



Olmsted Falls City Schools

Five Year Forecast Financial Report

October, 2018

Olmsted Falls City School District

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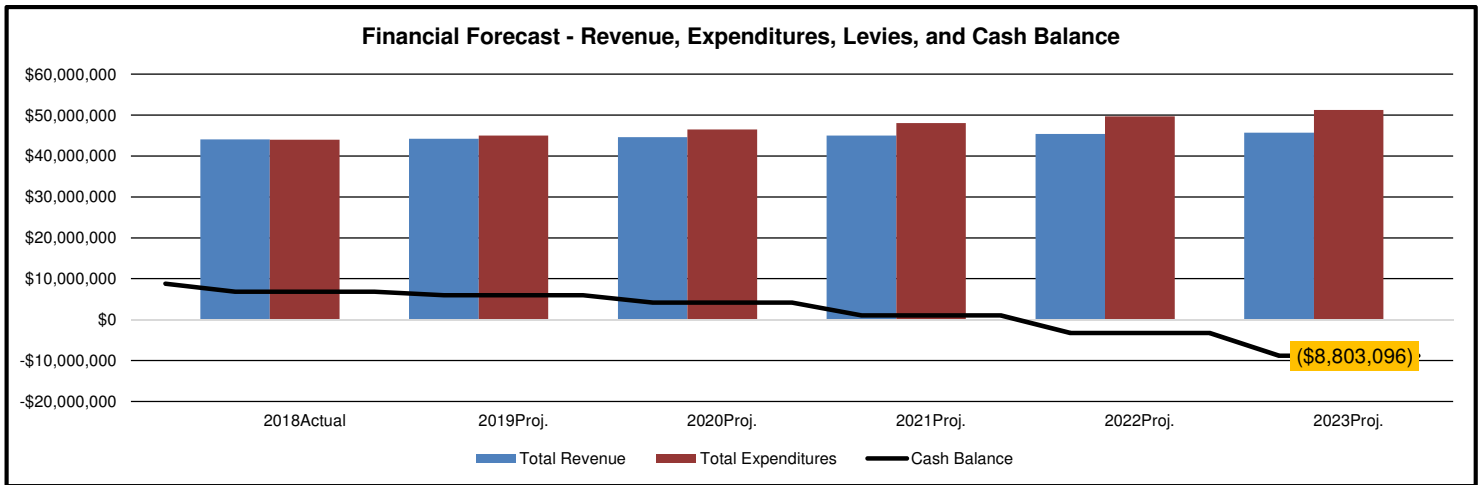
Forecast Purpose/Objectives

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.

Forecast Methodology - This forecast is prepared based upon historical trends and current factors. This information is then extrapolated into estimates for subsequent years. The forecast variables can change multiple times throughout the fiscal year and while cash flow monitoring helps to identify unexpected variances no process is guaranteed. The intent is to provide the district's financial trend over time and a roadmap for decisions aimed at encouraging financial sustainability and stability.

Forecast Summary



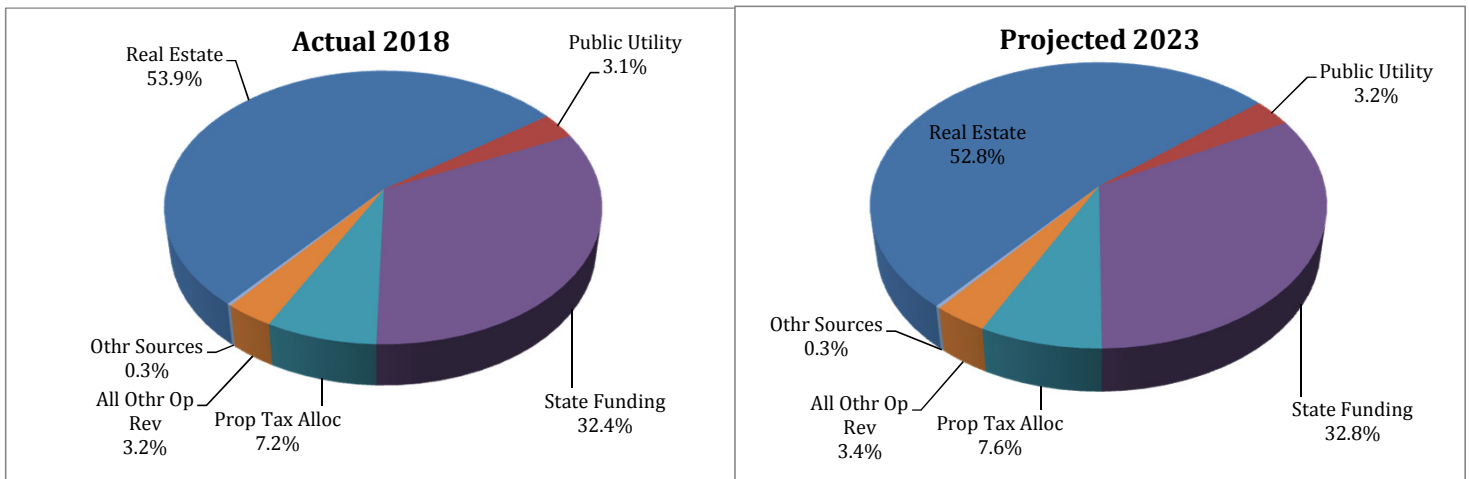
Olmsted Falls City Schools

Financial Forecast

	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Beginning Balance	9,595,061	8,775,650	6,950,610	3,861,386	(465,174)
+ Revenue	44,159,908	44,623,936	44,956,221	45,348,969	45,672,478
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(44,979,319)	(46,448,976)	(48,045,445)	(49,675,529)	(51,225,400)
= Revenue Surplus or Deficit	(819,411)	(1,825,040)	(3,089,224)	(4,326,560)	(5,552,922)
Ending Balance	8,775,650	6,950,610	3,861,386	(465,174)	(6,018,096)
Note: Not Reduced for Encumbrances					

The above charts paint the picture of our District financial position. Fiscal Year 2019 is projecting to have yet another year of deficit spending which in return reduces the excess cash for the fiscal year. This pattern doesn't seem to change throughout the remaining years forecasted. Although there are multiple factors that could change this pattern for the positive nothing is confirmed, therefore not fully forecasted at this time. If significant changes occur between filing requirements (Oct & May) a new forecast will be presented to the Board of Education and updated at the State level.

Revenue Sources and Forecast Year-Over-Year Projected Overview

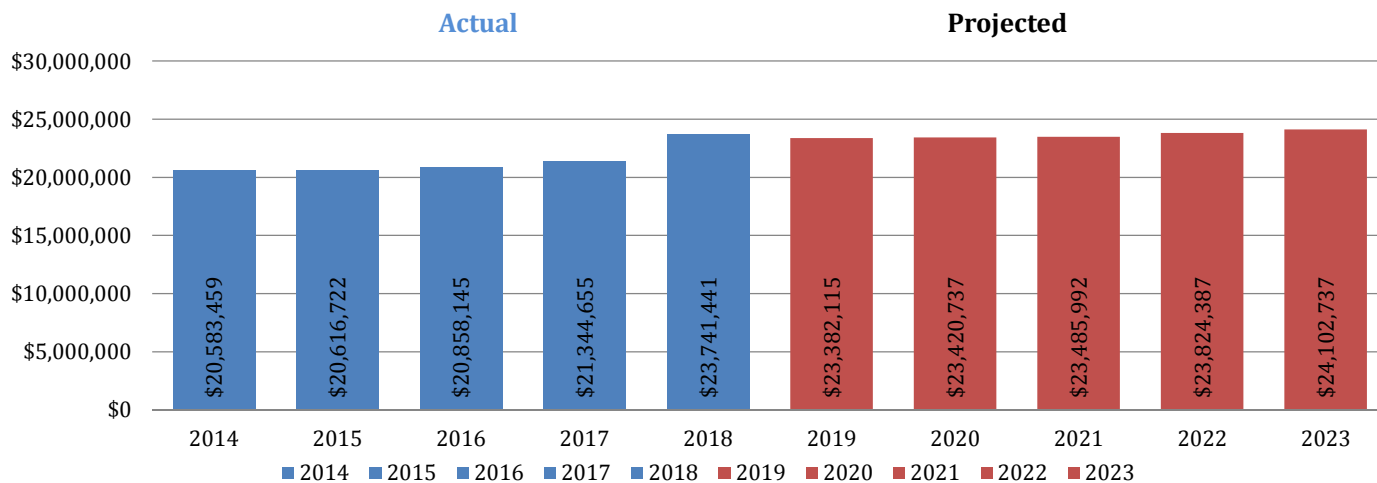


	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	
Revenue:							
1.010-Real Estate Taxes	2.62%	-1.51%	0.17%	0.28%	1.44%	1.17%	0.31%
1.020-Public Utility Taxes	4.79%	3.47%	0.62%	0.58%	0.53%	0.75%	1.19%
1.030-Income Tax	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.035-State Funding	5.44%	1.71%	1.97%	1.42%	-0.01%	-0.02%	1.01%
1.040-Restricted State Funding	128.22%	2.57%	0.13%	-0.10%	0.15%	-0.32%	0.49%
1.045-Restr Federal SFSF	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.050-Property Tax Alloc	2.40%	2.87%	2.86%	1.30%	1.28%	1.00%	1.86%
1.060-All Other Operating	-0.82%	9.12%	0.67%	0.59%	0.23%	0.29%	2.18%
1.070-Total Revenue	3.28%	0.34%	0.98%	0.75%	0.88%	0.72%	0.73%
2.070-Total Other Sources	-38.45%	-20.26%	36.09%	0.00%	0.00%	0.00%	3.17%
2.080-Total w/Other Srcs	2.21%	0.29%	1.05%	0.74%	0.87%	0.71%	0.73%

