



Felicity-Franklin Local Schools

Five Year Forecast Financial Report

May, 2018

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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.

Five Year Forecast - Simplified Statement

	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
Beginning Balance	3,933,310	4,604,468	4,850,618	4,688,477	4,267,320
+ Revenue	11,329,431	11,215,884	11,203,421	11,221,970	11,229,225
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(10,658,273)	(10,969,734)	(11,365,562)	(11,643,127)	(12,009,394)
= Revenue Surplus or Deficit	671,158	246,150	(162,141)	(421,157)	(780,169)
Ending Balance	4,604,468	4,850,618	4,688,477	4,267,320	3,487,151
Revenue Surplus or Deficit w/o Levies	671,158	246,150	(162,141)	(421,157)	(780,169)
Ending Balance w/o Levies	4,604,468	4,850,618	4,688,477	4,267,320	3,487,151

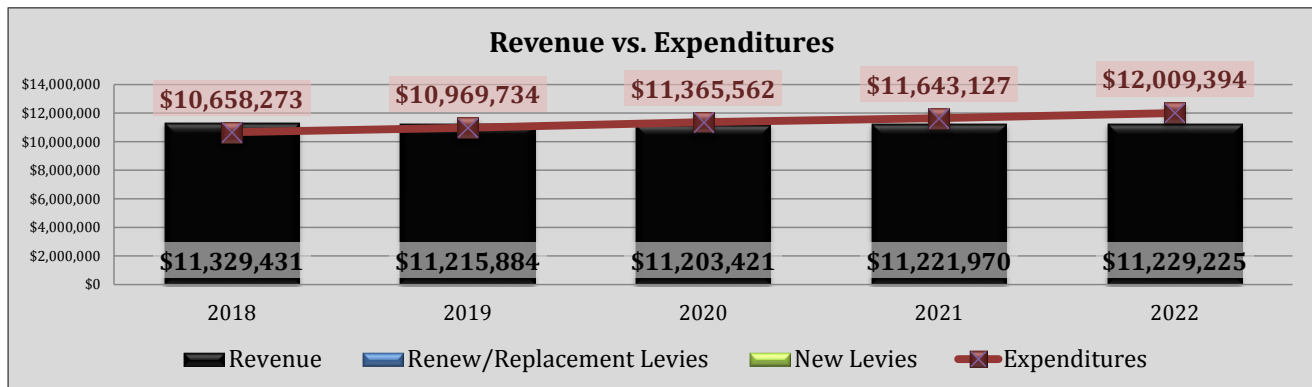
Summary:

Although this biennial budget was once again favorable to our district's revenue, and is leaving us with a **\$3.5** million cash balance before reserves at the end of 2022, we are still mindful of the future revenue deficits reflected in 2020-2022 which are unsustainable and is projected to deplete our cash balance in 2025.

FY18 is the beginning of the new biennium in which the funding formula was adjusted slightly, but the Felicity Franklin School District was not impacted negatively. This forecast is predicting an average 0.58% increase over the next 5 years in revenue which is lower than the 2.92% we have seen in the last 5 years. The last five years' average is impacted by the drastic change in the funding formula beginning in FY16 when we saw the shift to fund rural districts that do not have the capacity to raise local revenue.

Not included above are the district's general fund reserves. The district currently has a bus purchase reserve and a capital improvements reserve (new in 2016). These reserves will help prepare the district for future capital expenditures for maintenance & repairs of our buildings and any technology improvements. As our buildings age, there will be a larger need for capital maintenance type expenditures. We also recognize a larger dependency on technology and are committed to preparing our students for the future. Therefore, the district will continue to reserve for future capital expenditures. These reserves are reflected in the 5 year forecast in 9.020 and 9.070 and are forecasted to be funded by the district each year. New in 2018, the district will also begin a Permanent Improvement Fund in 5.010 of this forecast with the additional net revenue from Public Utilities.

After reserves are deducted from the **\$3.5** million cash balance in 2022, the district will have an adjusted cash balance of \$2.9 million.



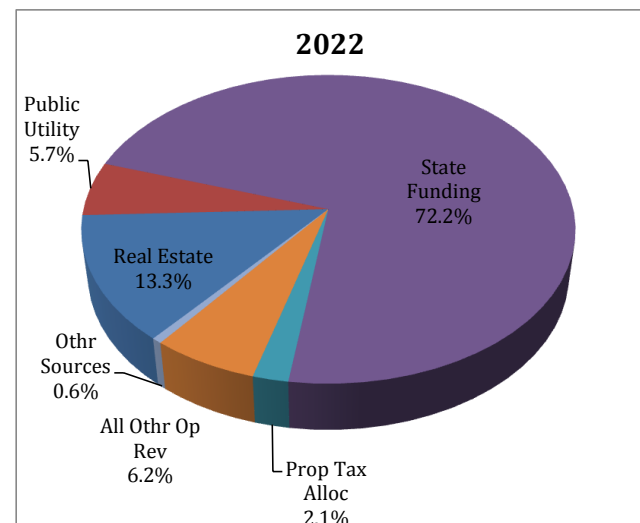
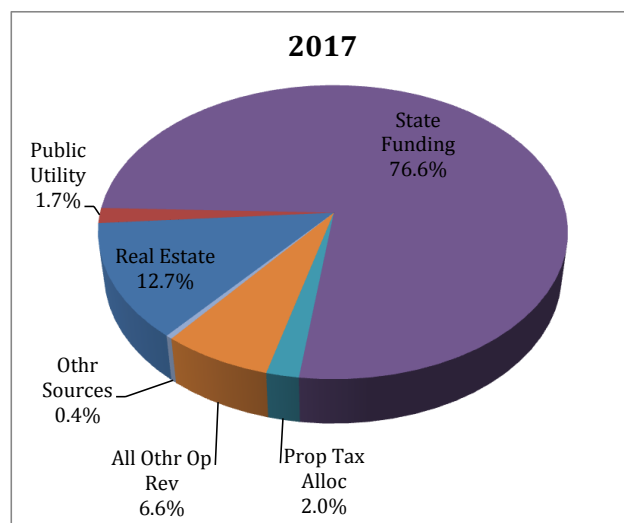
Revenue Overview

	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	
Revenue:							
1.010-Real Estate	1.48%	5.31%	0.14%	-0.36%	1.06%	0.78%	1.39%
1.020-Public Utility	-1.06%	131.51%	57.23%	-1.91%	-1.10%	-1.05%	36.94%
1.030-Income Tax	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.035-State Funding	2.94%	2.09%	-4.00%	0.02%	0.02%	0.02%	-0.37%
1.040-Restricted Aid	65.88%	-20.52%	3.18%	-0.54%	-0.49%	-0.44%	-3.76%
1.045-Restr Federal SFSF	-100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.050-Property Tax Alloc	0.39%	1.36%	3.38%	-0.10%	1.28%	1.26%	1.44%
1.060-All Other Operating	3.98%	-2.28%	-3.95%	0.90%	1.11%	0.00%	-0.84%
1.070-Total Revenue	2.88%	3.38%	-0.79%	-0.11%	0.17%	0.07%	0.54%
2.070-Total Other Sources	43.86%	105.25%	-27.63%	0.00%	0.00%	0.00%	15.52%
2.080-Total Rev & Other Srcs	2.92%	3.80%	-1.00%	-0.11%	0.17%	0.06%	0.58%

At this time, the district's revenue is projected to increase 0.58% on average over the next 5 years, which is a decrease over the previous 5 year increase of close to 3%.

