



TEAYS VALLEY LOCAL SCHOOL DISTRICT - -  
PICKAWAY COUNTY

# Five Year Forecast Financial Report

October, 2018

*Stacy Overly, CFO*

## Table of Contents

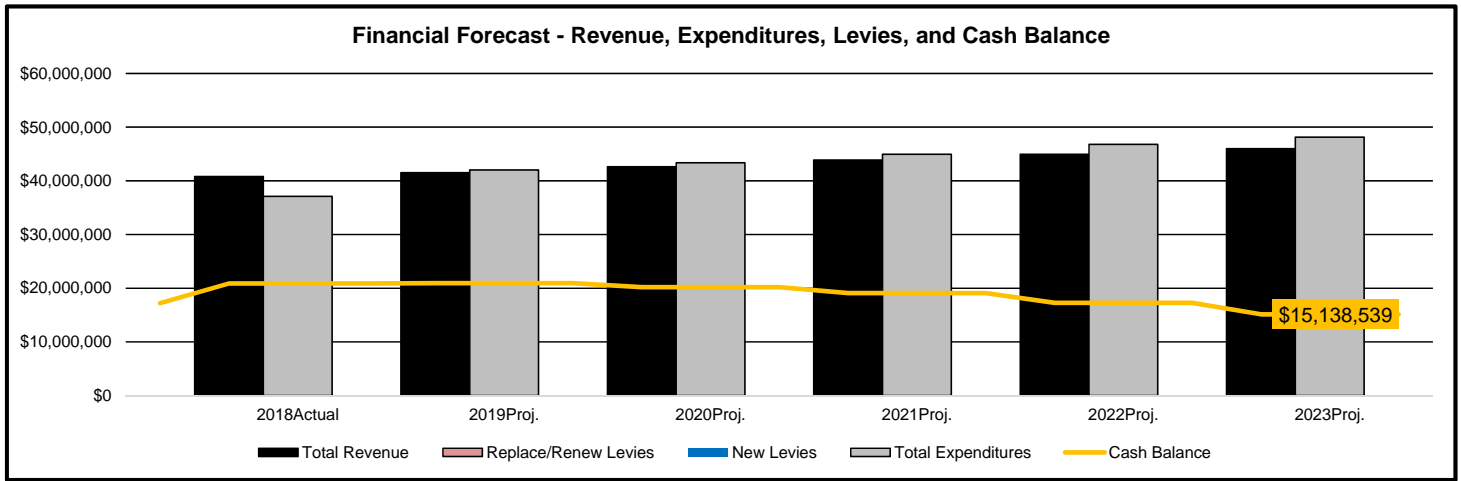
	<u>Page</u>
Table of Contents	2
Forecast Summary	3
Revenue Sources and Forecast Year-Over-Year Projected Overview	4
1.010 - General Property Tax (Real Estate)	5
1.020 - Public Utility Personal Property	6
1.030 - Income Tax	7
1.035 - Unrestricted Grants-in-Aid	8
1.040 & 1.045 - Restricted Grants-in-Aid	9
1.050 - Property Tax Allocation	10
1.060 - All Other Operating Revenues	11
2.070 - Total Other Financing Sources	12
Expenditures Overview	13
3.010 - Personnel Services	14
3.020 - Employee Benefits	15
3.030 - Purchased Services	16
3.040 - Supplies and Materials	17
3.050 - Capital Outlay	18
3.060 - 4.060 - Intergovernmental & Debt	19
4.300 - Other Objects	20
5.040 - Total Other Financing Uses	21
Five Year Forecast	22
Supplement 1 - Forecast Compare to Last Filed Forecast	23
Supplement 2 - Cash Reserve Indicators	24
Supplement 3 - Enrollment	25

### 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.



TEAYS VALLEY LOCAL SCHOOL DISTRICT - - PICKAWAY COUNTY

Financial Forecast	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Beginning Balance	21,958,423	21,437,432	20,681,671	19,595,093	17,762,154
+ Revenue	41,510,582	42,620,855	43,866,245	44,952,960	45,999,296
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(42,031,573)	(43,376,616)	(44,952,823)	(46,785,899)	(48,122,911)
= Revenue Surplus or Deficit	(520,991)	(755,761)	(1,086,578)	(1,832,939)	(2,123,615)
Ending Balance with renewal levies Note: Not Reduced for Encumbrances	21,437,432	20,681,671	19,595,093	17,762,154	15,638,539

Analysis Without Renewal Levies Included:

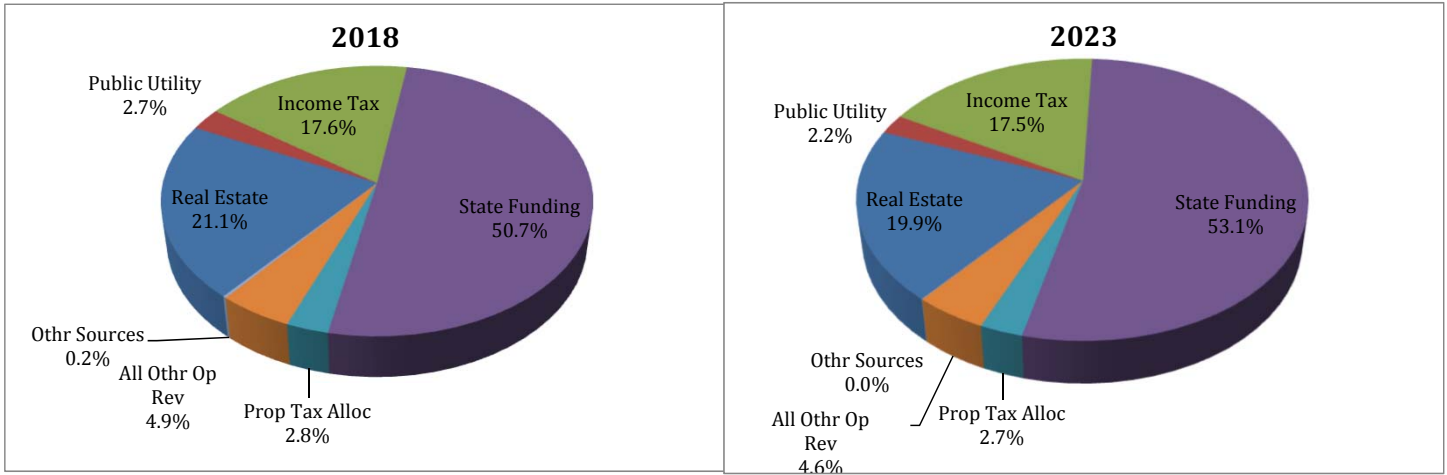
Revenue Surplus or Deficit w/o Levies	(520,991)	(755,761)	(1,086,578)	(1,832,939)	(2,123,615)
Ending Balance w/o Levies	21,437,432	20,681,671	19,595,093	17,762,154	15,638,539

During the spring of 2016, the District concluded work on a collaborative bargaining agreement which covers FY2017 – FY2019. The new agreement is expected to help continue the District’s financial stability. Elements of the agreement included adjustments to the District’s health insurance program that enabled affordable base wage increases for employees.

A new State funding system has also leveraged the district’s local revenue sources since the formula has supplied additional revenue per pupil. Since Teays Valley’s funding has not been limited by any formula caps or guarantees, additional students have translated to additional revenue. The forecast assumes a continuation of the current formula, which is expected to continue to generate additional funding, but calculated funding increases are expected to be restricted by cap limitations.

Spending is expected to exceed revenue beginning in FY2019 eroding some of the cash balance reserves that have been recently accumulated. However, the projected deficits are manageable. An updated capital spending plan has been established that requires General Fund support to fully implement. However, this spending plan can be scaled back if finances deteriorate between now and the start of a given capital project.

