



Paint Valley Local School District

Financial Forecast Summary & Report

October 6, 2016

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Paint Valley Local Schools

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Forecast Purpose

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

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

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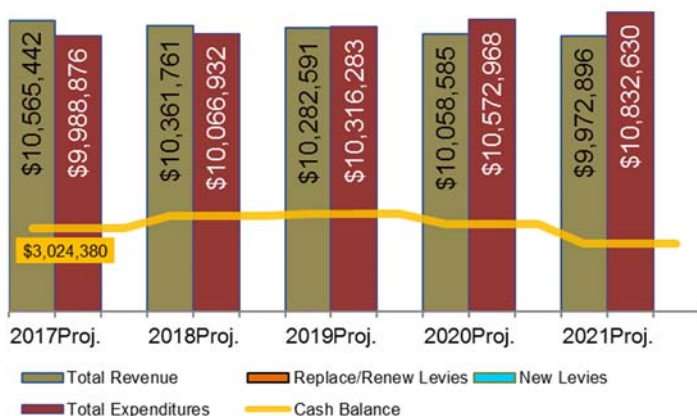
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Executive Summary

Revenue, Expenditures and Sustainability

Past staffing reductions and overall budget cuts combined with projected state funding increases and health care

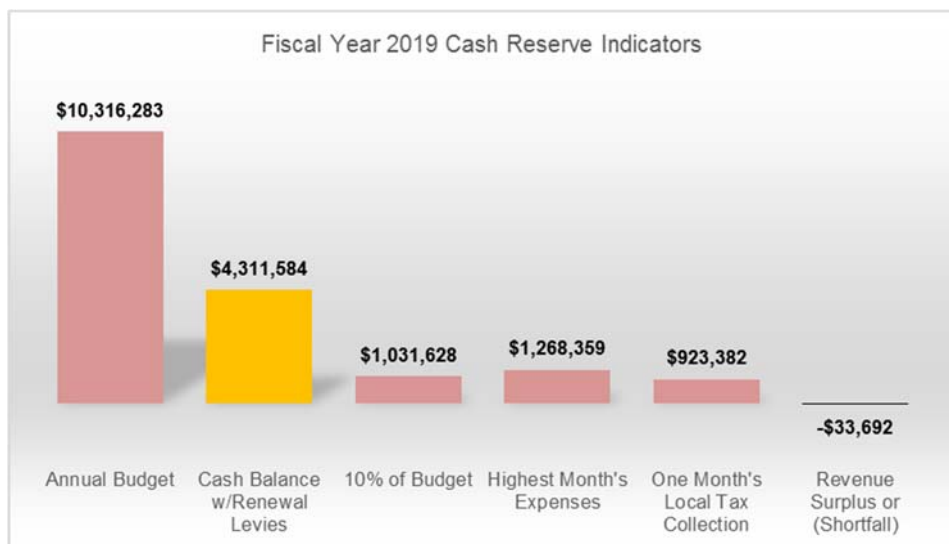
Revenue, Levies, Expenditures & Cash Balance



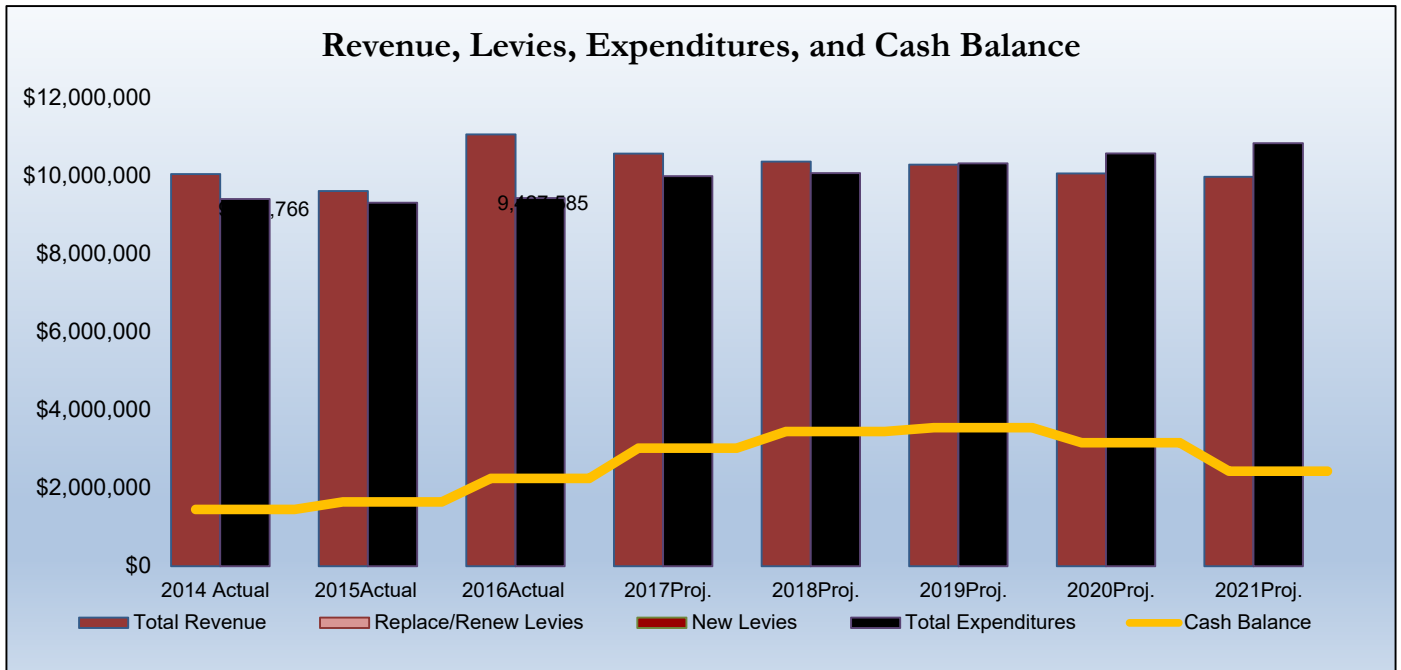
savings all have helped the district stabilize finances through Fiscal 2019. Obviously, these reductions impacted service levels within the District. As the District plans its future a very important question must be considered: “What kind of service levels can be sustained?” Balancing service levels with available resources can often be a difficult task because there are limitless needs when it comes to students. However, balancing service levels and resources over time can provide stability and insure fair opportunities across generations of children. Continually, monitoring the District’s financial status will continue to be a very important process.

Cash Balance and Stability

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



Revenue, Expenditures and Cash Balance



	PROJECTED				
	2017	2018	2019	2020	2021
Total Revenue	\$10,565,442	\$10,361,761	\$10,282,591	\$10,058,585	\$9,972,896
Replace/Renew Levies	\$0	\$0	\$0	\$0	\$0
New Levies	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$9,988,876	\$10,066,932	\$10,316,283	\$10,572,968	\$10,832,630
Revenue Over/(Under) Expenditures	\$576,566	\$294,829	(\$33,692)	(\$514,384)	(\$859,733)
Cash Balance	\$4,050,447	\$4,345,276	\$4,311,584	\$3,797,201	\$2,937,467

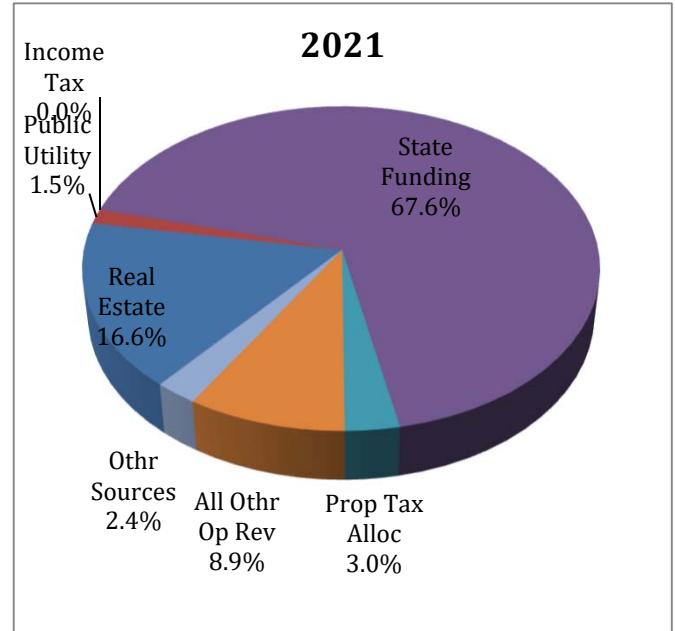
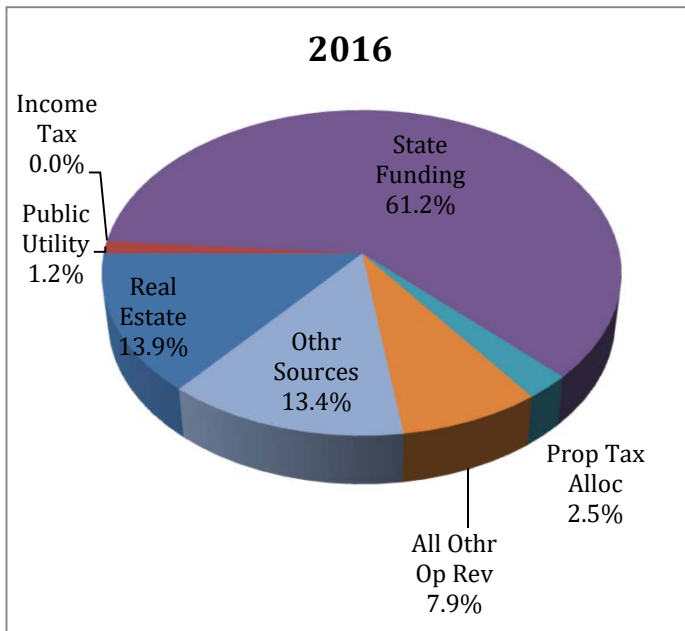
Note: Cash Balance Estimates Include Renewal Levies and is Stated Before Reservation and Encumbrance Deductions

In Perspective:

The district has made significant budget cuts from its 2013 spending level of \$10,054,353. In fact, fiscal year 2016 spending of \$9,427,585 was still \$626,768 below 2013 levels. These spending reductions enabled the District to accumulate operational surpluses (revenue exceeding expenditures) in FY2014 through 2016 and to establish a measure of financial stability in the cash balance reserve. The forecast, anticipates the district trending toward revenue shortfalls by the end of the forecast period. Decisions to maintain stability will continue to need evaluated moving forward.

