DUBLIN CITY SCHOOL DISTRICT - FRANKLIN COUNTY

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS ENDED JUNE 30, 2017, 2018 and 2019 ACTUAL FORECASTED FISCAL YEARS ENDING JUNE 30, 2020 THROUGH JUNE 30, 2024

DUBLIN CITY SCHOOLS
THE DUBLIN DIFFERENCE

Forecast Provided By
Dublin City School District
Treasurer's Office
Mr. Brian Kern, Treasurer/CFO

November 14, 2019

Dublin City School District

Franklin County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2017, 2018 and 2019 Actual;
Forecasted Fiscal Years Ending June 30, 2020 Through 2024

		Actual				Forecasted				
		Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Average Change	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
	Revenues									
1.010	General Property Tax (Real Estate)	$147,198,782	$156,101,681	$163,722,569	5.5%	$176,212,219	$177,772,032	$180,976,916	$182,829,372	$184,714,085
1.020	Tangible Personal Property	5,813,923	6,120,356	6,833,014	8.5%	7,489,909	7,526,814	7,612,314	7,697,814	7,783,314
1.030	Income Tax	-	-	-	0.0%	-	-	-	-	-
1.035	Unrestricted State Grants-in-Aid	18,339,974	19,452,568	20,086,878	4.7%	20,779,291	21,090,181	21,107,859	21,125,897	22,004,544
1.040	Restricted State Grants-in-Aid	1,020,645	961,621	934,517	-4.3%	925,928	917,424	909,276	901,214	893,238
1.045	Restricted Fed. SFSF Fd. 532 FY10&11/Ed Jobs Fd.504	-	-	-	0.0%	-	-	-	-	-
1.050	Property Tax Allocation	15,404,207	14,855,381	14,994,998	-1.3%	15,133,253	15,114,932	15,270,094	15,396,526	15,527,384
1.060	All Other Revenues	4,219,868	6,481,241	4,724,651	13.2%	5,124,325	4,937,724	4,551,257	4,364,924	4,378,728
1.070	*Total Revenues*	$191,997,399	$203,972,848	$211,296,627	4.9%	$225,664,925	$227,359,107	$230,427,716	$232,315,747	$235,301,293
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	-	10,812,833	$3,250,879	0.0%	-	-	-	-	-
2.020	State Emergency Loans and Advancements (Approved)	-	-	-	0.0%	-	-	-	-	-
2.040	Operating Transfers-In	-	-	-	0.0%	-	-	-	-	-
2.050	Advances-In	12,350	270,300	530,977	1092.6%	539,000	50,000	50,000	50,000	50,000
2.060	All Other Financing Sources	-	365,459	2,274	0.0%	$563,755	$0	$0	$0	$0
2.070	*Total Other Financing Sources*	$12,350	$11,448,592	$3,784,130	46267.1%	$1,102,755	$50,000	$50,000	$50,000	$50,000
2.080	*Total Revenues and Other Financing Sources*	$192,009,749	$215,421,440	$215,080,757	6.0%	$226,767,680	$227,409,107	$230,477,716	$232,365,747	$235,351,293
	Expenditures									
3.010	Personal Services	$119,927,536	$125,679,545	$132,649,766	5.2%	$139,426,721	$148,061,000	$157,329,094	$163,599,684	$169,506,364
3.020	Employees' Retirement/Insurance Benefits	39,943,269	41,398,454	42,881,363	3.6%	45,428,373	49,682,050	54,285,477	57,864,629	61,408,700
3.030	Purchased Services	17,474,416	16,952,572	15,214,548	-6.6%	17,507,888	17,121,736	18,220,364	19,089,194	20,000,200
3.040	Supplies and Materials	4,276,390	4,518,412	4,984,689	8.0%	7,716,592	7,329,798	7,649,692	7,879,183	8,115,560
3.050	Capital Outlay	11,301,185	7,903,934	9,089,786	-7.5%	3,535,626	3,022,172	3,173,280	3,331,944	3,498,541
3.060	Intergovernmental	-	-	-	0.0%	-	-	-	-	-
	Debt Service:				0.0%					
4.010	Principal-All (Historical Only)	-	-	-	0.0%	-	-	-	-	-
4.020	Principal-Notes	-	-	-	0.0%	-	-	-	-	-
4.030	Principal-State Loans	-	-	-	0.0%	-	-	-	-	-
4.040	Principal-State Advancements	-	-	-	0.0%	-	-	-	-	-
4.050	Principal-HB 264 Loans	-	-	-	0.0%	-	-	-	-	-
4.055	Principal-Other	-	-	-	0.0%	-	-	-	-	-
4.060	Interest and Fiscal Charges	-	68,670	170,859	0.0%	-	-	-	-	-
4.300	Other Objects	3,137,289	3,080,001	2,176,645	-15.6%	2,628,136	2,679,616	2,732,230	2,786,006	2,840,973
4.500	*Total Expenditures*	$196,060,085	$199,601,588	$207,167,656	2.8%	$216,243,336	$227,896,372	$243,390,137	$254,550,640	$265,370,338
	Other Financing Uses									
5.010	Operating Transfers-Out	$489,550	$451,050	$551,050	7.2%	$535,050	$535,050	$535,050	$535,050	$535,050
5.020	Advances-Out	270,300	530,977	539,000	49.0%	50,000	50,000	50,000	50,000	50,000
5.030	All Other Financing Uses	11,964	13,754	23,551	43.1%	-	-	-	-	-
5.040	*Total Other Financing Uses*	$771,814	$995,781	$1,113,601	20.4%	$585,050	$585,050	$585,050	$585,050	$585,050
5.050	*Total Expenditures and Other Financing Uses*	$196,831,899	$200,597,369	$208,281,257	2.9%	$216,828,386	$228,481,422	$243,975,187	$255,135,690	$265,955,388
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	($4,822,150)	$14,824,071	$6,799,500	-230.8%	$9,939,294	($1,072,315)	($13,497,471)	($22,769,943)	($30,604,095)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	$69,186,086	$64,363,936	$79,188,007	8.0%	$85,987,507	$95,926,801	$94,854,486	$81,357,015	$58,587,072
7.020	*Cash Balance June 30*	$64,363,936	$79,188,007	$85,987,507	15.8%	$95,926,801	$94,854,486	$81,357,015	$58,587,072	$27,982,977
8.010	*Estimated Encumbrances June 30*	$5,151,538	$9,946,273	$7,211,593	32.8%	$3,100,000	$3,200,000	$3,300,000	$3,300,000	$3,300,000
`	**Reservation of Fund Balance**									
9.010	Textbooks and Instructional Materials	-	-	-	0.0%	-	-	-	-	-
9.020	Capital Improvements	-	-	-	0.0%	-	-	-	-	-
9.030	Budget Reserve	-	-	-	0.0%	-	-	-	-	-
9.040	DPIA	-	-	-	0.0%	-	-	-	-	-
9.045	Fiscal Stabilization	-	-	-	0.0%	-	-	-	-	-
9.050	Debt Service	-	-	-	0.0%	-	-	-	-	-
9.060	Property Tax Advances	-	-	-	0.0%	-	-	-	-	-
9.070	Bus Purchases	-	-	-	0.0%	-	-	-	-	-
9.080	*Subtotal*	-	-	-	0.0%	-	-	-	-	-

Dublin City School District

Franklin County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2017, 2018 and 2019 Actual;
Forecasted Fiscal Years Ending June 30, 2020 Through 2024

		Actual				Forecasted				
		Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Average Change	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
10.010	*Fund Balance June 30 for Certification of Appropriations*	$59,212,398	$69,241,734	$78,775,914	15.4%	$92,826,801	$91,654,486	$78,057,015	$55,287,072	$24,682,977
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal				0.0%	-	-	-	-	-
11.020	Property Tax - Renewal or Replacement				0.0%	-	-	-	-	-
11.300	Cumulative Balance of Renewal Levies				0.0%	-	-	-	-	-
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	$59,212,398	$69,241,734	$78,775,914	15.4%	$92,826,801	$91,654,486	$78,057,015	$55,287,072	$24,682,977
	Revenue from New Levies									
13.010	Income Tax - New				0.0%	-	-	-	-	-
13.020	Property Tax - New				0.0%	-	-	-	-	-
13.030	Cumulative Balance of New Levies	-	-		0.0%	-	-	-	-	-
14.010	Revenue from Future State Advancements				0.0%	-	-	-	-	-
15.010	*Unreserved Fund Balance June 30*	$59,212,398	$69,241,734	$78,775,914	15.4%	$92,826,801	$91,654,486	$78,057,015	$55,287,072	$24,682,977

Dublin City School District – Franklin County
Notes to the Five Year Forecast
General Fund Only
November 14, 2019

Introduction to the Five Year Forecast
For fiscal year 2020 (July 1, 2019 – June 30, 2020) school districts in Ohio are required to file a five (5) year financial forecast by November 30, 2019, and May 31, 2020. HB87, effective November 1, 2018, changed the October filing deadline to November 30 beginning with this forecast. The May 31 filing date remains unchanged. The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. HB166, the new state biennium budget, provided new restricted state funding to school districts in Fiscal Years 20 and 21 specifically for Student Wellness and Success. These revenues are restricted and are required to be accounted for in a Special Revenue Fund (Fund 467) and are NOT included in this forecast.