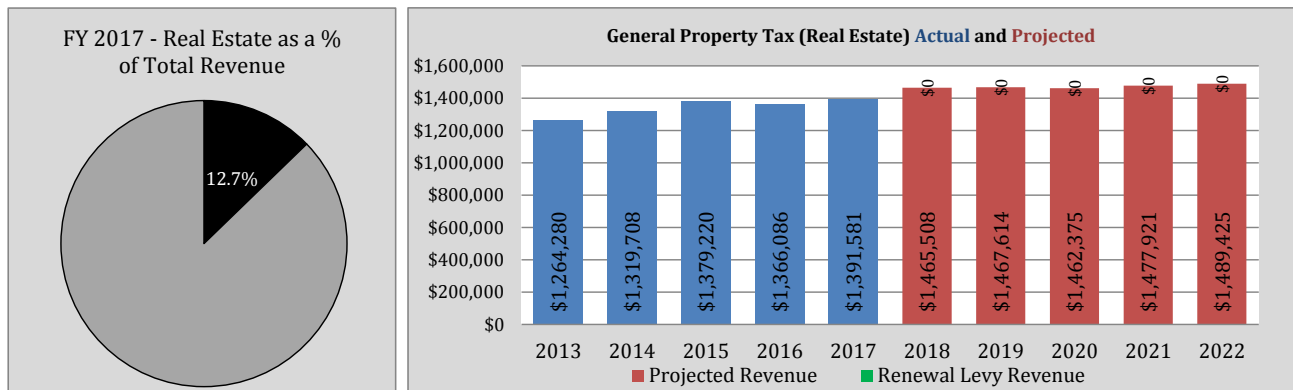
As the above year-over-year changes are considered, the following should be noted:

1. Public Utilities (line 1.02) reflects a 1.06% prior 5 year average decrease due to Duke Energy's decrease in coal inventory, but is predicted to increase over the next 5 years by an average 36.94% due to the new Switching Station built in our district.
2. State Funding: In FY16, the funding formula changed and positively impacted rural districts with little capacity to raise local revenue. This will impact the previous 5 year average in forecast line 1.035. The next 5 year average annual decrease of 0.37% is based on the current biennial budget formula using current & projected future ADM counts.
3. Restricted Aid is difficult to compare to the previous 5 year average because there has been significant fluctuations in when we receive our catastrophic reimbursements.
4. Total Other Financing Sources includes State Employee Retirement Refunds & Bureau of Workers Compensation refunds which are based on their surplus of funds and also includes any SF14/14H reimbursements for any special education students that are court placed in our district. This revenue is difficult to forecast due to our reliance upon factors that are outside of our control.



1.010 - General Property Tax (Real Estate)

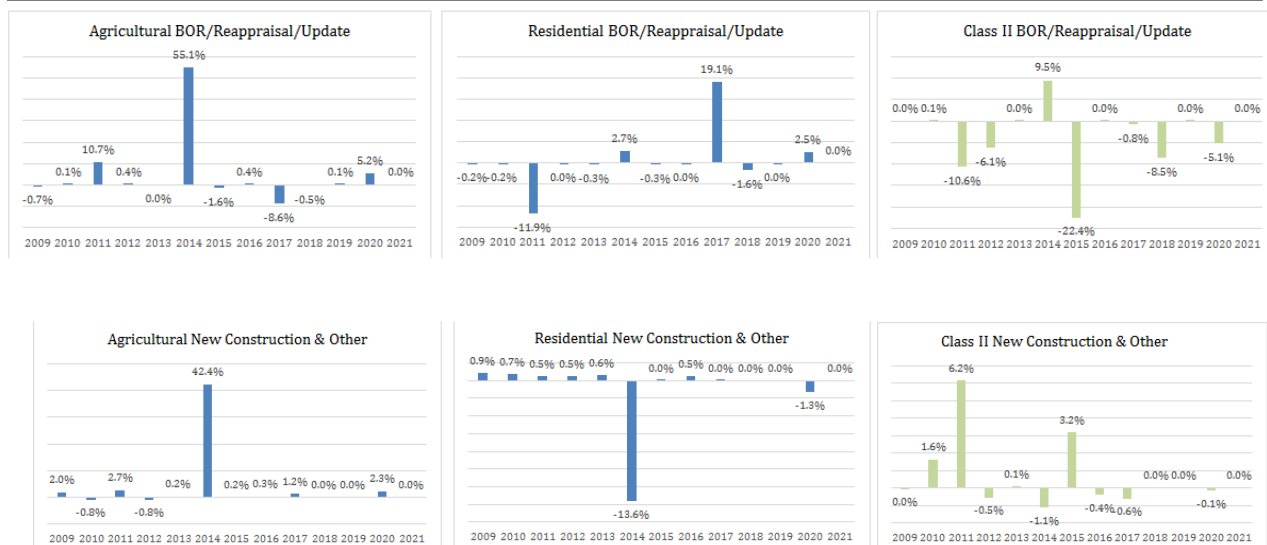
Revenue collected from taxes levied by a school district by the assessed valuation of real property using effective tax rates for class I (residential/agricultural) and class II (business).



Real estate tax revenue comprises 12.7 % of the district's revenue. This means that only 12.7 cents out of every dollar in revenue is generated from local real estate property taxes. Although valuations can fluctuate with reassessments, due to effective mills, a tax credit factor is applied to the voted mills to prevent an increase in the tax bill of the property owner. The main cause for fluctuations in property taxes collected are delinquencies but are also increased with new construction. As a result of the 2017 re-appraisals, residential valuation increased 19.1% and agricultural valuation decreased 8.6%. Total class I and class II valuations are estimated to increase from \$77M to \$83M, which is a net 7.3% increase.

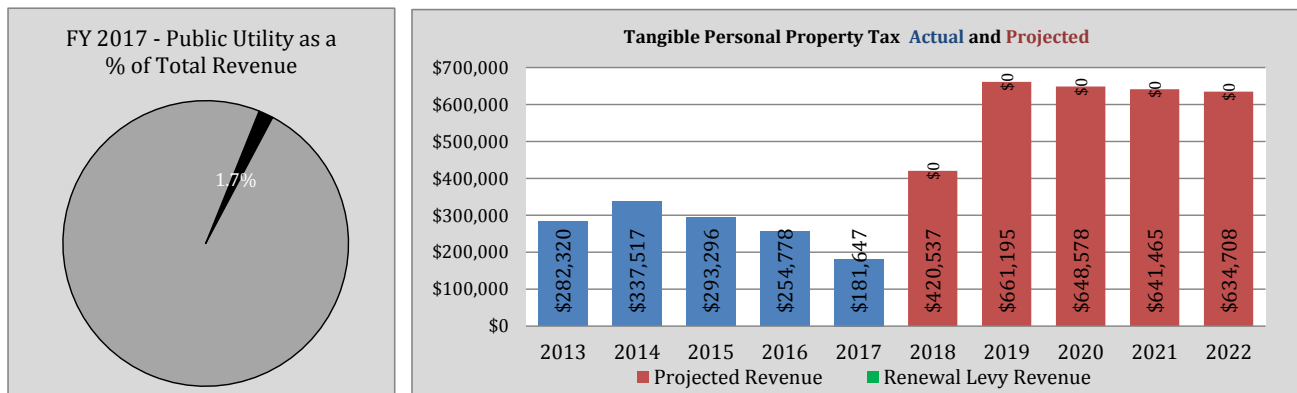
A one-mill levy will generate approximately \$106,000 in revenue per year for this district while the median statewide yield per mill is \$231,795. The district's residential & agriculture taxpayers currently pay 20.00 effective mills and have a median income of \$31,019. Local taxpayer income is about 9% less than Ohio's statewide taxpayer median income (\$33,782). The district's full voted-in mills is 28.3 but our effective mills have moved down to the 20 mill floor beginning with tax year 2017 (collected in 2018) which is 10 mills less than the statewide average effective millage of 30.86. These two factors are the primary reasons this biennium and the last biennium were favorable to the district. The current formula recognizes the district's inability to raise more local revenue.

Analysis of Year-Over-Year Valuation Change Factors



1.020 - Public Utility Personal Property

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



Public Utility makes up 1.7% of our Total Revenue and has decreased over the past 3 years. In 2015 public utility valuations decreased \$2.6 million, and in 2016 another \$1.4 million decrease. The largest contributor of this decrease is Duke Energy-Electric caused by the Beckjord Power Plant closure.

