



Olmsted Falls City Schools

Five Year Forecast Financial Report

May, 2019

Olmsted Falls City School District

Prepared By: Emily C. Dales, Treasurer/CFO

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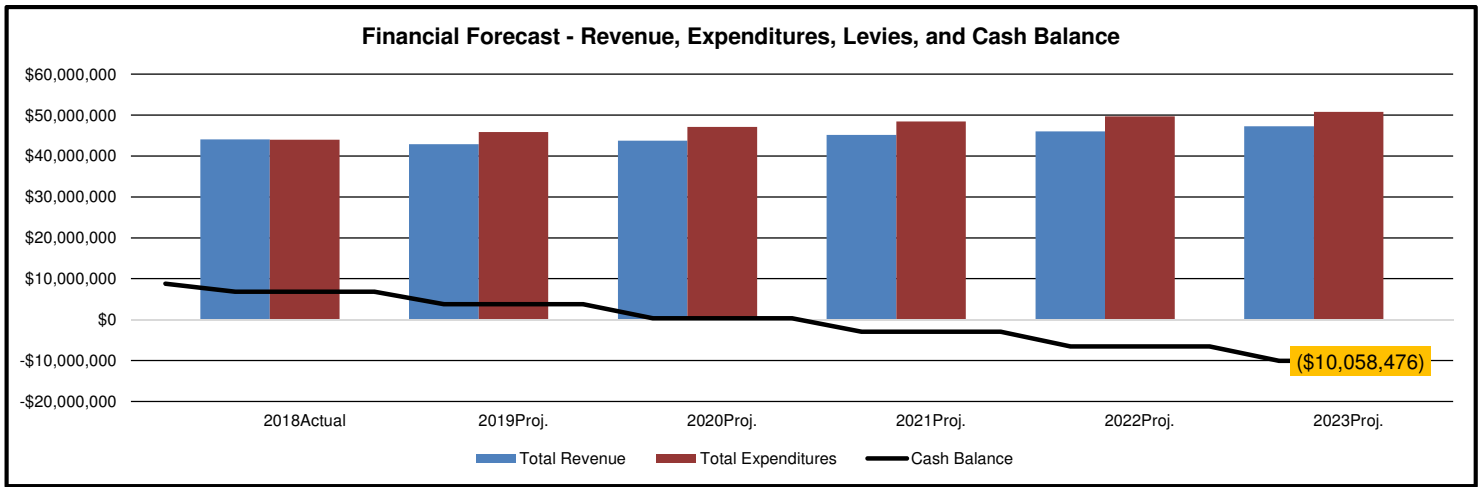
Forecast Purpose/Objectives

Ohio Department of Education's purposes/objectives for the five-year forecast are:

1. To engage the local board of education and the community in the long range planning and discussions of financial issues facing the school district.
2. To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate."
3. To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems.

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

Forecast Summary



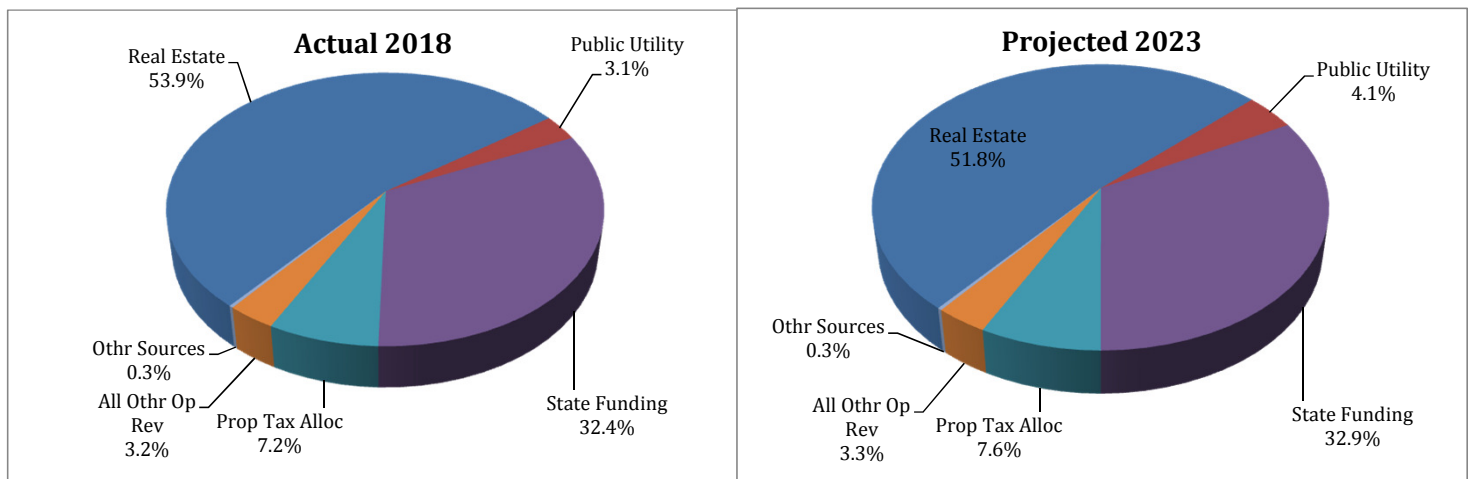
Olmsted Falls City Schools

Financial Forecast

	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Beginning Balance	9,595,061	6,568,990	3,143,165	(134,710)	(3,743,976)
+ Revenue	42,842,948	43,694,098	45,141,328	46,029,304	47,226,810
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(45,869,019)	(47,119,923)	(48,419,203)	(49,638,570)	(50,756,310)
= Revenue Surplus or Deficit	(3,026,071)	(3,425,825)	(3,277,875)	(3,609,266)	(3,529,500)
Ending Balance	6,568,990	3,143,165	(134,710)	(3,743,976)	(7,273,476)
Note: Not Reduced for Encumbrances					

The above charts paint a picture of our District's financial position. Fiscal Year 2019 is experiencing a year of deficit spending which in return reduces excess cash carries forward year to year. This pattern is projected for the entirety of the forecast. Although there are multiple factors that could stop this undesired pattern, there is not enough details to include in the current forecast. Further details on these potential forecast changes can be found further in the report.

