



Chillicothe City School District

Financial Forecast Summary & Report

October, 2016

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Forecast Purpose

This forecast is intended to assist the school district in the financial management of its resources. The forecast will provide trend information to help in the determination of local tax levy needs, union negotiations, program resource allocation, and overall effort to balance the district's budget. The forecast is also intended to provide insight into the future, rather than reaction to the past.

This report includes information regarding key revenue and expenditure assumptions as well as the resulting implications. Particular attention should be given to not only the relationship of expenditures to revenue, but the rate of any adverse trend (expenditures exceeding revenue). Cash balance reserves should be recognized as the stabilizing resource that they are, rather than as a revenue source to support ongoing operations.

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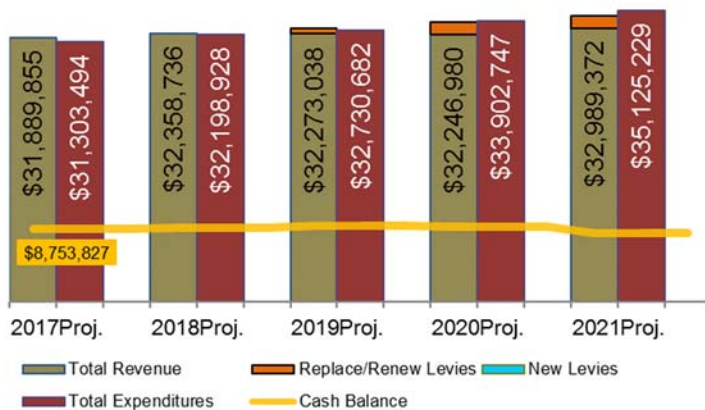
Executive Summary

Revenue, Expenditures and Sustainability

In November 2015, the District passed a 2.99 mill bond issue and in return agreed to reduce the District's existing emergency levy by an offsetting amount. With that considered, the District is still expecting to realize growing cash balances through FY19. Beginning in FY2020, spending is expected to exceed incoming revenue. The district's

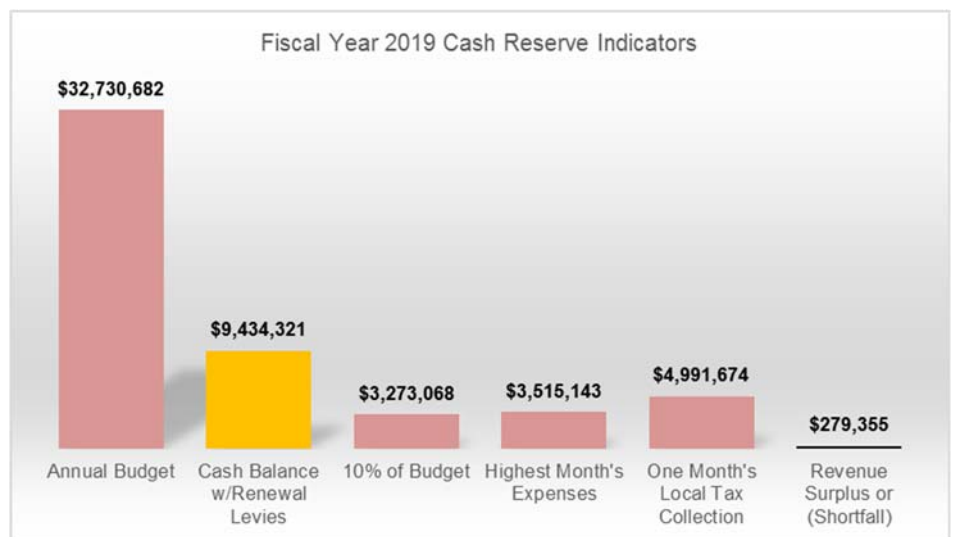
revenue and expenditures are projecting a typical levy cycle in that revenue exceeds expenditures initially and then expenditures begin to out-pace revenue. As the District plans its future a very important question must be considered: "What kind of service levels can be sustained?" Balancing service levels with available resources can often be a difficult task because there are limitless needs when it comes to students. However, balancing service levels and resources over time can provide stability and insure fair opportunities across generations of children. Continually, monitoring the District's financial status will continue to be a very important process.

Revenue, Levies, Expenditures & Cash Balance

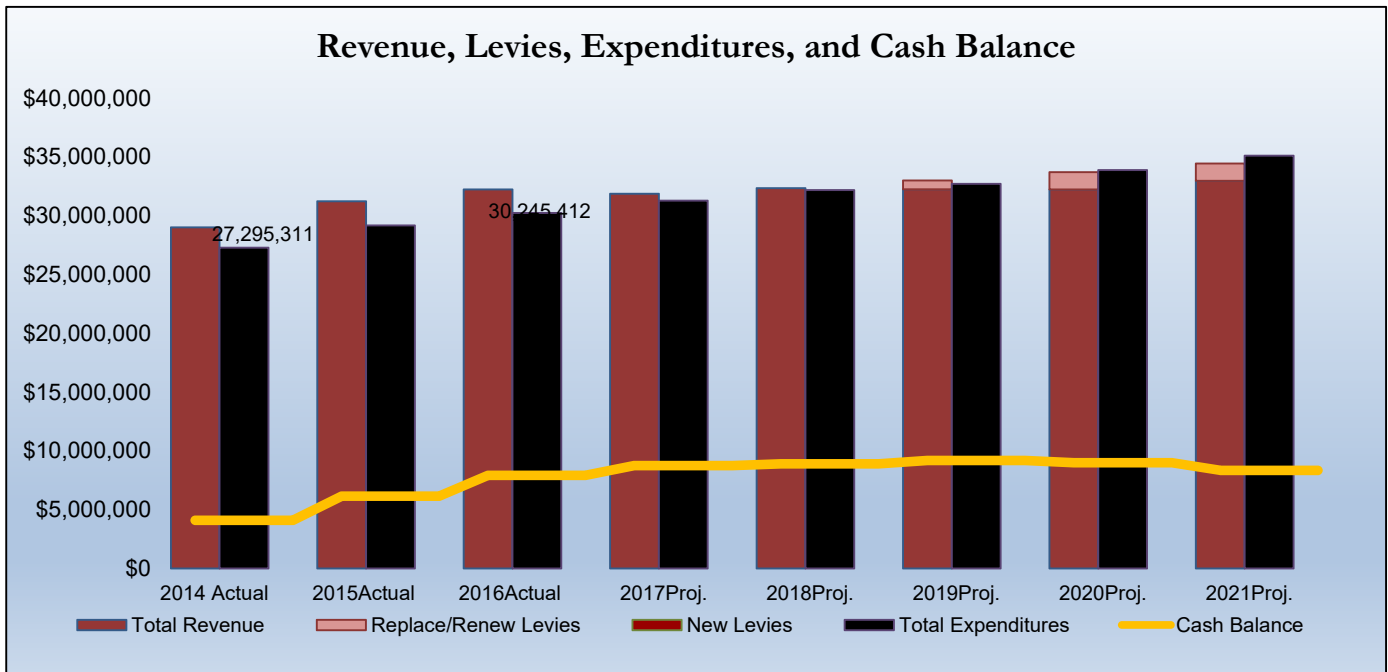


Cash Balance and Stability

The district is projected to remain stable through the interim forecast period ending June 30, 2019. The assumptions behind the financial forecast will lose some reliability over time thus an interim period of the current fiscal year plus two years is established. The 2019 forecast period provides the district with a valid benchmark of its revenue versus expenditures and the time to strategically construct a response. As the graph to the right reveals, the district's cash balance is anticipated remain adequate through June 30, 2019.



Revenue, Expenditures and Cash Balance



	PROJECTED				
	2017	2018	2019	2020	2021
Total Revenue	\$31,889,855	\$32,358,736	\$32,273,038	\$32,246,980	\$32,989,372
Replace/Renew Levies	\$0	\$0	\$736,999	\$1,473,927	\$1,473,882
New Levies	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$31,303,494	\$32,198,928	\$32,730,682	\$33,902,747	\$35,125,229
Revenue Over/(Under) Expenditures	\$586,361	\$159,808	\$279,355	(\$181,840)	(\$661,976)
Cash Balance	\$8,903,827	\$9,063,635	\$9,342,991	\$9,161,151	\$8,499,175

Note: Cash Balance Estimates Include Renewal Levies and is Stated Before Reservation and Encumbrance Deductions

In Perspective:

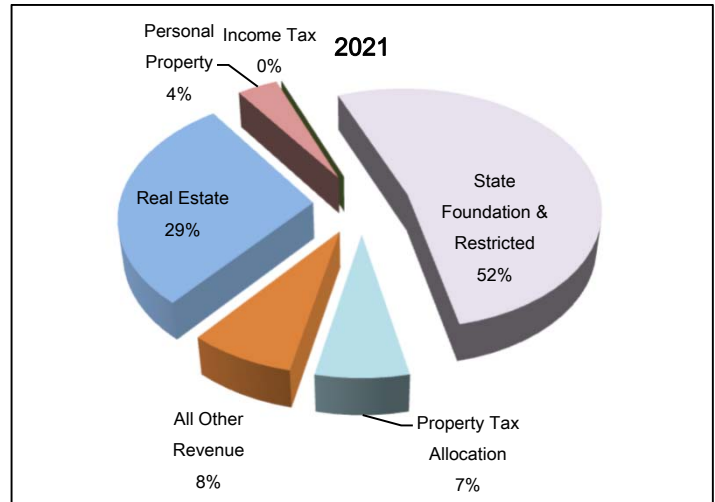
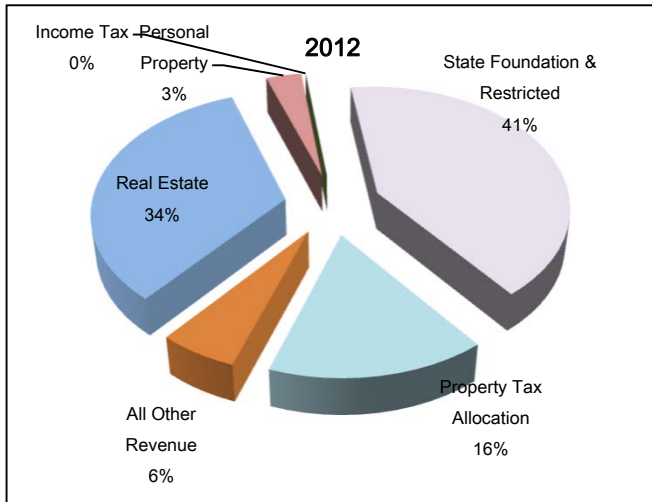
In November 2015, the District passed a 3.2 mill bond issue and in return agreed to reduce the District's existing emergency levy by an equivalent amount. With that considered, the District is expecting to realize growing cash balances through FY19. Beginning in FY2020, spending is expected to exceed incoming revenue.

State revenue has leveraged the district's local revenue sources since the new funding formula is expected to generate additional revenue. The new budget is expected to produce \$3 million of additional state aid over the biennial. The forecast assumes continued formula increases, but the increases are partially offset by losses of tangible reimbursement dollars that are being phased out according to the same legislation (at a rate of approximately \$240,000 per year).

