



Felicity-Franklin Local Schools

Five Year Forecast Financial Report

October, 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.

Five Year Forecast - Simplified Statement

	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Beginning Balance	3,126,858	3,729,990	3,758,401	3,598,362	3,198,411
+ Revenue	11,000,424	10,749,201	10,807,554	10,808,992	10,782,378
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(10,397,292)	(10,720,790)	(10,967,593)	(11,208,943)	(11,471,549)
= Revenue Surplus or Deficit	603,132	28,411	(160,039)	(399,951)	(689,172)
Ending Balance	3,729,990	3,758,401	3,598,362	3,198,411	2,509,239
Revenue Surplus or Deficit w/o Levies	603,132	28,411	(160,039)	(399,951)	(689,172)
Ending Balance w/o Levies	3,729,990	3,758,401	3,598,362	3,198,411	2,509,239

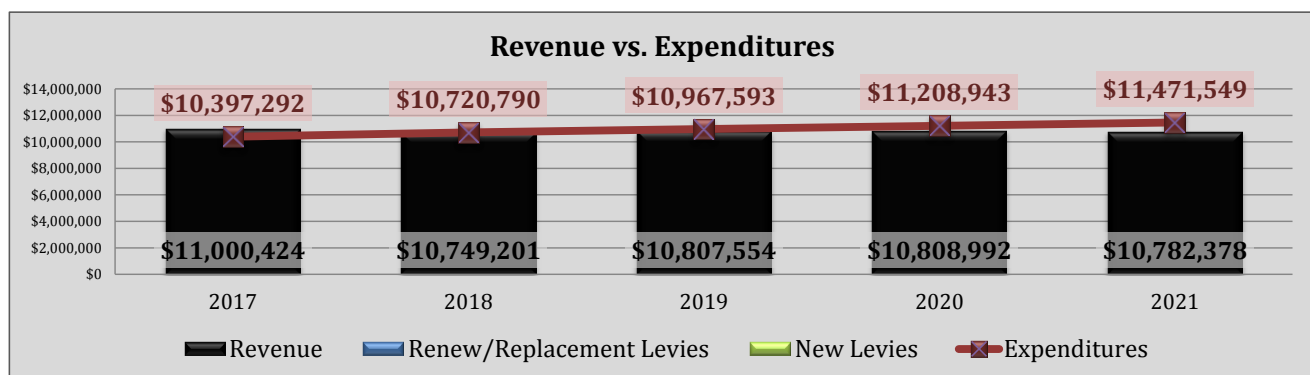
Summary:

Although this biennial budget was favorable to our district's revenue, and is leaving us with a \$2.5 million cash balance before reserves at the end of 2021, we are still mindful of the future revenue deficits reflected in 2019-2021. These projected revenue deficits are unsustainable at this rate and is projected to deplete our cash balance in 2024. The district's revenue deficits are significantly affected by our drop in enrollment.

Beginning in 2018, the current funding formula reduces the amount that our revenue is allowed to grow each year down from 7.5% to 5%, therefore beginning in 2018 we are forecasting a slight decrease in revenue over 2017. In 2019 the funding formula could once again be modified with the new biennial budget. Therefore, for 2019-2021, this forecast is predicting revenue to remain fairly neutral. At the same time, expenditures are expected to grow at an average annual rate of 2.98%.

Not included above are any general fund reserves. The district currently has a bus purchase reserve and a capital improvements reserve (new in 2016). This reserve will help prepare the district for future capital expenditures for maintenance & repairs of our building 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 are forecasted to be funded by the district each year.

After reserves are deducted from the \$2.5 million cash balance in 2021, the district will have an adjusted cash balance of \$1.8 million.



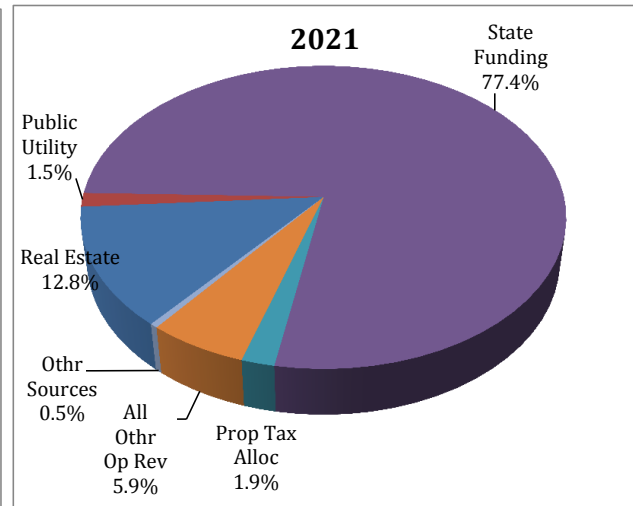
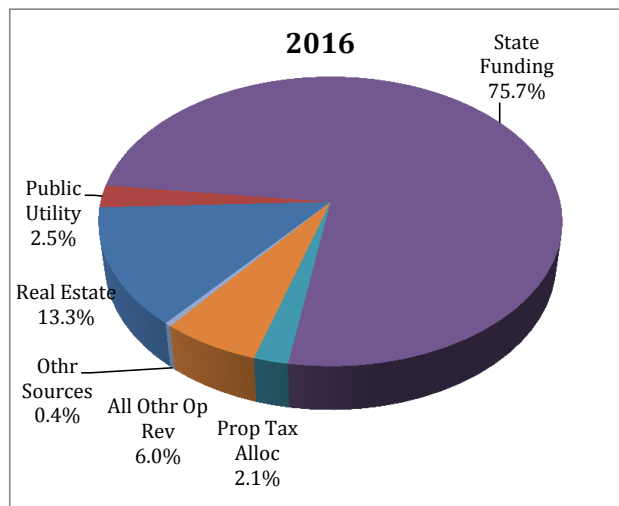
Revenue Overview

	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	
Revenue:							
1.010-Real Estate	1.51%	0.16%	0.13%	1.36%	0.33%	-0.56%	0.28%
1.020-Public Utility	-0.03%	-7.95%	-8.41%	-1.97%	-1.79%	-23.38%	-8.70%
1.030-Income Tax	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.035-State Funding	2.78%	8.45%	-2.46%	0.60%	0.04%	0.46%	1.42%
1.040-Restricted Aid	61.73%	25.70%	-8.88%	-0.54%	-0.83%	-0.84%	2.92%
1.045-Restr Federal SFSF	-85.64%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.050-Property Tax Alloc	-1.45%	-2.39%	-0.54%	-0.44%	0.38%	-0.29%	-0.65%
1.060-All Other Operating	1.59%	1.19%	1.02%	0.00%	0.00%	-0.39%	0.36%
1.070-Total Revenue	1.26%	6.88%	-2.29%	0.55%	0.01%	-0.25%	0.98%
2.070-Total Other Sources	32.20%	20.68%	0.00%	0.00%	0.00%	0.00%	4.14%
2.080-Total Rev & Other Srcs	1.25%	6.94%	-2.28%	0.54%	0.01%	-0.25%	0.99%

The district's revenue is projected to increase .99% on average over the next 5 years, which is a slight decrease over the previous 5 year increase of 1.25%. An increase of 6.88% is predicted for 2017 but the next 4 years is predicted to decrease .5% on average due to the uncertainty of the next biennial budget.