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1.010 - General Property Tax (Real Estate)

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



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total Real Estate Tax Collections	23,741,441	23,382,115	23,420,737	23,485,992	23,824,387	24,102,737
YOY \$ Change	2,396,786	(359,326)	38,622	65,255	338,395	278,350
YOY % Change	11.2%	-1.5%	0.2%	0.3%	1.4%	1.2%

Percentage of Total Revenue	53.9%	52.9%	52.5%	52.2%	52.5%	52.8%
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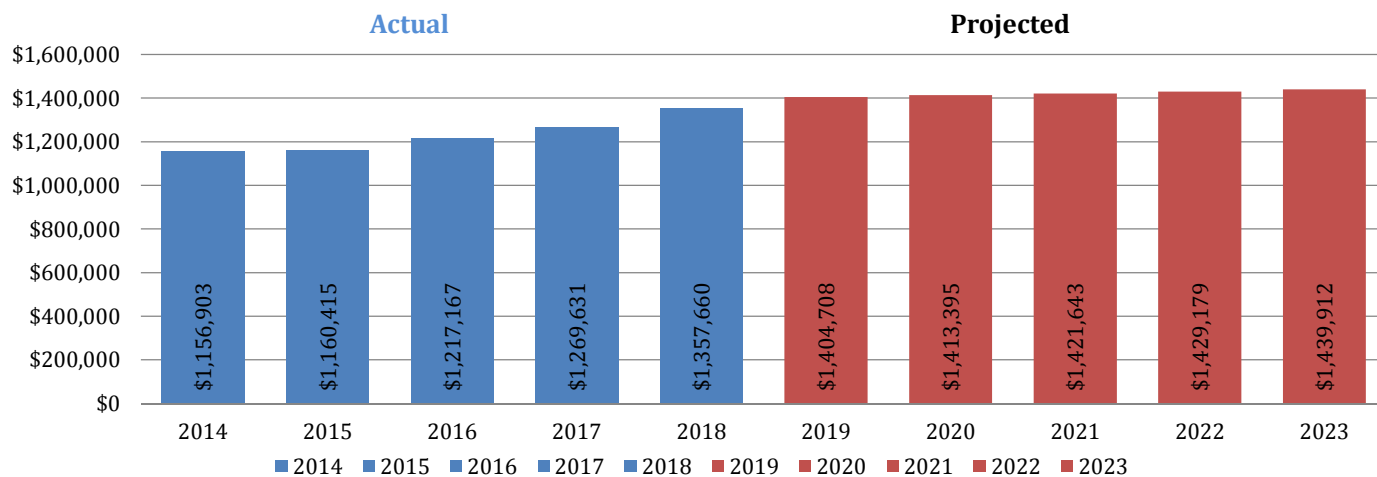
Cuyahoga County's went through a Reappraisal of property values during calendar year 2018. This occurs once every six years and is as accurate of a property valuation as possible. Employees from the County actually walk each property to determine the new property valuation along with looking at current sales reports and permits pulled. In between years the County performs triannual update which are computed strictly off sale records and permits pulled. This was last completed in 2015. With the reappraisal wrapped up and new values ready to hit the tax duplicate in January 2019, the County has provided estimate change(s) in valuation. It is estimated that Olmsted Township/Olmsted Falls will experience an average 9% property value increase. This is very comparable with similar neighboring communities.

The increase in values means additional property tax collections for the School District. This will be reflected in the first half 2019 real estate payments which the District should receive between January 2019 thru June 2019. The rising home values along with continued increase to residential construction demonstrates positive signs for the community and the School District who relies heavily on the property tax revenues. The current forecast reflects the increasing property tax revenue for the second half of Fiscal Year 2019 and continuing forward through the remainder of the forecast. Although there is a great amount of property development being discussed throughout the community, this forecast does not take into account the change in valuation that may occur with anticipated construction.

**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.



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total Public Utility Tax Collections	1,357,660	1,404,708	1,413,395	1,421,643	1,429,179	1,439,912
YOY \$ Change	88,029	47,048	8,687	8,248	7,536	10,733
YOY % Change	6.9%	3.5%	0.6%	0.6%	0.5%	0.8%

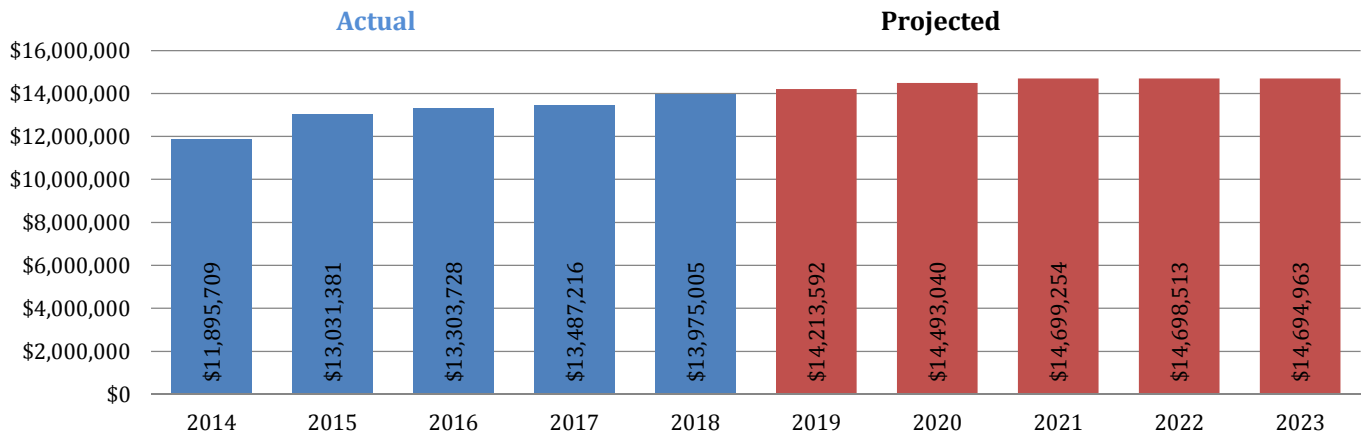
Percentage of Total Revenue	3.1%	3.2%	3.2%	3.2%	3.2%	3.2%
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Olmsted Township/Olmsted Falls has a significant amount of land which houses utility lines and/or railroads. This land generates tax dollars referred to as PUPP tax. These taxes make up 3.20% of the overall operational revenues during fiscal year 2019. The assessed valuation on this property trends very much like the Class I residential valuations, therefore the District is expected to see a larger increase during the second payment of the fiscal year. This increase is expected for continue through the remainder of the forecast.

**Projected % trends include renewal levies*

1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	13,975,005	14,213,592	14,493,040	14,699,254	14,698,513	14,694,963
YOY \$ Change	487,789	238,587	279,448	206,214	(741)	(3,550)
YOY % Change	3.6%	1.7%	2.0%	1.4%	0.0%	0.0%

Percentage of Total Revenue	31.7%	32.2%	32.5%	32.7%	32.4%	32.2%
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Core Funding Per Pupil	6,010	6,020	6,030	6,040	6,050	6,050
State Share Index (SSI)	46.3%	46.3%	47.5%	47.5%	45.1%	45.1%
State Core Funding Per Pupil	2,785	2,789	2,865	2,870	2,726	2,726