Because the district is trending toward expenditures exceeding revenue, the need for the continuation of existing levies is essential.



Sources of Revenue and Annual Changes



	Previous 5-Year Average Annual %	PROJECTED					Projected 5-Year Average Annual %
		Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	
Real Estate	3.73%	-5.89%	0.29%	0.43%	0.73%	0.69%	-0.75%
Personal Property	5.53%	-1.60%	2.05%	1.95%	1.77%	1.78%	1.19%
Income Tax	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State Foundation & State Restricted	5.88%	7.21%	4.56%	4.94%	4.87%	4.84%	5.28%
Prop Tax Allocation	-4.63%	-9.24%	-7.16%	-7.82%	-8.33%	-9.09%	-8.33%
All Other Revenue	15.37%	-13.43%	-1.27%	2.01%	1.99%	1.97%	-1.75%
Total Oper. Revenue	3.91%	-1.08%	1.48%	2.02%	2.16%	2.21%	1.36%

Note: Existing Renewal Levies Included as Renewed, No New Levies Included

Line 1.07 Operating Revenue Only, Does not include Other Sources (Transfers, Advances, etc.)

State Unrestricted (1.034), Restricted (1.04), and Prior Years' SFSF (1.045) = "State Foundation & State Restricted"

In Perspective:

Local tax collections are expected to decline as a result of the 3.2 mill reduction in the District's emergency operating levy. Despite reduced local collections from the emergency levy, overall revenue is expected to still realize growth through the forecast period. Much of the overall revenue growth is being fueled by state funding increases which are expected to grow by the maximum gain caps permitted in future school funding formulas. The District also anticipates a slight pick-up in Other Revenue related to incoming open enrollment students. Growth is expected to be tempered a bit by the continued phase-out of the state tangible tax reimbursement (reflected in the Property Tax Allocation Note).

On average, the district's revenue is expected to increase 1.36% for the period 2017 through 2021.



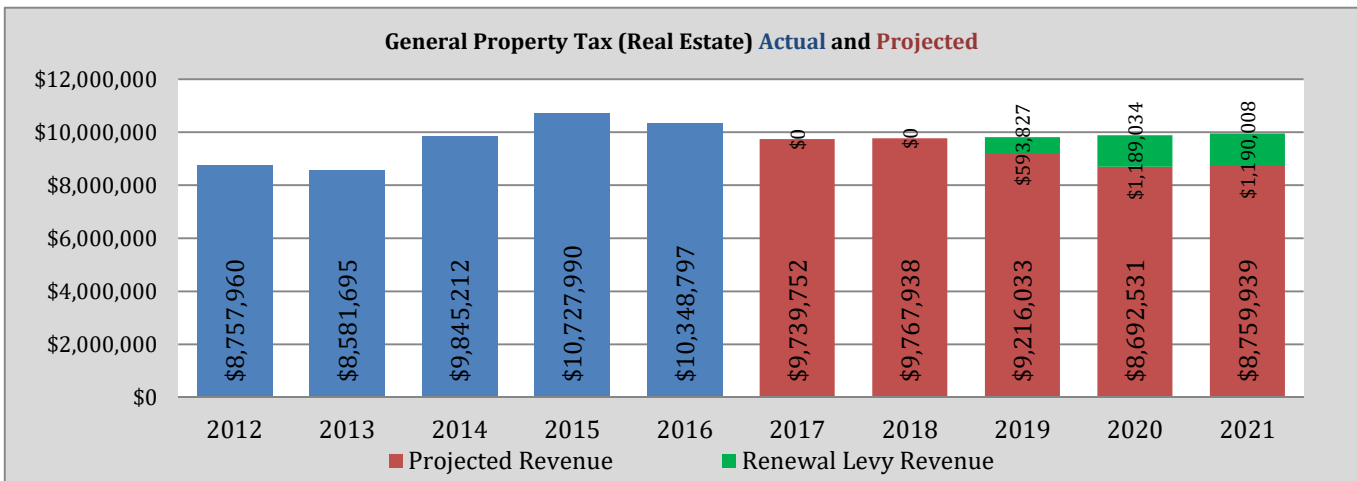
Significant Revenue Assumptions - I

Real Estate

Revenue is dependent upon valuations, tax rates, and collection (rate) performance by local taxpayers.

Tax Year	Real Property Valuation	Year-Over-Year Change	61.35% of Total Real Estate Revenue		38.65% of Total Real Estate Revenue		Gross Collection Rate All Taxes	
			Effective Residential Tax Rate	Year-Over-Year Change	Effective Business Tax Rate	Year-Over-Year Change		
2012	374,071,250	(624,730)	24.95	-	29.60	-	100.0%	Actual
2013	362,971,120	(11,100,130)	32.82	7.87	37.22	7.61	98.2%	Actual
2014	355,802,470	(7,168,650)	32.95	0.13	38.09	0.87	100.3%	Actual
2015	358,797,140	2,994,670	29.79	(3.16)	34.26	(3.83)	100.9%	Actual
2016	369,433,969	10,636,829	29.03	(0.76)	33.77	(0.48)	98.5%	Actual
2017	371,123,289	1,689,320	29.01	(0.02)	33.75	(0.02)	98.5%	Projected
2018	372,824,794	1,701,505	28.99	(0.02)	33.73	(0.02)	98.5%	Projected
2019	392,817,594	19,992,800	27.77	(1.22)	32.36	(1.37)	98.5%	Projected
2020	394,629,489	1,811,895	27.75	(0.02)	32.34	(0.02)	98.5%	Projected

Note: Tax Rates Include Existing Renewal Levies Included as Renewed, No New Levies Included



In Perspective:

In 2013, the District passed a \$2.74 million (7.2 mill) emergency levy that first impacted collections in the 2014. Therefore, half of the new collections related to this levy were realized in FY2014, with the remaining growth appearing in FY2015. In November, 2015 the District passed a 3.2 mill bond issue and in return agreed to reduce collections on the existing emergency levy by an equivalent amount (the reduction begins affecting revenue collections in FY16). The forecast anticipates the renewal of the remaining portion of the emergency levy (approximately 4 mills) in 2018. The proceeds from that renewal are reflected as "reserved" and appear as the green shaded area of the bar chart above.

The forecast assumes modest recovery in property values through 2018. Nevertheless, projected property values in 2018 are still projected to remain below 2012 levels.

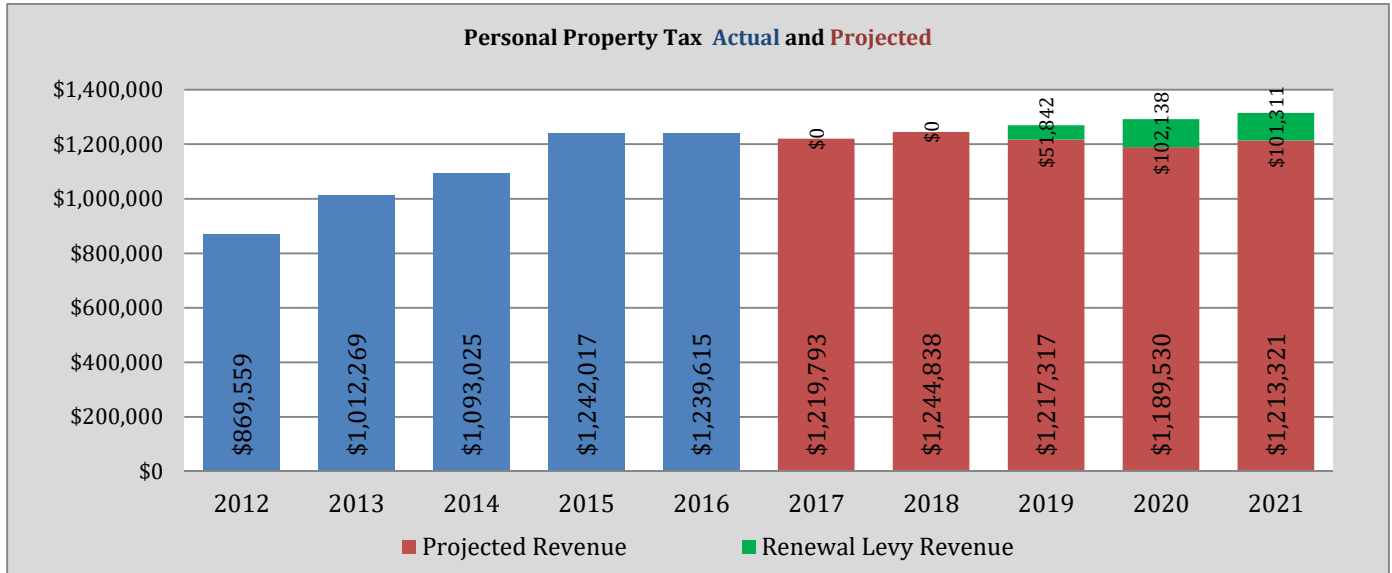
Gross collection rates have remained very consistent at between 98% and 100% of billed and payable. Gross collection rates are expected to continue at this level.



Significant Revenue Assumptions - II

Public Utility Personal Property

Tax Year	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Tax Rate	47.70	47.59	47.57	43.70	43.70	43.70
Valuation	\$25,396,400	\$25,904,328	\$26,422,415	\$26,950,863	\$27,489,880	\$28,039,678



In Perspective:

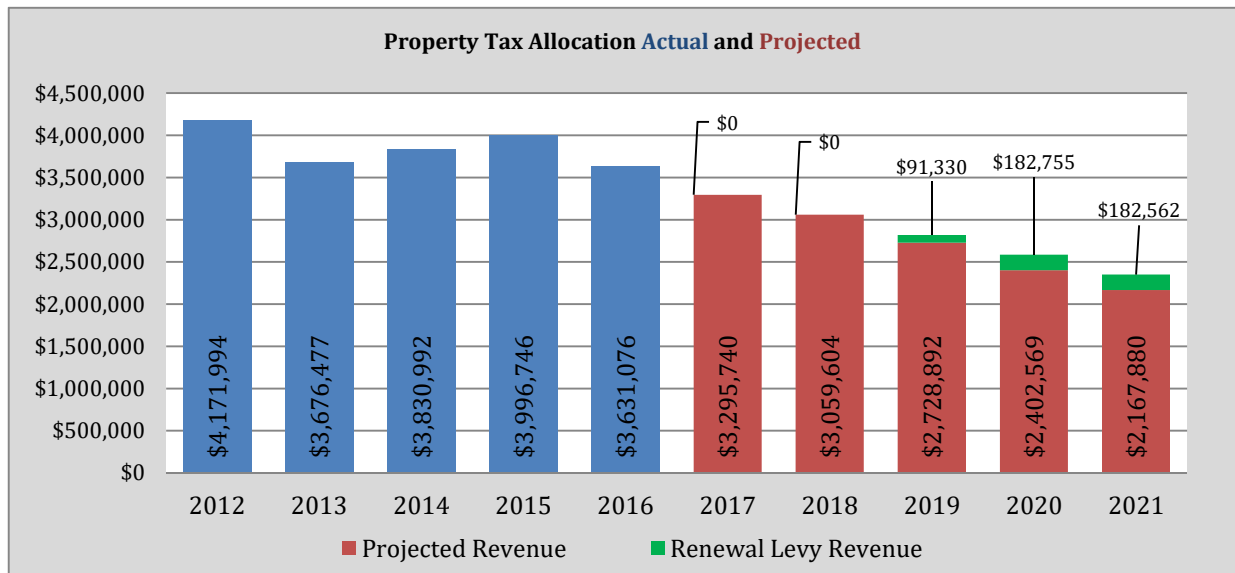
FY2009 marked the last year the District received any substantial revenue from the tangible tax paid by business. The state replaced the locally levied tangible tax with the state imposed Commercial Activity Tax (CAT) tax, which was supposed to provide the state a dedicated revenue stream to implement and continue replacement payments. However, those replacements began to be phased down starting in FY2010. See Property Tax Allocation Note for further detail.