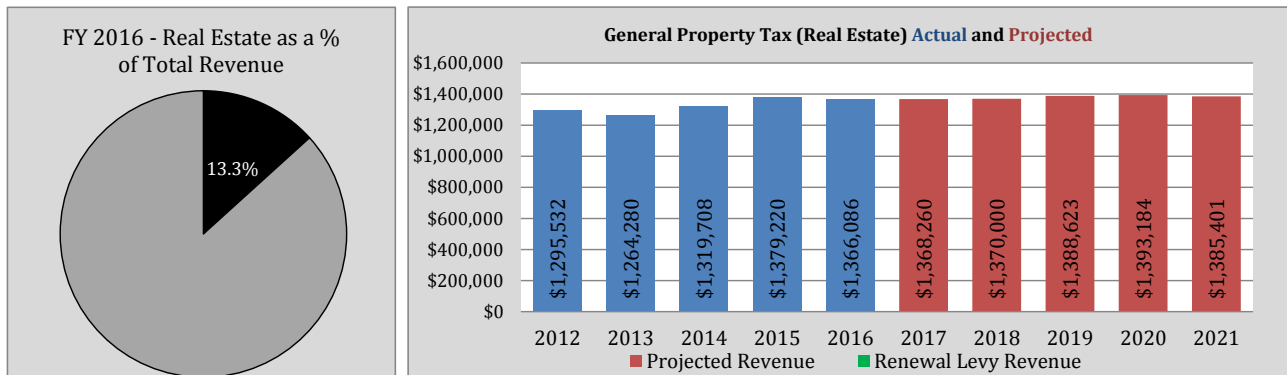
As the above year-over-year changes are considered, the following should be noted:

1. Public Utilities previous 5 year average is skewed due to a reclassification in recording public utilities to 1.020 beginning in FY14.
2. State funding 5 year average increase is based on the current biennial budget formula using current & projected future ADM counts.
3. The previous 5 year average Restricted Aid increase is impacted by two catastrophic cost reimbursements being included in one fiscal year (2015). This line item is very unpredictable as our catastrophic reimbursement has been delayed 2 of the last three years.
4. Total Other Financing Sources includes State Employee Retirement Refunds and Bureau of Workers Compensation refunds which is based on their surplus of funds. This forecast shows a decrease due to the unpredictability of these refunds.



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).



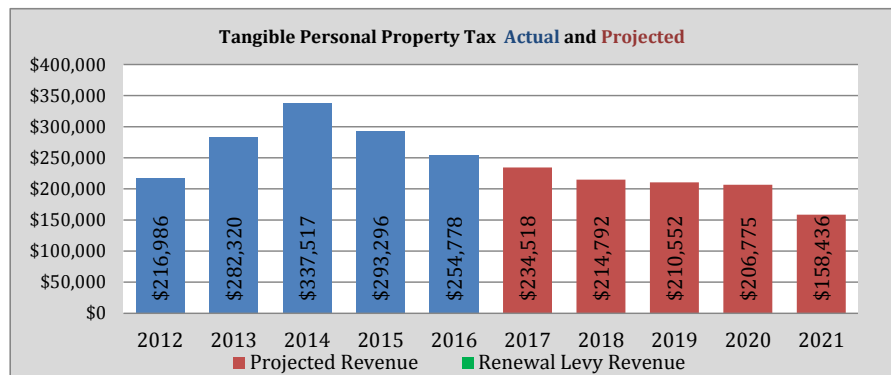
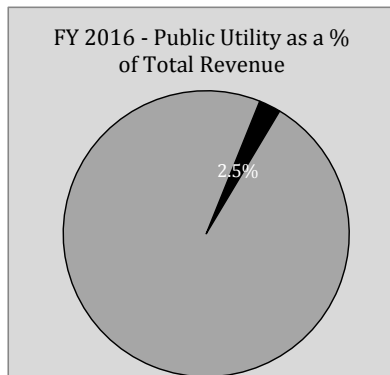
Real estate tax revenue comprises 13.3 % of the district's revenue. This means that only 13.3 cents out of every dollar in revenue is generated from local real estate property taxes. The total assessed property general property valuation (excluding public utility) decreased to 73,829,930 from 76,385,040 in the prior year. 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.

A one-mill levy will generate approximately \$80,000 in revenue per year for this district while the median statewide yield per mill is \$226,368. The district's taxpayers currently pay 23.68 effective mills and have a median income of \$31,019. Local taxpayer income is about 7% less than Ohio's statewide taxpayer median income (\$33,289). The district's 23.68 effective mills is 36% less than the statewide average effective millage of 37.05. These two factors are the primary reasons this biennium was favorable to the district. The new formula recognized the district's inability to raise more local revenue.

**Projected % trends include renewal levies*

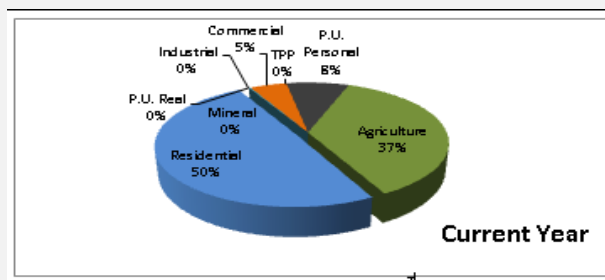
1.020 - Public Utility Personal Property

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



Public Utility Personal Property consists of 2.5% of Total Revenue and is projected to decrease in FY 2017 due to the closure of the Beckjord Power Plant (decrease in Duke Energy PUPP Valuations). Over the next 5 years, this forecast shows a 5% average decrease each year in PUPP valuations based on trend and a corresponding decrease in Public Utility Revenue.

