



Felicity-Franklin Local Schools

# **Five Year Forecast Financial Report**

May, 2017

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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	3,818,767	3,822,244	3,755,642	3,480,276
+ Revenue	10,858,665	10,630,193	10,722,901	10,812,027	10,901,063
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(10,166,756)	(10,626,716)	(10,789,502)	(11,087,393)	(11,476,907)
= Revenue Surplus or Deficit	691,909	3,477	(66,601)	(275,366)	(575,844)
Ending Balance	3,818,767	3,822,244	3,755,642	3,480,276	2,904,432
Revenue Surplus or Deficit w/o Levies	691,909	3,477	(66,601)	(275,366)	(575,844)
Ending Balance w/o Levies	3,818,767	3,822,244	3,755,642	3,480,276	2,904,432

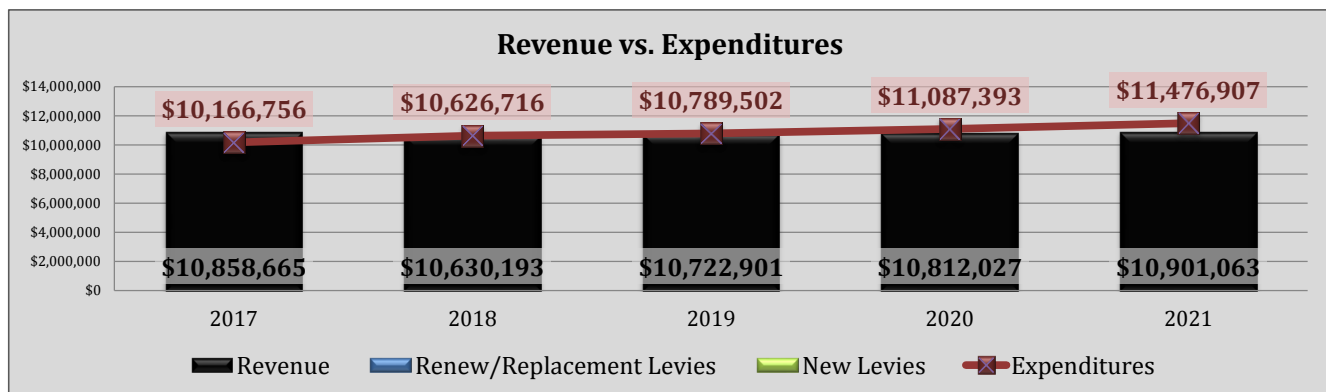
## Summary:

Although this biennial budget was favorable to our district's revenue, and is leaving us with a \$2.9 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 and is projected to deplete our cash balance in 2024.

FY18 is the beginning of the new biennium and the funding formula could once again be modified. Early indications show that Felicity Schools should not be impacted by any formula changes, although not definitive until July. This forecast is predicting an average 1.2% increase over the next 5 years in revenue which is slightly lower than the 1.25% we have seen in the last 5 years.

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 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. In 2018, our transportation department plans to purchase two buses which will reduce our bus purchase reserve to zero, but it is the intent of the district to continue to contribute to our bus reserve for future replacements of our aging buses.

After reserves are deducted from the \$2.9 million cash balance in 2021, the district will have an adjusted cash balance of \$2.2 million.



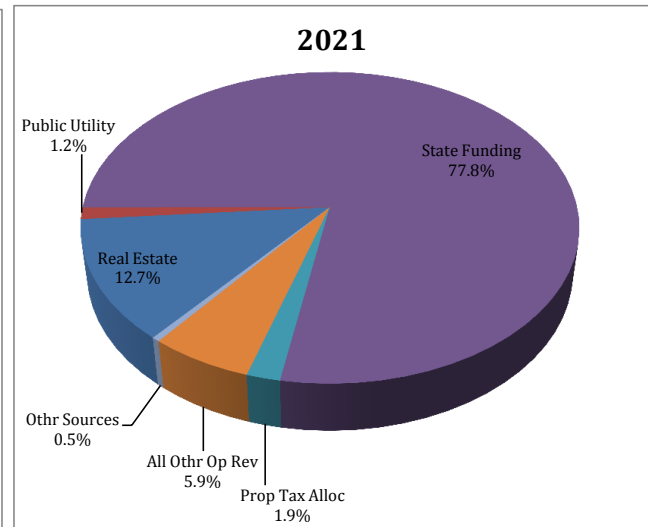
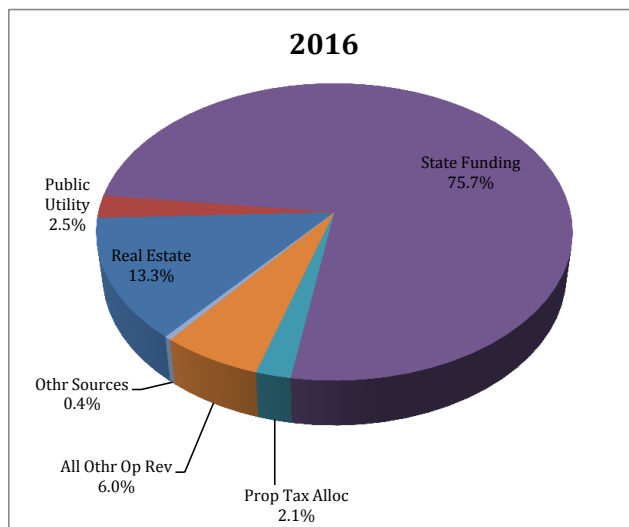
## Revenue Overview

	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	
<b>Revenue:</b>							
1.010-Real Estate	1.51%	1.83%	-1.43%	0.78%	0.33%	-0.52%	0.20%
1.020-Public Utility	-0.03%	-28.70%	-15.91%	-2.98%	-5.00%	-5.00%	-11.52%
1.030-Income Tax	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.035-State Funding	2.78%	6.62%	-1.87%	1.15%	1.19%	1.37%	1.69%
1.040-Restricted Aid	61.73%	28.32%	-7.77%	-0.41%	-0.59%	-0.60%	3.79%
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%	-2.27%	-0.38%	-0.41%	0.38%	-0.26%	-0.59%
1.060-All Other Operating	1.59%	3.53%	0.87%	0.00%	0.00%	-0.39%	0.80%
1.070-Total Revenue	1.26%	5.50%	-2.11%	0.88%	0.84%	0.83%	1.19%
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%	5.56%	-2.10%	0.87%	0.83%	0.82%	1.20%

The district's revenue is projected to increase 1.20% on average over the next 5 years, which is a slight decrease over the previous 5 year increase of 1.25%. An increase of 5.56% is predicted for 2017 but the next 4 years are predicted to increase less than .5% on average.