Formula ADM (Funded Student Count)	3,598	3,592	3,515	3,554	3,538	3,462
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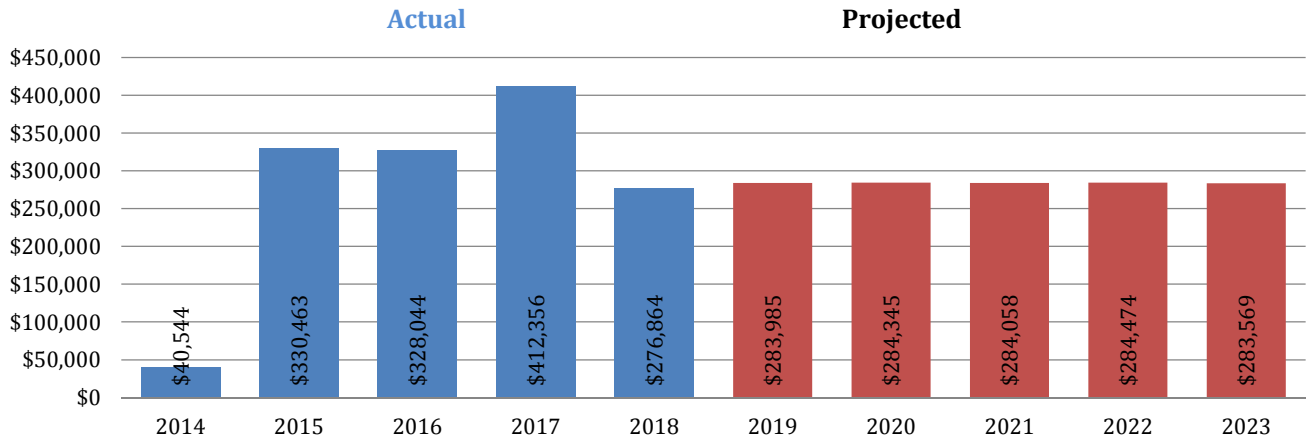
Funding Status	Guarantee	Capped	Formula	Formula	Guarantee	Guarantee
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Unrestricted Grant-in-Aid are funding dollars received from the State of Ohio on a per pupil basis. The state retained the basic framework of the school funding formula in its current budget covering FY2017 & FY2018. However, the per-pupil funding increase was limited to \$10 per-pupil (moving from \$6000 in FY17 to \$6010 in FY18). It is unknown at this time what the FY2019 per-pupil amount will be. The forecast has carried the \$10 per pupil increase into FY2019. The formula calculates the school funding by multiplying the per-pupil funding amount (FY2018 = \$6,010) times the district's enrollment multiplied by a district's individual state share percentage. The state share percentage is a determined by the district's relative wealth per pupil compared to other districts. Olmsted Falls state share percentage has increased slightly since FY17, to 46.3%. Within the state formula, there are built in budget caps on maximum increase growing districts can receive and guarantees on funding for declining enrollment Districts. Additionally, the formula guarantees each district receives no less than it did in prior year, as long as enrollment did not drop more than 5% from FY2015 to FY2017. Given these parameters, Olmsted Falls received full calculated formula funding (not limited by any caps or guarantees) during FY2018 and anticipates full funding in FY2019.

With the changes throughout our community (new residential housing, new commercial property) the likelihood of increased enrollment is good although not currently being forecasted. This forecast is based off birth records for each of the years covered. The District is looking to conduct an enrollment study over the next few years to make sure the buildings can handle the potential student growth.

1.040 & 1.045 - Restricted Grants-in-Aid

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



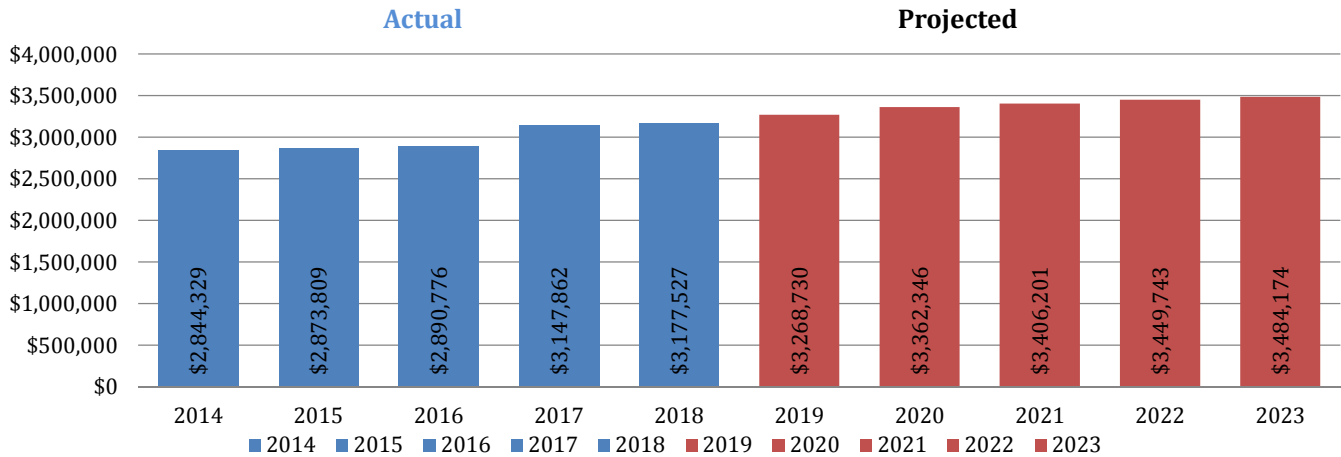
	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	276,864	283,985	284,345	284,058	284,474	283,569
YOY \$ Change	(135,492)	7,121	360	(287)	416	(905)
YOY % Change	-32.9%	2.6%	0.1%	-0.1%	0.1%	-0.3%
Percentage of Total Revenue	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Economic Disadvantaged Funding	19,761	19,229	19,033	19,246	19,162	18,757
Percentage of Disadvantaged Students	16.7%	16.7%	16.6%	16.6%	16.6%	16.6%

Much like Unrestricted Grant-in-Aid, Restricted Grants-in-Aid are also State funds which are earmarked for specific spending requirements. Forecasted funding in this category is comprised of career tech revenue, economic disadvantaged funding and catastrophic aid reimbursement. Sources received here are restricted to be used only for their intended purpose.

Annual filing of Catastrophic Aide reimbursement is something that takes a lot of time and team work to compile. In order to qualify the State requires a large amount of detail related to the expenses paid for our students with extensive instructional needs. Annually the District submits claims in the approximate amount of \$2,500,000 with hopes of receiving a reimbursement around \$300,000. These revenues help to offset the cost of future expenses in the same category.

1.050 - Property Tax Allocation

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



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total With Renewal Levies	3,177,527	3,268,730	3,362,346	3,406,201	3,449,743	3,484,174
YOY \$ Change	29,665	91,203	93,616	43,855	43,542	34,431
YOY % Change	0.9%	2.9%	2.9%	1.3%	1.3%	1.0%
Percentage of Total Revenue	7.2%	7.4%	7.5%	7.6%	7.6%	7.6%
% of Residential Real Estate 10% Rollback	9.54%	9.54%	9.54%	9.54%	9.54%	9.54%
% of Residential Real Estate 2.5% Rollback	1.98%	1.98%	1.98%	1.98%	1.98%	1.98%
% of Residential Real Estate Homestead	2.48%	2.48%	2.48%	2.48%	2.48%	2.48%

In 1975, the state of Ohio provided a 10% tax credit (known as the "rollback") on real property taxes. In 1979, a 2.5% homestead rollback was added for owner-occupied residential property, meaning that most homeowners have a 1/8th reduction on their taxes which is paid to the various entities by the state.

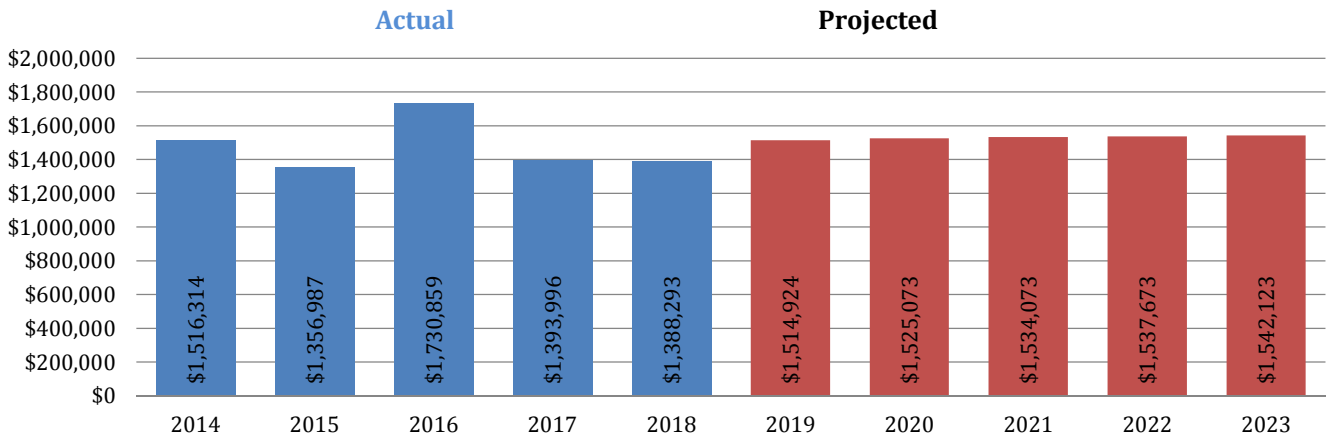
With the approval of House Bill 59 in 2013, all new or replacement levies passed after November 2013 will not qualify for the 10%/2.5% rollback. This held true for most recent two levies which were passed in November 2016. Therefore the School District will not be collecting homestead & rollback on the recent Bond issue or Permanent Improvement levy passed. All existing levies will retain rollback. This will not have a significant effect on the collection rate for School Districts. This category includes taxes for both Cuyahoga County and Lorain county along with the (3) mobile home parks within the District.

Since property valuations are expected to steadily rise through the forecasted period, state paid property tax reimbursements are also expected to trend upward. Therefore, future growth is primarily attributable to residential property increases and associated rollbacks.

*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.