Revenue Sources and Forecast Year-Over-Year Projected Overview

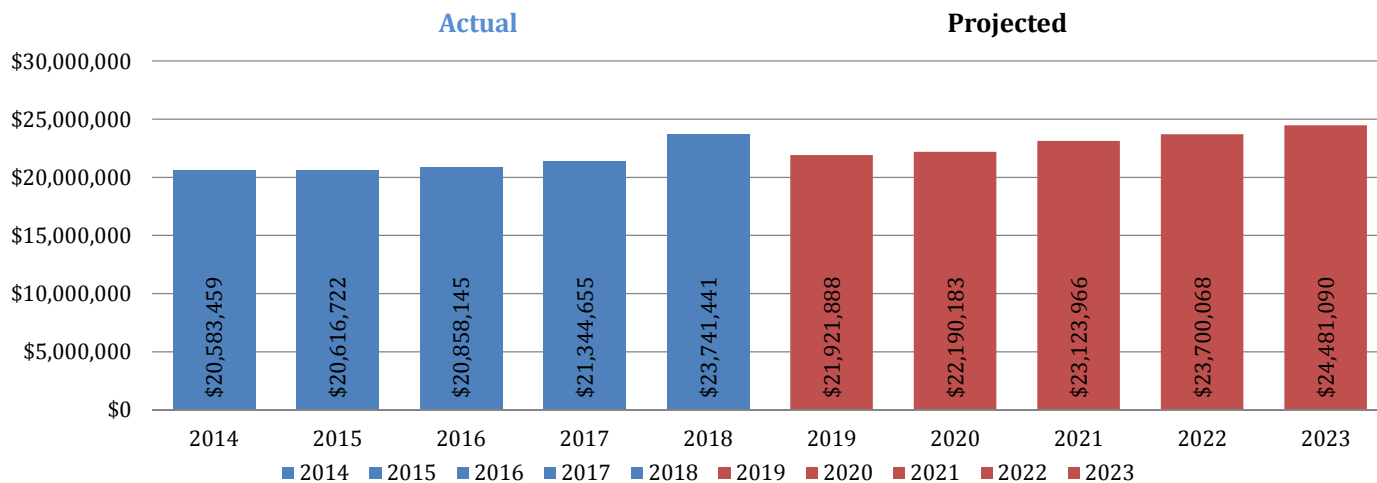


	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	
Revenue:							
1.010-Real Estate Taxes	2.62%	-7.66%	1.22%	4.21%	2.49%	3.30%	0.71%
1.020-Public Utility Taxes	4.79%	6.67%	10.33%	7.97%	6.48%	6.08%	7.51%
1.030-Income Tax	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.035-State Funding	5.44%	2.26%	2.81%	2.03%	0.62%	1.25%	1.79%
1.040-Restricted State Funding	128.22%	-0.16%	3.14%	0.11%	0.43%	0.06%	0.72%
1.045-Restr Federal SFSF	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.050-Property Tax Alloc	2.40%	1.26%	1.91%	2.37%	3.06%	3.23%	2.37%
1.060-All Other Operating	-0.82%	14.96%	-4.45%	0.59%	0.23%	0.29%	2.33%
1.070-Total Revenue	3.28%	-2.65%	1.91%	3.32%	1.97%	2.61%	1.43%
2.070-Total Other Sources	-38.45%	-20.26%	36.09%	0.00%	0.00%	0.00%	3.17%
2.080-Total w/Other Srcs	2.21%	-2.70%	1.99%	3.31%	1.97%	2.60%	1.43%

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1.010 - General Property Tax (Real Estate)

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



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total Real Estate Tax Collections	23,741,441	21,921,888	22,190,183	23,123,966	23,700,068	24,481,090
YOY \$ Change	2,396,786	(1,819,553)	268,295	933,783	576,102	781,022
YOY % Change	11.2%	-7.7%	1.2%	4.2%	2.5%	3.3%

Percentage of Total Revenue	53.9%	51.2%	50.8%	51.2%	51.5%	51.8%
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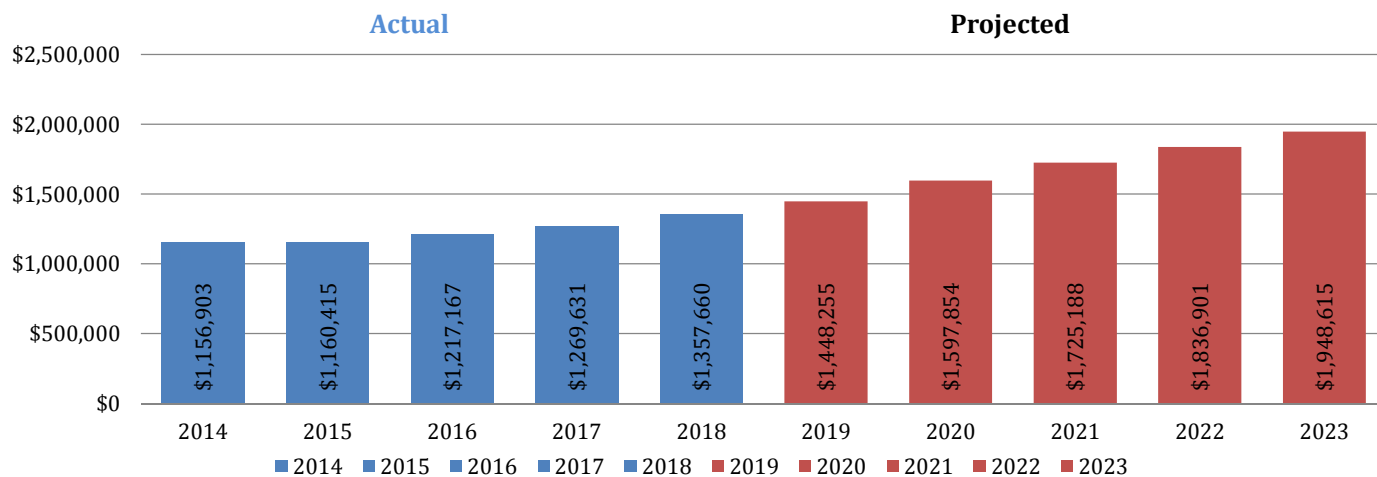
Cuyahoga County’s went through a reappraisal of property values during calendar year 2018. This occurs once every six years and is as accurate of a property valuation as possible. The County performs a physical property review to determine the new valuation along with looking at current sales reports and permits pulled. In between years the County performs triannual updates which are computed strictly off sale records and permits pulled. Olmsted Township/Olmsted Falls experienced an average 9% overall property value increase. This is very comparable with similar neighboring communities. Thanks to House Bill 920 property owners did not see a 9% increase in their property tax bills.

In the chart above, the District’s real estate tax collections appear to have decreased by 7.7% but this is calculated based off the \$2,035,000 windfall that was received during FY18. If you were to remove that factor from the equation the District experienced less than 1% increase during the fiscal year. This is forecasted to increase slightly over the course of the forecast due to the new construction that is occurring around our community. New construction means new tax dollars for the School District. The current forecast estimates are generated from the construction that is currently underway. Any future development that may be in the planning stage have not been taking into consideration at this time.

**Projected % trends include renewal levies*

1.020 - Public Utility Personal Property

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



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total Public Utility Tax Collections	1,357,660	1,448,255	1,597,854	1,725,188	1,836,901	1,948,615
YOY \$ Change	88,029	90,595	149,599	127,334	111,713	111,714
YOY % Change	6.9%	6.7%	10.3%	8.0%	6.5%	6.1%

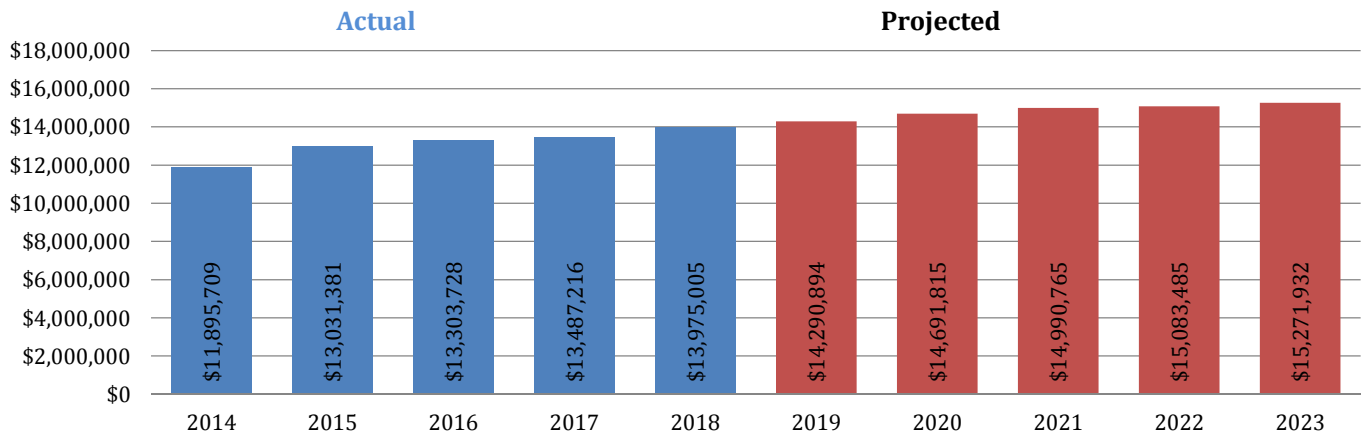
Percentage of Total Revenue	3.1%	3.4%	3.7%	3.8%	4.0%	4.1%
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Olmsted Township/Olmsted Falls has a significant amount of land which houses utility lines and/or railroads. This land generates tax dollars referred to as PUPP tax. These taxes make up 3.4% of the overall operational revenues during fiscal year 2019. The assessed valuation on this property trends very much like the Class I residential valuations except HB 920 doesn't apply, therefore the District is expected to see a larger increase over the course of the forecast due to the increase in property values.