** It is worth noting, Fiscal year 2016 General operating revenue was artificially inflated by a transfer of \$1.083 million from the District's health insurance reserve fund. Those same dollars are reflected as a reservation of fund balance on Line 9.03 of the 5-year forecast.

Sources of Revenue and Annual Changes



In Perspective:

State Foundation, State Restricted and Property Tax Allocation (all state revenue sources) make up nearly three-quarters of the district's operating revenue. Revenue growth from these sources are expected to recover a bit from last year since the District worked this past summer to recover its economic disadvantaged school wide status. Recovering this status is expected to help boost overall state funding over \$500,000 by the end of FY2017. Last year the District lost \$600,000 in economic disadvantaged funding when its school wide status was eliminated.

Some growth in local tax collections is expected related to the county's anticipated reappraisal adjustments combined with small new construction increases. However, this category represents just 15% of district revenue. The overall revenue outlook for the District can be best described as subdued. Operational revenue (Line 1.07) is expected to grow on average less than .5% per year.

	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	
Revenue:							
1.010-Real Estate	2.91%	1.84%	2.98%	0.90%	0.84%	0.86%	1.49%
1.020-Public Utility	1.36%	-1.42%	3.03%	2.50%	2.50%	2.50%	1.82%
1.030-Income Tax	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.035-State Funding	1.05%	4.48%	-1.88%	-1.14%	-3.67%	-1.66%	-0.77%
1.040-Restricted Aid	-44.38%	143.27%	-1.49%	-2.31%	-3.04%	-3.02%	26.68%
1.045-Restr Federal SFS	-74.55%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.050-Property Tax Allo	-2.66%	3.20%	3.37%	0.93%	0.89%	0.88%	1.85%
1.060-All Other Operati	1.12%	1.28%	-4.40%	1.70%	1.68%	1.66%	0.38%
1.070-Total Revenue	0.31%	6.57%	-1.13%	-0.52%	-2.23%	-0.87%	0.37%
2.070-Total Other Sourc	158.48%	-76.08%	-25.13%	-10.02%	0.00%	0.00%	-22.25%
2.080-Total Rev & Other S	2.92%	-4.46%	-1.93%	-0.76%	-2.18%	-0.85%	-2.04%



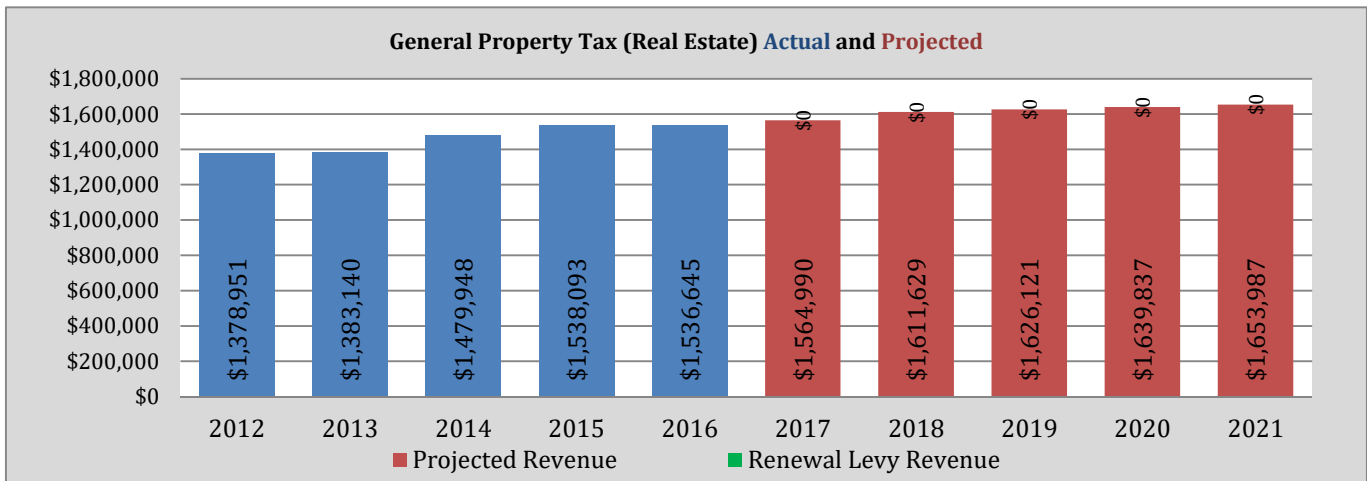
Significant Revenue Assumptions - I

Real Estate

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

Tax Year	Real Property Valuation	Year-Over-Year Change	95.39% of Total Real Estate Revenue		4.61% of Total Real Estate Revenue		Gross Collection Rate All Taxes	
			Effective Residential Tax Rate	Year-Over-Year Change	Effective Business Tax Rate	Year-Over-Year Change		
2012	80,960,260	235,540	20.01	0.00	20.00	0.00	101.2%	Actual
2013	90,098,920	9,138,660	20.00	(0.01)	21.41	1.41	100.1%	Actual
2014	89,963,500	(135,420)	20.00	-	21.53	0.11	100.5%	Actual
2015	90,503,720	540,220	20.00	-	20.00	(1.53)	100.9%	Actual
2016	95,767,887	5,264,167	20.00	(0.00)	20.00	-	98.9%	Actual
2017	96,576,061	808,174	20.00	-	20.00	-	98.9%	Projected
2018	97,554,791	978,731	20.00	-	20.00	-	98.9%	Projected
2019	98,092,698	537,906	20.05	0.05	20.00	-	98.8%	Projected
2020	99,064,248	971,551	20.05	-	20.00	-	98.8%	Projected

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



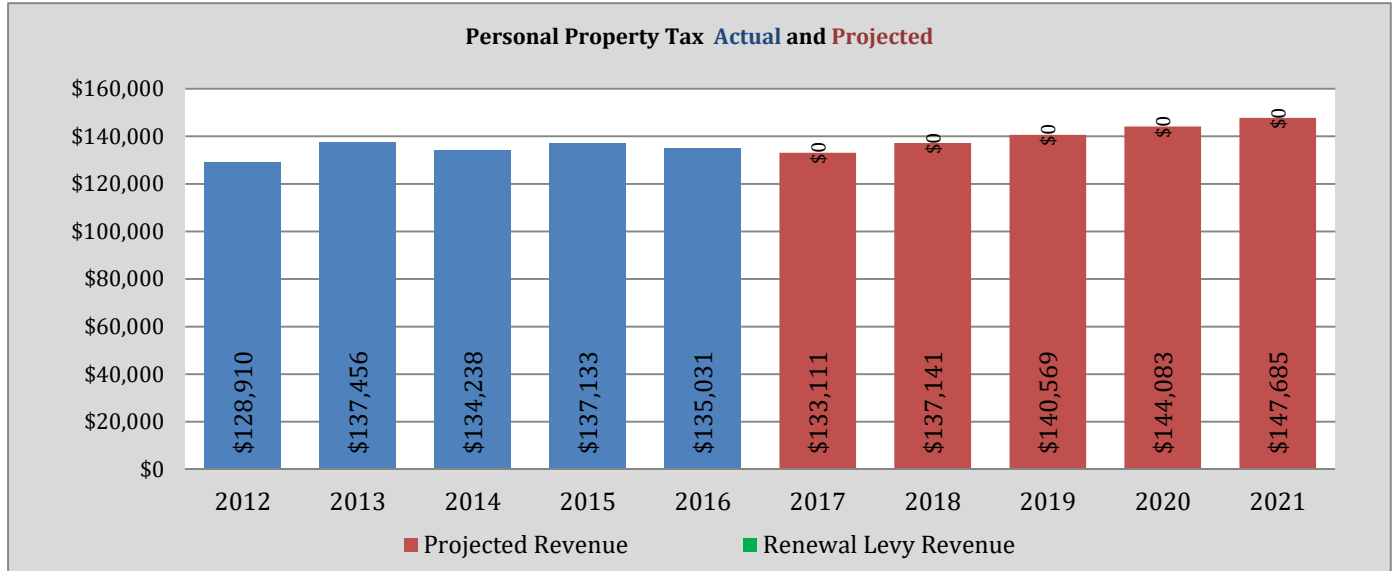
Real estate values grew in 2013 in conjunction with the last re-appraisal. However most of this growth was related to agricultural property (a component of real estate values), not residential property. Overall values held constant in both 2014 and 2015. 2016 represents the next tri-annual update for Ross County. Residential property values are expected to rise in this update after remaining virtually unchanged since 2008. Since the district's Class 1 (res/ag) tax rates are at the state minimum 20 mills, the forecast anticipates some revenue growth associated with the inflationary property valuation growth. Class II (commercial) tax rates are just above the 20.0 mill minimum, but this particular component of property only represents 4.0% of the district's total valuation and has little impact on overall collections.

Gross tax collections over the past four tax years have actually exceeded the amount annually assessed. This can happen due to good collections of current taxes plus good collections of past delinquencies. The forecast assumes taxes will be collected at a near 99% gross collection rate.