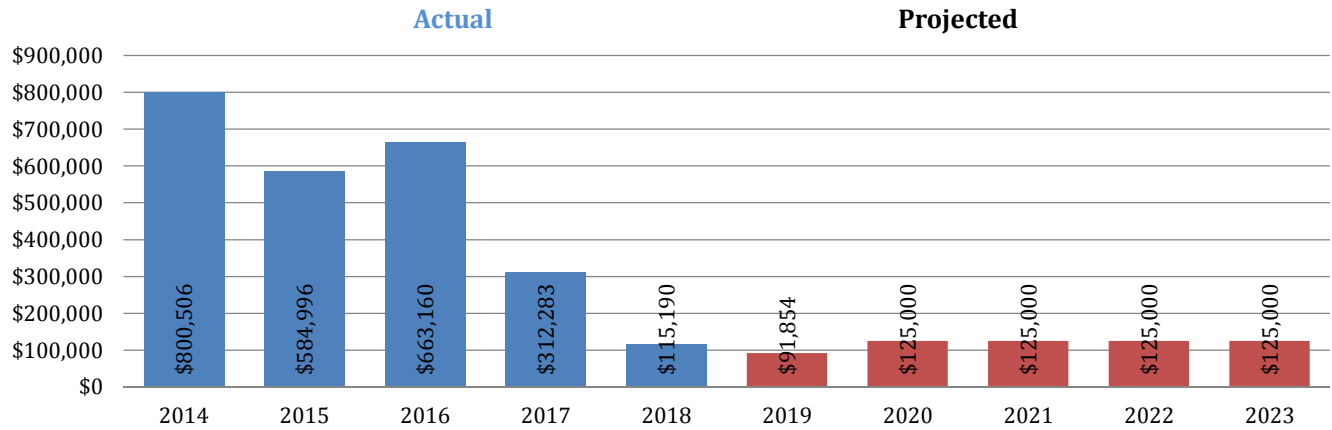


	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	1,388,293	1,514,924	1,525,073	1,534,073	1,537,673	1,542,123
YOY \$ Change	(5,703)	126,631	10,149	9,000	3,600	4,450
YOY % Change	-0.4%	9.1%	0.7%	0.6%	0.2%	0.3%
Percentage of Total Revenue	3.2%	3.4%	3.4%	3.4%	3.4%	3.4%

Other operating revenues are estimated to make up 3.4% of overall general fund operating resources during fiscal year 2019. This stream of resources is generated by a various amount of items including interest income, medicaid reimbursement, student activity fees, rental fees, outside tuition. During FY18 the District received a rather large medicaid reimbursement in the amount of (\$88,358) which offset the decrease in revenue tuition collected. This revenue line is anticipating a significant increase during FY2019 due to the multiple interest rate hikes by the Feds during 2018. The forecast shows rates staying where they currently are, although there is rumor that the Feds will make another rate hike before the end of the calendar year.

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.

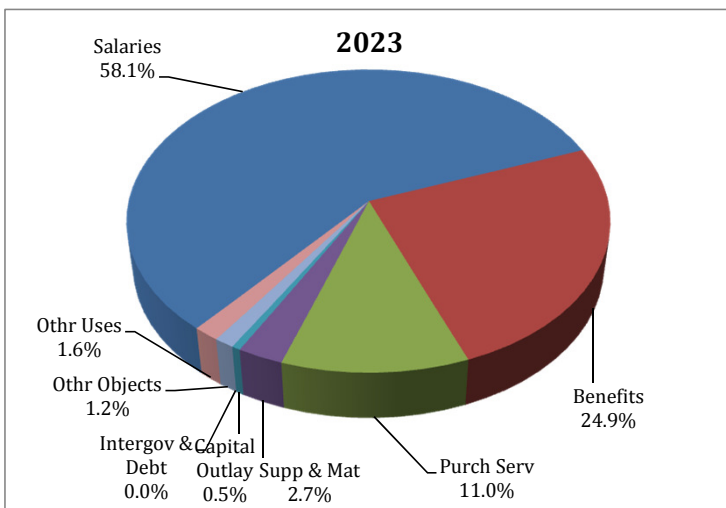
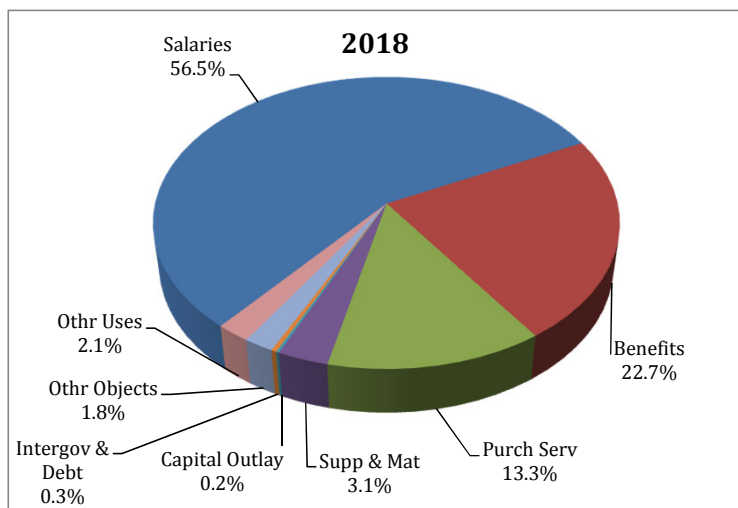


	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	115,190	91,854	125,000	125,000	125,000	125,000
YOY \$ Change	(197,093)	(23,336)	33,146	-	-	-
YOY % Change	-63.1%	-20.3%	36.1%	0.0%	0.0%	0.0%
Percentage of Total Revenue	0.3%	0.2%	0.3%	0.3%	0.3%	0.3%
Transfers In	-	-	-	-	-	-
Advances In	115,076	91,854	125,000	125,000	125,000	125,000

During the fiscal year the General fund subsidizes other funds that may not have the cash collection at that specific time during the year. This most commonly occurs with the Federal Grants allocations (Title I, Title IV B). Meaning the general fund advances money to each fund so the cash balance at fiscal year-end is not negative. Then when the Federal Grants are funded by the State, the money is returned to the General fund in the following fiscal year.

The large decrease shown starting in FY2017 and extending through to FY2018 is due to the change of ow grant expenditures are being posted. The grants are being spent closer to their entirety during the fiscal year leaving less of a carryover balance needing advanced at June 30th.

Expenditure Categories and Forecast Year-Over-Year Projected Overview

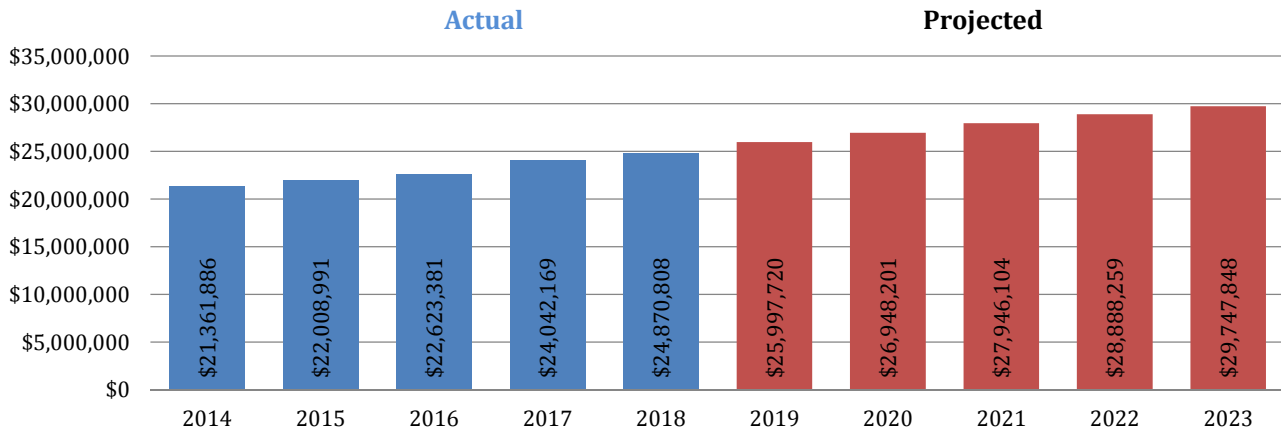


	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	
Expenditures:							
3.010-Salaries	3.35%	4.53%	3.66%	3.70%	3.37%	2.98%	3.65%
3.020-Benefits	4.87%	5.44%	5.32%	4.66%	4.99%	4.95%	5.07%
3.030-Purchased Services	9.00%	-8.56%	1.00%	1.46%	1.84%	1.54%	-0.54%
3.040-Supplies & Materials	2.30%	0.27%	0.14%	0.22%	0.51%	0.14%	0.26%
3.050-Capital Outlay	281.27%	356.69%	-26.80%	0.00%	0.00%	0.00%	65.98%
3.060-Intergov	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.010-4.060-Debt	-16.46%	-100.00%	n/a	n/a	n/a	n/a	-100.00%
4.300-Other Objects	5.26%	-25.88%	0.17%	0.18%	0.33%	0.00%	-5.04%
4.500-Total Expenditures	3.83%	2.56%	3.33%	3.50%	3.45%	3.17%	3.20%
5.040-Total Other Uses	-7.36%	-12.75%	0.00%	0.00%	0.00%	0.00%	-2.55%
5.050-Total w/Other Uses	3.41%	2.24%	3.27%	3.44%	3.39%	3.12%	3.09%