**Projected % trends include renewal levies*

1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	13,975,005	14,290,894	14,691,815	14,990,765	15,083,485	15,271,932
YOY \$ Change	487,789	315,889	400,921	298,950	92,720	188,447
YOY % Change	3.6%	2.3%	2.8%	2.0%	0.6%	1.2%

Percentage of Total Revenue	2018	2019	2020	2021	2022	2023
	31.7%	33.4%	33.6%	33.2%	32.8%	32.3%

Core Funding Per Pupil	2018	2019	2020	2021	2022	2023
	6,010	6,020	6,030	6,040	6,050	6,050
State Share Index (SSI)	46.3%	46.3%	47.2%	47.2%	46.6%	46.6%
State Core Funding Per Pupil	2,785	2,789	2,848	2,852	2,817	2,817

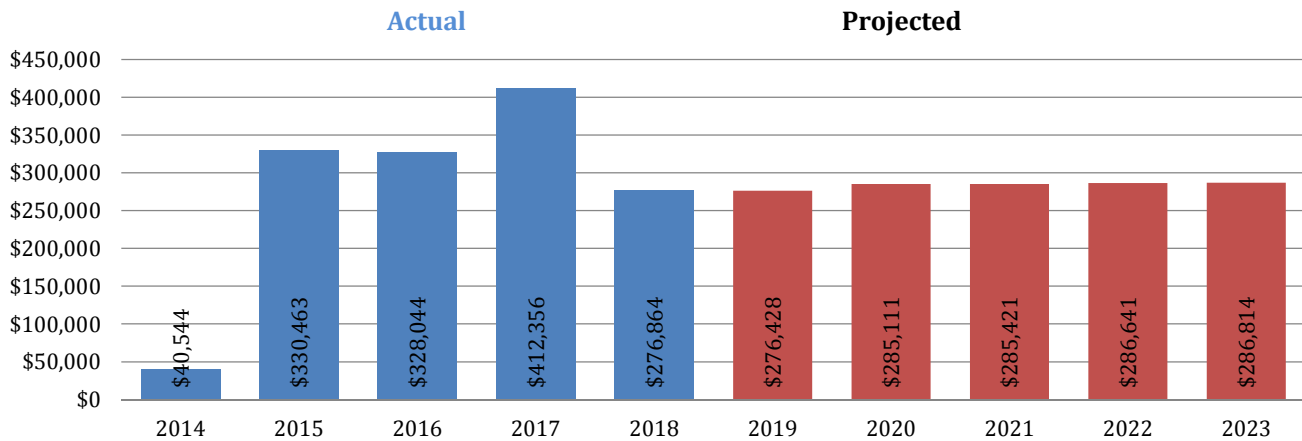
Formula ADM (Funded Student Count)	2018	2019	2020	2021	2022	2023
	3,598	3,562	3,585	3,629	3,671	3,703

Funding Status	2018	2019	2020	2021	2022	2023
	Guarantee	Capped	Capped	Formula	Formula	Formula

Unrestricted Grant-in-Aid are funding dollars received from the State of Ohio on a per pupil basis. The state retained the basic framework of the school funding formula in its current budget covering FY2017, FY2018 & FY2019. However, the per-pupil funding increase was limited to \$10 per-pupil (moving from \$6000 in FY17 to \$6020 in FY19). It is unknown at this time what the FY2019 per-pupil amount and/or funding formula will look like moving forward. The forecast has carried the \$10 per pupil increase into FY2023. This will be amended if need be with any changes to the funding structure. The formula calculates the school funding by multiplying the per-pupil funding amount (FY2019 = \$6,020) times the district's enrollment multiplied by a district's individual state share percentage (SSI). The SSI percentage is determined by the district's relative wealth per pupil compared to other districts. Olmsted Falls SSI has remained stable through FY19, 46.3%. Within the state formula, there are built in budget caps for growing districts and guarantees on funding for declining enrollment Districts. Additionally, the formula guarantees each district receives no less than it did in prior year, as long as enrollment did not drop more than 5% from FY2015 to FY2017. Given these parameters, Olmsted Falls was funded on the guarantee during FY18 and is on the cap for FY19. This formula is not working for District's state wide and changes need to occur so all students are funded equally. Senators Cupp and Patterson are attempting for create a fair funding formula.

1.040 & 1.045 - Restricted Grants-in-Aid

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



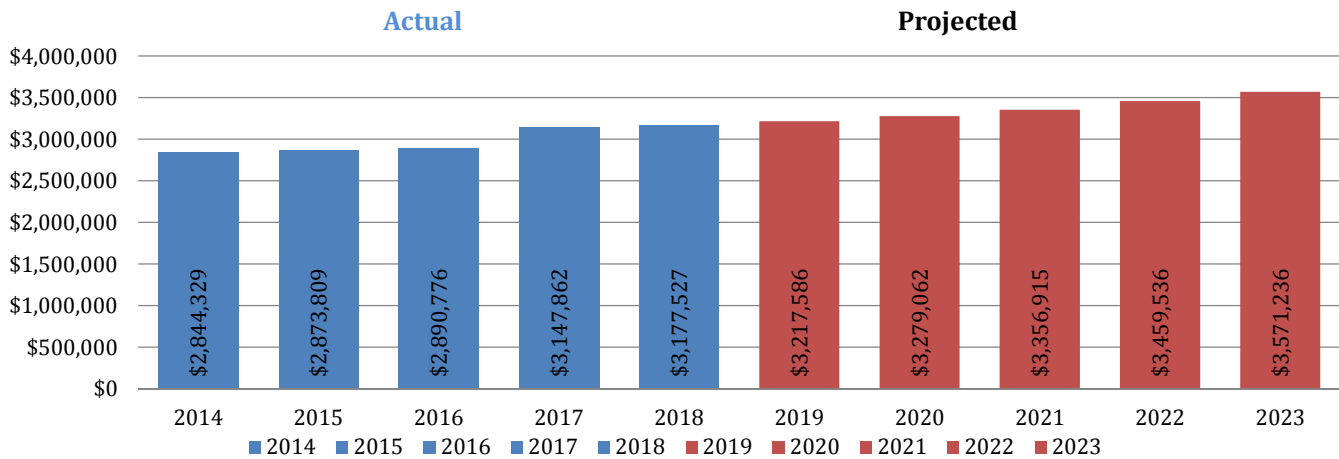
	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	276,864	276,428	285,111	285,421	286,641	286,814
YOY \$ Change	(135,492)	(436)	8,683	310	1,220	173
YOY % Change	-32.9%	-0.2%	3.1%	0.1%	0.4%	0.1%
Percentage of Total Revenue	0.6%	0.6%	0.7%	0.6%	0.6%	0.6%
Economic Disadvantaged Funding	19,761	11,008	19,299	19,609	19,829	20,002
Percentage of Disadvantaged Students	16.7%	13.9%	16.6%	16.6%	16.6%	16.6%

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

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

1.050 - Property Tax Allocation

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



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total With Renewal Levies	3,177,527	3,217,586	3,279,062	3,356,915	3,459,536	3,571,236
YOY \$ Change	29,665	40,059	61,476	77,853	102,621	111,700
YOY % Change	0.9%	1.3%	1.9%	2.4%	3.1%	3.2%

Percentage of Total Revenue	2018	2019	2020	2021	2022	2023
	7.2%	7.5%	7.5%	7.4%	7.5%	7.6%

% of Residential Real Estate 10% Rollback	9.54%	9.54%	9.54%	9.54%	9.54%	9.54%
% of Residential Real Estate 2.5% Rollback	1.98%	1.98%	1.98%	1.98%	1.98%	1.98%
% of Residential Real Estate Homestead	2.48%	2.48%	2.48%	2.48%	2.48%	2.48%

