



Chillicothe City School District

Five Year Forecast Financial Report

October, 2019

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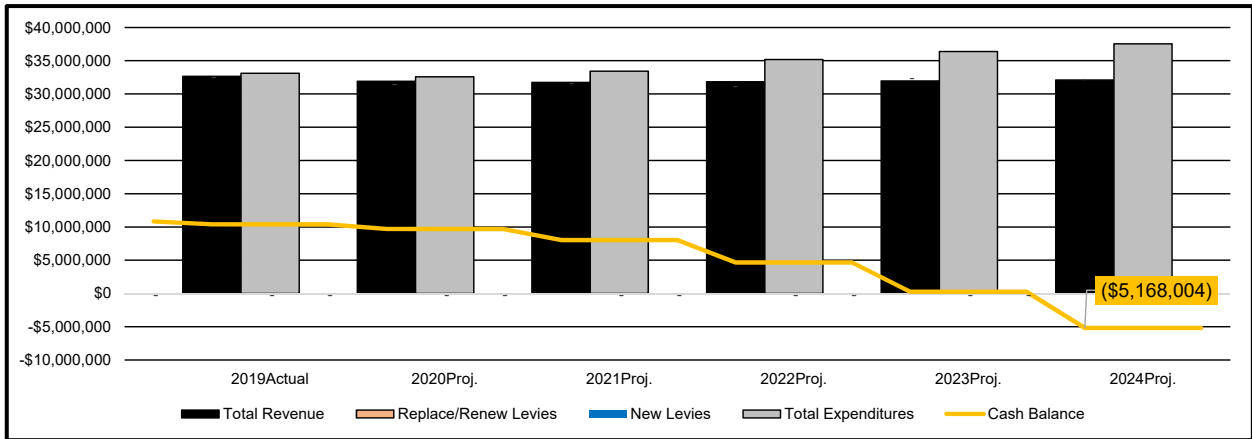
Forecast Purpose/Objectives

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



Note: Cash balance includes any existing levy modeled as renewed during the forecast.
Cash balance is not reduced for encumbrances.

Financial Forecast

	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Beginning Balance	10,391,162	9,709,393	8,038,696	4,684,258	261,470
+ Revenue	31,907,887	31,744,061	31,833,209	31,954,185	32,109,781
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(32,589,656)	(33,414,758)	(35,187,647)	(36,376,973)	(37,539,255)
= Revenue Surplus or Deficit	(681,769)	(1,670,697)	(3,354,438)	(4,422,788)	(5,429,474)
Ending Balance with renewal levies Note: Not Reduced for Encumbrances	9,709,393	8,038,696	4,684,258	261,470	(5,168,004)

Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	(681,769)	(1,670,697)	(3,354,438)	(4,422,788)	(5,429,474)
Ending Balance w/o Levies	9,709,393	8,038,696	4,684,258	261,470	(5,168,004)

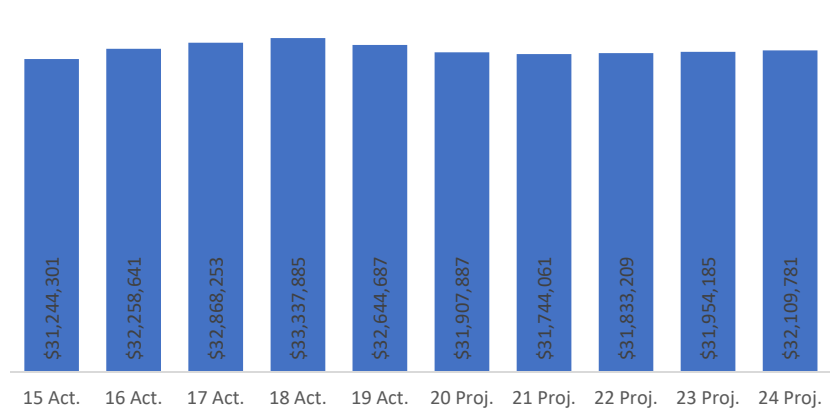
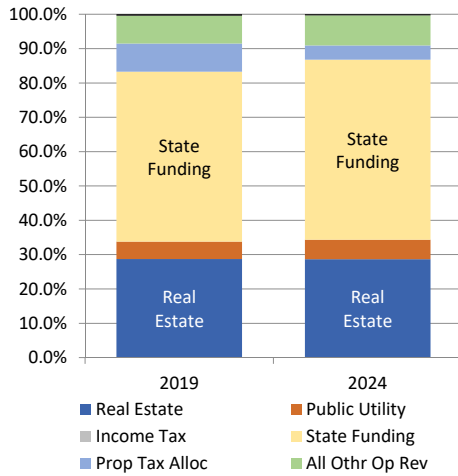
In FY 2020 a revenue shortfall is expected. This means that expenditures are expected to be greater than revenue by \$681,769 in FY 2020. By the last year of the forecast, FY 2024, the district is expected to have a revenue shortfall where expenditures are projected to be greater than revenue by \$5,429,474. The district would need to cut its FY 2024 projected expenses by 16.91% in order to balance its budget without additional revenue.

The district's cash balance is positive at year-end in FY 2020 and is projected to worsen by FY 2024. A worsening cash balance can erode the district's financial stability over time.

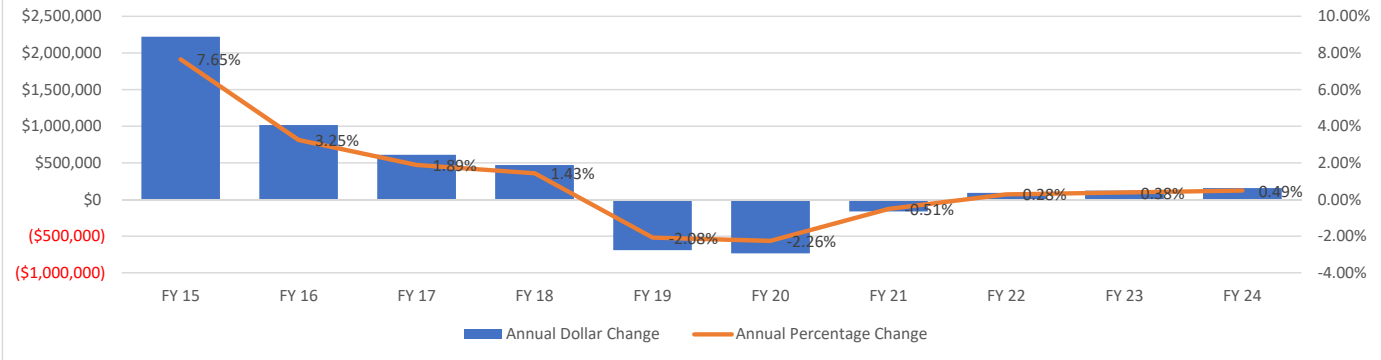
Without the collections from the expired emergency levy, the District's trend of expenditures exceeding revenue has been accelerated. While the District's cash balances are projected to remain healthy over the next two to three years, operational deficits are projected to grow to over \$3 million by FY2022. Therefore, it is imperative the District remain vigilant in its planning efforts and make conservative spending decisions.

Revenue Sources and Forecast Year-Over-Year Projected Overview

Sources of Revenue Over Time



Year-Over-Year Dollar & Percentage Change



5-Year Historical Actual Average Annual Dollar Change Compared to 5-Year Projected

	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance
Real Estate	(\$94,621)	(\$33,042)	\$61,579
Public Utility	\$113,650	\$32,366	(\$81,284)
Income Tax	\$0	\$0	\$0
State Funding	\$853,317	\$136,170	(\$717,147)
Prop Tax Alloc	(\$230,670)	(\$267,528)	(\$36,858)
All Othr Op Rev	\$119,865	\$29,601	(\$90,264)
Other Sources	(\$37,544)	(\$4,549)	\$32,995
Total Average Annual Change	\$723,997 2.43%	(\$106,981) -0.32%	(\$830,979) -2.75%

Total revenue increased 2.43% or \$723,997 annually during the past five years and is projected to decrease -0.32% or -\$106,981 annually through FY2024. State Funding has the most projected average annual variance compared to the historical average at -\$717,147

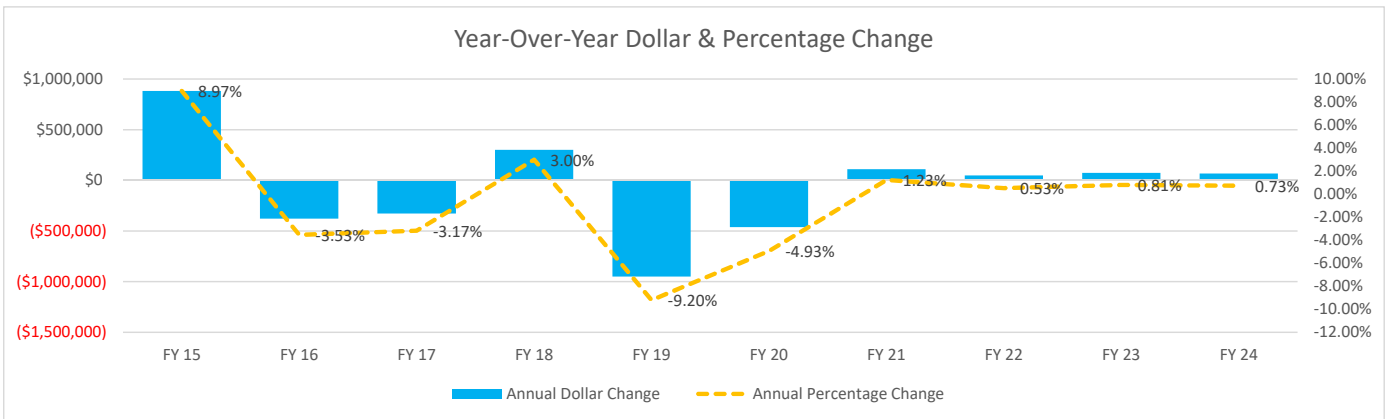
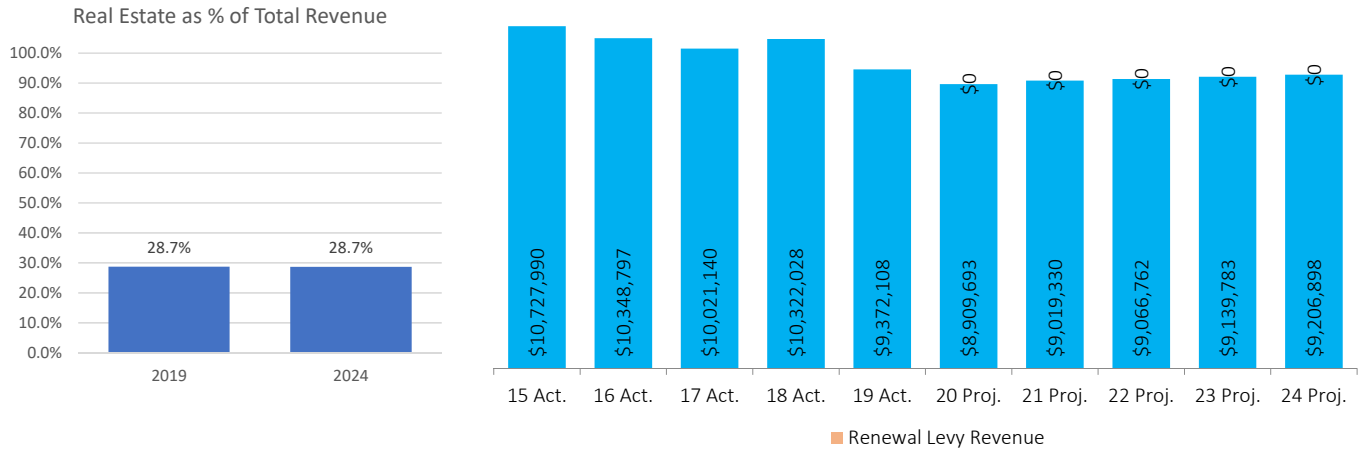
State Revenue expects continued growth, while local real estate collections are expected to decline (related to the expired emergency levy). This is also the reason state revenue is expected to supply a larger portion of the District's overall revenue by FY2024. Overall, revenue is expected to remain static over the upcoming 5-year period again driven by the expired emergency levy and continued phase-out of the tangible tax reimbursement (reflected in Property Tax Alloc).