### Revenue Sources and Forecast Year-Over-Year Projected Overview

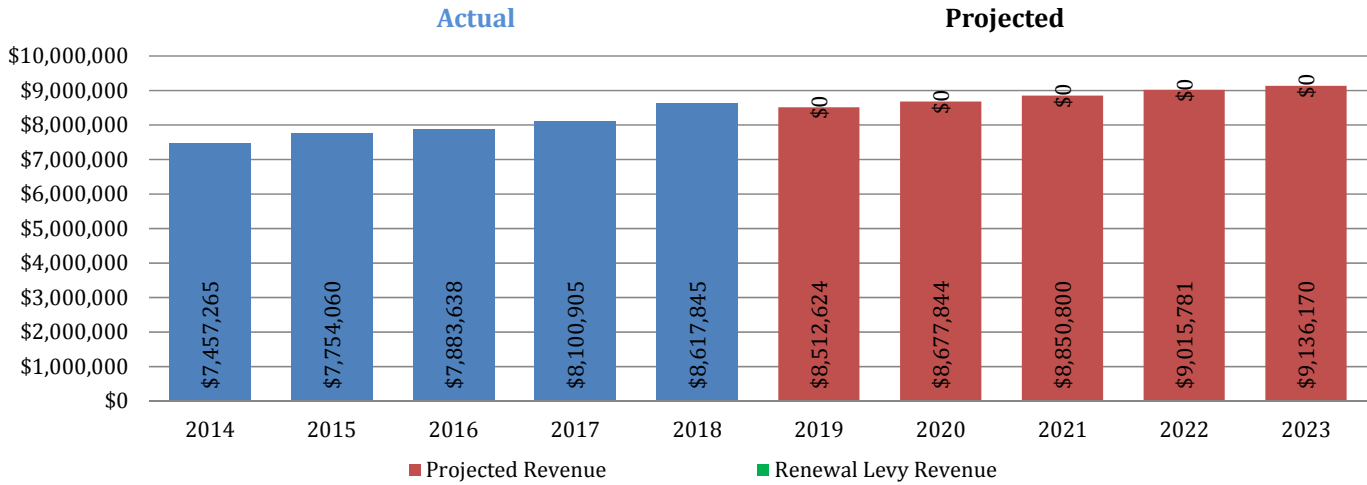


	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	
<b>Revenue:</b>							
1.010-Real Estate	3.94%	-1.22%	1.94%	1.99%	1.86%	1.34%	1.18%
1.020-Public Utility	-3.22%	-2.62%	0.44%	-1.00%	-1.00%	-0.99%	-1.03%
1.030-Income Tax	19.31%	1.57%	2.50%	2.48%	2.46%	2.44%	2.29%
1.035-State Funding	4.99%	3.70%	3.72%	3.82%	3.02%	2.95%	3.44%
1.040-Restricted Aid	14.79%	2.43%	-1.33%	0.97%	-0.11%	0.65%	0.52%
1.045-Restr Federal SFSF	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.050-Property Tax Alloc	3.15%	3.03%	1.52%	2.00%	1.97%	1.31%	1.96%
1.060-All Other Operating	11.09%	-3.05%	1.97%	1.88%	1.87%	1.87%	0.91%
1.070-Total Revenue	6.31%	1.75%	2.86%	2.92%	2.48%	2.33%	2.47%
2.070-Total Other Sources	203.64%	4.83%	-80.65%	0.00%	0.00%	0.00%	-15.16%
2.080-Total w/Other Srcs	6.36%	1.76%	2.67%	2.92%	2.48%	2.33%	2.43%

State funding (including property tax allocation) and tax related revenue account for approximately 95% of the District’s total operational revenue. These revenue sources (state and local tax revenue) are expected to maintain steady growth through the forecasted period. Overall, revenue is expected to average a 2.43% annual growth rate.

### 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 With Renewal Levies	8,617,845	8,512,624	8,677,844	8,850,800	9,015,781	9,136,170
YOY \$ Change	516,940	(105,221)	165,220	172,956	164,981	120,389
YOY % Change	6.4%	-1.2%	1.9%	2.0%	1.9%	1.3%

Percentage of Total Revenue	21.1%	20.5%	20.4%	20.2%	20.1%	19.9%
-----------------------------	-------	-------	-------	-------	-------	-------

Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2017	481,350,530	22,760,440	20.00	(0.00)	20.70	(0.07)	103.5%
2018	488,342,209	6,991,679	20.00	-	20.70	-	99.9%
2019	494,312,777	5,970,568	20.04	0.04	20.70	-	99.8%
2020	509,019,505	14,706,727	20.00	(0.04)	20.33	(0.37)	99.8%
2021	516,071,882	7,052,378	20.00	-	20.33	-	99.7%
2022	522,821,882	6,750,000	20.01	0.01	20.33	-	99.7%

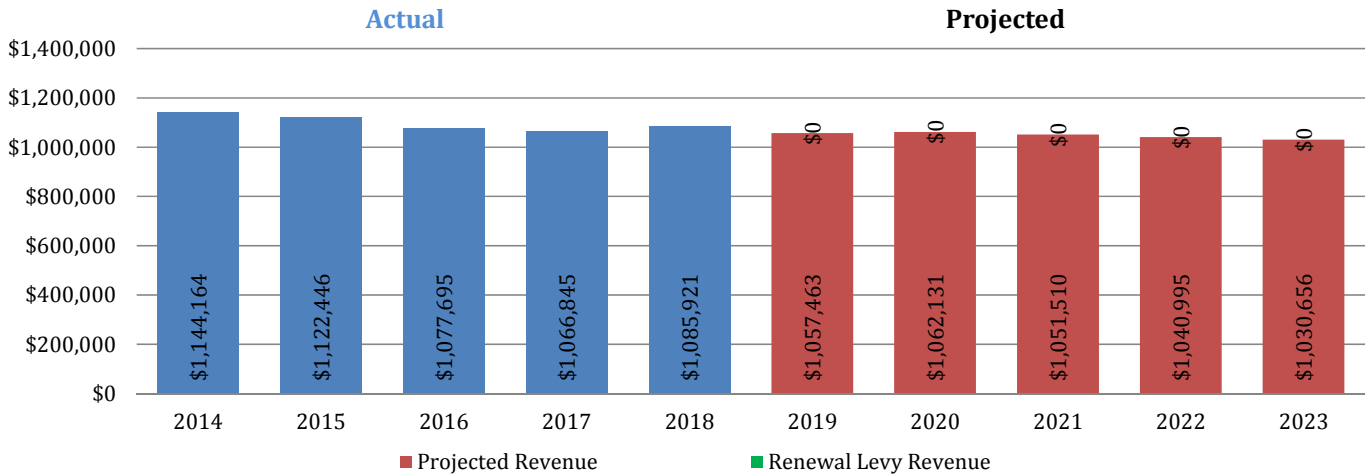
Real estate revenue supplies slightly more than 20% of the District’s overall revenue. Property values are expected to continue to grow as a result of both new construction as well as the tri-annual reappraisal/update of existing property. Since the District’s assessed millage is as low as is permitted (20 effective mills), collections are forecasted to grow in conjunction with all future property valuation growth whether that growth is related to new construction or inflationary increases of existing property. This explains the upward trajectory of the bar charts above after FY2019. It is worth noting, Fiscal 2019 dips slightly from FY2018 levels due to slightly better first half collection split during the spring 2018 collection, which boosted FY2018 revenue. Additionally, FY2018 saw improved collections of past delinquencies which also contributed to a better FY2018 overall collection. Since both of these situations were related to one-time occurrences in FY2018, FY2019 collections reflect a dip, but as mentioned subsequent estimates indicate slow but steady growth.

Gross collections in Tax Year 2017 (Calendar 2018 – 103.5% rate), were higher than usual due to the receipt of delinquent commercial taxes accumulated the prior year. The forecast anticipates future gross tax collections will remain very consistent at a near 100% rate.

*\*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 With Renewal Levies	1,085,921	1,057,463	1,062,131	1,051,510	1,040,995	1,030,656
YOY \$ Change	19,076	(28,458)	4,668	(10,621)	(10,515)	(10,339)
YOY % Change	1.8%	-2.6%	0.4%	-1.0%	-1.0%	-1.0%

Percentage of Total Revenue	2.7%	2.5%	2.5%	2.4%	2.3%	2.2%
-----------------------------	------	------	------	------	------	------

Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2017	47,500,050	(386,770)	22.70	-	100.0%
2018	47,025,050	(475,001)	22.70	-	100.0%
2019	46,554,799	(470,250)	22.70	-	100.0%
2020	46,089,251	(465,548)	22.70	-	100.0%
2021	45,628,359	(460,893)	22.70	-	100.0%
2022	45,178,359	(450,000)	22.70	-	100.0%

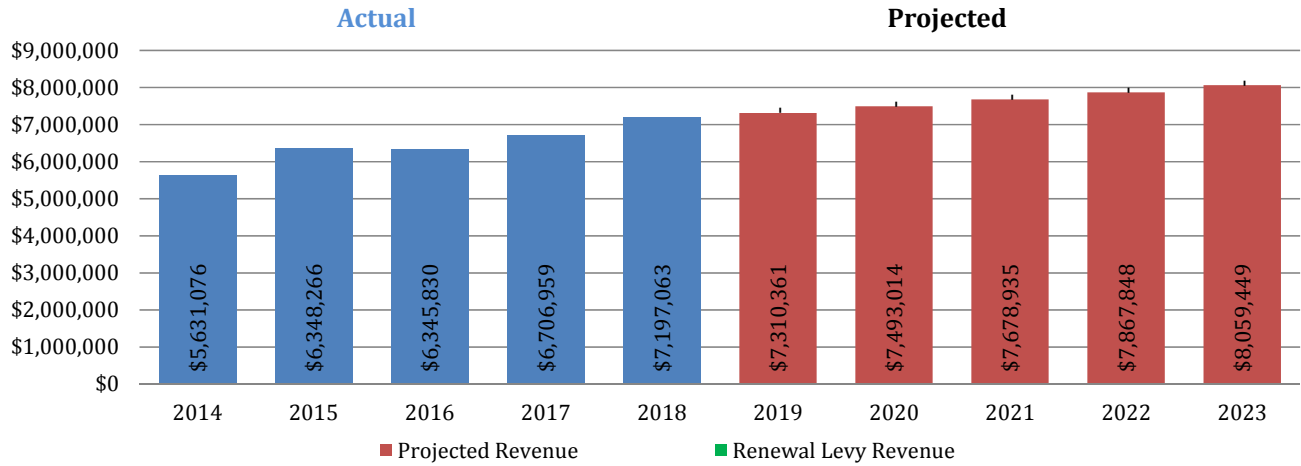
Teays Valley's Public Utility Personal Property (PUPP) tax collections reached a high point in FY2013, with the addition of the \$29 million REX natural gas pipeline. Since that time collections have slowly declined in conjunction with typical depreciation on existing values in this classification of property.

