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, 2013, 2014, 2015 FORECASTED FISCAL YEARS ENDING JUNE 30, 2016 THROUGH 2020

Forecast Provided By

NEW ALBANY-PLAIN LOCAL SCHOOL DISTRICT

Treasurer's Office

Rebecca Jenkins, Treasurer/CFO

May 23, 2016

New Albany-Plain Local Schools

Franklin County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2013, 2014 and 2015 Actual;
Forecasted Fiscal Years Ending June 30, 2016 Through 2020

		Actual				Forecasted				
		Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Average Change	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
	Revenues									
1.010	General Property Tax (Real Estate)	$39,315,257	$41,024,275	$42,341,830	3.8%	$44,272,703	$46,127,667	$46,726,880	$47,305,267	$47,812,490
1.020	Tangible Personal Property	$7,687	-	-	0.0%	$0	$0	$0	$0	$0
1.035	Unrestricted State Grants-in-Aid	$2,667,629	3,061,781	3,356,086	12.2%	3,692,513	3,931,588	4,101,105	4,279,261	4,466,211
1.040	Restricted State Grants-in-Aid	$509	639	657	14.2%	2,717	2,717	2,717	2,717	2,717
1.045	Restricted Federal Grants-in-Aid - SFSF/EdJobs	-	-	-	0.0%	0	0	0	0	0
1.050	Property Tax Allocation	$4,587,300	4,980,366	5,092,130	5.4%	5,143,911	5,027,244	5,057,246	5,086,858	5,110,342
1.060	All Other Revenues	4,114,352	4,227,346	5,002,712	10.5%	5,302,695	4,091,835	3,878,820	3,899,647	3,920,995
1.070	*Total Revenues*	$50,692,734	$53,294,407	$55,793,415	4.9%	$58,414,539	$59,181,051	$59,766,768	$60,573,750	$61,312,755
	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	1,006,190	612,252	357,658	-40.4%	41,830	41,830	41,830	41,830	41,830
2.070	*Total Other Financing Sources*	1,006,190	612,252	357,658	-40.4%	41,830	41,830	41,830	41,830	41,830
2.080	*Total Revenues and Other Financing Sources*	$51,698,924	$53,906,659	$56,151,073	4.2%	$58,456,369	$59,222,881	$59,808,598	$60,615,580	$61,354,585
	Expenditures									
3.010	Personal Services	32,407,253	$33,848,854	$35,114,817	4.1%	$32,835,996	$34,057,380	$35,942,764	$37,736,554	$39,529,688
3.020	Employees' Retirement/Insurance Benefits	11,535,299	11,787,960	12,518,129	4.2%	11,252,295	11,383,391	12,153,123	12,868,079	13,588,487
3.030	Purchased Services	5,362,981	5,846,011	6,019,310	6.0%	6,439,738	7,176,627	7,455,819	7,744,338	7,942,535
3.040	Supplies and Materials	1,321,090	1,372,810	1,322,283	0.1%	1,448,729	1,477,704	1,507,258	1,537,403	1,568,151
3.050	Capital Outlay	447,573	690,292	1,046,435	52.9%	1,342,107	1,463,107	1,474,107	1,434,107	1,434,107
3.060	Intergovernmental	-	-	-	0.0%					
	Debt Service:									
4.010	Principal-All (Historical Only)	-	-	-	0.0%	-	-	-	-	-
4.020	Principal-Notes	-	-	-	0.0%	-	-	-	-	-
4.030	Principal-State Loans	-	-	-	0.0%	-	-	-	-	-
4.040	Principal-State Advancements	-	-	-	0.0%	-	-	-	-	-
4.050	Principal-HB 264 Loans	-	-	-	0.0%	195,000	205,000	215,000	225,000	235,000
4.055	Principal-Other	-	-	-	0.0%	-	-	-	-	-
4.060	Interest and Fiscal Charges	-	-	-	0.0%	39,344	31,100	22,700	13,000	4,700
4.300	Other Objects	919,588	862,340	858,533	-3.3%	1,067,116	1,075,787	1,084,544	1,093,389	1,102,324
4.500	*Total Expenditures*	$51,993,784	$54,408,267	$56,879,507	4.6%	$54,620,324	$56,870,096	$59,855,315	$62,651,870	$65,404,992
	Other Financing Uses									
5.010	Operating Transfers-Out	431,288	469,390	852,188	45.2%	$777,544	$487,094	$496,836	$506,773	$516,908
5.020	Advances-Out	-	-	-	0.0%	-	-	-	-	-
5.030	All Other Financing Uses	1,025,299	506,943	485,551	-27.4%	$520,000	$520,000	$520,000	$520,000	$520,000
5.040	*Total Other Financing Uses*	1,456,587	976,333	1,337,739	2.0%	1,297,544	1,007,094	1,016,836	1,026,773	1,036,908
5.050	*Total Expenditures and Other Financing Uses*	$53,450,371	$55,384,600	$58,217,246	4.4%	$55,917,868	$57,877,190	$60,872,151	$63,678,643	$66,441,900
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	(1,751,447)	(1,477,941)	(2,066,173)	12.1%	2,538,501	1,345,691	(1,063,553)	(3,063,063)	(5,087,315)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	17,652,707	15,901,260	14,423,319	-9.6%	12,357,146	14,895,647	16,241,338	15,177,784	12,114,722
7.020	*Cash Balance June 30*	15,901,260	14,423,319	12,357,146	-11.8%	14,895,647	16,241,338	15,177,784	12,114,722	7,027,406
8.010	*Estimated Encumbrances June 30*	422,206	886,134	947,529	58.4%	950,000	950,000	950,000	950,000	950,000
	Reservation of Fund Balance									
9.010	Textbooks and Instructional Materials				0.0%	-	-	-	-	-
9.020	Capital Improvements				0.0%	-	-	-	-	-
9.030	Budget Reserve				0.0%	-	-	-	-	-
9.040	DPIA				0.0%	-	-	-	-	-
9.045	Fiscal Stabilization				0.0%	-	-	-	-	-
9.050	Debt Service				0.0%	-	-	-	-	-
9.060	Property Tax Advances				0.0%	-	-	-	-	-
9.070	Bus Purchases				0.0%	-	-	-	-	-
9.080	*Subtotal*	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
10.010	*Fund Balance June 30 for Certification of Appropriations*	$15,479,054	$13,537,185	$11,409,617	-14.1%	$13,945,647	$15,291,338	$14,227,784	$11,164,722	$6,077,406
	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*	$15,479,054	$13,537,185	$11,409,617	-14.1%	$13,945,647	$15,291,338	$14,227,784	$11,164,722	$6,077,406

