 per student and is included in FY18 & 19 guarantee at FY17 levels and is in addition to the Cap payments.

Transitional Guarantee Phase-Out- For the first time HB49 includes a phase-out of funding for districts on the guarantee. If a guarantee district's average daily membership (ADM) over three (3) years from FY14-FY16, on average fell by 10% or more, they will loose 5% of their funding from FY17 levels. If the average ADM loss is less than 5% then they will be guaranteed at 100% of FY17 levels. If average ADM loss is between 5% and 10% loss then funding is cut on a sliding scale of loss up to 5%.

We are a guarantee district at 100% of FY17 levels for FY18 and FY19.

Our current SFPR estimates for FY18 are using July #2 Final SFPR average daily membership (ADM) and subtracting 5 students each year through FY22. Beginning in FY16, the state changed the way it measures student ADM. Student counts are now supposed to be updated October 31, March 31, and June 30 of the fiscal year. In most cases the district will not know its actual student funded ADM until the end of June 2018, and then there will be adjustments into the succeeding fiscal year.

Future State Budgets: Our funding status for the FY20-22 will depend on two (2) new state budgets which are unknown. We have been very conservative in our estimates of future state funding lowering per pupil growth to .5% per year FY20-FY22, due to the potential for the economy to be slower.

On November 3, 2009 Ohio voters passed the Ohio casino ballot issue. This issue allowed for the opening of four (4) casinos one each in Cleveland, Toledo, Columbus and Cincinnati. As of March 4, 2013 all four (4) casinos were open for business and generating Gross Casino Tax Revenues (GCR). Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% GCR that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31st of January and August each year which began for the first time on January 31, 2013.

The state indicated recently that revenues from casinos are not growing robustly as originally predicted but are still growing slowly as the economy has improved. Actual numbers generated for FY17statewide were 1,799,220 students at $49.66 per pupil. For FY18-22 we estimated another 3 tenths of 1% decline in pupils to 1,793,800 and GCR increasing to $90.3 million or $50.34 per pupil. We will increase estimates for out years when actual casino revenues show signs of stronger increases.

Source	FY18	FY19	FY20	FY21	FY22
Basic Aid-Unrestricted	$8,988,882	$8,963,875	$8,962,312	$8,960,733	$8,959,138
Additional Aid Items	$197,452	$197,452	$197,452	$197,452	$197,452
Basic Aid-Unrestricted Subtotal	$9,186,334	$9,161,327	$9,159,764	$9,158,185	$9,156,590
Ohio Casino Commission ODT	$71,657	$71,865	$72,070	$72,272	$72,471
Total Unrestricted State Aid Line # 1.035	$9,257,991	$9,233,192	$9,231,834	$9,230,457	$9,229,061

B) Restricted State Revenues – Line # 1.040

HB49 continues funding two restricted sources of revenue, Economically Disadvantaged and Career Technical funds. The amount of the Economically Disadvantaged Aid is estimated to grow by 1% each remaining year of the forecast. Career Tech funds increased in FY17 due to adding Vocational Education and Home Economics to our program.

Source	FY18	FY19	FY20	FY21	FY22
Economically Disadvantaged Aid	$154,784	$156,332	$157,895	$159,474	$161,069
Other Restricted Aid	$0	$0	$0	$0	$0
Career Tech - Restricted	$47,664	$47,664	$47,664	$47,664	$47,664
Total Restricted State Revenues Line #1.040	$202,448	$203,996	$205,559	$207,138	$208,733

C) Restricted Federal Grants in Aid – line #1.045

There are no federal funds projected in the forecast at this time.

Source	FY18	FY19	FY20	FY21	FY22
Unrestricted Line # 1.035	$9,257,991	$9,233,192	$9,231,834	$9,230,457	$9,229,061
Restricted Line # 1.040	$202,448	$203,996	$205,559	$207,138	$208,733
Rest. Fed. Grants - SFSF & Ed Jobs Line #1.(	$0	$0	$0	$0	$0
Total State Foundation Revenue	$9,460,439	$9,437,188	$9,437,393	$9,437,595	$9,437,794