Significant Revenue Assumptions - II

Public Utility Personal Property

Tax Year	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Tax Rate	30.00	30.00	30.00	30.00	30.00	30.00
Valuation	\$4,426,390	\$4,514,918	\$4,627,791	\$4,743,486	\$4,862,073	\$4,983,624



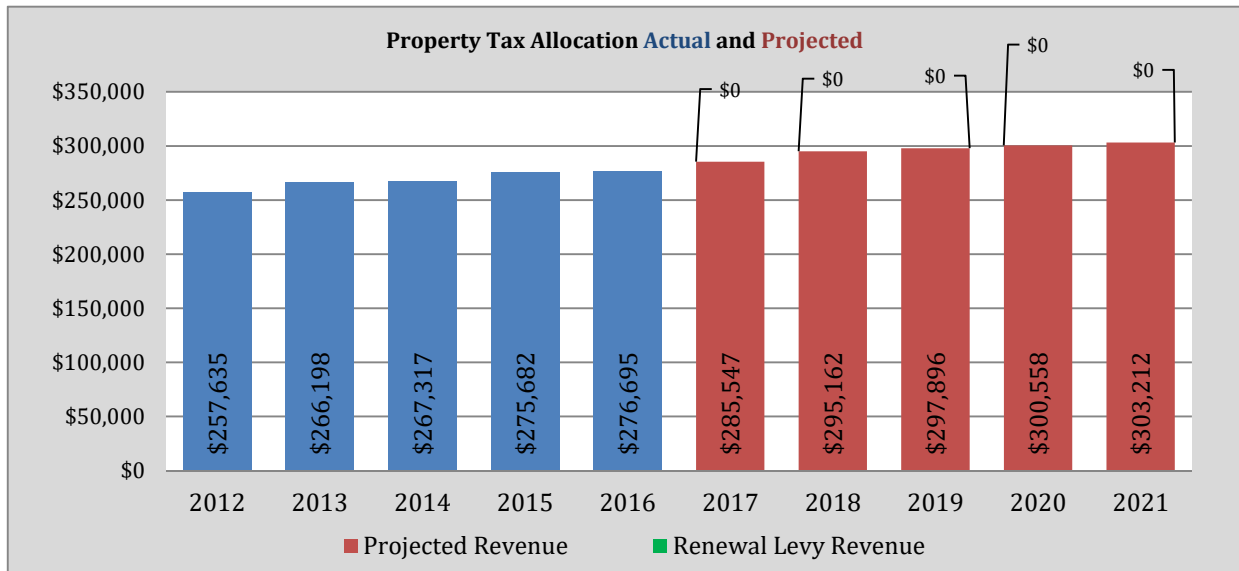
In Perspective:

Public Utility Personal Property includes such items as power transmission lines and substations, as well as natural gas lines and similar public utility assets. Public utility values are expected to grow on average 2% to 3% per year. These estimated values applied to the District's full voted millage rate (30 mills), produce the revenue estimates reflected in the above chart.

Significant Revenue Assumptions - III

Property Tax Allocation

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Reimbursement for:						
Tangible Pers. Fixed Rate	\$0	\$0	\$0	\$0	\$0	\$0
Tangible Pers Fixed Sum (Emerg.)	\$0	\$0	\$0	\$0	\$0	\$0
Reimbursement for Rollback and Homestead Real Estate w/ Renewal	\$276,676	\$285,547	\$295,162	\$297,896	\$300,558	\$303,212



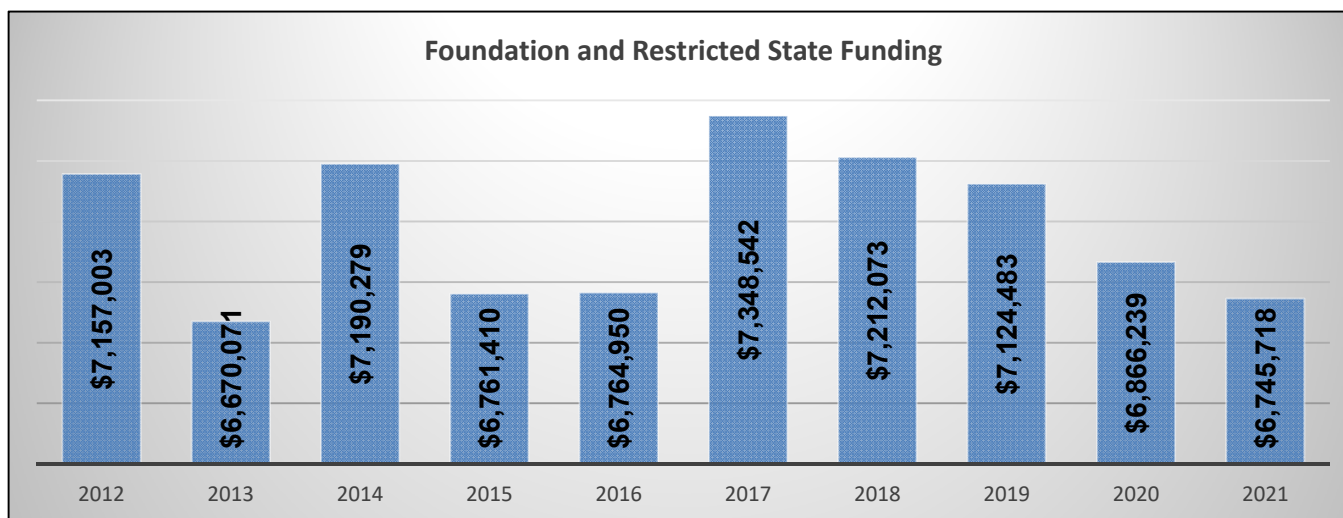
In Perspective:

This category reflects reimbursements paid to the District by the state for real estate tax programs such as rollback and homestead reimbursements. The district's property tax allocation revenue is projected to grow slightly and parallel to real estate revenue growth.

Significant Revenue Assumptions - IV

Foundation and Restricted State Funding

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	
Funded Enrollment	890	876	855	828	802	
Valuation Per Pupil	\$99,581	\$101,638	\$105,500	\$110,602	\$114,965	
Per Pupil Core Funding	\$6,000	\$6,100	\$6,200	\$6,300	\$6,400	
State's Share	65.2%	64.7%	64.7%	63.0%	63.0%	
Net Per Pupil (State Share)	\$3,915	\$3,949	\$4,014	\$3,967	\$4,030	
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Core Foundation Funding	\$3,225,346	\$2,991,408	\$2,974,475	\$2,958,081	\$2,825,517	\$2,786,723
All Other State Funding	\$3,340,769	\$3,865,252	\$3,753,026	\$3,693,018	\$3,581,721	\$3,513,846
Restricted State Funding	\$202,198	\$491,881	\$484,572	\$473,384	\$459,000	\$445,149



In Perspective:

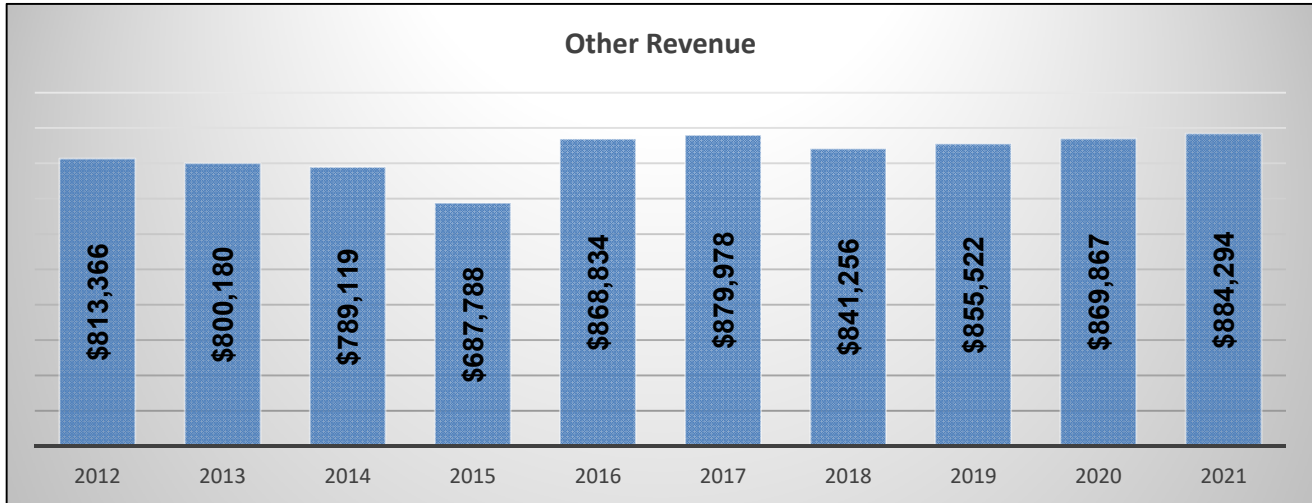
The state's current biennial funding formula directs funding to schools through FY2017. The core formula relies upon a state share calculation utilizing a combination of per-pupil valuation and median income. The District's state share is expected to remain relatively consistent through the projection at near 65%. Based on current counts, the District's funded enrollment is nearly identical to this past school year. After this year (FY2017), forecasted enrollment is expected to trend down slightly over the forecast period primarily due to birth data that suggests incoming Kindergarten classes will be lower than outgoing senior classes (see enrollment supplement).

****Despite the consistent core aid projection, supplemental funding components are expected to help the District transition from a guarantee status in FY16 to a formula funded status in FY17 and beyond. These funding components include: Capacity Aid, which is expected to supply more than \$800,000 in additional funding annually to the District. Paint Valley qualifies for this aid because the amount it can generate locally by levying millage is significantly below what other districts can generate; The District also benefits from the Targeted Assistance which directs additional funding to schools that have a large agricultural base; Lastly, Economic Disadvantaged funding is expected to return to levels approaching \$500,000 or more after the District recovered its "school-wide" disadvantaged status in FY2017.**

Significant Revenue Assumptions - V

All Other Revenue

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total	\$687,788	\$868,834	\$879,978	\$841,256	\$855,522	\$869,867	\$884,294



In Perspective:

Approximately three-fourths of this category's overall revenue comes from open enrollment. Open enrollment charges are deducted from a student's resident school district and then passed along to the educating district (in this case Paint Valley). In FY2016, 103 open enrolled students attended classes in the District generating \$606,000 of the category's \$868,334 total fiscal year revenue. The forecast assumes incoming open enrollment levels to remain stable at 103 students from FY2017 - FY2021.

