NEW ALBANY-PLAIN LOCAL SCHOOL DISTRICT

FRANKLIN COUNTY

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS ENDED ACTUAL JUNE 30, 2015, 2016, 2017 FORECASTED FISCAL YEARS ENDING JUNE 30, 2018 THROUGH 2022

Forecast Provided By

NEW ALBANY-PLAIN LOCAL SCHOOL DISTRICT

Treasurer's Office

Rebecca Jenkins, Treasurer/CFO

May 14, 2018

New Albany-Plain Local Schools

Franklin County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2015, 2016 and 2017 Actual;
Forecasted Fiscal Years Ending June 30, 2018 Through 2022

		Actual				Forecasted				
		Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Average Change	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
	Revenues									
1.010	General Property Tax (Real Estate)	$42,341,830	$44,275,659	$47,371,921	5.8%	$50,262,653	$47,542,153	$49,456,548	$50,156,111	$50,907,893
1.020	Tangible Personal Property	$0	-	-	0.0%	-	-	-	-	-
1.035	Unrestricted State Grants-in-Aid	$3,356,086	3,677,010	3,875,635	7.5%	4,113,177	4,242,635	4,247,746	4,252,991	4,258,277
1.040	Restricted State Grants-in-Aid	$657	117,091	117,194	8861.1%	115,938	115,938	115,938	115,938	115,938
1.045	Restricted Federal Grants-in-Aid - SFSF/EdJobs	-	-	-	0.0%	-	-	-	-	-
1.050	Property Tax Allocation	$5,092,130	5,200,639	5,282,332	1.9%	5,560,210	5,174,891	5,196,902	5,225,853	5,254,285
1.060	All Other Revenues	5,002,712	6,339,351	5,017,953	2.9%	4,668,405	4,505,086	4,442,684	4,431,222	4,420,723
1.070	*Total Revenues*	$55,793,414	$59,609,751	$61,665,034	5.1%	$64,720,383	$61,580,703	$63,459,818	$64,182,115	$64,957,116
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	-	-	-	0.0%	-	-	-	-	-
2.020	State Emergency Loans and Advancements (Approved)	-	-	-	0.0%	-	-	-	-	-
2.040	Operating Transfers-In	-	-	-	0.0%	-	-	-	-	-
2.050	Advances-In	-	-	-	0.0%	-	-	-	-	-
2.060	All Other Financing Sources	357,658	202,356	30,485	-64.2%	213,066	30,485	30,485	30,485	30,485
2.070	*Total Other Financing Sources*	357,658	202,356	30,485	-64.2%	213,066	30,485	30,485	30,485	30,485
2.080	*Total Revenues and Other Financing Sources*	$56,151,072	$59,812,107	$61,695,519	4.8%	$64,933,449	$61,611,188	$63,490,303	$64,212,600	$64,987,601
	Expenditures									
3.010	Personal Services	35,114,817	$33,121,406	$32,266,046	-4.1%	$35,930,289	$37,723,859	$39,554,669	$41,393,638	$43,270,307
3.020	Employees' Retirement/Insurance Benefits	12,518,129	11,424,675	11,019,706	-6.1%	11,994,866	12,863,682	13,637,474	14,426,890	15,247,183
3.030	Purchased Services	6,019,310	6,074,027	6,403,519	3.2%	6,815,308	7,059,478	7,231,346	7,409,080	7,592,912
3.040	Supplies and Materials	1,322,283	1,349,062	1,592,730	10.0%	2,340,455	2,387,264	2,435,009	2,483,709	2,533,383
3.050	Capital Outlay	1,046,435	650,494	800,143	-7.4%	669,208	1,235,734	1,247,606	1,349,834	1,362,429
3.060	Intergovernmental	-	-	-	0.0%					
	Debt Service:									
4.010	Principal-All (Historical Only)	-	195,000	205,000	0.0%	-	-	-	-	-
4.020	Principal-Notes	-	-	-	0.0%	-	-	-	-	-
4.030	Principal-State Loans	-	-	-	0.0%	-	-	-	-	-
4.040	Principal-State Advancements	-	-	-	0.0%	-	-	-	-	-
4.050	Principal-HB 264 Loans	-	-	-	0.0%	215,000	225,000	235,000	0	0
4.055	Principal-Other	-	-	-	0.0%	-	-	-	-	0
4.060	Interest and Fiscal Charges	-	39,344	31,100	0.0%	22,700	13,000	4,700	0	0
4.300	Other Objects	858,533	900,828	963,602	5.9%	1,244,329	1,254,772	1,265,320	1,275,973	1,286,733
4.500	*Total Expenditures*	$56,879,506	$53,754,836	$53,281,847	-3.2%	$59,232,155	$62,762,789	$65,611,124	$68,339,125	$71,292,947
	Other Financing Uses									
5.010	Operating Transfers-Out	852,188	1,170,000	920,000	8.0%	$2,416,836	$506,773	$516,908	$527,246	$537,791
5.020	Advances-Out	-	-	-	0.0%	-	-	-	-	-
5.030	All Other Financing Uses	485,551	496,529	506,309	2.1%	$520,000	$520,000	$520,000	$520,000	$520,000
5.040	*Total Other Financing Uses*	1,337,739	1,666,529	1,426,309	5.1%	2,936,836	1,026,773	1,036,908	1,047,246	1,057,791
5.050	*Total Expenditures and Other Financing Uses*	$58,217,245	$55,421,365	$54,708,156	-3.0%	$62,168,991	$63,789,562	$66,648,032	$69,386,371	$72,350,739
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	(2,066,173)	4,390,742	6,987,363	-126.7%	2,764,458	(2,178,374)	(3,157,729)	(5,173,771)	(7,363,138)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	14,423,317	12,357,144	16,747,887	10.6%	23,735,249	26,499,707	24,321,333	21,163,604	15,989,833
7.020	*Cash Balance June 30*	12,357,144	16,747,887	23,735,249	38.6%	26,499,707	24,321,333	21,163,604	15,989,833	8,626,695
8.010	*Estimated Encumbrances June 30*	947,529	449,406	625,768	-6.7%	550,000	566,500	583,495	601,000	619,030
	Reservation of Fund Balance									
9.010	Textbooks and Instructional Materials				0.0%	-	-	-	-	-
9.020	Capital Improvements				0.0%	-	-	-	-	-
9.030	Budget Reserve				0.0%	-	-	-	-	-
9.040	DPIA				0.0%	-	-	-	-	-
9.045	Fiscal Stabilization				0.0%	-	-	-	-	-
9.050	Debt Service				0.0%	-	-	-	-	-
9.060	Property Tax Advances				0.0%	-	-	-	-	-
9.070	Bus Purchases				0.0%	-	-	-	-	-
9.080	*Subtotal*	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
10.010	*Fund Balance June 30 for Certification of Appropriations*	$11,409,615	$16,298,481	$23,109,481	42.3%	$25,949,707	$23,754,833	$20,580,109	$15,388,833	$8,007,665
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal				0.0%					
11.020	Property Tax - Renewal or Replacement				0.0%	-	-	-	-	-
11.300	Cumulative Balance of Replacement/Renewal Levies	-	-		0.0%	-	-	-	-	-
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	$11,409,615	$16,298,481	$23,109,481	42.3%	$25,949,707	$23,754,833	$20,580,109	$15,388,833	$8,007,665

New Albany-Plain Local Schools

Franklin County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2015, 2016 and 2017 Actual;
Forecasted Fiscal Years Ending June 30, 2018 Through 2022

		Actual				Forecasted				
		Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Average Change	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
	Revenue from New Levies									
13.010	Income Tax - New	-	-	-	0.0%	-	-	-	-	-
13.020	Property Tax - New	-	-	-	0.0%	-	-	-	-	-
13.030	Cumulative Balance of New Levies	-	-	-	0.0%	-	-	-	-	-
14.010	Revenue from Future State Advancements	-	-	-	0.0%	-	-	-	-	-
15.010	*Unreserved Fund Balance June 30*	$11,409,615	$16,298,481	$23,109,481	42.3%	$25,949,707	$23,754,833	$20,580,109	$15,388,833	$8,007,665
	Enrollment	4,756	4,883	4,854		4,950	4,976	4,983	5,004	5,054
	Simple Expenditure Per Pupil - Excluding Transfers	11,960	11,009	10,977		11,966	12,613	13,167	13,657	14,106
	Simple Expenditure Per Pupil - Including Transfers	12,241	11,350	11,271		12,559	12,819	13,375	13,866	14,316

See accompanying forecast notes and assumptions for more detailed information concerning estimates.
Includes: General Fund and portions of Debt Service Fund related to General Fund HB264 debt.