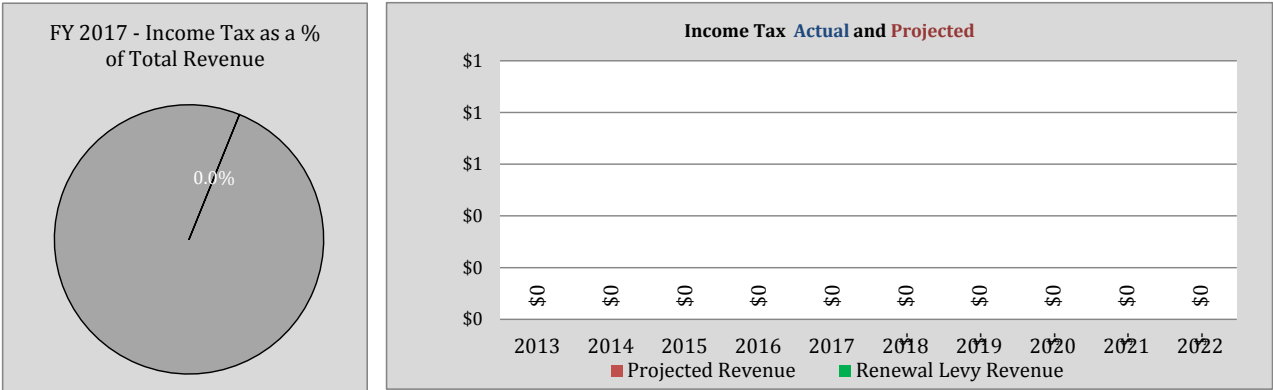
Due to the new switching station that was built in our district, 2017 valuations have increased 17.6 million causing a \$240K increase in public utility revenue in FY18 and another \$240K increase in FY19. Unfortunately, the increased valuations will decrease our state funding as the formula takes valuations into consideration in determining the voters capacity to raise local dollars.

Valuation History including Public Utility (shown in purple):

Total Valuation by Class						
Tax Year	Agricultural	Residential	Class II	Personal Prop	Total	YOY \$ Change
2009	14,100,640	52,280,210	5,485,200	7,124,130	78,990,180	(319,680)
2010	13,993,900	52,572,200	5,580,920	8,378,870	80,525,890	1,535,710
2011	15,870,530	46,548,080	5,336,000	8,672,570	76,427,180	(4,098,710)
2012	15,800,460	46,744,480	4,979,140	11,243,530	78,767,610	2,340,430
2013	15,835,120	46,884,520	4,983,790	10,230,750	77,934,180	(833,430)
2014	31,272,510	41,791,500	5,401,730	9,819,470	88,285,210	10,351,030
2015	30,829,000	41,671,660	4,363,440	7,122,720	83,986,820	(4,298,390)
2016	31,049,760	41,863,130	4,346,960	5,741,940	83,001,790	(985,030)
2017	28,777,430	49,863,750	4,285,200	23,346,160	106,272,540	23,270,750

1.030 - Income Tax

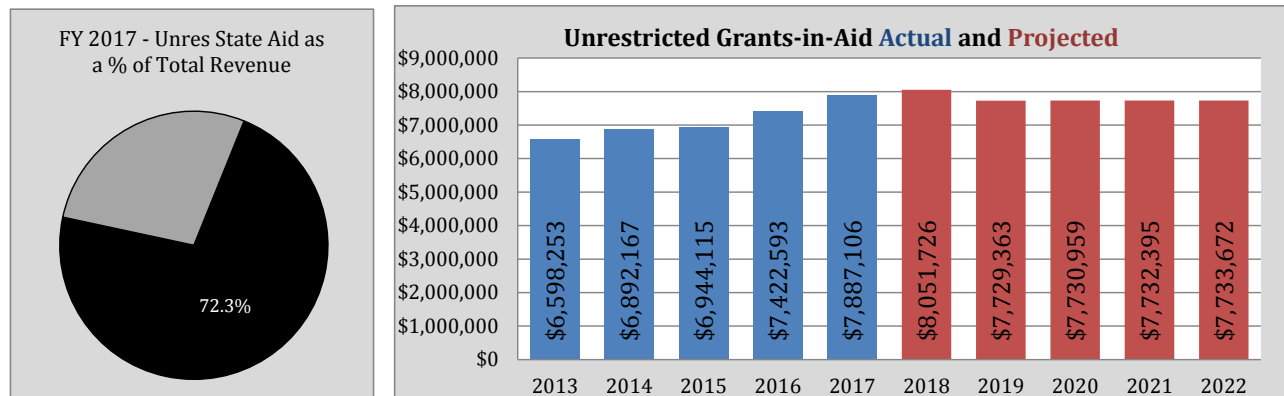
Revenue collected from income tax earmarked specifically to support schools with a voter approved tax by residents of the school district; separate from federal, state and municipal income taxes.



Not applicable

1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



State funding per pupil represents 72.3% of the districts revenue. In the past five years, the district has seen an average annual increase of 2.94% and over the next five years the revenue is expected to decrease 0.37% on average. Only FY18 and FY19 are predictable at this point, as the funding formula could be changed again in FY20 with the next biennial budget. This forecast assumes the same formula funding system with adjustments to funding amounts per pupil based on historic trends.

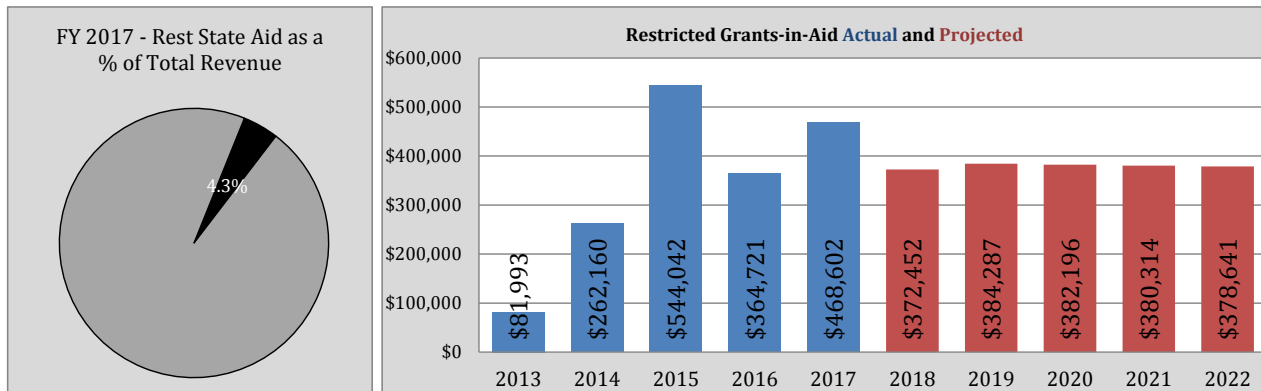
State funding is still highly dependent upon student enrollment in multiple categories of the formula. In FY15 & FY16, we saw a significant loss in students, but in FY17 & FY18 our enrollment has increased slightly. This forecast uses census data and a historical mobility rate to determine enrollment.

In FY18, the new biennium began and we saw an increase in our state funding in the agricultural funding component as well as the capacity aide component, which were directly impacted by the 2014 reappraisals (as property values decrease, the state share index increases to supplement the local impact to the formula). We are also seeing slight increases in wealth based assistance as the state wealth index increases faster than our local wealth index. In FY19, the state formula will begin to use our new 2017 reappraised values which will decrease our state funding due to our increased valuations.

In FY20, we will no longer be formula funded and will move to the state guarantee program. At that time we are dependent upon the state's decision to move districts off the guarantee in future budget cycles.

1.040 & 1.045 - Restricted Grants-in-Aid

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



Restricted Grants in Aid increased in 2017 when the governor added an Economically Disadvantaged component to the formula. This category of revenue also includes our Career Tech funding and our Catastrophic Reimbursement. Catastrophic Reimbursement is a reimbursement of a portion of our special education costs expended in the prior year.

Career Tech funds are restricted for use in our agricultural education program. Our Economically Disadvantaged funds are used to pay the salaries of our K-2 reading teachers and our K-12 school nurse.