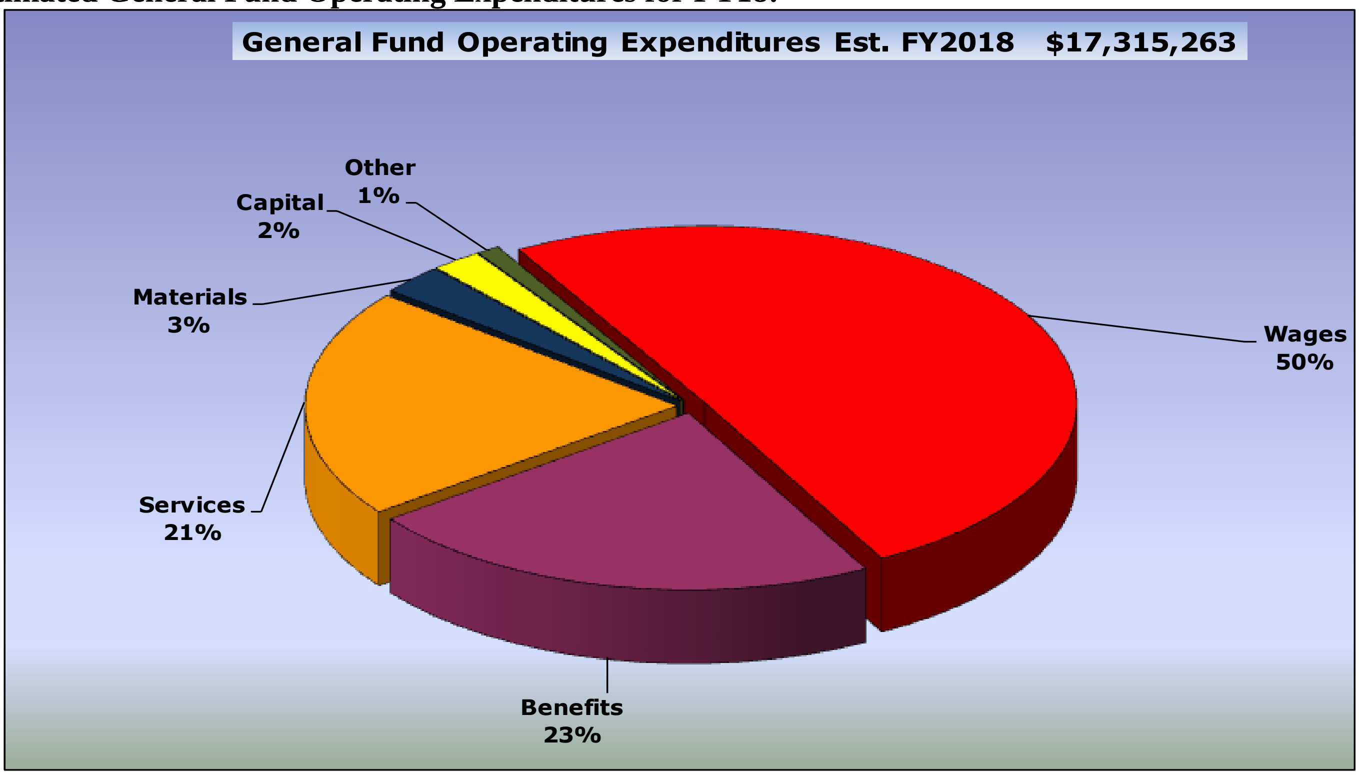
Short-Term Borrowing – Lines #2.010 & Line #2.020
There is no short term borrowing planned in this forecast at this time from any sources.

Transfers In / Return of Advances – Line #2.040 & Line #2.050
Returns of advances to other funds from the previous year comprise most of the historical revenue in this category.

All Other Financial Sources – Line #2.060 & Line #14.010
This funding source is typically a refund of prior year expenditures that are very unpredictable. We are not forecasting any significant revenue from other sources during the forecast period.

Expenditures Assumptions

Estimated General Fund Operating Expenditures for FY18:



Wages – Line #3.010
We have made reasonable base and step increases of 3% for FY18 and 2% in FY19-22 for planning purposes.

Source	FY18	FY19	FY20	FY21	FY22
Base Wages	$7,887,497	$8,266,300	$8,542,362	$8,831,683	$9,130,665
Base Increases	236,625	157,750	165,326	170,847	176,634
Steps & Training/Performance Based Pay	118,312	118,312	123,995	128,135	132,475
New & Replacement Staff	23,866	0	0	0	0
Substitutes & Supplementals	418,963	421,058	423,163	425,279	427,405
Severance	50,000	50,000	50,000	50,000	50,000
Staff Reductions	0	0	0	0	0
Total Wages Line 3.010	$8,735,263	$9,013,420	$9,304,846	$9,605,944	$9,917,179

Fringe Benefits Estimates Line 3.02

This area of the forecast captures all costs associated with benefits and retirement costs, which all except health insurance being directly related to the wages paid. The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System or the School Employees Retirement System as required by Ohio law.