Fiscal year 2020 (July 1, 2019 – June 30, 2020) is the first year of the five-year forecast and is considered the baseline year. Our forecast is being updated to reflect the most current economic data available to us for the November 2019 filing.

Economic Outlook
It is prudent in long range forecasting to consider the economic climate that long range projection of revenues and expenses are made. The state of Ohio provides roughly 50% of all school district funding so the state's financial health is a stabilizing factor for school district funding. The state of Ohio ended FY19 with a surplus of revenue over expenses and is maintaining a statutory maximum balance of $2.8 billion in the Budget Stabilization Fund that would enable it to weather an economic slowdown during the forecast period. Unemployment rates statewide fell from 4.5% in June 2018 to 4.0% in June 2019 and overall economic growth is predicted to grow at a relatively steady rate of 2% annually through 2021 according to the Ohio Office of Budget and Management. This positively impacts state revenues and local revenues for districts with school district income taxes and will reduce delinquent local property tax payments if employment remains strong. These indicators suggest the state of Ohio's overall economy is healthy and should be able to maintain stable funding through the foundation program through the forecast period.

Statewide assessed property values and local tax collections have recovered from the sharp drops that occurred in 2008 through 2011. In 2008 statewide property values reached $256.23 billion of assessed value and in 2017 they rose above this to $263.73 billion for the first time. Assessed values grew 4.3% overall from 2017 to $275.01 billion in 2018. Property values and new construction are expected to continue growing throughout the forecast period with some districts with high agricultural values experiencing slightly lower growth due to changes in current agricultural use valuation that will occur during reappraisal and update years. Property values and tax collections show trends supporting stability and growth for the forecast period.

Forecast Risks and Uncertainty:
A five-year financial forecast has risks and uncertainty not only due to economic uncertainties noted above but also due to state legislative changes that will occur in the spring of 2021 and 2023 due to deliberation of the next two (2) state biennium budgets for FY22-23 and FY24-25, both of which affect this five-year forecast. We have estimated revenues and expenses based on the best data available to us and the laws in effect at this time. The items below give a short description of the current issues and how they may affect our forecast long term:

I. Property tax collections are the largest single revenue source for the school system. We project continued growth in appraised values every three (3) years and continued growth in local taxes. The local revenues equate to nearly 84% of the district's resources. Our district has 76.1% of our assessed property value in Franklin County, 13.6% in Delaware County and 10.3% in Union County. Growth in the Union County area of our district is expected to continue with development of Jerome Village. A reappraisal will occur in Union County in tax year 2019 for collection in 2020, we estimate an overall increase of 1% in total values for the reappraisal but total overall increase of 1.3% in all values when considering new construction.

Franklin and Delaware Counties experienced a reappraisal in Tax Year 2017 for collection in 2018. We realized an overall increase of 9.0% due to inflations and new construction in our tax base. The district is well above the 20 mill floor for residential and commercial property so increases due to reappraisals or updates will only increase revenue by the 4.4 inside mills. In 2020 Franklin and Delaware County will experience an update which we are estimating residential property increasing 7% overall and commercial increasing 1%. New construction will increase annual revenue for all classes of property and we have projected historic trends for new commercial construction in addition to ongoing housing developments. The prospects of sharply lower taxes due to economic events affecting the districts tax base are extremely unlikely.

II. The State Budget represents 16.3% of district revenues, which means it is still a moderate area of risk to revenue. HB166 the current state budget for FY20-21 has frozen foundation basic aid funding for all school districts in Ohio at their FY19 level with the only exception being the addition of Enrollment Growth Supplement money which our district is estimated to receive $585,418 in FY20 and an additional amount of $295,053 in FY21. For FY22-24 we will treat this money as guaranteed at FY21 levels but note it could be discontinued in a future state budget.

The only increase in funding to all districts in Ohio is restricted use money for Student Wellness and Success and must be placed in Fund 467. This is not General Fund money and thus is not included in the forecast. We have assumed this money will not continue after FY22. There are two future State Biennium Budgets covering the period from FY22-23 and FY24-25 in this forecast. Future uncertainty in both the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long range through FY24. We have projected our state funding to be inline with our current estimates through FY24 which we feel are conservative and should be close to whatever the state approves for the FY22-23 biennium budget. We will adjust the forecast in future years as we receive data to help guide this decision.

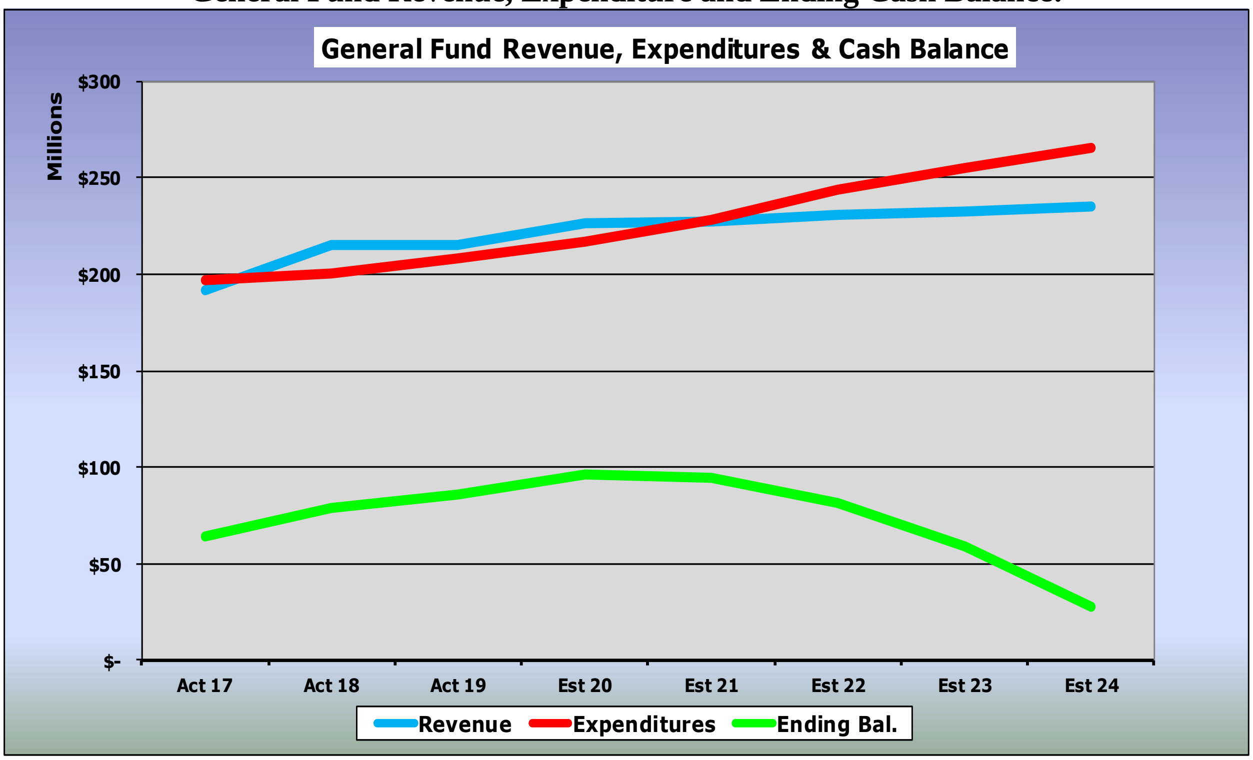
III. HB166 continues the many provisions contained in prior state biennium budgets that will continue to draw funds away from our district through continuing school choice programs such as College Credit Plus, Community Schools and increases in per pupil scholarship amounts deducted from our state aid in the 2019-21 school years, even though foundation funding for our students was not increased to our district for this biennium budget. College Credit Plus costs continues to increase as this program becomes more popular. These are examples of new choice programs that increase with each biennium budget cost the district money. Expansion or creation of programs such as these exposes the district to new expenditures that are not currently in the forecast. We are monitoring any new threats to our state aid and increased costs very closely.