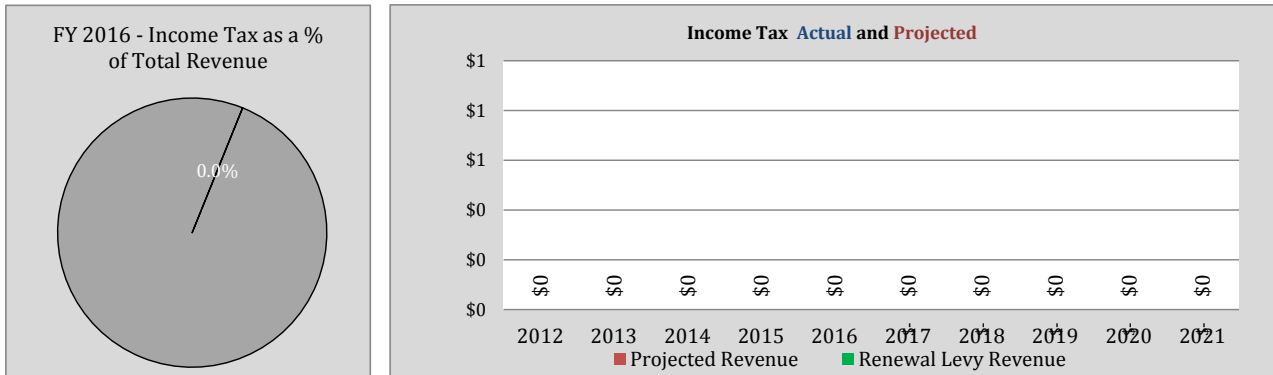
Tax Year	P.U. Personal
2004	5,250,120
2005	5,630,580
2006	6,692,920
2007	7,359,460
2008	7,553,840
2009	6,972,030
2010	8,296,180
2011	8,672,570
2012	11,243,530
2013	10,230,640
2014	9,819,470
2015	7,122,720
2016	6,766,584



**Projected % trends include renewal levies*

1.030 - Income Tax

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

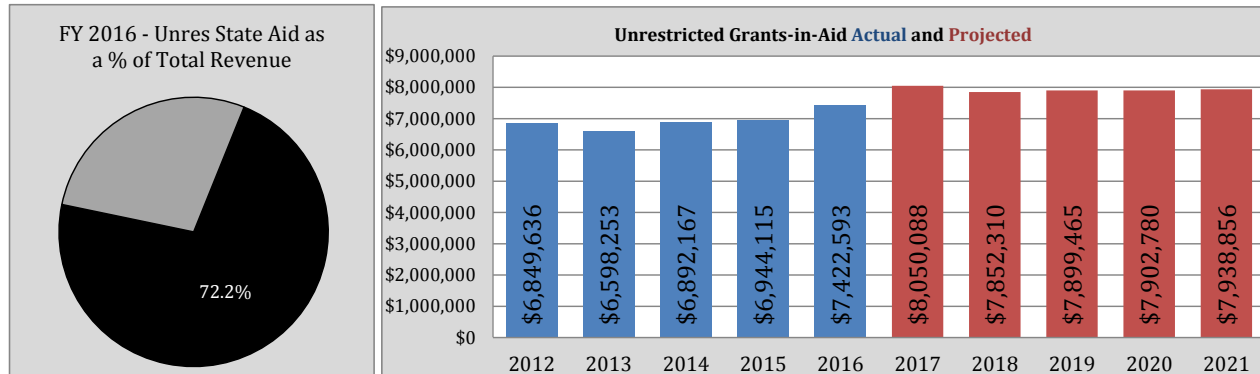


The district does not currently have an income tax.

**Projected % trends include renewal levies*

1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



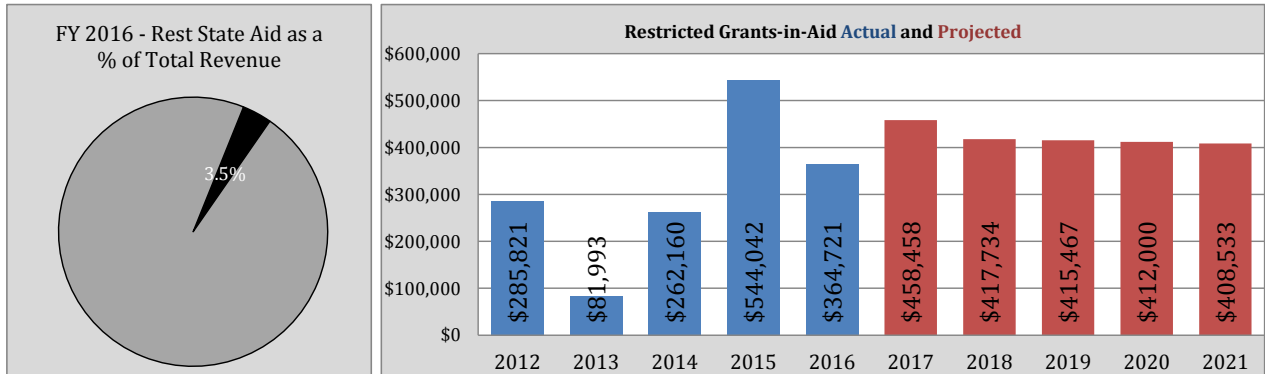
Per Pupil funding represents 72.2% of the districts revenue. In the past five years the district has seen an average annual increase of 2.78% and over the next five years the revenue is expected to increase 1.42% on average. The new funding formula contains the following new components:

- 1) Supplemental Transportation- based on the amount of square miles that we transport our students. The district is projected to receive approximately \$100,000 each year.
- 2) Graduation Bonus- This component is based on the district's graduation rate on the most current report card and is projected to provide approximately \$20,000 each year.
- 3) Third Grade Proficiency Bonus- This new component is based on the 3rd grade guarantee reading percentage found on the district's report card and is estimated to provide an additional \$13,000 annually.
- 4) Targeted Funding (which includes a wealth based component and an agricultural based component). This targeted funding component equals approximately \$1.4 million.

Although the new funding formula changes were favorable to the district, the funding is still highly dependent upon enrollment in multiple categories of the formula. We have seen a continued loss of students and are making efforts to bring back students that are open-enrolled out to other districts and on-line schools.

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 this biennium as the governor added an economically disadvantaged component to the formula. This category of Revenue also includes our Career Tech funding and our Catastrophic Reimbursement from the state which is calculated as a percentage of our special education costs each year.