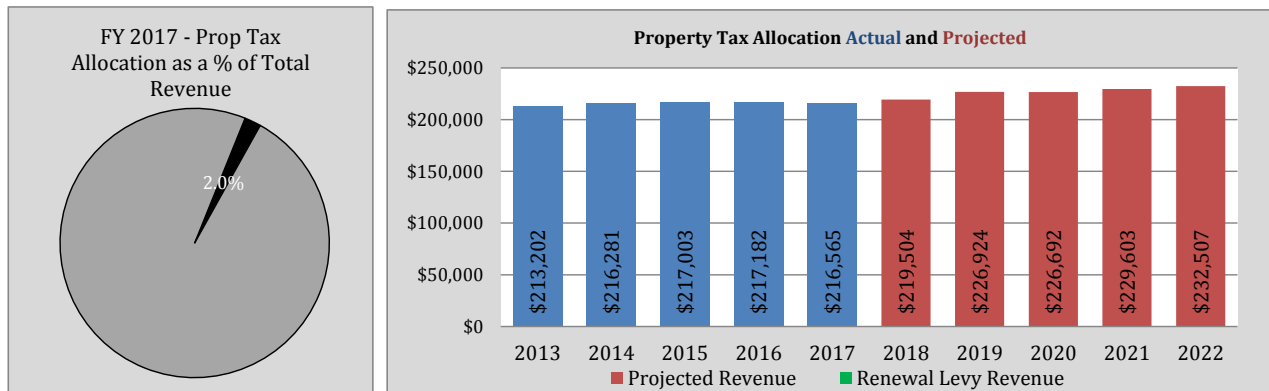
2015 restricted revenue is skewed as it included two catastrophic payments in one fiscal year (one received in July of 2014 and the second one received in June of 2015).

2017 restricted revenue is also skewed as we received two adjustments in FY17 (for FY16 and FY17) related to Career tech funding caused by the switch from October count week to daily ADM to calculate student enrollment.

Restricted Aid in FY18 is down from prior year for 2 reasons: 1) Economically disadvantaged percent is down almost 5% causing a \$40K decrease. In addition, there is a \$31K decrease in Career tech due to the additional adjustments in FY17 mentioned above.

1.050 - Property Tax Allocation

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



Property Tax Allocation revenue consists of 2.0% of Total Revenue. In addition to the tax credits granted to Ohio citizens as part of HB920, for a number of years a 10% property tax rollback has been in effect. The state pays the equivalent of 10% of these citizens' local millage to our district. HB66 passed in 2005 eliminated the rollback for certain real property used in business but maintained the rollback for residential and agricultural property. HB204 enacted in 1979 increased the rollback to 12.5% for owner occupied homesteads only.

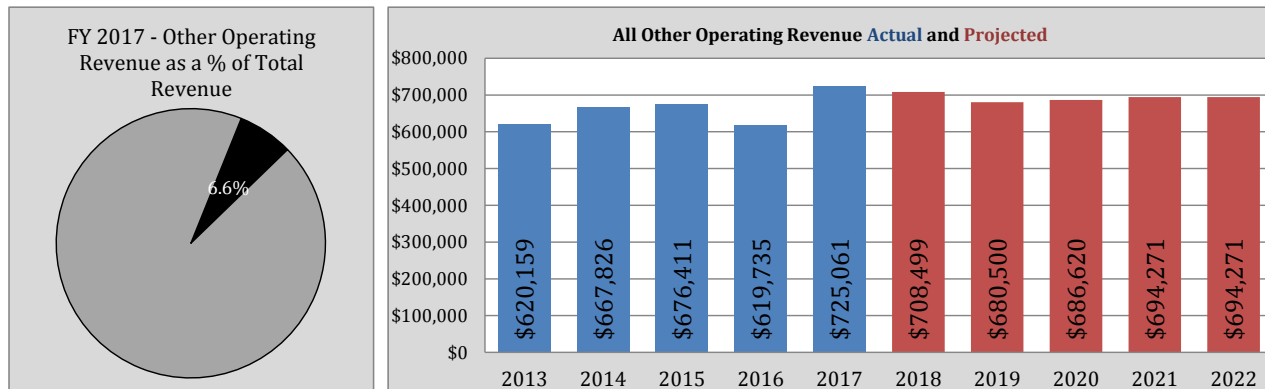
HB119, passed in 1972 and revised in 2007, provides an exemption of \$25,000 from the market value of a home for all owner-occupied homesteads where the owner meets one of the following criteria:

- 1) age 65 or older
- 2) is the spouse of a deceased homeowner who was 65 at the time of death
- 3) is totally and permanently disabled

Although these two exemptions provide relief to the taxpayers, the district is held harmless as the state picks up the additional taxes payable to the district. The revenue included here represents these state funded taxpayer relief payments.

1.060 - All Other Operating Revenues

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



All Other Operating Revenue comprises 6.6% of Total Revenue and consists of two main components: Open Enrollment In from other districts and our Medicaid Reimbursement.

Open Enrollment-In student counts decreased in FY16, stayed flat in FY17 but has decreased by 10 so far in FY18. The impact of this decrease is approximately \$60K.

Open Enrollment
Count History:

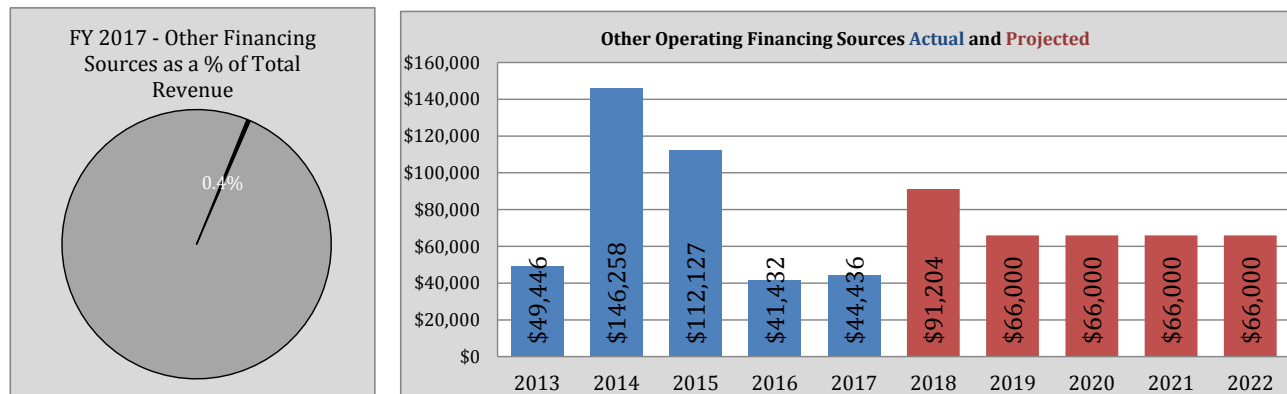
	2016	2017	2018	2019
Incoming OE - # of Students	82	82	72	77
Amount Per Pupil Funding	5,900	6,000	6,010	6,020
OE In Revenue Estimate	481,440	492,540	429,715	460,542

Our Medicaid reimbursement for FY16 increased \$50K, and increased by \$14K in FY17, but is predicted to remain flat for FY18-FY22. These reimbursements are dependent upon the proper documentation of services by our medicaid service providers.

This category also includes chromebook payments which increased by \$9K in 2018 when we implemented 1:1 technology in grades 5-12.

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.



This category of revenue consists of only 0.4% of all revenue. For 2016 and forward, this revenue component consists of our State Employee's Retirement Refund and any other small revenue not anticipated (donations, etc.).

In 2014, this category included a bus reserve (\$25,000), and a tuition reserve (\$10,000 on average), and in 2015 we added a capital maintenance reserve. In 2016 these reserves will be funded differently so as to not inflate revenue. They will no longer be shown as a revenue item in this forecast as they are not truly revenue. This transaction is a movement of cash from one account in the general fund to another account within the same fund.

In previous years, this forecast line has also included the SERS Refunds, Bureau of Workers Compensation refunds, a Resident Educator reimbursement, and a sale of a bus, all of which are not consistent year to year. This line can be very difficult to forecast due to their unpredictability.