Although a second pipeline (the ATEX pipeline) was laid in the District, it did not generate additional value nor revenue. That was due to the fact the material transported through that line is exempt from taxes. Therefore, the forecast assumes current PUPP values will continue to gradually decline due to depreciation. Obviously, we will continue to monitor activity here because investments to improve existing assets could offset a drop in overall value. Also it is important to note, our local legislators, as well as other legislators from around the state now have a heightened awareness of the pipeline taxation issue and are working to introduce legislation to address inconsistencies in tax policy related to the materials passed through public utility pipelines. Teays Valley will remain an active participant in any policy change discussions.

\*Projected % trends include renewal levies

### 1.030 - Income Tax

Revenue collected from income tax earmarked specifically to support schools with a voter approved tax by residents of the school district; separate from federal, state and municipal income taxes.



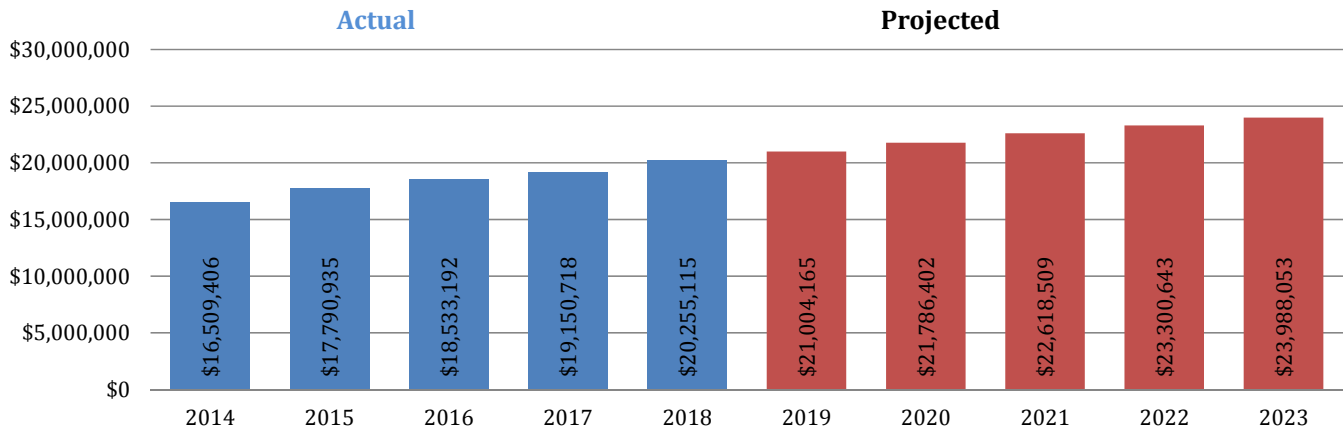
	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	7,197,063	7,310,361	7,493,014	7,678,935	7,867,848	8,059,449
YOY \$ Change	490,104	113,298	182,653	185,921	188,913	191,601
YOY % Change	7.3%	1.6%	2.5%	2.5%	2.5%	2.4%
Percentage of Total Revenue	17.6%	17.6%	17.6%	17.5%	17.5%	17.5%

FY2015 represents full collection of the new 1.5% tax. The issue replaced a continuing 0.75% traditional income tax levy. Since 2012, collections have more than doubled despite the fact the tax now only applies to "earned" income. This demonstrates the income strong growth that has occurred within the District since 2012. Annual growth is forecasted to continue at rates between 2% and 3% per year (FY2019 - FY2023).

*\*Projected % trends include renewal levies*

### 1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



	2018	2019	2020	2021	2022	2023
	FORECASTED					
Total	20,255,115	21,004,165	21,786,402	22,618,509	23,300,643	23,988,053
YOY \$ Change	1,104,397	749,050	782,237	832,107	682,134	687,410
YOY % Change	5.8%	3.7%	3.7%	3.8%	3.0%	3.0%
Percentage of Total Revenue	49.7%	50.6%	51.1%	51.6%	51.8%	52.1%
Core Funding Per Pupil	6,010	6,020	6,100	6,200	6,300	6,400
State Share Index (SSI)	51.5%	51.5%	55.5%	55.5%	57.2%	57.2%
State Core Funding Per Pupil	3,094	3,099	3,385	3,441	3,604	3,661
Formula ADM (Funded Student Count)	3,930	4,039	4,026	4,077	4,099	4,133
Funding Status	Formula	Formula	Capped	Capped	Capped	Capped

The state retained the basic framework of the school funding formula in its current budget covering FY2018 & FY2019. However, the per-pupil funding increases were limited to only \$10 per-pupil (or 0.167%) each year of the biennial. These levels are significantly lower than increases included in the prior two budgets.

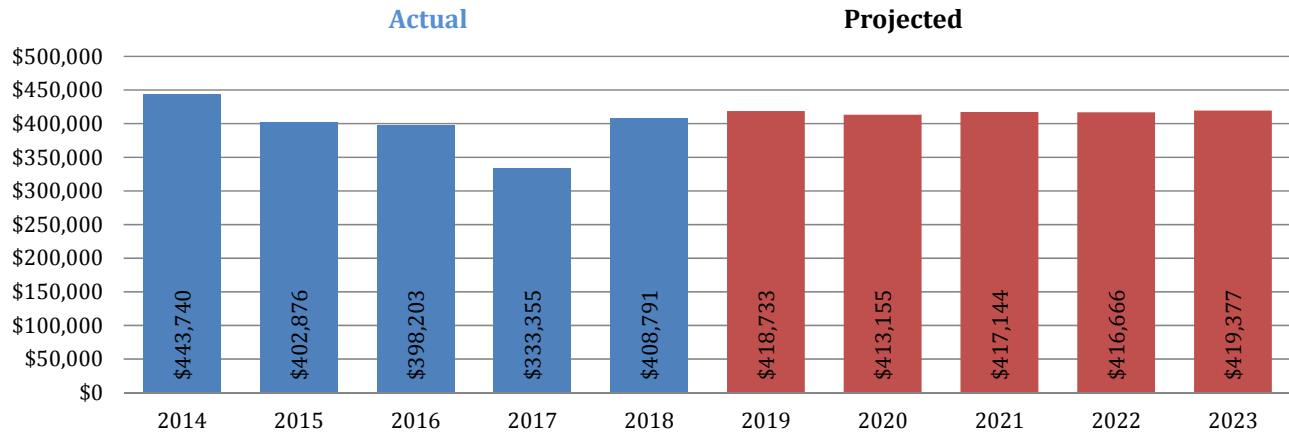
The formula calculates the funding it sends to schools using a per-pupil funding approach (FY2019 = \$6,020) applied to its calculated state share percentage. The state share percentage, determined by the district's relative per pupil wealth compared to all other districts, is intended to represent the state's responsibility of the full \$6,020 per-pupil funding amount. The difference between the state share and the full per-pupil amount is assumed to be supplied locally. Teays Valley's state share percentage has remained consistent at near 52%, but is expected to grow (assuming a continuation of the current formula) aided by the District's rising enrollment. The formula also contains additional targeted components that help a district like Teays Valley. For example, additional funds are directed to districts with large agricultural tax bases as well as districts that have lower population density.

Based upon the above calculations, Teays expects to receive its full calculated funding amount in FY2019 (aka "Formula" funded). However, assuming the current formula remains in place, Teays Valley can expect to transition from a "Formula" funded status to a "Capped" status. A "Capped" status refers to districts where its calculated funding exceeds the cap limits set by the state. In FY2019, the growth cap for Teays is 6%. The forecast assumes lower Cap limits of 3% to 4% in FY2020 – FY2023.



### 1.040 & 1.045 - Restricted Grants-in-Aid

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

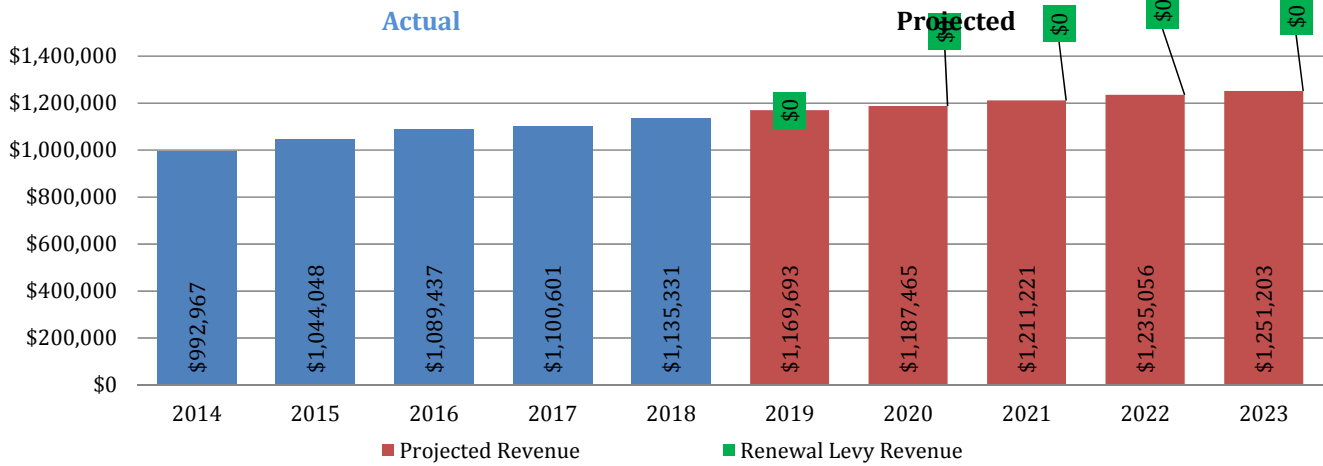


	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	408,791	418,733	413,155	417,144	416,666	419,377
YOY \$ Change	75,436	9,942	(5,578)	3,989	(478)	2,711
YOY % Change	22.6%	2.4%	-1.3%	1.0%	-0.1%	0.7%
Percentage of Total Revenue	1.0%	1.0%	1.0%	1.0%	0.9%	0.9%
Economic Disadvantaged Funding	124,258	128,670	125,155	129,144	128,666	131,377
Percentage of Disadvantaged Students	30.1%	30.1%	30.0%	30.0%	30.0%	30.0%