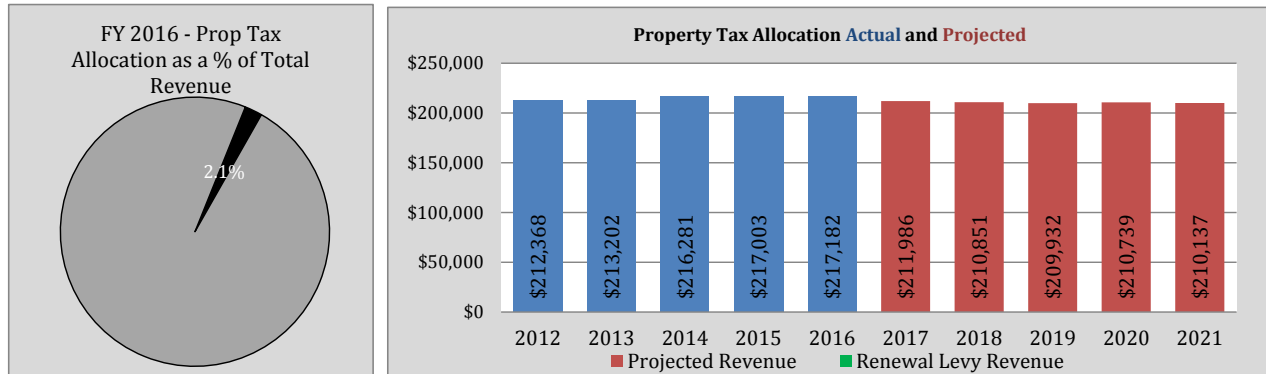
Career tech funds are restricted for use in our agricultural education program. Our economically disadvantaged funds are used to pay the salaries of our K-2 reading teachers and our K-12 school nurse.

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).

In 2016 we should have received additional funding for our career tech program as we added a new agricultural education teacher, additional agricultural classes, and began agricultural education classes in our middle school. Despite our changes, the funding formula did not show any additional Career Tech funding. The district has been investigating this error in our career tech funding since April (date that ODE began using 2016 Career Tech ADM), and have filed an appeal for 2016 to receive this additional revenue in FY17. If received in FY17, this will cause our current year revenue to appear slightly elevated with a decline in FY18 all due to the catch up.

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 2.1% 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 back in 1972 and HB119 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:

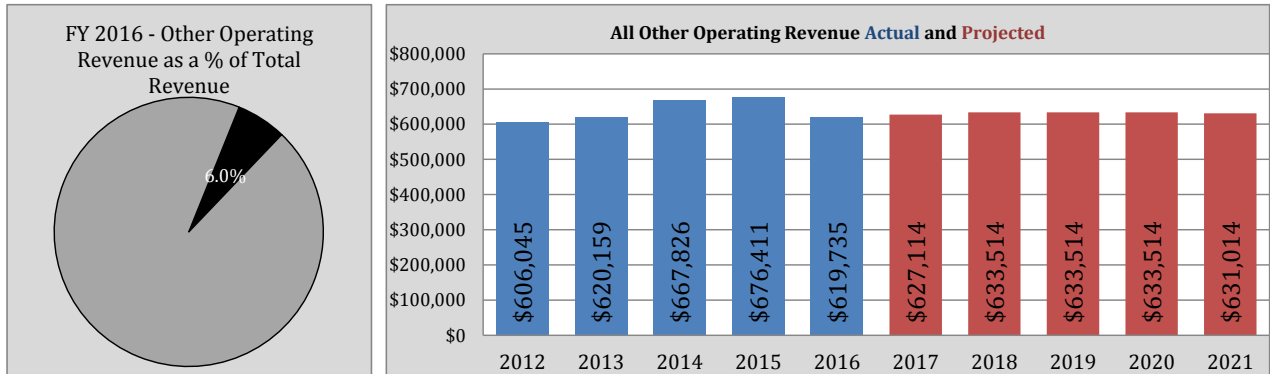
- 1) age 65 or older
- 2) is the spouse of a deceased homeowner who was 65 at the time of death
- 3) is totally and permanently disabled

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.

**Projected % trends include renewal levies*

1.060 - All Other Operating Revenues

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



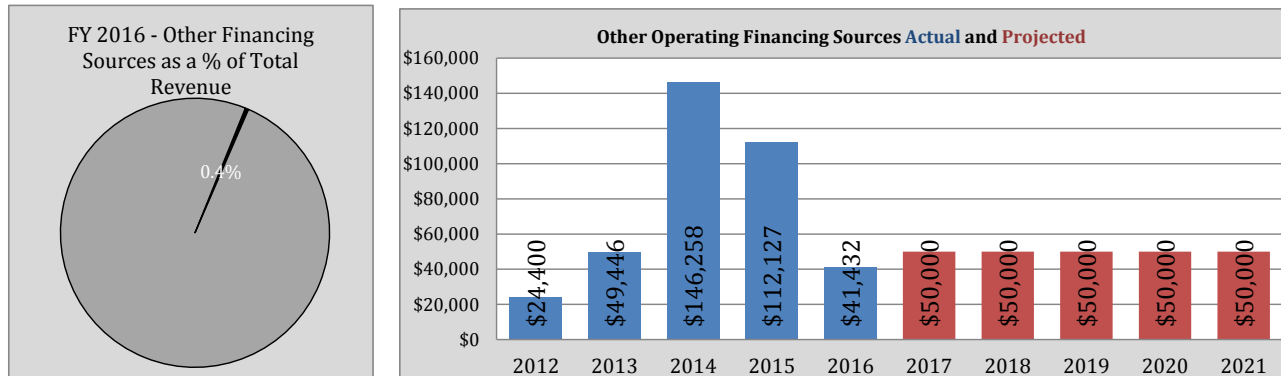
All Other Operating Revenue comprises 6% of Total Revenue and consists of two main components: Open Enrollment In from other districts and our Medicaid Reimbursement.

Open Enrollment-in decreased in 2016 by \$35K approximately, but we are showing a slight increase in 2017 of \$10K. This forecast projects open enrollment revenue flat over the next five forecasted years.

Our Medicaid reimbursement for 2016 increased \$50K, but due to the unpredictability, this forecast does not sustain this level of increased reimbursement. Changes are being made to how certain funds are expended for these purchased services to improve the district's Medicaid reimbursements. We are hopeful that these changes will improve our medicaid reimbursements, but we are heavily dependent upon the service providers that provide these services to complete all needed documentation.

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 .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 the unpredictability.