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

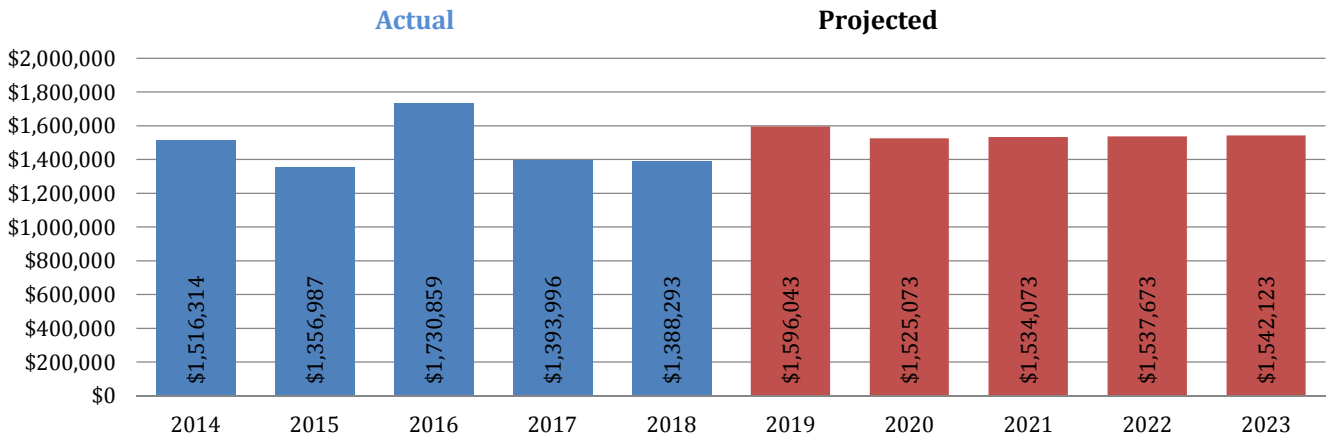
With the approval of House Bill 59 in 2013, all new or replacement levies passed after November 2013 will not qualify for the 10%/2.5% rollback. This held true for the most recent two levies which were passed in November 2016. Therefore, the School District will not be collecting homestead & rollback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

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

**Projected % trends include renewal levies*

1.060 - All Other Operating Revenues

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

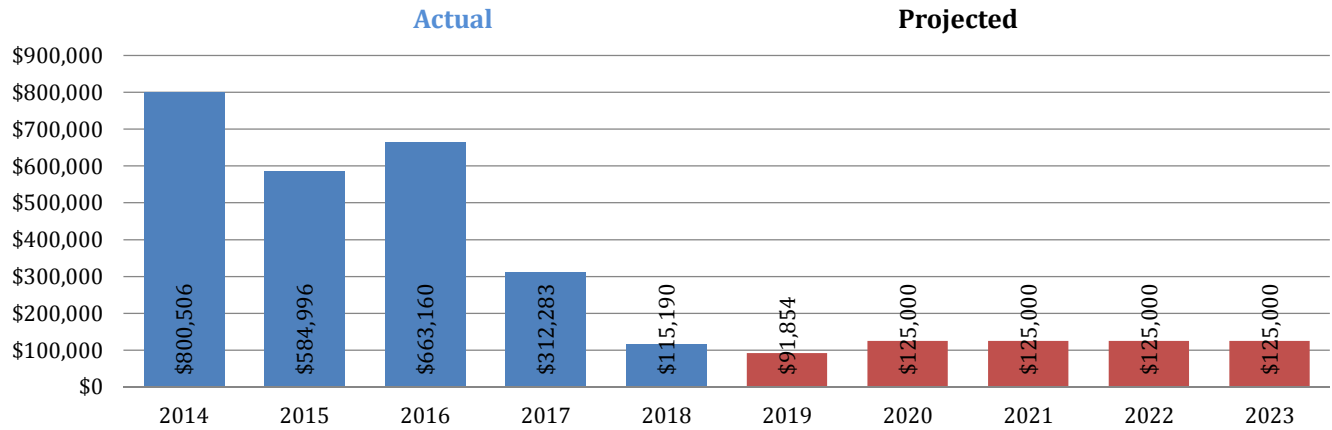


	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	1,388,293	1,596,043	1,525,073	1,534,073	1,537,673	1,542,123
YOY \$ Change	(5,703)	207,750	(70,970)	9,000	3,600	4,450
YOY % Change	-0.4%	15.0%	-4.4%	0.6%	0.2%	0.3%
Percentage of Total Revenue	3.2%	3.7%	3.5%	3.4%	3.3%	3.3%

Other operating revenues are estimated to make up 3.7% of overall general fund operating resources during fiscal year 2019. This stream of resources is generated by various items such as interest income, medicaid reimbursement, student activity fees, rental fees, and transportation mechanical services (Fairview/Lakewood). This revenue line has experienced a 15% increase during FY2019 due to the multiple interest rate hikes by the Federal Reserve. By the end of fiscal year 2019 the District will have collected \$100,000 more in interest compared to FY18.

2.070 - Total Other Financing Sources

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

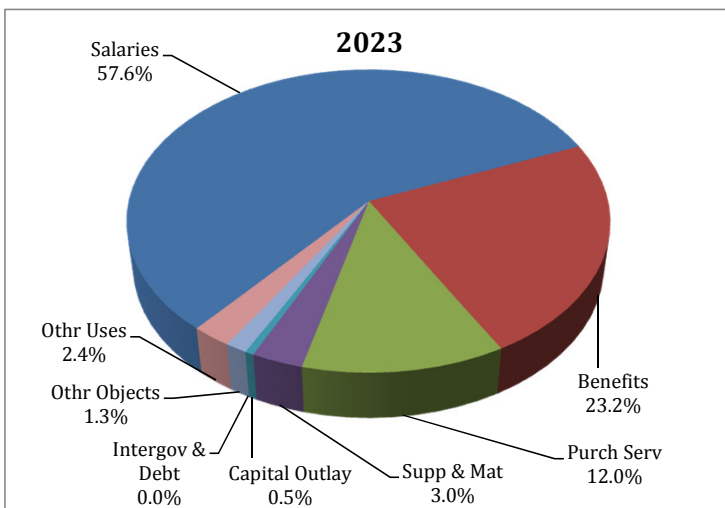
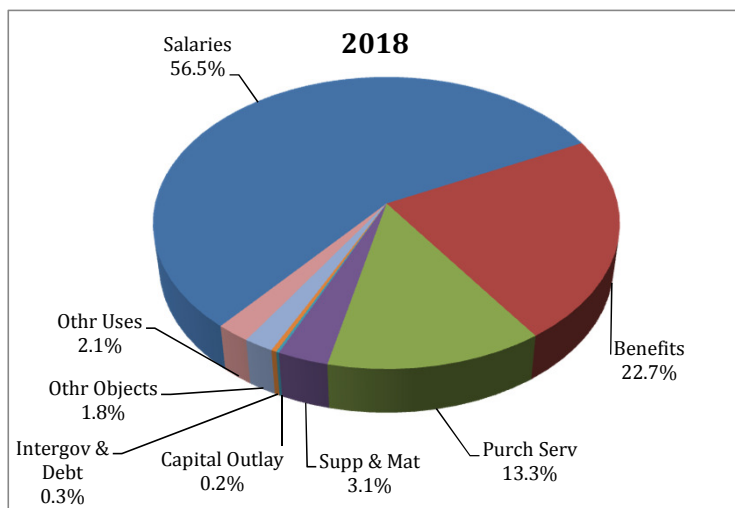


	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	115,190	91,854	125,000	125,000	125,000	125,000
YOY \$ Change	(197,093)	(23,336)	33,146	-	-	-
YOY % Change	-63.1%	-20.3%	36.1%	0.0%	0.0%	0.0%
Percentage of Total Revenue	0.3%	0.2%	0.3%	0.3%	0.3%	0.3%
Transfers In	-	-	-	-	-	-
Advances In	115,076	91,854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