New Albany-Plain Local Schools

Franklin County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2013, 2014 and 2015 Actual;
Forecasted Fiscal Years Ending June 30, 2016 Through 2020

		Actual				Forecasted				
		Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Average Change	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
	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*	$15,479,054	$13,537,185	$11,409,617	-14.1%	$13,945,647	$15,291,338	$14,227,784	$11,164,722	$6,077,406
	Enrollment	4,325	4,647	4,814		4,854	4,996	5,060	5,142	5,198
	Simple Expenditure Per Pupil - Excluding Transfers	12,022	11,708	11,815		11,253	11,383	11,829	12,184	12,583
	Simple Expenditure Per Pupil - Including Transfers	12,358	11,918	12,093		11,520	11,585	12,030	12,384	12,782

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 23, 2016

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

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 2016 (July 1, 2015-June 30, 2016) is the first year of the five year forecast and is considered the baseline year.
This forecast reflects the Board and Administration's goals translated into financial plans for the direction the organization will be moving for continued educational excellence and programs.

DISTRICT GOALS:
- **Increase Student Achievement**
- **Strengthen Positive School Culture**
- **Implement a New System of Evaluation and Professional Growth**

FINANCIAL ACCOMPLISHMENTS
- **Implemented $8 million reduction plan in FY15 and FY16**
- **Negotiated no step w/one-time stipend in FY16**
- **Negotiated no base increase in FY16 and Fy17**
- **Reduce cap for medical insurance premium from 9% to 5% in FY17 – FY20**
- **Designate funds for Capital Expenses - previously funded with PI levy**

FINANCIAL PHILOSOPHY
- **The District is dedicated to continually monitoring its spending practices and seeking organizational and operational efficiencies.**
- **The Board approved a policy guiding the administration to maintain a 30-day ending cash balance in the first three (3) years of the five-year financial forecast**

The Board of Education accepted the resignation of Superintendent, Dr. April Domine, which is effective July 31, 2016. Upon her announcement the Board launched a search for her replacement. The Board's statement of purpose used to find the next Superintendent is **"to create a culture of accountability that achieves the best academic and developmental outcomes for each student"**. The Board unanimously hired Mr. Michael Sawyers as Superintendent. The May update includes some revisions that were a result of Mr. Sawyers future planning.

May 2016 Updates:

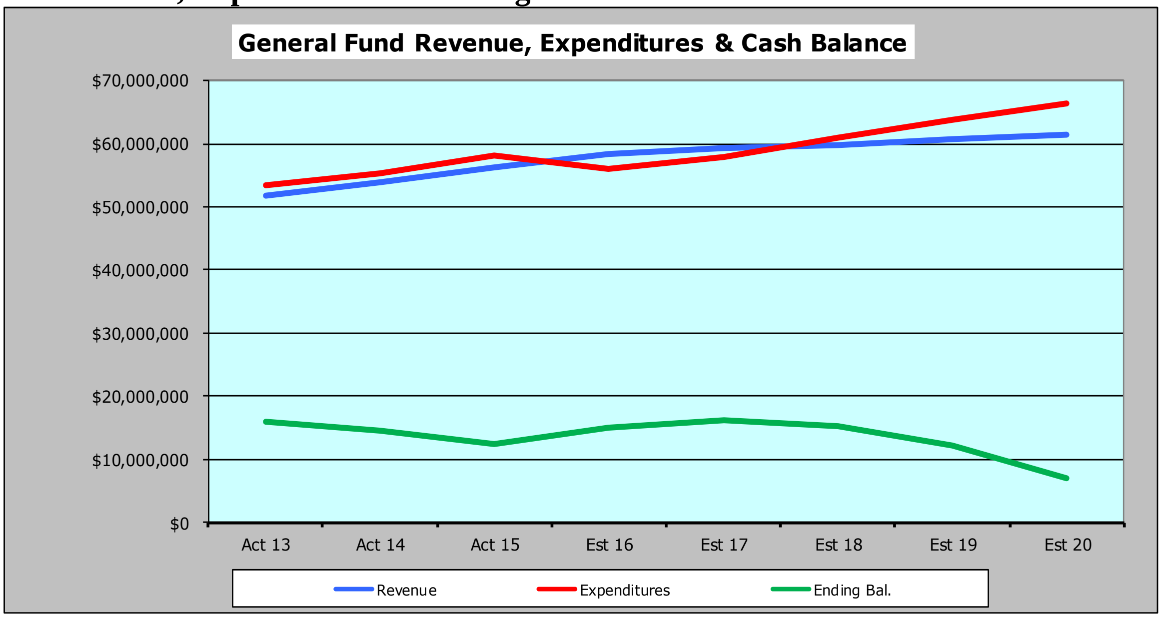
Revenues:
Total General Fund revenues (line 1.07) are estimated to be $58,414,539 for FY16 which is up from the original estimate of $57,507,813 in the October forecast. Overall revenues are expected to be around 98.4% accurate with original projections.

Expenditures:
Total General Fund expenditures (line 4.5) are estimated to be $54,620,324 for FY16 which is materially unchanged from October, 2015 projections.