New Albany-Plain Local School District – Franklin County
Notes to the Five Year Forecast
General Fund Only
May 14, 2018

DISTRICT MISSION:
To ensure the development of high-achieving, ethical, self-directed, and intellectually curious citizens of the world.

STATEMENT OF PURPOSE:
To create a culture of accountability that achieves the best academic and developmental outcomes for each student.

2016-2017 CONTINUOUS IMPROVEMENT PLAN

Commitment to Excellence
The New Albany-Plain Local School District is committed to creating a culture of accountability that achieves the best academic and developmental outcomes for each student. The District aspires, by 2021, to be ranked in the top 5% (#30 or higher of 608 public school districts) for student achievement in the State of Ohio as reported by the Ohio Department of Education (ODE), which will require incremental progress of at least 1% annually.

Focus
All employees will be accountable for implementing research-based practices including a rigorous and aligned curriculum, common assessments, focused instruction and data-driven decisions to achieve the best academic and developmental outcomes for every student within a fiscally sustainable budget.

Benchmarks and Indicators

Benchmark 1: Increase achievement
Increase the district performance index rank as compared to all Ohio school districts on the Local Report Card from #38 to #32 or better.

Benchmark 2: Facilitate a year or more of growth for every year of instruction
Demonstrate at least one year's worth of growth or higher on the district component grade measuring progress of all students as calculated by the Ohio Department of Education.

Benchmark 3: Meet or exceed State's achievement gap closing standards for identified subgroups
Earn a Gap Closing Component Grade of B or better on the Local Report Card.

Benchmark 4: Graduate students who are college and career ready
Continue to earn a grade of A for the graduation rate component on the Local Report Card.
The Class of 2018 will earn an ACT mean score that is at least 20% higher than the state average as reported by the ACT College Readiness Report in September 2018.

Benchmark 5: Enhance school culture and social-emotional well-being
Administer age-appropriate student climate surveys to measure the percentage of students who feel safe at school, supported, and have at least one staff member to approach with problems.

Benchmark 6: Demonstrate sustainable fiscal management
Reduce FY18 Five Year Forecast Line Item 4.500 (Total Expenditures) by at least $609,235.91 resulting in a 1% reduction in total expenditures, to positively increase the District's Five Year Forecast.

Benchmark 7: Ensure community engagement and stakeholder satisfaction
Administer annual community and staff surveys to measure the level of satisfaction with educational quality, school culture, communications, climate and/or fiscal management.

Introduction to the Five Year Forecast
All school districts in Ohio are required to file a five (5) year financial forecast by October 31, and May 31, in each fiscal year (FY). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Fiscal year 2018 (July 1, 2017 through June 30, 2018) is the first year of the five year forecast and is considered the baseline year. Our forecast is being updated to reflect the most current economic data available to us for the May 2018 filing.

Revenues:
The overview of revenues shows that we are collecting higher than expected due to TIF collections and the SALT tax (explained below) at this point in the year with the exception of the TIF revenue portion. Total General Fund revenues (line 1.07) are estimated to be $64,720,383 which is higher than the October forecasted amount of $61,915,949. **When taking the SALT tax effect into consideration, this indicates the October forecast was 97.2% accurate.**

The increase in revenue estimate is mostly affected by a slight increase in real estate taxes due to new construction and an increase in other income from additional tuition and investment income. These increases will have a positive effect on revenues through the entire forecast period.

The increase is tax revenue from the October 2017 forecast is partially due to an abnormally high collection of taxes in the first half settlement received in 2018 caused by changes made December 2017 in federal tax law limiting the deductibility of state and local taxes (SALT taxes) in calendar year 2018. The new tax code which became effective January 1, 2018 will limit deduction of SALT taxes to $10,000 annually. Many tax payers paid all or an estimate of their 2018 taxes in December 2017 in order to take these deductions on their 2017 federal taxes which were not limited to $10,000. This resulted in our first half settlement in 2018 being an estimated $1,075,000higher than it should have been. Note, this is not additional new taxes, these advance payments for 2018, will be deducted from the second half settlement. In essence, we received an advance payment for the second half of 2018 tax collections. This will result in FY18 taxes being higher on the forecast, and FY19 appearing lower, as deducting the advanced payment portion of taxes from the second half 2018 collection falls into fiscal year 2019. By fiscal year 2020 tax collections should return to normal collection amounts for the first and second half settlements.

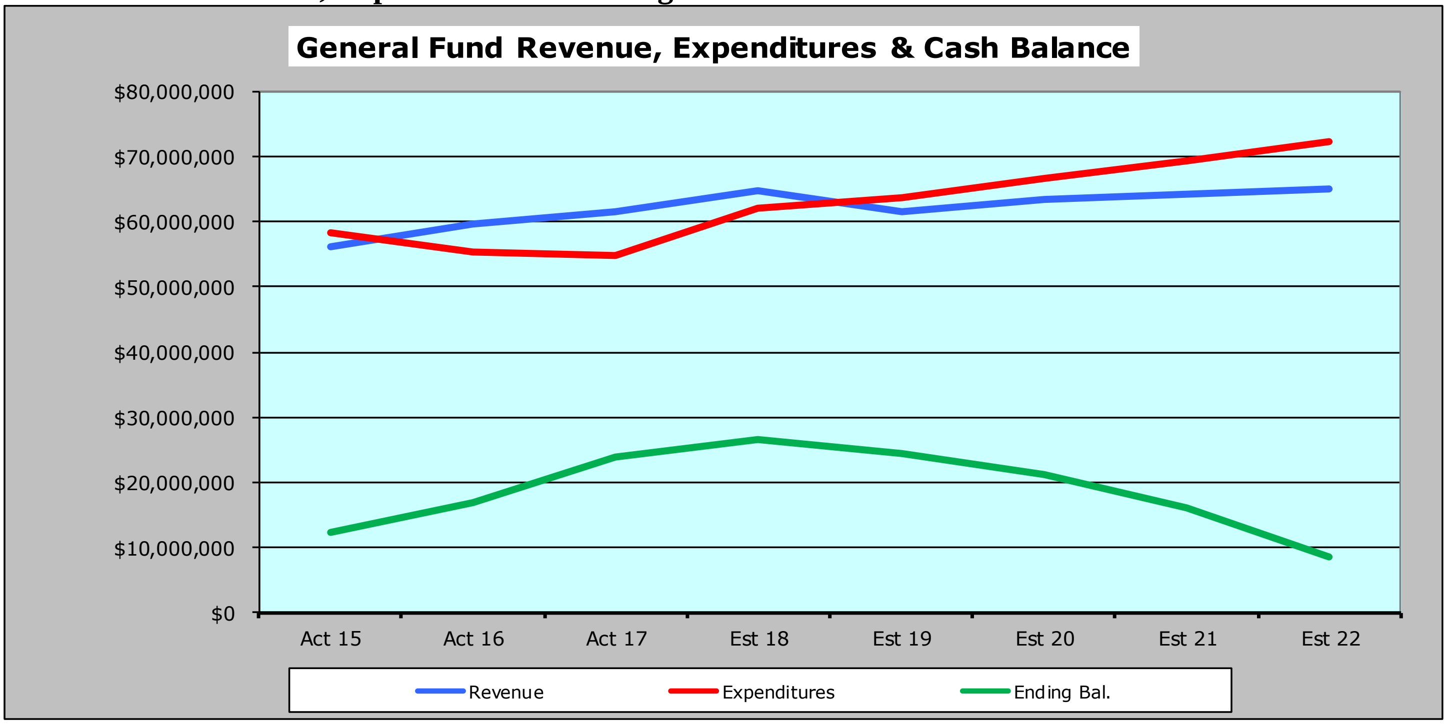
All other areas of revenue are tracking as anticipated for FY18.