Note: Expenditure average annual change is projected to be >

\$887,945 On an annual average basis, expenditures are projected to grow faster than revenue.

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).



Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2018	383,293,030	2,814,210	24.91	(3.69)	28.81	(4.01)	100.5%
2019	413,781,833	30,488,803	23.00	(1.92)	28.20	(0.60)	99.9%
2020	415,744,525	1,962,691	23.00	-	28.20	-	99.9%
2021	417,721,799	1,977,275	23.00	-	28.20	-	99.9%
2022	436,646,799	18,925,000	22.22	(0.78)	27.28	(0.92)	99.8%
2023	438,521,799	1,875,000	22.22	-	27.28	-	99.8%

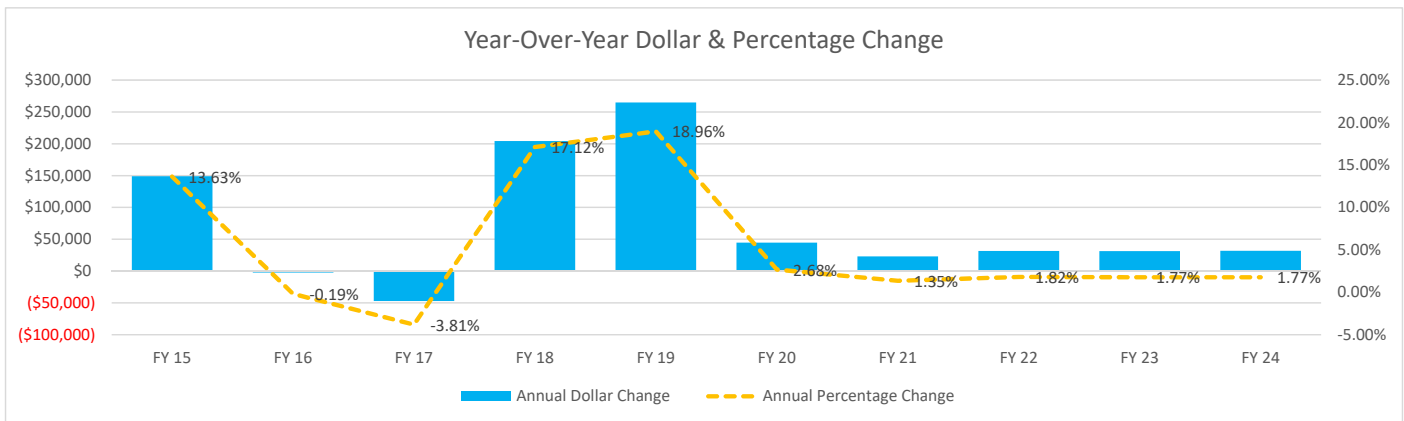
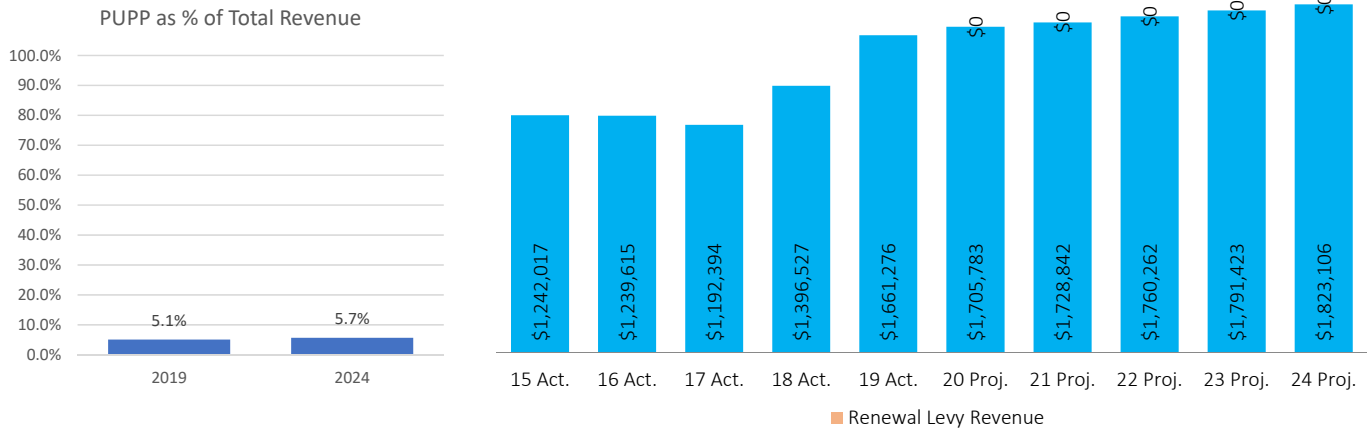
Real estate property tax revenue accounts for 28.71% of total revenue. Class I or residential/agricultural taxes make up approximately 64.78% of the real estate property tax revenue. The Class I tax rate is 23. mills in tax year 2019. The projections reflect an average gross collection rate of 99.8% annually through tax year 2023. The revenue changed at an average annual historical rate of 0.79% and is projected to change at an average annual rate of -0.33% through FY 2024.

The District made the decision to allow its \$1.5 million emergency levy (3.7 mills) to expire at the end of 2018. Therefore, both FY2019 & FY2020 reflects reduced collections. Collections in FY2021-2023 are expected to grow slightly associated with increasing valuations.

*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.



Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2018	38,897,870	4,685,620	43.70	(3.70)	100.0%
2019	39,205,650	307,780	43.70	-	100.0%
2020	39,917,538	711,888	43.70	-	100.0%
2021	40,643,665	726,126	43.70	-	100.0%
2022	41,343,665	700,000	43.70	-	100.0%
2023	42,093,665	750,000	43.70	-	100.0%

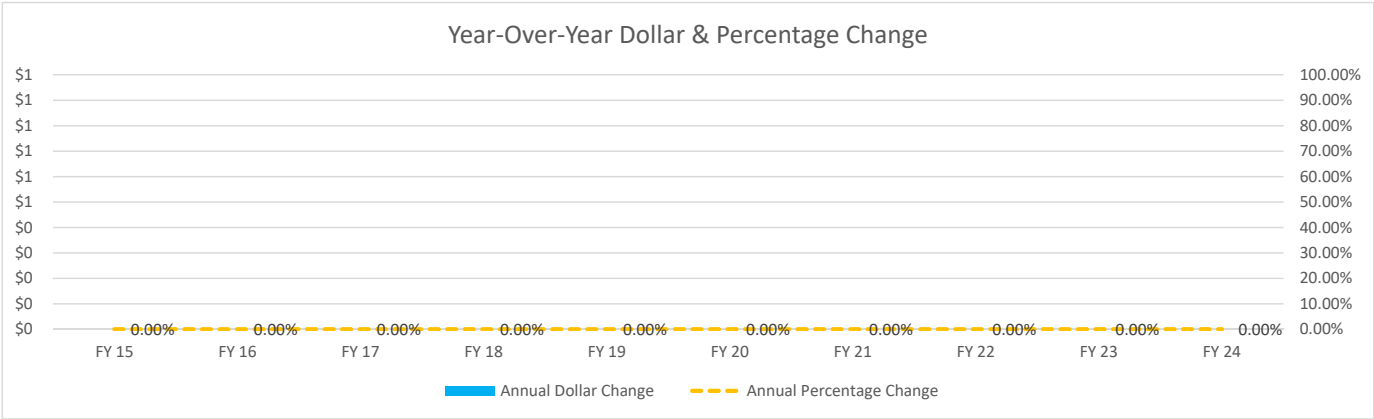
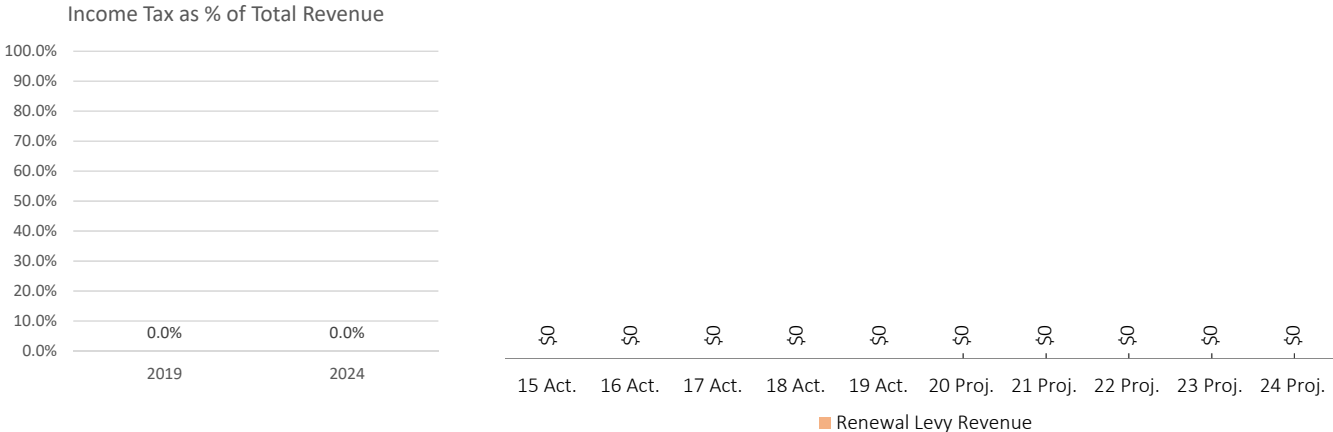
The public utility personal property tax revenue is generated from the personal property values, additions, and depreciation reported by the utility companies. This category currently makes up 5.09% of total district revenue. The property is taxed at the full voted tax rate which in tax year 2019 is 43.7 mills. The forecast is modeling an average gross collection rate of 100.00%. The revenue changed historically at an average annual dollar amount of \$113,650 and is projected to change at an average annual dollar amount of \$32,366 through FY 2024.

Despite non-renewing the emergency levy, collections are still forecasted to grow through the end of the projection period. This growth is attributable to valuation increases. Values in 2017 jumped nearly 40% or \$10 million related to utility infrastructure improvements which impacted collections in calendar 2018. Valuations grew again by another \$4.7 million in 2018 for collections in 2019 explaining the continued growth into FY2020. Subsequent public utility values are expected to increase by 1.8% per year leading to modest forecasted revenue growth in FY2021 and beyond. Although growth in this category is certainly welcome, collections from public utility taxes only supply approximately 5% of overall revenue.

**Projected % trends include renewal levies*

1.030 - No 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.