The revenue growth reflected in FY2014 & FY2015 is attributable to the new emergency levy passed in 2013. As explained in the Real Estate narrative, the District passed a 3.2 mill bond issue in November, 2015 and in return agreed to reduce collection on the existing emergency levy by an equivalent amount. In 2016 and beyond, underlying public utility values are expected to increase by 2% per year, which explains the modest revenue growth indicated. The proceeds associated with the emergency levy renewal are reflected as "reserved" and appear as the green shaded area of the bar chart above.

Significant Revenue Assumptions - III

Property Tax Allocation

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Reimbursement for:						
Tangible Pers. Fixed Rate	\$2,203,497	\$1,928,642	\$1,686,918	\$1,445,195	\$1,203,471	\$961,748
Tangible Pers Fixed Sum (Emerg.)	\$0	\$0	\$0	\$0	\$0	\$0
Reimbursement for Rollback and Homestead Real Estate w/ Renewal	\$1,427,579	\$1,367,098	\$1,372,685	\$1,375,028	\$1,381,853	\$1,388,695



In Perspective:

With passage of the 2013 emergency levy, FY2014 tax allocations increased. Since valuations and millage are expected to remain consistent throughout the remainder of the forecast period, property tax reimbursements from the state are expected to do likewise. The proceeds from state reimbursements associated with the emergency levy renewal are reflected as "reserved" and appear as the green shaded area of the bar chart above (see Real Estate and Public Utility Property Tax notes for further detail).

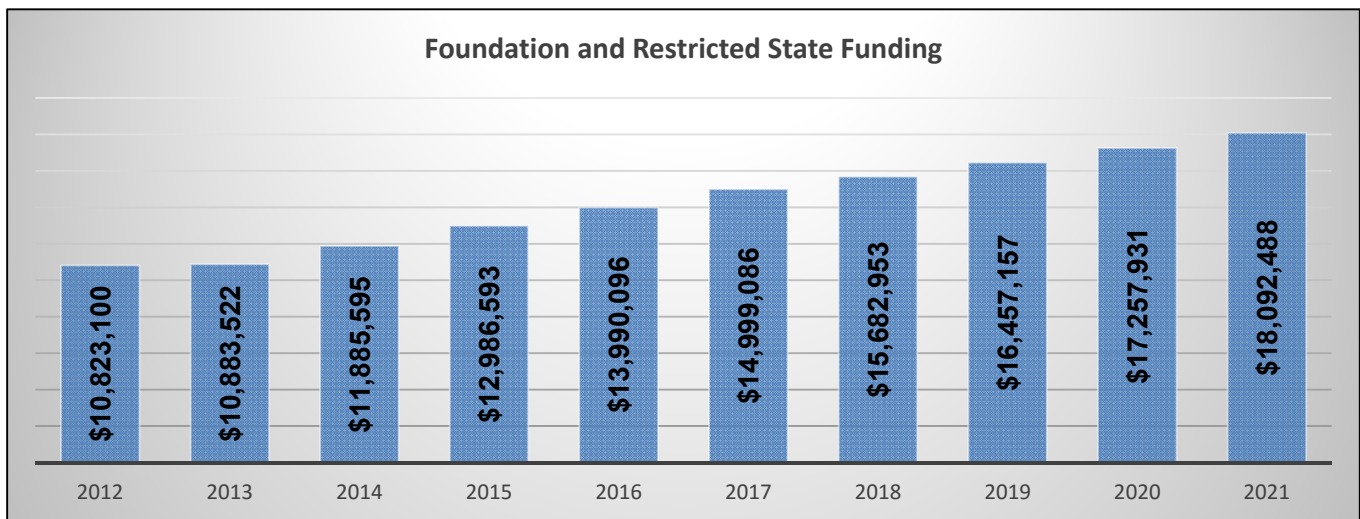
From 2010 to 2013, the District experienced losses related to the phase down of tangible personal property reimbursement which are also part of the revenue reflected in this category. Although off its highs, the District still received \$2.2 million in Tangible reimbursement revenue in FY16.

**** IMPORTANT **** Current legislation calls for the continued gradual phase-out of this revenue stream over the forecast period at a rate of approximately \$240,000 loss per year, which is incorporated and reflected in this category's overall totals.

Significant Revenue Assumptions - IV

Foundation and Restricted State Funding

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	
Funded Enrollment	3,169	3,202	3,173	3,136	3,144	
Valuation Per Pupil	\$112,382	\$116,528	\$116,829	\$119,371	\$123,258	
Per Pupil Core Funding	\$6,000	\$6,100	\$6,200	\$6,300	\$6,400	
State's Share	57.0%	57.7%	57.7%	58.8%	58.8%	
Net Per Pupil (State Share)	\$3,422	\$3,522	\$3,580	\$3,705	\$3,764	
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Core Foundation Funding	\$8,883,559	\$8,618,947	\$9,850,941	\$9,879,534	\$10,104,200	\$10,276,253
All Other State Funding	\$2,993,811	\$4,155,320	\$4,406,481	\$5,096,129	\$5,639,372	\$6,257,515
Restricted State Funding	\$2,112,726	\$2,224,819	\$1,425,530	\$1,481,494	\$1,514,359	\$1,558,719



In Perspective:

Clearly the District's overall state funding was stagnate from 2011 through 2013. During that period the State utilized 2 different school funding formulas, neither of which generated additional dollars for the District. Beginning in FY2014, Ohio implemented a new state funding formula. This particular formula provided additional revenue to the district, but the amount calculated for Chillicothe was limited by funding caps because the state could not afford to fully fund the calculated amount for all Ohio schools. With the caps in place, the District had in excess of \$4.6 million in formula funding still owed it at the end of FY15.

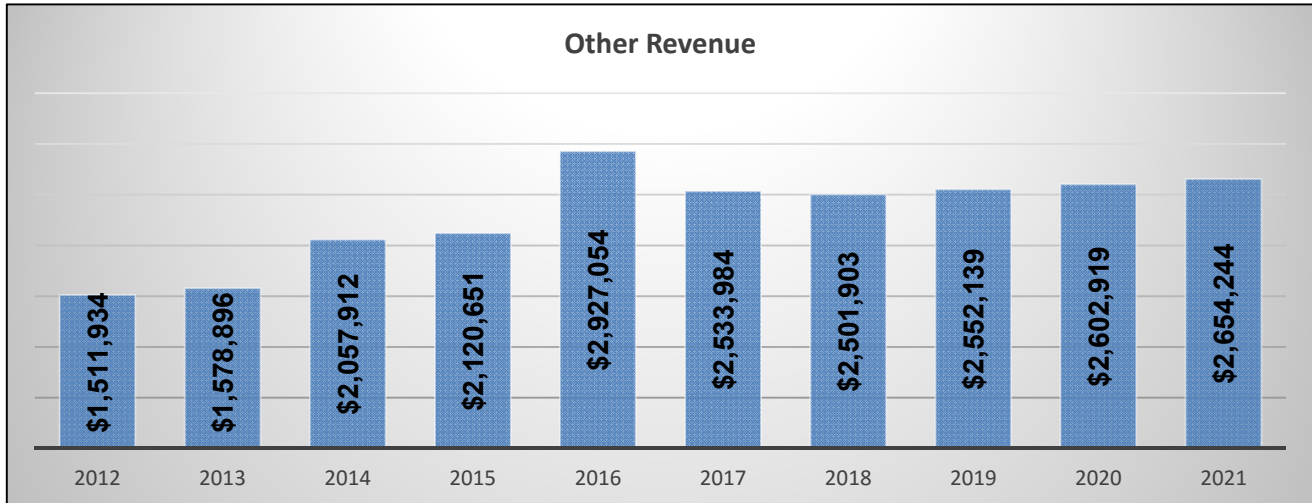
The state retained the basic framework of the last school funding formula in its latest biennial budget which covers FY2016 and FY2017. Again, the current budget is expected to generate the maximum base funding increases permitted which includes a 7.5% base funding cap. However, it is significant to note the current formula funds certain elements outside the base cap (which results in year-over-year increases that exceed the base 7.5% cap for Chillicothe). In total, the current formula is expected to add \$3 million of additional state aid over the biennial. The forecast assumes a reduced base cap of 5% for the remainder of the forecast. Assuming a continuation of the current formula, the forecast anticipates the District will still have approximately \$750,000 in unfunded formula by the end of FY21.



Significant Revenue Assumptions - V

All Other Revenue

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total	\$2,120,651	\$2,927,054	\$2,533,984	\$2,501,903	\$2,552,139	\$2,602,919	\$2,654,244



In Perspective:

Generally, revenue reflected in this category represent tuition payments, revenue for incoming open enrollment students, class fees, and interest earnings. From 2012 to 2013 these revenue sources were relatively stable. Then in FY2014 the District received a \$300,000 lump sum Medicaid reimbursement, which represented final payment on claims submitted for services performed during the 2011-12 school year. The District received another \$302,611 in Medicaid reimbursement in FY16 for services performed during the 2012/13 and 2013/14 school years. The forecast assumes Medicaid reimbursements will return to a more typical level of approximately \$100,000 per year from FY2017 through FY2021.