Expenditures Overview

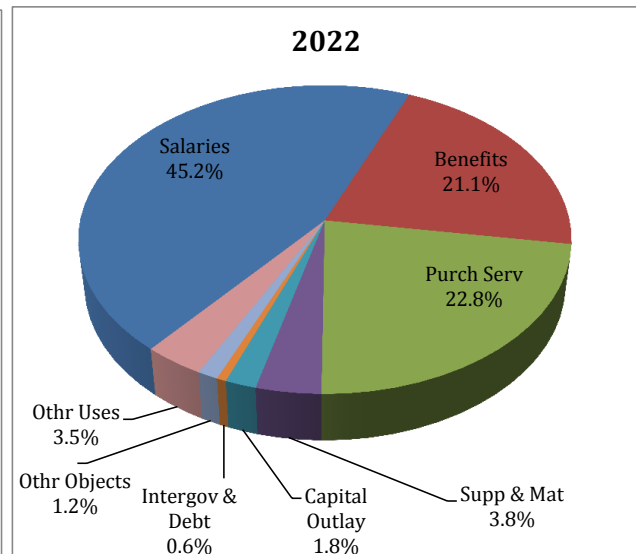
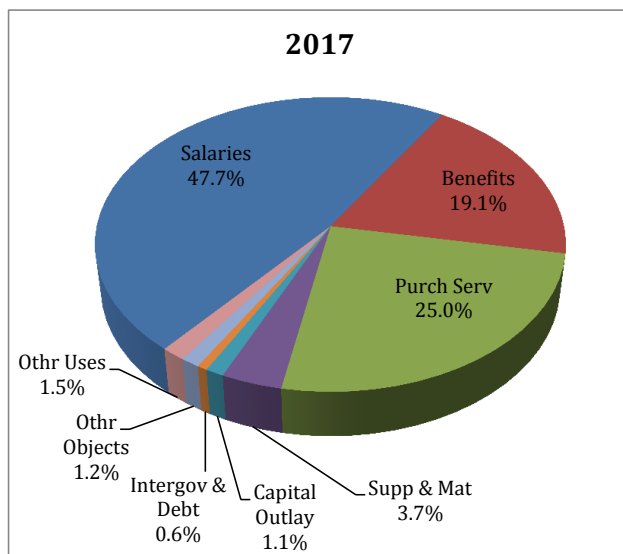
	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	
Expenditures:							
3.010-Salaries	1.06%	0.92%	3.33%	2.43%	2.70%	2.51%	2.38%
3.020-Benefits	0.20%	-4.25%	6.90%	11.01%	8.00%	7.20%	5.77%
3.030-Purchased Services	5.41%	0.86%	7.51%	-0.72%	0.33%	0.00%	1.59%
3.040-Supplies & Materials	13.86%	11.59%	17.30%	-9.28%	1.00%	1.00%	4.32%
3.050-Capital Outlay	37.43%	193.13%	-68.80%	109.61%	-23.39%	30.54%	48.22%
3.060-Intergov	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.010-4.060-Debt	63.79%	-1.67%	-1.70%	5.60%	-3.20%	7.50%	1.31%
4.300-Other Objects	1.28%	9.86%	6.47%	2.15%	0.93%	0.93%	4.07%
4.500-Total Expenditures	2.21%	2.59%	3.25%	3.74%	2.52%	3.25%	3.07%
5.040-Total Other Uses	1.87%	194.36%	-4.70%	0.35%	0.35%	0.35%	38.14%
5.050-Total Exp & Other Uses	2.53%	5.44%	2.92%	3.61%	2.44%	3.15%	3.51%

Total expenditures are expected to grow on average 3.51% over the forecast period compared to the increase of 2.53% in the previous five years.

Salary changes over the past five years only increased on average 1.06% due to the 2015 STRS Retirement changes. The next 5 year forecasted increase of 2.38% is indicative of the negotiated agreement in place for fiscal years 2016-2018 netted against the savings from teachers/staff retiring or resigning each year and the districts planning/repurposing of teachers in 2017.

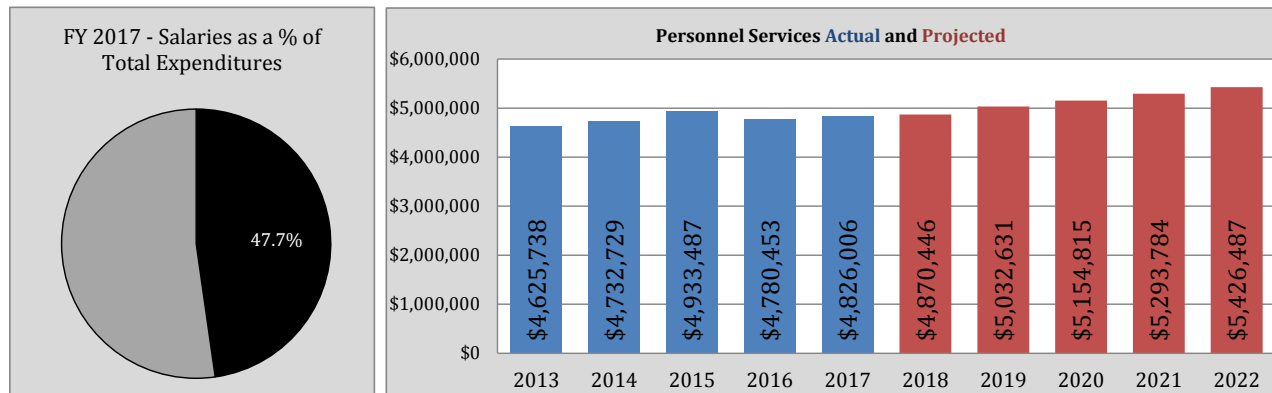
Benefits have been positively impacted over the last five years due to the same factors mentioned above. 2018-2022 is forecasted to increase 5.77% on average as the district begins to see premium increases again after not having any for the first two years after joining EPC in 2017.

The district's purchased services have increased 5.41% over the past 5 years, and is only predicted to increase an average of 1.59% over the next 5 years. Supplies and Materials have increased 13.86% on average over the past 5 years due to the district's decision to catch up our textbook adoptions district wide. The next five years is only showing an increase of 4.32% on average. In the Capital category, we typically experience large increase/decreases as we purchase technology, buses, & equipment.



3.010 - Personnel Services

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



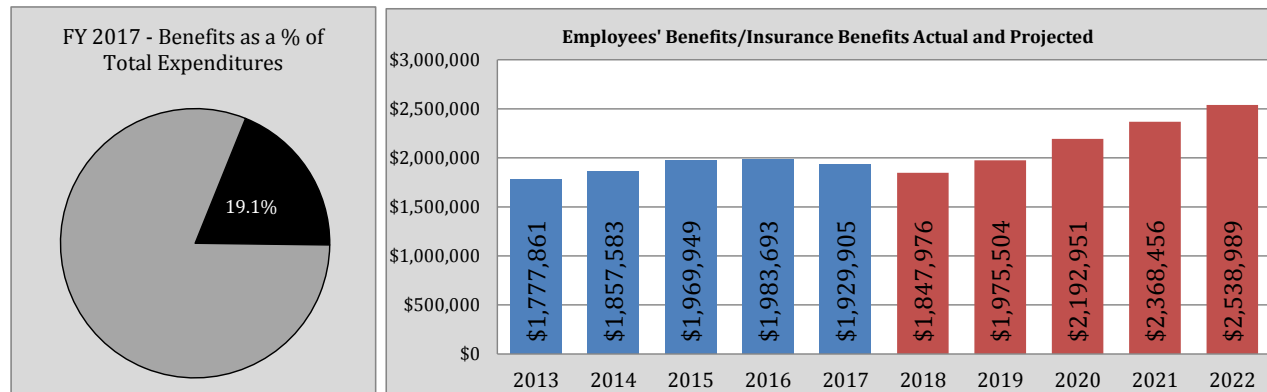
Personnel Services represents 47.7% of all expenditures and are expected to increase an average 2.38% over the next five years. In July 2015, the district entered into a new three year negotiated agreement with the FEA which gave all teachers a 3% raise in FY16, a 2% in FY17, and a 1% in FY18. Although 2019- 2022 have not been negotiated and therefore not definitive, this forecast includes a 1% raise for each of those three years also. At the end of FY17, the district also entered into a 3 year agreement with the OAPSE classified union (mechanic, custodial, and aides), which gave all eligible employees a 2% in FY17, a 1% in FY18, and another 1% in FY19.