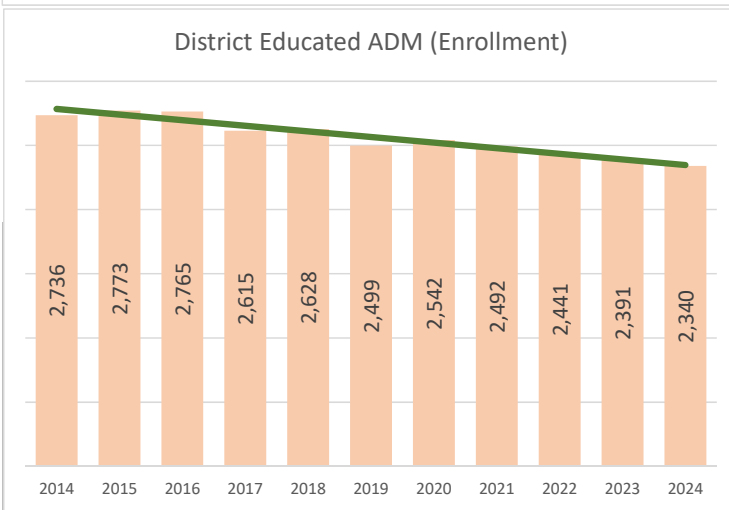
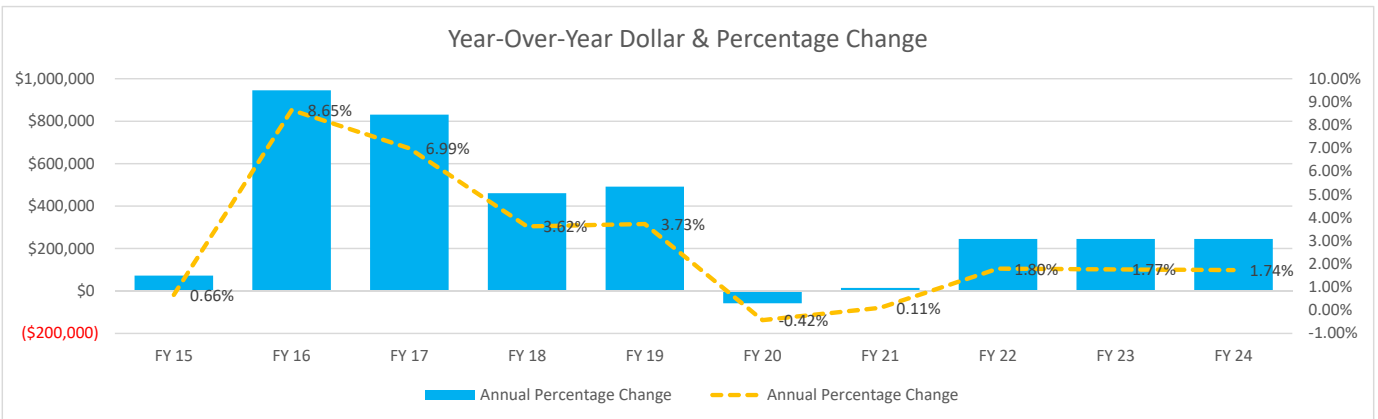
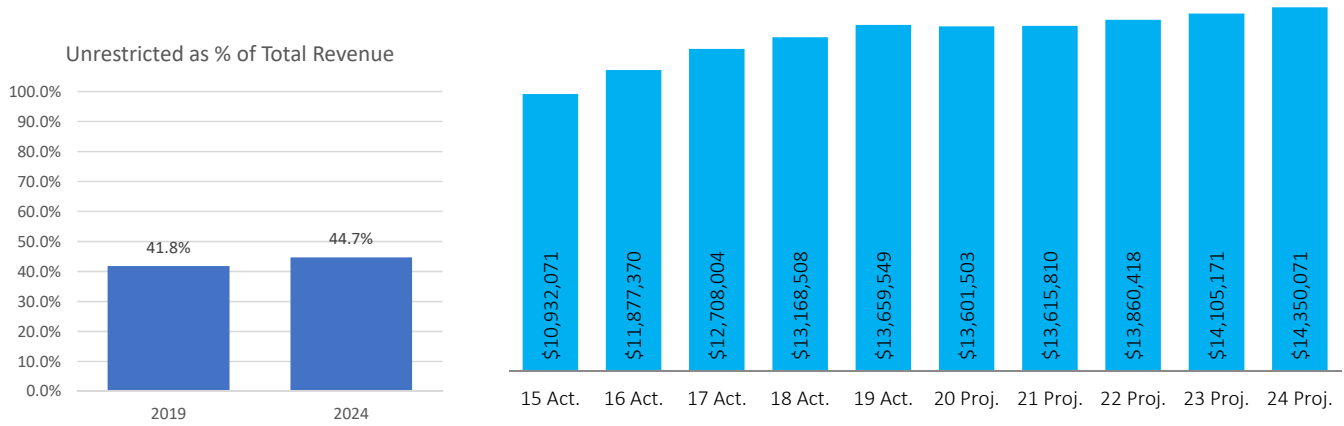


<p>The district does not have an income tax levy.</p>	
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**Projected % trends include renewal levies*

1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.

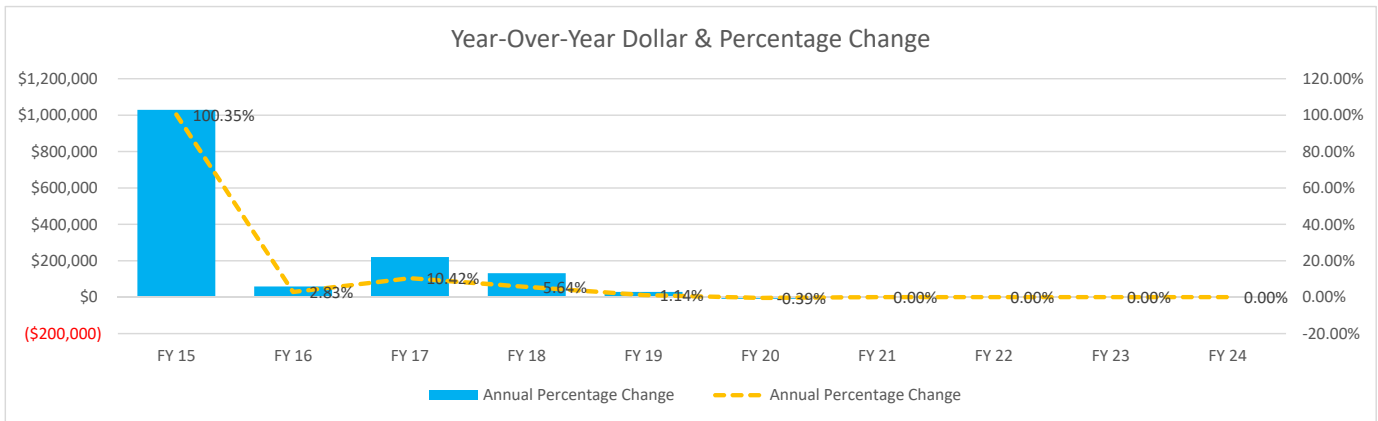
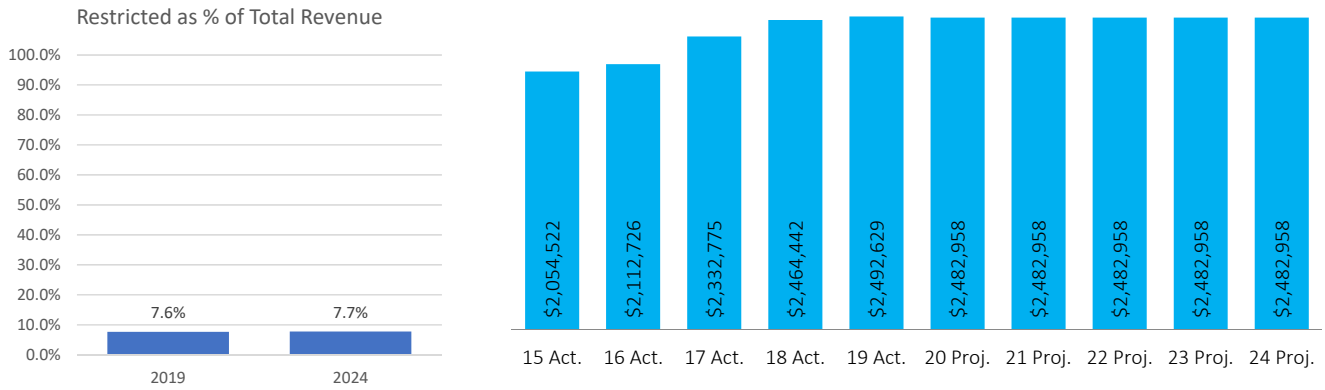


The FY 2019 per pupil and foundation revenue amount is the base aid amount used in FY 2020. In addition to its FY 2019 base funding amount of \$15,607,481 the district is projected to receive FY 2020 categorical funding of \$635,611. These funds will be recorded in a special revenue fund and are not included in this forecast. The district has the option to move some expenditures from the general fund forecast to the special revenue fund receiving these dollars. For fiscal year 2022 - 2024, the district is projecting an average annual increase of 1.8%

The District plans to redirect a portion of its General Fund expenditures to the new special revenue fund to help mitigate the impact of reduced state revenues flowing into the General Fund. ** Although FY20 marks the first year of this biennial budget cycle, it is important to note the State continues to deliberate the merits of moving to an alternate funding formula. However, even if that formula is enacted and is beneficial to the Chillicothe, it is likely the District would still experience operational deficits in FY22.

1.040 & 1.045 - Restricted Grants-in-Aid

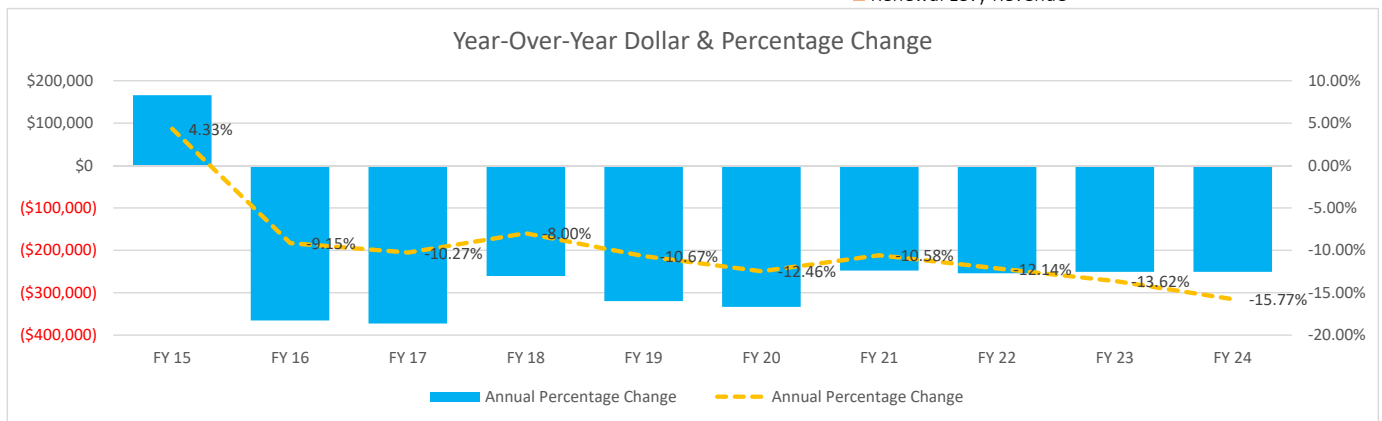
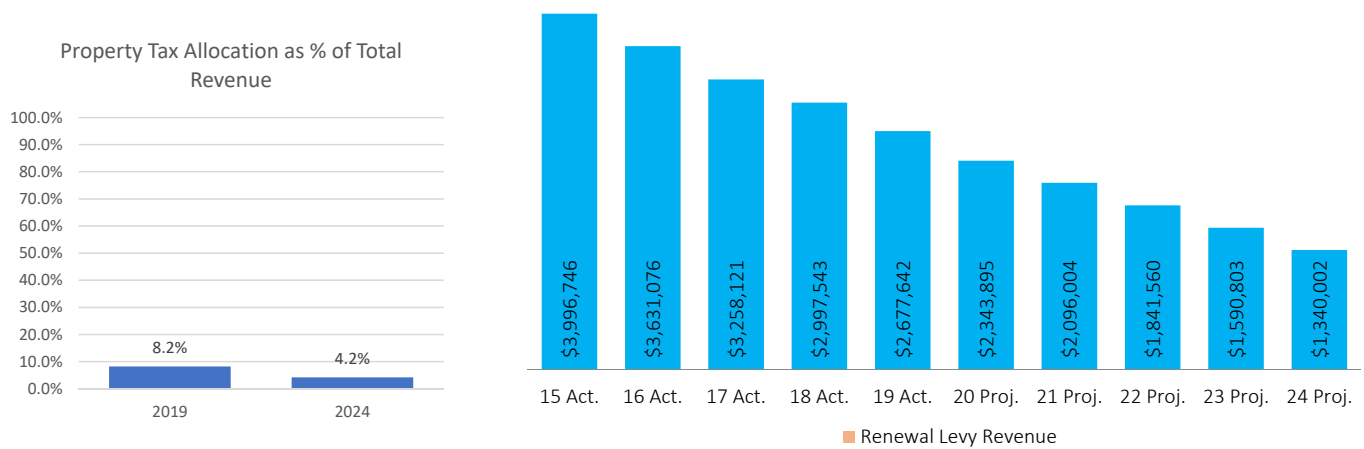
Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