***Unreserved Ending Cash Balance*:**
Our ending unreserved cash balance is anticipated to be $13,945,647 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2020 if our assumptions of two state biennium budgets are correct and tax collections continue to increase with new construction.

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.

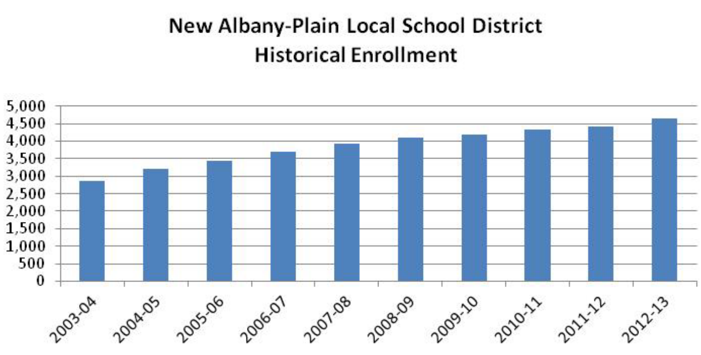
General Fund Revenue, Expenditure and Ending Cash Balance:

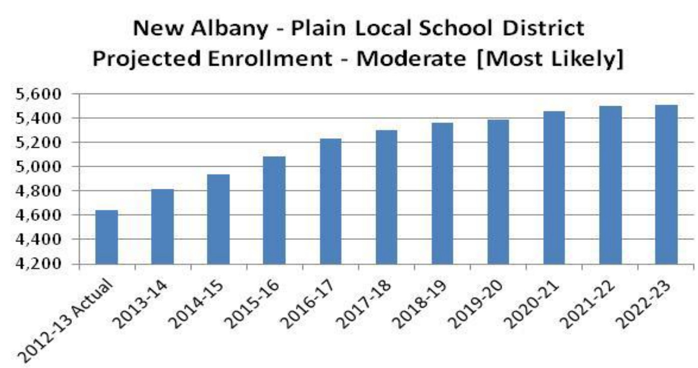


Enrollment Growth

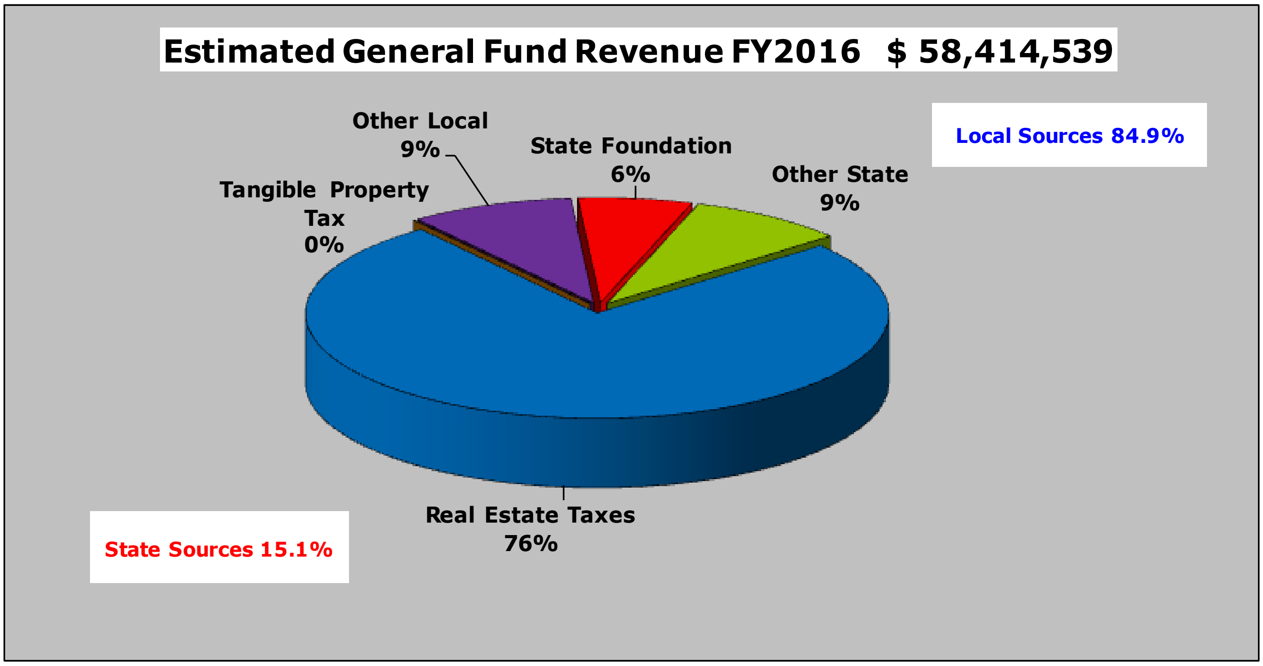
Enrollment growth is a key driver of District expenditures. Below is a snapshot of both actual historical and future projected growth. The 2016 ThinkGate enrollment projection report is the source of the actual and projected numbers below.

Grade	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
K-1	480	582	611	648	668	647	657	687	660	658	684	654	629	693	697	705	724
2-3	512	549	569	641	684	741	754	712	730	794	751	759	765	700	720	789	791
4-5	510	531	578	594	595	642	705	749	755	746	792	842	795	796	805	736	757
6-8	716	782	822	860	882	931	916	973	1,065	1,175	1,187	1,207	1,181	1,242	1,254	1276	1236
9-12	633	765	856	965	1,100	1,145	1,148	1,204	1,216	1,274	1,342	1,421	1,484	1,565	1,584	1636	1690
Total	2,851	3,209	3,436	3,708	3,929	4,106	4,180	4,325	4,426	4,647	4,756	4,883	4,854	4,996	5,060	5142	5198





Revenue Assumptions
Estimated General Fund Revenue for FY16



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 2014 for collection in calendar year 2015. Based on current sale to property valuation ratios we anticipate values will remain mostly steady with slight increases for the period 2016 through 2020, and in our next appraisal update in 2017. The 2014 update of real estate values saw a 4.36% increase in residential values but commercial only saw a .4% 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 FY2015 and thereafter. Therefore, 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. New construction in 2014 to collect in 2015 realized a $6.1 million increase in new value which is higher than the $3.7 million realized in 2013; however, commercial realized only $942,000 in additional value as opposed to the $7.8 million in 2013.