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3.010 - Personnel Services

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



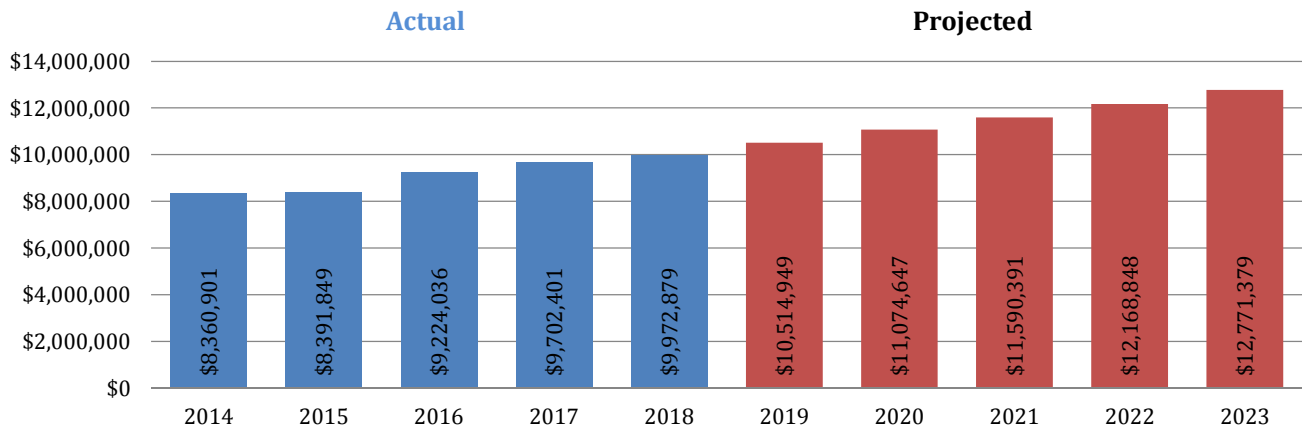
	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	24,870,808	25,997,720	26,948,201	27,946,104	28,888,259	29,747,848
YOY \$ Change	828,639	1,126,912	950,481	997,903	942,155	859,589
YOY % Change	3.4%	4.5%	3.7%	3.7%	3.4%	3.0%

Percentage of Total Budget	56.5%	57.8%	58.0%	58.2%	58.2%	58.1%
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The above forecasted budget has taken into account the current negotiated contract between the Board of Education and Olmsted Falls Education Association & OAPSE. Within the agreement all members have base increase to wages of 2.75% in FY2018, 2.75% in FY2019 and 3.0% in FY2020. With the addition of all-day kindergarten the District hired (4) new kindergarten teachers during FY2018. The Board of Education Office has returned to full capacity with the recreation of a Human Resource Director. The District is starting to feel the effects of multiple negotiated agreements bearing annual base salary increases along with additional hiring needs. The general fund will be able to sustain the current negotiated contract but most likely will need to look for additional resources before approving a new agreement during 2020.

3.020 - Employees' Benefits

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



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	9,972,879	10,514,949	11,074,647	11,590,391	12,168,848	12,771,379
YOY \$ Change	270,478	542,070	559,698	515,744	578,457	602,531
YOY % Change	2.8%	5.4%	5.3%	4.7%	5.0%	5.0%

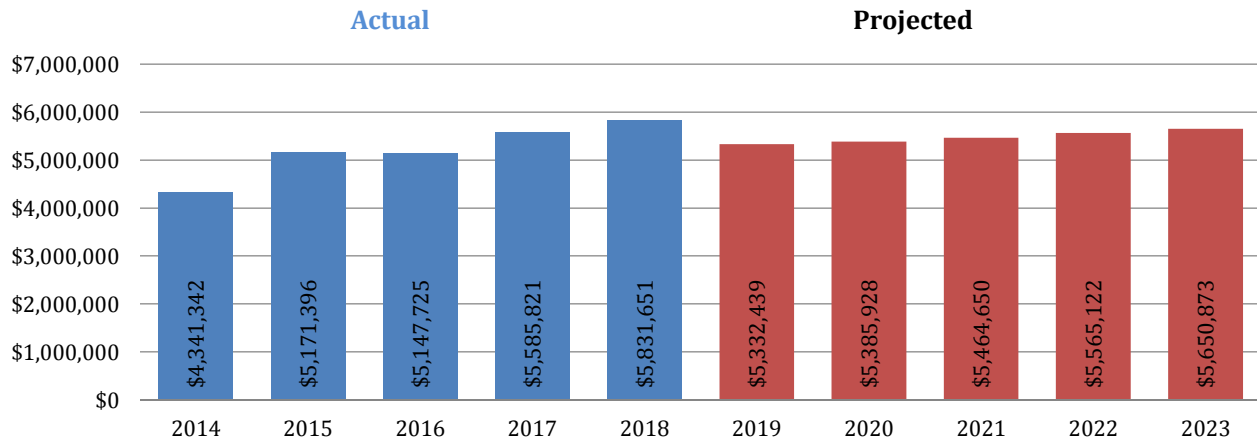
Percentage of Total Budget	22.7%	23.4%	23.8%	24.1%	24.5%	24.9%
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Employee benefits are a cost that continues to grow year after year. In order to help offset this cost the District implemented various cost reducing benefits for our staff, which continues to provide the services needed but with a reduced cost to the District and employee. The District has taken great pride in promoting wellness and overall health awareness to our staff. Through the self-insured Great Lakes Regional Consortium, the District participates in a wellness program called Vitality. This program helps staff become more aware of their health along with teaching them new life choices which can promote a healthier way of living. The participation in this program is proven to reduce the medical cost benefits to the District from a claim stand point. Another cost benefit the District has implemented is the use of Telemedicine capabilities. Our current agreement with First Stop Health allows for a no copay for the employee and no claim cost to the District with unlimited utilization. Utilization of this program has shown great dividends with annual medical claims reduced by 14.7% compared to FY2017. This type of savings will have a year over year compounding effect.

During fiscal year 2018, Olmsted Falls has taken over as the Fiscal Agent for the Great Lakes Regional Health Insurance Consortium. This has created the opportunity to explore additional cost savings programs for the entire consortium, which in the long run equivalents to lower premium renewals for not only members but also the Board of Education.

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.



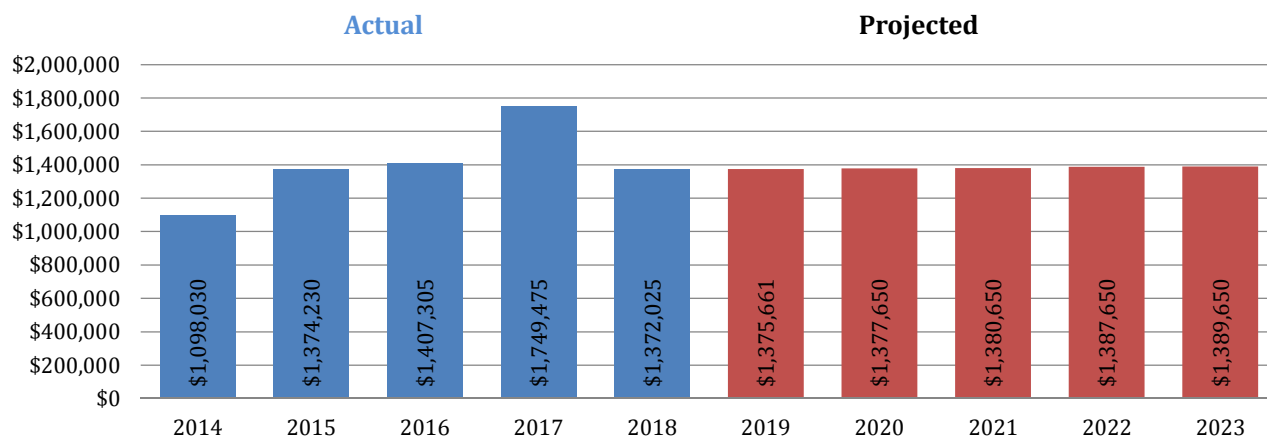
	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	5,831,651	5,332,439	5,385,928	5,464,650	5,565,122	5,650,873
YOY \$ Change	245,830	(499,212)	53,489	78,722	100,472	85,751
YOY % Change	4.4%	-8.6%	1.0%	1.5%	1.8%	1.5%
Percentage of Total Budget	13.3%	11.9%	11.6%	11.4%	11.2%	11.0%

Purchase services are estimated to encompass 11.90% of the District’s general fund operational expenditures. This is a reduction from FY2018 where these services represented 13.3 % of general fund resources. Examples of purchase services include occupational therapy services hired through the county educational service center, special student transportation, health related services, operating utility costs, lease agreements, data processing, professional/legal fees, and special education tuition paid, Charter school payments, liability insurance coverage and professional development cost.

Fluctuation in these services can be common due to the unexpected rise/fall in gas prices, enrollment changes of students with specific needs, increase/decrease in educational therapy service needs and additional lease agreements, increase/decrease in data processing and changes to mandated curriculum resulting in high demand of trainings for staff.