Expenditures:
Total General Fund expenditures (line 4.5) are estimated to be $59,232,155 for FY18 which is below the original estimate of $60,009,280 in the October forecast. The expenditure line most significantly below projections is Purchased Services (line 3.03) due most significantly to community school deductions, utility savings and state foundation deductions coming in under budget. This should have a positive effect on the long term forecast.

Unreserved Ending Cash Balance:
With revenues increasing over estimates and expenditures ending below estimates, our ending unreserved cash balance is anticipated to be roughly $25,949,707 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2022.

The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information please feel free to contact Ms. Rebecca Jenkins, Treasurer/CFO of the New Albany-Plain Local Schools at 614-855-2040.

General Fund Revenue, Expenditure and Ending Cash Balance:

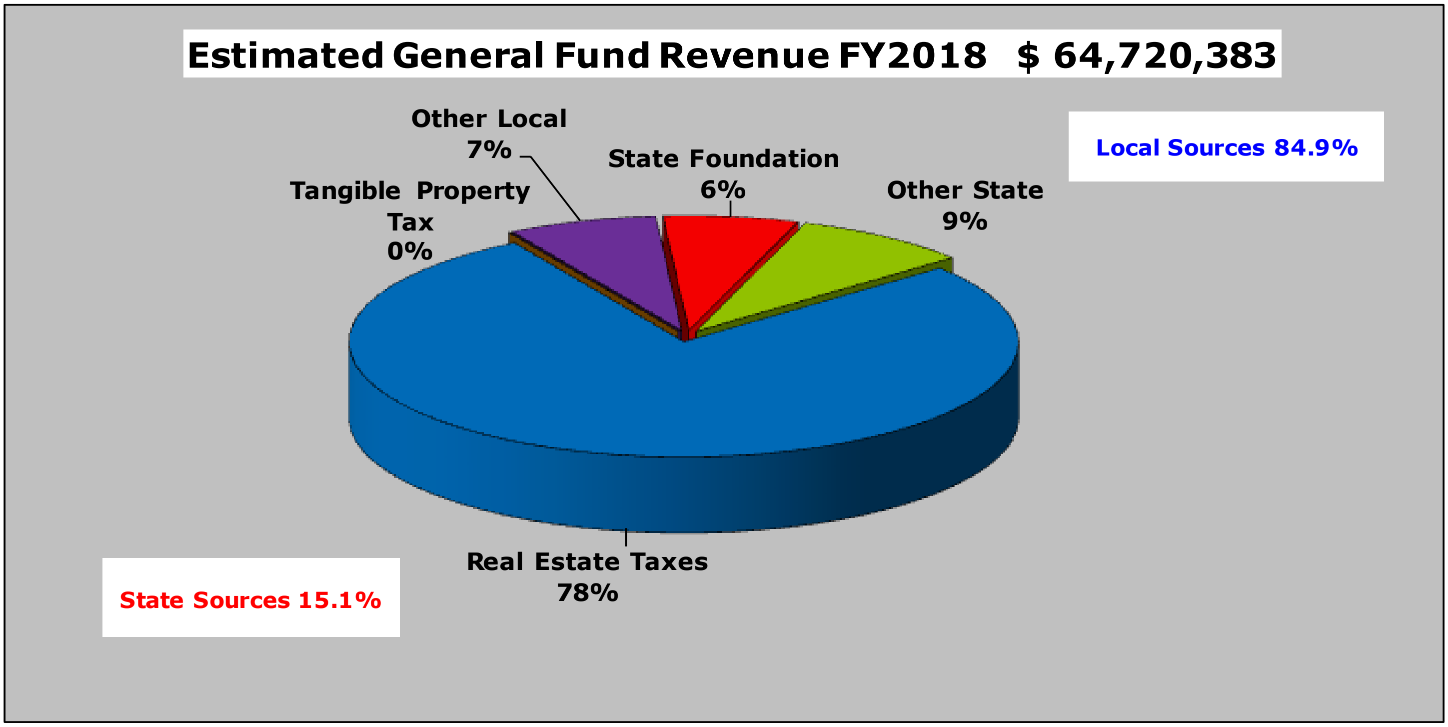


Enrollment Growth

Enrollment growth is a key driver of District expenditures. Below is a snapshot of both actual historical and future projected growth. The 2016 ThinkGate enrollment projection report is the source of the actual and projected numbers below. The District began using the "Low" projection due to the lower to flat enrollment experienced in FY16. We will monitor this growth and revise accordingly.

Grade	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
K-1	611	648	668	647	657	687	660	658	684	654	629	630	675	683	702	686	686
2-3	569	641	684	741	754	712	730	794	751	759	765	708	710	765	754	767	784
4-5	578	594	595	642	705	749	755	746	792	842	795	740	793	718	734	791	780
6-8	822	860	882	931	916	973	1,065	1,175	1,187	1,207	1,181	1,209	1,235	1249	1199	1,169	1,140
9-12	856	965	1,100	1,145	1,148	1,204	1,216	1,274	1,342	1,421	1,484	1,532	1,534	1561	1594	1591	1641
Total	3,436	3,708	3,929	4,106	4,180	4,325	4,426	4,647	4,756	4,883	4,854	4,819	4,947	4976	4983	5004	5031

Revenue Assumptions
Estimated General Fund Revenue for FY18



Real Estate Value Assumptions – Line # 1.010
Property Values are established each year by the County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. A reappraisal of the district property value occurred in 2017 for collection in calendar year 2018. The 2017 reappraisal of real estate values realized an 11% increase in residential values but commercial only realized a 2% increase for New Albany Schools.

The forecast assumes that growth in new residential and commercial real estate will begin to gradually increase based on the economic factors discussed above. New growth is projected at 1% of total tax values in FY2017 and thereafter for normal new construction this forecast also includes the abated real estate values rolling onto the tax duplicate as the associated abatements expire. As explained in the "All Other Financial Sources" section below there is an offsetting reduction in the associated income tax sharing agreements which was included in those agreements and expected by the District. In most instances the real estate tax gain is greater than the reduction in income tax sharing. An additional increase in new construction is added to the projection in the years where the abatement expires. Outside of the impact of a new levy, tax collections are anticipated to grow at a rate consistent with new construction and any other value adjustments considered new construction made by the Franklin County Auditor.

It is important to note that Real Estate Collections in CY15 and CY16 were 100% collected. This is due to the increased collection of delinquent taxes. This collection rate is anticipated to return to the more historical average of 95% in future years and will be adjusted as we continue to monitor these collections. The District also realized a higher than expected collection in TIF income in the amount of $1.5 million.

As mentioned earlier and as noted on Line 1.01, the December 2017 Federal Tax law changes to the deductibility of State and Local Tax (SALT) caused the first half 2018 tax collections to be and estimated $1,075,000 higher and will result in the second half 2018 (affects FY19) being lower by this amount. This will result in FY18 tax collections being higher and FY19 will be lower. This was an event that caused onetime cash flow acceleration only and is not additional new taxes. Tax collections will return to normal collections for FY20.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Estimated TAX YEAR 2017 COLLECT 2018	Estimated TAX YEAR 2018 COLLECT 2019	Estimated TAX YEAR 2019 COLLECT 2020	Estimated TAX YEAR2020 COLLECT2021	Estimated TAX YEAR2021 COLLECT2022
Res./Ag.	$787,143,730	$788,393,730	$789,643,730	$834,324,135	$835,574,135
Comm./Ind.	$167,699,720	$182,199,720	$185,199,720	$194,403,714	$199,903,714
Public Utility (PUPP)	$46,857,420	$47,607,420	$48,357,420	$49,107,420	$49,857,420
Tangible Prop.(TPP)	$0	$0	$0	$0	$0
Total Assessed Valuation	$1,001,700,870	$1,018,200,870	$1,023,200,870	$1,077,835,269	$1,085,335,269

ESTIMATED REAL ESTATE TAX (Line #1.010)

Source	FY18	FY19	FY20	FY21	FY22
Est. Prop. Taxes Including PUPP	$50,262,653	$47,542,153	$49,456,548	$50,156,111	$50,907,893

In general, 53% of the new Res/Ag and Comm/Ind. is expected to be collected annually in February tax settlements and 47% is collected in August tax settlements. Public Utility tax settlements (PUPP taxes) are estimated to be received 50% in February and 50% in August settlement from the Franklin County Auditor. TPP ceased to be collected after FY11.