It is important to note that Real Estate Collections in CY13, CY14 and CY15 were 100% collected. This is due to the increased collection of delinquencies. This collection rate is anticipated to return to the more historical average of 95% in future years.

When values are reduced as a result of BOR (board of revision) activity HB920 provides some relief for the district due to the fact that if one property owner's taxes are reduced, another property owner(s) taxes must be increased to comply with HB920. This happens because as the total valuation decreases due to BOR cases, effective millage is rolled up so that the District collects about the same amount of revenue from each levy; however, the District still loses revenue on the inside millage, levies that have no room to be rolled up, and the first year reduction in value because the total values are not adjusted until the following year.

Franklin County, like many counties, has also seen a large influx of BOR real estate value complaint cases. This is where property owners, both residential and commercial, can request to have their property values reduced by the BOR. The BOR is comprised of a county commissioner, the county auditor and the county treasurer. Not all requests are granted, however, enough have been approved that the District has seen a significant negative impact on real estate tax revenues due to the resulting reduction in real estate values. In 2013 BOR cases reduced property values (combined residential and commercial property) by ($12,524,250) and in 2013 values were reduced by ($1,793,510). The 2013 BOR value reduction is a four (4) year low so we believe the spike in these cases due to the housing market devaluation is mostly behind us now and we should see modest growth return to our tax base as noted above. However, 2014 shows a significant increase in BOR value reductions ($7,837,560) due to the Franklin County Auditor processing older complaints in an effort to catch up with the back log of complaints filed. We expect this activity to return to a more historical pre-recession level in future years.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Estimated TAX YEAR 2015 COLLECT 2016	Estimated TAX YEAR 2016 COLLECT 2017	Estimated TAX YEAR 2017 COLLECT 2018	Estimated TAX YEAR 2018 COLLECT 2019	Estimated TAX YEAR 2019 COLLECT 2020
Res./Ag.	$729,461,910	$730,711,910	$761,190,386	$762,440,386	$763,690,386
Comm./Ind.	$155,396,420	$158,646,420	$164,819,348	$166,819,348	$168,819,348
Public Utility (PUPP)	$36,970,480	$37,720,480	$38,470,480	$39,220,480	$39,970,480
Tangible Prop.(TPP)	$0	$0	$0	$0	$0
Total Assessed Valuation	$921,828,810	$927,078,810	$964,480,214	$968,480,214	$972,480,214

ESTIMATED REAL ESTATE TAX (Line #1.010)

Source	FY16	FY17	FY18	FY19	FY20
Est. Prop. Taxes Including PUPP	$44,272,703	$46,127,667	$46,726,880	$47,305,267	$47,812,490

In general 53% of the new Res/Ag and Comm/Ind. expected to be collected in February tax settlements and 47% 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. PUPP value was up $8 million as opposed to one million from 2013.

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

The amounts estimated for FY16 for state funding are based on funding component computations from the most recent State Foundation Payment Report (SFPR).

The current FY15-16 state budget HB64 simulation includes an increase in funding for our district. We are projected to be a cap district regarding state funding in FY16 and FY17. Our state funding status for FY18-20 will depend on the FY18-19 and FY20-21 state budgets. There are two unknown state budgets in this forecast period covering three fiscal years.

In FY14-15, HB59 created the fourth (4th) new funding formula for public education since 2009. HB64 the state FY16-17 state budget made alterations to the funding formula and added several new components. The new funding formula is very complex and could change again with the new FY 18-19 or FY20-21 state budgets. The funding formula in HB64 has a modified State Share Index (SSI) method to measure a district's wealth and capacity to raise local revenue.

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 1.7% from $5,800 in FY15 to $5,900 in FY16 and 1.7% to $6,000 in FY17.
2) Targeted Assistance – Tier I based on wealth and Tier II based on percentage of district agricultural assessed value
3) Special Education Additional Aid – Based on six (6) categories of disability
4) Limited English Proficiency – Based on three (3) categories based on time student enrolled in schools
5) Economically Disadvantaged Aid- Based on number and concentration of economically disadvantaged students
6) K-3 Literacy Funds- Based on districts K-3 average daily membership and two Tiers
7) Gifted Funds –Based on average daily membership at $5.05 in FY16 & FY17
8) Career-Technical Education Funds – Based on career technical average daily membership and five (5) categories students enrolled in
9) Transportation Aid – Funding based on total ridership rather than qualifying ridership in determining statewide cost per rider. Reduces state minimum share from 60% to 50%.

There are potentially 342 independent variables in the SFPR formula. If any of the variables are changed, either independently or in conjunction with other variables, there could be a change to forecasted state aid for FY16-20.

There are several new funding components provided in HB64 for FY16 &17. These are additional funds that can be earned by a district or is intended to help a district who has an undo burden or inability to raise local revenue.

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.
2) Transportation Supplement – Provides additional funding for districts with rider density (riders per square mile) less than 35 students in FY16 and 50 in FY17. Provides additional funding based on rider density and the number of miles driven by the school buses.
3) 3rd Grade Reading Proficiency Bonus- Provides a bonus to districts based on third grade reading results.
4) High School Graduation Rate Bonus-Provides a bonus to districts based on high school graduation rates up to approximately $450 per student.