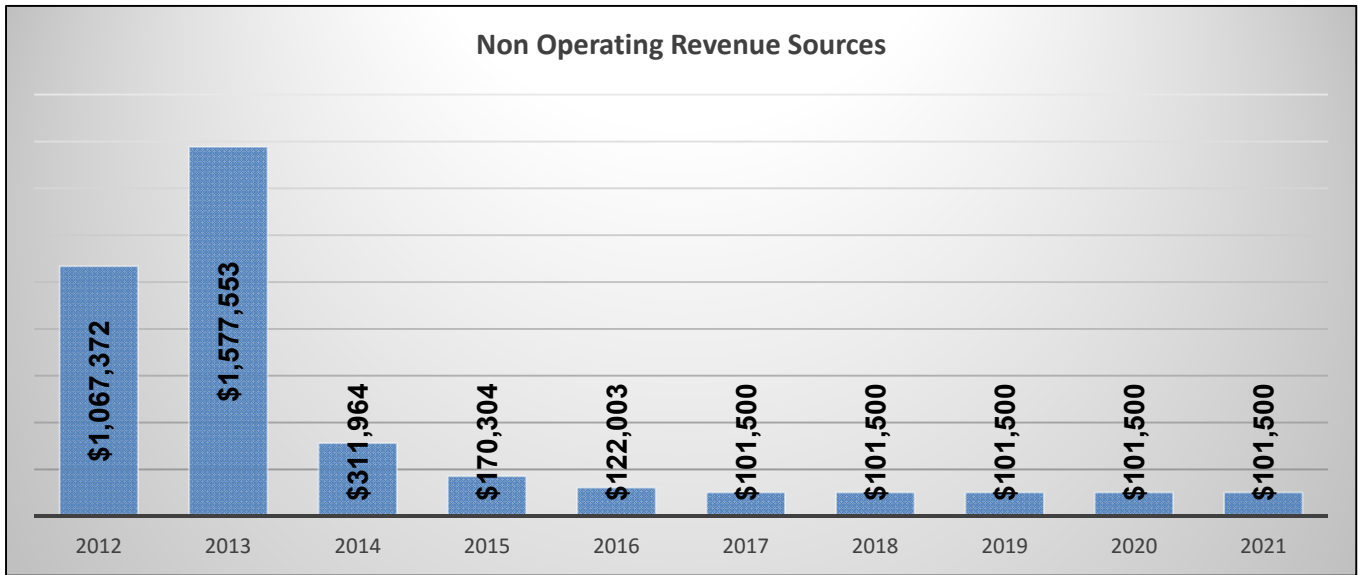
Both revenue and expenditures were inflated in FY2016 by the in and out transaction of \$331,415 to account for bond premiums (See Other Expenditures for the related expenditure posting).

From FY2015 to FY2016, the District's incoming open enrollment population grew from 265 students to 291, which generated an additional \$178,000 worth of revenue. The forecast assumes continued stable growth to 311 students by FY2021.

Significant Revenue Assumptions - VI

Non Operating Revenue Sources

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Transfers In	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Advances In	\$61,233	\$99,228	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Other Financing Sources	\$109,071	\$22,775	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0

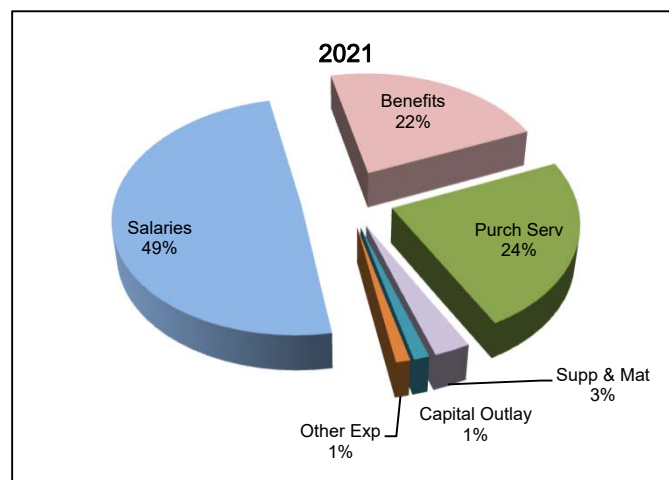
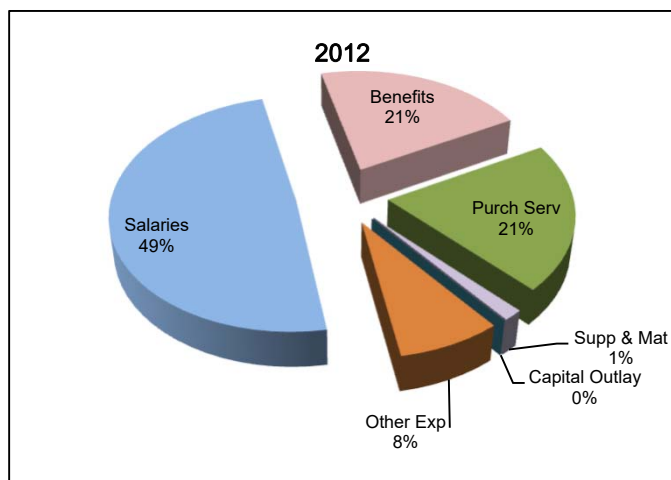


The District performed cash flow borrowing in both FY2012 and FY2013 to address budgetary needs within those particular years. The repayment of those borrowings are reflected as Other Operating Expenditures on the expenditure side of the ledger.

In FY14, \$221,912 of the revenue reflected is related to the return of the contingency dollars, originally set-aside to address a potential liability related to contested values. Also, the District received another \$83,000 in FY14 from the Bureau of Workers Compensation for refunds they granted public employers. The District received another \$98,000 in Workers Comp rebates in FY15.

Moving forward this category only assumes \$100,000 advance returns each year and very minimal other payments. No additional refunds are projected.

Types of Expenditures and Annual Change



	Previous 5-Year Average Annual %	Projected					Projected 5-Year Average Annual %
		Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	
Salaries	-0.45%	4.28%	3.53%	3.62%	3.42%	3.38%	3.64%
Benefits & Retirement	-0.74%	6.95%	5.27%	7.23%	6.38%	6.49%	6.46%
Purchased Services	6.88%	1.84%	2.11%	-3.75%	1.82%	1.81%	0.77%
Supplies and Materials	21.05%	-3.37%	3.00%	3.00%	3.00%	3.00%	1.73%
Capital Outlay	204.93%	68.68%	-20.32%	-34.51%	1.41%	1.42%	3.33%
Debt and Intergov. Pmts	n/a	n/a	n/a	n/a	n/a	n/a	n/a
All Other Exp.	8.52%	-48.50%	2.00%	2.00%	2.00%	2.00%	-8.10%
Operating Expenditures	1.58%	3.70%	2.87%	1.66%	3.59%	3.62%	3.09%

Overall expenditures are projected to increase, on average, at a rate of 3.09% per year. Spending over the prior 5 year period averaged a modest 1.58% mainly due to reduction measures implemented to contain expenses during periods of declining revenue.

Some of the projected year-over-year increase is due to the district's partial restoration of capital spending. Additionally, in FY15 a portion of spending once accomplished by PI dollars was shifted back to the General Fund which to a large extent explains the increase reflected in the purchased services, supplies and capital outlay categories for that particular year.

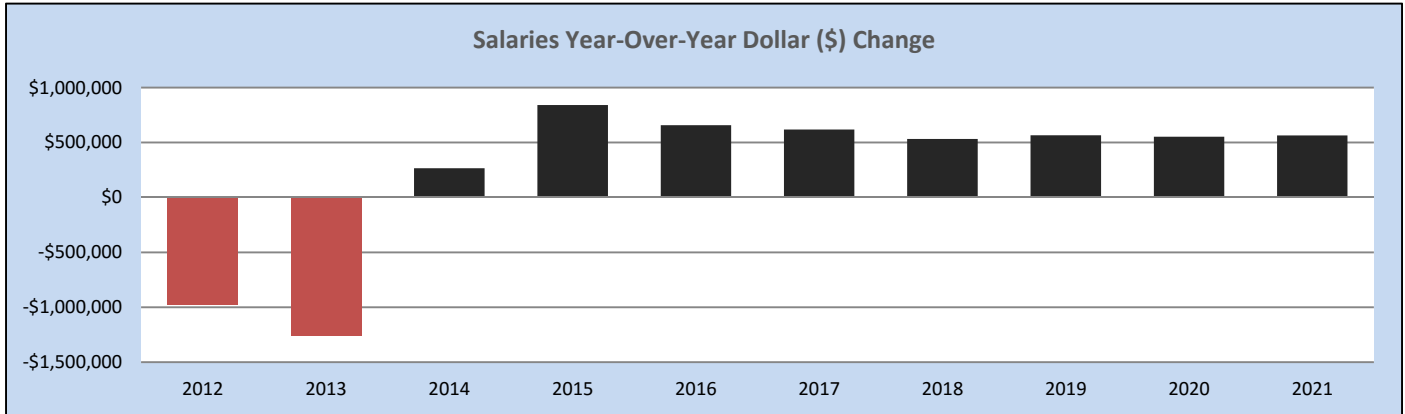
Also, purchased services spending was impacted significantly in 2015 & 2016 because of the continued growth in the number of outgoing open enrollment students. The forecast assumes outgoing open enrollment grow at a more subdued rate through FY2021.



Significant Expenditure Assumptions - I

Salaries

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total	\$12,951,871	\$13,792,525	\$14,450,096	\$15,068,097	\$15,599,780	\$16,164,293	\$16,716,482	\$17,280,673
Annual Dollar Increase		\$840,654	\$657,571	\$618,001	\$531,684	\$564,513	\$552,189	\$564,191
Annual Percent Growth		6.49%	4.77%	4.28%	3.53%	3.62%	3.42%	3.38%



Enrollment Change Compared to Staffing Change					
		Student		Employee	
		ADM	% Change	FTE	% Change
History	2011	2,936		358	
	2012	2,874	-2.11%	380	6.15%
	2013	2,887	0.45%	309	-18.68%
	2014	2,890	0.10%	314	1.62%
	2015	2,975	2.94%	314	0.00%
	2016	2,966	-0.30%	348	10.83%
Projected	2017	2,866	-3.37%	346	-0.57%
	2018	2,901	1.22%	346	0.00%
	2019	2,912	0.38%	349	0.87%
	2020	2,879	-1.13%	349	0.00%
	2021	2,892	0.45%	349	0.00%