Expenditures Overview

	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	
Expenditures:							
3.010-Salaries	-0.26%	1.46%	2.33%	2.24%	2.32%	2.30%	2.13%
3.020-Benefits	1.25%	8.80%	0.30%	5.79%	5.98%	6.12%	5.40%
3.030-Purchased Services	3.77%	12.73%	6.19%	0.18%	-0.90%	0.38%	3.72%
3.040-Supplies & Materials	28.05%	-11.10%	0.52%	-0.11%	-0.06%	0.00%	-2.15%
3.050-Capital Outlay	587.76%	99.97%	52.07%	0.00%	0.00%	-11.61%	28.09%
3.060-Intergov	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.010-4.060-Debt	n/a	-1.64%	-1.67%	-1.70%	5.60%	-3.20%	-0.52%
4.300-Other Objects	9.29%	-25.50%	3.82%	0.00%	0.00%	0.00%	-4.34%
4.500-Total Expenditures	1.82%	5.01%	3.35%	2.27%	2.17%	2.31%	3.02%
5.040-Total Other Uses	-25.60%	1.58%	-9.86%	4.25%	4.28%	4.31%	0.91%
5.050-Total Exp & Other Uses	2.12%	4.94%	3.11%	2.30%	2.20%	2.34%	2.98%

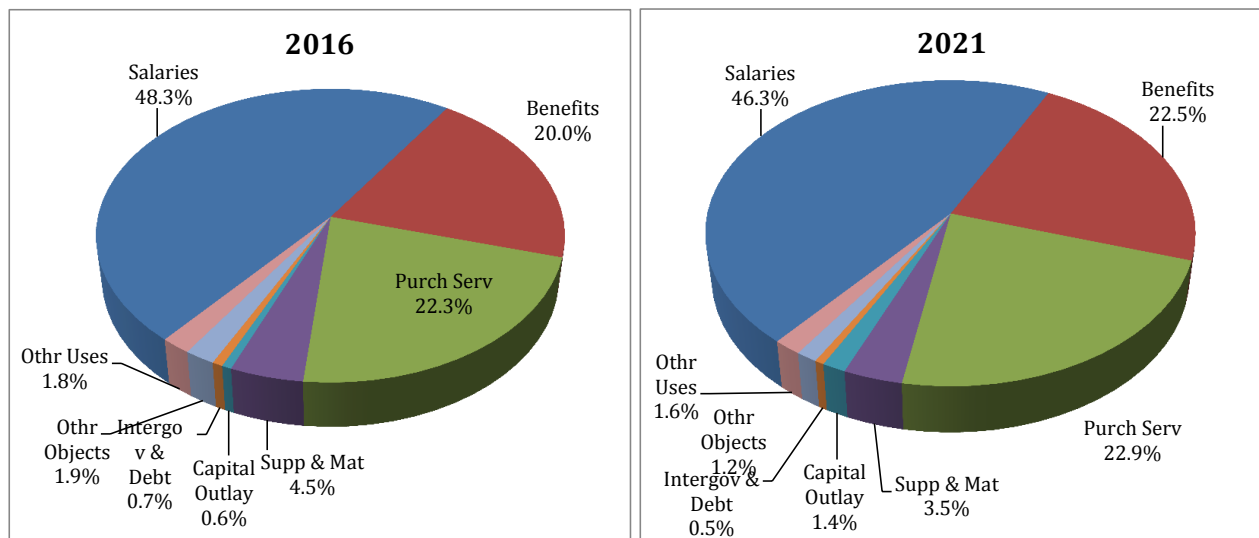
Expenditures are expected to grow on average 2.98% over the forecast period compared to the increase of 2.12% in the previous five years.

Salary changes over the past five years decreased on average 0.26%. This decrease is mainly due to the cuts made in 2009-2010 and the increase in teachers retiring by 2015. The 5 year forecasted increase of 2.13% is indicative of the negotiated agreement in place for fiscal years 2016-2018 netted against the savings from teachers/staff retiring or resigning.

Benefits have been impacted over the last five years due to the RIF's in 2009-2010, STRS Retirement system changes in 2015, & Employee/Employer contribution changes negotiated in 2012. 2017-2021 is positively impacted by our transition to a larger consortium.

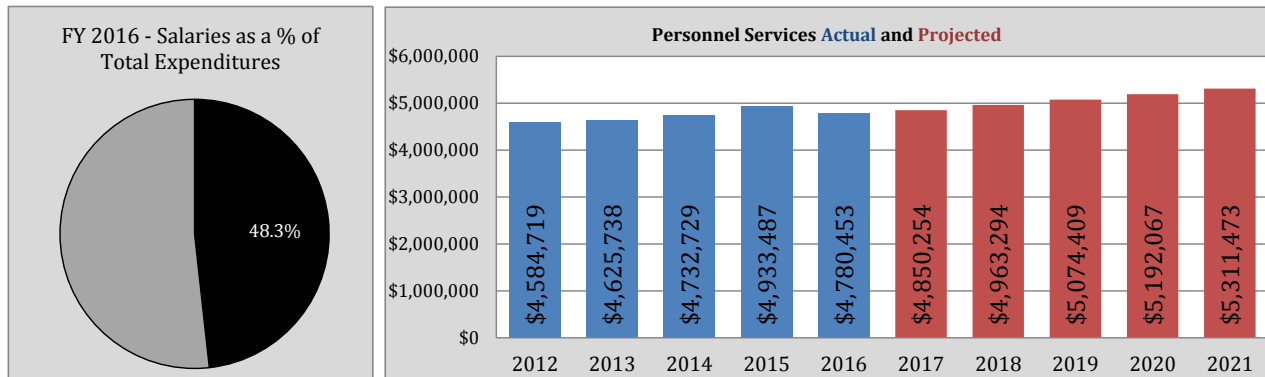
The previous 5 year average in supplies of 28.05% is largely affected by the catch up of textbook adoptions over the past 3 years. Going forward in 2017-2021, this forecast predicts an average decrease in supply spending of 2.2%.

Although we are seeing large 5 yr average increases in capital, this line represents only .6% of total expenditures.



3.010 - Personnel Services

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



Personnel Services represents 48.3% of all Expenditures and are expected to increase an average 2.13% over the next five years. In July 2016, the district entered into a new three year negotiated agreement which gave all staff a 3% raise in FY16, a 2% in FY17, and a 1% in FY18. Although 2019- 2021 have not been negotiated and therefore not definitive, this forecast includes a 1% raise for each of those three years also.