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

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

Expenditure Categories and Forecast Year-Over-Year Projected Overview

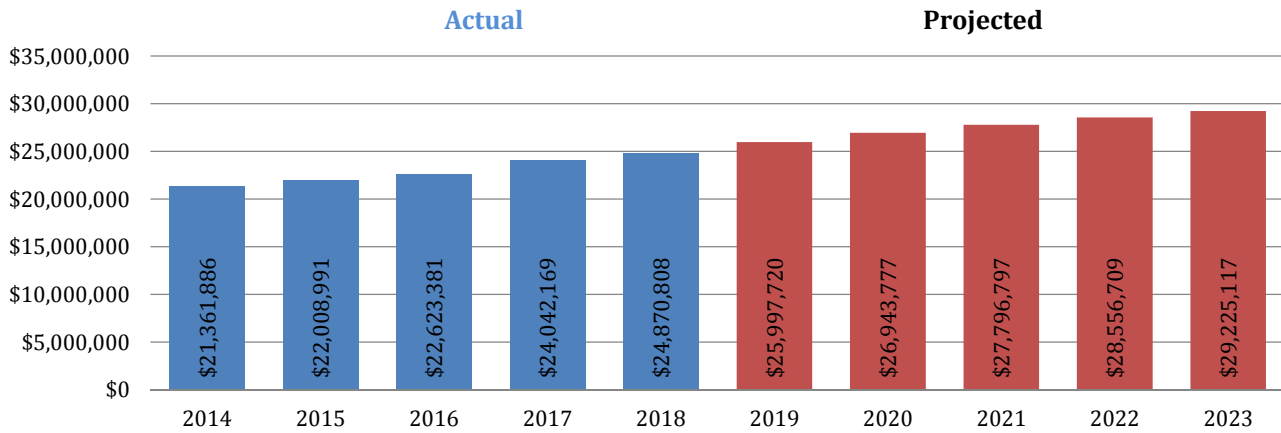


	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	
Expenditures:							
3.010-Salaries	3.35%	4.53%	3.64%	3.17%	2.73%	2.34%	3.28%
3.020-Benefits	4.87%	3.42%	4.09%	3.39%	3.17%	3.02%	3.42%
3.030-Purchased Services	9.00%	-0.67%	0.05%	1.36%	1.71%	1.70%	0.83%
3.040-Supplies & Materials	2.30%	10.28%	1.29%	0.20%	0.33%	0.13%	2.45%
3.050-Capital Outlay	281.27%	384.98%	-31.07%	0.00%	0.00%	0.00%	70.78%
3.060-Intergov	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.010-4.060-Debt	-16.46%	-100.00%	n/a	n/a	n/a	n/a	-100.00%
4.300-Other Objects	5.26%	-20.24%	0.87%	0.17%	0.31%	0.00%	-3.78%
4.500-Total Expenditures	3.83%	3.64%	2.86%	2.83%	2.58%	2.31%	2.84%
5.040-Total Other Uses	-7.36%	33.61%	-2.04%	0.00%	0.00%	0.00%	6.31%
5.050-Total w/Other Uses	3.41%	4.26%	2.73%	2.76%	2.52%	2.25%	2.90%

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3.010 - Personnel Services

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



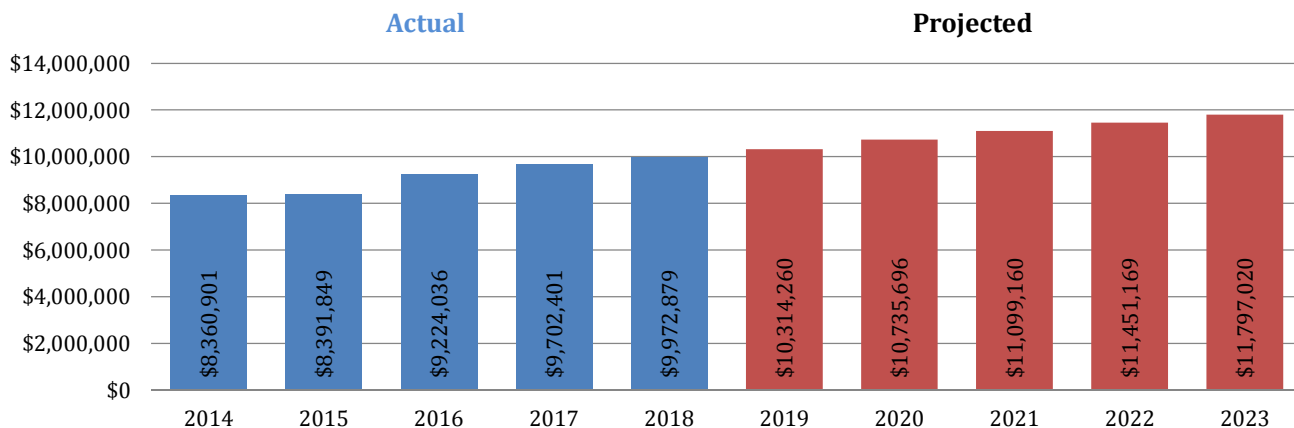
	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	24,870,808	25,997,720	26,943,777	27,796,797	28,556,709	29,225,117
YOY \$ Change	828,639	1,126,912	946,057	853,020	759,912	668,408
YOY % Change	3.4%	4.5%	3.6%	3.2%	2.7%	2.3%

Percentage of Total Budget	56.5%	56.7%	57.2%	57.4%	57.5%	57.6%
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The above forecasted budget has taken into account the current negotiated contract between the Olmsted Falls Board of Education, Olmsted Falls Education Association and Ohio Association of Public School Employees. Based on negotiated contracts all District union members have received a base increase of 2.75% in FY2018, 2.75% in FY2019 and will be receiving a 3.0% increase starting with the contracts in FY2020. These increases are reflected in the growing salary expense shown above. The District faced additional hiring needs during FY19 and have hired an additional bus driver (new route needed), additional math teacher (High School), additional moderate intensive teacher (Middle School), additional technology support along with an additional paraprofessional. The general fund is currently sustaining the year over year increase in salaries but the growing expense is a major contributor to the deficit spending that is forecasted. The Board of Education will be entering into negotiations with both unions during spring of 2020.

3.020 - Employees' Benefits

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



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	9,972,879	10,314,260	10,735,696	11,099,160	11,451,169	11,797,020
YOY \$ Change	270,478	341,381	421,436	363,464	352,009	345,851
YOY % Change	2.8%	3.4%	4.1%	3.4%	3.2%	3.0%