A) STRS/SERS

As required by law the BOE pays 14% of all employee wages to STRS or SERS.

B) Insurance

In FY 17 we switched health insurance consortiums and effective October 1, 2016 we became a member of the Southwest Ohio EPC Health Insurance Consortium. We received a 5% increase in health insurance premiums for FY18. We are anticipating 7% each year FY19 through FY22 in the forecast. We had extremely good experience with our self-insured plan with the Paulding County Health Insurance Consortium for several years before FY13 during which we had 0% rate increases. We are working hard to control health care costs in the district and the plan changes in FY15 is beginning to show those efforts made by the district and staff to control costs.

C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to remain at about .55% of wages in FY18-FY22. Unemployment is expected to remain low at .1% of wages.

D) Medicare

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

Summary of Fringe Benefits – Line #3.020

Source	FY18	FY19	FY20	FY21	FY22
STRS/SERS	$1,334,250	$1,378,874	$1,423,814	$1,470,308	$1,518,366
Insurance's	$2,406,570	$2,575,030	$2,755,282	$2,948,152	$3,154,523
Workers Comp/Unemployment	$56,779	$58,587	$60,482	$62,439	$64,461
Medicare	$124,387	$127,991	$132,129	$136,404	$140,824
Attendance Incentive	$1,350	$1,350	$1,350	$1,350	$1,350
Total Line 3.020	$3,923,336	$4,141,832	$4,373,057	$4,618,653	$4,879,524

Purchased Services – Line #3.030

An overall inflation of 3% is being estimated for this category of expenses. Open enrollment and Community schools continue to draw a significant number of students from our funding, which is the largest share in this expenditure. The expenditures for our students attending elsewhere are among our fastest growing expenditures and totals approximately $1.8 million or 11% of our budget.

Source	FY18	FY19	FY20	FY21	FY22
Base Services- Including repairs, CC Plus	$946,281	$974,669	$1,003,909	$1,034,026	$1,065,047
Instructional Services - ESC	$286,812	$295,416	$304,278	$313,406	$322,808
Open Enrollment Deduction	$1,471,529	$1,515,675	$1,561,145	$1,607,979	$1,656,218
Community School Deductions	$441,939	$455,197	$468,853	$482,919	$497,407
Autism Scholarship Deduction	$76,589	$76,589	$76,589	$76,589	$76,589
Utilities	$409,196	$421,472	$434,116	$447,139	$460,553
Total Line 3.030	$3,632,346	$3,739,018	$3,848,890	$3,962,058	$4,078,622

Supplies and Materials – Line #3.040

An overall inflation of 2% is being estimated for this category of expenses for FY18-22. Supply items include all consumable supplies that are purchased to operate the school district, such as textbooks, paper, cleaning supplies, tires and bus fuel and maintenance supplies.

Source	FY18	FY19	FY20	FY21	FY22
Supplies	$471,335	$480,762	$490,377	$500,185	$510,189

Equipment – Line # 3.050

Capital outlay expenditures are estimated based on recent historical patterns with the expectation that many capital outlay expenditures will be out of the permanent improvement funds. The district is projecting the replacement of one bus each year and to continue making technology improvements.