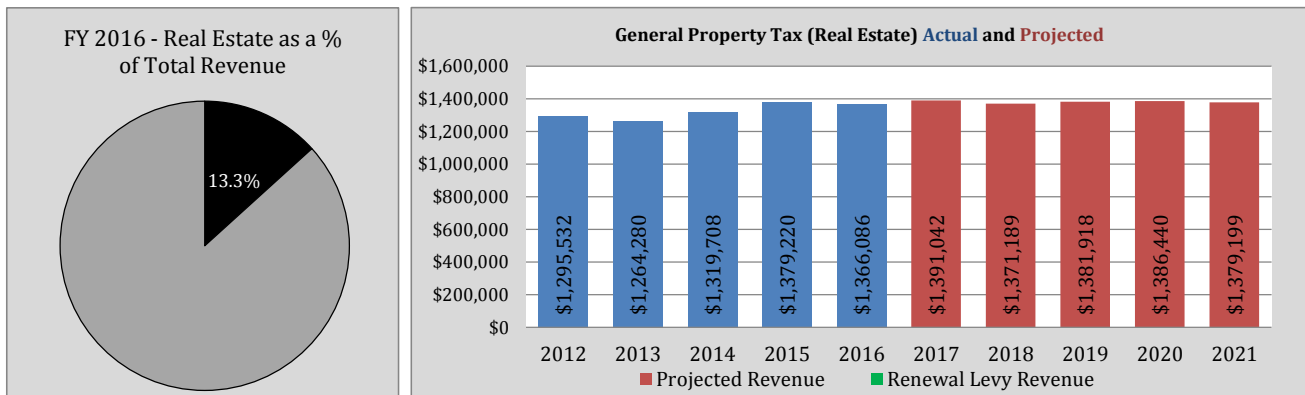
As the above year-over-year changes are considered, the following should be noted:

1. 2017 is showing a 5.56% increase but \$150,000 of state foundation was collected in 2017 that relates to fiscal year 2016.
2. Public Utilities reflect decreases due to Duke Energy's decreases in coal inventory.
3. State funding 5 year average increase is based on the current biennial budget formula using current & projected future ADM counts.
4. Restricted Aide is difficult to compare to the previous 5 year average because there has been significant fluctuations in when we receive our catastrophic reimbursements.
5. Total Other Financing Sources includes State Employee Retirement Refunds & Bureau of Workers Compensation refunds which are based on their surplus of funds and also any SF14/14H reimbursements for any special education students that are court placed in our district. This revenue is difficult to forecast due to the reliance upon changes 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).



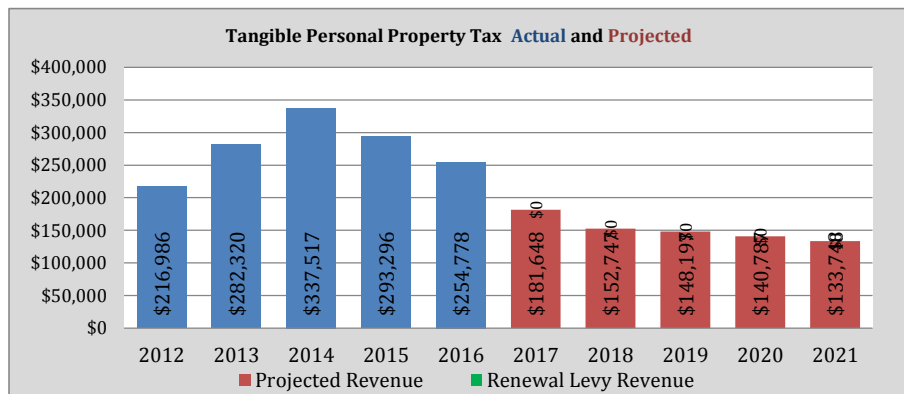
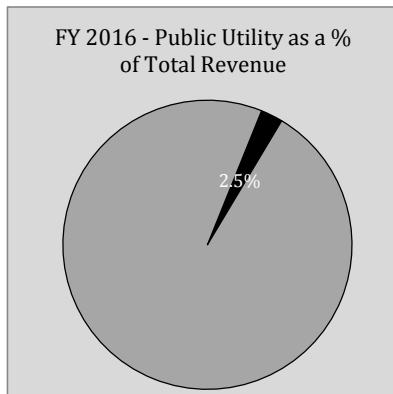
Real estate tax revenue comprises 13.3 % of the district's revenue. This means that only 13.3 cents out of every dollar in revenue is generated from local real estate property taxes. The total assessed general property valuation (excluding public utility) increased by approximately \$400,000 over prior 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 \$32,024. Local taxpayer income is about 3% less than Ohio's statewide taxpayer median income (\$32,875). 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 current formula recognized the district's inability to raise more local revenue.

*\*Projected % trends include renewal levies*

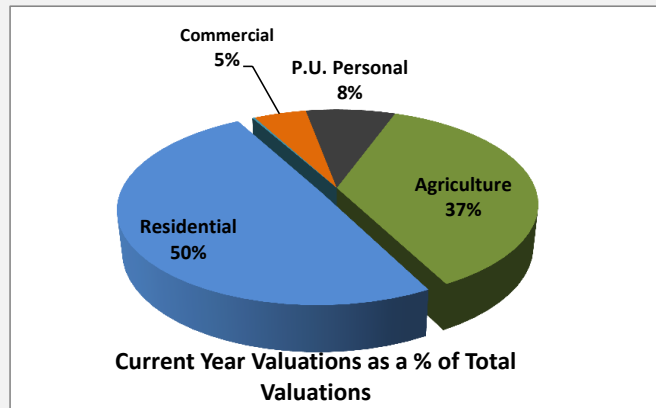
## 1.020 - Public Utility Personal Property

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



Public Utility makes up 2.5% of our Total Revenue and has continued to decrease since 2014. In 2017 public utility valuations decreased \$1.4 million which caused a 28.7% decrease in revenue. The largest contributor of this decrease is Duke Energy-Electric caused by the Beckjord Power Plant closure.