3.040 - Supplies & Materials

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



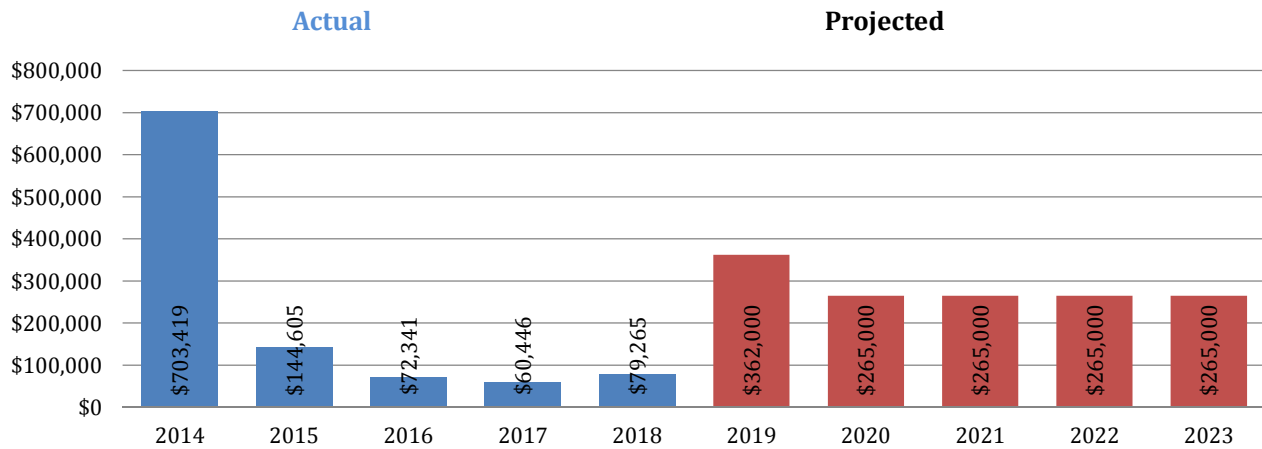
	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	1,372,025	1,375,661	1,377,650	1,380,650	1,387,650	1,389,650
YOY \$ Change	(377,450)	3,636	1,989	3,000	7,000	2,000
YOY % Change	-21.6%	0.3%	0.1%	0.2%	0.5%	0.1%
Percentage of Total Budget	3.1%	3.1%	3.0%	2.9%	2.8%	2.7%

The largest portion of the District supply cost is from instructional classroom supplies and technology needs. The Treasurer prepares budgets for all building principals and department heads based off a per student ratio/department need. This budgeted amount may increase or decrease due to the enrollment fluctuation or specific needs for the coming year. The Treasurer holds annual budget meetings with all building principals/administrators to review the future budget and answer questions about the previous year spending.

You will see during FY2017 there was a spike due to a large purchase in technology along with a textbook adoption. The textbook adoption schedule allocates resources in each year of the forecast for specific curriculum adoption. During FY2018 many chromebooks were purchased in place of the actual textbook. This is anticipated to become a common process in years to come. Supply & materials budget is projected to increase slightly to a cover technology replacement schedule.

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.



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	79,265	362,000	265,000	265,000	265,000	265,000
YOY \$ Change	18,819	282,735	(97,000)	-	-	-
YOY % Change	31.1%	356.7%	-26.8%	0.0%	0.0%	0.0%

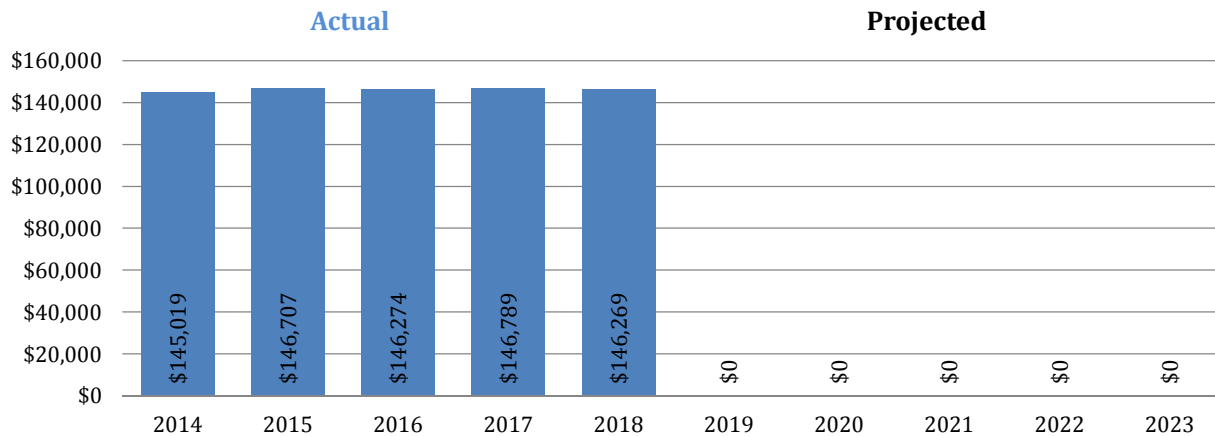
Percentage of Total Budget	0.2%	0.8%	0.6%	0.6%	0.5%	0.5%
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As mentioned previously, the Capital Outlay category reflects the General Fund’s obligation to bridge any funding shortfall necessary to accomplish the District’s capital spending plan (the District’s Permanent Improvement Fund or Maintenance Set- Aside Fund are used first). Over the last 4 year the District has kept this budget line fairly low with other District resources being able to cover the operational needs. After the passage of the November 2016 1-mill permanent improvement levy, the District’s permanent improvement resources were reduced by \$900,000 per year creating a restructuring of our capital spending plan. An increased allocation has been reflected in the life of this forecast, in order to cover the District capital outlay needs.

During FY2019, the District made a purchase of a new Digital Scoreboard at the Football Stadium. This expenditure will be offset by contractual annual donations from various sponsors. (i.e. Ganley Honda, Ryco Sports, First Federal of Lakewood). Each contract is specific to the sponsor and the level they decided to participate in. The cost of the digital scoreboard will be carried by the general fund for the next 3-5 years, at which time continued donations will be budgeted for other uses.

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.



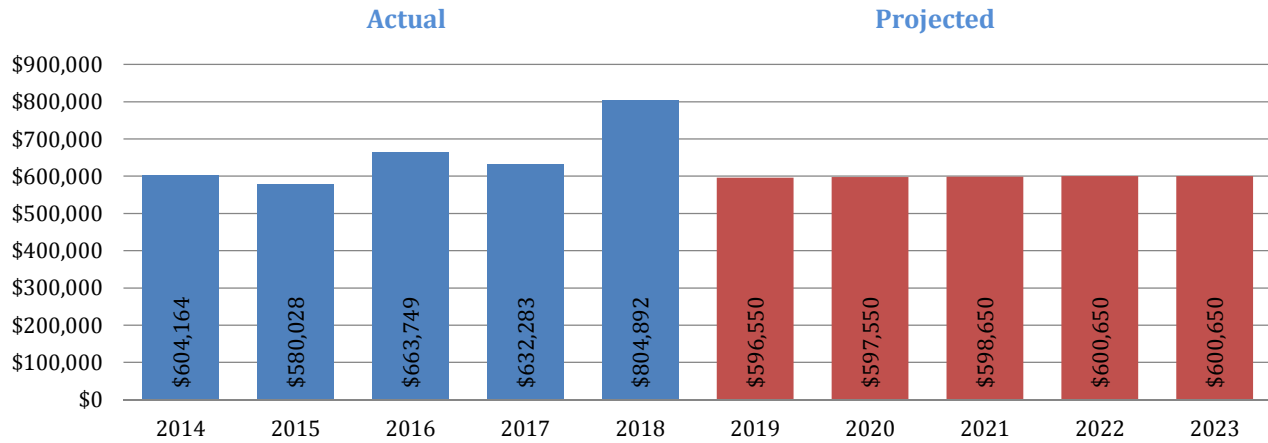
	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	146,269	-	-	-	-	-
YOY \$ Change	(520)	(146,269)	-	-	-	-
YOY % Change	-0.4%	-100.0%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Budget	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%

The District issued Notes against the debt service fund (002) in order to complete a HB264 project (Middle School Boiler) during 2011. The issue of these specific Notes were to be paid back from the general fund over a period of 8 years. Annual payments have been made each year, with the last payment scheduled to be paid in full during FY2018. There are no anticipated future borrowings needed from the debt fund at this point and time.

During the summer of 2018 the District completed a two capital lease projects which are both being funded through the (003) permanent improvement fund. One was for district wide voice over IP phone system upgrade and the other was for new HVAC units at the High School. Therefore leaving even less resources to cover property/building upkeep and maintenance. Costs which were normally covered with permanent improvement resources may start showing up in the general fund.

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.