The district had 10 teachers resign/retire at the end of FY15 decreasing salaries by approximately \$140,000. In FY2016, the district had 8 resignations/retirements. In FY17 the district repurposed 3 of our title teachers back into the classroom due to the continued reduction to our title funding. Since 2014, federal funds have decreased approximately \$342,000 (an average \$42,000 per year), thereby causing the general fund expenditures to increase. At the end of FY17 the district had 12 employees retire/resign and it was decided to add back our Student Services Coordinator for the following year. The FY18 net salary impact for the FY17 end of year retirements/resignations/addition was a decrease of \$102K.

In FY19, due to our special education teacher/student ratios and the districts decision to create the half-day alternative placement program to bring back students that would have otherwise dropped out of high school, the district will be adding an additional special education teacher.

3.020 - Employees' Benefits

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



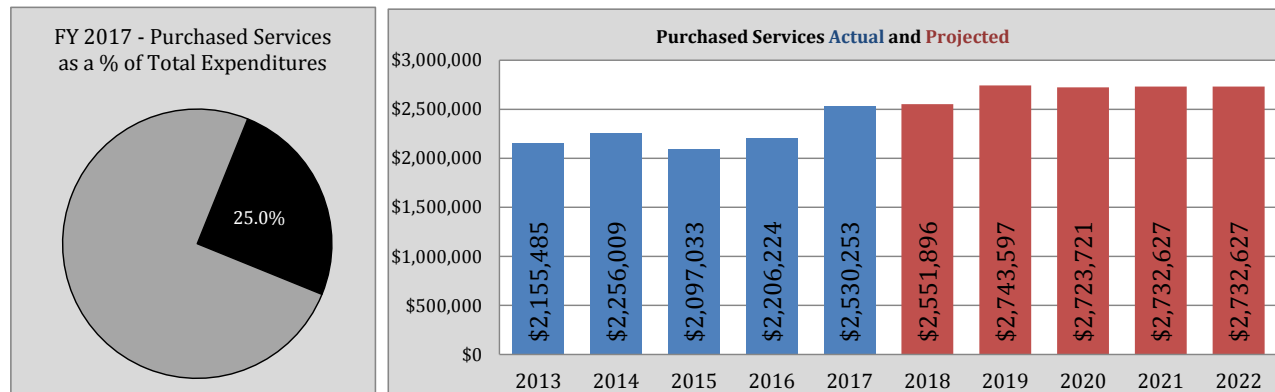
Employee benefits encompass 19.1% of total expenditures and is forecasted to increase on average 5.77% throughout this forecast.

Insurance premiums continue to rise in both private and public sectors. Currently, the district is responsible for 85% of all premiums while employees pay 15%. Over the past five years, the district has controlled costs by plan design changes, increases in the employee's share of premiums, and spousal COB implementation. As another avenue to keep premium increases to a minimum, our insurance consortium, CCIC, voted to join a larger consortium, EPC, where it is believed there is security in having more insurable lives to offset our potential for large claimant exposure. This move to EPC has decreased our previously forecasted premiums in 2017 & 2018 by 13.5% over the next two years. In FY19, EPC has determined a 7% maximum increase in premiums, but for years FY20-FY22, we are forecasting a 7% to 10% increase each year.

Employee benefits also include our salary based benefits such as retirement and Medicare. The district pays 14% of total salaries into the STRS/SERS retirement system and 1.45% of salaries to Medicare.

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.

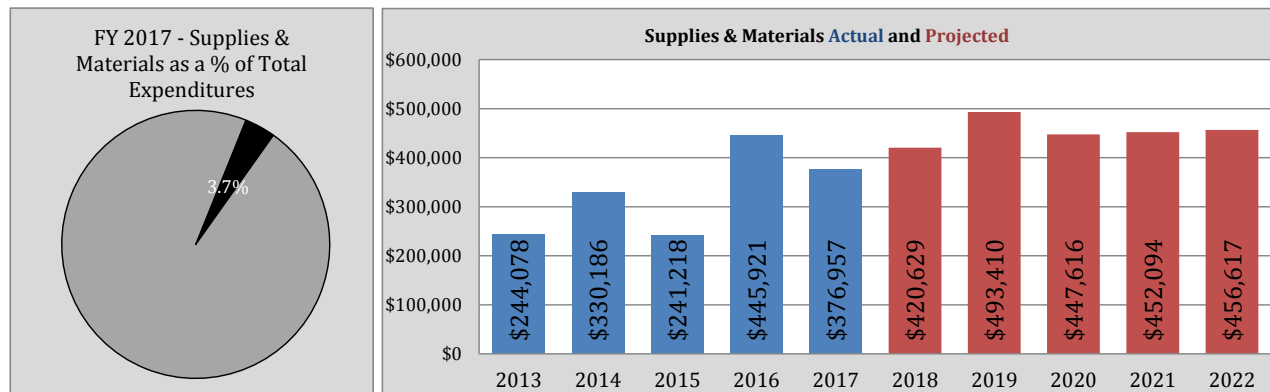


Purchased Services represents 25% of total expenditures. The largest expenditures in this category are special education costs, electricity, & open enrollment/ community school payments which encompasses 80% of this category. Increases to Purchased Services are forecasted in the following areas:

- 1) In 2016, special education costs were down slightly, in 2017 we experienced a \$170K increase, and in 2018 we are estimating a \$130K decrease in special education purchased services. Due to our high mobility rate in the district, this category of expenditures is very volatile.
- 2) There is \$150K additional expenditures forecasted in the general fund for FY18 and forward for technology services that are needed to support our Blended Learning Initiative.
- 3) Open enrollment-out to other districts remained flat in 2017, but for FY18 we have decreased by \$50K.
- 4) Instructional purchased services increased \$78,000 in 2017 due to the districts new partnership with AESOP (a substitute teacher service provider). Substitute teachers were previously paid through Personnel Services. In FY18, we will increase our Technology Integration costs by \$32K as we continue to provide teacher and student support through our Blended Learning Initiative.
- 5) Beginning in FY18, the district decided to purchase their EMIS Coordinator from HCC, which is offset by our savings from eliminating the EMIS Data Entry position.
- 6) Beginning in FY19, an additional \$25K annually will be expended for a School Resource Officer/Sherriff.

3.040 - Supplies & Materials

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

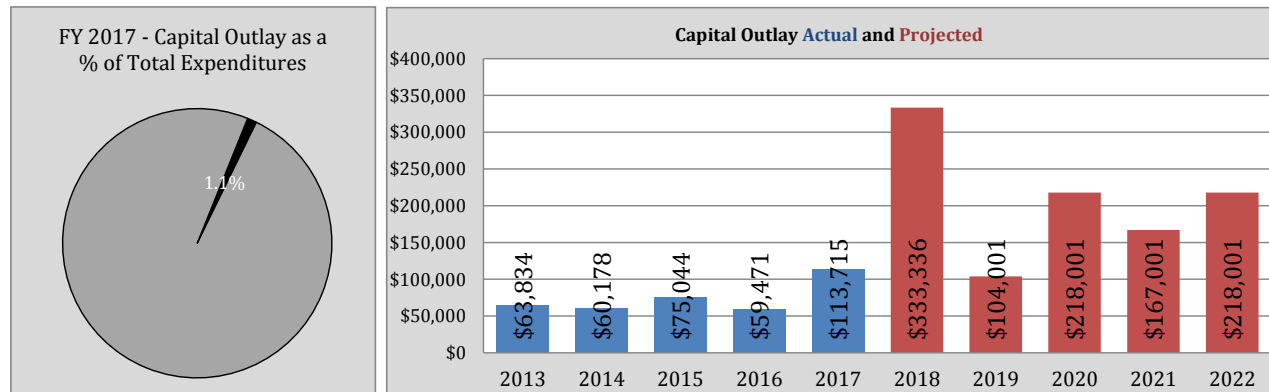


Supplies & Materials represent 3.7% of total expenditures.