Estimated Tangible Personal Tax – Line#1.020

The phase out of TPP taxes began in FY06. HB66 was adopted in June 2005 and the provisions of the legislation have estimated the tangible personal property tax would be eliminated after FY11. Any revenues received in FY12 and beyond are delinquent TPP taxes in Line 1.02. Beginning in FY13 Public Utility Personal Property (PUPP) taxes are receipted in Line 1.01. This caused Line 1.02 to drop to $-0- and Line 1.01 increased slightly to account for PUPP tax receipts which are settled with general property taxes. There was no effect on total revenues.

State Foundation Revenue Estimates

Unrestricted State Foundation Revenue– Line #1.035

HB49 largely retains the current funding formula used to determine the amount and allocation of state aid to school districts, however there were various changes made to the formula for FY18 and FY19. The amounts estimated for state funding are based on component computations from the Legislative Service Commission (LSC) July 7, 2017 funding simulation of HB49 for FY18 and FY19. The ODE has not updated the State Foundation Payment Report (SFPR) formulas for the various changes made. The ODE is not expected to have the SFPR recomputed until after our forecast is required to be filed. If the LSC simulations are correct, then our state foundation estimates should be accurate. Changes to our forecasted data could occur if there are large adjustments made by ODE based on the final FY17 SFPR reconciliation and the actual formulization of the HB49 variables expected in the next few months. We are projected to be a CAP district regarding state funding in FY18.

HB49 continues to use the State Share Index (SSI) as a key district wealth measure. The SSI is the formula’s measure of a districts capacity to raise local revenue. The higher a district’s ability to raise taxes based on wealth the lower the SSI will be, and vice versa. The index is derived from a district’s wealth index, which is based on a valuation index, and for certain districts, an income index. Property wealth per pupil is still the major factor in the SSI. Generally, the higher the property valuation per pupil, the lower a district’s SSI and therefor the percentage of state aid. The SSI for FY18 and FY19 will be calculated using Tax Year 2014, 2015, and 2016 average assessed values for the district. It will be calculated once for both fiscal year 18 and 19. The SSI is applied to the per pupil opportunity grant calculation and many of the other categorical funding items in the state foundation formula as noted below:

1) Opportunity Grant – Per pupil amount increased .17% from $6,000 in FY17 to $6,010 in FY18 and .17% to $6,020 in FY19. Well below inflation rates.

2) Targeted Assistance – Tier I based on wealth and Tier II based on percentage of district agricultural assessed value. Higher the percentage of agricultural value, higher the targeted assistance.

3) Special Education Additional Aid – Based on six (6) weighted funding categories of disability.

4) Limited English Proficiency – Based on three (3) funded categories based on time student enrolled in schools.

5) Economically Disadvantaged Aid- Based on number and concentration of economically disadvantaged students compared to state average.

6) K-3 Literacy Funds - Based on district K-3 average daily membership and two funded Tiers.

7) Gifted Funds –Based on average daily membership at $5.05 in FY18 & FY19.

8) Career-Technical Education Funds – Based on career technical average daily membership and five (5) weighted funding categories students enrolled in. Funding guaranteed at FY17 levels individually and is in addition to the Cap in FY18 and FY19.

9) Transportation Aid – Funding based on total ridership rather than qualifying ridership in determining statewide cost per rider. Reduces state minimum share from 50% to 37.5% in FY18 and 25% in FY19.

HB49 continues additional funds that can be earned by a district or is intended to help a district who has an undue burden or inability to raise local revenue; however, some items are now included in CAP district payments:

1) Capacity Aid – Provides additional funding for districts where income generated for one mill of property tax is below the state median for what is generated. Included in FY18 and FY19 Guarantee payments and moved to be inside the Cap amount for districts. Not in addition to the Cap payments.

2) Transportation Supplement – Provides additional funding for districts with rider density (riders per square mile) less than 35 students in FY18 and 50 in FY19. Provides additional funding based on rider density and the number of miles driven by the school buses. Included in FY18 and FY19 Guarantee payments and moved to be inside the Cap amount for districts. Not in addition to the Cap payments.

3) 3rd Grade Reading Proficiency Bonus - Provides a bonus to districts based on third grade reading results, is included in FY18 & 19 guarantee at FY17 levels and is in addition to the Cap payments.

4) High School Graduation Rate Bonus - Provides a bonus to districts based on high school graduation rates up to approximately $450 per student and is included in FY18 & 19 guarantee at FY17 levels and is in addition to the Cap payments.

Gain Cap Funded Districts- For the first time HB49 has created tiers of funding for districts that are on the funding cap (or limit) based on the amount of student ADM growth. Generally, if a district is a "Cap" district the state formula calculates that a district is owed more than they are being paid. The Cap grew 7.5% in FY16 and FY17 from the FY15 levels. There are now funding tiers established for Cap district's based on three (3) year average ADM growth for the period FY14-FY16. The Cap will generally be 3% additional funding in FY18 and FY19 from the FY17 levels, with the following exceptions:

1) If average ADM from FY14 to FY16 is 5.5% or greater in FY18 or 6% greater in FY19, the gain cap is set at 5.5% or 6% respectively, of the district's previous year's state aid. Cap limits will include Capacity Aid and Transportation Supplement payments which limit the state's increased payment.
2) If average ADM from FY14 to FY16 is between 3% and 5.5% in FY18, or between 3% and 6% in FY19, the gain cap is set at a scaled amount between 3% and 5.5% and 3% and 6% respectively, of the districts previous year's state aid. Cap limit will include Capacity Aid and Transportation Supplement payments which limit the state's increased payment.

Future State Budgets: Our funding status for the FY20-22 will depend on two (2) new state budgets which are unknown. We have been very conservative in our estimates of future state funding lowering per pupil growth to .5% per year FY20-FY22, due to the potential for the economy to be slower.

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

The state indicated recently that revenues from casinos are not growing robustly as originally predicted but are still growing slowly as the economy has improved. Actual numbers generated for FY17statewide were 1,799,220 students at $49.66 per pupil. For FY18-22 we estimated another 3 tenths of 1% decline in pupils to 1,793,800 and GCR increasing to $90.3 million or $50.34 per pupil. We will increase estimates for out years when actual casino revenues show signs of stronger increases.

Presently, despite being designated as a CAP district with minimal increase in funding, our District continues to receive less State aid than chartered non-public schools in Ohio.

A) Unrestricted State Foundation Revenue BRIDGE Form – Line #1.035

Source	FY18	FY19	FY20	FY21	FY22
Basic Aid-Unrestricted	$3,507,152	$3,631,520	$3,631,463	$3,631,463	$3,631,425
Additional Aid Items	$355,986	$355,986	$355,986	$355,986	$355,986
Basic Aid-Unrestricted Subtotal	$3,863,138	$3,987,506	$3,987,449	$3,987,449	$3,987,411
Ohio Casino Commission ODT	$250,039	$255,129	$260,297	$265,542	$270,866
Total Unrestricted State Aid Line # 1.035	$4,113,177	$4,242,635	$4,247,746	$4,252,991	$4,258,277

B) Restricted State Revenues – Line # 1.040

HB64 continues funding two restricted sources of revenues to school district which are Economic Disadvantaged Funding and Career Technical Education funding. The district began receiving Catastrophic Cost reimbursement for certain special education students in FY16. This reimbursement will continue and will fluctuate with the level of need of those students driving the Catastrophic Cost. We have incorporated these amounts into the restricted aid amount in Line # 1.04 for FY18-22.

Source	FY18	FY19	FY20	FY21	FY22
Economically Disadvantage Aid	$228	$228	$228	$228	$228
Catastrophic Aid	$114,720	$116,256	$115,000	$115,000	$115,000
Career Tech - Restricted	$710	$710	$710	$710	$710
Total Restricted State Revenues Line #1.040	$115,938	$115,938	$115,938	$115,938	$115,938

C) Restricted Federal Grants in Aid – line #1.045

There are no restricted federal funds projected for the forecast period.