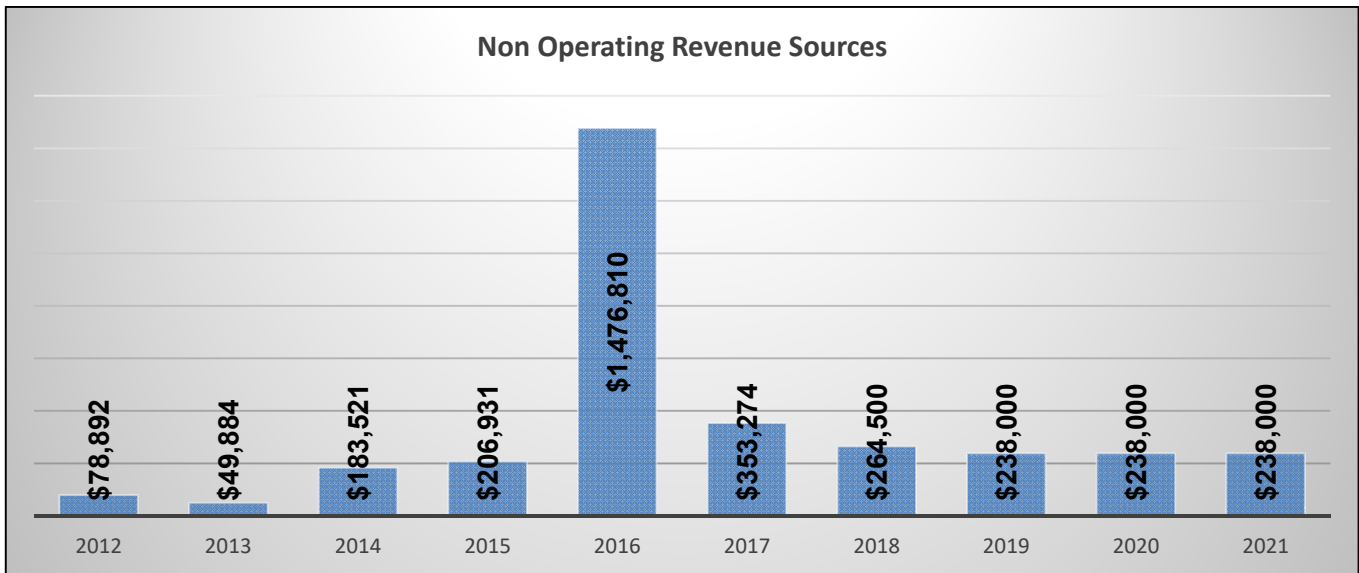
Other components of this revenue category are expected to grow annually by modest inflationary trends. However, the District expects to receive a one-time E-Rate reimbursement of \$50,109 in FY17 and therefore a small drop in overall revenue is anticipated the following year (FY2018) since no additional direct E-Rate payment is expected.

**The charges for resident students leaving Paint Valley through open enrollment are reflected as a purchased service expenditure and is discussed in more detail in the supporting notes for that particular category.

Significant Revenue Assumptions - VI

Non Operating Revenue Sources

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Transfers In	\$148,817	\$265,373	\$250,000	\$230,000	\$230,000	\$230,000	\$230,000
Advances In	\$1,059	\$61,422	\$34,915	\$0	\$0	\$0	\$0
Other Financing Sources	\$57,055	\$1,150,015	\$68,359	\$34,500	\$8,000	\$8,000	\$8,000
Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0

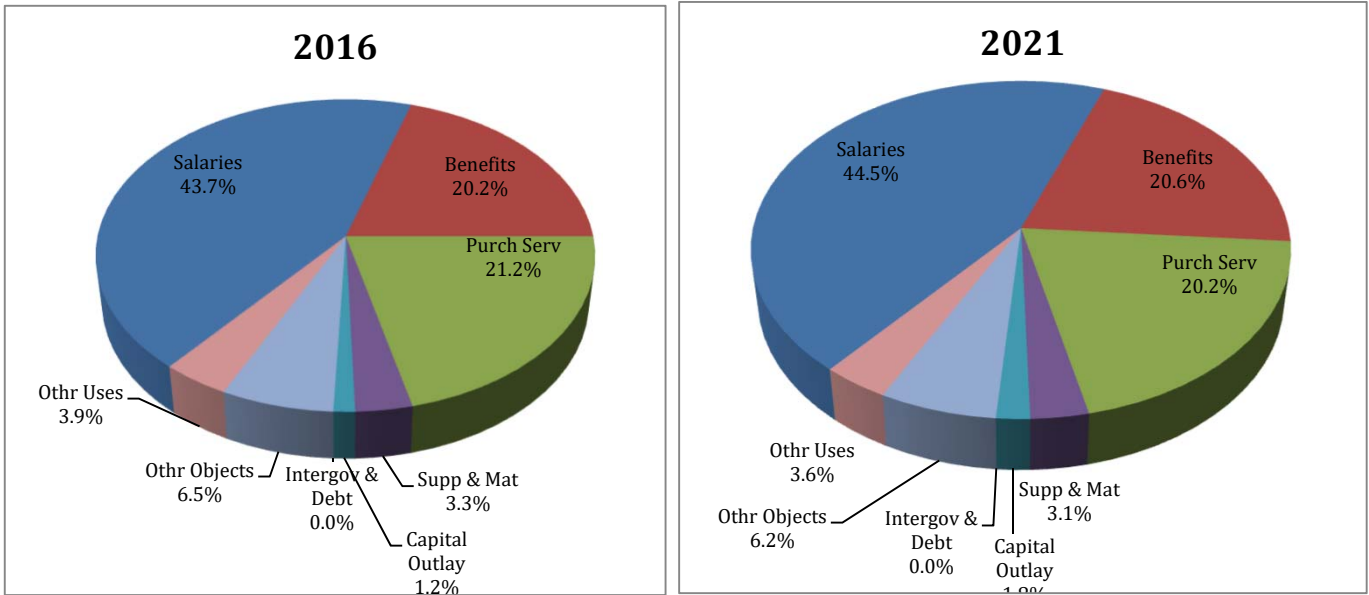


2016 reflects the \$1.083 million from the District's health insurance reserve fund to the General Fund. Obviously, this one-time occurrence explains the spike in the graphic above. Currently the entire amount is reflected as a reservation on Line 9.03 of the forecast. As the reserved money is spent for HSA contributions, the reservation will be reduced by a corresponding amount.

Other non-operating revenue reflected in this category is primarily comprised of the return of funds temporarily loaned to other funds such as grants. In addition to the typical advance returns, the district received refunds from Workers Comp and SERS that provided \$63,609 in 2015, and another \$58,304 in 2016.

The forecast assumes \$150,000 to \$170,000 in textbook and technology set-asides and another \$80,000 for ROTC transfers for FY2107 through FY2021. These transfers are offset by equal transfers-out reflected on the expenditure side of the ledger, so the two sides of the transactions wash.

Types of Expenditures and Annual Change



In Perspective:

Operating expenditures for the prior 5-year period actually averaged an annual reduction of -1.81%. Expenditures were contained in an effort to achieve financial stability in the post recessionary period. Operational spending is expected to continue to be held in check and only reflect a modest 2.9% increase per year through the period ending June 30, 2021.

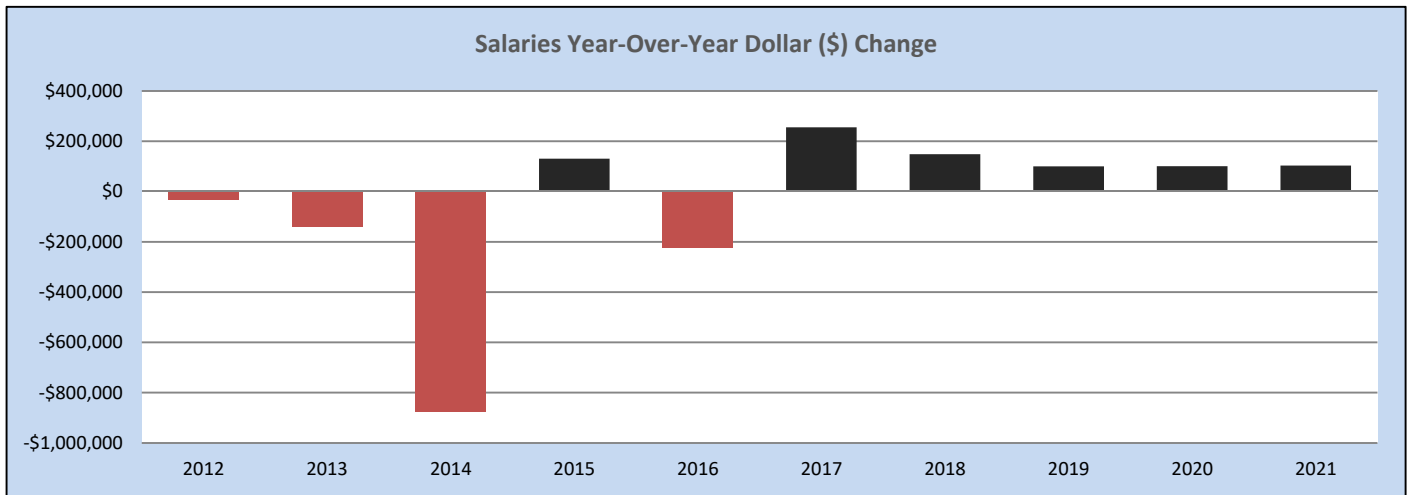
Noteworthy assumptions include stable staffing despite significant programmatic reductions over the past 5 years and a move to a high deductible health insurance plan. The savings achieved from the health insurance change position the district to afford modest base wage increases. These wage increases come after years of wage base wage freezes.