Projected funding in this category is comprised of career tech funding, catastrophic aid reimbursement (associated with high cost special needs students) and economic disadvantaged funding. Sources receipted here are restricted in use to only their intended purpose. Combined these revenue sources are projected to supply approximately \$400,000 to \$420,000 of revenue annually.

### 1.050 - Property Tax Allocation

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



	2018	2019	2020	2021	2022	2023
	FORECASTED					
Total With Renewal Levies	1,135,331	1,169,693	1,187,465	1,211,221	1,235,056	1,251,203
YOY \$ Change	34,730	34,362	17,772	23,756	23,835	16,147
YOY % Change	3.2%	3.0%	1.5%	2.0%	2.0%	1.3%
Percentage of Total Revenue	2.8%	2.8%	2.8%	2.8%	2.7%	2.7%
% of Residential Real Estate 10% Rollback	9.99%	9.99%	9.99%	9.99%	9.99%	9.99%
% of Residential Real Estate 2.5% Rollback	1.58%	1.58%	1.58%	1.58%	1.58%	1.58%
% of Residential Real Estate Homestead	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%

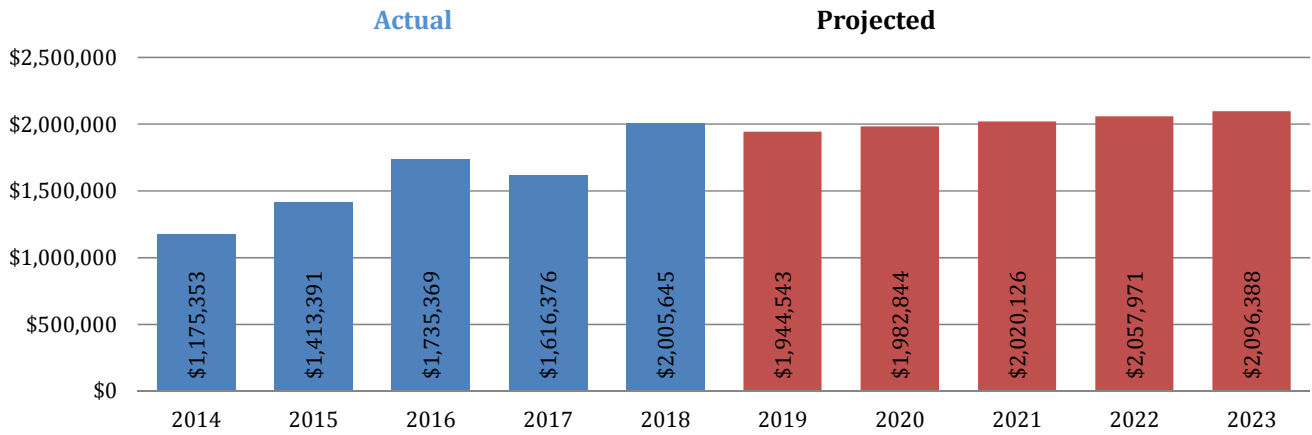
The state provides property tax reimbursements to qualifying Class I (residential and agricultural) property owners. All Class I taxpayers in Teays Valley are provided a 10% rollback on their taxes which is picked up by the State. An additional 2.5% tax incentive or "rollback" is provided to owner occupied dwellings and certain other tax payers qualify for an additional Homestead credit from the State. Since property valuations are expected to steadily rise through the forecasted period, state paid property tax reimbursements are also expected to trend upward.

It is noteworthy, agricultural property valuation increases fueled overall collection growth in this category in the past. However, beginning with the 2017 reappraisal, agricultural property values are expected to decline. Therefore, future growth is primarily attributable to residential property increases and associated rollbacks which are expected to more than offset the declining agricultural component.

*\*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.



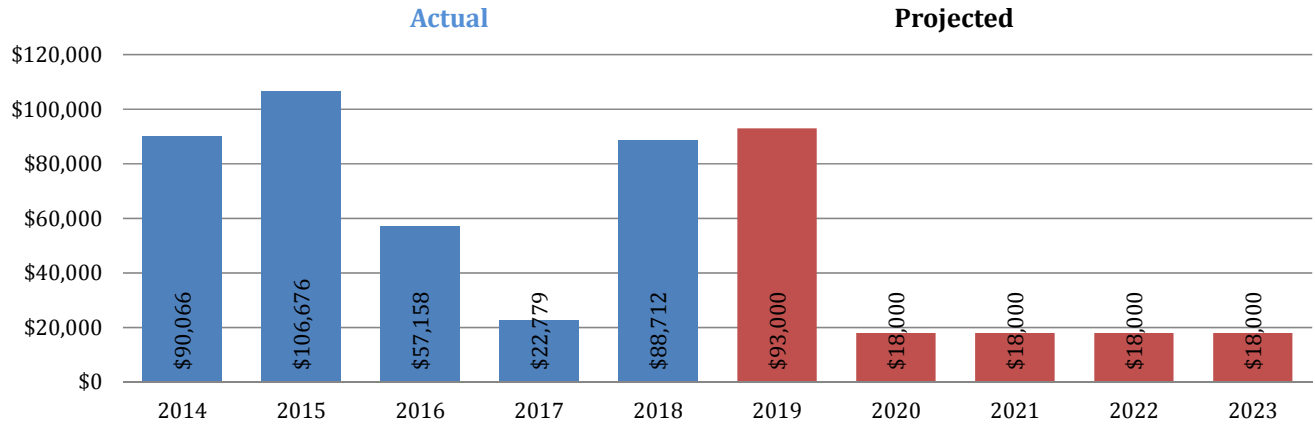
	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	2,005,645	1,944,543	1,982,844	2,020,126	2,057,971	2,096,388
YOY \$ Change	389,269	(61,102)	38,301	37,282	37,845	38,417
YOY % Change	24.1%	-3.0%	2.0%	1.9%	1.9%	1.9%
Percentage of Total Revenue	4.9%	4.7%	4.7%	4.6%	4.6%	4.6%

Historic totals between FY2014 - FY2018 have been impacted by the inconsistent timing of Medicaid reimbursements. Additionally, FY2018 was impacted by the doubling of special education tuition payments carried over from FY2017. Since revenue was inflated in FY2018 by the additional payments, FY2019 indicates a return to typical levels.

Absent any further timing issues related to Medicaid reimbursements and special ed tuition receipts, this category is expected to maintain a slow but steady growth pattern. Base collections in FY2109 and beyond anticipate a 2% inflationary increase and a pick-up in interest earnings.

## 2.070 - Total Other Financing Sources

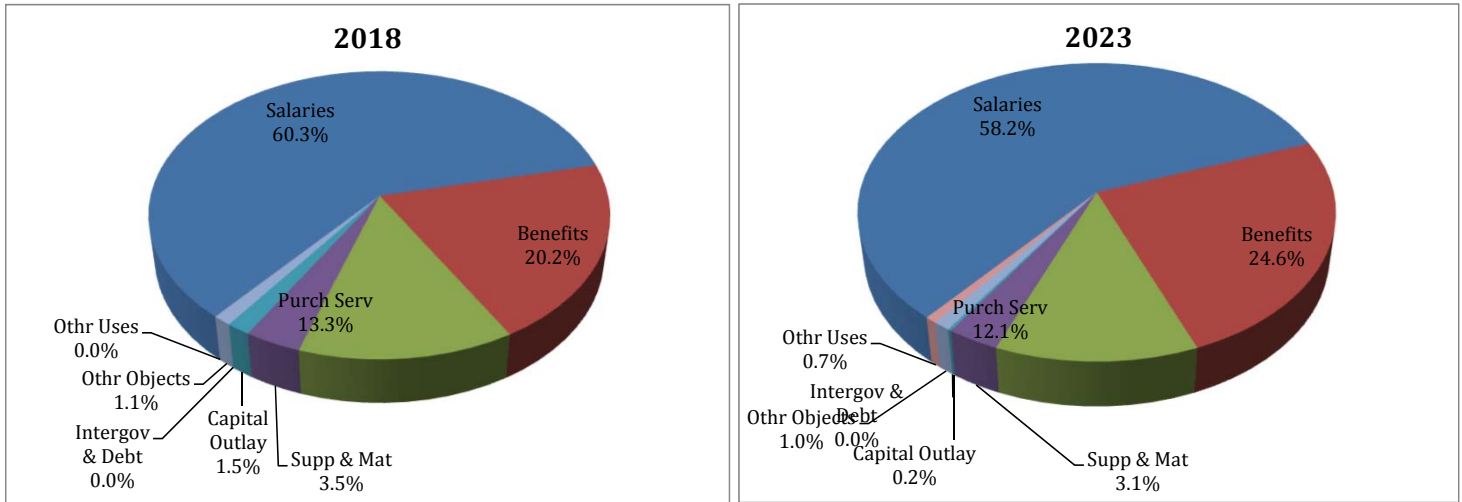
Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	88,712	93,000	18,000	18,000	18,000	18,000
YOY \$ Change	65,933	4,288	(75,000)	-	-	-
YOY % Change	289.4%	4.8%	-80.6%	0.0%	0.0%	0.0%
Percentage of Total Revenue	0.2%	0.2%	0.0%	0.0%	0.0%	0.0%
Transfers In	-	-	-	-	-	-
Advances In	-	-	-	-	-	-