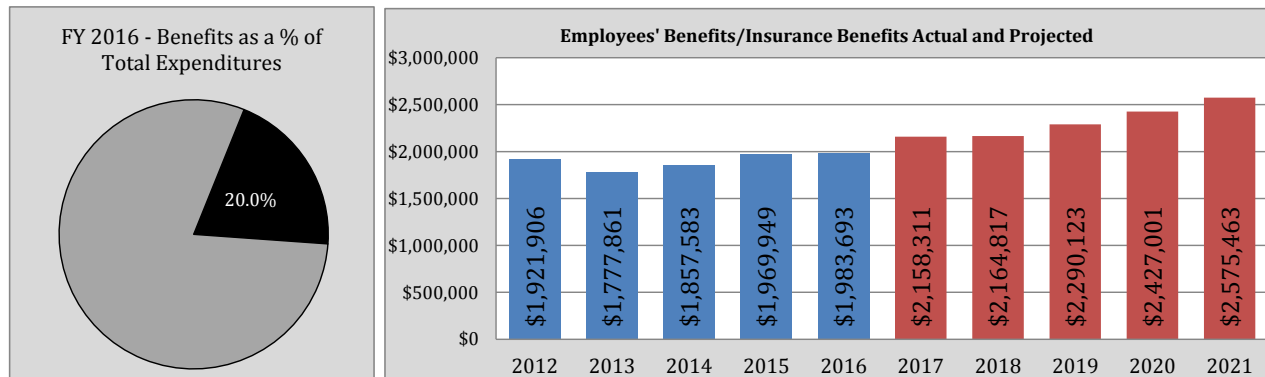
The district had 10 teachers resign/retire at the end of FY15 decreasing salaries by approximately \$140,000. These retirements are reflected in the previous 5 year average decrease in salaries of .26%. Although a 2% raise was given in FY2017, the increase over the prior year was reduced with 5 teacher resignations and 3 classified retirements. It was decided to hire teachers to replace 2 of them, and repurpose 3 of our title teachers back into the classroom.

Federal funding decreased again this year causing general fund salaries to increase correspondingly. Since 2013, federal funds have decreased approximately \$250,000 (an average \$50,000 per year), thereby causing the general fund expenditures to increase.

For 2017 and forward, this forecast allows for 3 additional as-needed aides for special education purposes, and 1 additional part time special education teacher. The district is monitoring special education ratios and will add staff as needed to comply with required limits.

3.020 - Employees' Benefits

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



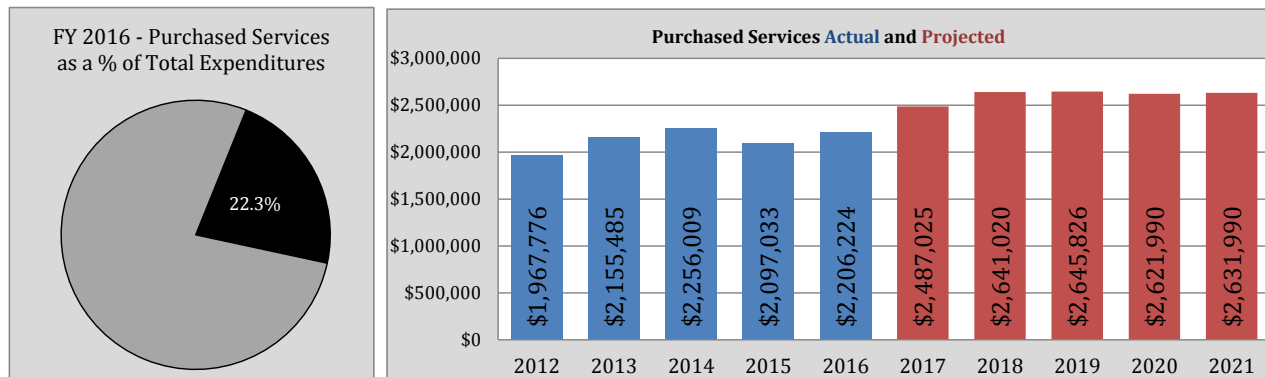
Employee Benefits encompass 20% of Total Expenditures and is forecasted to increase on average 5.4% throughout this forecast.

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, has 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.

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 22.3% of total expenditures. The four largest expenditures in this category are Special Education Costs, Electricity, and Open Enrollment/ Community School payments which encompasses 80% of this category.

Increases to Purchased Services are forecasted in the following areas:

- 1) Special Education Costs are extremely difficult to forecast due to the high mobility rate in our district. The district's special education expenses were down slightly in 2016, but so far in 2017 the district is projecting a \$76,000 increase. A methodology change in the way Federal IDEA-Special Ed Funds are spent has also impacted 2016 purchased services. In the past, federal funds have been used for Special Ed Purchased Services, but beginning in 2016 and forward, these funds will pay for the salaries of the district's special education teachers, and the general fund will pay the special ed purchased services paid to the Clermont County ESC.
- 2) There are also additional expenditures forecasted in the general fund for FY17 and forward for technology managed services that are needed to support our Blended Learning Initiative.
- 3) Open Enrollment out to other districts is forecasted to increase \$32,000 in 2017.
- 4) Instructional services will increase \$60,000 beginning in 2017 as we begin to use Aesop for our substitute placement service.

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 4.5% of total expenditures.

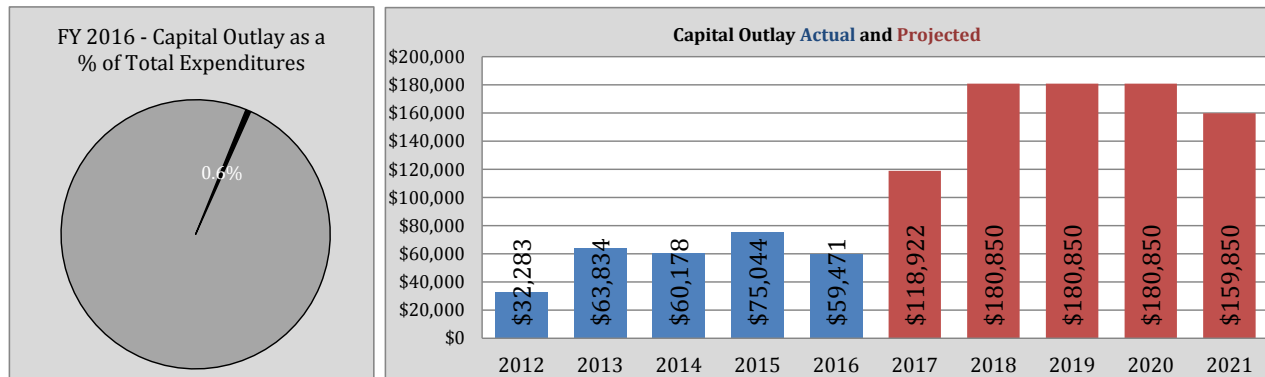
FY2015 Supply expenditures were low due to the timing of the Language Arts textbook adoption. The new language arts adoption was encumbered in late 2015 but was not expended until FY2016. This timing will cause FY2016 to appear inflated as it will include both the Language Arts adoption purchased at 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.