IV. Patient Protection and Affordable Care Act (PPACA) – This program was approved March 23, 2010 along with the Health Care and Education Reconciliation Act. Implementation of several provisions related to this act has increased costs by as much as 2%. There is the additional risk that costs will go up as additional employees are added to our health care rolls and the potential for the Cadillac Tax that was delayed by congress until 2022. We have made allowance for increases in our costs for health care in the forecast based on what we know at this time. Future uncertainty over rules and implementation of PPACA exists as it is under review and potential appeal or modification at the Federal Level.

V. Labor relations in our district have been amicable with all parties working for the best interest of students and realizing the resource challenges we face. We believe as we move forward our positive working relationship will continue and will only grow stronger.

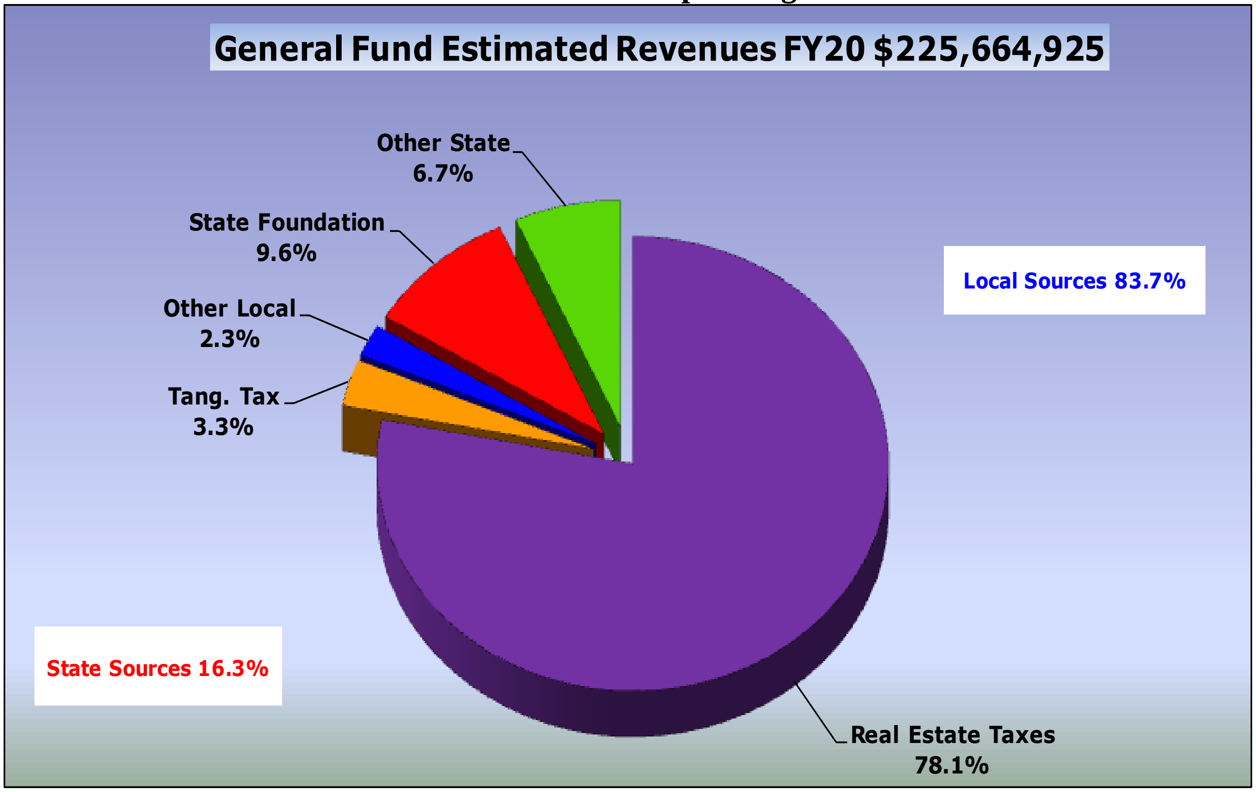
The major categories of revenue and expenditures on the forecast are noted below in the headings to make it easier to reference the assumptions made for the forecast item. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information please feel free to contact me - Mr. Brian Kern Treasurer/CFO of Dublin City School District 614-764-5913.

General Fund Revenue, Expenditure and Ending Cash Balance:



Revenue Assumptions

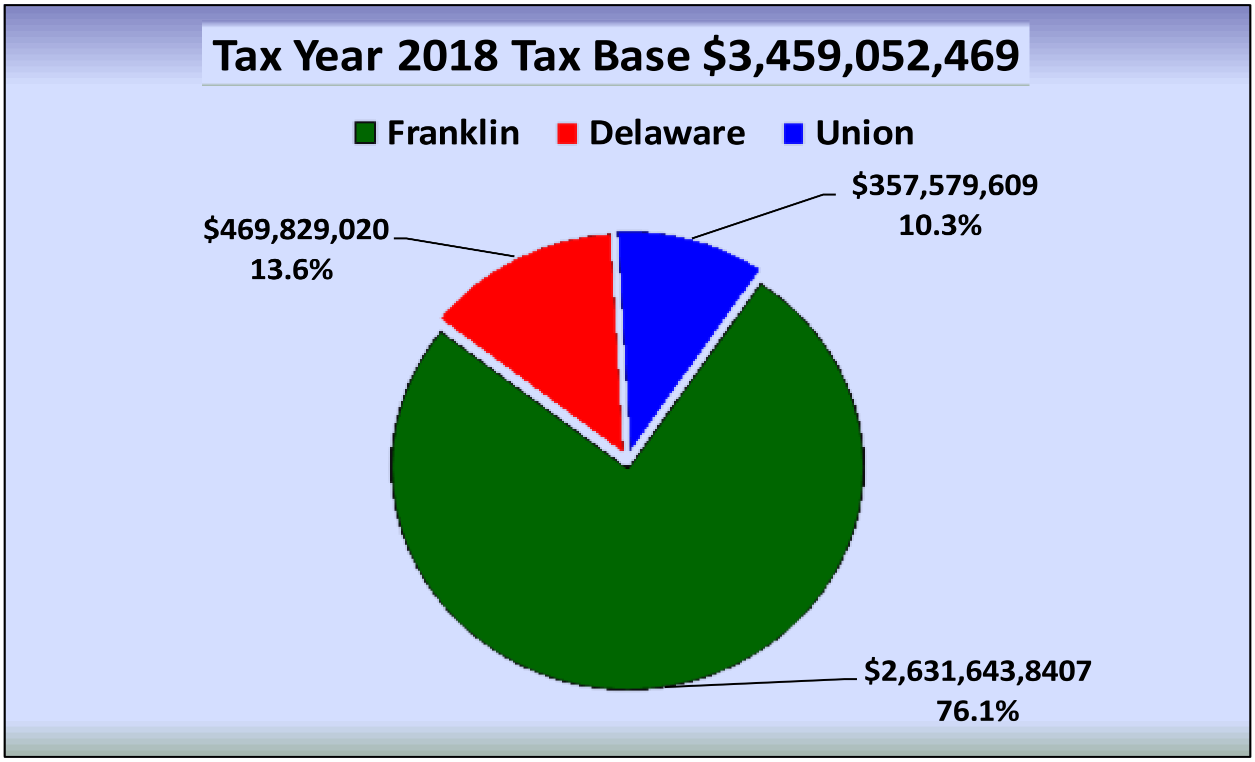
Estimated General Fund Operating Revenues:



Real Estate Value Assumptions – Line #1.010
The district has property value in Franklin, Delaware and Union Counties which adds complexity to the effort required projecting these revenue sources. The graph below shows the amount of property value in each county as of Tax Year 2018. Property values are established each year by the County Auditor based on new construction and complete reappraisal or updated values.