Our current SFPR estimates for FY16 are using FY15 year end adjusted average daily membership (ADM) with projected enrollment increases through FY20. Beginning in FY15 the state changed the way it measures student ADM. Student counts are now updated October 31, March 31, and June 30 of the fiscal year. In most cases the district will not know its actual student funded ADM until the end of June 2016. This could result in undulating state aid payments throughout the year based on each student count if a district is on the formula. The current payment to the district is based on adjusted student ADM count as of June 30, 2015. Our estimate of state aid is based on the most current data we have available to us at the time. We have estimated stable enrollment through FY20 and a 1.5% per pupil increase each year beginning in FY18 for Opportunity Grant funding.

Current calculations indicate our district is a "CAP" funded district for FY16 and we anticipate that we will remain on the CAP in FY17 as well. The CAP growth rate for FY16 & 17 is 7.5% each year. We believe the district will receive additional funds for the period FY18 through FY20. We have conservatively estimated an increase in the CAP amount of 5% each year for FY18-20, but this amount could be higher or lower. There is no guidance on the state funding model or increases for the FY18-20 period.

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 initial student payment to schools in January 2013 (FY13) was a half year payment of $21.00 per pupil that rose to $51.50 per pupil for a full year in FY14 and $50.50 in FY15. The state indicated recently that the original 2009 estimates of $1.9 billion of GCR may be closer to $900 million as revenues from casinos are not growing robustly as originally predicted. We are estimating statewide student enrollment to decline by ½ of 1% from the FY15 total to average 1,798,000 students and GCR of $820 million with school district's share of GCR to be $92 million resulting in FY16 payments of $51.25 per pupil. For FY16-20 we estimated another ½ of 1% decline in pupils to 1,789,000and GCR increasing to $93 million or $52 per pupil. We will increase estimates for out years when actual casino revenues show signs of stronger increases.

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

Source	FY16	FY17	FY18	FY19	FY20
Basic Aid-Unrestricted	$3,172,233	$3,406,291	$3,570,715	$3,743,702	$3,925,404
Additional Aid Items	$274,417	$274,417	$274,417	$274,417	$274,417
Basic Aid-Unrestricted Subtotal	$3,446,650	$3,680,708	$3,845,132	$4,018,119	$4,199,821
Ohio Casino Commission ODT	$245,863	$250,880	$255,973	$261,142	$266,390
Total Unrestricted State Aid Line # 1.035	$3,692,513	$3,931,588	$4,101,105	$4,279,261	$4,466,211

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. We have incorporated this amount into the restricted aid amount in Line # 1.04 for FY16-20.

Source	FY16	FY17	FY18	FY19	FY20
Economically Disadvantage Aid	$232	$232	$232	$232	$232
Career Tech - Restricted	$2,485	$2,485	$2,485	$2,485	$2,485
Total Restricted State Revenues Line #1.040	$2,717	$2,717	$2,717	$2,717	$2,717

C) Restricted Federal Grants in Aid – line #1.045

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

SUMMARY	FY16	FY17	FY18	FY19	FY20
Unrestricted Line # 1.035	$3,692,513	$3,931,588	$4,101,105	$4,279,261	$4,466,211
Restricted Line # 1.040	$2,717	$2,717	$2,717	$2,717	$2,717
Restricted Fed. SFSF /EdJobs #1.045	$0	$0	$0	$0	$0
Total State Foundation Revenue	$3,695,230	$3,934,305	$4,103,822	$4,281,978	$4,468,928

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 changes the requirement for Homestead Exemptions. Individual taxpayers who do not currently have their Homestead Exemption approved or those who do not get a new application approved for tax year 2013, and who become eligible thereafter will only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who currently have their Homestead Exemption as of September 29, 2013 will not lose it going forward and will not have to meet the new income qualification. This will slow the growth of homestead reimbursements to the district, and as with the rollback reimbursements above, 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

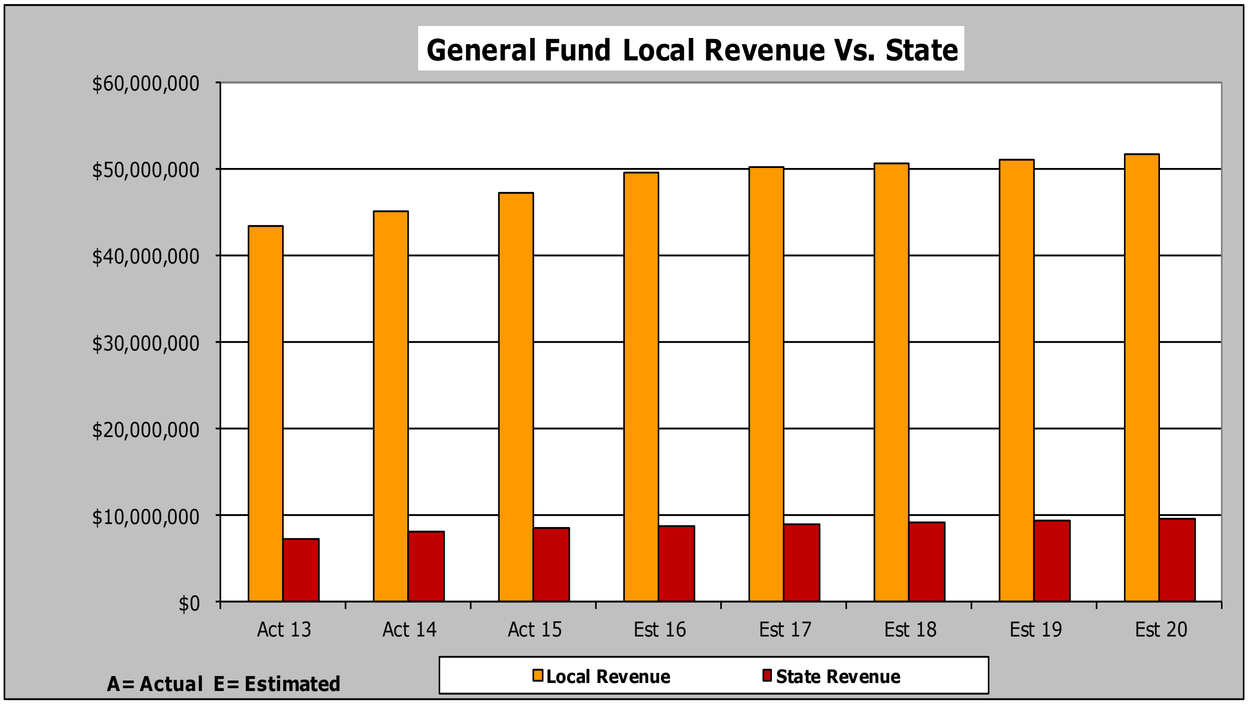
Source	FY16	FY17	FY18	FY19	FY20
Rollback and Homestead	$5,143,911	$5,027,244	$5,057,246	$5,086,858	$5,110,342
TPP Reimbursement - Fixed Rate	$0	$0	$0	$0	$0
TPP Reimbursement - Fixed Sum	$0	$0	$0	$0	$0
Total Tax Reimb./Prop Allocations Line #1.050	$5,143,911	$5,027,244	$5,057,246	$5,086,858	$5,110,342