- 1) FY2015 Supply expenditures were low due to the timing of the Language Arts textbook adoption. The new Language Arts adoption was encumbered in late 2015 but was not expended until FY2016. This timing will cause FY2016 to appear inflated as it will include both the language arts adoption purchased at the beginning of the year and the science adoption to be purchased at the end of the year. For 2017 and forward, this forecast includes one textbook adoption per year.
- 2) In 2016, this category of expenditures also included technology supplies that were needed to prepare the district for online testing as well as other technology supplies needed to align with current technology demands that will help prepare our students for a successful future. The district is also continuing to dedicate additional funds to technology supplies to support our blended learning initiative and additional maintenance supplies as our building ages.
- 3) At the end of FY17 our 034 maintenance fund carryover balance was exhausted, therefore beginning in FY18 additional maintenance expenditures (\$30K approximately) will be funded by the general fund.
- 4) In FY18, part of our curriculum adoption expenditures were transferred to capital outlay due to the alternative needs of the Encore teachers.
- 5) In FY19, this forecast is predicting a \$50-60K increase in electronic instructional materials for its virtual learning program in the high school, as we look to renew/replace our agreement with A+Learning.

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.



Capital Outlay represents 1.1% of total expenditures.

In 2017, the district increased expenditures by \$50,000 for technology infrastructure not covered by the Straight A Grant or by E-Rate funds that were awarded.

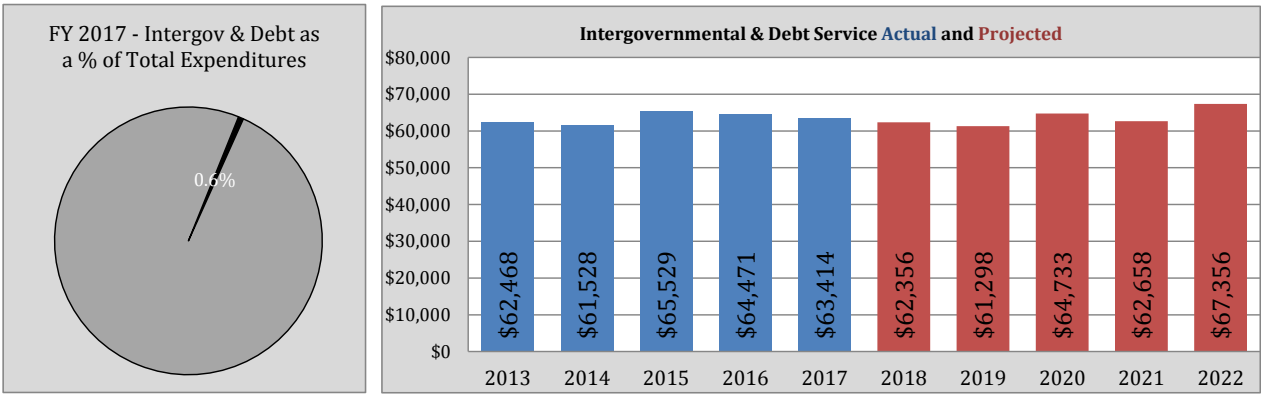
The first year of the Straight A Grant (FY17) included purchasing chromebooks for grades 6, 9, and 12. Due to the districts ability to offset a majority of the infrastructure costs with E-Rate funding, we were able to rollout the Blended Learning Initiative to all grades 5-12 in FY18. The ongoing chromebook costs will be \$48,000 when we begin buying chromebooks consistently for grades 5 and 9 each year.

In 2018, the district purchased two buses to replace two of our oldest buses in our fleet. The impact to our district for these two buses are \$160,000 approximately. The district has been reserving for these two buses since 2014 and will continue to reserve for future replacements as our fleet ages. The district will plan to buy a new bus in FY20 & FY22.

Also in FY18, the Encore Group (Specials teachers) reallocated a portion of their textbook adoption budget to equipment (approximately \$50K).

3.060-4.060 - Intergovernmental & Debt

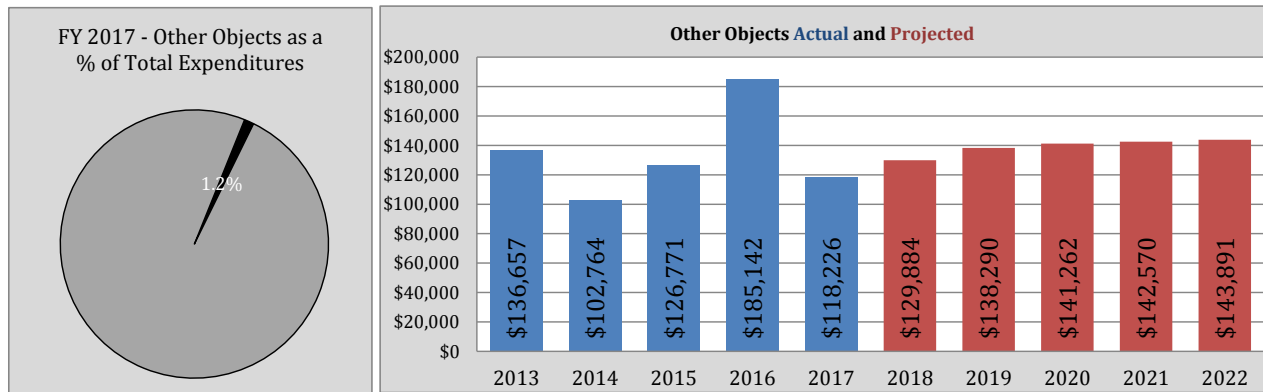
These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.



Intergovernmental & Debt represents 0.6% of total expenditures. This category of expenditures includes the HB264 principal and interest payments. HB264 allowed school districts to make energy conservation improvements to their district's buildings and use the cost savings to pay for the improvements. Funds will continue to be expended on HB264 payments through 2025.

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.



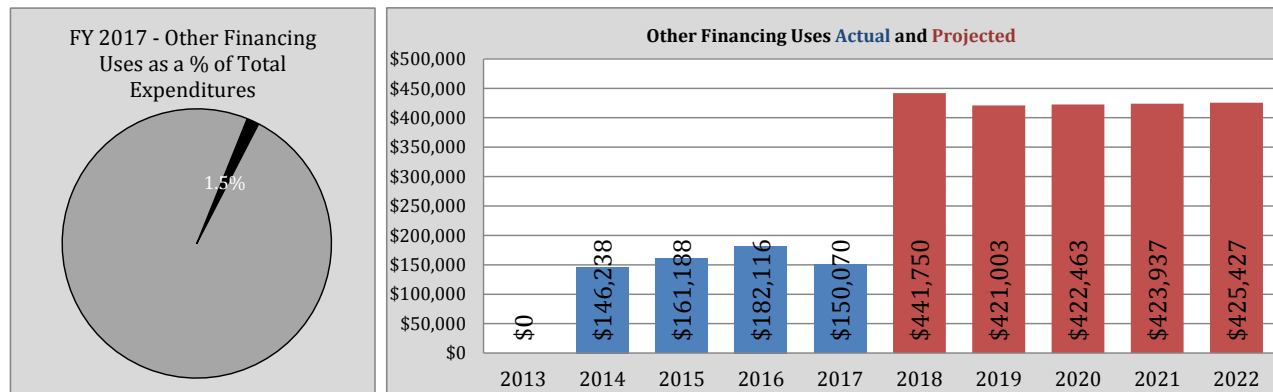
The Other objects line in the forecast makes up 1.2% of total expenditures.

The three largest fees in this category are annual audit costs, county auditor/treasurer fees, and liability insurance that make up over half of the total expenditures in this category.

In 2016, the state said they overpaid our state foundation due to the late date in which they began using 2016 ADM (caused by the switch from October Count to Daily ADM)). When they finally began using 2016 ADM, there was not enough time to reduce our revenue to recover the amount so they recovered it via an expenditure charge late in 2016. 2017 and forward is reduced by this expenditure to bring us back in line with prior year expenditures in this category.