SUMMARY	FY18	FY19	FY20	FY21	FY22
Unrestricted Line # 1.035	$4,113,177	$4,242,635	$4,247,746	$4,252,991	$4,258,277
Restricted Line # 1.040	$115,938	$115,938	$115,938	$115,938	$115,938
Restricted Fed. SFSF /EdJobs #1.045	$0	$0	$0	$0	$0
Total State Foundation Revenue	$4,229,115	$4,358,573	$4,363,684	$4,368,929	$4,374,215

Property Tax Allocation Line 1.050

A) Rollback and Homestead Reimbursement

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

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

B) Tangible Personal Property Reimbursements – Fixed Rate

The district no longer receives any fixed rate reimbursement. HB153, the previous state budget, dramatically changed this revenue as New Albany-Plain Local Schools does not qualify as highly reliant. As a result the district lost $635,202 in TPP fixed rate.

C) Tangible Personal Property Reimbursements – Fixed Sum

The District does not receive any tangible personal property tax fixed sum reimbursements.

Summary of State Tax Reimbursement – Line #1.050

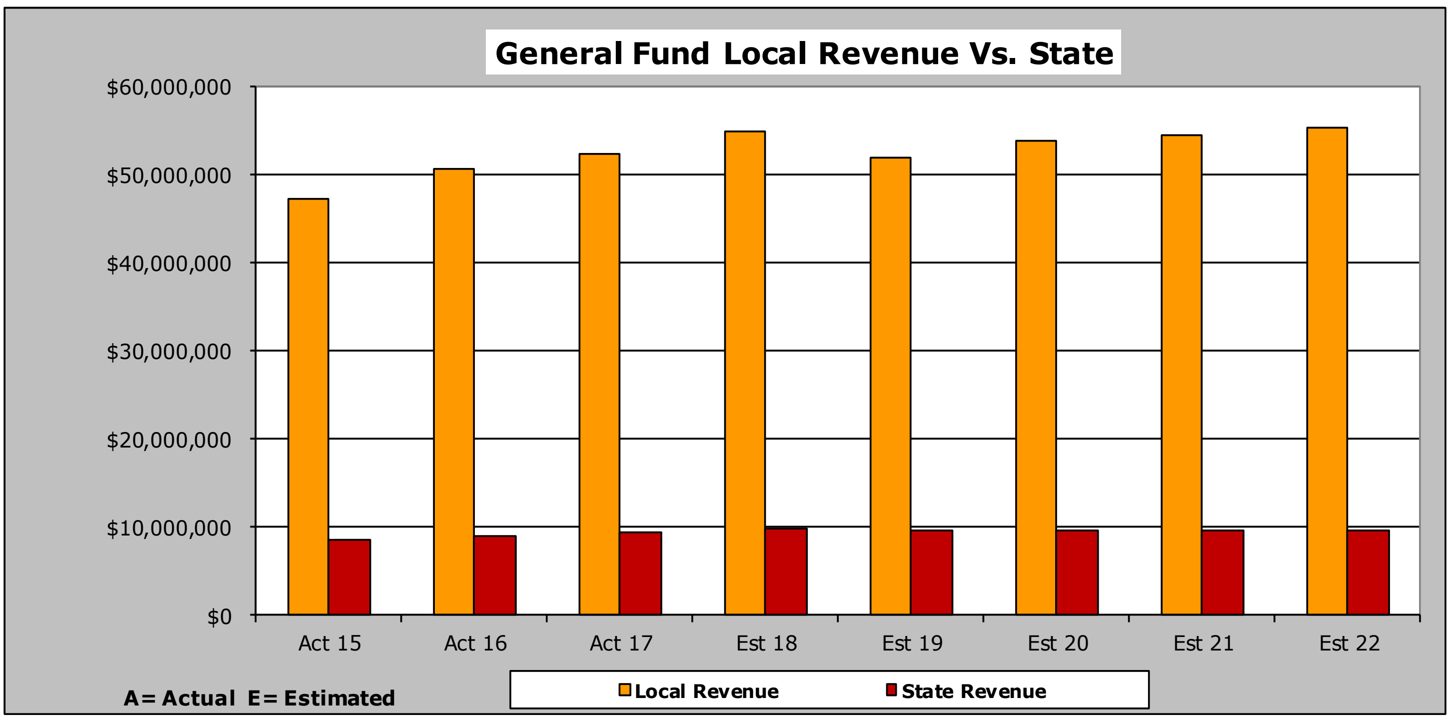
Source	FY18	FY19	FY20	FY21	FY22
Rollback and Homestead	$5,560,210	$5,174,891	$5,196,902	$5,225,853	$5,254,285
TPP Reimbursement - Fixed Rate	$0	$0	$0	$0	$0
TPP Reimbursement - Fixed Sum	$0	$0	$0	$0	$0
Total Tax Reimb./Prop Allocations Line #1.050	$5,560,210	$5,174,891	$5,196,902	$5,225,853	$5,254,285

Other Local Revenues – Line #1.060

Revenues from all other sources are based on historical growth patterns. This revenue largely consists of income tax sharing revenue and pay-to- participate fees as well as some rental income, tuition payments, and investment income. The income tax sharing portion is projected to decrease based on conversations with the City of New Albany. As abatements begin to expire real estate tax collections will increase as explained in the "Real Estate Value Assumption" section above. This also causes income tax sharing to decrease in accordance with the abatement agreements in place. Based on the recommendation from the Superintendent pay to participate fees have been reduced from $625 HS and $425 MS per sport to $425 and $225 respectively beginning in FY17. The reduction in fees directly impacts the funds collected in Pay-to-Participate fees. All other revenue is expected to remain mostly stable during the forecast period.

Source	FY18	FY19	FY20	FY21	FY22
Tuition	$568,189	$582,394	$596,954	$611,878	$627,175
Interest	$242,128	$242,128	$242,128	$242,128	$242,128
Income Tax Sharing	$2,919,456	$2,719,456	$2,619,456	$2,569,456	$2,519,456
Other Income and rentals	$938,632	$961,108	$984,146	$1,007,760	$1,031,964
Total Line # 1.060	$4,668,405	$4,505,086	$4,442,684	$4,431,222	$4,420,723

Comparison of Local Revenue and State Revenue:



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

There is no short term borrowing planned in this forecast at this time from any sources.

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

Returns of advances to other funds from the previous year comprise most of the historical revenue in this category.

All Other Financial Sources – Line #2.060

All other financing sources include the Win-Win payments from the Columbus Public Schools (CPS). The City of Columbus was annexing territory into city limits for water and sewer expansion to undeveloped land, the law states that CPS would annex that property as well. Since some of the districts had development underway and were anticipating the tax revenue from those new parcels, there was an agreement struck between the affected suburban schools and CPS. The suburban schools would protect certain properties while the City annexed any undeveloped property and the schools would not lose on the undeveloped property. Since the property is more valuable at our tax rate, a portion of that value is calculated and trended for inflation and paid to CPS. The suburban schools protected property would pay a portion of the value of that land to CPS for not annexing the property and that is the beginning of the Section 10 payments or Win-Win. The District has reached out to CPS to modernize the Win Win agreement and its impact to district finances.