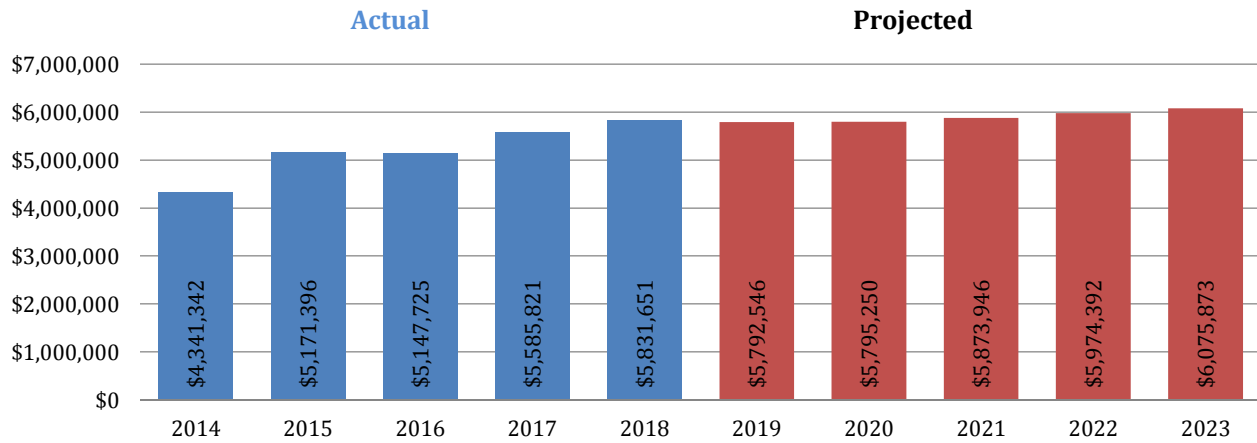
Percentage of Total Budget	22.7%	22.5%	22.8%	22.9%	23.1%	23.2%
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Employee benefits are a cost that continues to grow year after year. In order to help offset this cost the District implemented various cost reducing benefits for our staff, which continues to provide the services needed but with a reduced cost to the District and employee. The District has taken great pride in promoting wellness and overall health awareness to our staff. Through the self-insured Great Lakes Regional Consortium, the District participates in a wellness program called Vitality. The participation in this program is proven to reduce the medical cost benefits to the District from a claim stand point. Another cost benefit the District has implemented is the use of Telemedicine capabilities. Our current agreement with First Stop Health allows for a no copay for the employee and no claim cost to the District with unlimited utilization. Utilization of this program has shown great dividends with annual medical claims being reduced. We are already starting to see the compound effect of year over year savings. The District has been able to keep the health premium renewal rates below industry average for the second year in a row.

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

3.030 - Purchased Services

Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, and other services which the school district may purchase.



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	5,831,651	5,792,546	5,795,250	5,873,946	5,974,392	6,075,873
YOY \$ Change	245,830	(39,105)	2,704	78,696	100,446	101,481
YOY % Change	4.4%	-0.7%	0.0%	1.4%	1.7%	1.7%

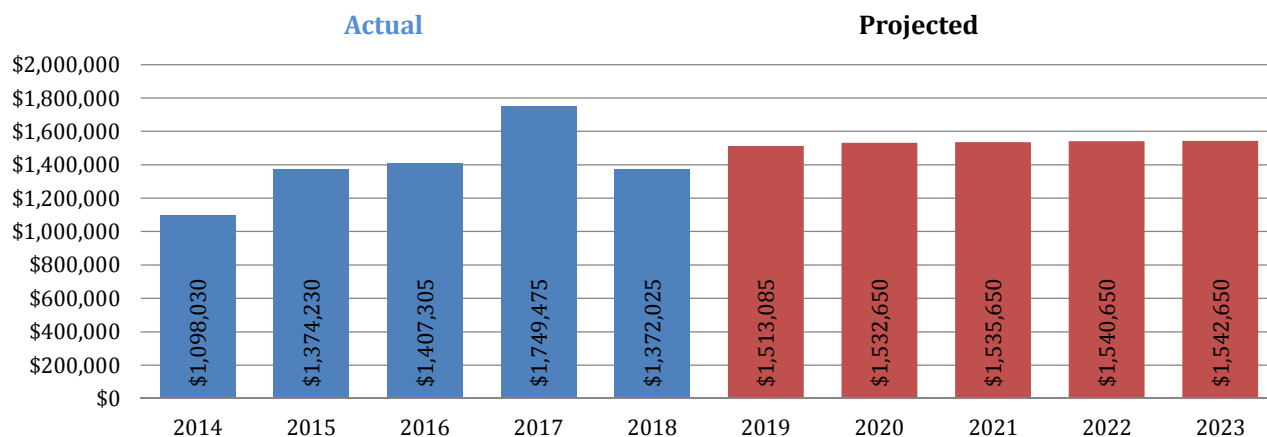
Percentage of Total Budget	13.3%	12.6%	12.3%	12.1%	12.0%	12.0%
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Purchased services are currently encompassing 12.6% of the District's general fund operational expenditures. This is a reduction from FY2018 where these services represented 13.3 % of general fund resources. Examples of purchased services include occupational therapy services hired through the county educational service center, special student transportation, health related services, operating utility costs, lease agreements, data processing, professional/legal fees, and special education tuition paid, Charter School payments, liability insurance coverage and professional development cost.

Fluctuation in these services can be common due to the unexpected rise/fall in gas prices, enrollment changes of students with specific needs, increase/decrease in educational therapy service needs and additional lease agreements, increase/decrease in data processing, contracted services and changes to mandated curriculum resulting in high demand of trainings for staff. The District saw a need to hire a Social Worker at the beginning of FY19. This service is paid through a contract service agreement at the Educational Service Center of Northeast Ohio.

3.040 - Supplies & Materials

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



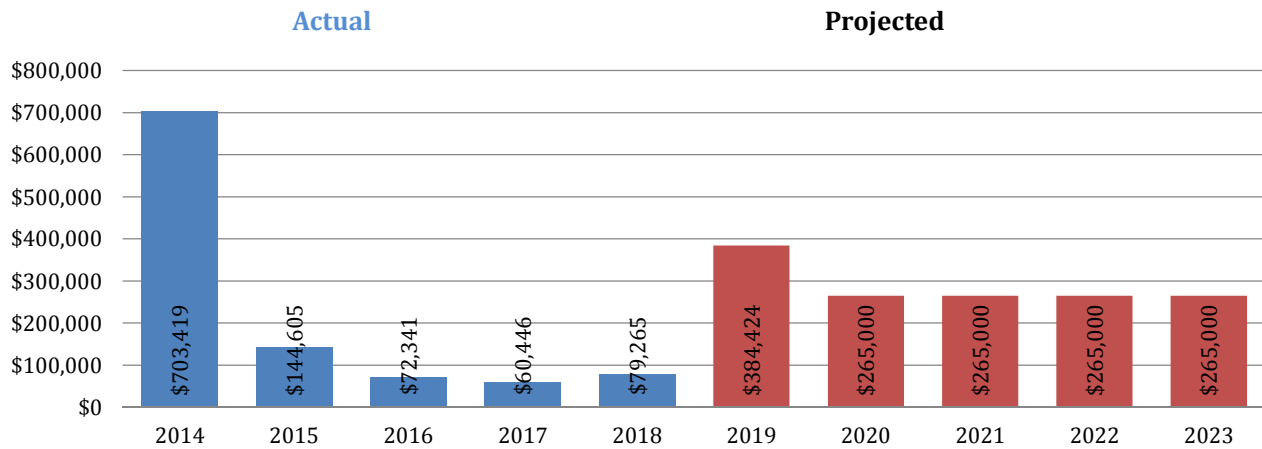
	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	1,372,025	1,513,085	1,532,650	1,535,650	1,540,650	1,542,650
YOY \$ Change	(377,450)	141,060	19,565	3,000	5,000	2,000
YOY % Change	-21.6%	10.3%	1.3%	0.2%	0.3%	0.1%
Percentage of Total Budget	3.1%	3.3%	3.3%	3.2%	3.1%	3.0%

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

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

3.050 - Capital Outlay

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



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	79,265	384,424	265,000	265,000	265,000	265,000
YOY \$ Change	18,819	305,159	(119,424)	-	-	-
YOY % Change	31.1%	385.0%	-31.1%	0.0%	0.0%	0.0%