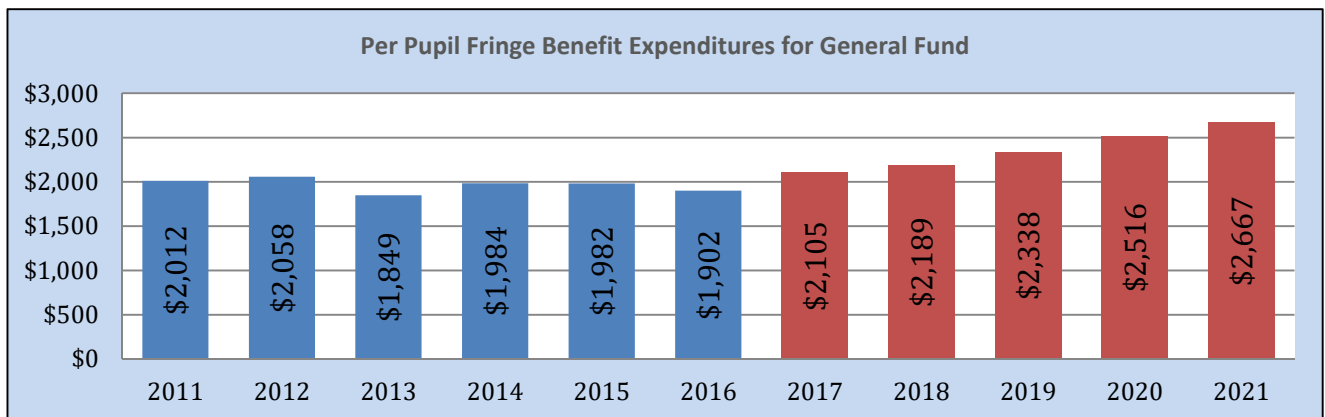
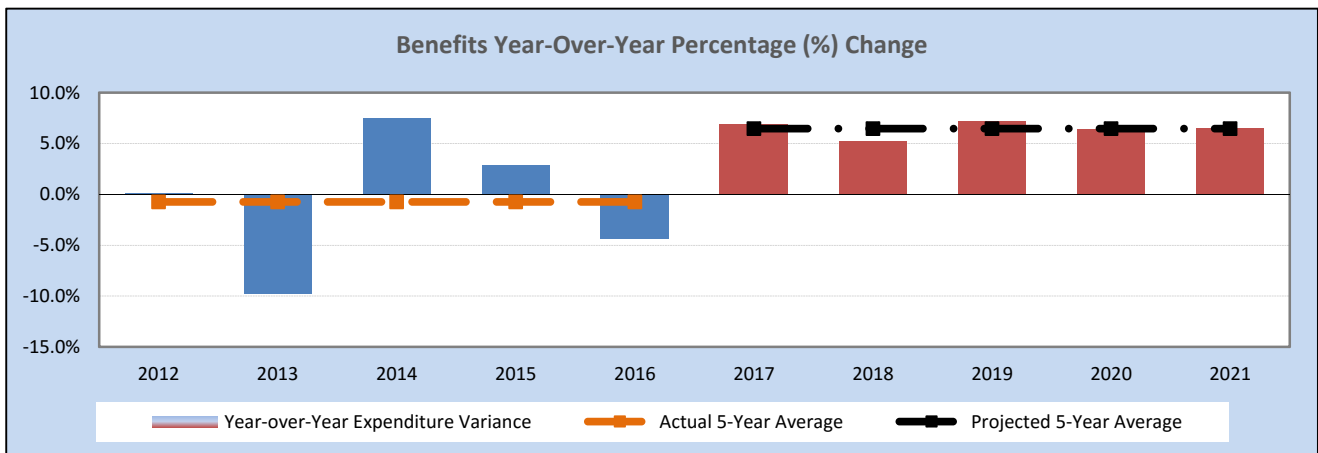
Salaries are projected grow annually by an average +3.64% over the forecast period. From 2014 through 2016 the District restored some teaching and non-certified positions that were critical to student success. The forecast assumes stable staffing levels from 2017 through 2021.

The forecast anticipates base salary increases of 2 to 2.5% over the forecasted period after years of wage freezes which have left district salaries at levels below most neighboring districts. However, to afford wage increases the District recognized the need to address an unsustainable health insurance plan design. Therefore, the District implemented a new high deductible health plan coupled with health savings accounts (HSA) for all employees effective in FY15. For more information see Fringe Benefit note.

Significant Expenditure Assumptions - II

Benefits

	2015	2016	2017	2018	2019	2020	2021
Health Insurance \$ Chg		-\$206,636	\$199,171	\$279,330	\$365,055	\$342,537	\$376,128
Health Insurance % Chg		-7.2%	7.4%	9.7%	11.6%	9.7%	9.7%
Health Insurance	\$2,881,531	\$2,674,895	\$2,874,066	\$3,153,396	\$3,518,452	\$3,860,989	\$4,237,117
All Other Benefits	\$3,015,560	\$2,965,445	\$3,158,161	\$3,196,686	\$3,290,677	\$3,382,617	\$3,476,555
Total	\$5,897,091	\$5,640,340	\$6,032,227	\$6,350,082	\$6,809,129	\$7,243,606	\$7,713,671



In Perspective:

The overall cost of district provided health insurance benefits dropped 16% from FY14 to FY16 as a result of moving from a traditional health insurance plan design to a high deductible plan design. During the transition to the new plan, the Board committed larger contributions to employee Health Savings Accounts (HSA), thus reducing an individual's out-of-pocket exposure. Board contributions to HSA accounts in FY16 were half of the FY15 levels and premiums only increased in FY16 only increased by 2.38%. Both the reduced HSA contributions coupled with small premium increases helped free-up dollars for negotiated salary increases in FY16.

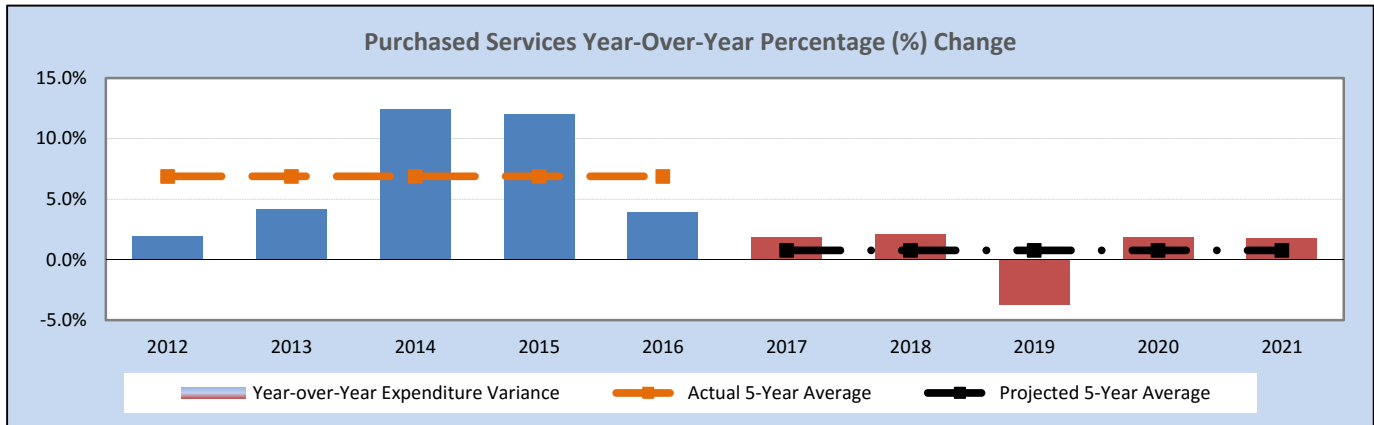
For FY17 and beyond the forecast assumes a consistent number of health plans and rates increases averaging near the current industry trend of approximately 10% per year utilizing FY16 as the base. FY17-FY21 also assumes HSA contributions to continue at FY16 levels.



Significant Expenditure Assumptions - III

Purchased Services

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Comm. School Tuition	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Open Enrollment Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Scholarships & Transfers	\$595,142	\$671,105	\$654,564	\$640,092	\$661,540	\$683,388	\$705,636
Other	\$7,073,830	\$7,296,141	\$7,459,604	\$7,645,614	\$7,313,060	\$7,436,261	\$7,560,807
Total	\$7,668,972	\$7,967,246	\$8,114,168	\$8,285,706	\$7,974,600	\$8,119,649	\$8,266,443
YOY \$\$ Change	\$824,295	\$298,274	\$146,922	\$171,539	-\$311,106	\$145,049	\$146,794
YOY % Change	12.0%	3.9%	1.8%	2.1%	-3.8%	1.8%	1.8%



In Perspective:

This category also accounts for a variety of other expenses including: special education tuition, utilities, transportation charges, rentals, as well as outgoing student enrollment charges.

Approximately \$200,000 of the spending increase from FY2014 to FY2015 was related to transfers to community schools and other external scholarships, as well as the continued growth in outgoing open enrollment students. The District lost a total of 671 students through open enrollment and another 94 to community schools in FY16. The District expects outgoing open enrollment to scale back a bit to 659 in FY17. Outgoing community school levels are projected to remain consistent at approximately 90 students in FY17 and beyond. The forecast assumes outgoing open enrollment drop a bit more in FY19 to approximately 626 students when the District's new building are complete.

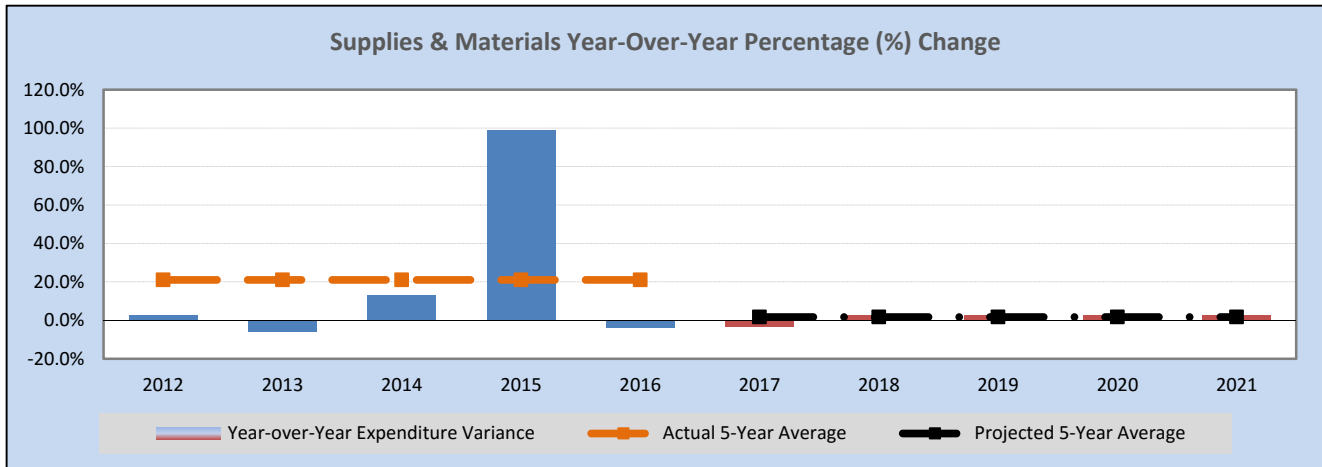
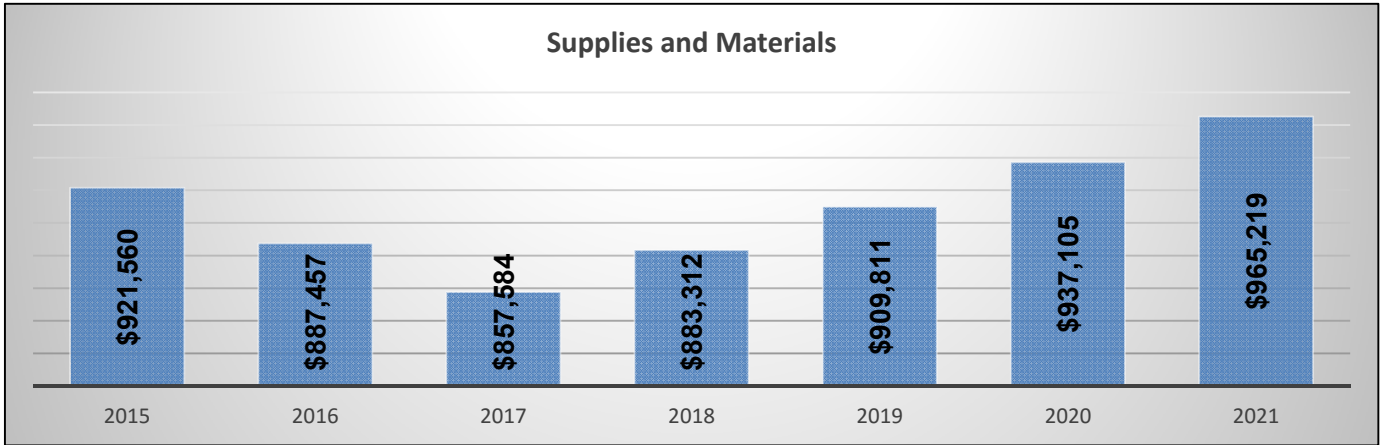
In FY15 the District returned approximately \$125,000 worth of purchased service spending from its Permanent Improvement Fund to the General Fund. Also, FY2015 was affected by a one-time \$240,000 catch up payment for VLA charges. FY16 spending increased 3.89% from FY15 levels. FY17 and FY18 are expected to increase by similar levels. The District's new buildings are expected to open in FY19 and savings are anticipated in conjunction with improved efficiencies.