Our district has 76.1% of our assessed property value in Franklin County, 13.6% in Delaware County and 10.3% in Union County. A reappraisal update occurred in tax year 2017 for collection in 2018 in Franklin and Delaware Counties. We realized a Class I (residential and agricultural property) increase of 7.04% and a 5.63% increase in Class II (commercial industrial property) for inflationary growth, but an overall increase of 9.0% in our total tax base which includes estimates for new construction and PUPP values. In 2019 Union County will experience a reappraisal and we are estimating a 0.75% increase in overall residential property value and 0.0% for commercial. In 2020 Franklin and Delaware County will experience an update which we are estimating residential property increasing 7.0% overall and commercial increasing 1.0%. New construction will increase annual revenue for all classes of property and we have projected historic trends for new commercial construction in addition to ongoing housing developments.

When values increase due to reappraisals and updates (inflationary increases), reduction factors are increased and House Bill 920 decreases effective tax rates so the district tax revenues do not grow except for 4.4 inside unvoted mills.



ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Estimated TAX YEAR 2019 COLLECT 2020	Estimated TAX YEAR 2020 COLLECT 2021	Estimated TAX YEAR 2021 COLLECT 2022	Estimated TAX YEAR 2022 COLLECT 2023	Estimated TAX YEAR 2023 COLLECT 2024
Res./Ag.	$2,560,745,237	$2,763,768,654	$2,787,539,904	$2,833,096,553	$2,992,432,631
Comm./Ind.	855,786,569	871,744,435	879,144,435	886,544,435	902,809,879
Public Utility Personal Property (PUPP)	87,532,910	88,532,910	89,532,910	90,532,910	91,532,910
Tangible Personal Property (TPP)	0	0	0	0	0
Total Assessed Value	$3,504,064,717	$3,724,045,999	$3,756,217,249	$3,810,173,898	$3,986,775,420

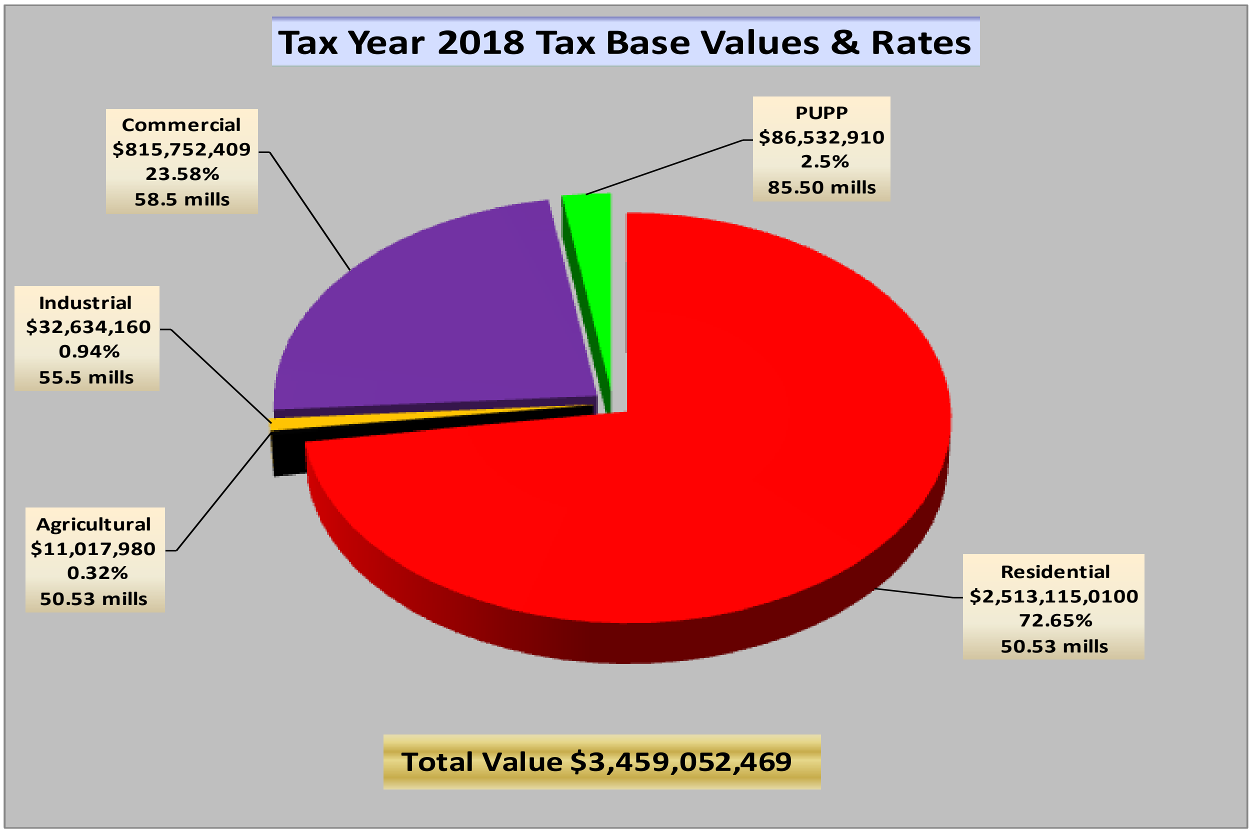
ESTIMATED REAL ESTATE TAX (Line #1.010)

Source	FY20	FY21	FY22	FY23	FY24
Est. Real Estate Taxes	$162,461,670	$163,751,593	$166,576,415	$168,038,357	$169,521,817
TIF Tax Collections	13,450,549	13,820,439	14,200,501	14,591,015	14,992,268
BOR/BTA Tax Collections	300,000	200,000	200,000	200,000	200,000
Total Line #1.01 Real Estate Taxes	$176,212,219	$177,772,032	$180,976,916	$182,829,372	$184,714,085

Property tax levies are estimated to be collected at 98.5% of the annual amount. This allows a 1.5% delinquency which fluctuates year to year. Typically, 52.75% of residential/agriculture (Class I) and commercial/industrial (Class II) is expected to be collected in the February tax settlements and 47.25% is expected to be collected in the August tax settlements. Public utility tax settlements (PUPP) are estimated to be received 50% in February and 50% in August. Our BOR/BTA settlement collections in FY18 were $762,732 and in FY19 were $3,907,129 which was much higher than our estimates. These amounts are unpredictable from year to year based on valuation challenges and settlement agreements.

New Operating Levy, Bond Issue and Permanent Improvement Levies
This forecast includes the first partial year collection of the new 5.9 mill operating levy in FY19 and a full year collection beginning in FY20. The district also passed a 2.0 mill permanent improvement levy, and a $195 million bond issue. The revenue for these two (2) levies will be collected in separate funds and are not included in the general fund forecast. These levies will however have the result of decreasing costs to the general fund by shifting some facility repair and maintenance costs away from the General Fund. The net result is a forecast with a positive balance projected through FY24.

The graph below shows the breakdown of the Tax Year 2018 actual tax values and effective tax rates for each classification of property value the district has with public utility personal property is referred to as PUPP.



The district receives a number of “non-school district” Tax Increment Financing (TIF) payments from the county auditor. These agreements were created by SB19 effective in 2004 where municipalities and other tax granting entities could collect other political subdivisions taxes in repayment of capital costs advanced for infrastructure needed for development but allow school districts to receive their normal taxes. Therefore, they are “non-school district TIFs”. This shows a commitment to the school district to prioritize money for student education above other priorities.

“Win-Win Agreement”
The district has been a party to the “Win-Win Agreement” along with several other districts in central Ohio and Columbus City Schools since May 1986. Among other things this agreement required annual commercial tax revenue sharing between our district and Columbus City Schools. The districts payments for this agreement have been netted out of the tax revenues noted on Line #1.010 of the forecast.

On June 30, 2016 the district entered into an amended agreement with Columbus City Schools that required a payment in FY17 of $1,170,000. No further payments are due Columbus City Schools under this agreement unless in FY21 the Columbus City Schools decides not to accept a property transfer from Dublin Schools where no children currently reside. If Columbus elects not to accept this transfer the district will be required to pay Columbus City Schools a final payment estimated to be $1,175,000 to conclude the Win-Win Agreement. The amount for FY21 has been netted from estimated property taxes noted on Line #1.010 to be conservative in our estimation of this future scenario.

Estimated Public Utility Personal Property Tax (PUPP) – Line #1.020

Revenues posted on this line are ostensibly Public Utility Personal Property (PUPP) taxes which are collected at the districts' gross tax rates not subject to reduction factors. We have estimated past trend growth in these values for future years. The phase out of tangible personal property tax (TPP), as noted earlier, began in fiscal year 2006 and was completely eliminated after fiscal year 2011.