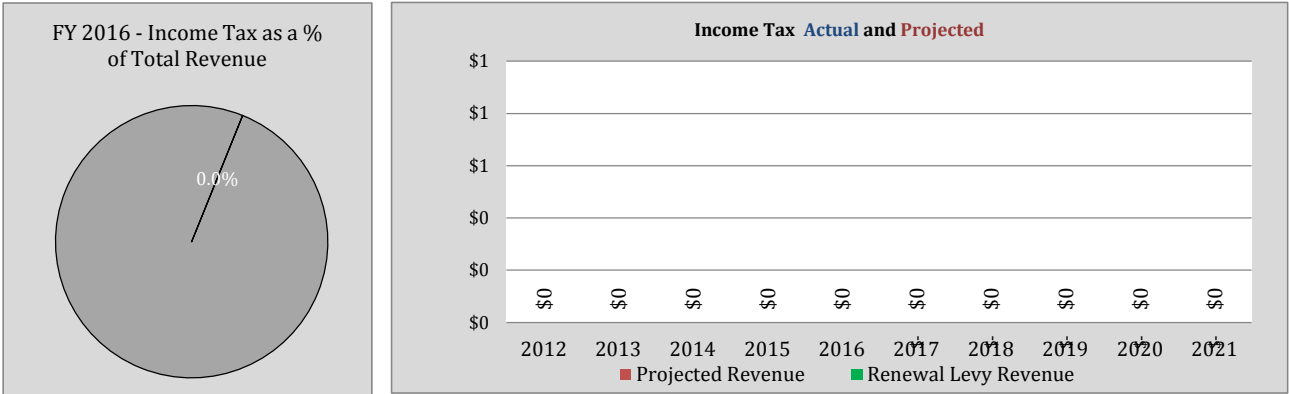
Tax Year	P.U. Personal
2004	5,250,120
2005	5,630,580
2006	6,692,920
2007	7,359,460
2008	7,553,840
2009	6,972,030
2010	8,296,180
2011	8,672,570
2012	11,243,530
2013	10,230,640
2014	9,819,470
2015	7,122,720
2016	6,766,584



*\*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.

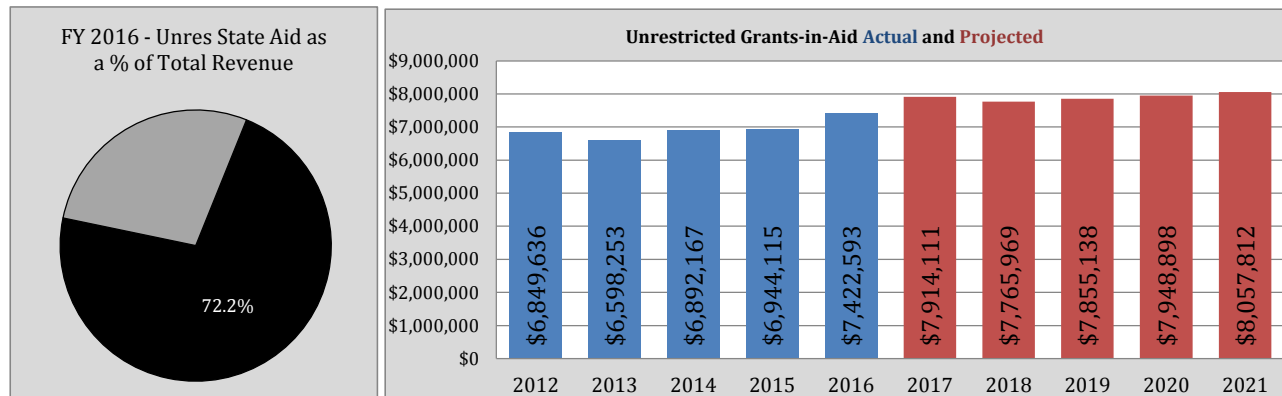


The district does not currently have an income tax.

\*Projected % trends include renewal levies

## 1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



State 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 1.69% on average.

Although 2016-2017 biennium state funding changes were favorable to the district, the funding is still highly dependent upon student 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. The next Biennial budget has not been finalized yet, so assumptions are based on the same funding model with small tweaks to future district and state median incomes, as well as district and state valuations.

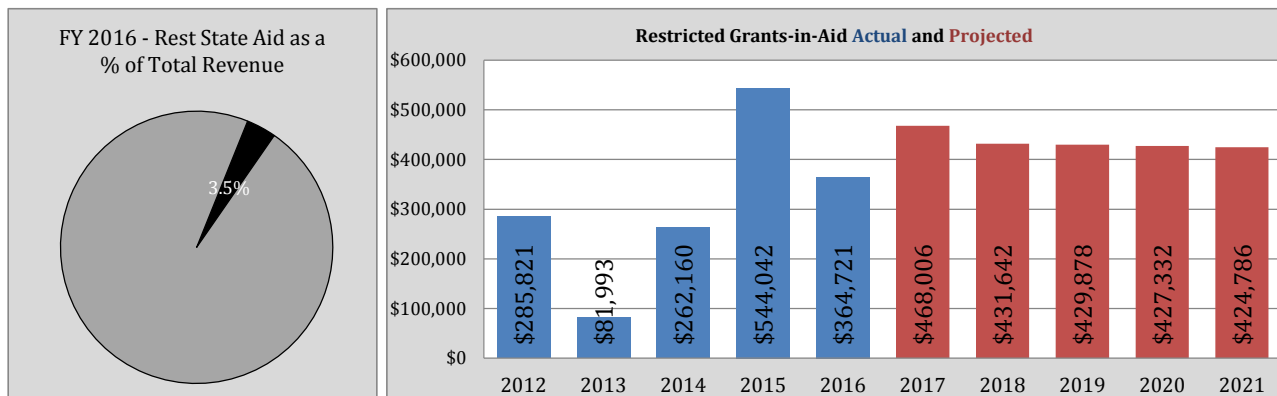
2017 Unrestricted Aide includes \$150,000 of aide that relates to fiscal year 2016. The district received these catch up payments in 2017. 2018 state aide is predicted to remain consistent to 2017 (adjusted for the 2016 payment received in 2017).

In FY2019-FY2020, Capacity Aide is projected to increase as we see the affects of the 2014 reappraisals relating to Agriculture and the continued decline in Public Utility values. 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.



## 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 2016-2017 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.