Significant Expenditure Assumptions - IV

Supplies and Materials

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total	\$921,560	\$887,457	\$857,584	\$883,312	\$909,811	\$937,105	\$965,219



In Perspective:

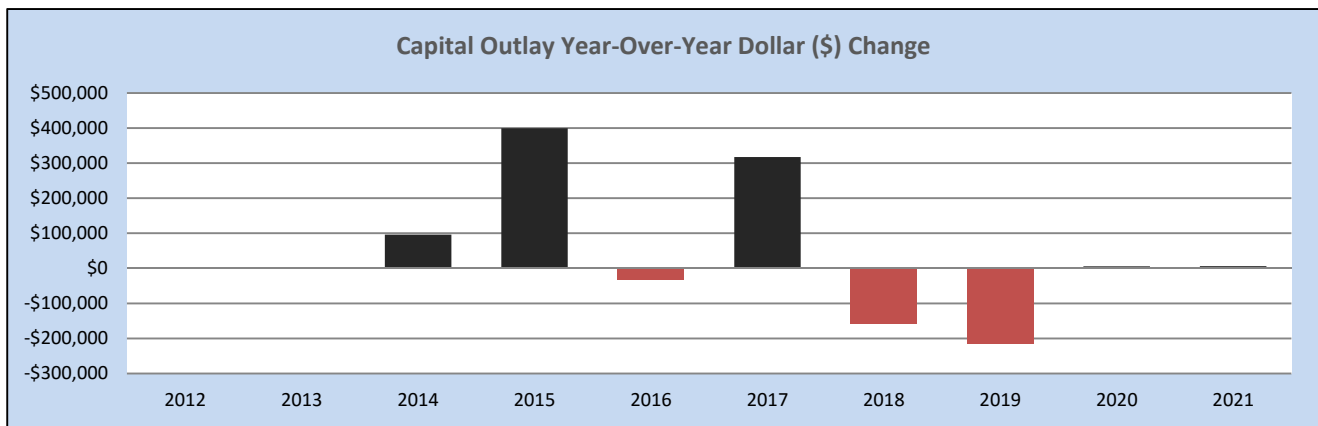
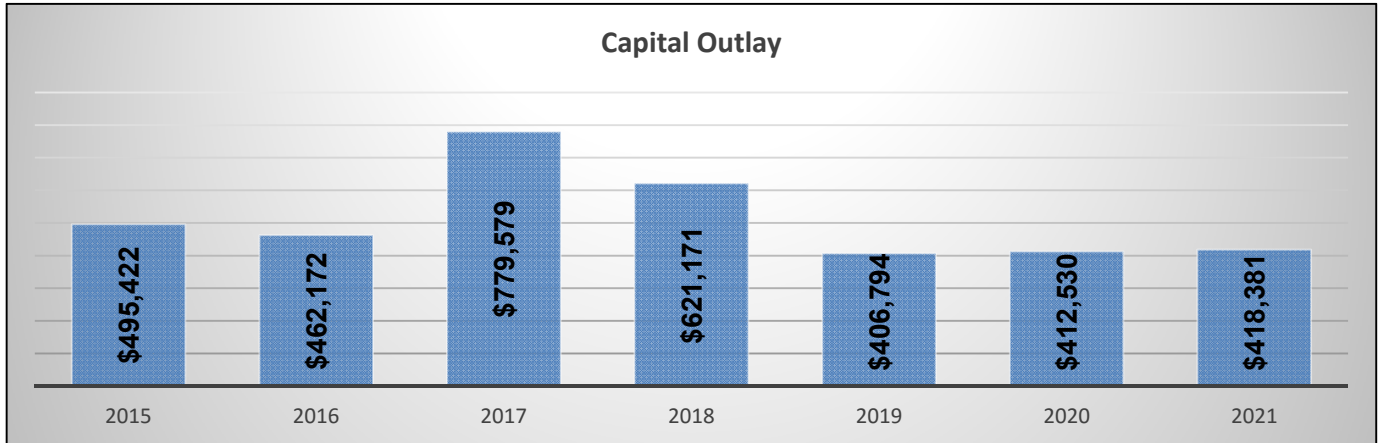
The District returned approximately \$450,000 worth of supply expenditures from its Permanent Improvement Fund to the General Fund in FY2015. The district is projecting normal inflationary growth rates from 2017 to 2021.



Significant Expenditure Assumptions - V

Capital Outlay

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total	\$495,422	\$462,172	\$779,579	\$621,171	\$406,794	\$412,530	\$418,381



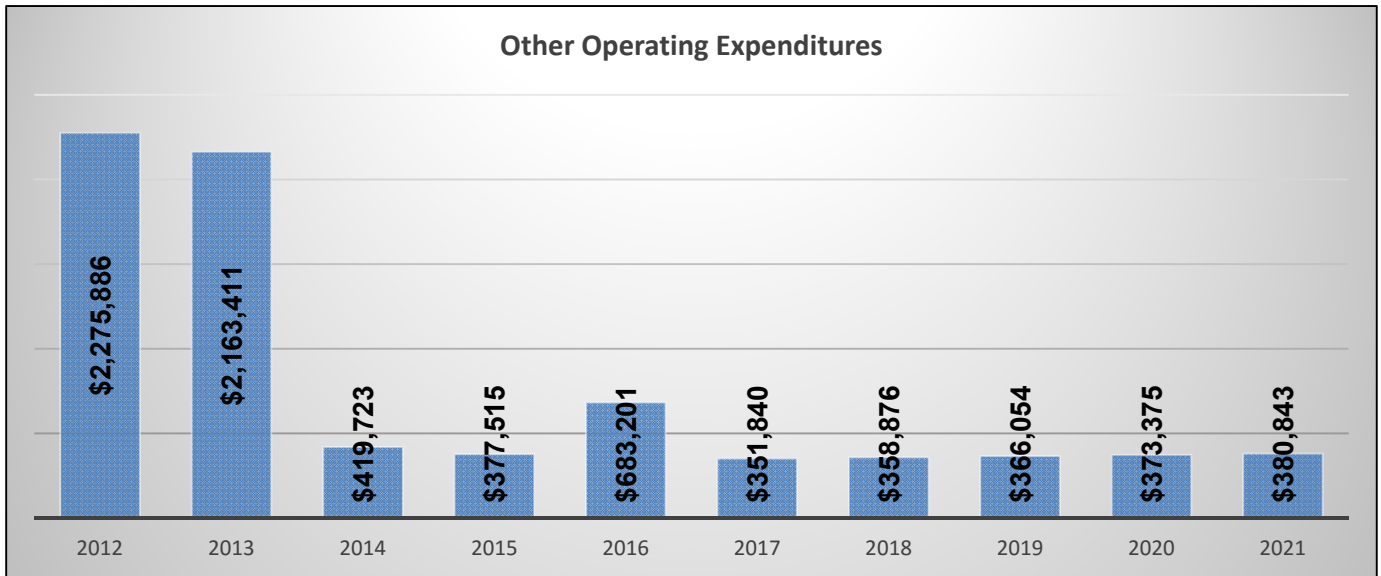
In Perspective:

The District began to return Capital spending to the General Fund in FY14. Part of those expenses included funding for a new technology plan which will continue through FY2020. The forecast also assumes 2 to 3 bus purchases per year in fiscal years 2016 through 2021. The District is studying its capital planning to determine if some one-time general fund revenue can be used for the next two to three years. The district's expenditures are trending toward exceeding revenue, and therefore any plan would be considered an interim plan that generally relies upon one-time cash balance dollars.

Significant Expenditure Assumptions - VI

Other Operating Expenditures

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Intergovernmental, Debt & Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Objects	\$377,515	\$683,201	\$351,840	\$358,876	\$366,054	\$373,375	\$380,843



In Perspective:

As previously mentioned in the Other Operating Revenue narrative, FY2012 and FY2013 reflect the repayment of short-term cash flow borrowing. As mentioned on the revenue side of the ledger, both revenue and expenditure were inflated in FY2016 by the in and out transaction of \$331,415 to account for bond premiums (See Other Revenue for the related receipt posting).

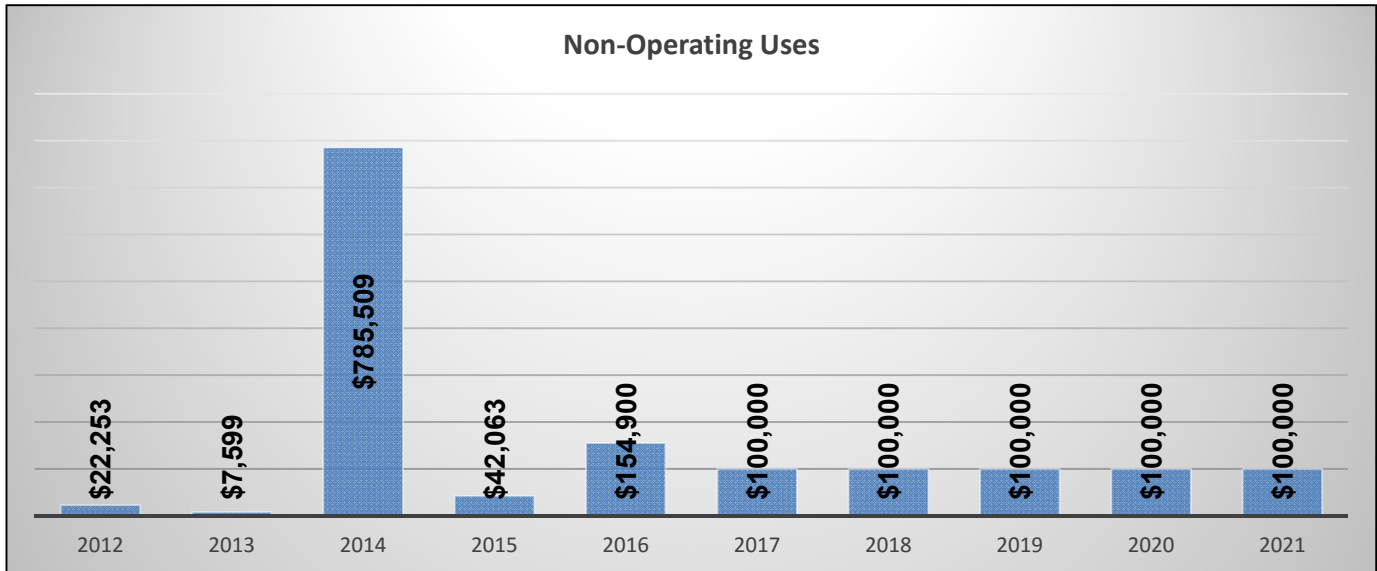
Aside from these large repayments, the other charges here are primarily related to county auditor and treasurer fees which serve as the basis of the projections from FY2017 – FY2021.