<p>Restricted aid is the portion of state per pupil funding that must be classified as restricted use. Historically the district's restricted state aid changed annually on average by \$182,189 and is projected to change annually on average by -\$1,934. Restricted funds represent 7.64% of total revenue.</p>	<p>Funding in this category is comprised of career tech funding, catastrophic aid reimbursement (associated with high cost special needs students) and economic disadvantaged funding. Sources received here are restricted in use to only their intended purpose. The prior state funding formula first implemented in FY14 supplied significant additional revenue in the form of economic disadvantaged funding to Chillicothe. These funds grew steadily through FY19. The current budget freezes these funding sources and therefore no growth is forecasted. Keep in mind new Wellness Aid is flowing to a separate special revenue fund and not reflected as part of this forecast.</p>
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1.050 - Property Tax Allocation

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

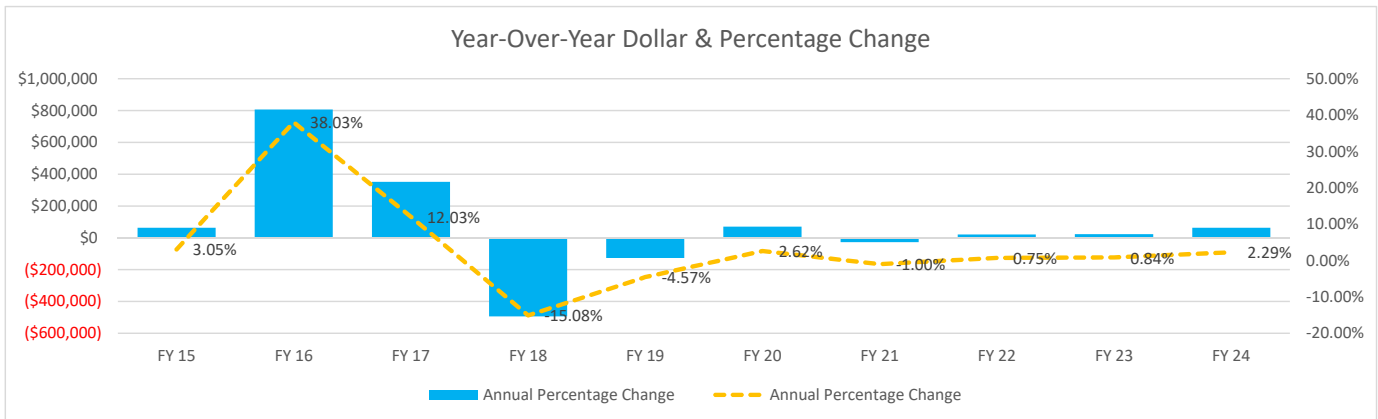
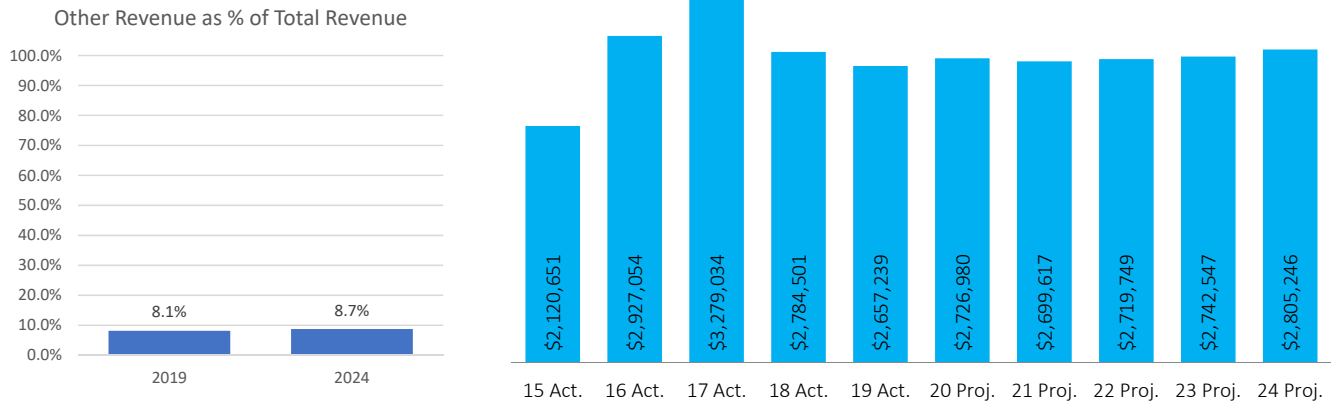


<p>Property tax allocation primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In FY 2020, approximately 11.8% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 6.0% will be reimbursed in the form of qualifying homestead exemption credits.</p>	<p>This category reflects the gradual elimination of state supplied tangible tax reimbursements. The state replaced locally levied tangible tax reimbursements with a state imposed Commercial Activity Tax (CAT) tax. That tax was supposed to provide dedicated revenue stream the state could use provide replacement payments recorded in this category. However, those replacements have consistently been phased down. Although off its high, the District still expects to receive over \$1.1 million of tangible reimbursement revenue in FY20. Current legislation calls for the continued phase-out of this revenue stream over the forecast period at a rate of approximately \$240,000 per year.</p>
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**Projected % trends include renewal levies*

1.060 - All Other Operating Revenues

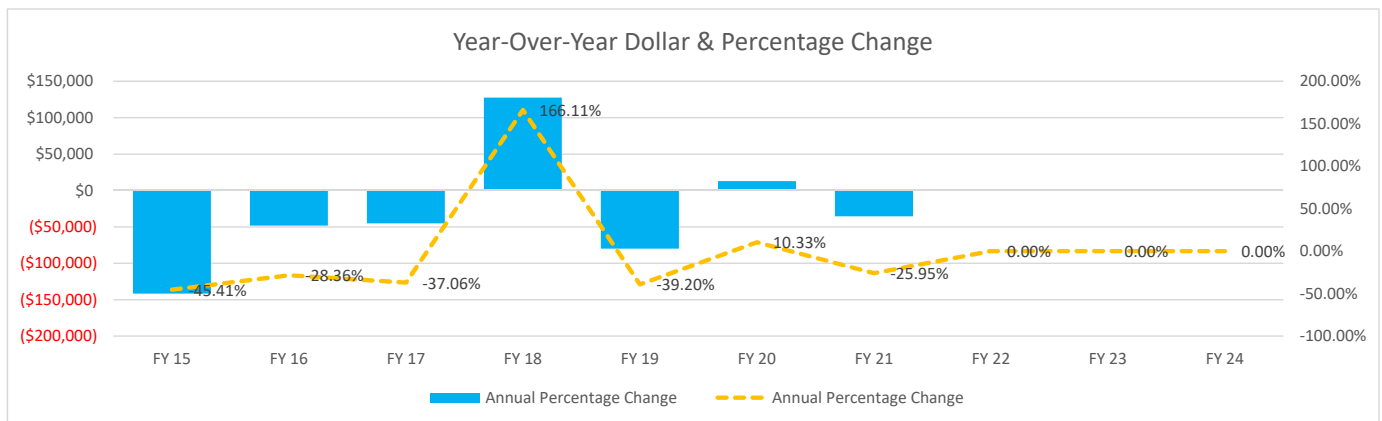
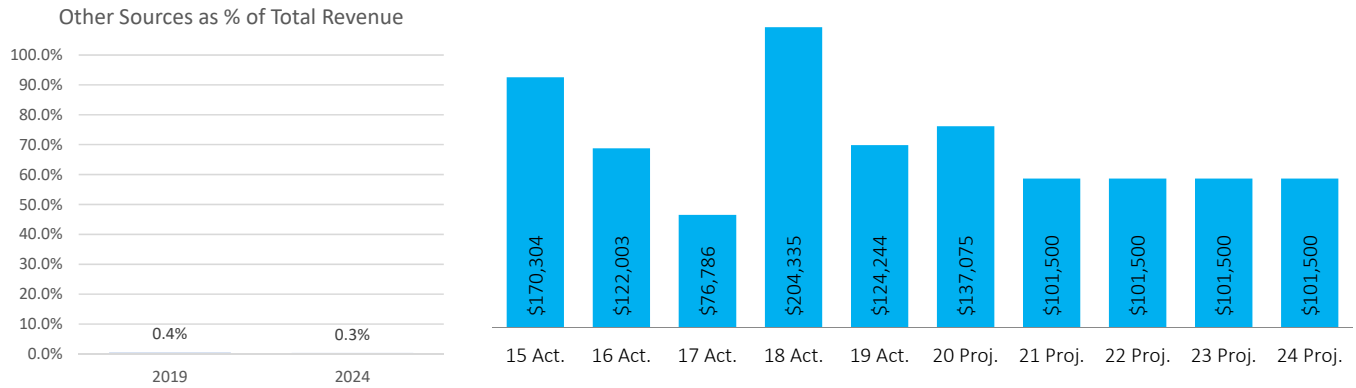
Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.



<p>Other revenue includes tuition received by the district for non-resident students educated by the district. It also includes interest income, payments in lieu of taxes, and miscellaneous revenue. The historical average annual change was \$119,865. The projected average annual change is \$29,601 through FY 2024.</p>	<p>Both revenue and expenditures were inflated in FY16 and FY17 by “accounting” transactions of \$331,415 and \$328,015 respectively to record bond premiums (See Other Expenditures for the related expenditure posting). In addition to the accounting transactions recorded in FY16 and FY17, the District received \$302,611 and \$141,774 respectively during those same years in “true-up” Medicaid reimbursements. FY18 collections returned to more typical levels after the two straight years of inflated results. Incoming open enrollment will be key in the revenue recorded in this category. The forecast anticipates stable levels.</p>
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2.070 - Total Other Financing Sources

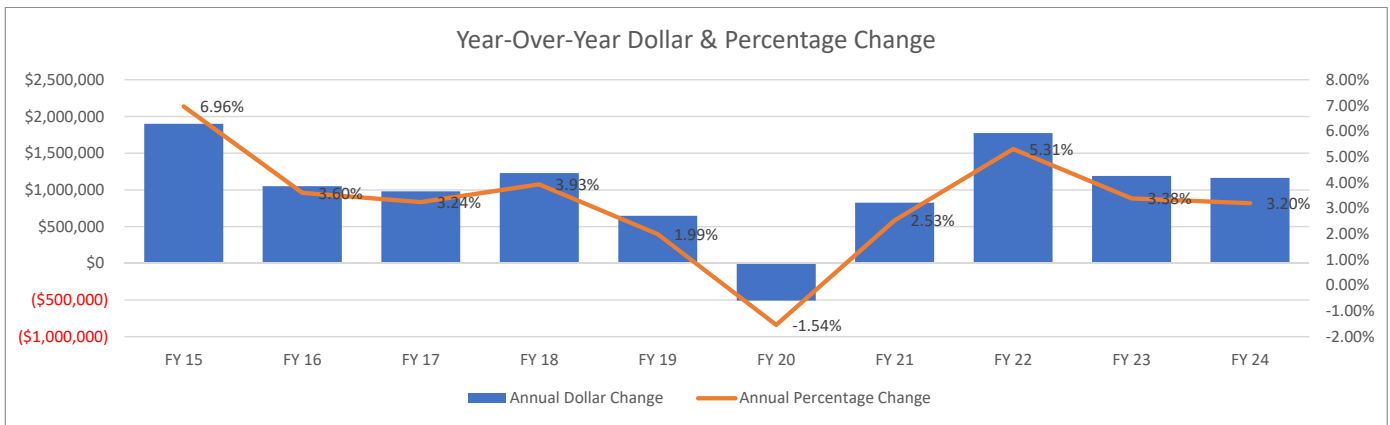
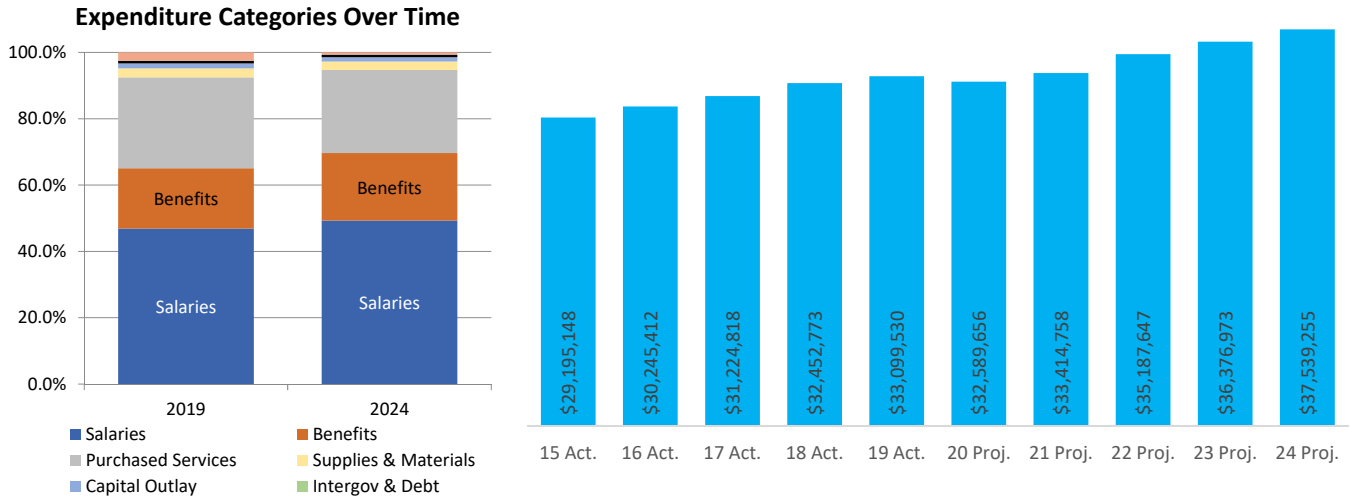
Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Transfers In	-	-	-	-	-	-
Advances In	81,961	124,953	100,000	100,000	100,000	100,000
All Other Financing Sources	42,283	12,122	1,500	1,500	1,500	1,500