5.040 - Total Other Financing Uses

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



Other Financing Uses represents 1.5% of all expenditures and includes the annual transfer to the Athletic Fund.

In FY17, our athletic fund transfer was \$150,000 and is forecasted to increase slightly each year as the base salary is adjusted for negotiations.

In FY16 through FY18, \$50,000 in funds were transferred to a severance fund. Beginning in 2019 the district will transfer \$25,000 each year to this severance fund. The district will reserve for severances in this new fund each year to help control the expenditures from the general fund. Actual severance payments will then be paid from this new fund instead of the general fund.

In FY18 through FY22, \$250K will be transferred to a Permanent Improvement Fund which can be used to acquire, replace, enhance, or maintain/repair any property, asset, or improvement with an estimated life or usefulness of five years or more.

Forecast Compare

Comparison of Previous Forecast Amounts to Current Forecasted Numbers
F.Y. 2018

		Column A	Column B	Column C	Column D
		Previous	Current	Dollar	Percent
		Forecast	Forecast	Difference	Difference
		Amounts For	Amounts For	Between	Between
		F.Y. 2018	F.Y. 2018	Previous	Previous
		Prepared on:	Prepared on:	and	and
		10/25/2017	5/24/2018	Current	Current
Revenue:					
1	Real Estate & Property Allocation	\$1,731,625	\$1,685,012	-\$46,613	-2.7%
2	Public Utility Personal Property	\$152,747	\$420,537	\$267,790	175.3%
3	Income Tax	\$0	\$0	\$0	n/a
4	State Foundation Restricted & Unrestricted	\$8,364,186	\$8,424,178	\$59,992	0.7%
5	Other Revenue	\$620,580	\$708,499	\$87,919	14.2%
6	Other Non Operating Revenue	\$76,094	\$91,204	\$15,110	19.9%
7	Total Revenue	\$10,945,232	\$11,329,431	\$384,199	3.5%
Expenditures:					
8	Salaries	\$4,896,259	\$4,870,446	-\$25,813	-0.5%
9	Fringe Benefits	\$2,020,884	\$1,847,976	-\$172,908	-8.6%
10	Purchased Services	\$2,694,372	\$2,551,896	-\$142,476	-5.3%
11	Supplies, Debt, Capital Outlay & Other	\$955,948	\$946,205	-\$9,743	-1.0%
12	Other Non Operating Expenditures	\$166,750	\$441,750	\$275,000	164.9%
13	Total Expenditures	\$10,734,213	\$10,658,273	-\$75,940	-0.7%
14	Revenue Over/(Under) Expenditures	\$211,019	\$671,158	\$460,139	4.3%*
15	Ending Cash Balance	\$4,144,329	\$4,604,468	\$460,139	4.3%*

*Percentage expressed in terms of total expenditures

When comparing the previous October Forecast to this May Forecast for FY18, the variances above are within 3.5% of Total Revenue and within 0.7% of Total Expenditures.

In the Total Revenue category, without the public utility additional revenue due to the switching station, our revenues would have only increased by 1%. The district was not given the impact of this new switching station until after the October forecast was published.

In the Total Expenditure category, the largest variance is in the Other Non Operating Expenditures area, due to the recommendation to move the additional public utility revenue reflected in the Other Non Operating Expenditures category into a permanent improvement fund.

The other two largest variances are in Fringe Benefits and Purchased Services. After the October Forecast, CCIC decided to give a premium holiday for the month of December. Taking that into consideration, the variance reduces from a 7.8% variance to a 3.1% variance.

The Purchased Services variance of 5.3% is due to the conservative estimate in Special Education costs and Community School Costs. These two categories of expenditures decreased by \$128K. Special Education and Community School Expense is a volatile area to forecast as we are a very mobile district that affects both of these components. Without these two variances, Purchased services would be within 0.56% of the October Forecast.

Felicity-Franklin Local Schools

Fiscal Year:	Actual	FORECASTED				
	2017	2018	2019	2020	2021	2022
Revenue:						
1.010 - General Property Tax (Real Estate)	1,391,581	1,465,508	1,467,614	1,462,375	1,477,921	1,489,425
1.020 - Public Utility Personal Property	181,647	420,537	661,195	648,578	641,465	634,708
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	7,887,106	8,051,726	7,729,363	7,730,959	7,732,395	7,733,672
1.040 - Restricted Grants-in-Aid	468,602	372,452	384,287	382,196	380,314	378,641
1.045 - Restricted Federal Grants - SFSF	-	-	-	-	-	-
1.050 - Property Tax Allocation	216,565	219,504	226,924	226,692	229,603	232,507
1.060 - All Other Operating Revenues	725,061	708,499	680,500	686,620	694,271	694,271
1.070 - Total Revenue	10,870,562	11,238,227	11,149,884	11,137,421	11,155,970	11,163,225
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	1,189	-	-	-	-
2.050 - Advances-In	-	-	-	-	-	-
2.060 - All Other Financing Sources	44,436	90,015	66,000	66,000	66,000	66,000
2.070 - Total Other Financing Sources	44,436	91,204	66,000	66,000	66,000	66,000
2.080 - Total Rev & Other Sources	10,914,998	11,329,431	11,215,884	11,203,421	11,221,970	11,229,225
Expenditures:						
3.010 - Personnel Services	4,826,006	4,870,446	5,032,631	5,154,815	5,293,784	5,426,487
3.020 - Employee Benefits	1,929,905	1,847,976	1,975,504	2,192,951	2,368,456	2,538,989
3.030 - Purchased Services	2,530,253	2,551,896	2,743,597	2,723,721	2,732,627	2,732,627
3.040 - Supplies and Materials	376,957	420,629	493,410	447,616	452,094	456,617
3.050 - Capital Outlay	113,715	333,336	104,001	218,001	167,001	218,001
3.060 - Intergovernmental	-	-	-	-	-	-
Debt Service:						
4.010 - Principal-All Years	45,000	-	-	-	-	-
4.020 - Principal - Notes	-	-	-	-	-	-
4.030 - Principal - State Loans	-	-	-	-	-	-
4.040 - Principal - State Advances	-	-	-	-	-	-
4.050 - Principal - HB264 Loan	-	45,000	45,000	50,000	50,000	50,000
4.055 - Principal - Other	-	-	-	-	-	-
4.060 - Interest and Fiscal Charges	18,414	17,356	16,298	14,733	12,658	17,356
4.300 - Other Objects	118,226	129,884	138,290	141,262	142,570	143,891
4.500 - Total Expenditures	9,958,476	10,216,523	10,548,731	10,943,099	11,219,190	11,583,968
Other Financing Uses						
5.010 - Operating Transfers-Out	150,070	441,750	421,003	422,463	423,937	425,427
5.020 - Advances-Out	-	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	150,070	441,750	421,003	422,463	423,937	425,427
5.050 - Total Exp and Other Financing Uses	10,108,546	10,658,273	10,969,734	11,365,562	11,643,127	12,009,394
6.010 - Excess of Rev Over/(Under) Exp	806,452	671,158	246,150	(162,141)	(421,157)	(780,169)
7.010 - Cash Balance July 1 (No Levies)	3,126,858	3,933,310	4,604,468	4,850,618	4,688,477	4,267,320
7.020 - Cash Balance June 30 (No Levies)	3,933,310	4,604,468	4,850,618	4,688,477	4,267,320	3,487,151
8.010 - Estimated Encumbrances June 30	30,000	30,000	30,000	30,000	30,000	30,000
9.080 - Reservations Subtotal	270,491	286,303	428,116	479,928	597,741	581,553
10.010 - Fund Bal June 30 for Cert of App	3,632,819	4,288,164	4,392,502	4,178,549	3,639,579	2,875,597
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Income & Property Tax-Renewal	-	-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-
12.010 - Fund Bal June 30 for Cert of Obligations	3,632,819	4,288,164	4,392,502	4,178,549	3,639,579	2,875,597
Revenue from New Levies						
13.010 & 13.020 - Income & Property Tax-New	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	3,632,819	4,288,164	4,392,502	4,178,549	3,639,579	2,875,597