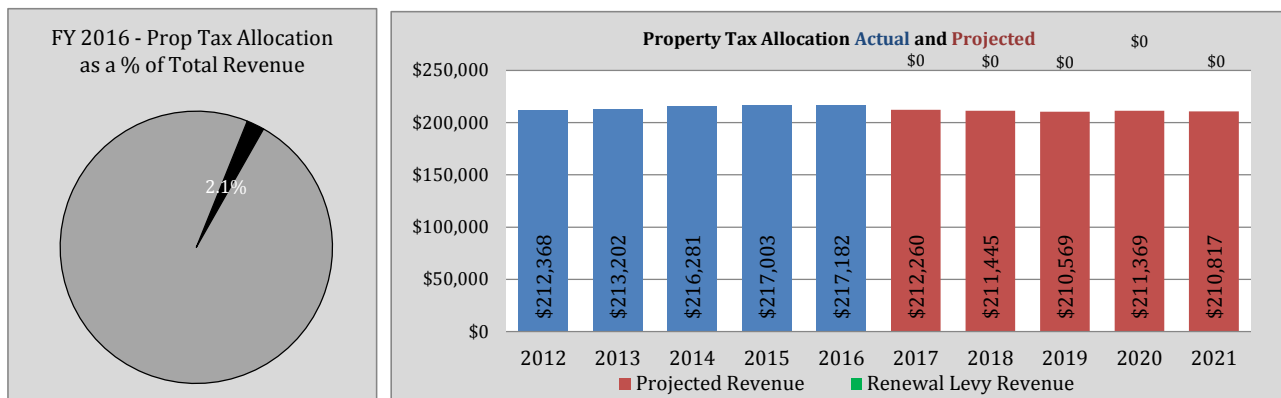
Career Tech funds are restricted for use in our agricultural education program. Our Economically Disadvantaged funds are used to pay the salaries of our K-2 reading teachers and our K-12 school nurse.

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).

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 of 2017 (date that ODE began using 2016 Career Tech ADM), and have filed an appeal for 2016. As of May of 2017, we have not received this additional revenue from 2016 but we have seen the increase in 2017 for current Career tech students enrolled in the program.

## 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 which was 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:

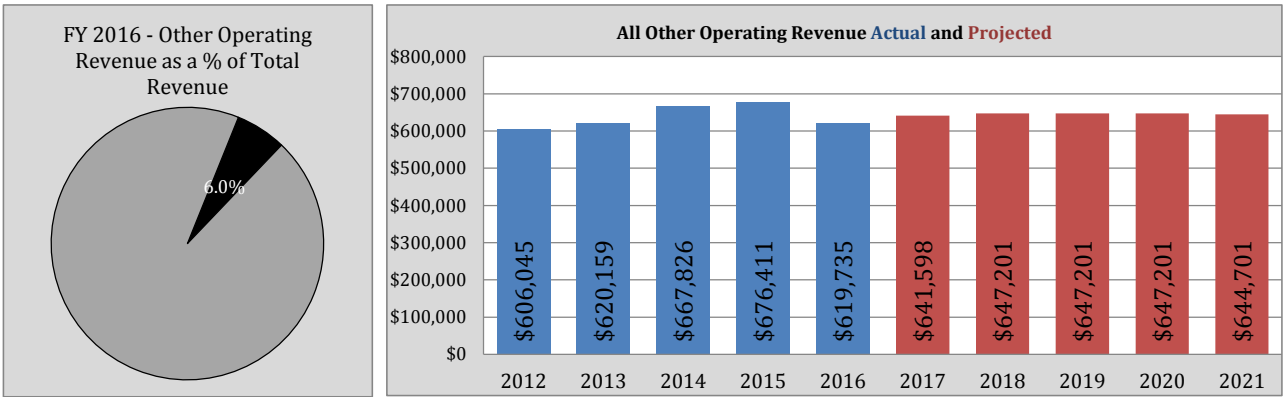
- 1) age 65 or older
- 2) is the spouse of a deceased homeowner who was 65 at the time of death
- 3) is totally and permanently disabled

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.

*\*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.



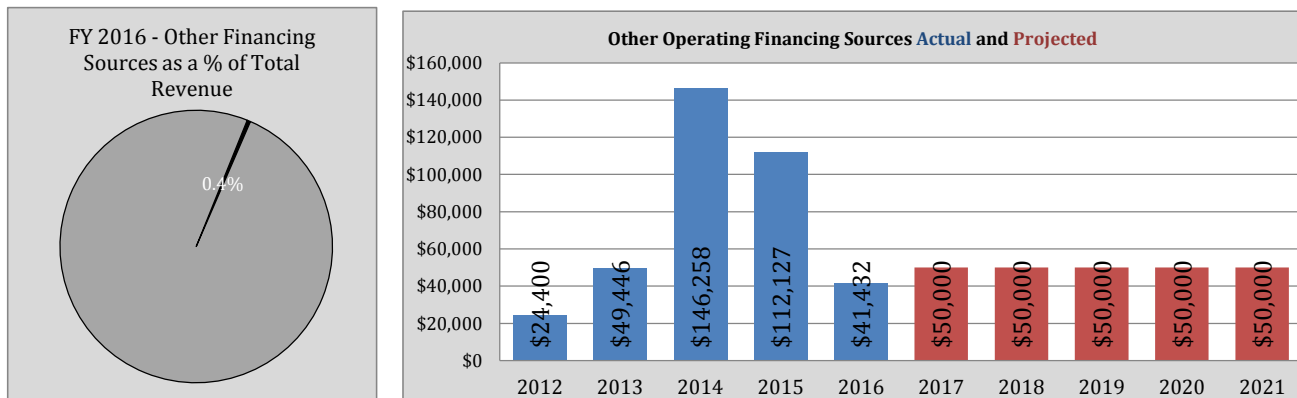
All Other Operating Revenue comprises 6% of Total Revenue and consists of two main components: Open Enrollment In from other districts and our Medicaid Reimbursement.

Open Enrollment-In revenue decreased in 2016 by \$35K approximately, but this forecast reflects open enrollment revenue flat in 2017 and 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