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's supplies are forecasted to remain elevated at these 2016 levels. Beginning in 2017, supplies previously purchased with Title funds will now be purchased with general fund money due to the loss of federal funds. The district is also continuing to dedicate additional funds to technology technology supplies to support our blended learning initiative and additional maintenance supplies as our building ages.

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.



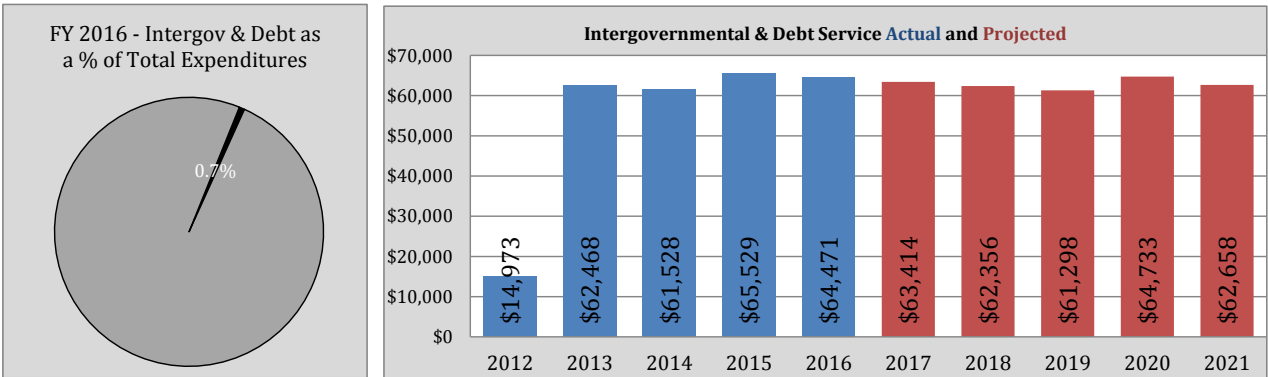
In 2016, the district spent .6% of total expenditures on Capital Outlay.

In 2017, the district will increase expenditures by \$50,000 for technology infrastructure not covered by the Straight A Grant or by ERate funds that were awarded in FY17.

Beginning in 2018 through 2020, we have included \$90,000 per year to continue to roll out our Blended Learning Initiative to additional grades in the Middle and High School students. Once rolled out, we believe the ongoing chromebook costs for 2 grades is \$48,000 (with offsetting take home payments and protection plan payments that total \$29,000). Net cost of Blended Learning Chromebook devices is estimated at \$19,000.

3.060-4.060 - Intergovernmental & Debt

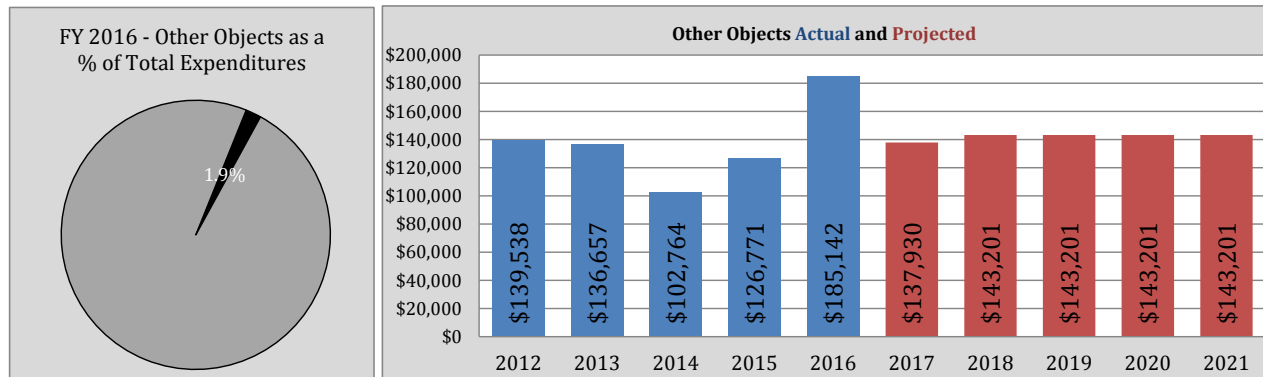
These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.



Intergovernmental & Debt represents 0.7% 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.

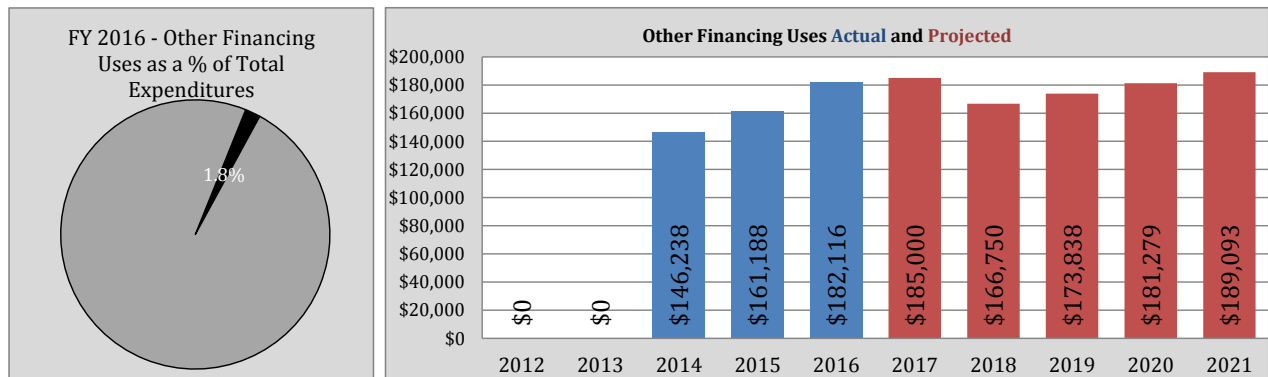


Other Objects make up 1.9% of total expenditures and is increasing slightly each year. The three largest fees in this category are Annual Audit Costs, County Auditor/Treasurer Fees, and Liability Insurance that make up over half of the total expenditures in this category.

In 2016, the state 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 1.8% of all expenditures and includes the annual transfer to the Athletic Fund estimated at \$135,000 this year. \$50,000 in funds was transferred to a severance fund in FY16 and will be again in FY17. Beginning in 2018 the district will transfer \$25,000 each year to the 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.