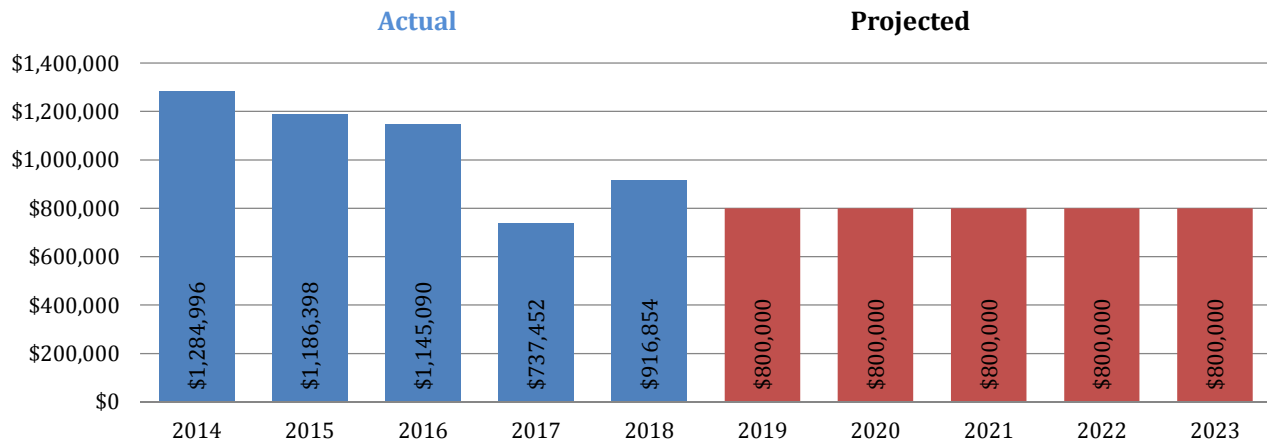


	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	804,892	596,550	597,550	598,650	600,650	600,650
YOY \$ Change	172,609	(208,342)	1,000	1,100	2,000	-
YOY % Change	27.3%	-25.9%	0.2%	0.2%	0.3%	0.0%
Percentage of Total Budget	1.8%	1.3%	1.3%	1.2%	1.2%	1.2%

Other objects are estimated to make up 1.3% of the overall expenditures in FY2019. This category includes audit cost, county board of election fees, county auditor fees, bank charges, liability insurance and miscellaneous dues. Estimates for these expenses need to consider the timing and collection of county fees leading up to property reappraisals, and do not fluctuate much. During FY2018 the district had a rather large delinquent tax collection which resulted in larger than anticipated fees to the County. You will see this spike in the bar graph above.

5.040 - Total Other Financing Uses

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



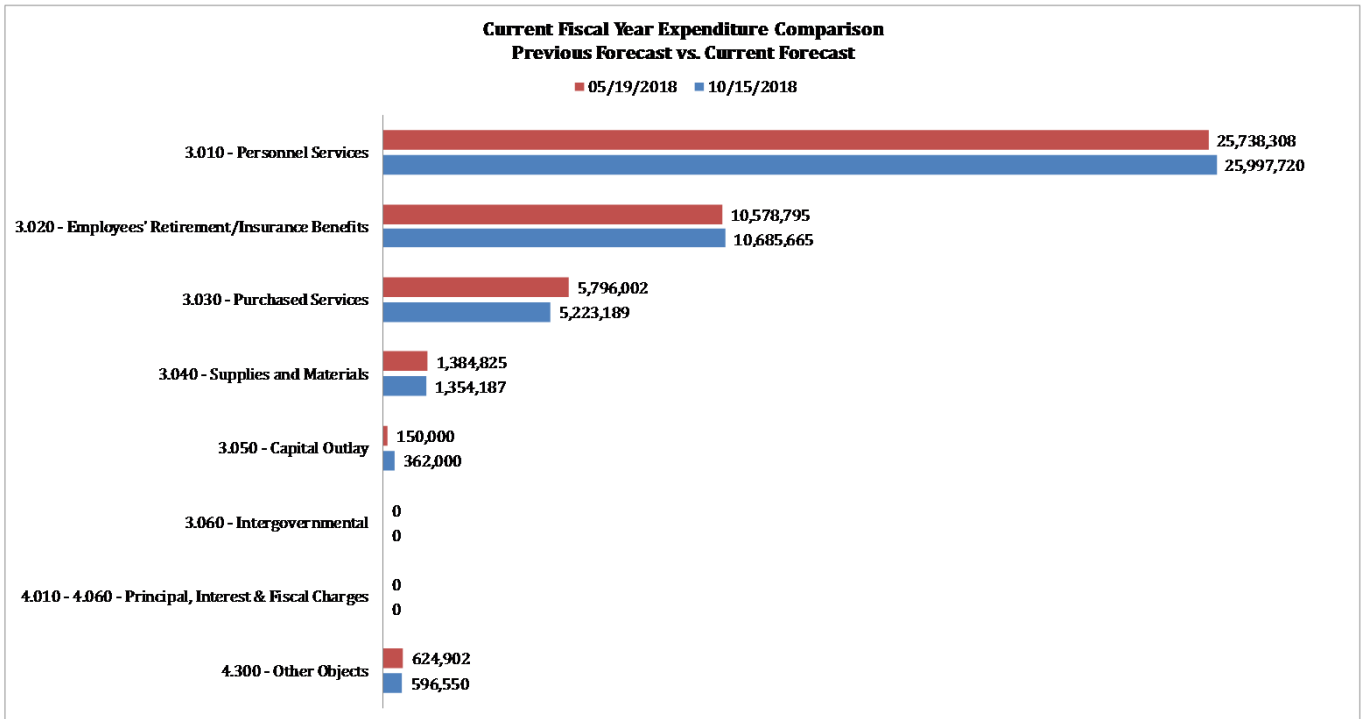
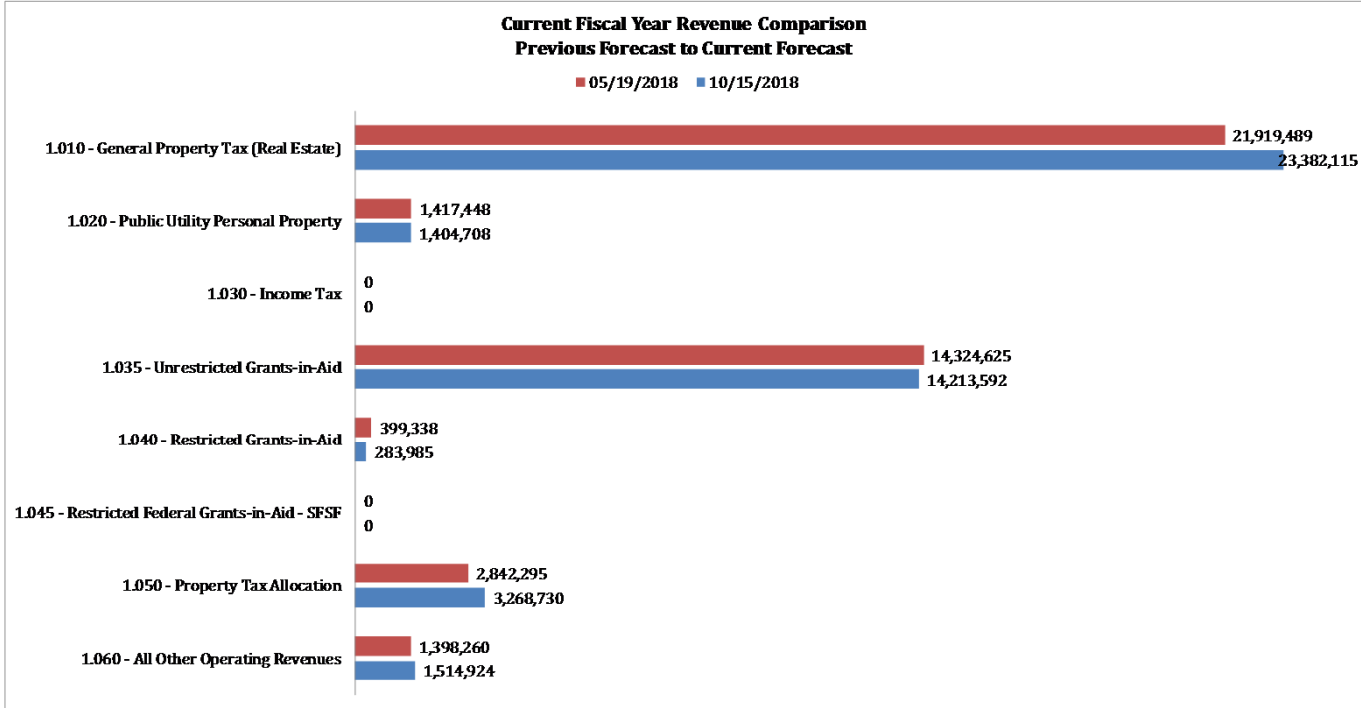
	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	916,854	800,000	800,000	800,000	800,000	800,000
YOY \$ Change	179,402	(116,854)	-	-	-	-
YOY % Change	24.3%	-12.7%	0.0%	0.0%	0.0%	0.0%

Percentage of Total Budget	2.1%	1.8%	1.7%	1.7%	1.6%	1.6%
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Transfers Out	825,000	675,000	675,000	675,000	675,000	675,000
Advances Out	91,854	125,000	125,000	125,000	125,000	125,000

The Other Financing Uses category encompasses the transfers/advances that are completed to subsidize other funds throughout the fiscal year. Common transactions which occur here are the transfer of revenue to fund (300) Athletics and fund (006) Food Service. At this time both funds are not strong enough to sustain the expenses they face, therefore resorting in subsidizing from the general fund. Repayment is unfortunately not always a possibility for all cash advanced. During fiscal year 2018, the general fund subsidized the food service fund \$50,000 and athletics fund \$700,000 with no expectations of advance return due to lack of cash stability.