<p>Other sources includes revenue that is generally classified as non-operating. It is typically in the form of advances-in which are the repayment of temporary loans made from the general fund to other district funds. In FY 2019 the district receipted \$81,961 as advances-in and is projecting advances of \$124,953 in FY 2020. The district also receives other financing sources such as refund of prior year expenditures in this category. The district is projecting that all other financing sources will be \$12,122 in FY 2020 and average \$1,500 annually through FY 2024.</p>	<p>FY18 reflects the return of slightly more than \$200,000 of advanced federal dollars. Moving forward this category only assumes \$100,000 advance returns each year and very minimal other receipts. No additional Workers Comp refunds are reflected in this category because recent refunds from the Bureau (received in FY18 and expected in FY19) are recorded as reductions of expenditures reflected in the Fringe Benefit expenditure note.</p>
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Expenditure Categories and Forecast Year-Over-Year Projected Overview



5-Year Historical Actual Average Annual Dollar Change Compared to 5-Year Projected

	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance
Salaries	\$515,050	\$594,309	\$79,260
Benefits	\$56,599	\$328,212	\$271,613
Purchased Services	\$446,449	\$64,413	(\$382,036)
Supplies & Materials	\$84,221	\$14,800	(\$69,422)
Capital Outlay	\$81,982	(\$5,062)	(\$87,044)
Intergov & Debt	\$0	\$0	\$0
Other Objects	(\$31,326)	\$6,243	\$37,569
Other Uses	\$7,869	(\$114,971)	(\$122,839)
Total Average Annual Change	\$1,160,844	\$887,945	(\$272,899)
	3.94%	2.68%	-1.26%

Total expenditures increased 3.94% or \$1,160,844 annually during the past five years and is projected to increase 2.68% or \$887,945 annually through FY2024. Purchased Services has the most projected average annual variance compared to the historical average at -\$382,036.

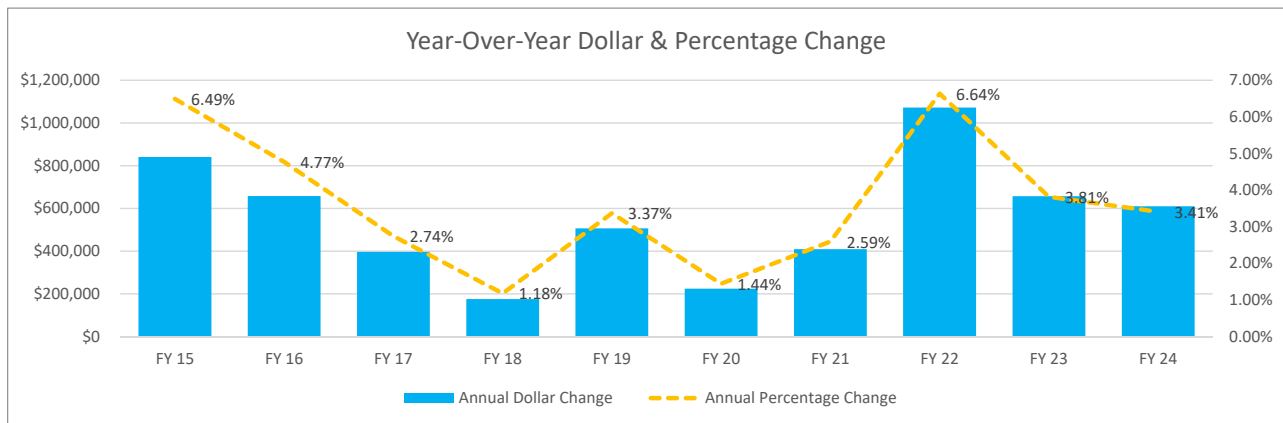
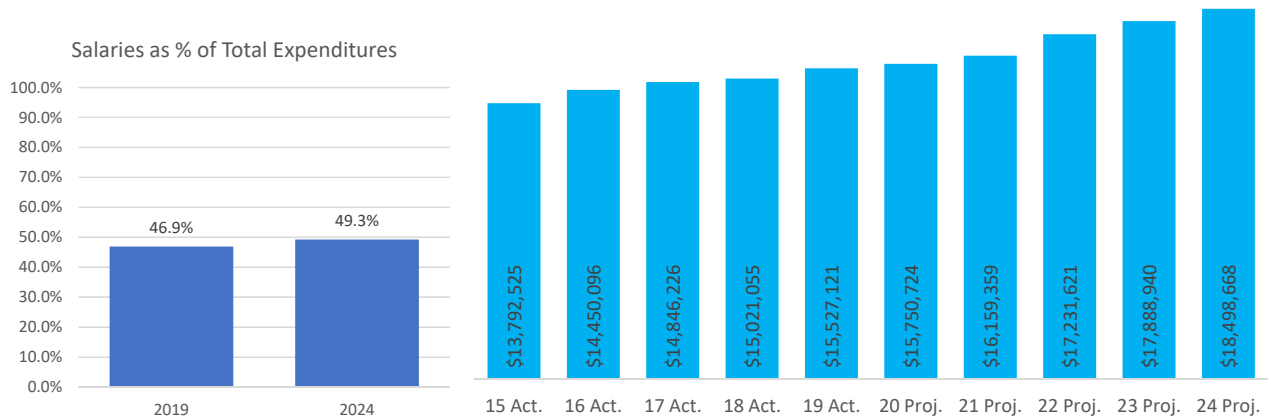
Expenditures are driven by the District's plan to serve students and inflationary pressures. Cost containment will be extremely important given the projected trend of stagnate revenue and growing operational deficits. It is clear spending decisions in the major spending categories will heavily influence the District's future sustainability.

Note: Expenditure average annual change is projected to be > \$887,945

On an annual average basis, revenues are projected to grow slower than expenditures.

3.010 - Personnel Services

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

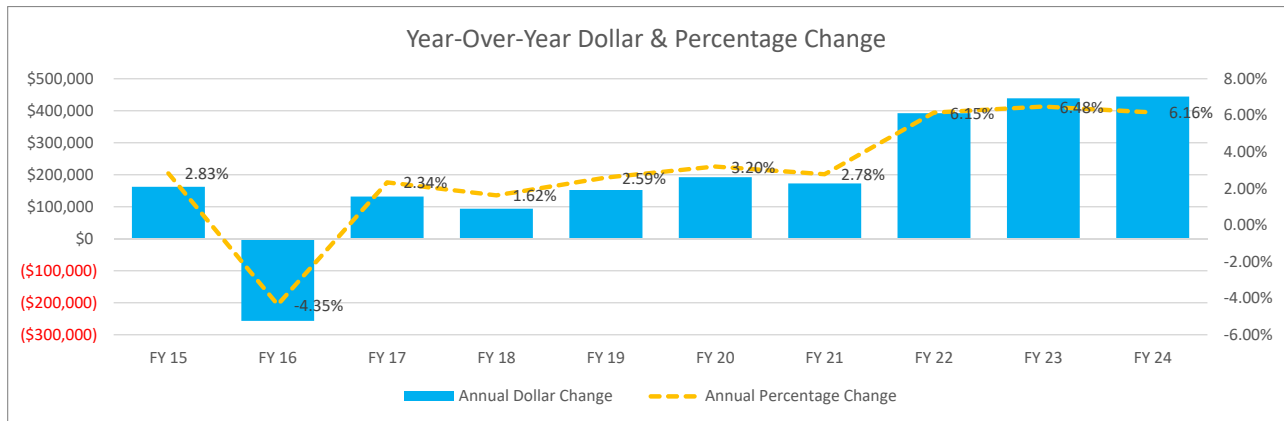
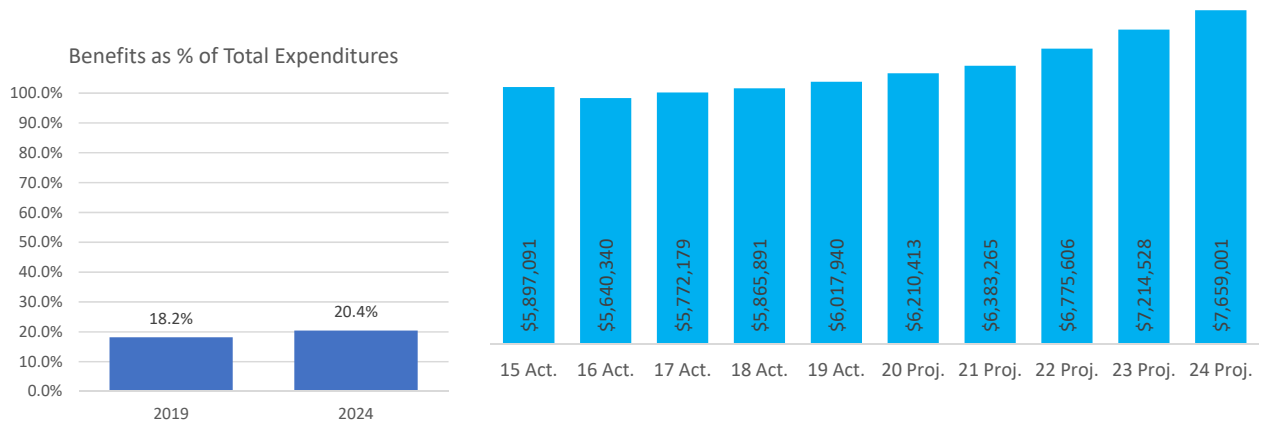


Salaries represent 46.91% of total expenditures and increased at a historical average annual rate of 3.71% or \$515,050. This category of expenditure is projected to grow at an average annual rate of 3.58% or \$594,309 through FY 2024. The projected average annual rate of change is -0.13% less than the five year historical annual average.

The District and staff recently reached agreement on a contract which covers FY20 – FY22. Elements of the agreement included adjustments to the District’s current health insurance program which enabled affordable base wage increases of 3% per year for each year covered by the new agreement. The forecast for FY23 and FY24 includes base wage placeholders of 2% each year. The District also plans to continue to strategically realign and reduce staffing where possible in response to declining enrollment.