	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	
Expenditures:							
3.010-Salaries	-4.52%	6.22%	3.40%	2.22%	2.19%	2.19%	3.24%
3.020-Benefits	-0.43%	6.35%	-4.08%	4.55%	4.64%	4.74%	3.24%
3.030-Purchased Services	0.49%	1.94%	1.83%	1.82%	1.80%	1.79%	1.84%
3.040-Supplies & Materials	-2.90%	2.00%	2.00%	2.00%	2.00%	0.00%	1.60%
3.050-Capital Outlay	72.66%	77.14%	-11.63%	2.00%	2.00%	2.00%	14.30%
3.060-Intergov	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.010-4.060-Debt	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.300-Other Objects	44.35%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
4.500-Total Expenditures	-1.81%	5.78%	1.02%	2.58%	2.58%	2.55%	2.90%
5.040-Total Other Uses	43.26%	10.11%	-4.95%	0.00%	0.00%	0.00%	1.03%
5.050-Total Exp & Other Use	-1.54%	5.95%	0.78%	2.48%	2.49%	2.46%	2.83%

Significant Expenditure Assumptions - I

Salaries

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total	\$4,209,123	\$4,339,799	\$4,115,662	\$4,371,483	\$4,520,259	\$4,620,610	\$4,721,574	\$4,824,743
Annual Dollar Increase		\$130,676	-\$224,137	\$255,821	\$148,776	\$100,352	\$100,963	\$103,169
Annual Percent Growth		3.10%	-5.16%	6.22%	3.40%	2.22%	2.19%	2.19%



In Perspective:

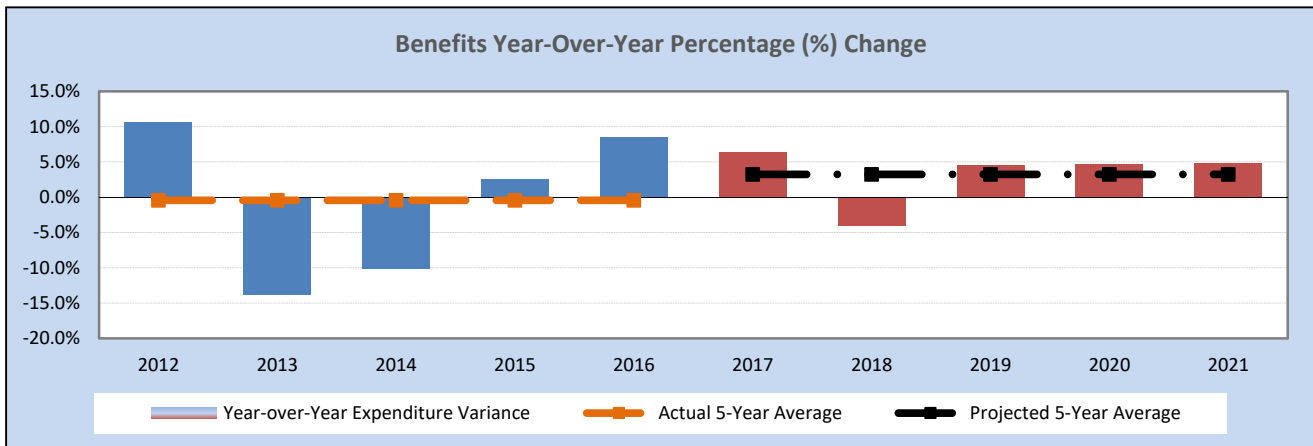
Salaries decreased approximately \$900,000 in 2014 because of staffing reductions in response to the economy and the District's budget. Despite restoring a couple positions in FY16, salaries still realized a small reduction thanks to higher paid retiring staff being replaced by lower paid less experienced staff. Overall staffing levels are projected to hold steady at the FY2016 levels of 100 full-time equivalency (FTE) through the remaining years of the forecast ending June 30, 2021.

The District's management and Bargaining unit reached agreement on a three-year contract beginning in FY2017 that included base wage increases of 4%, 2% and 1% respectively. These increases were only achievable in combination with a move from the District's current traditional health insurance program to a new high deductible plan. The move to a more sustainable health insurance plan design is critical to the District's future financial stability.

Significant Expenditure Assumptions - II

Benefits

	2015	2016	2017	2018	2019	2020	2021
Health Insurance \$ Chg		\$135,298	\$68,994	-\$107,191	\$71,987	\$77,746	\$83,965
Health Insurance % Chg		14.2%	6.3%	-9.2%	6.8%	6.9%	7.0%
Health Insurance	\$954,621	\$1,089,919	\$1,158,913	\$1,051,722	\$1,123,709	\$1,201,455	\$1,285,420
All Other Benefits	\$803,581	\$817,567	\$869,650	\$894,123	\$910,631	\$927,239	\$944,211
Total	\$1,758,202	\$1,907,486	\$2,028,563	\$1,945,845	\$2,034,340	\$2,128,694	\$2,229,631



In Perspective:

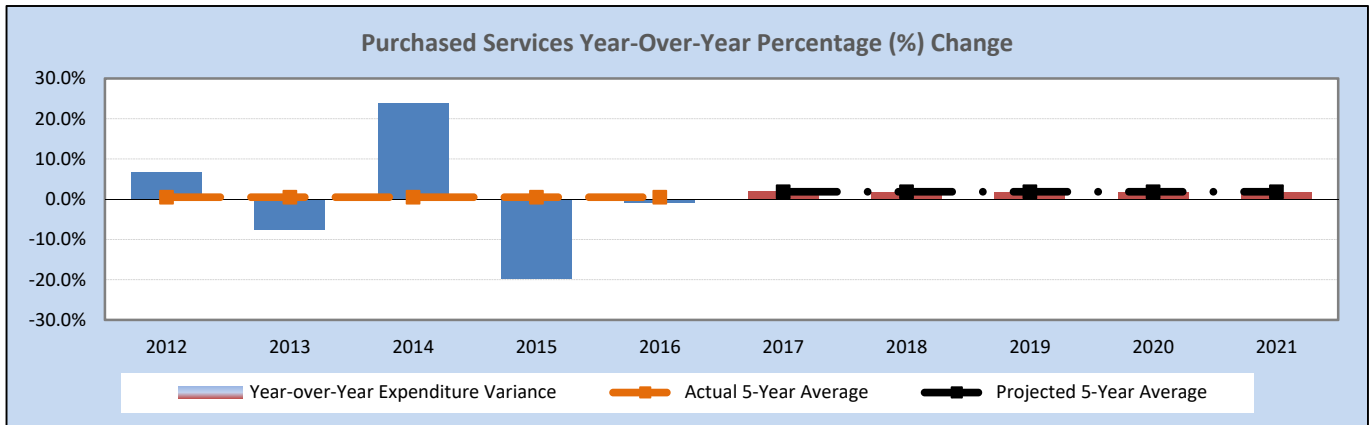
The Fiscal 2013 and 2014 expenditure levels decreased in part because of staffing reductions and fewer insured employees. Fiscal 2016 reflects the impact of additional plans related to the restoration of a couple of additional staff members. Beginning in FY2017 the forecast reflects the first year impact of a new high deductible health insurance plan.

While the overall cost of insurance in this year is expected to increase a bit in FY2017, this primarily due to inflated first year contributions to employee HSA accounts. The new plan includes diminishing Board contributions to employee health savings accounts and assumes 8% premium increases beginning in FY2018. At these conservative estimates, the cost of the overall health insurance program is expected to drop in FY2018 and remain in check the next few years giving the District the opportunity to afford the aforementioned modest base wage increases for employees.

Significant Expenditure Assumptions - III

Purchased Services

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Comm. School Tuition	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Open Enrollment Out	\$8,480	\$14,555	\$14,846	\$15,143	\$15,446	\$15,755	\$16,070
Scholarships & Transfers	\$266,173	\$241,768	\$247,425	\$251,670	\$255,930	\$260,205	\$264,495
Other	\$1,741,253	\$1,741,483	\$1,774,352	\$1,807,077	\$1,840,180	\$1,873,669	\$1,907,552
Total	\$2,015,906	\$1,997,806	\$2,036,623	\$2,073,890	\$2,111,556	\$2,149,629	\$2,188,117
YOY \$\$ Change	-\$495,566	-\$18,100	\$38,817	\$37,267	\$37,666	\$38,073	\$38,488
YOY % Change	-19.7%	-0.9%	1.9%	1.8%	1.8%	1.8%	1.8%



In Perspective:

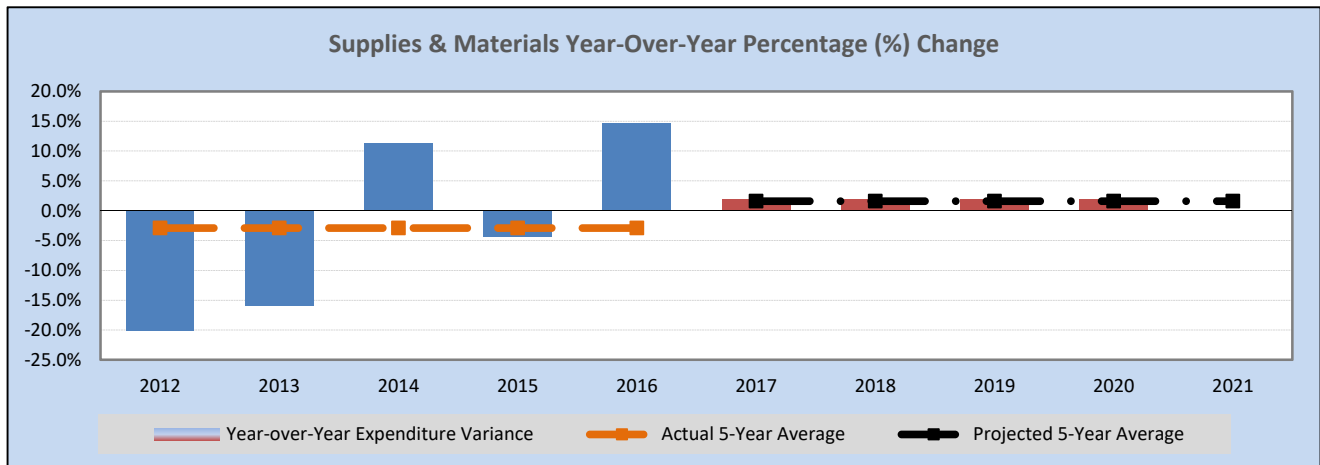
This category exhibits some recent variation. The dip noted in 2013 was related to an accounting change which moved County Educational Service Center charges from this category (Line 3.03 of the forecast) to Other objects (Line 4.30 of the forecast). About \$350,000 of the spike noted in FY14 was related to charges associated with the recent energy project performed with TMI energy. Since the TMI charges reflect one-time spending, FY15 reflects a return to more typical levels.

FY17 through FY21 assumes normal inflationary growth and stable outgoing open enrollment (138) and community school students (36).