Both FY2014 and FY2015 were impacted by two consecutive refunds received from the Bureau of Workers' Compensation. Each refund totaled slightly more than \$80,000. FY2016 includes \$32,681 of advance returns. FY2018 includes another \$71,294 Workers Compensation refund and another \$75,000 is expected to be received in FY2019. Future years anticipate a nominal amount of activity related to non-operating issues.

### Expenditure Categories and Forecast Year-Over-Year Projected Overview



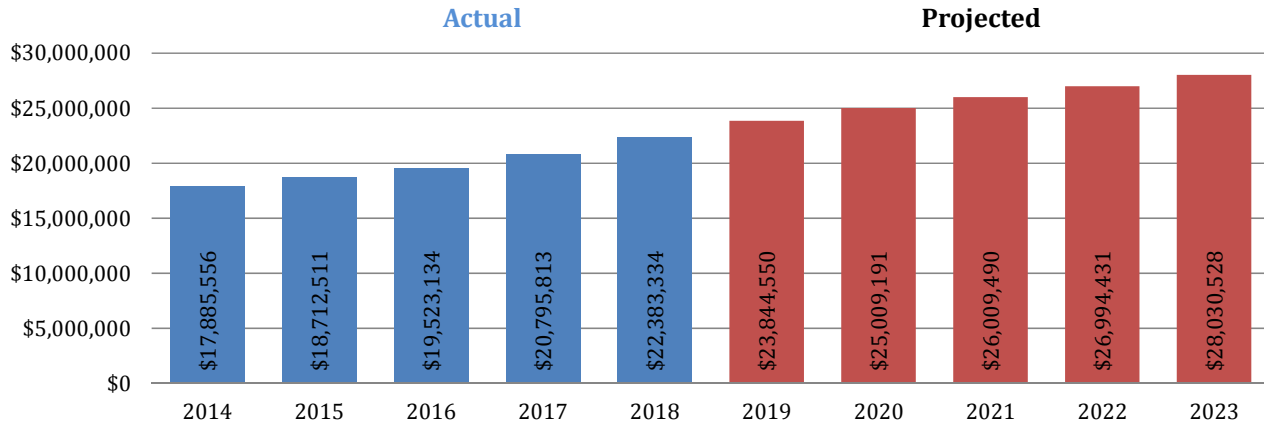
	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	
<b>Expenditures:</b>							
3.010-Salaries	4.77%	6.53%	4.88%	4.00%	3.79%	3.84%	4.61%
3.020-Benefits	2.99%	18.97%	7.54%	7.22%	7.13%	7.29%	9.63%
3.030-Purchased Services	9.37%	1.57%	3.73%	3.77%	3.77%	3.78%	3.32%
3.040-Supplies & Materials	6.40%	-0.89%	6.75%	3.00%	3.00%	3.00%	2.97%
3.050-Capital Outlay	30.97%	-81.71%	0.00%	0.00%	0.00%	0.00%	-16.34%
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	-9.00%	-0.33%	12.07%	-5.21%	7.03%	2.44%	3.20%
4.500-Total Expenditures	4.69%	6.74%	5.46%	4.57%	4.57%	4.62%	5.19%
5.040-Total Other Uses	1414.79%	28433.94%	-33.72%	-20.60%	-12.86%	-69.36%	5659.48%
5.050-Total w/Other Uses	4.56%	13.25%	3.20%	3.63%	4.08%	2.86%	5.40%

Overall expenditures are projected to increase, on average, at a rate of 5.4% per year. Salary and Benefit spending is anticipated to increase in conjunction with additional staff aimed at improving instructional services and accommodate a growing enrollment base. Each expenditure note goes into further detail about the year-over-year change.

Spending also reflects the goals and objectives approved in the District's latest capital spending plan. Any funding shortfalls necessary to fulfill the approved capital spending plan are covered by General Fund dollars (the District's Permanent Improvement Fund or Maintenance Set-Aside Fund are used first). Previously, supplemental contributions required of the General Fund were reflected as expenditures from the Capital Outlay category. Beginning in FY2019, any supplements to bridge shortfall's in capital spending will be recorded as transfers and reflected on Line 5.040 - Total Other Uses line item of the forecast instead of direct expenses reflected in Line 3.050 – Capital Outlay. Regardless of the accounting change, it is important to keep in mind transfers planned to support the capital spending plan can be scaled back if finances deteriorate between now and the start of a given capital project.

### 3.010 - Personnel Services

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



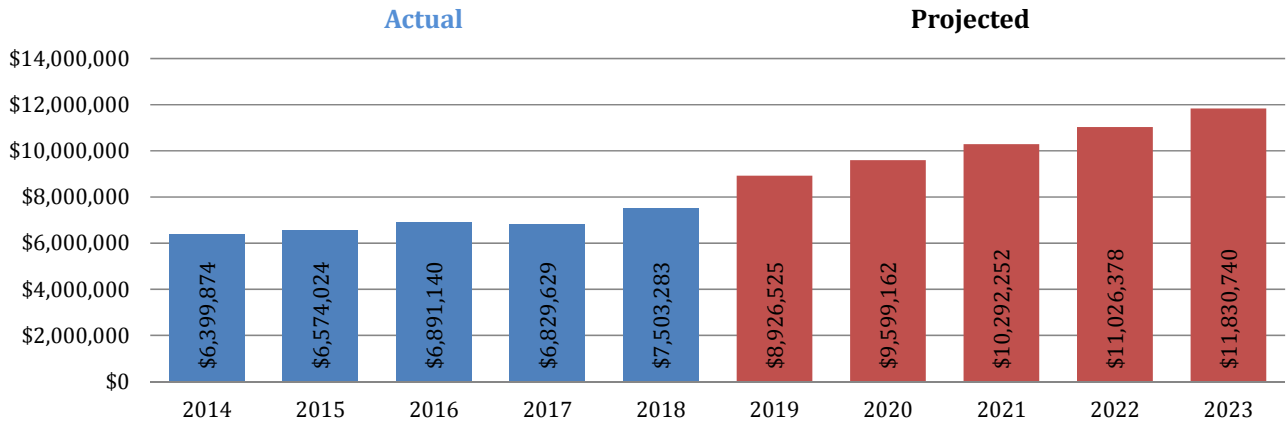
	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	22,383,334	23,844,550	25,009,191	26,009,490	26,994,431	28,030,528
YOY \$ Change	1,587,521	1,461,216	1,164,641	1,000,299	984,941	1,036,097
YOY % Change	7.6%	6.5%	4.9%	4.0%	3.8%	3.8%
Percentage of Total Budget	60.3%	56.7%	57.7%	57.9%	57.7%	58.2%

The Board and TVCTA ratified an agreement to increase base wages in FY2017 – FY2019 (base salaries were increased 2.5% in FY2017, 2.0% in FY2018, and are scheduled to increase another 2.0% in FY2019).

Since FY2014, the District has strategically added additional teaching staff and support personnel to accommodate growing enrollment, to replace positions lost during the economic crisis (2009 – 2013), and to simply improve the instruction and overall educational program offered students. Most recently, in FY2019 the District has added nine additional teaching positions, a guidance counselor and a bus driver. FY2020 includes the addition of four more teaching staff and two administrative positions (asst principal at Scioto and a curriculum coach). Future years assume two additional teaching staff per year to maintain appropriate student to teacher ratios.