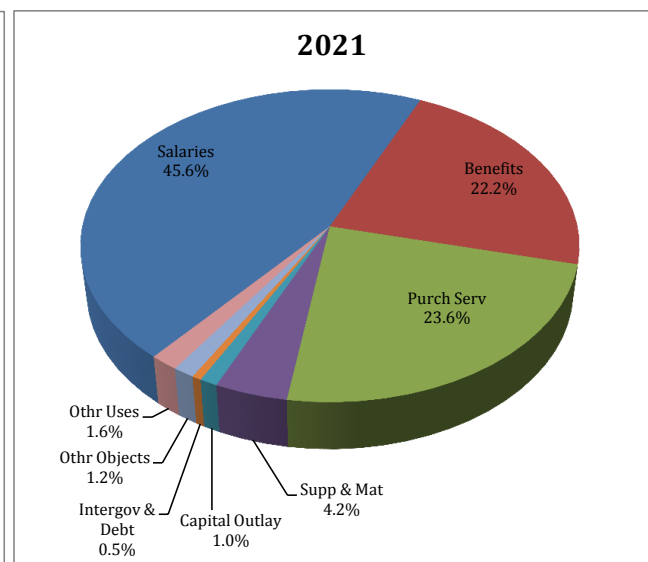
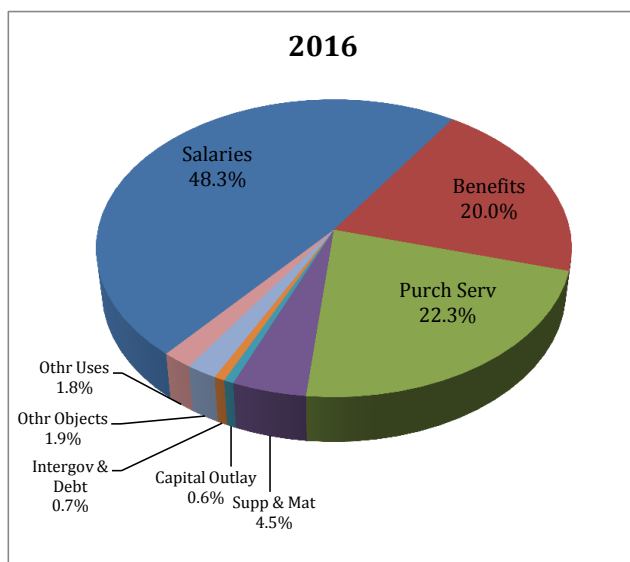
	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	
<b>Expenditures:</b>							
3.010-Salaries	-0.26%	0.89%	0.78%	2.45%	2.29%	2.69%	1.82%
3.020-Benefits	1.25%	1.12%	0.94%	6.82%	8.42%	8.43%	5.15%
3.030-Purchased Services	3.77%	10.61%	10.04%	1.33%	-0.88%	0.37%	4.29%
3.040-Supplies & Materials	28.05%	-9.63%	6.45%	5.72%	3.26%	3.20%	1.80%
3.050-Capital Outlay	587.76%	87.65%	128.50%	-63.14%	0.00%	25.53%	35.71%
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%	-27.29%	6.37%	0.00%	0.00%	0.00%	-4.18%
<b>4.500-Total Expenditures</b>	<b>1.82%</b>	<b>2.64%</b>	<b>4.79%</b>	<b>1.49%</b>	<b>2.74%</b>	<b>3.50%</b>	<b>3.03%</b>
<b>5.040-Total Other Uses</b>	<b>-25.60%</b>	<b>1.58%</b>	<b>-9.86%</b>	<b>4.25%</b>	<b>4.28%</b>	<b>4.31%</b>	<b>0.91%</b>
<b>5.050-Total Exp &amp; Other Uses</b>	<b>2.12%</b>	<b>2.62%</b>	<b>4.52%</b>	<b>1.53%</b>	<b>2.76%</b>	<b>3.51%</b>	<b>2.99%</b>

Total expenditures are expected to grow on average 2.99% 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 increase in teachers retiring in 2015 due to STRS Retirement changes. The next 5 year forecasted increase of 1.82% 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.

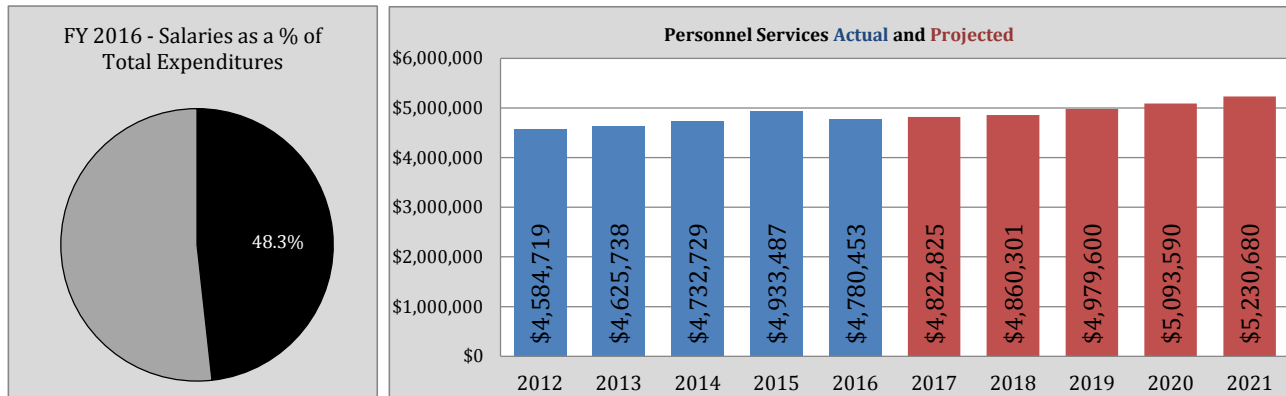
Benefits have been positively impacted over the last five years due to the same factors mentioned above in salaries & due to the Employee/Employer contribution changes negotiated in 2012. 2017-2021 is forecasted to increase 5.15% on average. This 5 year forecasted increase was netted against a decrease for the district and the Clermont County Insurance Consortium's decision to join a larger benefits consortium, the EPC.

The district's purchased services have increased 3.77% over the past 5 years, and is only predicted to increase to an average of 4.29% over the next 5 years.