3.020 - Employees' Benefits

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

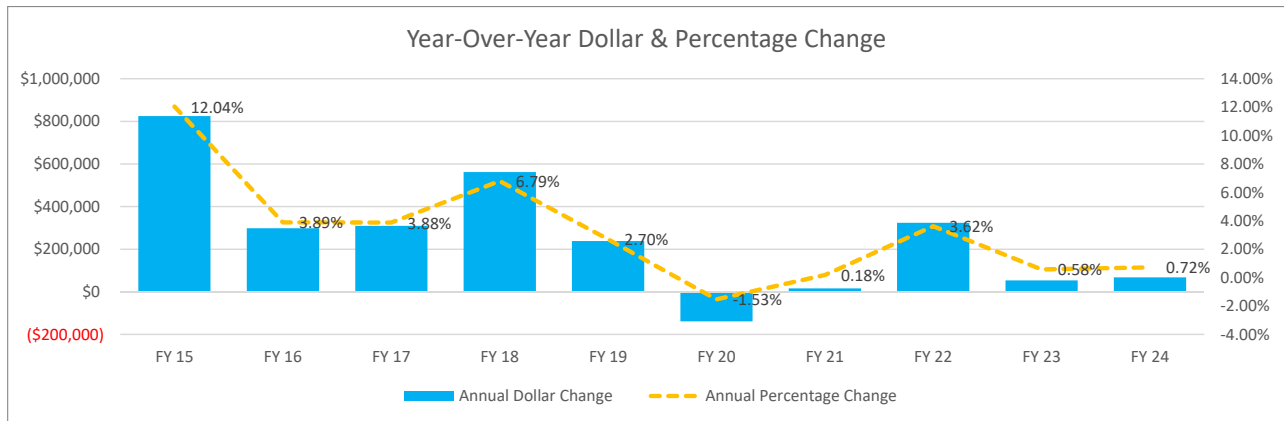
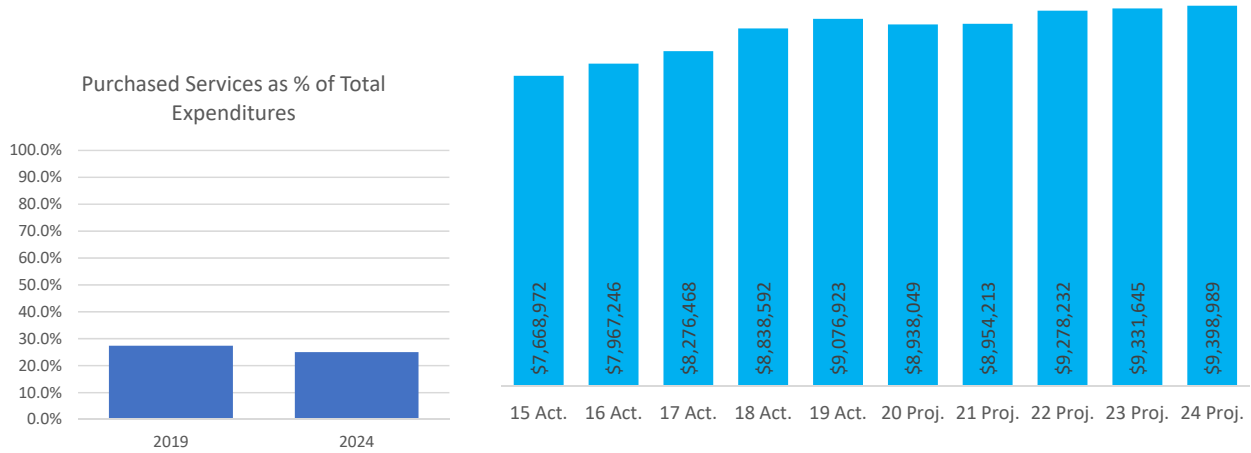


Benefits represent 18.18% of total expenditures and increased at a historical average annual rate of 1.01% in the previous five years. This category of expenditure is projected to grow at an annual average rate of 4.95% through FY 2024. The projected average annual rate of change is 3.95% more than the five year historical annual average.

Bucking trend, the overall cost of District provided fringe benefits decreased from FY15 to FY16 and increased only slightly in FY17 and FY18. A large factor in the cost containment was attributable to a move from a traditional health insurance plan design to a high deductible plan design. Further, the District anticipates additional savings associated with the implementation of a spousal waiver provision and reduced contributions to employee HSA accounts beginning in FY20. Rates are expected to increase at levels consistent with industry trends of 9% per year.

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.

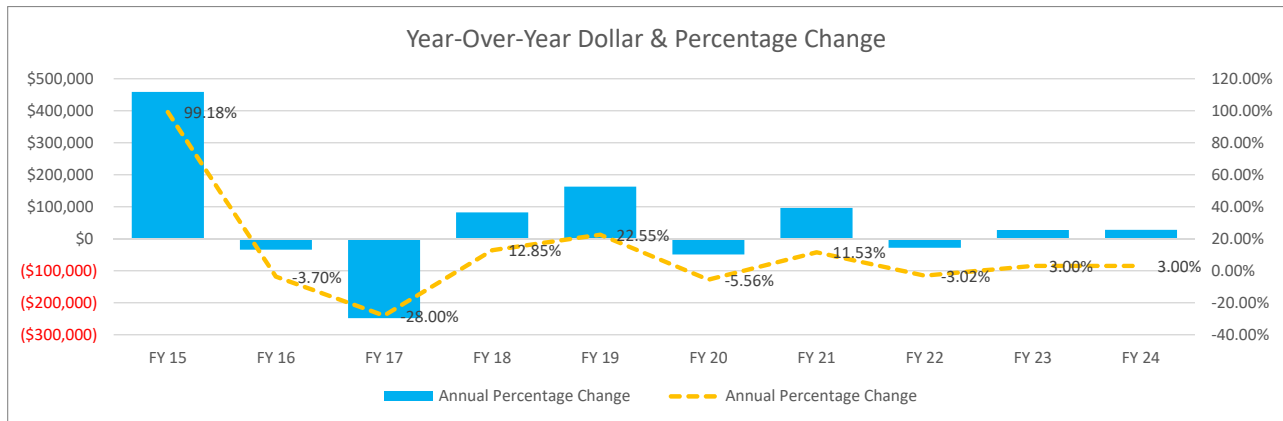
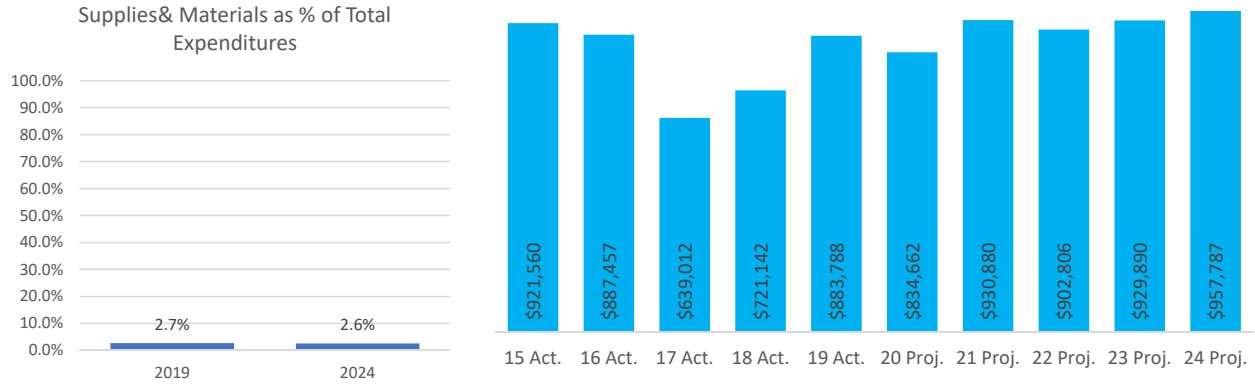


Purchased Services represent 27.42% of total expenditures and increased at a historical average annual rate of 5.86%. This category of expenditure is projected to grow at an annual average rate of 0.71% through FY 2024. The projected average annual rate of change is -5.15% less than the five year historical annual average.

This category accounts for a variety of other expenses including: tuition, utilities, transportation charges, and rentals. Nearly two-thirds of this category's overall spend is comprised of tuition related costs. Past spending increases have been fueled by growth in outgoing open enrollment, community schools and external scholarships. The opening of the District's new buildings could be a key to help reduce the outgoing trend, but until evidence is demonstrated, the forecast assumes stable outgoing levels. FY20 includes the impact of shifting a portion of related services to the new wellness special revenue fund. FY22 includes the return of that spending.

3.040 - Supplies & Materials

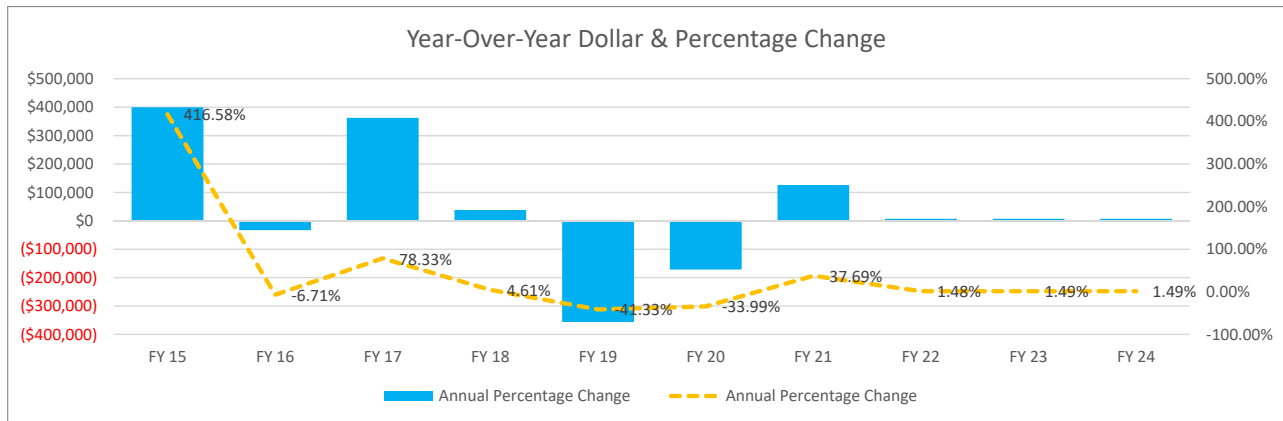
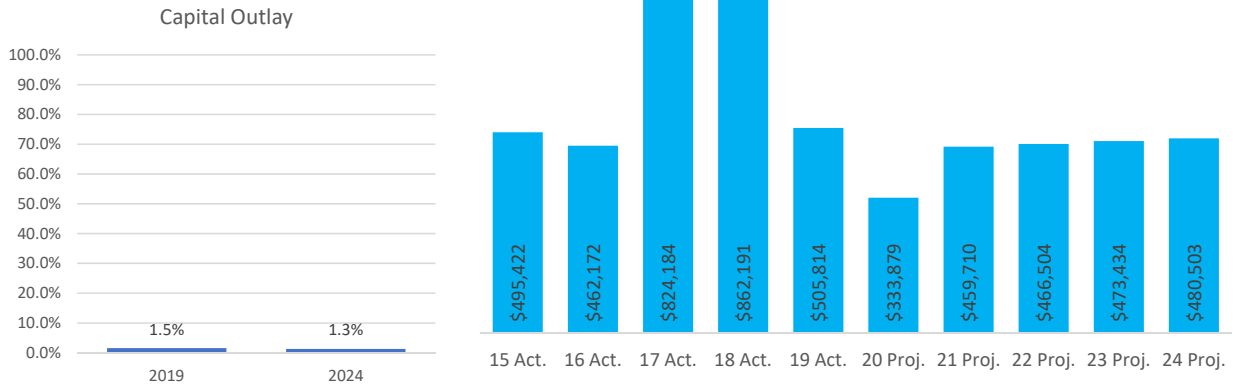
Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



<p>Supplies & Materials represent 2.67% of total expenditures and increased at a historical average annual rate of 20.58%. This category of expenditure is projected to grow at an annual average rate of 1.79% through FY 2024. The projected average annual rate of change is -18.79% less than the five year historical annual average.</p>	<p>The District returned approximately \$450,000 worth of supply expenditures from its Permanent Improvement Fund to the General Fund in FY15. Major text adoptions explain the other peaks and valleys in the historic and projected spending levels reflected in this category. Other expenditures for general supplies (both instructional and operational) are expected to exhibit typical inflationary growth of approximately 3% per year from FY20 through FY24.</p>
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3.050 - Capital Outlay

This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.