Significant Expenditure Assumptions - IV

Supplies and Materials

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total	\$269,637	\$309,184	\$315,368	\$321,675	\$328,109	\$334,671	\$334,671



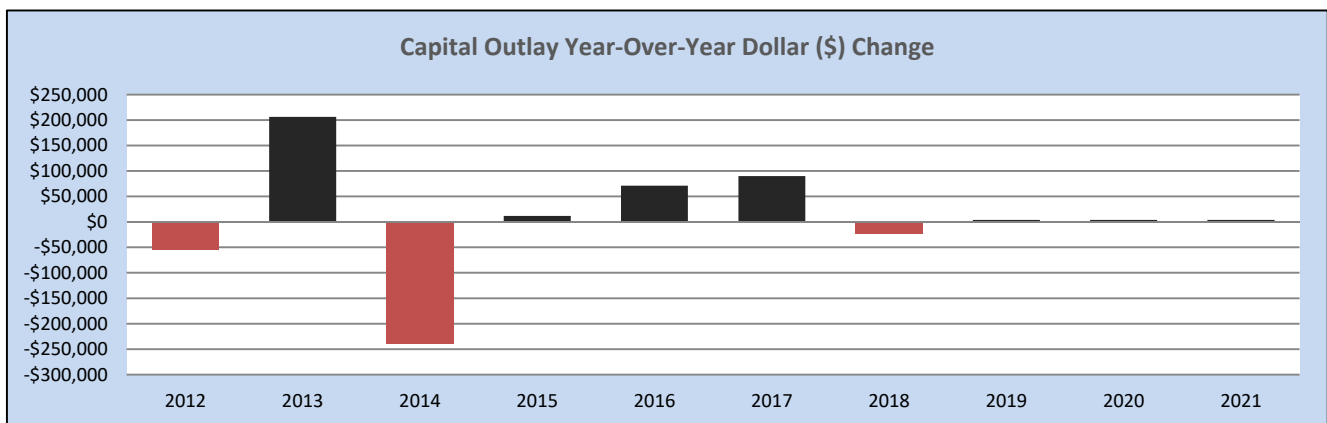
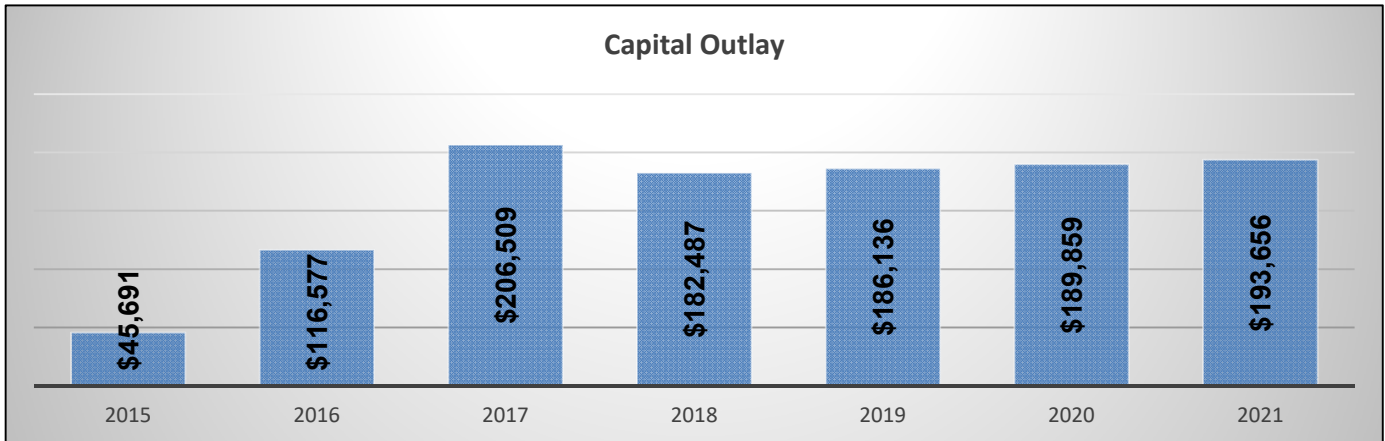
In Perspective:

After of years of restrained spending (FY12 through FY15), additional funding is necessary to replace essential supplies and textbooks which have been neglected. Expenditure estimates for FY17 – FY20 reflect normal inflationary trend utilizing FY16 as the basis moving forward.

Significant Expenditure Assumptions - V

Capital Outlay

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total	\$45,691	\$116,577	\$206,509	\$182,487	\$186,136	\$189,859	\$193,656



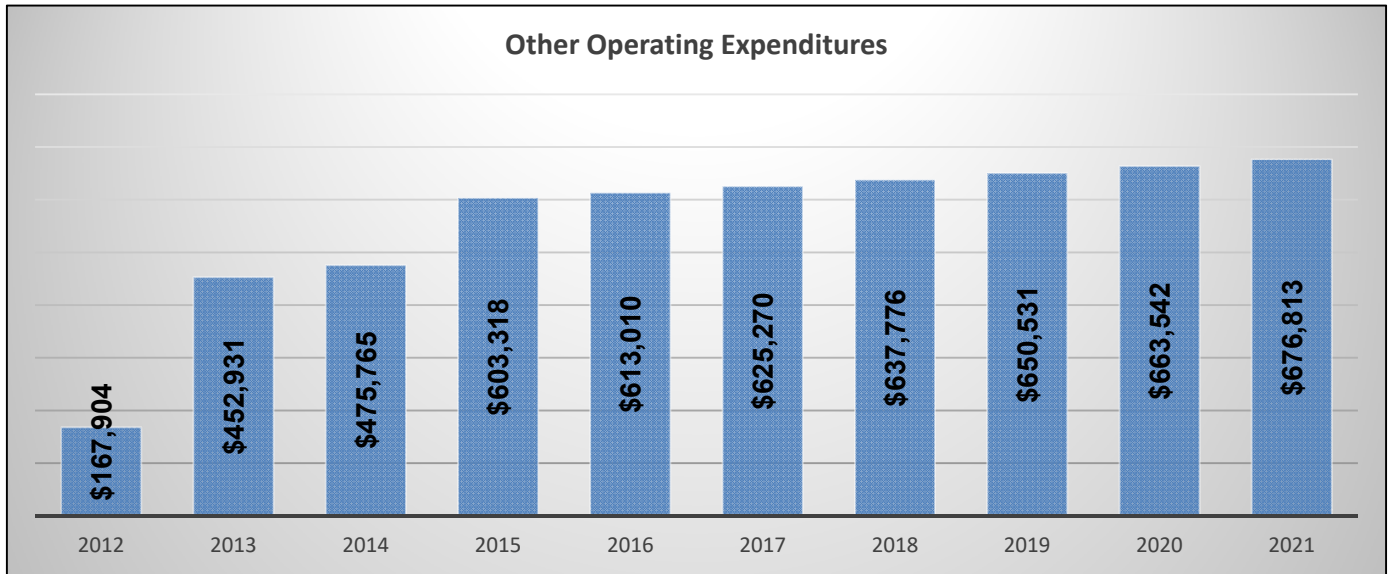
In Perspective:

Most capital purchases are accomplished through the District's Permanent Improvement Fund. However, one bus is expected to be purchased from General fund dollars in FY17 through FY21. These purchases are expected to help replenish the District's fleet. Additionally, beginning in FY2017 the forecast includes a \$50,000 annual provision to implement and maintain a District-wide chromebook initiative.

Significant Expenditure Assumptions - VI

Other Operating Expenditures

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Intergovernmental, Debt & Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Objects	\$603,318	\$613,010	\$625,270	\$637,776	\$650,531	\$663,542	\$676,813



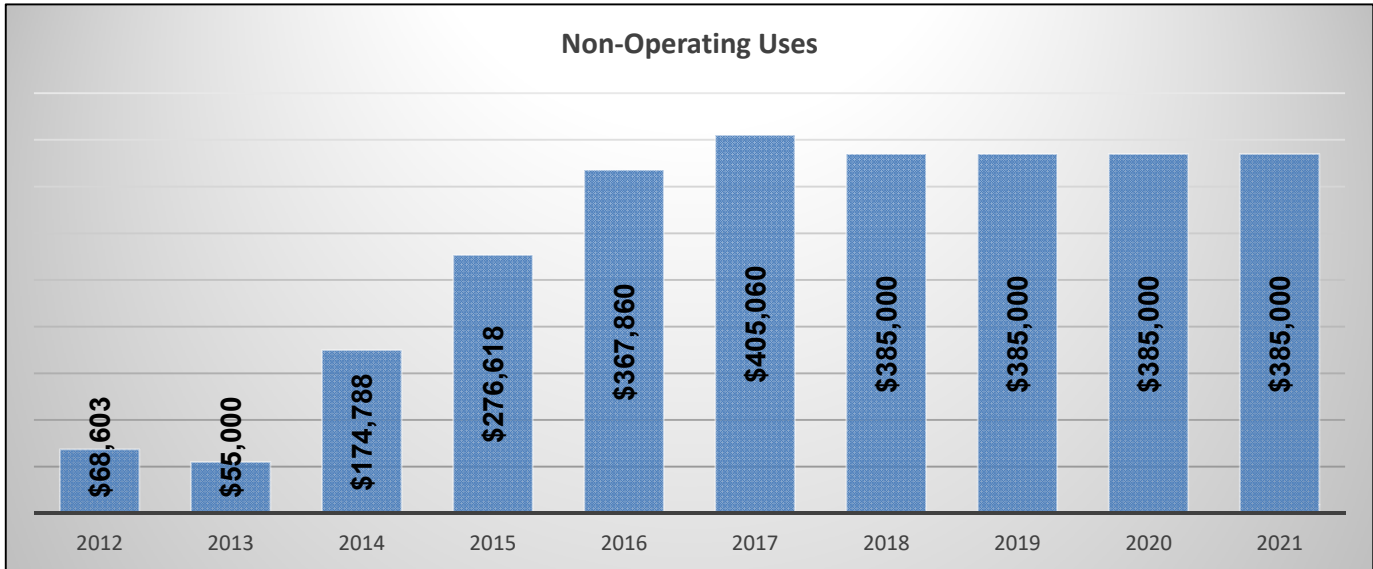
In Perspective:

As mentioned in the Purchased Services narrative, the spending increase noted in FY13 is related to an accounting change. County ESC charges are now recorded in this category's totals instead of Purchased Services. FY17 through FY21 estimates reflect normal inflationary trends utilizing FY16 as the base.

Significant Expenditure Assumptions - VII

Non-Operating Uses

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Advances Out	\$61,422	\$34,916	\$0	\$0	\$0	\$0	\$0
Transfers Out	\$215,336	\$332,944	\$405,000	\$385,000	\$385,000	\$385,000	\$385,000
Other Financing Uses	-\$140	\$0	\$60	\$0	\$0	\$0	\$0



In Perspective:

Transfers to other funds, such as transfers to the District's technology and supply set-aside fund, ROTC Fund, athletic funds and pay to participate funds, are recorded in this category. The District also made an additional \$120,000 transfer in FY15 to cover shortfalls in its Cafeteria Fund related to operating a school-wide free lunch program. FY16 includes higher levels of transfers to address technology and supply needs which had been neglected during the economic downturn.