### 3.020 - Employees' Benefits

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



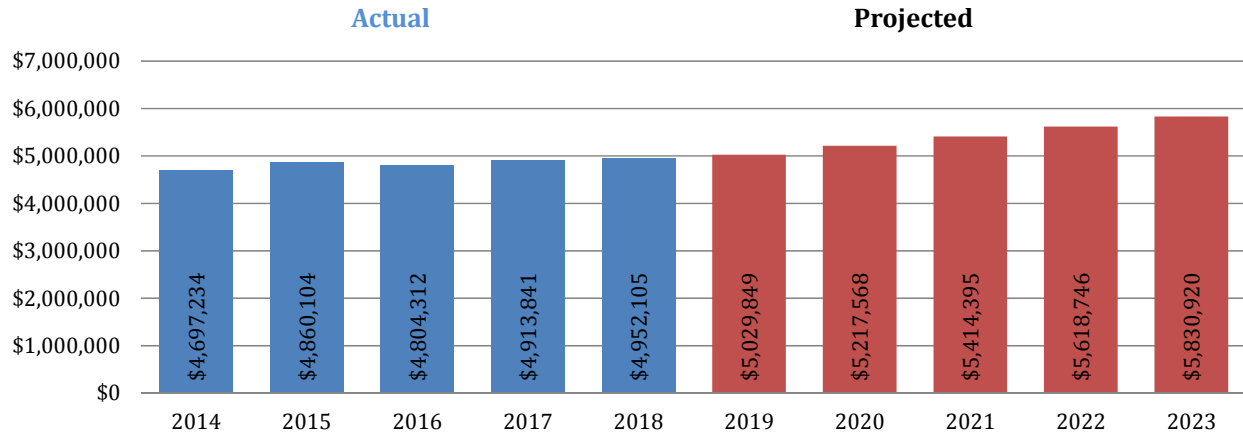
	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	7,503,283	8,926,525	9,599,162	10,292,252	11,026,378	11,830,740
YOY \$ Change	673,654	1,423,242	672,637	693,090	734,126	804,362
YOY % Change	9.9%	19.0%	7.5%	7.2%	7.1%	7.3%
Percentage of Total Budget	20.2%	21.2%	22.1%	22.9%	23.6%	24.6%

Effective January 1, 2014, the District implemented a high deductible health insurance program combined with a health savings account (HSA) for employees. Changes to the health insurance plan have had a tremendously positive impact on the District's overall budget. Since implementing the plan, the District has enjoyed stable insurance premiums and maintained healthy reserves. Beginning in FY2018 though, premiums increases began to return to more typical industry-trend levels, although the increases were applied to greatly reduced rates achieved initially from the 2014 plan change. The forecast assumes future premiums will continue to increase at industry-wide trends, but the District's insurance consortium continues to look for new opportunities to promote health and wellness and provide incentives to help mitigate those trend increases.

Beginning in January 2017 and ending June 2018 (impacting half of FY17 and full year of FY18), the forecast reflects Board share HSA contributions to be funded out of the accumulated District reserves. The forecast reflects the return of the Board share HSA contributions to the General Fund in FY2019.

### 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.



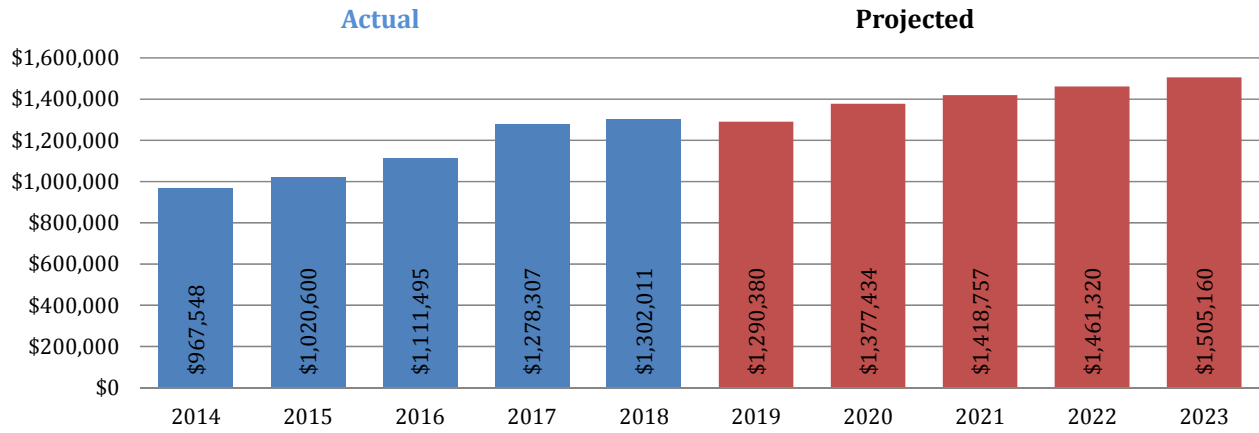
	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	4,952,105	5,029,849	5,217,568	5,414,395	5,618,746	5,830,920
YOY \$ Change	38,264	77,744	187,719	196,827	204,351	212,174
YOY % Change	0.8%	1.6%	3.7%	3.8%	3.8%	3.8%
Percentage of Total Budget	13.3%	12.0%	12.0%	12.0%	12.0%	12.1%

This category also accounts for a variety of other expenses including: special education tuition, utilities, transportation charges, rentals, as well as outgoing student enrollment charges. Typical inflationary trends drive costs for these kinds of expenses and the forecast assumes this will continue to be the case. However, the District continues to search for ways to bend the trend for these items by prioritizing energy savings measures, insuring facilities and equipment are in good repair and functioning properly, as well as providing options “in-house” to accommodate the various learning and educational delivery methods available to students.



### 3.040 - Supplies & Materials

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

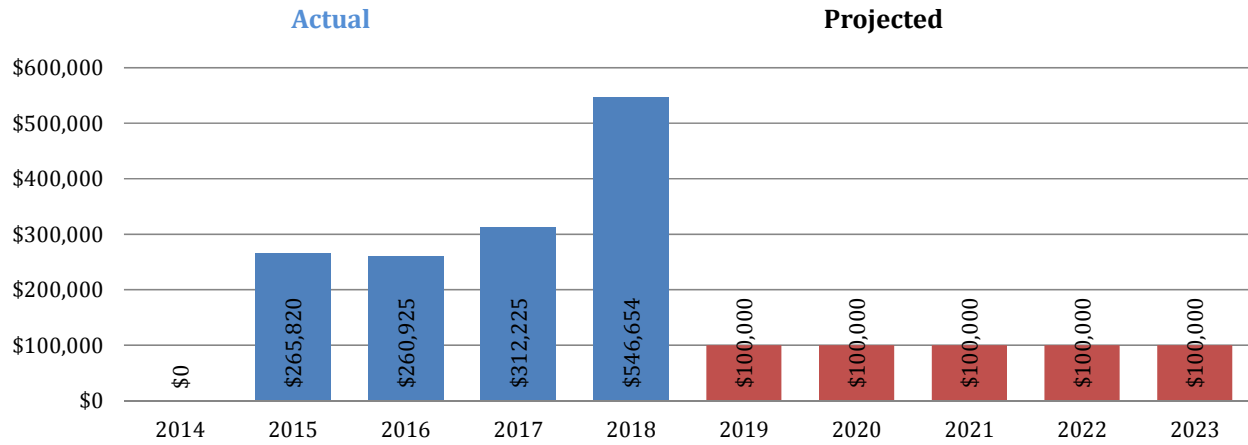


	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	1,302,011	1,290,380	1,377,434	1,418,757	1,461,320	1,505,160
YOY \$ Change	23,704	(11,631)	87,054	41,323	42,563	43,840
YOY % Change	1.9%	-0.9%	6.7%	3.0%	3.0%	3.0%
Percentage of Total Budget	3.5%	3.1%	3.2%	3.2%	3.1%	3.1%

FY2017 and FY2018 includes the impact of providing additional resources to building and departmental budget allocations. The forecast assumes spending in FY2019 will remain consistent with the prior two years and then incorporates a 3% inflationary trend utilizing FY2019 as the base for FY2020 – FY2023.

### 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.



	2018	FORECASTED				
	2018	2019	2020	2021	2022	2023
Total	546,654	100,000	100,000	100,000	100,000	100,000
YOY \$ Change	234,429	(446,654)	-	-	-	-
YOY % Change	75.1%	-81.7%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Budget	1.5%	0.2%	0.2%	0.2%	0.2%	0.2%

The Board approved a resolution in August of 2007 to allocate a portion of the District's inside mills to Permanent Improvements beginning in Calendar year 2008. In December 2014, the Board approved a Capital Spending plan, which was much more comprehensive than anything previously in place. The plan is revisited annually and addresses not only bus and facility needs, but also educational, safety and technology purchases within the District.

Since the plan requires more funds than the Permanent Improvement Fund supplies on an annual basis, a portion of capital spending was returned to the General Fund beginning in FY2015 and that continued through FY2018. Beginning in FY2019, supplements required to fulfill the capital plan are planned to be transferred from the General Fund instead of spent from this category. The \$100,000 of estimated spend reflected in this category after FY2018 is for purchases required to meet career tech spending obligations.