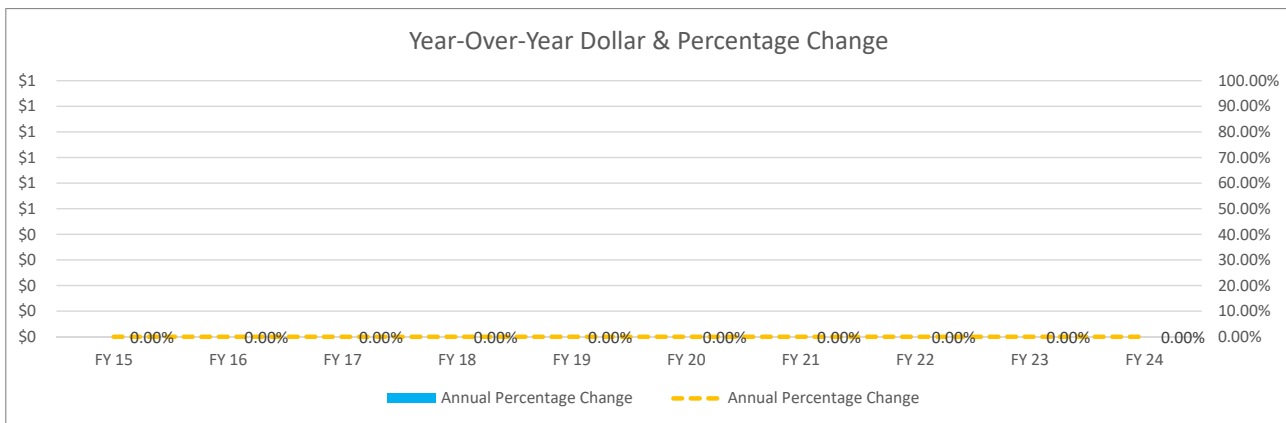
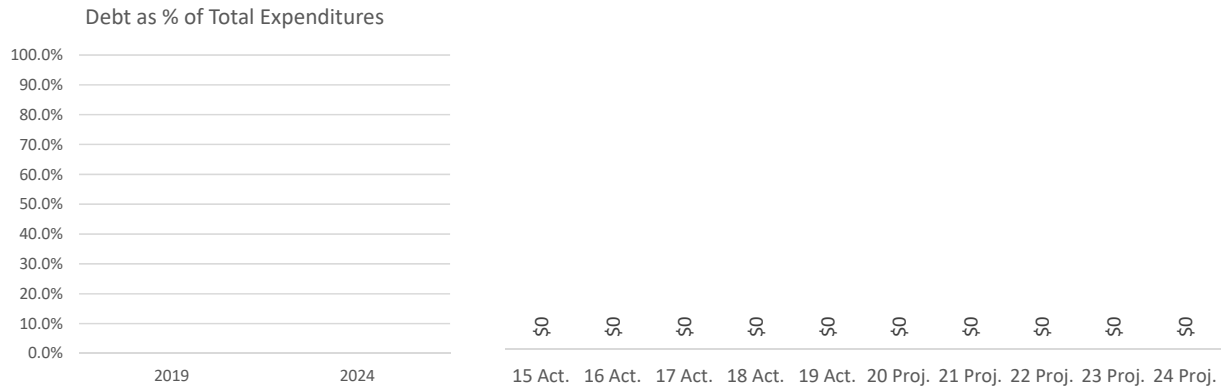


Capital Outlay represent 1.53% of total expenditures and increased at a historical average annual amount of \$81,982. This category of expenditure is projected to grow at an annual average amount of -\$5,062 through FY 2024. The projected average annual change is less than the five year historical annual average.

The District purchased 4 buses in FY17 and another 4 buses in FY18 in response to its aging fleet, elevating expenditures in those particular years. No buses purchases occurred in FY19 and none are expected in FY20. One bus per year is anticipated in FY21 – FY24. Also continued investments in technology and equipment are expected to result in typical spending patterns moving forward. The District continues to evaluate other one-time outlays, but any such decisions will require careful consideration as the forecast calls for a growing trend of expenditures exceeding revenue.

3.060-4.060 - Intergovernmental & Debt

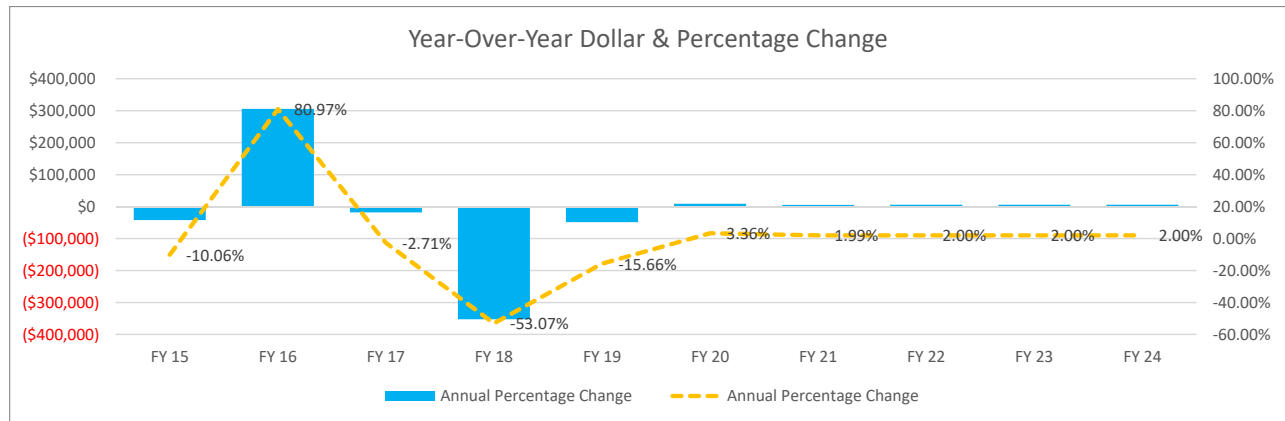
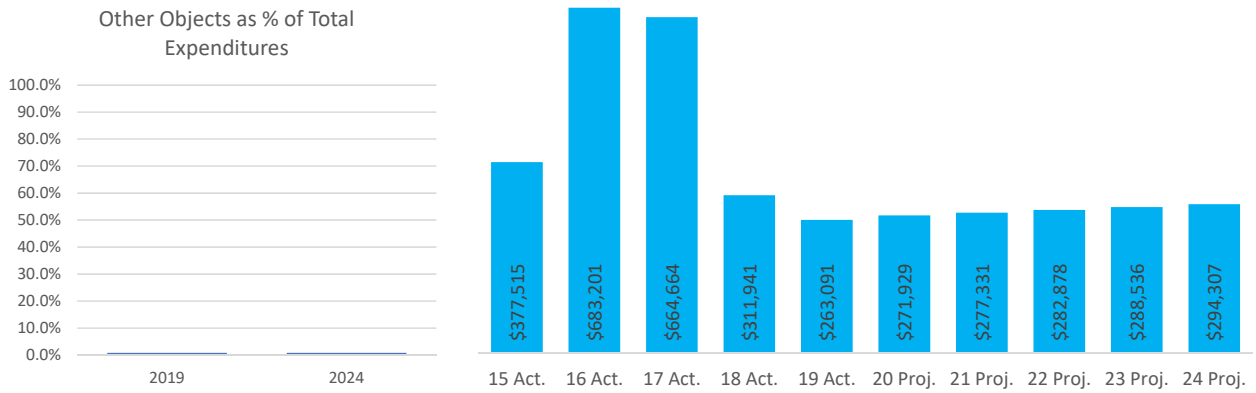
These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.



The Intergovernmental/Debt expenditure category details general fund debt issued by the District.

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.

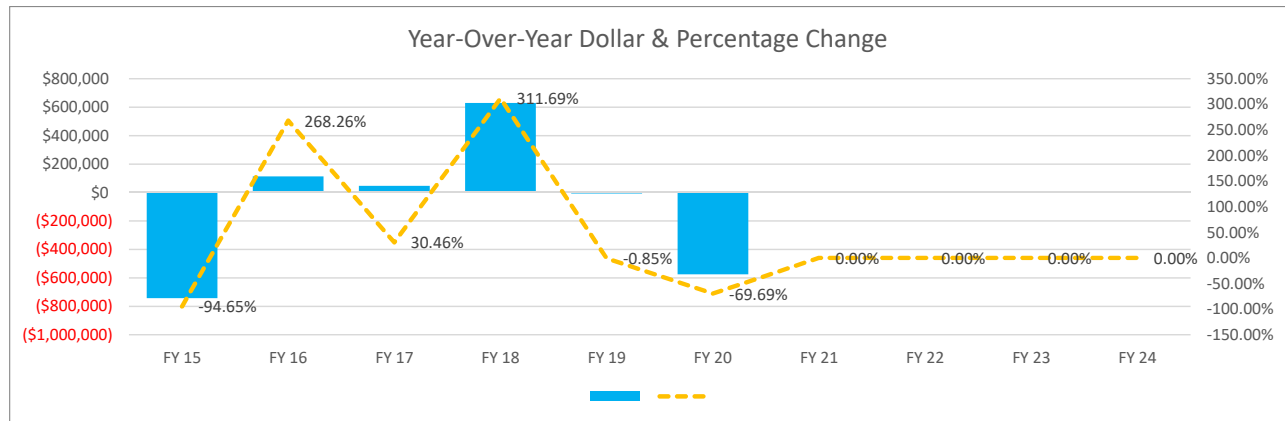
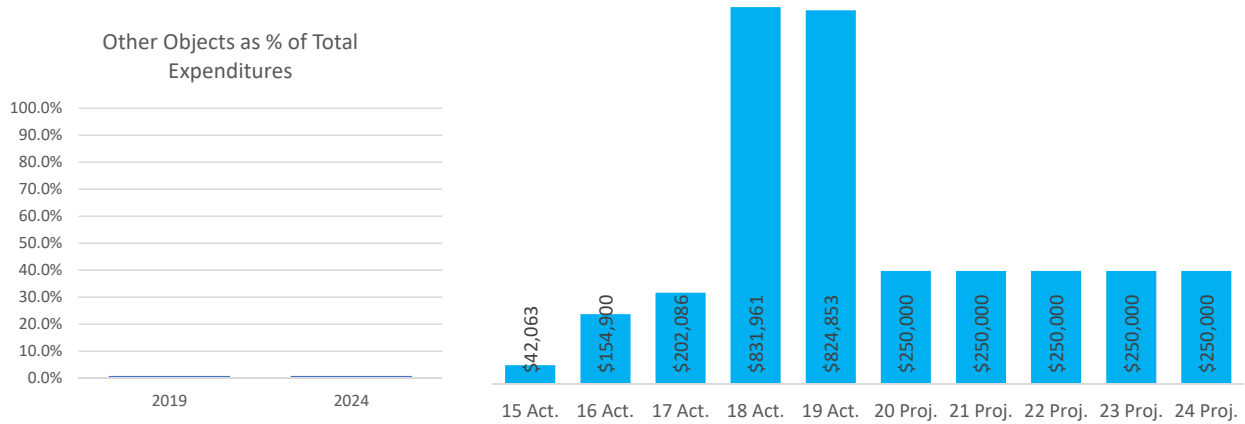


Other Objects represent 0.79% of total expenditures and decreased at a historical average annual rate of -0.10%. This category of expenditure is projected to grow at an annual average rate of 2.27% through FY 2024. The projected average annual rate of change is 2.37% more than the five year historical annual average.

As mentioned on the revenue side of the ledger, revenue and expenditures were inflated in both FY16 and FY17 by accounting transactions of \$331,415 and \$328,015 respectively to account for bond premiums (See All Other Revenue note for the related receipt posting). Aside from these large transactions, other charges here are primarily related to county auditor and treasurer fees for the collection of local taxes which serve as the basis of the projections from FY20 – FY23.