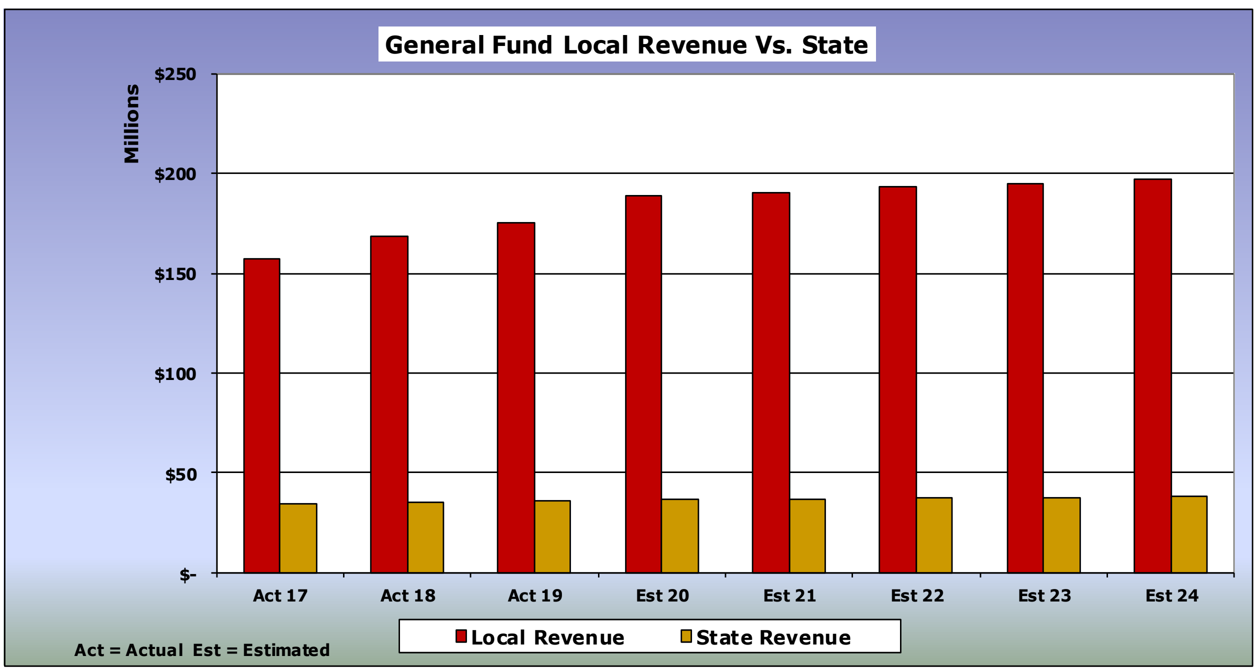
Source	FY20	FY21	FY22	FY23	FY24
Public Utility Personal Property	$7,489,909	$7,526,814	$7,612,314	$7,697,814	$7,783,314
Total Line #1.020	$7,489,909	$7,526,814	$7,612,314	$7,697,814	$7,783,314

New Tax Levies – Line #13.030

No new levies are modeled in this forecast at this time.

Comparison of Local Revenue and State Revenue:

The graph on the following page clearly shows that local taxpayers are the chief source of district operating dollars as the state funding formula is not attempting to help fund districts considered wealthy by the state.



State Foundation Revenue Estimates

A) Unrestricted State Foundation & Casino Revenue – Line #1.035

The amounts estimated for state funding are based on HB166 (the new state biennium budget) funding simulations which essentially guarantee all school districts the same amount of state aid they received in FY19.

Essentially funding for all 610 traditional school districts and 49 Joint Vocational and Career Centers is frozen for FY20 & 21 at the FY19 funding level for state basic aid. The State Foundation Funding Formula used since FY14 has now been abandoned after six (6) years. HB305 is currently being considered by the legislature and may produce a successor funding formula for the FY22-23 biennium budget but there is nothing to base future projections on. For this reason we have projected state aid flat through FY24 as we have nothing authoritative to rely on at this time.

Supplemental Funding for Student Wellness and Success (Restricted Fund 467)
Nearly all of the new funding for K-12 public education in the FY20-21 Executive Budget is provided through a formula allocating $250 million in FY20 and $358 million in FY21 based upon each district's percentage of students in households at or below 185% of the Federal Poverty Level (FPL) and the total number of students enrolled in each district. In FY20 proposed funding ranges from $20 per student to $250 per student and in FY21 funding ranges from $25 per student to $300 per student. All schools and students are to receive a minimum additional funding of $25,000 in FY20 and $30,000 in FY21. Our district is estimated to receive $650,414 in FY20 and $919,064 in FY21. Money will be received twice each year in October and February. These dollars are to be deposited in a Special Revenue Fund 467 and are restricted to expenses that follow a plan developed in coordination with one of the approved community partner organizations approved in HB166 that include the following:

Student Wellness and Success Initiatives (ORC 3317.26(B))
- Mental health services
- Services for homeless youth
- Services for child welfare involved youth
- Community liaisons
- Physical health care services
- Mentoring programs
- Family engagement and support services
- City Connects programming
- Professional development regarding the provision of trauma-informed care
- Professional development regarding cultural competence
- Student services provided prior to or after the regularly scheduled school day or any time school is not in session

Community Partners (ORC 3317.26(C))
- A board of alcohol, drug and mental health services
- An educational service center
- A county board of developmental disabilities
- A community-based mental health treatment provider
- A board of health of a city or general health district
- A county department of job and family services
- A nonprofit organization with experience serving children
- A public hospital agency

At this time our district is spending money in our General Fund that is servicing student needs as identified in 3317.26 (B) and our approved plan calls for these expenses to be recoded to Fund 467 for FY20 and FY21, then returning these expenses to the General Fund for FY22-24 as we have no direction on the future continuation of this funding. The General Fund reflects the reduction of these expenses for FY20 and FY21 and increase in expenses in FY22-24.

Casino Revenue

On November 3, 2009 Ohio voters passed the Ohio casino ballot issue. This issue allowed for the opening of four (4) casinos one each in Cleveland, Toledo, Columbus and Cincinnati. Thirty-three percent (33%) of the gross casino revenue (GCR) will be collected as a tax. School districts will receive 34% of the 33% GCR that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31st of January and August each year which began for the first time on January 31, 2013.

The state continues to report that revenues from casinos are not growing robustly as originally predicted but are still growing as the economy has improved. Actual numbers generated for FY19 statewide were 1,785,583 students at $52.59 per pupil. That is a decline of 0.36% students from the prior year. For FY20-24 we estimated a 0.4% decline in pupils to 1,778,441 and GCR increasing to $95.5 million or $53.75 per pupil. We will increase estimates for future years when actual casino revenues show signs of stronger increases.

Source	FY20	FY21	FY22	FY23	FY24
Basic Aid-Unrestricted	$18,121,580	$18,121,385	$18,121,115	$18,120,843	$18,980,813
Additional Aid Items	1,782,354	2,075,844	2,075,844	2,075,844	2,075,844
Basic Aid-Unrestricted Subtotal	$19,903,934	$20,197,229	$20,196,959	$20,196,687	$21,056,657
Ohio Casino Commission ODT	875,357	892,952	910,900	929,210	947,887
Total Unrestricted State Aid Line #1.035	$20,779,291	$21,090,181	$21,107,859	$21,125,897	$22,004,544

B) Restricted State Foundation Revenue – Line #1.035

HB166 continues funding two restricted sources of revenues to school districts which are Economic Disadvantaged Funding and Career Technical Education Funding. The district has elected to also post Catastrophic Aid for special education as restricted revenues. The amount of the Economically Disadvantaged Aid is estimated to remain stable each remaining year of the forecast. We have incorporated this amount into the restricted aid amount in Line #1.04 for FY20-24.