### 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.

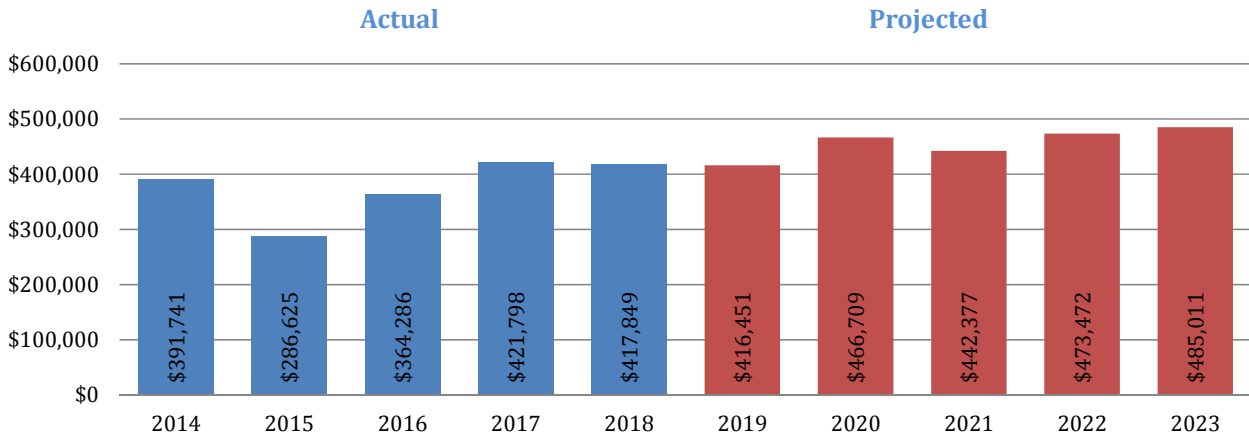
	Actual					Projected				
\$1										
\$1										
\$1										
\$1										
\$1										
\$1										
\$1										
\$0										
\$0										
\$0										
\$0										
\$0										
\$0										
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023

	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	-	-	-	-	-	-
YOY \$ Change	-	-	-	-	-	-
YOY % Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Budget	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

N/A

### 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.

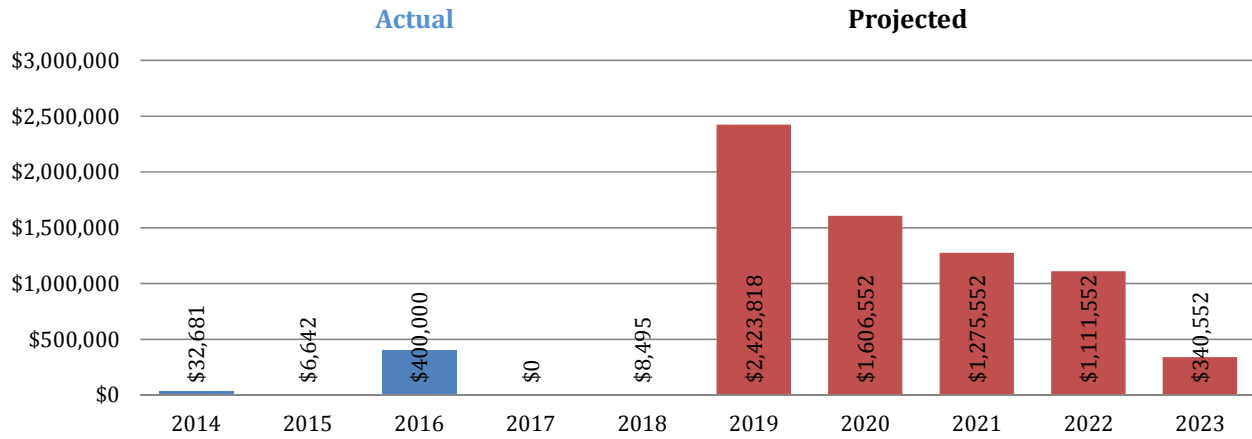


	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	417,849	416,451	466,709	442,377	473,472	485,011
YOY \$ Change	(3,949)	(1,398)	50,258	(24,332)	31,095	11,539
YOY % Change	-0.9%	-0.3%	12.1%	-5.2%	7.0%	2.4%
Percentage of Total Budget	1.1%	1.0%	1.1%	1.0%	1.0%	1.0%

Most this category's expenses are related to fees passed along by other governmental agencies for the collection and distribution of tax related revenue. Estimates for these expenses are impacted by the timing and payments required at the county level leading up to property reappraisals.

### 5.040 - Total Other Financing Uses

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



	2018	2019	2020	2021	2022	2023
	FORECASTED					
Total	8,495	2,423,818	1,606,552	1,275,552	1,111,552	340,552
YOY \$ Change	8,495	2,415,323	(817,266)	(331,000)	(164,000)	(771,000)
YOY % Change	0.0%	28433.9%	-33.7%	-20.6%	-12.9%	-69.4%
<b>Percentage of Total Budget</b>	<b>0.0%</b>	<b>5.8%</b>	<b>3.7%</b>	<b>2.8%</b>	<b>2.4%</b>	<b>0.7%</b>
Transfers Out	-	2,408,818	1,591,552	1,260,552	1,096,552	325,552
Advances Out	8,495	15,000	15,000	15,000	15,000	15,000

The uptick in expenses reflected in 2016 is related to a transfer of \$400,000 to the District's PI fund to supplement a \$1,993,206 energy conservation project. The remainder of the project was funded with savings generated from refinancing the District's outstanding 2005 bonds. The energy savings achieved from the project since its completion are on-track to be repay the initial capital outlay in 8 years.

Beginning in FY2019, this category also reflects the General Fund's commitment to bridge any funding shortfall necessary to accomplish the adopted Capital Spending plan (the District's Permanent Improvement Fund or Maintenance Set-Aside Fund are used first). However, this spending plan can be scaled back if finances deteriorate between now and the start of a given capital project.

Outside of these limited purposes, advances and transfers are used sparingly and only when other spending categories do not appropriately capture the essence of a transaction. Nominal other activity is expected.

**TEAYS VALLEY LOCAL SCHOOL DISTRICT - - PICKAWAY COUNTY**

Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2018	2019	2020	2021	2022	2023
<b>Revenue:</b>						
1.010 - General Property Tax (Real Estate)	8,617,845	8,512,624	8,677,844	8,850,800	9,015,781	9,136,170
1.020 - Public Utility Personal Property	1,085,921	1,057,463	1,062,131	1,051,510	1,040,995	1,030,656
1.030 - Income Tax	7,197,063	7,310,361	7,493,014	7,678,935	7,867,848	8,059,449
1.035 - Unrestricted Grants-in-Aid	20,255,115	21,004,165	21,786,402	22,618,509	23,300,643	23,988,053
1.040 - Restricted Grants-in-Aid	408,791	418,733	413,155	417,144	416,666	419,377
1.050 - Property Tax Allocation	1,135,331	1,169,693	1,187,465	1,211,221	1,235,056	1,251,203
1.060 - All Other Operating Revenues	2,005,645	1,944,543	1,982,844	2,020,126	2,057,971	2,096,388
<b>1.070 - Total Revenue</b>	<b>40,705,712</b>	<b>41,417,582</b>	<b>42,602,855</b>	<b>43,848,245</b>	<b>44,934,960</b>	<b>45,981,296</b>
<b>Other Financing Sources:</b>						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-
2.050 - Advances-In	-	-	-	-	-	-
2.060 - All Other Financing Sources	88,712	93,000	18,000	18,000	18,000	18,000
<b>2.070 - Total Other Financing Sources</b>	<b>88,712</b>	<b>93,000</b>	<b>18,000</b>	<b>18,000</b>	<b>18,000</b>	<b>18,000</b>
<b>2.080 - Total Rev &amp; Other Sources</b>	<b>40,794,424</b>	<b>41,510,582</b>	<b>42,620,855</b>	<b>43,866,245</b>	<b>44,952,960</b>	<b>45,999,296</b>
<b>Expenditures:</b>						
3.010 - Personnel Services	22,383,334	23,844,550	25,009,191	26,009,490	26,994,431	28,030,528
3.020 - Employee Benefits	7,503,283	8,926,525	9,599,162	10,292,252	11,026,378	11,830,740
3.030 - Purchased Services	4,952,105	5,029,849	5,217,568	5,414,395	5,618,746	5,830,920
3.040 - Supplies and Materials	1,302,011	1,290,380	1,377,434	1,418,757	1,461,320	1,505,160
3.050 - Capital Outlay	546,654	100,000	100,000	100,000	100,000	100,000
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	417,849	416,451	466,709	442,377	473,472	485,011
<b>4.500 - Total Expenditures</b>	<b>37,105,237</b>	<b>39,607,755</b>	<b>41,770,064</b>	<b>43,677,271</b>	<b>45,674,347</b>	<b>47,782,359</b>
<b>Other Financing Uses</b>						
5.010 - Operating Transfers-Out	-	2,408,818	1,591,552	1,260,552	1,096,552	325,552
5.020 - Advances-Out	8,495	15,000	15,000	15,000	15,000	15,000
5.030 - All Other Financing Uses	-	-	-	-	-	-
<b>5.040 - Total Other Financing Uses</b>	<b>8,495</b>	<b>2,423,818</b>	<b>1,606,552</b>	<b>1,275,552</b>	<b>1,111,552</b>	<b>340,552</b>
<b>5.050 - Total Exp and Other Financing Uses</b>	<b>37,113,731</b>	<b>42,031,573</b>	<b>43,376,616</b>	<b>44,952,823</b>	<b>46,785,899</b>	<b>48,122,911</b>
<b>6.010 - Excess of Rev Over/(Under) Exp</b>	<b>3,680,692</b>	<b>(520,991)</b>	<b>(755,761)</b>	<b>(1,086,578)</b>	<b>(1,832,939)</b>	<b>(2,123,615)</b>
7.010 - Cash Balance July 1 (No Levies)	18,277,731	21,958,423	21,437,432	20,681,671	19,595,093	17,762,154
7.020 - Cash Balance June 30 (No Levies)	21,958,423	21,437,432	20,681,671	19,595,093	17,762,154	15,638,539
		<b>Reservations</b>				
8.010 - Estimated Encumbrances June 30	1,073,519	500,000	500,000	500,000	500,000	500,000
9.080 - Reservations Subtotal	-	-	-	-	-	-
<b>10.010 - Fund Bal June 30 for Cert of App</b>	<b>20,884,905</b>	<b>20,937,432</b>	<b>20,181,671</b>	<b>19,095,093</b>	<b>17,262,154</b>	<b>15,138,539</b>
<b>Rev from Replacement/Renewal Levies</b>						
11.010 & 11.020 - Renewal Levies	-	-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-
<b>12.010 - Fund Bal June 30 for Cert of Obligations</b>	<b>20,884,905</b>	<b>20,937,432</b>	<b>20,181,671</b>	<b>19,095,093</b>	<b>17,262,154</b>	<b>15,138,539</b>
<b>Revenue from New Levies</b>						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
<b>15.010 - Unreserved Fund Balance June 30</b>	<b>20,884,905</b>	<b>20,937,432</b>	<b>20,181,671</b>	<b>19,095,093</b>	<b>17,262,154</b>	<b>15,138,539</b>