Freeze 5-Year
for Comparison



Previous Forecast Date: 05/19/2018

Current Forecast Date: 10/15/2018

Forecast Compare - Compares Previous Forecast to Current Forecast

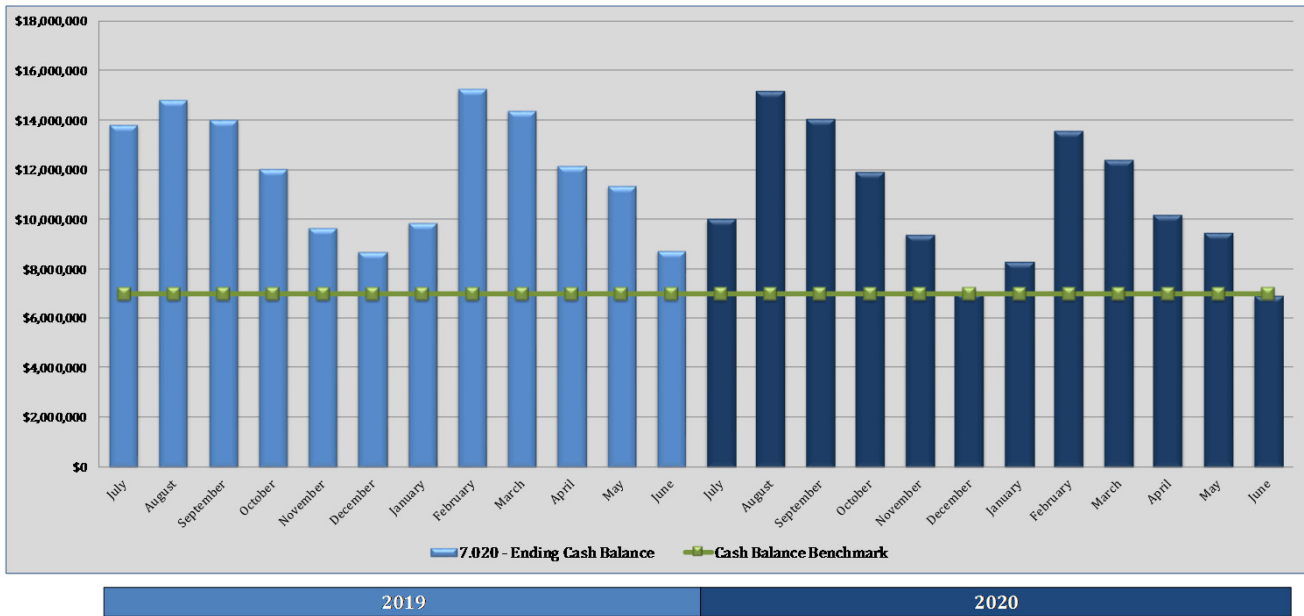
For Fiscal Year: 2019

Forecasted as of: **05/19/2018** **10/15/2018** *Includes Renewal Levy Revenue

	05/19/2018	10/15/2018		
	Fiscal Year	Fiscal Year	Dollar	Percentage
Revenue:	2019	2019	Difference	Variance
1.010 - General Property Tax (Real Estate)	21,919,489	23,382,115	1,462,626	6.67%
1.020 - Public Utility Personal Property	1,417,448	1,404,708	(12,740)	-0.90%
1.030 - Income Tax	-	-	-	0
1.035 - Unrestricted Grants-in-Aid	14,324,625	14,213,592	(111,033)	-0.78%
1.040 - Restricted Grants-in-Aid	399,338	283,985	(115,353)	-28.89%
1.045 - Restricted Federal Grants-in-Aid - SFSF	-	-	-	0
1.050 - Property Tax Allocation	2,842,295	3,268,730	426,435	15.00%
1.060 - All Other Operating Revenues	1,398,260	1,514,924	116,664	8.34%
1.070 - Total Revenue	42,301,455	44,068,054	1,766,599	4.18%
2.070 - Total Other Financing Sources	125,000	91,854	(33,146)	-26.52%
2.080 - Total Revenues and Other Financing Sources	42,426,455	44,159,908	1,733,453	4.09%
Expenditures:				
3.010 - Personnel Services	25,738,308	25,997,720	259,412	1.01%
3.020 - Employees' Retirement/Insurance Benefits	10,578,795	10,685,665	106,870	1.01%
3.030 - Purchased Services	5,796,002	5,223,189	(572,813)	-9.88%
3.040 - Supplies and Materials	1,384,825	1,354,187	(30,638)	-2.21%
3.050 - Capital Outlay	150,000	362,000	212,000	141.33%
3.060 - Intergovernmental	-	-	-	0
4.010 - 4.060 - Principal, Interest & Fiscal Charges	-	-	-	0
4.300 - Other Objects	624,902	596,550	(28,352)	-4.54%
4.500 - Total Expenditures	44,272,832	44,219,311	(53,521)	-0.12%
5.040 - Total Other Financing Uses	800,000	800,000	-	0.00%
5.050 - Total Expenditures and Other Financing Uses	45,072,832	45,019,311	(53,521)	-0.12%
				0
6.010 - Revenue Surplus/(Shortfall) - Line 2.080, Less 5.050	(2,646,377)	(859,403)	1,786,974	4%*
7.010 - Cash Balance at Beginning of Year	9,325,091	9,595,061	269,970	0.6%*
7.020 - Cash Balance at End of Year [Line 7.010 +/- Line 6.010]	6,678,714	8,735,658	2,056,944	4.6%*

Projected Monthly Cash Flow

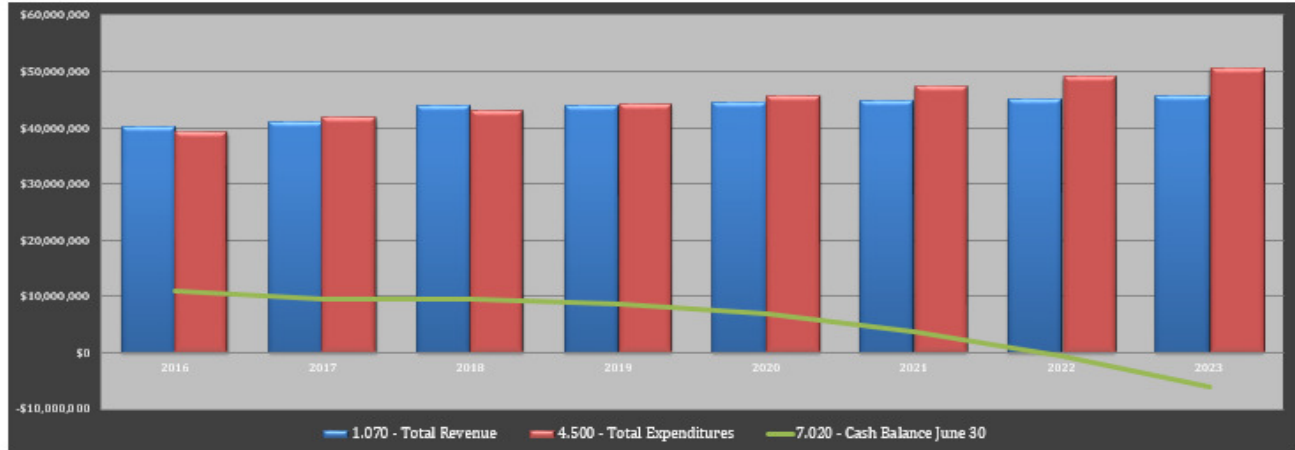
Cash Balance Benchmark \$ 7,000,000



The chart above illustrates a change in the district's cash balance over the next two fiscal years. In December of 2016, the Board of Education approved a District Cash Balance Policy. In that policy it states, Government Finance Officers Association (GFOA) recommends a minimum cash balance in the General Fund of no less than two months of general operating expenditures and for Olmsted Falls that amounts to \$7,000,000. Due to this fact, my recommendation is for the Board of Education and district administrators to begin to discuss what implications exist for the depleting cash reserves and what measures might be considered to control this balance moving forward. Thanks to an unforeseen windfall of delinquent tax revenue, the ending cash balance during FY2019 will not dip below the targeted balance. This windfall provided additional security in the overall cash balance but will not extend the timeframe for which the District will be in need of additional operating resources. While the financial future can be influenced by many factors (some which can be predicted), my belief is that the district should discuss the deficit spending that appears to be projected in each year of this forecast.

Operating Revenue and Expenditures & Year End Fund Balance

Olmsted Falls City Schools



	ACTUAL				FORECASTED			
	2016	2017	2018	2019	2020	2021	2022	2023
1.070 - Total Revenue	40,328,719	41,055,716	43,916,790	44,068,054	44,498,936	44,831,221	45,223,969	45,547,478
4.500 - Total Expenditures	39,284,811	41,919,384	43,077,789	44,219,311	45,648,433	47,257,678	48,921,827	50,479,717
7.020 - Cash Balance June 30	10,846,561	9,557,724	9,595,061	8,735,658	6,911,161	3,809,704	(563,154)	(6,170,333)

Going on the Ballot in November of 2019 would increase tax collections starting in January 2020, therefore creating the possibility to end fiscal year 2020 with a cash balance above the recommended reserve amount of \$7,000,000. If this levy were not to pass in November, another levy would need to be on the ballot in May 2020 in order to collect necessary tax revenue in 2021. As indicated previously in this report, there fore some large factors like property development throughout the community that could have a positive change to this recommendation.