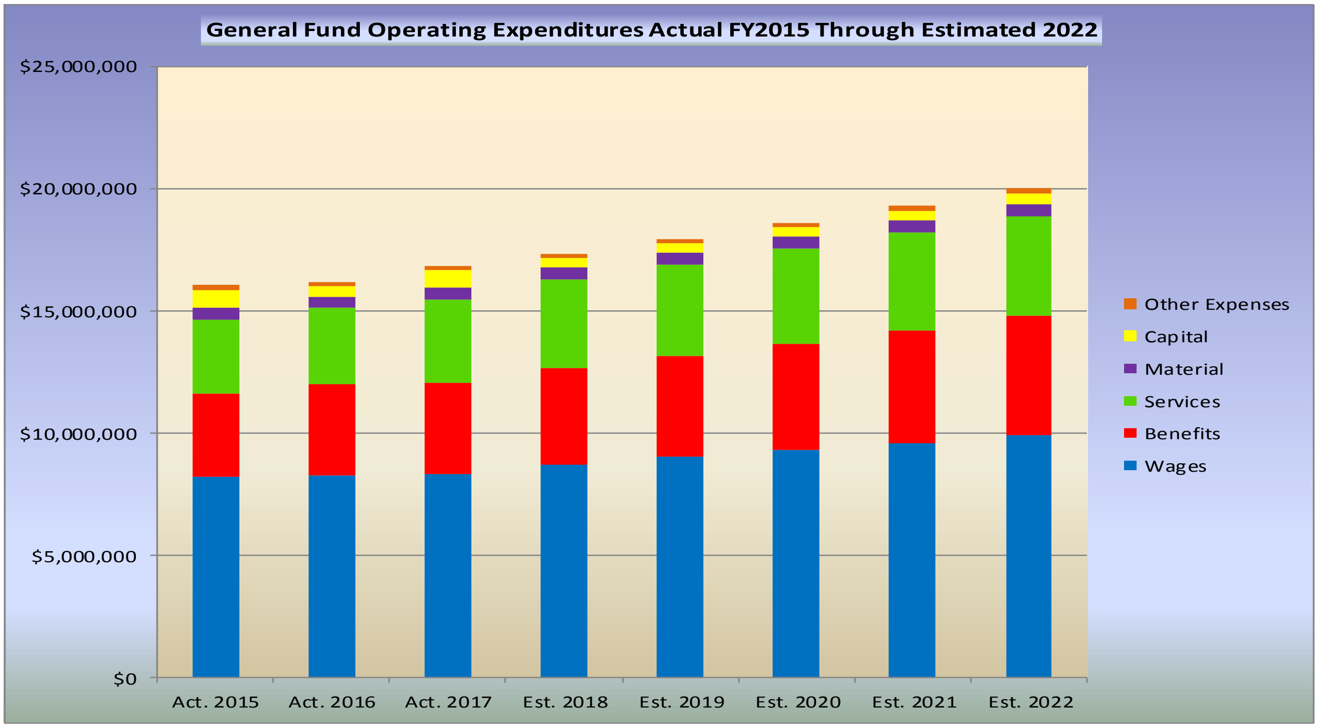
Source	FY18	FY19	FY20	FY21	FY22
Capital Outlay	$200,000	$206,000	$212,180	$218,545	$225,101
Replacement Bus Purchases	$107,809	$111,043	$114,374	$117,805	$121,339
Technology Upgrades	$70,000	$70,000	$70,000	$70,000	$70,000
Total Line 3.050	$377,809	$387,043	$396,554	$406,350	$416,440

Other Expenses – Line #4.300

The category of Other Expenses consists primarily of the County ESC deductions for specialized services provided to the District and Auditor & Treasurer fees. Expenditures in this line assume a 3% inflation rate.

Source	FY18	FY19	FY20	FY21	FY22
County Auditor & Treasurer Fees	$135,070	$139,122	$143,296	$147,595	$152,023
Audit fees, dues and other expenses	$40,104	$41,307	$42,546	$43,822	$45,137
Total Line 4.300	$175,174	$180,429	$185,842	$191,417	$197,160

Total Expenditure Categories Actual FY15 through FY17 and Estimated FY18 through FY22



Transfers Out/Advances Out – Line# 5.010

This account group covers fund to fund transfer and end of year short term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. Advances are limited in impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund. We have estimated transfers out of $60,000 for the lunch room fund.

Source	FY18	FY19	FY20	FY21	FY22
Operating Transfers Out Line #5.010	$60,000	$60,000	$60,000	$60,000	$60,000
Advances Out Line #5.020	$0	$0	$0	$0	$0
Total	$60,000	$60,000	$60,000	$60,000	$60,000

Encumbrances –Line#8.010

These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered. Estimates are based on historic trends.

	FY18	FY19	FY20	FY21	FY22
Estimated Encumbrances	$90,000	$90,000	$90,000	$90,000	$90,000

Ending Unencumbered Cash Balance "The Bottom-line" – Line#15.010

This amount must not go below $-0- or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of $10,000, unless an alternative "412" certificate can be issued pursuant to HB153 effective September 30, 2011. **The ending cash balance below INCLUDES the renewal of the 2.75 mill emergency levy.**

	FY18	FY19	FY20	FY21	FY22
Ending Cash Balance	$6,796,643	$5,872,810	$4,245,852	$1,980,936	($956,640)

General Fund Ending Cash Balance