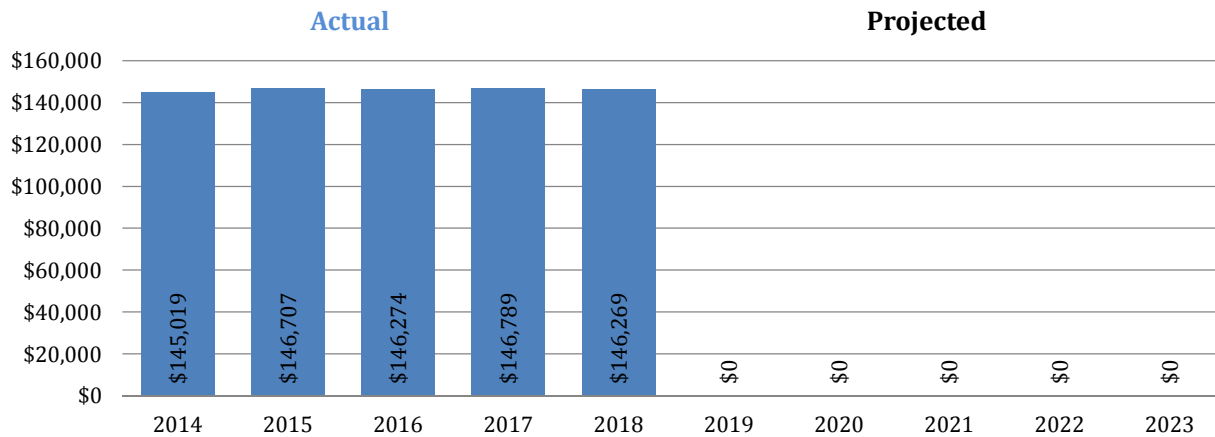
Percentage of Total Budget	0.2%	0.8%	0.6%	0.5%	0.5%	0.5%
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As mentioned previously, the Capital Outlay category reflects the General Fund’s obligation to bridge any funding shortfall necessary to accomplish the District’s capital spending plan (the District’s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

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

3.060-4.060 - Intergovernmental & Debt

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



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

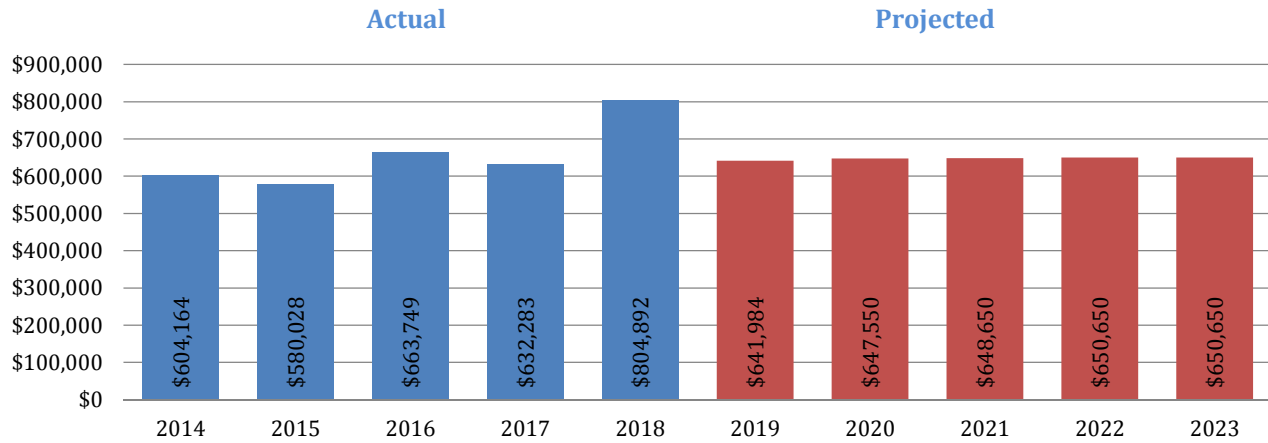
Percentage of Total Budget	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
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The District issued Notes against the debt service fund (002) in order to complete a HB264 project (Middle School Boiler) during 2011. The issue of these specific Notes were to be paid back from the general fund over a period of 8 years. Annual payments have been made each year, with the last payment scheduled to be paid in full during FY2018. There are no anticipated future borrowings needed from the debt fund at this point and time.

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

4.300 - Other Objects

Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.

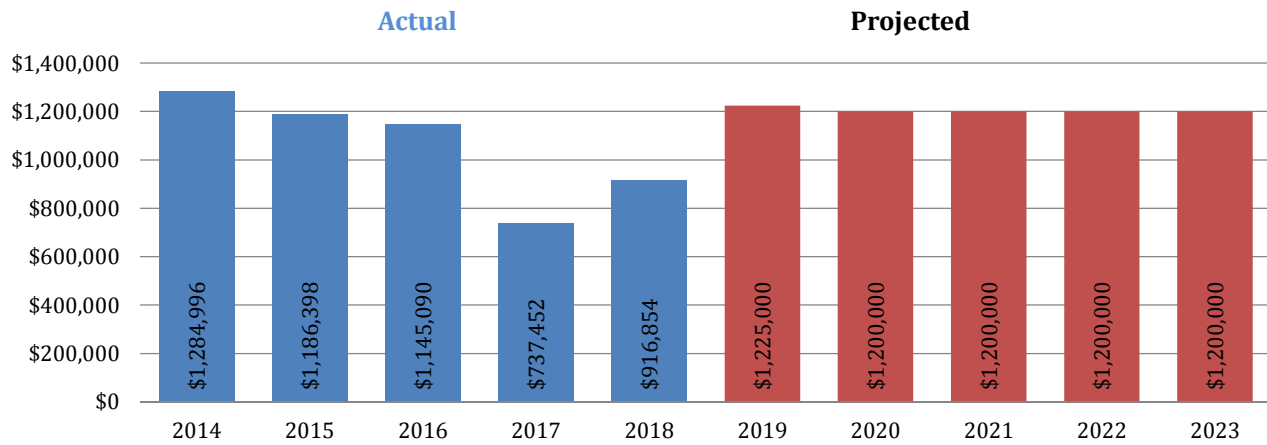


	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	804,892	641,984	647,550	648,650	650,650	650,650
YOY \$ Change	172,609	(162,908)	5,566	1,100	2,000	-
YOY % Change	27.3%	-20.2%	0.9%	0.2%	0.3%	0.0%
Percentage of Total Budget	1.8%	1.4%	1.4%	1.3%	1.3%	1.3%

Other objects are estimated to make up 1.4% of the overall expenditures in FY2019. This category includes audit cost, county board of election fees, county auditor fees, bank charges, liability insurance and miscellaneous dues. Estimates for these expenses need to consider the timing and collection of county fees leading up to property reappraisals, and do not fluctuate much. During FY2018 the district had a rather large delinquent tax collection which resulted in larger than anticipated fees to the County. You will see this spike in the bar graph above.

5.040 - Total Other Financing Uses

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



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	916,854	1,225,000	1,200,000	1,200,000	1,200,000	1,200,000
YOY \$ Change	179,402	308,146	(25,000)	-	-	-
YOY % Change	24.3%	33.6%	-2.0%	0.0%	0.0%	0.0%

Percentage of Total Budget	2.1%	2.7%	2.5%	2.5%	2.4%	2.4%
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Transfers Out	825,000	1,100,000	1,075,000	1,075,000	1,075,000	1,075,000
Advances Out	91,854	125,000	125,000	125,000	125,000	125,000

The Other Financing Uses category encompasses the transfers/advances that are completed to subsidize other funds throughout the fiscal year. Common transactions which occur here are the transfer of revenue to fund (300) Athletics and fund (006) Food Service. At this time both funds are not strong enough to sustain the expenses they face, therefore resorting in subsidizing from the general fund. Repayment is unfortunately not always a possibility for all cash advanced. At this point in the fiscal year, the general fund has subsidized the food service fund \$100,000 and athletics fund \$1,000,000. The increase in resources transferred to Food Service and Athletic fund is due to an increase in salaries along with additional cost for athletic facility rentals. This is projected to be an ongoing trend for the forecast.