While continuing to prioritize these areas, a small reduction of these type transfers is anticipated for the projected period FY18 through FY21.

Paint Valley Local Schools
Schedule Of Revenue, Expenditures and Changes In Fund Balances
Actual and Forecasted Operating Fund

	ACTUAL			FORECASTED				
	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Revenue:								
1.010 - General Property Tax (Real Estate)	1,479,948	1,538,093	1,536,645	1,564,990	1,611,629	1,626,121	1,639,837	1,653,987
1.020 - Public Utility Personal Property	134,238	137,133	135,031	133,111	137,141	140,569	144,083	147,685
1.030 - Income Tax	-	-	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	6,355,060	5,945,207	6,562,752	6,856,660	6,727,501	6,651,099	6,407,239	6,300,569
1.040 - Restricted Grants-in-Aid	835,219	816,203	202,198	491,881	484,572	473,384	459,000	445,149
1.045 - Restricted Federal Grants-in-Aid - SFSP	-	-	-	-	-	-	-	-
1.050 - Property Tax Allocation	267,317	275,682	276,695	285,547	295,162	297,896	300,558	303,212
1.060 - All Other Operating Revenues	789,119	687,788	868,834	879,978	841,256	855,522	869,867	884,294
1.070 - Total Revenue	9,860,901	9,400,106	9,582,155	10,212,168	10,097,261	10,044,591	9,820,585	9,734,896
Other Financing Sources:								
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-	-	-
2.020 - State Emergency Loans and Advancements	-	-	-	-	-	-	-	-
2.040 - Operating Transfers-In	133,156	148,817	265,373	250,000	230,000	230,000	230,000	230,000
2.050 - Advances-In	-	1,059	61,422	34,915	-	-	-	-
2.060 - All Other Financing Sources	50,365	57,055	1,150,015	68,359	34,500	8,000	8,000	8,000
2.070 - Total Other Financing Sources	183,521	206,931	1,476,810	353,274	264,500	238,000	238,000	238,000
2.080 - Total Revenues and Other Financing Sources	10,044,422	9,607,037	11,058,965	10,565,442	10,361,761	10,282,591	10,058,585	9,972,896
Expenditures:								
3.010 - Personnel Services	4,209,123	4,339,799	4,115,662	4,371,483	4,520,259	4,620,610	4,721,574	4,824,743
3.020 - Employees' Retirement/Insurance Benefits	1,714,498	1,758,202	1,907,486	2,028,563	1,945,845	2,034,340	2,128,694	2,229,631
3.030 - Purchased Services	2,511,472	2,015,906	1,997,806	2,036,623	2,073,890	2,111,556	2,149,629	2,188,117
3.040 - Supplies and Materials	282,156	269,637	309,184	315,368	321,675	328,109	334,671	334,671
3.050 - Capital Outlay	33,964	45,691	116,577	206,509	182,487	186,136	189,859	193,656
3.060 - Intergovernmental	-	-	-	-	-	-	-	-
Debt Service:								
4.010 - Principal-All Years	-	-	-	-	-	-	-	-
4.020 - Principal - Notes	-	-	-	-	-	-	-	-
4.030 - Principal - State Loans	-	-	-	-	-	-	-	-
4.040 - Principal - State Advances	-	-	-	-	-	-	-	-
4.050 - Principal - HB264 Loan	-	-	-	-	-	-	-	-
4.055 - Principal - Other	-	-	-	-	-	-	-	-
4.060 - Interest and Fiscal Charges	-	-	-	-	-	-	-	-
4.300 - Other Objects	475,765	603,318	613,010	625,270	637,776	650,531	663,542	676,813
4.500 - Total Expenditures	9,226,978	9,032,553	9,059,725	9,583,816	9,681,932	9,931,283	10,187,968	10,447,630
Other Financing Uses								
5.010 - Operating Transfers-Out	173,729	215,336	332,944	405,000	385,000	385,000	385,000	385,000
5.020 - Advances-Out	1,059	61,422	34,916	-	-	-	-	-
5.030 - All Other Financing Uses	-	(140)	-	60	-	-	-	-
5.040 - Total Other Financing Uses	174,788	276,618	367,860	405,060	385,000	385,000	385,000	385,000
5.050 - Total Expenditures and Other Financing Uses	9,401,766	9,309,171	9,427,585	9,988,876	10,066,932	10,316,283	10,572,968	10,832,630
Excess of Rev & Other Financing Uses Over (Under)								
6.010 - Expenditures and Other Financing Uses	642,656	297,866	1,631,380	576,566	294,829	(33,692)	(514,384)	(859,733)
Cash Balance July 1 - Excluding Proposed Renewal/								
7.010 - Replacement and New Levies	901,979	1,544,635	1,842,501	3,473,881	4,050,447	4,345,276	4,311,584	3,797,201
7.020 - Cash Balance June 30	1,544,635	1,842,501	3,473,881	4,050,447	4,345,276	4,311,584	3,797,201	2,937,467
8.010 - Estimated Encumbrances June 30	92,564	195,820	141,677	100,000	100,000	100,000	100,000	100,000
Reservations of Fund Balance:								
9.010 - Textbooks and Instructional Materials	-	-	-	-	-	-	-	-
9.020 - Capital Improvements	-	-	-	-	-	-	-	-
9.030 - Budget Reserve	-	-	1,083,567	926,067	795,068	664,068	533,068	402,069
9.040 - DPIA	-	-	-	-	-	-	-	-
9.050 - Debt Service	-	-	-	-	-	-	-	-
9.060 - Property Tax Advances	-	-	-	-	-	-	-	-
9.070 - Bus Purchases	-	-	-	-	-	-	-	-
9.080 - Subtotal	-	-	1,083,567	926,067	795,068	664,068	533,068	402,069
Fund Balance June 30 for Certification								
10.010 - of Appropriations	1,452,071	1,646,681	2,248,637	3,024,380	3,450,208	3,547,516	3,164,132	2,435,399
Rev from Replacement/Renewal Levies								
11.010 - Income Tax - Renewal	-	-	-	-	-	-	-	-
11.020 - Property Tax - Renewal or Replacement	-	-	-	-	-	-	-	-
11.030 - Cumulative Balance of Replacement/Renewal Levies	-	-	-	-	-	-	-	-
Fund Balance June 30 for Certification								
12.010 - of Contracts, Salary and Other Obligations	1,452,071	1,646,681	2,248,637	3,024,380	3,450,208	3,547,516	3,164,132	2,435,399
Revenue from New Levies								
13.010 - Income Tax - New	-	-	-	-	-	-	-	-
13.020 - Property Tax - New	-	-	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-	-	-
14.010 - Revenue from Future State Advancements	-	-	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	1,452,071	1,646,681	2,248,637	3,024,380	3,450,208	3,547,516	3,164,132	2,435,399
ADM Forecasts								
20.010 - Kindergarten	-	-	-	61	58	68	59	59
20.015 - Grades 1-12	-	-	-	817	808	777	759	733

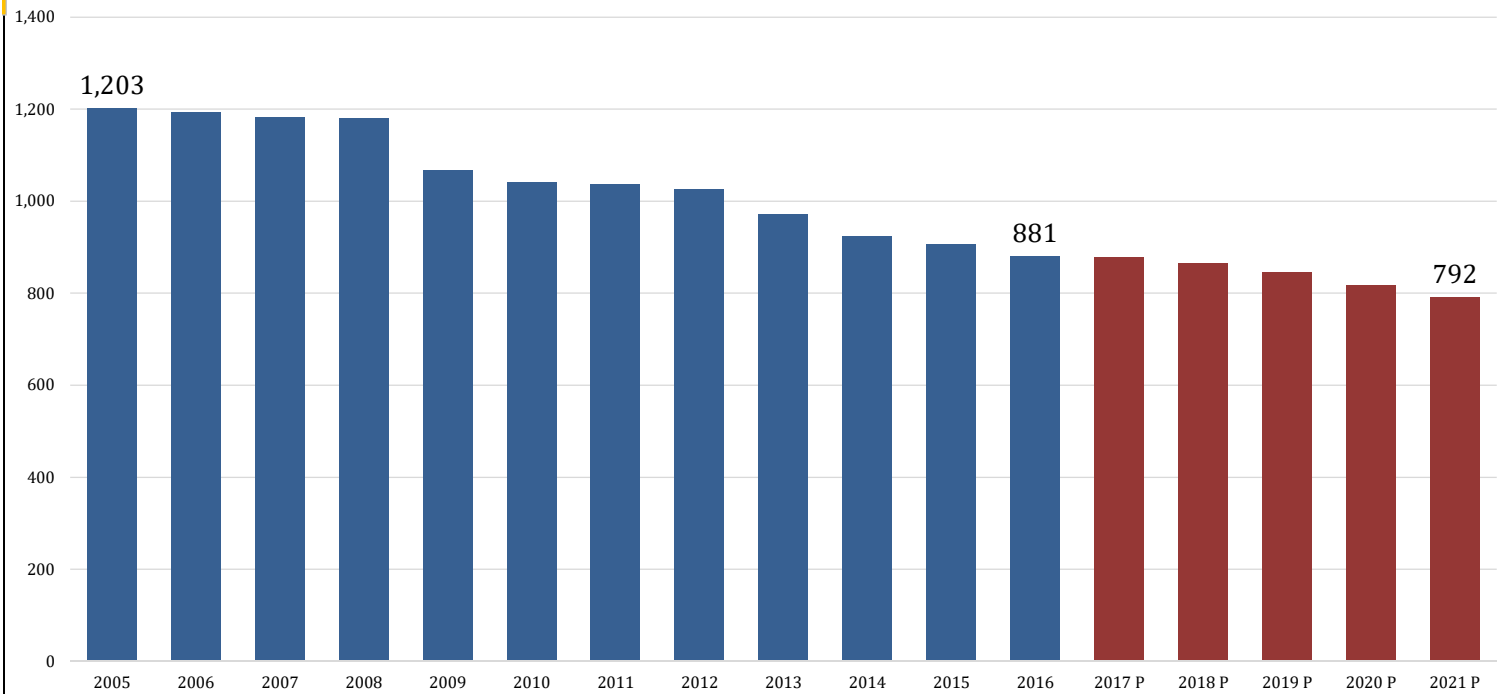
Five Year Percent Changes - Five Year Average