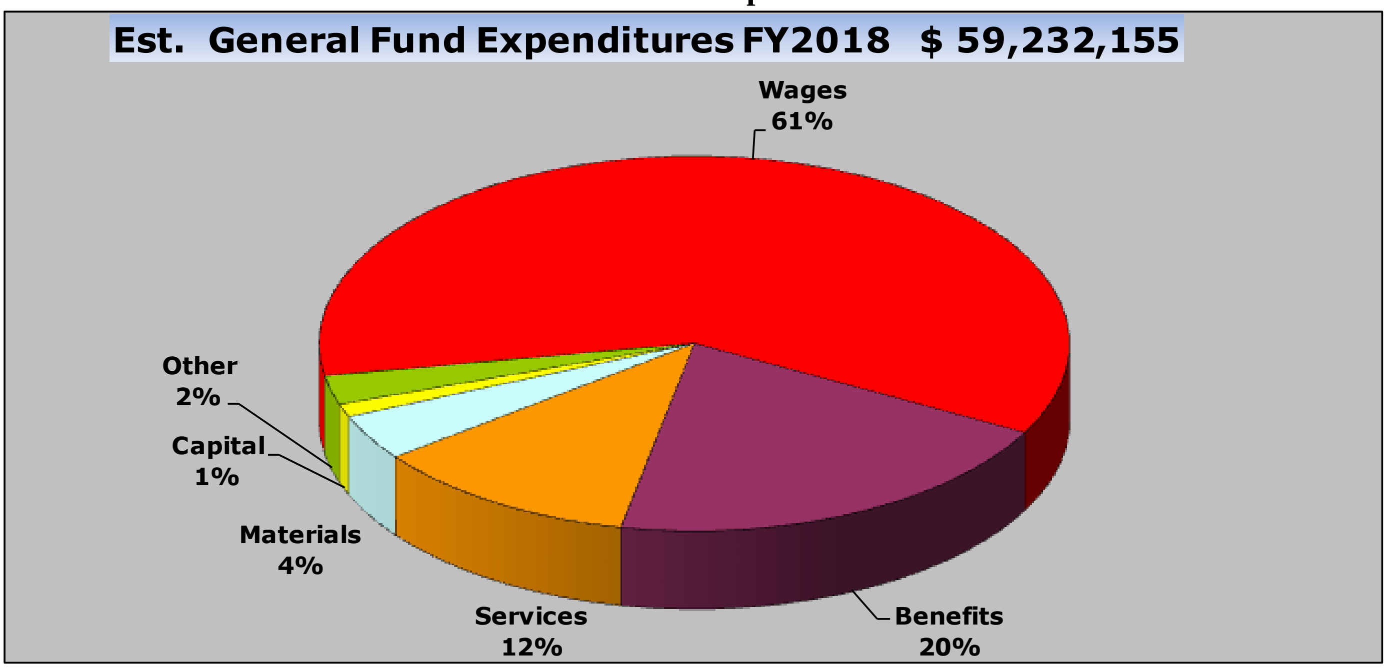
The district also receives income tax sharing revenue from agreements with the City of New Albany. As those agreements expire the property value will roll onto the tax duplicate and the income tax sharing will cease. In most instances the commercial real estate collected is slightly higher than the revenue from the income tax sharing agreements.

The district has also expanded its All-Day Kindergarten program which is a tuition based program.

Source	FY18	FY19	FY20	FY21	FY22
Tuition	$568,189	$582,394	$596,954	$611,878	$627,175
Interest	$242,128	$242,128	$242,128	$242,128	$242,128
Income Tax Sharing	$2,919,456	$2,719,456	$2,619,456	$2,569,456	$2,519,456
Other Income and rentals	$938,632	$961,108	$984,146	$1,007,760	$1,031,964
Total Line # 1.060	$4,668,405	$4,505,086	$4,442,684	$4,431,222	$4,420,723

Expenditures Assumptions

Estimated General Fund Expenditures for FY18



Wages – Line #3.010

The model reflects 1% base increase in FY19-FY20 as negotiated and 1% in base salary increases in FY11-FY221 for planning purposes. This agreement also reflects a standardized 2.5% step increase due to a complete change to the PLEA salary schedule where all steps are 2.5% over a 26 year period. This change ensures the district will not see a "boom and bust" salary cycle. The district included an average step increase of 1.73% for classified bargaining unit members in FY18-FY22. Future negotiations can effect these assumptions. The current negotiated agreements expire on June 30, 2020.

Due to the unsuccessful 6.9 mill continuing operating levy in November 2014 the district implemented a 8.0 million reduction plan as approved by the Board of Education at its September 22, 2014board meeting. The district's enacted plan included the reduction in force, or lay off, of over 100 employees. Pay-to-participate was increased in order to offset the coaches supplemental and associated payroll taxes. This fee was decreased in FY17 from $625 HS and $425 MS per sport to $425 and $225 respectively. The expenditure continues to be shown in this line while the offsetting revenue is shown in the Other Revenue line above. New hires have been included in FY18-FY22 for growth and critical need areas as determined by the Superintendent.

The Board of Education also implemented a financial goal of reducing current year (FY18) expenditures by $609,000. This has been accomplished in reduced spending in several lines of the forecast with the major reductions taking place in Personnel Services and Fringe Benefits. The majority of these reductions were accomplished through reduced costs associated with attrition.

Source	FY18	FY19	FY20	FY21	FY22
Base Wages	$33,417,610	$32,775,481	$34,810,900	$36,607,891	$38,412,358
Increases	$0	$327,755	$348,109	$366,079	$384,124
Salary Adjustments/One Time Payments	$597,871	$740,238	$767,611	$780,236	$792,611
Supplemental	$1,072,933	$1,083,662	$1,094,499	$1,105,444	$1,116,498
Temporary/Extended Days/Student/Extra	$896,875	$1,594,297	$1,617,279	$1,640,836	$1,664,982
New Hires/Adjustments	$260,000	$967,426	$681,271	$658,152	$664,734
Severance	$300,000	$100,000	$100,000	$100,000	$100,000
Professional Development and Innovation Stipends	$135,000	$135,000	$135,000	$135,000	$135,000
Staff Reductions/Turnover Reductions	-$750,000	$0	$0	$0	$0
Total Wages Line 3.010	$35,930,289	$37,723,859	$39,554,669	$41,393,638	$43,270,307

Fringe Benefits Estimates Line 3.02

This area of the forecast captures all costs associated with benefits and retirement costs, which all except health insurance being directly related to the wages paid. The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System (STRS) or the School Employees Retirement System (SERS) as required by Ohio law.

A) STRS/SERS

As required by law the BOE pays 14% of all employee wages to STRS or SERS. In addition, SERS announced on April 5, 2010 that they are going to require districts to pay SERS on a current fiscal year basis and not six months in arrears which has been the case since 1987 when districts moved from calendar year to fiscal year. We have taken the 1/6 additional costs per year for 6 years catch up provision. This cost is $38,000 each year through FY16. STRS/SERS is directly affected by salary increases and decreases.

B) Insurance

FY17-FY21 includes a 5% premium increase based on negotiated agreement caps. The 5% cap means that should the District receive a premium increase above 5% the insurance committee will convene to evaluate what changes can be accomplished to reduce the increase to at or below 5%.

Note: Patient Protection and Affordable Care Act (PPACA) Costs- the **Patient Protection and Affordable Care Act** (**PPACA**) commonly called the Affordable Care Act (ACA), is a United States federal statute signed into law by President Barack Obama on March 23, 2010. Together with the Health Care and Education Reconciliation Act, it represents the most significant regulatory overhaul of the country's healthcare system since the passage of Medicare and Medicaid in 1965.

C) Workers Compensation & Unemployment Compensation

The anticipated premium rate is expected to decrease to 1% due to the district’s participation in the retrospective rating program for workers’ compensation; however this expense will continue to increase as salaries increase.

D) Medicare

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

Summary of Fringe Benefits – Line #3.020

Source	FY18	FY19	FY20	FY21	FY22
STRS/SERS	$5,434,334	$5,758,974	$6,045,818	$6,330,227	$6,620,028
Health Insurances	$5,799,893	$6,283,373	$6,733,796	$7,202,116	$7,695,169
Workers Compensation and Unemployment Comp	$156,000	$223,140	$233,484	$243,874	$254,477
Medicare	$544,465	$538,021	$564,202	$590,499	$617,335
Other	$60,174	$60,174	$60,174	$60,174	$60,174
Total Line 3.020	$11,994,866	$12,863,682	$13,637,474	$14,426,890	$15,247,183

Purchased Services – Line #3.030

An increase of 3% based on historical trend is being estimated for this category of expenses as well as increases in special education costs. Utility increases are expected to increase at 5%. Increases for College Credit Plus and the opening of Marburn Academy have been included in FY17.

Source	FY18	FY19	FY20	FY21	FY22
Base Services	$1,392,245	$1,434,012	$1,477,032	$1,521,343	$1,566,983
ESCCO, Spec Ed, Legal, ITC-Data Processing	$2,745,000	$2,772,450	$2,800,175	$2,828,177	$2,856,459
Community School Deductions	$500,000	$515,000	$530,450	$546,364	$562,755
Other Tuition, Autism Schol, Excess Costs	$630,000	$748,900	$771,367	$794,508	$818,343
Utilities (includes addition of 1-8 building in FY15)	$1,203,920	$1,264,116	$1,327,322	$1,393,688	$1,463,372
Innovation and Professional Development	$344,143	$325,000	$325,000	$325,000	$325,000
Budget Modifications	$0	$0	$0	$0	$0
Total Line 3.030	$6,815,308	$7,059,478	$7,231,346	$7,409,080	$7,592,912

Supplies and Materials – Line #3.040

An overall increase of 2% is being estimated for this category of expenses which include all consumable supplies that are purchased to operate the school district, such as textbooks, paper, cleaning supplies, tires and bus fuel.