Estimated District Enrollment - Five Year Look Ahead

Grade	ODE 2018 Enrollment	Actual 2019 Enrollment	Estimated 2020 Enrollment
K	237	221	250
1st	227	244	266
2nd	243	215	248
3rd	250	246	217
4th	267	249	258
5th	289	263	256
6th	271	300	267
7th	282	276	301
8th	318	279	275
9th	294	321	286
10th	302	292	323
11th	391	304	328
12th	333	349	313
Total	3,704	3,559	3,589

Grade	% Change Due to Mobility Factor	Mobility Estimated		
		2021 Enrollment	2022 Enrollment	2023 Enrollment
K	n/a	250	275	300
1st	13.5%	284	284	312
2nd	1.7%	270	288	288
3rd	1.0%	251	273	291
4th	2.9%	223	258	281
5th	3.0%	266	230	265
6th	1.6%	260	270	234
7th	0.3%	268	261	271
8th	-0.4%	300	267	260
9th	-1.0%	272	297	264
10th	0.7%	288	274	299
11th	12.4%	363	324	308
12th	2.9%	338	374	333
Total		3,633	3,674	3,706

	Head Count	3,704	3,559	3,589		3,633	3,674	3,706	Head Count
Change from Prior Year	51	-145	30		44	41	33		Change from Prior Year
% Change from Prior Year	1.4%	-3.9%	0.8%		1.2%	1.1%	0.9%		% Change from Prior Year
Analysis of YOY Change:									
New Kindergartners In	237	221	250		250	275	300		New Kindergartners In
Loss of Prior Year Seniors	-332	-333	-349		-313	-338	-374		Loss of Prior Year Seniors
Net Mobility	146	-33	129		107	104	107		Net Mobility

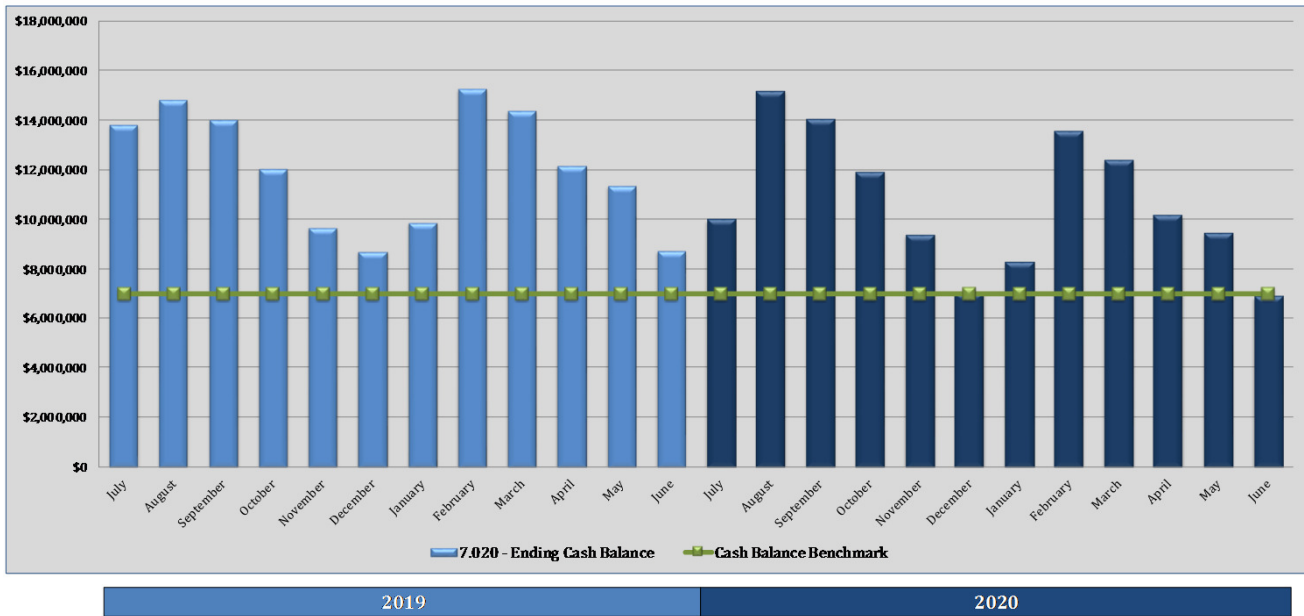
The chart above reflects the larger graduating classes compared to the smaller incoming kindergarten classes. Residential growth in the community may have an impact on enrollment at some point. Following a recent enrollment study completed in spring 2019, the District is estimated to remain stable with our enrollment count. This is being closely monitored as housing developments continue to pop up throughout the District.

For Fiscal Year: 2019

	Forecasted as of:		*Includes Renewal Levy Revenue in	
	10/23/2018	5/14/2019	Dollar	Percentage
Revenue:	Fiscal Year	Fiscal Year	Difference	Variance
	2019	2019		
1.010 - General Property Tax (Real Estate)	23,382,115	21,921,888	(1,460,227)	-6.25%
1.020 - Public Utility Personal Property	1,404,708	1,448,255	43,547	3.10%
1.030 - Income Tax	-	-	-	0
1.035 - Unrestricted Grants-in-Aid	14,213,592	14,290,894	77,302	0.54%
1.040 - Restricted Grants-in-Aid	283,985	276,428	(7,557)	-2.66%
1.045 - Restricted Federal Grants-in-Aid - SFSF	-	-	-	0
1.050 - Property Tax Allocation	3,268,730	3,217,586	(51,144)	-1.56%
1.060 - All Other Operating Revenues	1,514,924	1,596,043	81,119	5.35%
1.070 - Total Revenue	44,068,054	42,751,094	(1,316,960)	-2.99%
2.070 - Total Other Financing Sources	91,854	91,854	-	0.00%
2.080 - Total Revenues and Other Financing Sources	44,159,908	42,842,948	(1,316,960)	-2.98%
Expenditures:				
3.010 - Personnel Services	25,997,720	25,997,720	-	0.00%
3.020 - Employees' Retirement/Insurance Benefits	10,514,949	10,314,260	(200,689)	-1.91%
3.030 - Purchased Services	5,332,439	5,792,546	460,107	8.63%
3.040 - Supplies and Materials	1,375,661	1,513,085	137,424	9.99%
3.050 - Capital Outlay	362,000	384,424	22,424	6.19%
3.060 - Intergovernmental	-	-	-	0
4.010 - 4.060 - Principal, Interest & Fiscal Charges	-	-	-	0
4.300 - Other Objects	596,550	641,984	45,434	7.62%
4.500 - Total Expenditures	44,179,319	44,644,019	464,700	1.05%
5.040 - Total Other Financing Uses	800,000	1,225,000	425,000	53.13%
5.050 - Total Expenditures and Other Financing Uses	44,979,319	45,869,019	889,700	1.98%
				0
6.010 - Revenue Surplus/(Shortfall) - Line 2.080, Less 5.050	(819,411)	(3,026,071)	(2,206,660)	-4.9%*
7.010 - Cash Balance at Beginning of Year	9,595,061	9,595,061	-	0%*
7.020 - Cash Balance at End of Year [Line 7.010 +/- Line 6.010]	8,775,650	6,568,990	(2,206,660)	-4.9%*

Projected Monthly Cash Flow

Cash Balance Benchmark \$ 7,000,000



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

Operating Revenue and Expenditures & Year End Fund Balance

Olmsted Falls City Schools



	ACTUAL				FORECASTED			
	2016	2017	2018	2019	2020	2021	2022	2023
1.070 - Total Revenue	40,328,719	41,055,716	43,916,790	44,068,054	44,498,936	44,831,221	45,223,969	45,547,478
4.500 - Total Expenditures	39,284,811	41,919,384	43,077,789	44,219,311	45,648,433	47,257,678	48,921,827	50,479,717
7.020 - Cash Balance June 30	10,846,561	9,557,724	9,595,061	8,735,658	6,911,161	3,809,704	(563,154)	(6,170,393)

Olmsted Falls Board of Education has not asked for new operational dollars since 2010. The operating revenue/expenditure chart shown above demonstrates the District’s cash balance over the last 3 years. There is a clear indication of deficit spending during fiscal year 2019 and extending forward over the next four years. The Board of Education is much aware of the situation and is continuing to carefully watch the District’s financial position. With various moving pieces (possible new state funding structure, new community growth residential & commercial, new District partnerships) still being finalized, the Board of Education feels it is best to hold off on any request for additional resources.