Source	FY20	FY21	FY22	FY23	FY24
Economically Disadvantaged Aid	$26,955	$26,955	$27,225	$27,497	$27,772
Career Tech - Restricted	48,621	48,621	48,621	48,621	48,621
Catastrophic Aid Reimbursement	850,352	841,848	833,430	825,096	816,845
Total Restricted State Revenues Line #1.040	$925,928	$917,424	$909,276	$901,214	$893,238

C) Total State Foundation Revenue – Line #1.035 & #1.040

SUMMARY	FY20	FY21	FY22	FY23	FY24
Unrestricted Line #1.035	$20,779,291	$21,090,181	$21,107,859	$21,125,897	$22,004,544
Restricted Line #1.040	925,928	917,424	909,276	901,214	893,238
Total State Foundation Revenue	$21,705,219	$22,007,605	$22,017,135	$22,027,111	$22,897,782

State Taxes Reimbursement/Property Tax Allocation

a) Rollback and Homestead Reimbursement

Rollback funds are reimbursements paid to the district from Ohio for tax credits given owner occupied residences equaling 12.5% of the gross property taxes charged residential taxpayers on tax levies passed prior to September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013 which is the effective date of HB59. HB66 the FY06-07 budget bill previously eliminated 10% rollback on Class II (commercial and industrial) property.

Homestead Exemptions are also credits paid to the district from the State of Ohio for qualified elderly and disabled. In 2007 HB119 expanded the Homestead Exemption for all seniors over age 65 years of age or older or who are disabled regardless of income. Effective September 29, 2013 HB59 changes the requirement for Homestead Exemptions. Individual taxpayers who do not currently have their Homestead Exemption approved or those who do not get a new application approved for tax year 2013, and who become eligible thereafter will only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who currently have their Homestead Exemption as of September 29, 2013 will not lose it going forward and will not have to meet the new income qualification. This will slow the growth of homestead reimbursements to the district, and as with the rollback reimbursements above, the state is increasing the tax burden on our local taxpayers.

b) Tangible Personal Property Reimbursements – Fixed Rate

Prior state budgets have ravaged the districts' TPP fixed rate reimbursements. Only a 20% portion for the FY17 TPP Supplement established by SB208 was paid in FY18 and in FY19 we no longer received any of these promised funds.

c) Tangible Personal Property Reimbursements – Fixed Sum

The district does not received Fixed Sum TPP payments for General Fund levies.

Summary of State Tax Reimbursement – Line #1.050

Source	FY20	FY21	FY22	FY23	FY24
a) Rollback and Homestead	$15,133,253	$15,114,932	$15,270,094	$15,396,526	$15,527,384
b) TPP Reimbursement - Fixed Rate	0	0	0	0	0
c) TPP Reimbursement - Fixed Sum	0	0	0	0	0
Total Tax Reimbursements #1.050	$15,133,253	$15,114,932	$15,270,094	$15,396,526	$15,527,384

Other Local Revenues – Line #1.060

We have elected to show revenue sharing agreements such as the Bridge Street Agreement with the City of Dublin, the Upper Arlington Revenue Sharing Agreement and Payment In Lieu of Taxes (PILOT) payments in other income separate from property taxes on Line #1.010. These are the largest other revenue sources in the General fund other than rentals, interest income and other miscellaneous revenues. These are estimated to generally grow at 1% per year and based on trend data we have observed. In FY18 we received 2 payments from the City of Dublin for the Bridge Street Development. One of the payments was for FY19 so we have reduced FY19 by that payment and resumed estimates for FY20-24. Beginning in FY20 interest is expected to decline due to federal funds rate reductions which will impact our earning capability in this area. All other revenues are expected to continue on historic trends.

Source	FY20	FY21	FY22	FY23	FY24
City of Dublin Bridge St. Agreement	$1,500,000	$1,500,000	$1,500,000	$1,500,000	$1,500,000
Revenue Sharing Agreement- UA	214,000	214,000	214,000	214,000	214,000
PILOT payments	25,000	25,000	25,000	25,000	25,000
Tuition payments	479,368	484,162	489,004	493,894	498,833
Interest	1,600,000	1,400,000	1,000,000	800,000	800,000
Dues, Fees, Rentals & Other	860,453	869,058	877,749	886,526	895,391
Miscellaneous Receipts	445,504	445,504	445,504	445,504	445,504
Total Line #1.060	$5,124,325	$4,937,724	$4,551,257	$4,364,924	$4,378,728

Short-Term Borrowing – Line #2.010 & Line #2.020

In FY18 we borrowed Bond Anticipation Notes we identified as Series 2017A to purchase the Emerald Parkway Building. The $9.45 million is estimated to be borrowed over a 2 year period at a 1.415% interest rate.

A second Bond Anticipation Note Series 2017B is a $9.1 million credit line at 1.99% that we will only draw $3.5 million on in FY19 due to passage of the November 6, 2018 bond issue, which will be used to pay for renovation costs of the new Emerald Parkway Building over the period FY18-20. The final maturity and principal for these debts will come from the November 6, 2018 bond issue. No further borrowing is anticipated in this forecast period.

Source	FY20	FY21	FY22	FY23	FY24
Bond Anticipation Note Series 2017A	$0	$0	$0	$0	$0
Bond Anticipation Note Series 2017B	0	0	0	0	0
Total Short Term Borrowing - Line #2.010	$0	$0	$0	$0	$0

Transfers In / Return of Advances – Line #2.040 & Line #2.050

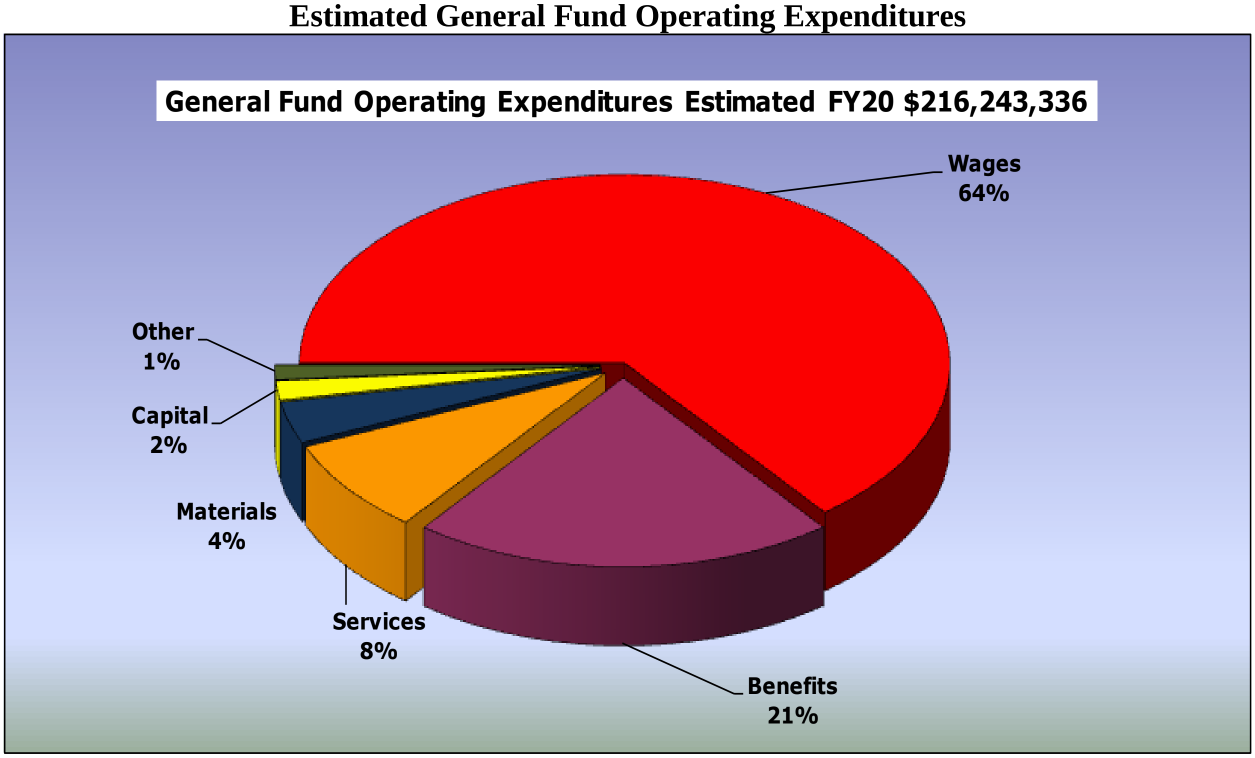
These are non-operating revenues which are the repayment of short term loans to other funds during the previous fiscal year and reimbursements for expenses incurred in the previous fiscal year. All advances during the current year are planned to be returned in the succeeding fiscal year and are not considered operating revenues and are of an immaterial amount.