### 3.010 - Personnel Services

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



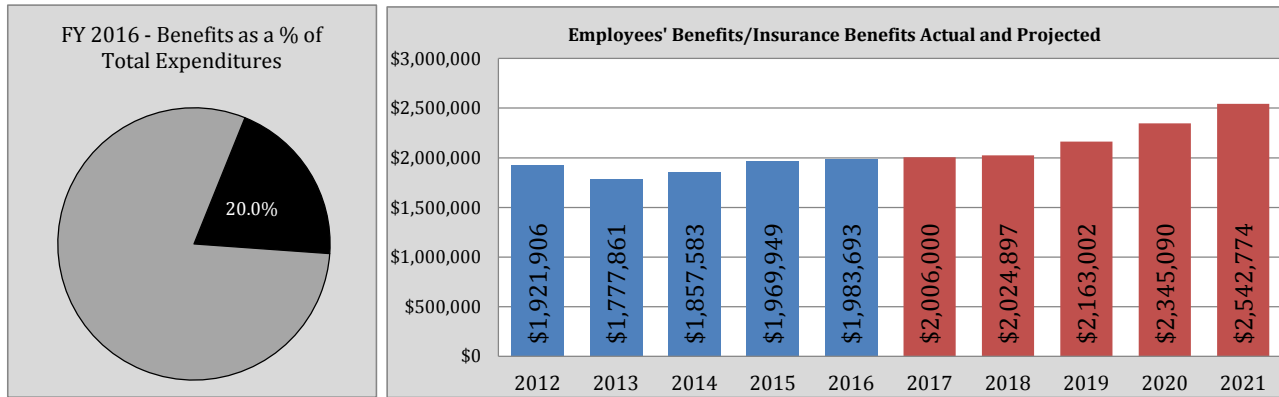
Personnel Services represents 48.3% of all Expenditures and are expected to increase an average 1.82% over the next five years. In July 2016, the district entered into a new three year negotiated agreement which gave all staff a 3% raise in FY16, a 2% in FY17, and a 1% in FY18. Although 2019- 2021 have 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 at the end of FY16. It was decided to replace 2 of these teachers who retired, and repurpose 3 of our title teachers back into the classroom for the other 3 positions due to the continued reduction to our Title Funding. Since 2013, federal funds have decreased approximately \$250,000 (an average \$50,000 per year), thereby causing the general fund expenditures to increase.

### 3.020 - Employees' Benefits

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



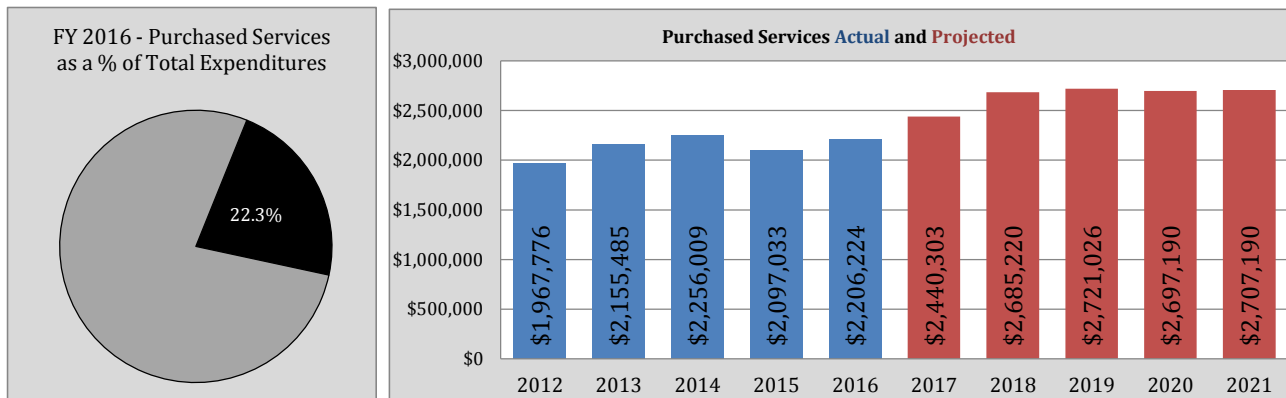
Employee Benefits encompass 20% of Total Expenditures and is forecasted to increase on average 5.15% throughout this forecast.

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) In 2016, special education costs were down slightly, but so far in 2017, we are predicting a \$50K increase in special education purchased services.
- 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 remain flat in 2017, but predicting slight increases in future years as a conservative approach.
- 4) Instructional services will increase \$75,000 beginning in 2017 as we begin to use Aesop for our substitute placement service.
- 5) An additional \$35K per year will be added in 2018-2021 for an EMIS Coordinator which replaces our EMIS Data Entry position eliminated in salaries.



### 3.040 - Supplies & Materials

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



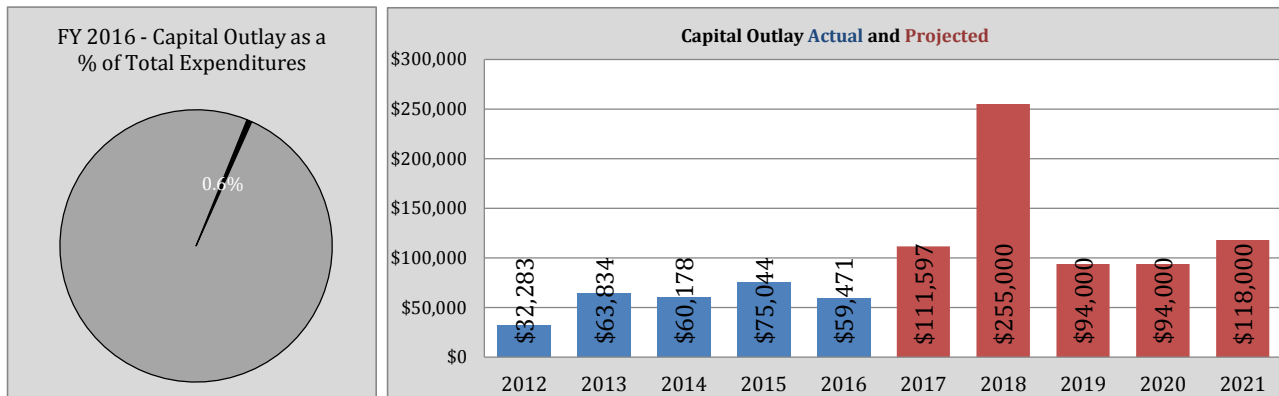
Supplies & Materials represent 4.5% of total expenditures.

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 is also continuing to dedicate additional funds to technology supplies to support our blended learning initiative and additional maintenance supplies as our building ages.