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, Medicaid reimbursements, and investment income. The income tax sharing portion is projected to decrease based on conversations with the City of New Albany based on abatements expiring. As abatements begin to roll off real estate collections will increase as income tax sharing decreases in accordance with the abatement agreements in place. Based on the recommendation from the Superintendent pay to participate fees have been reduced to $425 HS and $225 MS per sport from $625 and $425 respectively beginning in FY17. All other revenue is expected to remain mostly stable during the forecast period.

Source	FY16	FY17	FY18	FY19	FY20
Tuition	$147,466	$151,153	$154,932	$158,805	$162,775
Interest	$37,164	$37,164	$37,164	$37,164	$37,164
Income Tax Sharing	$4,140,310	$3,202,310	$2,968,977	$2,968,977	$2,968,977
Other Income and rentals	$977,755	$701,208	$717,747	$734,701	$752,079
Total Line # 1.060	$5,302,695	$4,091,835	$3,878,820	$3,899,647	$3,920,995

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). Basically because 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.

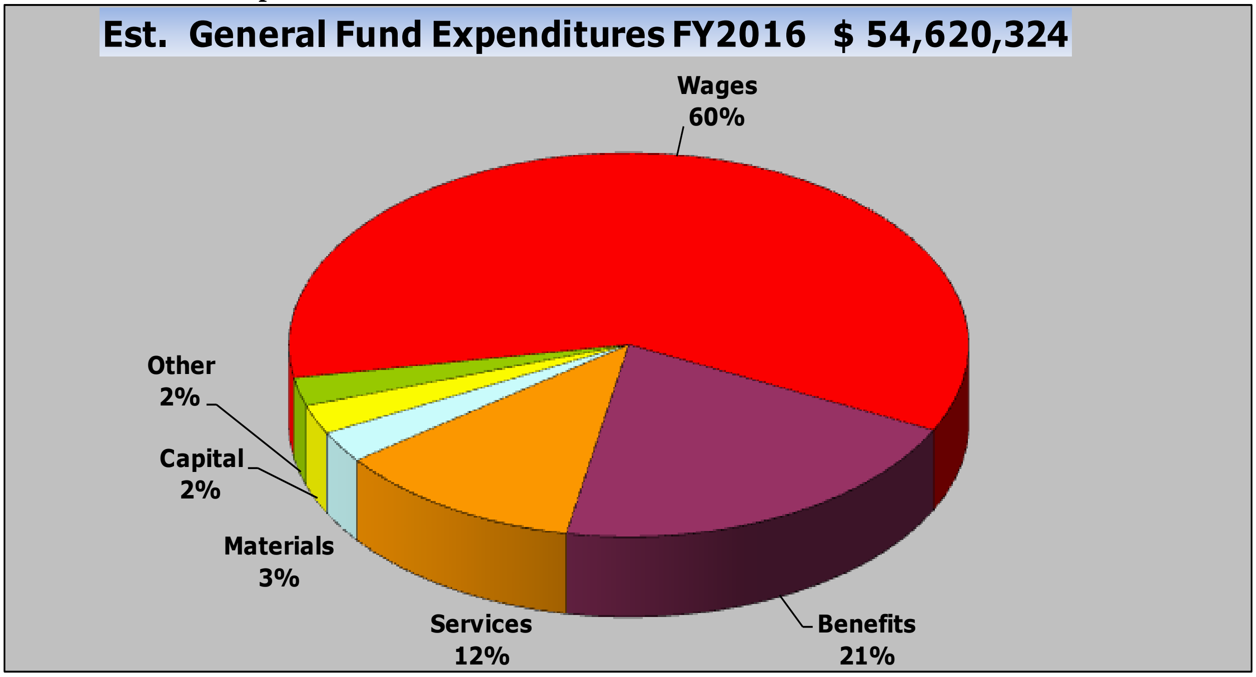
There is one other section that applies to all local school districts. In short CPS would PAY BACK amounts calculated under a certain formula if the suburban schools per pupil value were LESS than CPS. That is true for Hamilton, Groveport and Canal Winchester but not for New Albany. Our valuation per pupil is higher than CPS so we do not get any funds returned from our payment.

Lastly, the calculation over the years has been done incorrectly by CPS and there were back payments due the suburban schools. As a result New Albany received $473,858.33 each year for three years to correct the payment error. FY14 was the final year of correction.