5.040 - Total Other Financing Uses

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



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Transfers Out	700,000	150,000	150,000	150,000	150,000	150,000
Advances Out	124,838	100,000	100,000	100,000	100,000	100,000
Other Financing Uses	15	-	-	-	-	-

<p>Other uses includes revenue that is generally classified as non-operating. It is typically in the form of advances-out which are then repaid into the general fund from the other district funds. In FY 2019 the district had advances-out and has advances-out forecasted through FY 2024. The district can also move general funds permanently to other funds and as the schedule above presents, the district has transfers forecasted through FY 2024. The table above presents the district's planned advances and transfers. The district can also have other uses of funds which is reflected in the table above.</p>	<p>Spending in this category reflects transfers of \$400,000 in FY18 and \$250,000 in FY19 to establish a Severance Reserve fund. Also, the District transferred another \$350,000 in FY2018 and \$250,000 in FY19 to the District's Capital Project Fund to support the ongoing intermittent capital needs of the District. Future years do not include any additional transfers to the Capital Project fund, but do anticipate \$150,000 per year to the District's Severance Reserve fund. Another \$100,000 per year is forecasted for advances to address Federal program cash shortfalls at year-end (advance outs are offset by corresponding return advances reflected on the revenue side of the ledger in Non-Operating Sources).</p>
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Chillicothe City School District

Five Year Forecast

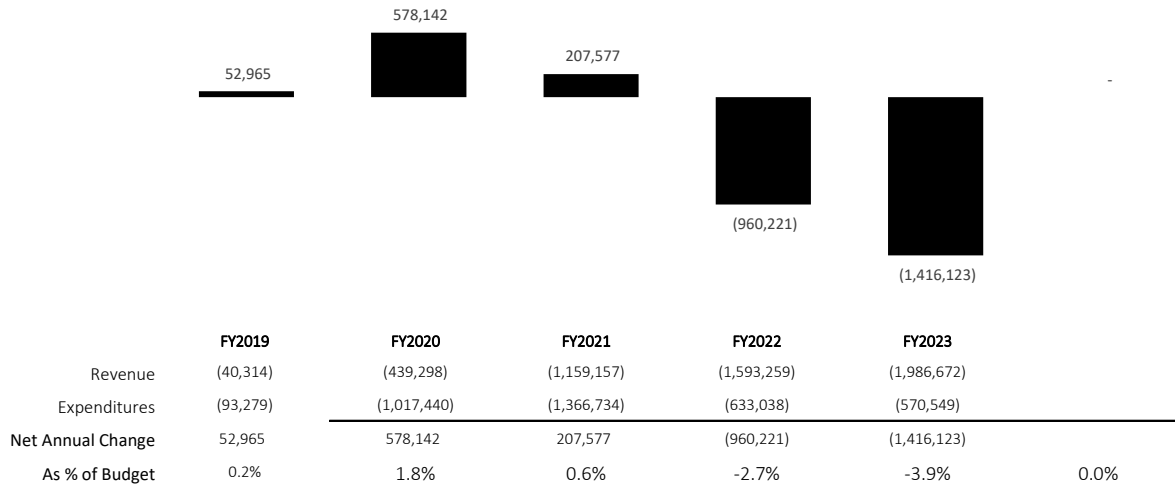
Fiscal Year:	Actual	FORECASTED				
	2019	2020	2021	2022	2023	2024
Revenue:						
1.010 - General Property Tax (Real Estate)	9,372,108	8,909,693	9,019,330	9,066,762	9,139,783	9,206,898
1.020 - Public Utility Personal Property	1,661,276	1,705,783	1,728,842	1,760,262	1,791,423	1,823,106
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	13,659,549	13,601,503	13,615,810	13,860,418	14,105,171	14,350,071
1.040 - Restricted Grants-in-Aid	2,492,629	2,482,958	2,482,958	2,482,958	2,482,958	2,482,958
1.050 - Property Tax Allocation	2,677,642	2,343,895	2,096,004	1,841,560	1,590,803	1,340,002
1.060 - All Other Operating Revenues	2,657,239	2,726,980	2,699,617	2,719,749	2,742,547	2,805,246
1.070 - Total Revenue	32,520,444	31,770,812	31,642,561	31,731,709	31,852,685	32,008,281
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-
2.050 - Advances-In	81,961	124,953	100,000	100,000	100,000	100,000
2.060 - All Other Financing Sources	42,283	12,122	1,500	1,500	1,500	1,500
2.070 - Total Other Financing Sources	124,244	137,075	101,500	101,500	101,500	101,500
2.080 - Total Rev & Other Sources	32,644,687	31,907,887	31,744,061	31,833,209	31,954,185	32,109,781
Expenditures:						
3.010 - Personnel Services	15,527,121	15,750,724	16,159,359	17,231,621	17,888,940	18,498,668
3.020 - Employee Benefits	6,017,940	6,210,413	6,383,265	6,775,606	7,214,528	7,659,001
3.030 - Purchased Services	9,076,923	8,938,049	8,954,213	9,278,232	9,331,645	9,398,989
3.040 - Supplies and Materials	883,788	834,662	930,880	902,806	929,890	957,787
3.050 - Capital Outlay	505,814	333,879	459,710	466,504	473,434	480,503
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	263,091	271,929	277,331	282,878	288,536	294,307
4.500 - Total Expenditures	32,274,677	32,339,656	33,164,758	34,937,647	36,126,973	37,289,255
Other Financing Uses						
5.010 - Operating Transfers-Out	700,000	150,000	150,000	150,000	150,000	150,000
5.020 - Advances-Out	124,838	100,000	100,000	100,000	100,000	100,000
5.030 - All Other Financing Uses	15	-	-	-	-	-
5.040 - Total Other Financing Uses	824,853	250,000	250,000	250,000	250,000	250,000
5.050 - Total Exp and Other Financing Uses	33,099,530	32,589,656	33,414,758	35,187,647	36,376,973	37,539,255
6.010 - Excess of Rev Over/(Under) Exp	(454,843)	(681,769)	(1,670,697)	(3,354,438)	(4,422,788)	(5,429,474)
7.010 - Cash Balance July 1 (No Levies)	10,846,005	10,391,162	9,709,393	8,038,696	4,684,258	261,470
7.020 - Cash Balance June 30 (No Levies)	10,391,162	9,709,393	8,038,696	4,684,258	261,470	(5,168,004)
		Reservations				
8.010 - Estimated Encumbrances June 30	78,950	150,000	150,000	150,000	150,000	150,000
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	10,312,212	9,559,393	7,888,696	4,534,258	111,470	(5,318,004)
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Renewal Levies	-	-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-
12.010 - Fund Bal June 30 for Cert of Obligations	10,312,212	9,559,393	7,888,696	4,534,258	111,470	(5,318,004)
Revenue from New Levies						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	10,312,212	9,559,393	7,888,696	4,534,258	111,470	(5,318,004)

Forecast Compare - Changes Since Spring Filing

Current Five Year Forecast Change to Net Operating Revenue (Line 6.01) Compared to Last Filed Forecast

Last Filed Forecast Date: 05/09/2019

Current Net Annual Revenue & Expenditure Changes Compared to Last Filed Forecast



5-Year Cumulative Change FY 2019 - 2023				
	5 Yr Cumulative Revenue Change		5 Yr Cumulative Expenditure Change	
1.01 Real Estate	410,509		3.01 Salaries	703,744
1.02 Pub Utility	(59,674)		3.02 Benefits	(1,842,208)
1.03 Income Tax	-		3.03 Purchased Serv.	(2,763,891)
1.035,1.040 State	(5,299,301)		3.04 Supplies	(37,621)
1.05 Prop Tax Alloc.	(119,642)		3.05 Capital	(133,167)
1.060 All Other	(186,959)		4.3 Other Exp	(32,735)
2.xx Other Sources	36,368		Intergov + Debt + Other	424,838
Cumulative Revenue Change	(5,218,699)		Cumulative Expenditure Change	(3,681,040)

Net Cumulative Five-Year Change **(\$1,537,659) Unfavorable**
Net Cumulative Cash Change as % of Budget **-0.90%**
 Net Cumulative Change in Levy Reservation \$0

Note: Net Cumulative Five-Year Change W/Renewal Levy Reservation Variance **(\$1,537,659)**

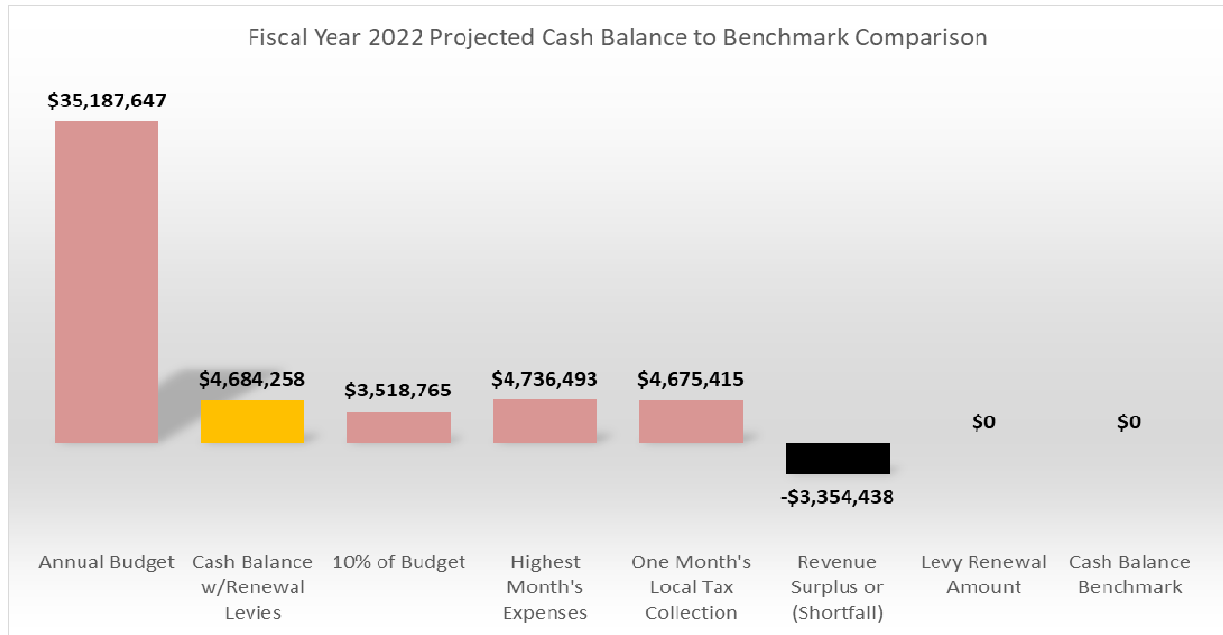
Revenue estimates are lower compared to the May forecast. On the other hand, spending estimates are also down from the spring. A portion of this change is related to the new state budget. New wellness dollars are included but are required to be deposited in a new special revenue fund not reflected in this forecast. Therefore, the District plans to shift qualifying spending to the new special revenue fund resulting in the lower spending levels. Overall, trends remain consistent. Forecasted cash balances are 0.90% lower than compared to the spring filing. In addition to the state funding issue, some of the more significant changes include:

Line 1.035 & 1.040 State: General Fund state estimates have been reduced from the forecast filed this past spring. However, over \$1.5 million of the reduced levels is due to the fact new wellness dollars are accounted for outside the forecast in a new special revenue fund. The remaining reductions have been factored due to the uncertainty of the impact of any new formula.

Line 3.01 Salaries and Line 3.02 Benefits: Salaries include the results of recently concluded negotiations. While a bit more in wage increases were provided than forecasted, the spousal carve-out provision also approved in negotiations will save insurance costs reflected in the fringe benefit category.

Line 3.03 Purchased Service: A significant savings in excess special education costs was realized in FY2019 and the forecast assumes this lower trend will be maintained moving forward. Also estimates are lower here due to shifting a portion of qualifying expenditures to the new state wellness special revenue fund.

Cash Balance Projections & Benchmarks



Despite the projected revenue shortfall in FY2022, the District's cash reserves are anticipated to end at levels consistent with standard benchmark measures. However, the projected revenue shortfall signals a need to properly plan in future years to avoid a less sustainable downward trend. Since revenue growth is projected to remain stagnate, it underscores the importance of continued vigilance to mitigate future spending increases.