### 3.050 - 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.

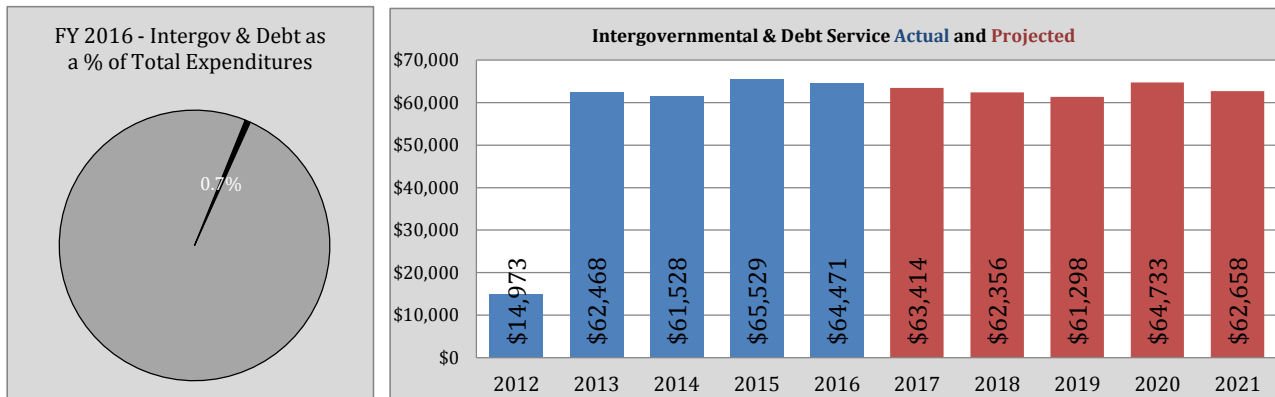
In 2017, the district will increase expenditures by \$50,000 for technology infrastructure not covered by the Straight A Grant or by E-Rate funds that were awarded in FY17.

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 are able to rollout the Blended Learning Initiative to all grades 5-12 in FY18. The ongoing chromebook costs are approximately \$24,000 per year through FY20 and beginning in FY21, chromebook costs will total \$48,000 when we begin buying chromebooks consistently for grades 5 and 9 each year.

In 2018, the district plans to purchase 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.

### 3.060-4.060 - Intergovernmental & Debt

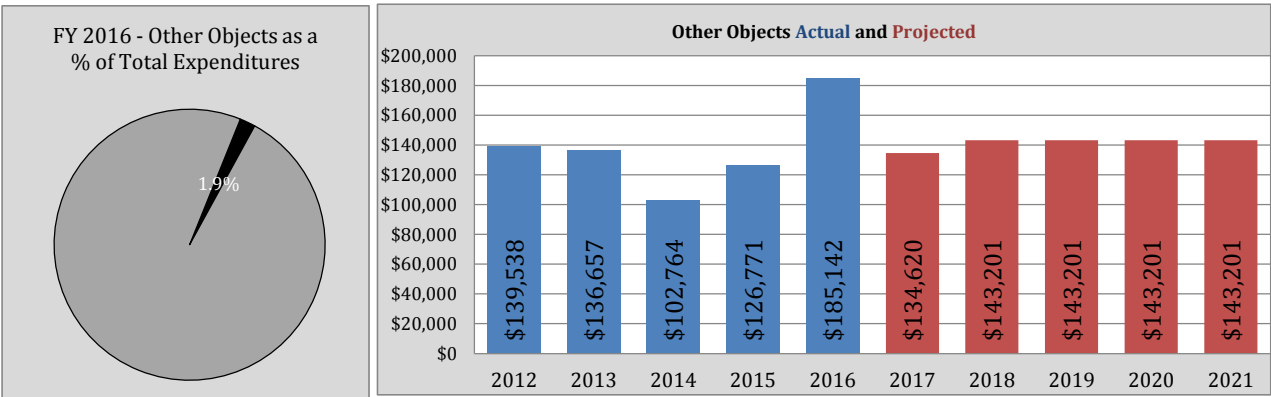
These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.



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.

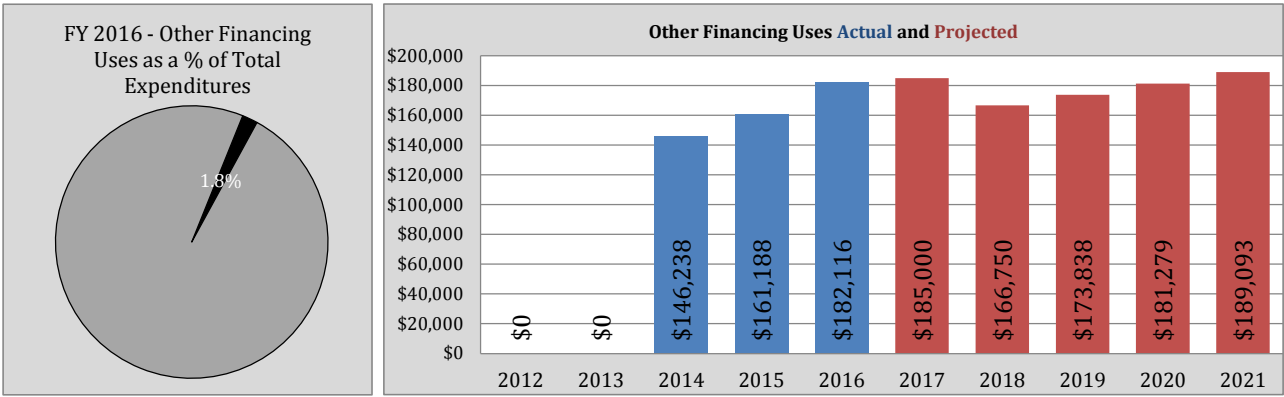


Other Objects make up 1.9% of total expenditures. The three largest fees in this category are Annual Audit Costs, County Auditor/Treasurer Fees, and Liability Insurance that make up over half of the total expenditures in this category.

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 1.8% of all expenditures and includes the annual transfer to the Athletic Fund estimated at \$135,000 this year.

In FY16 and FY17, \$50,000 in funds was transferred to a severance fund. Beginning in 2018 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.

## 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: 11/1/2016	Forecast Amounts For F.Y. 2017 Prepared on: 5/26/2017		
<b>Revenue:</b>					
1	Real Estate & Property Allocation	\$1,580,246	\$1,603,302	\$23,056	1.5%
2	Public Utility Personal Property	\$234,518	\$181,648	-\$52,870	-22.5%
3	Income Tax	\$0	\$0	\$0	n/a
4	State Foundation Restricted & Unrestricted	\$8,508,546	\$8,382,118	-\$126,428	-1.5%
5	Other Revenue	\$627,114	\$641,598	\$14,484	2.3%
6	Other Non Operating Revenue	\$50,000	\$50,000	\$0	0.0%
7	<b>Total Revenue</b>	<b>\$11,000,424</b>	<b>\$10,858,666</b>	<b>-\$141,758</b>	<b>-1.3%</b>
<b>Expenditures:</b>					
8	Salaries	\$4,850,254	\$4,822,825	-\$27,429	-0.6%
9	Fringe Benefits	\$2,158,311	\$2,006,000	-\$152,311	-7.1%
10	Purchased Services	\$2,487,025	\$2,440,303	-\$46,722	-1.9%
11	Supplies, Debt, Capital Outlay & Other	\$716,702	\$712,627	-\$4,076	-0.6%
12	Other Non Operating Expenditures	\$185,000	\$185,000	\$0	0.0%
13	<b>Total Expenditures</b>	<b>\$10,397,292</b>	<b>\$10,166,754</b>	<b>-\$230,538</b>	<b>-2.2%</b>
14	<b>Revenue Over/(Under) Expenditures</b>	<b>\$603,132</b>	<b>\$691,912</b>	<b>\$88,780</b>	<b>0.9%*</b>
15	<b>Ending Cash Balance</b>	<b>\$3,729,990</b>	<b>\$3,818,770</b>	<b>\$88,780</b>	<b>0.9%*</b>

\*Percentage expressed in terms of total expenditures

Overall Ending Cash Balance for FY2017 increased over the prior October Forecast by \$88,780. This number represents less than a 1% change over previously forecasted cash balance for FY2017. Revenue decreased 1.3% over the prior forecast and expenditures decreased 2.2%.