Forecast Compare

Comparison of Previous Forecast Amounts to Current Forecasted Numbers
F.Y. 2017

		Column A	Column B	Column C	Column D
		Previous	Current	Dollar Difference Between Previous and Current	Percent Difference Between Previous and Current
		Forecast Amounts For F.Y. 2017 Prepared on: 05/25/2016	Forecast Amounts For F.Y. 2017 Prepared on: 10/20/2016		
Revenue:					
1	Real Estate & Property Allocation	\$1,582,623	\$1,580,246	-\$2,377	-0.2%
2	Public Utility Personal Property	\$286,859	\$234,518	-\$52,341	-18.2%
3	Income Tax	\$0	\$0	\$0	n/a
4	State Foundation Restricted & Unrestricted	\$8,167,384	\$8,508,546	\$341,162	4.2%
5	Other Revenue	\$629,254	\$627,114	-\$2,140	-0.3%
6	Other Non Operating Revenue	\$80,000	\$50,000	-\$30,000	-37.5%
7	Total Revenue	\$10,746,120	\$11,000,424	\$254,304	2.4%
Expenditures:					
8	Salaries	\$5,035,374	\$4,850,254	-\$185,120	-3.7%
9	Fringe Benefits	\$2,075,073	\$2,158,311	\$83,238	4.0%
10	Purchased Services	\$2,450,153	\$2,487,025	\$36,872	1.5%
11	Supplies, Debt, Capital Outlay & Other	\$696,796	\$716,702	\$19,906	2.9%
12	Other Non Operating Expenditures	\$200,000	\$185,000	-\$15,000	-7.5%
13	Total Expenditures	\$10,457,396	\$10,397,292	-\$60,104	-0.6%
14	Revenue Over/(Under) Expenditures	\$288,724	\$603,132	\$314,408	3%*
15	Ending Cash Balance	\$3,288,682	\$3,729,990	\$441,308	4.2%*

*Percentage expressed in terms of total expenditures

Overall Ending Cash Balance for FY2017 increased over the prior May Forecast by \$421,308 partially due to our 2016 excess revenue coming in \$127,000 over forecast. Revenue increased 2.4% over the prior forecast and expenditures decreased .4%.

The largest revenue change in dollars was in the State Foundation Category, with increases to core funding (caused by an increase to formula ADM) & targeted funding (caused by an increase to our wealth based assistance as well as our agricultural assistance components).

The largest dollar expenditure variances are in Salaries. Salaries decreased due to last minute FY2016 Retirements & Resignations, and the decision to begin using AESOP for our substitute teacher placement service. In addition, salaries will continue to be forecasted conservatively as this one expenditure component encompasses approximately 50% of total expenditures.

Felicity-Franklin Local Schools

Fiscal Year:	Actual	FORECASTED				
	2016	2017	2018	2019	2020	2021
Revenue:						
1.010 - General Property Tax (Real Estate)	1,366,086	1,368,260	1,370,000	1,388,623	1,393,184	1,385,401
1.020 - Public Utility Personal Property	254,778	234,518	214,792	210,552	206,775	158,436
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	7,422,593	8,050,088	7,852,310	7,899,465	7,902,780	7,938,856
1.040 - Restricted Grants-in-Aid	364,721	458,458	417,734	415,467	412,000	408,533
1.045 - Restricted Federal Grants - SFSF	-	-	-	-	-	-
1.050 - Property Tax Allocation	217,182	211,986	210,851	209,932	210,739	210,137
1.060 - All Other Operating Revenues	619,735	627,114	633,514	633,514	633,514	631,014
1.070 - Total Revenue	10,245,095	10,950,424	10,699,201	10,757,554	10,758,992	10,732,378
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-
2.050 - Advances-In	-	-	-	-	-	-
2.060 - All Other Financing Sources	41,432	50,000	50,000	50,000	50,000	50,000
2.070 - Total Other Financing Sources	41,432	50,000	50,000	50,000	50,000	50,000
2.080 - Total Rev & Other Sources	10,286,527	11,000,424	10,749,201	10,807,554	10,808,992	10,782,378
Expenditures:						
3.010 - Personnel Services	4,780,453	4,850,254	4,963,294	5,074,409	5,192,067	5,311,473
3.020 - Employee Benefits	1,983,693	2,158,311	2,164,817	2,290,123	2,427,001	2,575,463
3.030 - Purchased Services	2,206,224	2,487,025	2,641,020	2,645,826	2,621,990	2,631,990
3.040 - Supplies and Materials	445,921	396,437	398,503	398,049	397,822	397,822
3.050 - Capital Outlay	59,471	118,922	180,850	180,850	180,850	159,850
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	45,000	50,000	50,000
4.055 - Principal - Other	-	-	-	-	-	-
4.060 - Interest and Fiscal Charges	19,471	18,414	17,356	16,298	14,733	12,658
4.300 - Other Objects	185,142	137,930	143,201	143,201	143,201	143,201
4.500 - Total Expenditures	9,725,375	10,212,292	10,554,040	10,793,756	11,027,663	11,282,456
Other Financing Uses						
5.010 - Operating Transfers-Out	182,003	185,000	166,750	173,838	181,279	189,093
5.020 - Advances-Out	-	-	-	-	-	-
5.030 - All Other Financing Uses	113	-	-	-	-	-
5.040 - Total Other Financing Uses	182,116	185,000	166,750	173,838	181,279	189,093
5.050 - Total Exp and Other Financing Uses	9,907,491	10,397,292	10,720,790	10,967,593	11,208,943	11,471,549
6.010 - Excess of Rev Over/(Under) Exp	379,036	603,132	28,411	(160,039)	(399,951)	(689,172)
7.010 - Cash Balance July 1 (No Levies)	2,747,822	3,126,858	3,729,990	3,758,401	3,598,362	3,198,411
7.020 - Cash Balance June 30 (No Levies)	3,126,858	3,729,990	3,758,401	3,598,362	3,198,411	2,509,239
8.010 - Estimated Encumbrances June 30	30,000	30,000	30,000	30,000	30,000	30,000
9.080 - Reservations Subtotal	150,000	234,600	328,800	429,400	530,000	630,600
10.010 - Fund Bal June 30 for Cert of App	2,946,858	3,465,390	3,399,601	3,138,962	2,638,411	1,848,639
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	2,946,858	3,465,390	3,399,601	3,138,962	2,638,411	1,848,639
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	2,946,858	3,465,390	3,399,601	3,138,962	2,638,411	1,848,639