All Other Financial Sources – Line #2.060 & Line #14.010

Source	FY20	FY21	FY22	FY23	FY24
Transfers In - Line #2.040	$0	$0	$0	$0	$0
Advance Returns - Line #2.050	539,000	50,000	50,000	50,000	50,000
Total Transfer & Advances In	$539,000	$50,000	$50,000	$50,000	$50,000

Expenditures Assumptions

Estimated General Fund Operating Expenditures



Wages – Line #3.010
The model reflects pay increases approved by the Board of Education for certificated, administrative and classified staff for FY19-FY20 2.1% and 2.15% respectively. Estimated base wage increases based on historical trend and step increases are included for FY21-FY24. **We have included new staffing to open two (2) new elementary buildings in FY21 and one (1) new middle school in FY22**. We have recoded existing qualified costs from our General Fund to Fund 467 as noted below and will return those costs to the General Fund in FY22.

Source	FY20	FY21	FY22	FY23	FY24
Base Wages	$129,334,478	$136,085,695	$144,694,028	$153,935,967	$160,180,193
Based Pay Increase	$2,780,691	$1,360,857	$1,446,940	$1,539,360	$1,601,802
Steps & Academic Training	$2,488,053	$2,483,222	$2,612,845	$2,778,125	$2,955,571
Growth Staff	$1,991,273	$1,556,162	$1,498,247	$1,523,340	$1,322,730
New Building Staff	$0	$3,424,292	$2,958,907	$403,401	$0
Substitutes	$258,191	$258,966	$259,743	$260,522	$261,304
Supplementals	$254,115	$256,656	$259,223	$261,815	$264,433
Stipends/OT/Severence & Misc.	$2,828,720	$2,851,350	$2,874,161	$2,897,154	$2,920,331
Wage Adjustments Fund 467	($508,800)	($216,200)	$725,000	$0	$0
Total Wages Line #3.010	$139,426,721	$148,061,000	$157,329,094	$163,599,684	$169,506,364

The district is experiencing increased student enrollment growth which will require addition staff increases each year of the forecast and is included above in "growth staff" estimates based on the most current data we have at this time.

Fringe Benefits Estimates Line #3.020
This area of the forecast captures all costs associated with benefits and retirement costs, which all except health insurance are directly related to the wages paid. The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System or the School Employees Retirement System as required by Ohio law.

A) STRS/SERS
Generally the district must pay 14% of wages paid to both STRS and SERS. In addition, the district pays to SERS the employee surcharge which is an additional amount required over the 14% to provide added funds SERS collects to supplement contributions on lower paid short hour classified staff so they can have a pension when they retire.

B) Insurance
In FY19 the district was pleased to accept a third year over year reduction of premiums. Rates are expected to be 2.7% in FY20 and 7.4% overall for fiscal years 2021 through 2024. Our estimates are based on our current employee census and claims data. This could increase at a much higher rate should claims increase dramatically.

Patient Protection and Affordable Care Act (PPACA) Costs- the **Patient Protection and Affordable Care Act** (**PPACA**) commonly called **Obamacare** or the **Affordable Care Act** (**ACA**), is a United States federal statute signed into law on March 23, 2010. It is uncertain to what extent the implementation of PPACA will cost our district in additional funds especially since it is being reviewed carefully at the federal level for amendment or repeal. We are not certain what these added costs may be but Longer-term, a significant concern is the 40% "Cadillac Tax" provision but in December 2017 this was delayed until 2022 by congress. This tax would be imposed on plans whose value of benefits exceeds $11,200 for individual plans and $30,150 for family plans.

The rules and implementation of the PPACA is an ongoing issue we are watching closely to evaluate the effect on our district.

C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to remain at about 0.51% of wages after fiscal year 2019 due to a moderated claim experience over prior years. Unemployment Compensation has been negligible and is anticipated to remain as such as we plan our staffing needs carefully.

D) Medicare

Medicare will continue to increase at the rate of increase of wages. Contributions are 1.45% for all new employees to the district on or after April 1, 1986. These amounts are growing at the general growth rate of wages.

Summary of Fringe Benefits – Line #3.020

Source	FY20	FY21	FY22	FY23	FY24
A) STRS/SERS	$21,084,688	$22,416,003	$23,820,280	$24,812,762	$25,717,125
B) Insurance's	21,523,504	24,249,703	27,278,984	29,756,193	32,272,961
C) Workers Comp/Unemployment	715,955	759,214	802,396	838,653	869,247
D) Medicare	1,904,226	2,057,130	2,183,817	2,257,021	2,349,367
Other/Tuition/Annuities	200,000	200,000	200,000	200,000	200,000
Total Line #3.020	$45,428,373	$49,682,050	$54,285,477	$57,864,629	$61,408,700

Purchased Services – Line #3.030

One of the largest expenses in this area is contracted payment for substitute teachers with the ESC-COG of Central Ohio which reduces district costs to acquire substitutes, and other contract services purchased for special education and other areas of special needs**. With passage of the new permanent improvement levy and $195 million bond issue we have been able to move some targeted capital and maintenance cost items to these funds beginning in FY19 that were planned to spent from the General Fund. This will help reduce capital costs in the General Fund and prolong our new 5.9 mill operating levy**. We have estimated utilities to rise due to last year being a reasonably warm winter and the likelihood of increasing electric rates due to large capital investments being made by AEP in infrastructure which will ultimately become approved rate hikes**. We have increased costs for additional utility costs in FY21 for two (2) new elementary schools and in FY22 for one (1) new middle school building.**

Source	FY20	FY21	FY22	FY23	FY24
Legal Fees, Prof. Development, Other Misc.	$948,362	$976,813	$1,006,117	$1,036,301	$1,067,390
ESC Substitutes & Training, SRO, Other Misc.	9,351,769	9,819,357	10,310,325	10,825,841	11,367,133
Repairs & Maint., Property Ins., Other Misc.	2,639,934	1,200,710	1,260,746	1,323,783	1,389,972
Tuition, Excess Costs, CCP, Other Misc.	696,989	717,899	739,436	761,619	784,468
Student Transportation	342,964	353,253	363,851	374,767	386,010
Utilities	3,527,870	4,053,704	4,539,889	4,766,883	5,005,227
Total Line #3.030	$17,507,888	$17,121,736	$18,220,364	$19,089,194	$20,000,200

Supplies and Materials – Line #3.040

An overall inflation of 3.0% is being estimated for this category of expenses which are characterized by textbooks, copy paper, maintenance supplies and fuel. Graded Course of Study adoptions have been planned for the forecast period to keep curriculum materials current district-wide. **We have adjusted costs for supplies and materials to open two (2) new elementary buildings in FY21 and one (1) new middle school in FY22.**

Source	FY20	FY21	FY22	FY23	FY24
General Office Supplies and Materials	$2,494,197	$2,709,023	$2,890,294	$2,977,003	$3,066,313
Textbooks/GCOS/Building Repairs	4,397,527	3,771,161	3,884,296	4,000,825	4,120,850
Transportation Fuel and Supplies	824,868	849,614	875,102	901,355	928,396
Total Line #3.040	$7,716,592	$7,329,798	$7,649,692	$7,879,183	$8,115,560

Equipment – Line #3.050

With the passage of the new permanent improvement levy and $195 million bond issue approved November 6, 2018 we have moved several items previously planned to be spent from the General Fund to the permanent improvement or bond issue, and away from the General Fund. We continue to use funds from the City of Dublin agreement to purchase and update technology in the district. In FY17 we purchased the Emerald Parkway Building for $9.4 million. In FY19 we anticipate purchasing $1.7 million in Chromebooks for students. **Bus purchases will be moved to the permanent improvement fund due to passage of the new levy. We have also reduced capital outlay and renovation cost for the Emerald Campus facility beginning in FY20 as those costs will be shifted to the new bond issue passed November 6, 2018.**