The largest revenue change in dollars was in the State Foundation Category, caused by the previously forecasted special education funding predictions coming in lower than forecasted. The largest revenue percentage change was in Public Utilities. Unlike property taxes, which will be somewhat consistent due to effective mills, Public Utility Revenue is not. This revenue is self reported by public utility companies and has decreased drastically due to the closure of a nearby powerplant.

The largest dollar expenditure variance is in benefits. The district had two benefit open enrollment opportunities this year (one with CCIC and one with EPC). These two opportunities allowed employees the option to change benefit options without a qualifying event. Actual Retirement/Benefit expense came in \$150K lower than previously forecasted.

**Felicity-Franklin Local Schools**

Fiscal Year:	Actual	FORECASTED				
	2016	2017	2018	2019	2020	2021
<b>Revenue:</b>						
1.010 - General Property Tax (Real Estate)	1,366,086	1,391,042	1,371,189	1,381,918	1,386,440	1,379,199
1.020 - Public Utility Personal Property	254,778	181,648	152,747	148,197	140,787	133,748
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	7,422,593	7,914,111	7,765,969	7,855,138	7,948,898	8,057,812
1.040 - Restricted Grants-in-Aid	364,721	468,006	431,642	429,878	427,332	424,786
1.045 - Restricted Federal Grants - SFSP	-	-	-	-	-	-
1.050 - Property Tax Allocation	217,182	212,260	211,445	210,569	211,369	210,817
1.060 - All Other Operating Revenues	619,735	641,598	647,201	647,201	647,201	644,701
<b>1.070 - Total Revenue</b>	<b>10,245,095</b>	<b>10,808,666</b>	<b>10,580,192</b>	<b>10,672,901</b>	<b>10,762,027</b>	<b>10,851,063</b>
<b>Other Financing Sources:</b>						
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
<b>2.070 - Total Other Financing Sources</b>	<b>41,432</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>
<b>2.080 - Total Rev &amp; Other Sources</b>	<b>10,286,527</b>	<b>10,858,666</b>	<b>10,630,192</b>	<b>10,722,901</b>	<b>10,812,027</b>	<b>10,901,063</b>
<b>Expenditures:</b>						
3.010 - Personnel Services	4,780,453	4,822,825	4,860,301	4,979,600	5,093,590	5,230,680
3.020 - Employee Benefits	1,983,693	2,006,000	2,024,897	2,163,002	2,345,090	2,542,774
3.030 - Purchased Services	2,206,224	2,440,303	2,685,220	2,721,026	2,697,190	2,707,190
3.040 - Supplies and Materials	445,921	402,997	428,991	453,537	468,310	483,310
3.050 - Capital Outlay	59,471	111,597	255,000	94,000	94,000	118,000
3.060 - Intergovernmental	-	-	-	-	-	-
<b>Debt Service:</b>						
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	134,620	143,201	143,201	143,201	143,201
<b>4.500 - Total Expenditures</b>	<b>9,725,375</b>	<b>9,981,754</b>	<b>10,459,965</b>	<b>10,615,662</b>	<b>10,906,113</b>	<b>11,287,811</b>
<b>Other Financing Uses</b>						
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	-	-	-	-	-
<b>5.040 - Total Other Financing Uses</b>	<b>182,116</b>	<b>185,000</b>	<b>166,750</b>	<b>173,838</b>	<b>181,279</b>	<b>189,093</b>
<b>5.050 - Total Exp and Other Financing Uses</b>	<b>9,907,491</b>	<b>10,166,754</b>	<b>10,626,715</b>	<b>10,789,500</b>	<b>11,087,392</b>	<b>11,476,905</b>
<b>6.010 - Excess of Rev Over/(Under) Exp</b>	<b>379,036</b>	<b>691,912</b>	<b>3,477</b>	<b>(66,599)</b>	<b>(275,365)</b>	<b>(575,842)</b>
<b>7.010 - Cash Balance July 1 (No Levies)</b>	<b>2,747,822</b>	<b>3,126,858</b>	<b>3,818,767</b>	<b>3,822,244</b>	<b>3,755,642</b>	<b>3,480,276</b>
<b>7.020 - Cash Balance June 30 (No Levies)</b>	<b>3,126,858</b>	<b>3,818,767</b>	<b>3,822,244</b>	<b>3,755,642</b>	<b>3,480,276</b>	<b>2,904,432</b>
8.010 - Estimated Encumbrances June 30	30,000	30,000	30,000	30,000	30,000	30,000
9.080 - Reservations Subtotal	150,000	281,091	253,800	379,400	530,000	680,600
<b>10.010 - Fund Bal June 30 for Cert of App</b>	<b>2,946,858</b>	<b>3,507,675</b>	<b>3,538,444</b>	<b>3,346,242</b>	<b>2,920,276</b>	<b>2,193,832</b>
<b>Rev from Replacement/Renewal Levies</b>						
11.010 & 11.020 - Income & Property Tax-Renewal	-	-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-
<b>12.010 - Fund Bal June 30 for Cert of Obligations</b>	<b>2,946,858</b>	<b>3,507,675</b>	<b>3,538,444</b>	<b>3,346,242</b>	<b>2,920,276</b>	<b>2,193,832</b>
<b>Revenue from New Levies</b>						
13.010 & 13.020 - Income & Property Tax-New	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
<b>15.010 - Unreserved Fund Balance June 30</b>	<b>2,946,858</b>	<b>3,507,675</b>	<b>3,538,444</b>	<b>3,346,242</b>	<b>2,920,276</b>	<b>2,193,832</b>