Paint Valley Local Schools

	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	
Revenue:							
1.010 - General Property Tax (Real Estate)	2.91%	1.84%	2.98%	0.90%	0.84%	0.86%	1.49%
1.020 - Public Utility Personal Property	1.36%	-1.42%	3.03%	2.50%	2.50%	2.50%	1.82%
1.030 - Income Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1.035 - Unrestricted Grants-in-Aid	1.05%	4.48%	-1.88%	-1.14%	-3.67%	-1.66%	-0.77%
1.040 - Restricted Grants-in-Aid	-44.38%	143.27%	-1.49%	-2.31%	-3.04%	-3.02%	26.68%
1.045 - Restricted Federal Grants-in-Aid - SFSF	-74.55%	n/a	n/a	n/a	n/a	n/a	n/a
1.050 - Property Tax Allocation	-2.66%	3.20%	3.37%	0.93%	0.89%	0.88%	1.85%
1.060 - All Other Operating Revenues	1.12%	1.28%	-4.40%	1.70%	1.68%	1.66%	0.38%
1.070 - Total Revenue	0.31%	6.57%	-1.13%	-0.52%	-2.23%	-0.87%	0.37%
2.010 - Proceeds from Sale of Notes	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2.020 - State Emergency Loans and Advancements	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2.040 - Operating Transfers-In	44.45%	-5.79%	-8.00%	0.00%	0.00%	0.00%	-2.76%
2.050 - Advances-In	2800.00%	-43.16%	-100.00%	n/a	n/a	n/a	-71.58%
2.060 - All Other Financing Sources	542.00%	-94.06%	-49.53%	-76.81%	0.00%	0.00%	-44.08%
2.070 - Total Other Financing Sources	158.48%	-76.08%	-25.13%	-10.02%	0.00%	0.00%	-22.25%
2.080 - Total Revenues and Other Financing Sources	2.92%	-4.46%	-1.93%	-0.76%	-2.18%	-0.85%	-2.04%
Expenditures:							
3.010 - Personnel Services	-4.52%	6.22%	3.40%	2.22%	2.19%	2.19%	3.24%
3.020 - Employees' Retirement/Insurance Benefits	-0.43%	6.35%	-4.08%	4.55%	4.64%	4.74%	3.24%
3.030 - Purchased Services	0.49%	1.94%	1.83%	1.82%	1.80%	1.79%	1.84%
3.040 - Supplies and Materials	-2.90%	2.00%	2.00%	2.00%	2.00%	0.00%	1.60%
3.050 - Capital Outlay	72.66%	77.14%	-11.63%	2.00%	2.00%	2.00%	14.30%
3.060 - Intergovernmental	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.010 - 4.060 - Principal, Interest & Fiscal Charges	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.300 - Other Objects	44.35%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
4.500 - Total Expenditures	-1.81%	5.78%	1.02%	2.58%	2.58%	2.55%	2.90%
5.010 - Operating Transfers-Out	40.40%	21.64%	-4.94%	0.00%	0.00%	0.00%	3.34%
5.020 - Advances-Out	2828.42%	-100.00%	n/a	n/a	n/a	n/a	-100.00%
5.030 - All Other Financing Uses	-100.00%	n/a	-100.00%	n/a	n/a	n/a	-100.00%
5.040 - Total Other Financing Uses	43.26%	10.11%	-4.95%	0.00%	0.00%	0.00%	1.03%
5.050 - Total Expenditures and Other Financing Uses	-1.54%	5.95%	0.78%	2.48%	2.49%	2.46%	2.83%
Excess of Rev & Other Financing Uses Over (Under)							
6.010 - Expenditures and Other Financing Uses	53.92%	-64.66%	-48.86%	-111.43%	1426.73%	67.14%	253.78%
Cash Balance July 1 - Excluding Proposed Renewal/							
7.010 - Replacement and New Levies	1.08%	88.54%	16.60%	7.28%	-0.78%	-11.93%	19.94%
7.020 - Cash Balance June 30	22.67%	16.60%	7.28%	-0.78%	-11.93%	-22.64%	-2.29%

	2017	2018	2019	2020	2021	
Prior Year Actual/Estimated Enrollment (October Count)	<u>881</u>	878	866	845	818	
Projected Changes to Prior Year Enrollment						
Net All-Grade Level Mobility Factor (Change) to Prior Year	-7	-6	-10	-9	-4	
Net Aggregate Manual Adjustments to Mobility Factor	13	0	0	0	0	
New Kindergartners In	61	58	68	59	59	
Loss of Seniors from Prior Year	-70	-64	-79	-77	-81	
Net Change in Outgoing and Incoming Pupils	-9	-6	-11	-18	-22	
Current Year Estimated Enrollment (Simulated October Count)	878	866	845	818	792	
District Head Count	Grade					
	K	61	58	68	59	59
	1	48	57	54	64	55
	2	45	50	59	56	67
	3	85	43	47	56	53
	4	63	91	46	50	60
	5	65	61	89	45	49
	6	61	63	60	87	44
	7	59	63	65	62	90
	8	79	58	62	64	61
	9	88	79	58	62	64
	10	79	85	76	56	60
	11	81	79	84	76	56
	12	64	79	77	81	74
Total Can Differ by Rounding	878	866	845	818	792	
Year-Over-Year Percentage Change	-0.34%	-1.37%	-2.42%	-3.20%	-3.18%	

Historic vs. Projected Enrollment



Comparison of Previous Forecast Amounts to Current

Fiscal Year 2017 Forecasted Amounts

		Column A	Column B	Column C	Column D
		Previous	Current	Dollar	Percent
		Forecast	Forecast	Difference	Difference
		Amounts For	Amounts For	Between	Between
		F.Y. 2017	F.Y. 2017	Previous	Previous
		Prepared on:	Prepared on:	and	and
		05/18/2016	10/5/2016	Current	Current
Revenue:					
1	Real Estate & Property Allocation	\$1,809,463	\$1,850,537	\$41,074	2.3%
2	Public Utility Personal Property	\$134,120	\$133,111	-\$1,009	-0.8%
3	Income Tax	\$0	\$0	\$0	n/a
4	State Foundation Restricted & Unrestricted	\$6,888,896	\$7,348,542	\$459,646	6.7%
5	Other Revenue	\$708,258	\$879,978	\$171,720	24.2%
6	Other Non Operating Revenue	\$235,000	\$353,274	\$118,274	50.3%
7	Total Revenue	\$9,775,737	\$10,565,442	\$789,705	8.1%
Expenditures:					
8	Salaries	\$4,299,900	\$4,371,483	\$71,583	1.7%
9	Fringe Benefits	\$1,889,227	\$2,028,563	\$139,336	7.4%
10	Purchased Services	\$1,989,188	\$2,036,623	\$47,435	2.4%
11	Supplies,Debt, Capital Outlay & Other	\$1,074,381	\$1,147,146	\$72,765	6.8%
12	Other Non Operating Expenditures	\$290,000	\$405,060	\$115,060	39.7%
13	Total Expenditures	\$9,542,696	\$9,988,876	\$446,180	4.7%
14	Revenue Over/(Under) Expenditures	\$233,041	\$576,566	\$343,525	3.6%
15	Ending Cash Balance	\$3,570,286	\$4,050,447	\$480,161	

In Perspective:

Obviously the major difference between the forecast filed in the fall and the current forecast relates to the improvement in estimated state funding revenue. The District lost over \$600,000 in economic disadvantaged funding in FY2016 when its school-wide status was eliminated resulting in an economic disadvantaged percentage drop of over 40%. Fortunately, the District was able to recover its school-wide status in effective for the 2017 fiscal year. This is primarily the basis for the improved state funding estimates and in fact the basis for the overall improved revenue estimates since state funding is such a large component of the District's overall revenue.

On the spending side of the ledger, estimates are higher now than previously filed the past May, primarily because the District successfully concluded negotiations with it certified staff. While the forecast does anticipate higher levels of spending in FY2017, it is important to note that the District is moving to a new high deductible health plan for its employees. During the first year of the new plan, the Board has committed higher levels of contributions to employee Health Savings Accounts, which will be reduced the following year. The new plan portends to offer improved stability and control over a very fast-growing area of District-spending.

Comparison of Previous Forecast Amounts to Current

Fiscal Year 2018 Forecasted Amounts

		Column A	Column B	Column C	Column D
		Previous	Current	Dollar	Percent
		Forecast	Forecast	Difference	Difference
		Amounts For	Amounts For	Between	Between
		F.Y. 2018	F.Y. 2018	Previous	Previous
		Prepared on:	Prepared on:	and	and
		05/18/2016	10/5/2016	Current	Current
Revenue:					
1	Real Estate & Property Allocation	\$1,820,476	\$1,906,791	\$86,315	4.7%
2	Public Utility Personal Property	\$137,141	\$137,141	\$0	0.0%
3	Income Tax	\$0	\$0	\$0	n/a
4	State Foundation Restricted & Unrestricted	\$6,764,641	\$7,212,073	\$447,432	6.6%
5	Other Revenue	\$720,503	\$841,256	\$120,753	16.8%
6	Other Non Operating Revenue	\$235,000	\$264,500	\$29,500	12.6%
7	Total Revenue	\$9,677,761	\$10,361,761	\$684,000	7.1%
Expenditures:					
8	Salaries	\$4,423,038	\$4,520,259	\$97,221	2.2%
9	Fringe Benefits	\$1,854,777	\$1,945,845	\$91,068	4.9%
10	Purchased Services	\$2,025,333	\$2,073,890	\$48,557	2.4%
11	Supplies,Debt, Capital Outlay & Other	\$1,095,870	\$1,141,937	\$46,067	4.2%
12	Other Non Operating Expenditures	\$275,000	\$385,000	\$110,000	40.0%
13	Total Expenditures	\$9,674,018	\$10,066,932	\$392,914	4.1%
14	Revenue Over/(Under) Expenditures	\$3,743	\$294,829	\$291,086	3.0%
15	Ending Cash Balance	\$3,574,029	\$4,345,276	\$771,247	

In Perspective:

The updated forecast continues to reflect the improvement in state funding estimates related to the reinstatement of the District's school-wide status.

Spending estimates are about 4.1% higher than previously estimated in May 2016, however additional commitments to improved technology and a commitment to better wage and benefit levels for the District's employees explain the revision.