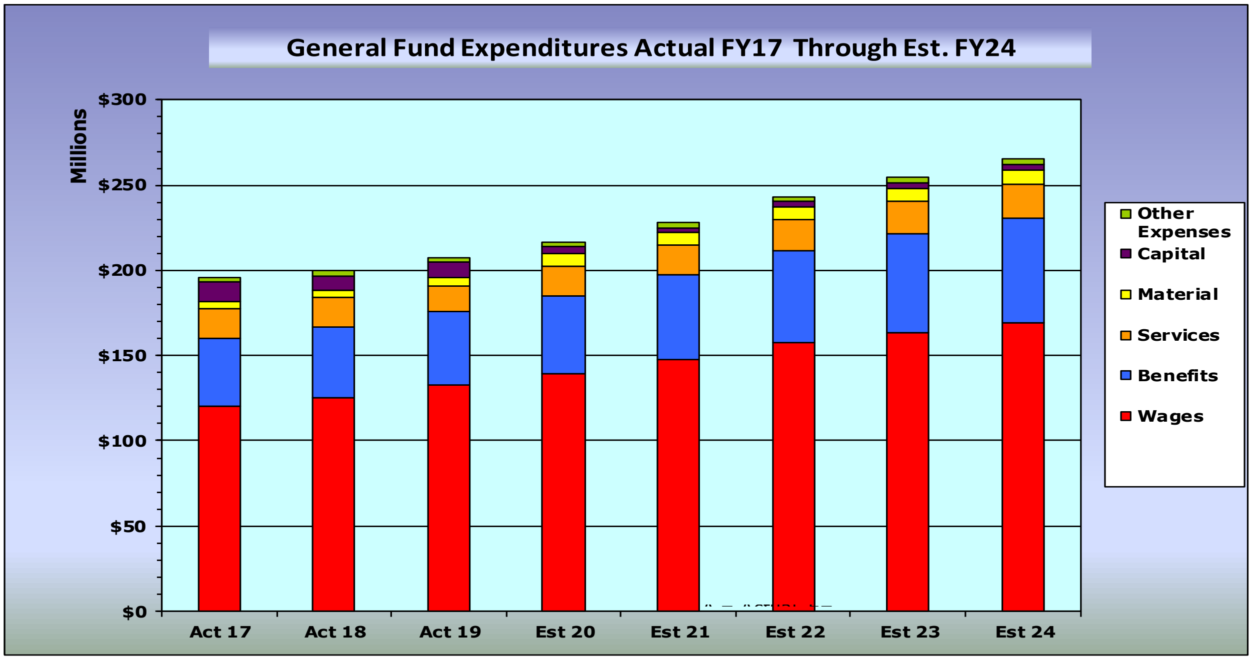
Source	FY20	FY21	FY22	FY23	FY24
Capital Outlay & Maintenance	$2,364,020	$1,791,986	$1,881,585	$1,975,664	$2,074,447
Replacement Bus Purchases	0	0	0	0	0
Technology Purchases	1,171,606	1,230,186	1,291,695	1,356,280	1,424,094
Total Line #3.050	$3,535,626	$3,022,172	$3,173,280	$3,331,944	$3,498,541

Other Expenses – Line #4.300

The category of Other Expenses consists primarily of County Auditor and Treasurer Fees for collection of property taxes and advertising for delinquent taxes. Other expenses are liability insurance and dues and fees. County ESC deductions for fees provided to the District and membership for participation in SB140 City County Agreement.

Source	FY20	FY21	FY22	FY23	FY24
County Auditor & Treasurer Fees	$1,824,296	$1,851,660	$1,879,435	$1,907,627	$1,936,241
ESC Deduction	103,585	106,693	109,894	113,191	116,587
Other expenses	700,255	721,263	742,901	765,188	788,144
Total Line #4.300	$2,628,136	$2,679,616	$2,732,230	$2,786,006	$2,840,973

Total Expenditure Categories Actual Fiscal Year 2017 through Fiscal Year 2019 and Estimated Fiscal Year 2020 through Fiscal Year 2024



Interest and Fiscal charges on Short-Term BANS – Line #4.06

The table below shows estimated interest payments for Series A & B Bond Anticipation Notes to purchase and renovate the Emerald Parkway Building. **Beginning in FY20 these costs will be paid from the new $195 million bond issue and moved away from the General Fund.**

Source	FY20	FY21	FY22	FY23	FY24
Interest on BANS Series A & B #4.060	$0	$0	$0	$0	$0

Transfers Out/Advances Out – Line #5.010

This account group covers fund to fund transfers and end of year short term loans from the General Fund to other funds until they have received reimbursements to repay the General Fund. These amounts are limited in impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund. We have included a transfer from General Fund (001) $380,000 to the Sinking Fund (002) to pay our debt for the HB264 project, $75,000 for summer school and $80,050 for athletic funds. We have to estimate advances to be $50,000 for each year.

Source	FY20	FY21	FY22	FY23	FY24
Operating Transfers Out Line #5.010	$535,050	$535,050	$535,050	$535,050	$535,050
Advances Out Line #5.020	50,000	50,000	50,000	50,000	50,000
Total	$585,050	$585,050	$585,050	$585,050	$585,050

Encumbrances – Line #8.010

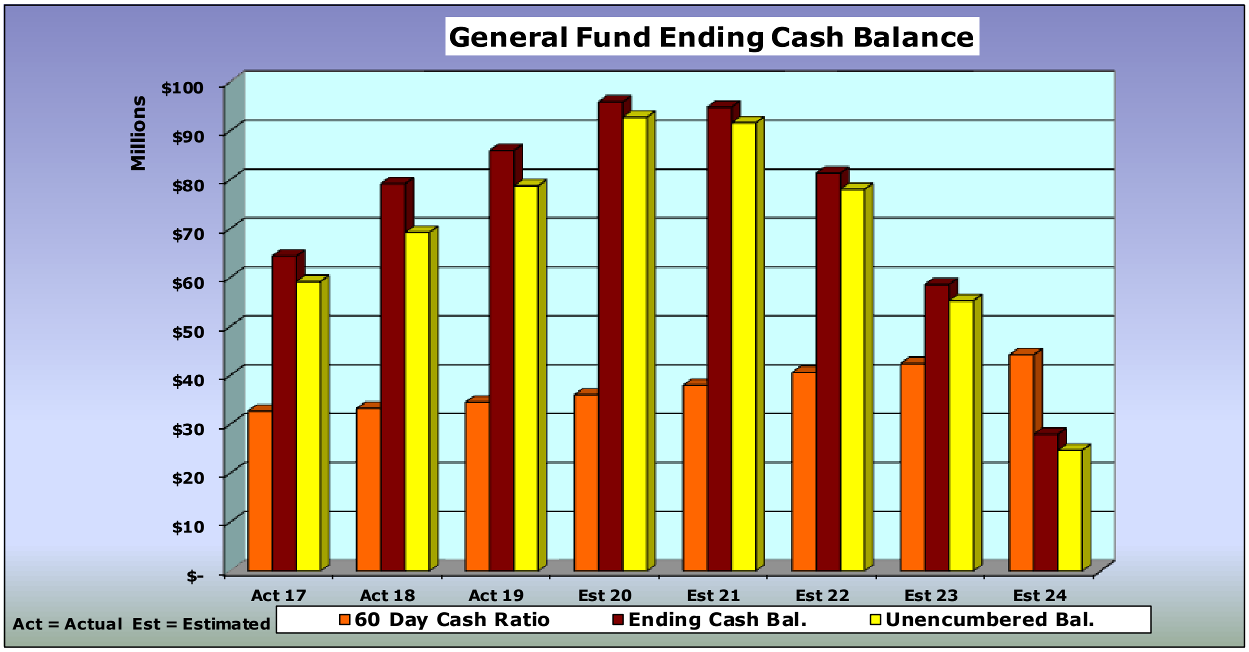
These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered.

	FY20	FY21	FY22	FY23	FY24
Estimated Encumbrances	$3,100,000	$3,200,000	$3,300,000	$3,300,000	$3,300,000

Ending Unencumbered Cash Balance "The Bottom-line" – Line #15.010

This amount must not go below $-0- or the district General Fund will violate Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of Ohio Revised Code section 5705.412, punishable by personal liability of $10,000, unless an alternative "412" certificate can be issued pursuant to House Bill 153 effective September 30, 2011.

	FY20	FY21	FY22	FY23	FY24
Ending Cash Balance	$92,826,801	$91,654,486	$78,057,015	$55,287,072	$24,682,977



True Cash Days Ending Balance
Another way to look at ending cash is to state it in 'True Cash Days". In other words, how many days could the district operate at year end if no additional revenues were received. This is the Current Years Ending Cash Balance divided by (Current Years Expenditures/365 days) = number of days the district could operate with out additional resources or a severe resource interruption. The Government Finance Officers Association recommends no less than two (2) months or 60 days cash is on hand at year end but could be more depending on each districts complexity and risk factors for revenue collection. Expenditures are calculated including transfers as this is a predictable funding source when used in the forecast.