Significant Expenditure Assumptions - VII

Non-Operating Uses

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Advances Out	\$42,063	\$129,900	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Transfers Out	\$0	\$25,000	\$0	\$0	\$0	\$0	\$0
Other Financing Uses	\$0	\$0	\$0	\$0	\$0	\$0	\$0



In Perspective:

FY2014 reflects the transfer of \$721,912 from the General Fund to the Permanent Improvement Fund. As previously mentioned, this transfer supported capital purchases necessary to maintain equipment and facilities. Moving forward, the District does not plan to transfer additional General Fund dollars, rather it intends to make necessary purchases directly from the General Fund instead of PI.

For FY2017 – FY21 the forecast only assumes advances of \$100,000 to address Federal program cash shortfalls during the year. These advance outs are offset by corresponding advance ins reflected on the revenue side of the ledger in Non-Operating Sources.



Chillicothe City School District
Schedule Of Revenue, Expenditures and Changes In Fund Balances
Actual and Forecasted Operating Fund

	ACTUAL			FORECASTED				
	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Revenue:								
1.010 - General Property Tax (Real Estate)	9,845,212	10,727,990	10,348,797	9,739,752	9,767,938	9,216,033	8,692,531	8,759,939
1.020 - Public Utility Personal Property	1,093,025	1,242,017	1,239,615	1,219,793	1,244,838	1,217,317	1,189,530	1,213,321
1.030 - Income Tax	-	-	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	10,860,146	10,932,071	11,877,370	12,774,267	14,257,423	14,975,663	15,743,573	16,533,768
1.040 - Restricted Grants-in-Aid	1,025,449	2,054,522	2,112,726	2,224,819	1,425,530	1,481,494	1,514,359	1,558,719
1.045 - Restricted Federal Grants-in-Aid - SFSP	-	-	-	-	-	-	-	-
1.050 - Property Tax Allocation	3,830,992	3,996,746	3,631,076	3,295,740	3,059,604	2,728,892	2,402,569	2,167,880
1.060 - All Other Operating Revenues	2,057,912	2,120,651	2,927,054	2,533,984	2,501,903	2,552,139	2,602,919	2,654,244
1.070 - Total Revenue	28,712,736	31,073,997	32,136,638	31,788,355	32,257,236	32,171,538	32,145,480	32,887,872
Other Financing Sources:								
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-	-	-
2.020 - State Emergency Loans and Advancements	-	-	-	-	-	-	-	-
2.040 - Operating Transfers-In	222,307	-	-	-	-	-	-	-
2.050 - Advances-In	606	61,233	99,228	100,000	100,000	100,000	100,000	100,000
2.060 - All Other Financing Sources	89,051	109,071	22,775	1,500	1,500	1,500	1,500	1,500
2.070 - Total Other Financing Sources	311,964	170,304	122,003	101,500	101,500	101,500	101,500	101,500
2.080 - Total Revenues and Other Financing Sources	29,024,700	31,244,301	32,258,641	31,889,855	32,358,736	32,273,038	32,246,980	32,989,372
Expenditures:								
3.010 - Personnel Services	12,951,871	13,792,525	14,450,096	15,068,097	15,599,780	16,164,293	16,716,482	17,280,673
3.020 - Employees' Retirement/Insurance Benefits	5,734,946	5,897,091	5,640,340	6,032,227	6,350,082	6,809,129	7,243,606	7,713,671
3.030 - Purchased Services	6,844,677	7,668,972	7,967,246	8,114,168	8,285,706	7,974,600	8,119,649	8,266,443
3.040 - Supplies and Materials	462,681	921,560	887,457	857,584	883,312	909,811	937,105	965,219
3.050 - Capital Outlay	95,904	495,422	462,172	779,579	621,171	406,794	412,530	418,381
3.060 - Intergovernmental	-	-	-	-	-	-	-	-
Debt Service:								
4.010 - Principal-All Years	-	-	-	-	-	-	-	-
4.020 - Principal - Notes	-	-	-	-	-	-	-	-
4.030 - Principal - State Loans	-	-	-	-	-	-	-	-
4.040 - Principal - State Advances	-	-	-	-	-	-	-	-
4.050 - Principal - HB264 Loan	-	-	-	-	-	-	-	-
4.055 - Principal - Other	-	-	-	-	-	-	-	-
4.060 - Interest and Fiscal Charges	-	-	-	-	-	-	-	-
4.300 - Other Objects	419,723	377,515	683,201	351,840	358,876	366,054	373,375	380,843
4.500 - Total Expenditures	26,509,802	29,153,085	30,090,512	31,203,494	32,098,928	32,630,682	33,802,747	35,025,229
Other Financing Uses								
5.010 - Operating Transfers-Out	724,276	-	25,000	-	-	-	-	-
5.020 - Advances-Out	61,233	42,063	129,900	100,000	100,000	100,000	100,000	100,000
5.030 - All Other Financing Uses	-	-	-	-	-	-	-	-
5.040 - Total Other Financing Uses	785,509	42,063	154,900	100,000	100,000	100,000	100,000	100,000
5.050 - Total Expenditures and Other Financing Uses	27,295,311	29,195,148	30,245,412	31,303,494	32,198,928	32,730,682	33,902,747	35,125,229
Excess of Rev & Other Financing Uses Over (Under)								
6.010 - Expenditures and Other Financing Uses	1,729,389	2,049,153	2,013,229	586,361	159,808	(457,644)	(1,655,767)	(2,135,857)
Cash Balance July 1 - Excluding Proposed Renewal/								
7.010 - Replacement and New Levies	2,525,695	4,255,084	6,304,237	8,317,466	8,903,827	9,063,635	8,605,991	6,950,224
7.020 - Cash Balance June 30	4,255,084	6,304,237	8,317,466	8,903,827	9,063,635	8,605,991	6,950,224	4,814,367
8.010 - Estimated Encumbrances June 30	150,000	150,000	391,397	150,000	150,000	150,000	150,000	150,000
Reservations of Fund Balance:								
9.010 - Textbooks and Instructional Materials	-	-	-	-	-	-	-	-
9.020 - Capital Improvements	-	-	-	-	-	-	-	-
9.030 - Budget Reserve	-	-	-	-	-	-	-	-
9.040 - DPIA	-	-	-	-	-	-	-	-
9.050 - Debt Service	-	-	-	-	-	-	-	-
9.060 - Property Tax Advances	-	-	-	-	-	-	-	-
9.070 - Bus Purchases	-	-	-	-	-	-	-	-
9.080 - Subtotal	-	-	-	-	-	-	-	-
Fund Balance June 30 for Certification								
10.010 - of Appropriations	4,105,084	6,154,237	7,926,069	8,753,827	8,913,635	8,455,991	6,800,224	4,664,367
Rev from Replacement/Renewal Levies								
11.010 - Income Tax - Renewal	-	-	-	-	-	-	-	-
11.020 - Property Tax - Renewal or Replacement	-	-	-	-	-	736,999	1,473,927	1,473,882
11.030 - Cumulative Balance of Replacement/Renewal Levies	-	-	-	-	-	736,999	2,210,927	3,684,808
Fund Balance June 30 for Certification								
12.010 - of Contracts, Salary and Other Obligations	4,105,084	6,154,237	7,926,069	8,753,827	8,913,635	9,192,991	9,011,151	8,349,175
Revenue from New Levies								
13.010 - Income Tax - New	-	-	-	-	-	-	-	-
13.020 - Property Tax - New	-	-	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-	-	-
14.010 - Revenue from Future State Advancements	-	-	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	4,105,084	6,154,237	7,926,069	8,753,827	8,913,635	9,192,991	9,011,151	8,349,175
ADM Forecasts								
20.010 - Kindergarten	-	-	-	180	255	225	230	245
20.015 - Grades 1-12	-	-	-	2,686	2,646	2,687	2,649	2,647