Source	FY16	FY17	FY18	FY19	FY20
Tuition	$147,466	$151,153	$154,932	$158,805	$162,775
Interest	$37,164	$37,164	$37,164	$37,164	$37,164
Income Tax Sharing	$4,140,310	$3,202,310	$2,968,977	$2,968,977	$2,968,977
Other Income and rentals	$977,755	$701,208	$717,747	$734,701	$752,079
Total Line # 1.060	$5,302,695	$4,091,835	$3,878,820	$3,899,647	$3,920,995

Expenditures Assumptions

Estimated General Fund Expenditures for FY16:



Wages – Line #3.010

The model reflects 0% base increase in FY16-FY17 as negotiated and 1% in base salary increases in FY18-FY20 for planning purposes. This agreement also reflects no step movement for all employees with salary schedules in FY16. Those employees will receive a one-time payment in lieu of the step of $2,000 for PLEA (teacher union) and $450 for OAPSE (classified union) members. The FY15 increase reflects the PLEA/OAPSE negotiated agreements which included both certified and classified union members returning to their FY11 and FY12 salary indexes respectively beginning in FY15. The district included an average step increase of 3.05% for certified and 1.73% for classified bargaining unit members in FY16-FY20 as calculated post reductions. Future negotiations can effect these assumptions. The current negotiated agreements expire on June 30, 2017.

Due to the unsuccessful 6.9 mill continuing operating levy the district implemented a $7.7 million reduction plan as approved by the Board of Education at its September 22nd board meeting. The reductions are reflected in the numbers listed below. 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 fully pay the coaches supplemental and associated payroll taxes. The expenditure continues to be shown in this expenditure line while the offsetting revenue is shown in the Other Revenue line above. New hires have been included in FY16-FY20 for growth and critical need areas as determined by the Superintendent. The detailed reduction plan can be found on the district's website.

Source	FY16	FY17	FY18	FY19	FY20
Base Wages	$29,949,090	$29,916,311	$31,697,070	$33,737,956	$35,498,595
Increases	$0	$0	$316,971	$337,380	$354,986
Salary Adjustments/One Time Payments	$755,000	$1,037,250	$866,114	$895,946	$927,569
Supplemental	$1,062,310	$1,062,310	$1,072,933	$1,083,662	$1,094,499
Temporary/Extended Days/Student/Extra	$817,375	$875,000	$896,875	$919,297	$942,279
New Hires/Adjustments	$353,416	$931,509	$857,801	$527,313	$476,760
Severance	$150,000	$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	-$386,195	$0	$0	$0	$0
Total Wages Line 3.010	$32,835,996	$34,057,380	$35,942,764	$37,736,554	$39,529,688

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 6 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
Due to the work of the district insurance committee the district will realize a 2% increase for the first half of FY16 and a -7.4% reduction in the second half of FY16 and fist half of FY17 based on a move to self insured funding and a change in level of benefits. The committee with one OAPSE, two PLEA and three administrator voting members met to review/discuss insurance increases. This committee discussed many options and ultimately moved forward with the change in level of benefits to push off the looming Cadillac tax as well as agreed to move to self insurance funding to further reduce the cost of insurance for both the Board and member. FY17-FY20 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%.

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.

It is uncertain to what extent the implementation of PPACA will cost our district additional funds. There are numerous new regulations that potentially will require added staff time, at least initially due to increased demands, and it is likely that additional employees will be added to coverage that do not have coverage now. We are not certain what these added costs may be but there are “taxes” mandated by the act which we are aware of. The Transition Reinsurance fee due January 15, 2015, is a fee due the IRS for $5.25 per covered member per month for the prior year (2014).This will be $63 for each employee who had a full year of coverage in the prior year. Longer-term a significant concern is the 40% “Cadillac Tax” that will be imposed in 2018 for plans whose value of benefits exceed $10,200 for individual plans and $27,500 for family plans. The changes made to the plan design during the current negotiations will extend the potential implementation of this tax for the district. The rules and implementation of the PPACA is an ongoing issue we are watching closely to evaluate the effect on our district.

C) Workers Compensation & Unemployment Compensation
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. Unemployment increased in FY15 and in FY16 as well due to the reduction in force discussed above. This expense will be monitored as the district learns of any employee affected by the reduction obtaining positions in another district/firm which will reduce or eliminate the unemployment liability.

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	FY16	FY17	FY18	FY19	FY20
STRS/SERS	$5,057,483	$5,202,777	$5,493,444	$5,775,187	$6,052,635
Health Insurances	$5,147,179	$5,397,821	$5,839,272	$6,236,699	$6,643,886
Workers Compensation and Unemployment Comp	$485,523	$202,424	$213,077	$223,212	$233,343
Medicare	$467,332	$485,591	$512,552	$538,203	$563,845
Other	$94,778	$94,778	$94,778	$94,778	$94,778
Total Line 3.020	$11,252,295	$11,383,391	$12,153,123	$12,868,079	$13,588,487

Purchased Services – Line #3.030
An inflation rate of 3% is being estimated for this category of expenses as well as increases in special education costs. Utility increases are expected to increase at 5%. FY15 includes additional utility costs for the new building opening in that year. The reduction plan includes further reducing electricity usage, reducing innovation and professional development, two part-time gifted coordinators and technology support staff. Increases for College Credit Plus and the opening of Marburn Academy have been included in FY16 and FY17.

Source	FY16	FY17	FY18	FY19	FY20
Base Services	$1,388,367	$1,430,018	$1,472,919	$1,517,107	$1,562,620
ESCCO, Spec Ed, Legal, ITC-Data Processing	$2,696,431	$2,763,395	$2,791,029	$2,818,939	$2,847,128
Community School Deductions	$481,699	$496,150	$511,035	$526,366	$542,157
Other Tuition, Autism Schol, Excess Costs	$404,441	$616,574	$735,071	$857,123	$882,837
Utilities (includes addition of 1-8 building in FY15)	$1,433,800	$1,505,490	$1,580,765	$1,659,803	$1,742,793
Innovation and Professional Development	$35,000	$365,000	$365,000	$365,000	$365,000
Budget Reductions	$0	$0	$0	$0	$0
Total Line 3.030	$6,439,738	$7,176,627	$7,455,819	$7,744,338	$7,942,535

Supplies and Materials – Line #3.040

An overall inflation 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. Additional funds are budgeted for opening the new building in FY16. Materials and supplies were reduced by 10% in FY15 and future years maintain that initial reduction.