Source	FY18	FY19	FY20	FY21	FY22
Supplies	$2,340,455	$2,387,264	$2,435,009	$2,483,709	$2,533,383
New Building	$0	$0	$0	$0	$0
Budget Modifications	$0	$0	$0	$0	$0
Total Line 3.040	$2,340,455	$2,387,264	$2,435,009	$2,483,709	$2,533,383

Equipment – Line #3.050

Capital outlay is estimated based on historical trends. The district allowed the permanent improvement levy to expire in 2009. As these funds are depleted the district will need to build capital expenditures into the general fund. The district began to include bus purchases and capital maintenance and technology as a place holder in the general fund. The District prepared a long-range capital improvement plan in FY7 which included $2.4 million in capital maintenance/repairs each year. Focused capital expenses are included in this forecast.

Source	FY18	FY19	FY20	FY21	FY22
Capital Outlay	$384,208	$395,734	$407,606	$419,834	$432,429
Bus Purchases/ Capital Repairs	$285,000	$90,000	$90,000	$180,000	$180,000
Capital Improvements and Technology	$0	$750,000	$750,000	$750,000	$750,000
Capital Plan Increase	$0	$0	$0	$0	$0
Total Line 3.050	$669,208	$1,235,734	$1,247,606	$1,349,834	$1,362,429

HB264 Note Repayment/Interest and Fiscal Charges – Lines 4.050 and 4.060

The District completed an energy conservation project in 2005 under HB264 legislation. HB264 allows districts to use the energy savings from replacing inefficient HVAC and mechanical systems with energy efficient systems to repay un-voted debt needed to finance the replacements. The District financed these improvements over a 15-year period and will make its final HB264 debt payment in FY20.

Source		FY18	FY19	FY20	FY21	FY22
HB 264 Principal	Total Line 4.050	$215,000	$225,000	$235,000	$0	$0

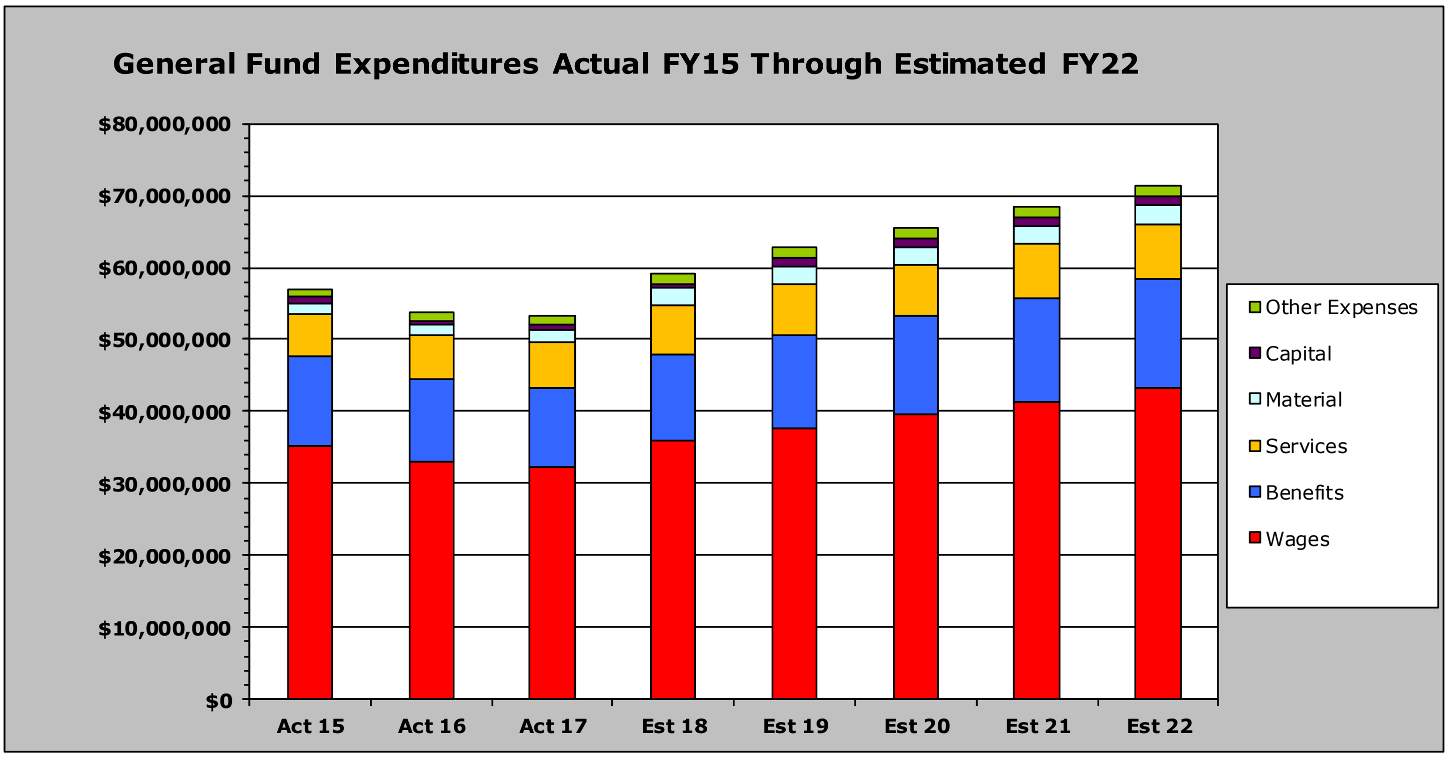
Source		FY18	FY19	FY20	FY21	FY22
Interest on TANS,Loans & HB 264	Line 4.060	$22,700	$13,000	$4,700	$0	$0

Other Expenses – Line #4.300

The category of Other Expenses consists primarily of Auditor & Treasurer fees. Auditor and Treasurer Fees will increase anytime a new operating levy is collected. All other expenditures in this line assume a 3% inflation rate.

Source	FY18	FY19	FY20	FY21	FY22
County Tax Fees & Election Costs	$800,000	$808,000	$816,080	$824,241	$832,483
County Board of Education	$45,000	$45,450	$45,905	$46,364	$46,828
Liability Ins, &Other Misc.Costs	$199,329	$201,322	$203,335	$205,368	$207,422
Increased A&T Fees for New Levies	$0	$0	$0	$0	$0
Contingency	$200,000	$200,000	$200,000	$200,000	$200,000
Total Line 4.300	$1,244,329	$1,254,772	$1,265,320	$1,275,973	$1,286,733

Total Expenditure Categories Actual FY15 through FY17 and Estimated FY18 through FY22



Transfers Out/Advances Out – Line #5.010

This account group covers fund to fund transfers and end of year short term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. Advances are limited in impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund. Transfers are not repaid to the general fund. This line includes an increase of $1,900,000 in order to transfer funds to the Permanent Improvement Fund.