Five Year Percent Changes - Five Year Average

Chillicothe City School District

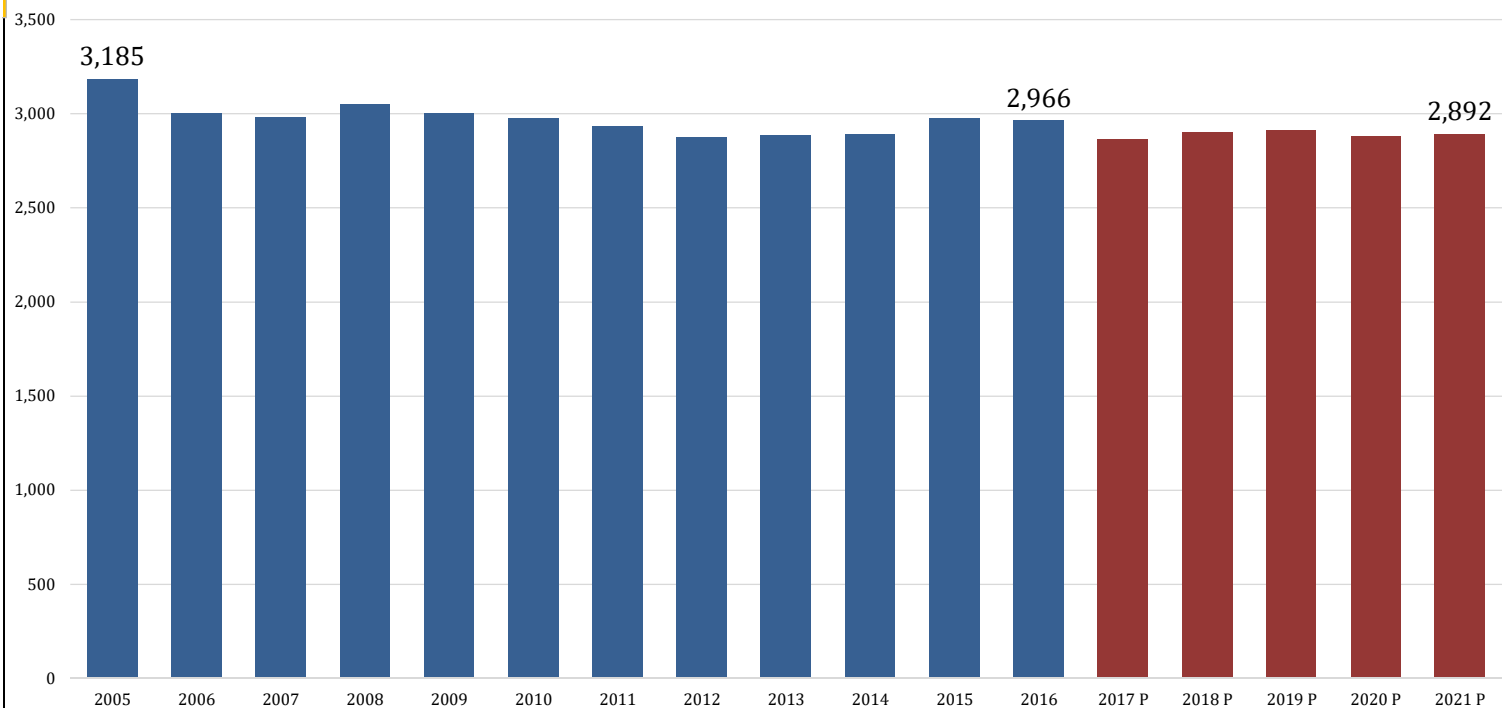
	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	
Revenue:							
1.010 - General Property Tax (Real Estate)	3.71%	-5.89%	0.29%	-5.65%	-5.68%	0.78%	-3.23%
1.020 - Public Utility Personal Property	5.48%	-1.60%	2.05%	-2.21%	-2.28%	2.00%	-0.41%
1.030 - Income Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1.035 - Unrestricted Grants-in-Aid	3.64%	7.55%	11.61%	5.04%	5.13%	5.02%	6.87%
1.040 - Restricted Grants-in-Aid	51.59%	5.31%	-35.93%	3.93%	2.22%	2.93%	-4.31%
1.045 - Restricted Federal Grants-in-Aid - SFSF	-71.23%	n/a	n/a	n/a	n/a	n/a	n/a
1.050 - Property Tax Allocation	-4.84%	-9.24%	-7.16%	-10.81%	-11.96%	-9.77%	-9.79%
1.060 - All Other Operating Revenues	13.44%	-13.43%	-1.27%	2.01%	1.99%	1.97%	-1.75%
1.070 - Total Revenue	3.78%	-1.08%	1.48%	-0.27%	-0.08%	2.31%	0.47%
2.010 - Proceeds from Sale of Notes	-25.00%	n/a	n/a	n/a	n/a	n/a	n/a
2.020 - State Emergency Loans and Advancements	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2.040 - Operating Transfers-In	1852458.41%	n/a	n/a	n/a	n/a	n/a	n/a
2.050 - Advances-In	1966.77%	0.78%	0.00%	0.00%	0.00%	0.00%	0.16%
2.060 - All Other Financing Sources	157.10%	-93.41%	0.00%	0.00%	0.00%	0.00%	-18.68%
2.070 - Total Other Financing Sources	53.54%	-16.81%	0.00%	0.00%	0.00%	0.00%	-3.36%
2.080 - Total Revenues and Other Financing Sources	3.58%	-1.14%	1.47%	-0.26%	-0.08%	2.30%	0.46%
Expenditures:							
3.010 - Personnel Services	-0.45%	4.28%	3.53%	3.62%	3.42%	3.38%	3.64%
3.020 - Employees' Retirement/Insurance Benefits	-0.74%	6.95%	5.27%	7.23%	6.38%	6.49%	6.46%
3.030 - Purchased Services	6.88%	1.84%	2.11%	-3.75%	1.82%	1.81%	0.77%
3.040 - Supplies and Materials	21.05%	-3.37%	3.00%	3.00%	3.00%	3.00%	1.73%
3.050 - Capital Outlay	204.93%	68.68%	-20.32%	-34.51%	1.41%	1.42%	3.33%
3.060 - Intergovernmental	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.010 - 4.060 - Principal, Interest & Fiscal Charges	77.00%	n/a	n/a	n/a	n/a	n/a	n/a
4.300 - Other Objects	8.52%	-48.50%	2.00%	2.00%	2.00%	2.00%	-8.10%
4.500 - Total Expenditures	1.58%	3.70%	2.87%	1.66%	3.59%	3.62%	3.09%
5.010 - Operating Transfers-Out	3352.39%	-100.00%	n/a	n/a	n/a	n/a	-100.00%
5.020 - Advances-Out	2004.34%	-23.02%	0.00%	0.00%	0.00%	0.00%	-4.60%
5.030 - All Other Financing Uses	506.67%	n/a	n/a	n/a	n/a	n/a	n/a
5.040 - Total Other Financing Uses	2051.74%	-35.44%	0.00%	0.00%	0.00%	0.00%	-7.09%
5.050 - Total Expenditures and Other Financing Uses	1.53%	3.50%	2.86%	1.65%	3.58%	3.61%	3.04%
Excess of Rev & Other Financing Uses Over (Under)							
6.010 - Expenditures and Other Financing Uses	12.82%	-70.87%	-72.75%	-386.37%	261.80%	29.00%	-47.84%
Cash Balance July 1 - Excluding Proposed Renewal/							
7.010 - Replacement and New Levies	16.91%	31.93%	7.05%	1.79%	-5.05%	-19.24%	3.30%
7.020 - Cash Balance June 30	28.32%	7.05%	1.79%	-5.05%	-19.24%	-30.73%	-9.24%

Head Count Summary/Analysis

Chillicothe City School District

	2017	2018	2019	2020	2021	
Prior Year Actual/Estimated Enrollment (October Count)	<u>2,966</u>	2,866	2,901	2,912	2,879	
Projected Changes to Prior Year Enrollment						
Net All-Grade Level Mobility Factor (Change) to Prior Year	-2	5	-2	-6	-1	
Net Aggregate Manual Adjustments to Mobility Factor	-35	0	0	20	0	
New Kindergartners In	180	255	225	230	245	
Loss of Seniors from Prior Year	-243	-225	-212	-277	-231	
Net Change in Outgoing and Incoming Pupils	-63	30	13	-47	14	
Current Year Estimated Enrollment (Simulated October Count)	2,866	2,901	2,912	2,879	2,892	
District Head Count	Grade					
	K	180	255	225	230	245
	1	212	176	249	219	224
	2	238	202	167	237	208
	3	206	240	204	168	239
	4	214	201	234	199	164
	5	208	212	199	231	197
	6	200	207	211	198	230
	7	209	202	209	213	200
	8	232	211	204	211	215
	9	248	270	245	257	245
	10	279	233	254	230	242
	11	215	280	234	255	231
	12	225	212	277	231	252
Total Can Differ by Rounding	2,866	2,901	2,912	2,879	2,892	
Year-Over-Year Percentage Change	-3.37%	1.22%	0.38%	-1.13%	0.45%	

Historic vs. Projected Enrollment



Comparison of Previous Forecast Amounts to Current

Fiscal Year 2017 Forecasted Amounts

		Column A	Column B	Column C	Column D
		Previous Forecast Amounts For F.Y. 2017 Prepared on: 05/04/2016	Current Forecast Amounts For F.Y. 2017 Prepared on: 9/22/2016	Dollar Difference Between Previous and Current	Percent Difference Between Previous and Current
Revenue:					
1	Real Estate & Property Allocation	\$13,011,624	\$13,035,492	\$23,868	0.2%
2	Public Utility Personal Property	\$1,220,629	\$1,219,793	-\$836	-0.1%
3	Income Tax	\$0	\$0	\$0	n/a
4	State Foundation Restricted & Unrestricted	\$14,974,360	\$14,999,086	\$24,726	0.2%
5	Other Revenue	\$2,460,455	\$2,533,984	\$73,529	3.0%
6	Other Non Operating Revenue	\$101,500	\$101,500	\$0	0.0%
7	Total Revenue	\$31,768,568	\$31,889,855	\$121,287	0.4%

Expenditures:

8	Salaries	\$15,203,660	\$15,068,097	-\$135,563	-0.9%
9	Fringe Benefits	\$5,852,098	\$6,032,227	\$180,129	3.1%
10	Purchased Services	\$8,106,622	\$8,114,168	\$7,546	0.1%
11	Supplies,Debt, Capital Outlay & Other	\$1,924,834	\$1,989,003	\$64,169	3.3%
12	Other Non Operating Expenditures	\$100,000	\$100,000	\$0	0.0%
13	Total Expenditures	\$31,187,214	\$31,303,494	\$116,280	0.4%

14	Revenue Over/(Under) Expenditures	\$581,354	\$586,361	\$5,007	0.0%
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15	Ending Cash Balance	\$9,005,028	\$8,903,827	-\$101,201	
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In Perspective:

The forecast for FY17 remains very consistent with the forecast filed in May 2016, which was prepared after the District passed its bond issue and took action to reduce 3.2 mills of emergency operating millage. Overall, the updated forecast for FY17 is virtually identical to the one filed in May.

Comparison of Previous Forecast Amounts to Current

Fiscal Year 2018 Forecasted Amounts

		Column A	Column B	Column C	Column D
		Previous	Current	Dollar	Percent
		Forecast	Forecast	Difference	Difference
		Amounts For	Amounts For	Between	Between
		F.Y. 2018	F.Y. 2018	Previous	Previous
		Prepared on:	Prepared on:	and	and
		05/04/2016	9/22/2016	Current	Current
Revenue:					
1	Real Estate & Property Allocation	\$12,807,984	\$12,827,542	\$19,558	0.2%
2	Public Utility Personal Property	\$1,243,320	\$1,244,838	\$1,518	0.1%
3	Income Tax	\$0	\$0	\$0	n/a
4	State Foundation Restricted & Unrestricted	\$15,688,080	\$15,682,953	-\$5,127	0.0%
5	Other Revenue	\$2,608,455	\$2,501,903	-\$106,552	-4.1%
6	Other Non Operating Revenue	\$101,500	\$101,500	\$0	0.0%
7	Total Revenue	\$32,449,339	\$32,358,736	-\$90,603	-0.3%
Expenditures:					
8	Salaries	\$15,772,204	\$15,599,780	-\$172,424	-1.1%
9	Fringe Benefits	\$6,201,279	\$6,350,082	\$148,803	2.4%
10	Purchased Services	\$8,305,613	\$8,285,706	-\$19,907	-0.2%
11	Supplies,Debt, Capital Outlay & Other	\$2,002,155	\$1,863,359	-\$138,796	-6.9%
12	Other Non Operating Expenditures	\$100,000	\$100,000	\$0	0.0%
13	Total Expenditures	\$32,381,251	\$32,198,928	-\$182,323	-0.6%
14	Revenue Over/(Under) Expenditures	\$68,088	\$159,808	\$91,720	0.3%
15	Ending Cash Balance	\$9,073,115	\$9,063,635	-\$9,480	

In Perspective:

Again, the forecast for FY18 remains very consistent with the forecast filed in May 2016 after passage of the District's bond issue and related 3.2 mill emergency operating reduction. Overall, the forecast for FY18 and filed in December has changed less than 0.5%.