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

Last Filed Forecast Date: 04/23/2018

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

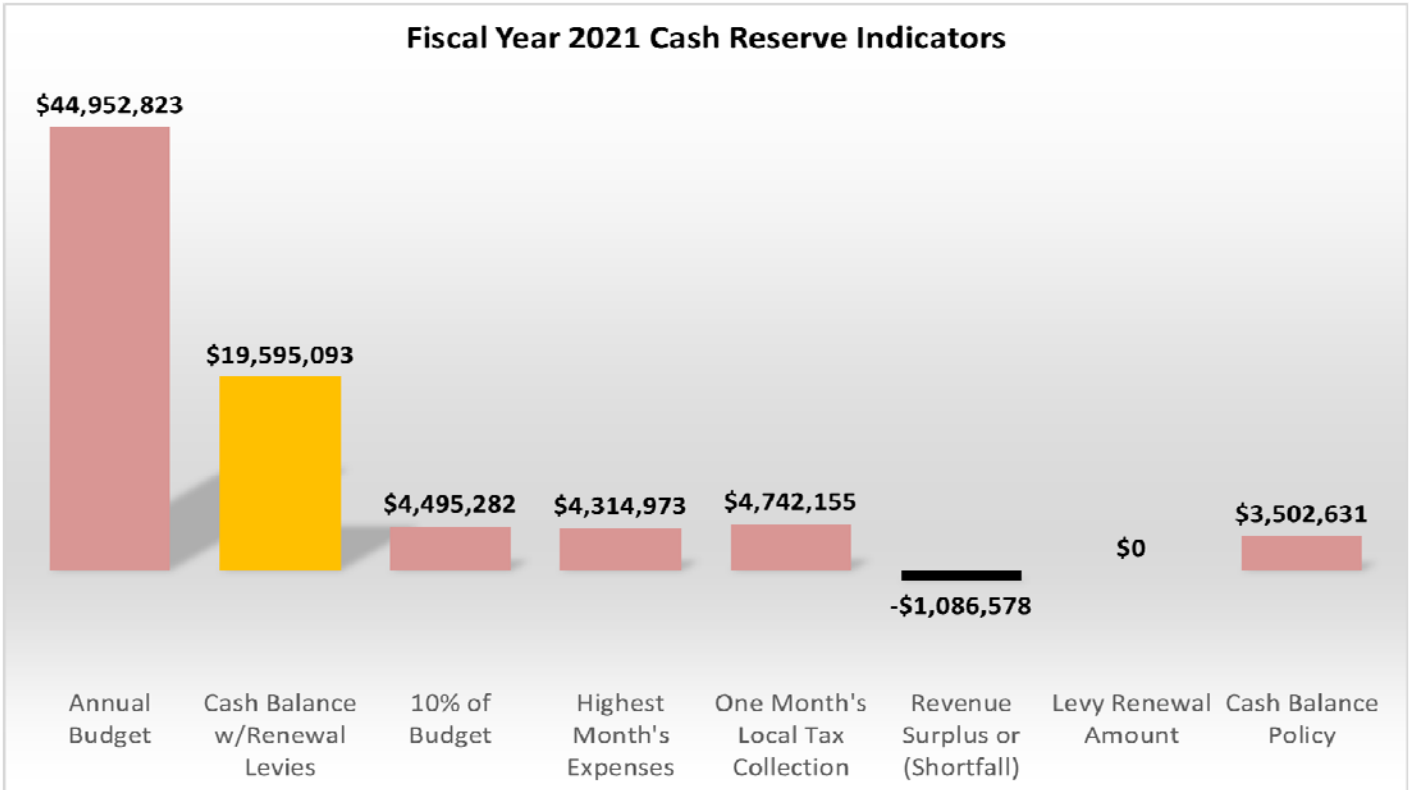
	FY2018	FY2019	FY2020	FY2021	FY2022	
Revenue	96,706	909,898	729,255	783,315	571,252	
Expenditures	62,873	503,847	882,421	1,765,513	1,603,174	
Net Annual Change	33,833	406,051	(153,166)	(982,198)	(1,031,922)	
As % of Budget	0.1%	1.0%	-0.4%	-2.2%	-2.2%	0.0%

5-Year Cumulative Change FY 2018 - 2022				
5 Yr Cumulative Revenue Change			5 Yr Cumulative Expenditure Change	
1.01 Real Estate	31,409		3.01 Salaries	1,524,593
1.02 Pub Utility	(15,397)		3.02 Benefits	969,921
1.03 Income Tax	79,106		3.03 Purchased Serv.	(34,334)
1.035,1.040 State	2,675,944		3.04 Supplies	336,514
1.05 Prop Tax Alloc.	(54,731)		3.05 Capital	(117,398)
1.060 All Other	301,599		4.3 Other Exp	(24,963)
2.xx Other Sources	72,496		Intergov + Debt + Other	2,163,495
Cumulative Revenue Change	3,090,426		Cumulative Expenditure Change	4,817,828

**Net Cumulative Five-Year Change** **(\$1,727,402) Unfavorable**  
**Net Cumulative Cash Change as % of Budget** **-0.81%**  
 Net Cumulative Change in Levy Reservation \$0  
 Note: Net Cumulative Five-Year Change W/Renewal Levy Reservation Variance **(\$1,727,402)**

Despite an improved outlook for revenue collections (fueled primarily by higher state funding estimates related to enrollment increases) expenditure have also been revised higher. Spending estimates for salaries and fringe benefits have been increased due to the additional demand for staffing related to the higher enrollment levels. Also, the District's Capital Spending plan has been revamped to address additional capital needs identified by District department heads.

As mentioned previously throughout the report, spending is expected to exceed revenue beginning in FY2019 eroding some of the cash balance reserves that have been recently accumulated, which is a trend that has remained consistent from the filing this past spring. Also as discussed, the projected deficits remain manageable. It will be important to continue to monitor our financial progress this year and next to determine whether the Capital Spending plan needs to be scaled back.



Despite the projected revenue shortfall in FY2021, the District's cash reserves are anticipated to remain comfortably above standard benchmark measures. The revenue shortfall projected for FY2021 signals a continued need to properly plan to avoid a less sustainable downward trend. Fortunately, Teays Valley has the ability to modify spending dedicated to capital projects if the need becomes pressing prior to considering more drastic operational cuts.



Supplement 3 - Enrollment

Head Count Summary/Analysis		TEAYS VALLEY LOCAL SCHOOL DISTRICT - - PICKAWAY COUNTY				
		2019	2020	2021	2022	2023
Prior Year Actual/Estimated Enrollment (October Count)		<u>4,006</u>	4,141	4,128	4,178	4,201
<b>Projected Changes to Prior Year Enrollment</b>						
Net All-Grade Level Mobility Factor (Change) to Prior Year		97	50	51	51	49
New Kindergartners In		312	259	286	265	275
Loss of Seniors from Prior Year		-274	-322	-287	-293	-290
Net Change in Outgoing and Incoming Pupils		38	-63	-1	-28	-15
<b>Current Year Estimated Enrollment (Simulated October Count)</b>		<b>4,141</b>	<b>4,128</b>	<b>4,178</b>	<b>4,201</b>	<b>4,235</b>
District Head Count	Grade					
	K	312	259	286	265	275
	1	320	337	280	309	286
	2	276	325	342	284	314
	3	344	283	333	350	291
	4	341	352	289	340	358
	5	319	347	358	294	347
	6	343	333	362	374	307
	7	339	350	339	369	381
	8	281	342	352	342	372
	9	325	293	356	367	356
	10	312	309	278	338	348
	11	307	314	310	279	339
	12	322	287	293	290	261
<b>Total Can Differ by Rounding</b>		<b>4,141</b>	<b>4,128</b>	<b>4,178</b>	<b>4,201</b>	<b>4,235</b>
<b>Year-Over-Year Percentage Change</b>		<b>3.37%</b>	<b>-0.31%</b>	<b>1.21%</b>	<b>0.55%</b>	<b>0.81%</b>