Source	FY18	FY19	FY20	FY21	FY22
Transfer Line 5.010	$2,416,836	$506,773	$516,908	$527,246	$537,791
Advances Line 5.020	$0	$0	$0	$0	$0
Total Transfers & Advances	$2,416,836	$506,773	$516,908	$527,246	$537,791

Source	FY18	FY19	FY20	FY21	FY22
All Other Financing Uses (Win Win)- Line 5.030	$520,000	$520,000	$520,000	$520,000	$520,000

Encumbrances –Line#8.010

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

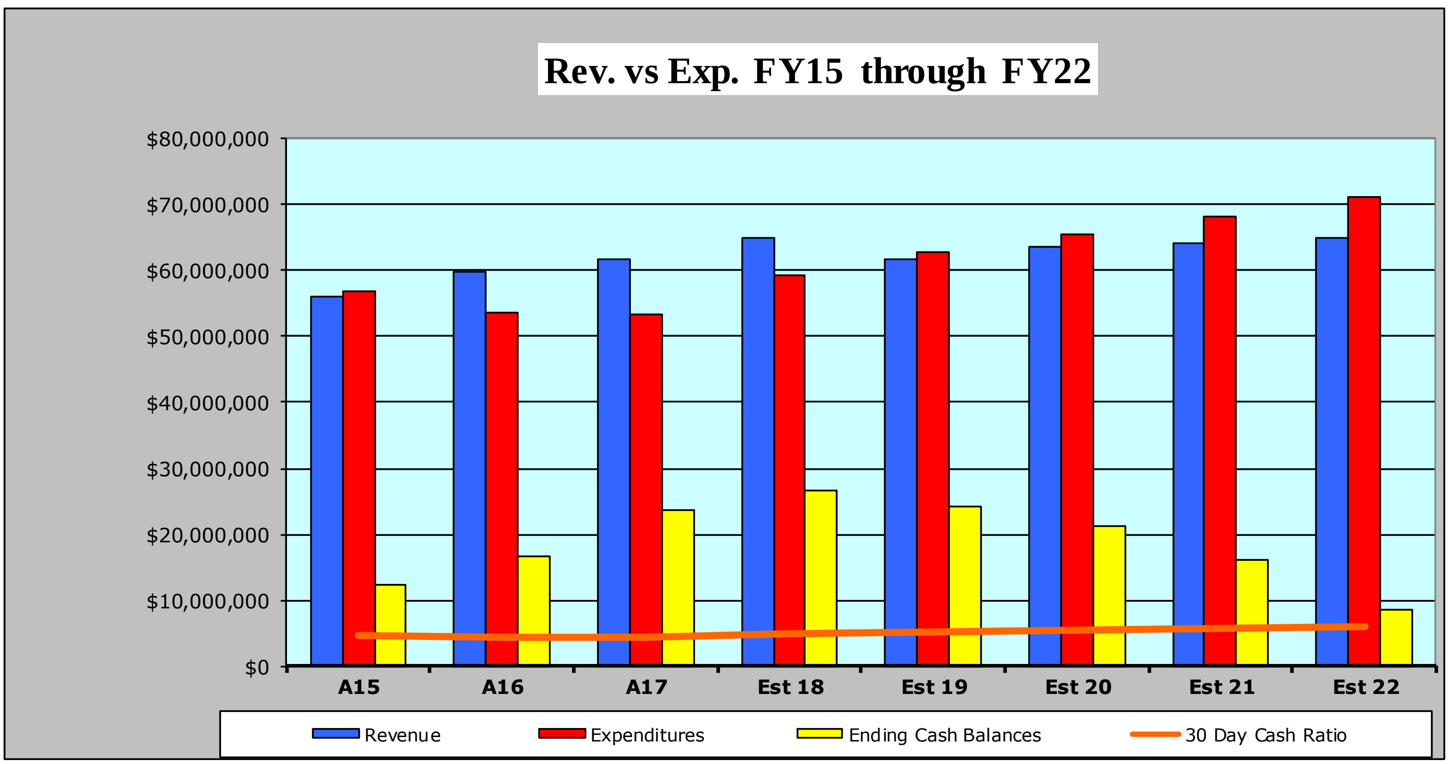
	FY18	FY19	FY20	FY21	FY22
Estimated Encumbrances	$550,000	$566,500	$583,495	$601,000	$619,030

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

This amount must not go below $-0- or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year negotiated contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of ORC5705.412, punishable by personal liability of $10,000, unless an alternative "412" certificate can be issued pursuant to HB153 effective September 30, 2011.

	FY18	FY19	FY20	FY21	FY22
Ending Cash Balance	$25,949,707	$23,754,833	$20,580,109	$15,388,833	$8,007,665

General Fund Ending Cash Balance



RISK ASSESSMENT

- Revenue does not grow with inflation or enrollment growth due to HB920 and the state funding formula, respectively. This means current programming may not be sustainable without new revenue. Revenue is largely voter approved in an 85% locally funded school district such as New Albany.

- Our district is known as a "CAP" district for FY15-FY22 for state funding. Based on current legislation, being on the CAP in FY18 and FY19 means we expect to receive a 3% increase in state basic aid each year as well as funding for meeting or exceeding the graduation rate and 3rd grade guarantee metrics.

- We have estimated an increase in the CAP amount of 0% each year, but this amount could be higher or lower pending future State biennial budget processes.

  Presently, despite being designated as a CAP district with minimal increases in funding, our District continues to receive less State aid than chartered non-public schools in Ohio. The District will continue to work with local legislators to increase our funding to this level.

- Due to the high reliance on local property tax revenue property valuations continue to be a major area of risk given the current economic climate. Franklin County went through a reappraisal in calendar year 2017 to collect in calendar year 2018. The district realized an 11% increase in residential and a 2 % increase in commercial property values.

- The district has seen an increase in collected delinquent property taxes. This revenue source must also be closely monitored for future fluctuations. The district expects to return to a more normal 95% collection rate from the current FY17 collection rate of 100% at a future date. The district is projecting RE collections at 100% and will monitor and adjust in future years as necessary.

- Utility costs are also a risk factor depending on weather conditions and cost increases from year to year.

- There are many provisions in the current state budget bill HB49 that will continue to draw funds from our district through continuing school choice programs such as College Credit Plus and increases in amounts deducted from our state aid in the 2017-18 school years. The cost of each Peterson Special Needs voucher and Autism Scholarship Program increased sharply FY16 from $20,000 to $27,000 each, a 35% increase. College Credit Plus costs continue to increase as this program becomes more understood. These are examples of new choice programs that cost the district money. Expansion or creation of programs such as these exposes the district to new expenditures that are not currently in the forecast. We are monitoring any new threats to our state aid and increased costs very closely.

- Revenue from the income tax sharing agreement with the City of New Albany is also a potential major risk. The district saw a decrease in this income due to the economic downturn. The district continues a regular dialogue with the City of New Albany leadership for guidance on projecting this revenue source. This revenue source is equal to approximately $2.9 million to New Albany-Plain Local Schools in FY18. This revenue has begun to decrease as abatements expire as planned. The unabated property value will then transition into real estate values and the related tax collections will be added to the real estate revenue line. The abatement expiration schedule as reported to the district by the City of New Albany has been included in the real estate and other income lines.

- State reimbursements continue to be a risk especially at the beginning of any biennial budget process. Reimbursements such as Homestead and Rollback could be legislated away just as the TPP reimbursement has been. This revenue source is equal to approximately $4.9 million on existing levies to New Albany-Plain Local Schools.

- The district prepared a campus-wide capital improvement plan. These expenditures were historically taken from permanent improvement funds. The District allowed the permanent improvement levy to expire beginning in 2009. Moving forward, these expenditures have been planned for in the general fund unless a PI levy is approved by voters on November 7, 2017. The plan estimates $2.4 million each year for potential permanent improvement needs. The levy will general $1.1 million and the general fund will continue to spend $1.3 million annually.

- Enrollment growth is a risk to the five-year forecast. As noted on page five (5) of these assumptions, expects to gain an additional 202 from FY17 to FY22. Due to the reduction in enrollment from FY15 to FY17 the district has begun using the "Low" enrollment growth estimate for planning purposes. A sharp increase or decrease could have a substantial effect on the ending cash balance and must be monitored closely.

- HB59 eliminated the Rollback exemption on any future new or replacement levy after 2013. This means that taxpayers will no longer receive the 12.5% reduction on any new levies. This could make passing any new levy more difficult. This will not effect the total collection for the school district but will shift the tax burden from the State of Ohio onto local taxpayers.

- The district has included increases in purchased services as a result of College Credit Plus that mandates that district's pay 100% of the tuition for current students attending up to 15 credit hours of higher education per semester as well as all course fees and textbooks. This legislation also prohibits districts from charging any type of fee associated with public colleges. We will continue to monitor this expense.

- Patient Protection and Affordable Care Act (PPACA) – We have made allowance for increases in our costs for health care in the forecast based on what we know at this time. Future uncertainty over rules and implementation of PPACA is a risk to district costs. We continue to monitor the rules and implementation as this significant change to health care evolves.

- Negotiated agreements expire June 30, 2020.