Source	FY16	FY17	FY18	FY19	FY20
Supplies	$1,348,729	$1,477,704	$1,507,258	$1,537,403	$1,568,151
New Building	$100,000	$0	$0	$0	$0
Budget Reductions	$0	$0	$0	$0	$0
Total Line 3.040	$1,448,729	$1,477,704	$1,507,258	$1,537,403	$1,568,151

Equipment – Line # 3.050

Capital outlay is estimated based on historical trends. The district is completing a capital plan for all existing buildings/grounds. The district allowed the permanent improvement levy to expire. As these funds are depleted the district will need to build capital expenditures into the general fund. The district began to include bus purchases in the general fund in FY14 and capital maintenance and technology as a place holder of $200,000 in FY15. The District prepared a long-range capital improvement plan in FY14 which included $1.9 million in capital maintenance/repairs each year. Due to the unsuccessful levy attempt the district has reduced the purchase of buses in FY15 to one from four. Those funds in FY16 previously projected for new busses will be used for capital maintenance, if needed. Technology was reduced in FY16 by $70,000.

Source	FY16	FY17	FY18	FY19	FY20
Capital Outlay	$849,107	$849,107	$849,107	$849,107	$849,107
Bus Purchases/ Capital Repairs	$363,000	$125,000	$210,000	$170,000	$90,000
Capital Improvements and Technology	$130,000	$489,000	$415,000	$415,000	$495,000
Budget Reductions	$0	$0	$0	$0	$0
Total Line 3.050	$1,342,107	$1,463,107	$1,474,107	$1,434,107	$1,434,107

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 last HB264 debt payment in FY20.

Source	FY16	FY17	FY18	FY19	FY20
HB 264 Principal Total Line 4.050	$195,000	$205,000	$215,000	$225,000	$235,000

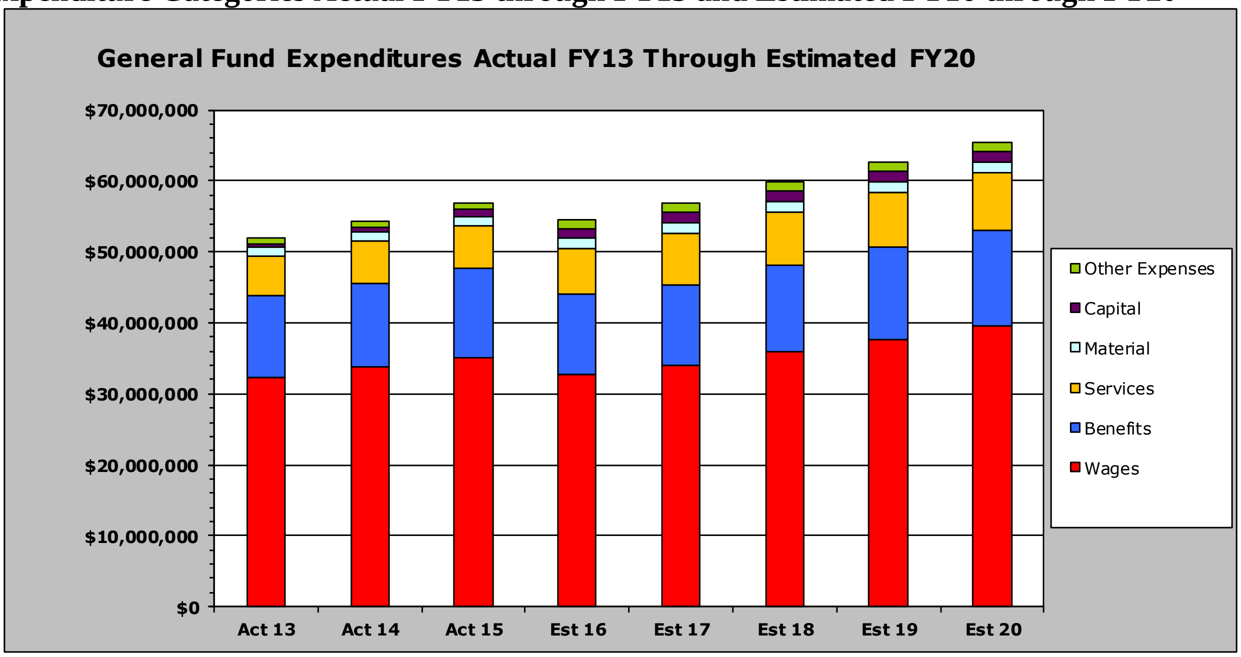
Source	FY16	FY17	FY18	FY19	FY20
Interest on TANS,Loans & HB 264 Line 4.060	$39,344	$31,100	$22,700	$13,000	$4,700

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	FY16	FY17	FY18	FY19	FY20
County Tax Fees & Election Costs	$652,299	$658,822	$665,410	$672,064	$678,785
County Board of Education	$55,094	$55,645	$56,201	$56,763	$57,331
Liability Ins, &Other Misc.Costs	$159,723	$161,320	$162,933	$164,562	$166,208
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	$1,067,116	$1,075,787	$1,084,544	$1,093,389	$1,102,324

Total Expenditure Categories Actual FY13 through FY15 and Estimated FY16 through FY20



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. FY16 includes a one-time transfer into the self insurance fund of $300,000 in order for the district to seed the transition to self insurance beginning Jan. 1, 2016. The District will also transfer $400,000 from under expended benefits and purchased services lines to the permanent improvement fund to offset capital maintenance expenditure needs including the MS boiler repair.

Source	FY16	FY17	FY18	FY19	FY20
Transfer Line 5.010	$777,544	$487,094	$496,836	$506,773	$516,908
Advances Line 5.020	$0	$0	$0	$0	$0
Total Transfers & Advances	$777,544	$487,094	$496,836	$506,773	$516,908

Source	FY16	FY17	FY18	FY19	FY20
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.

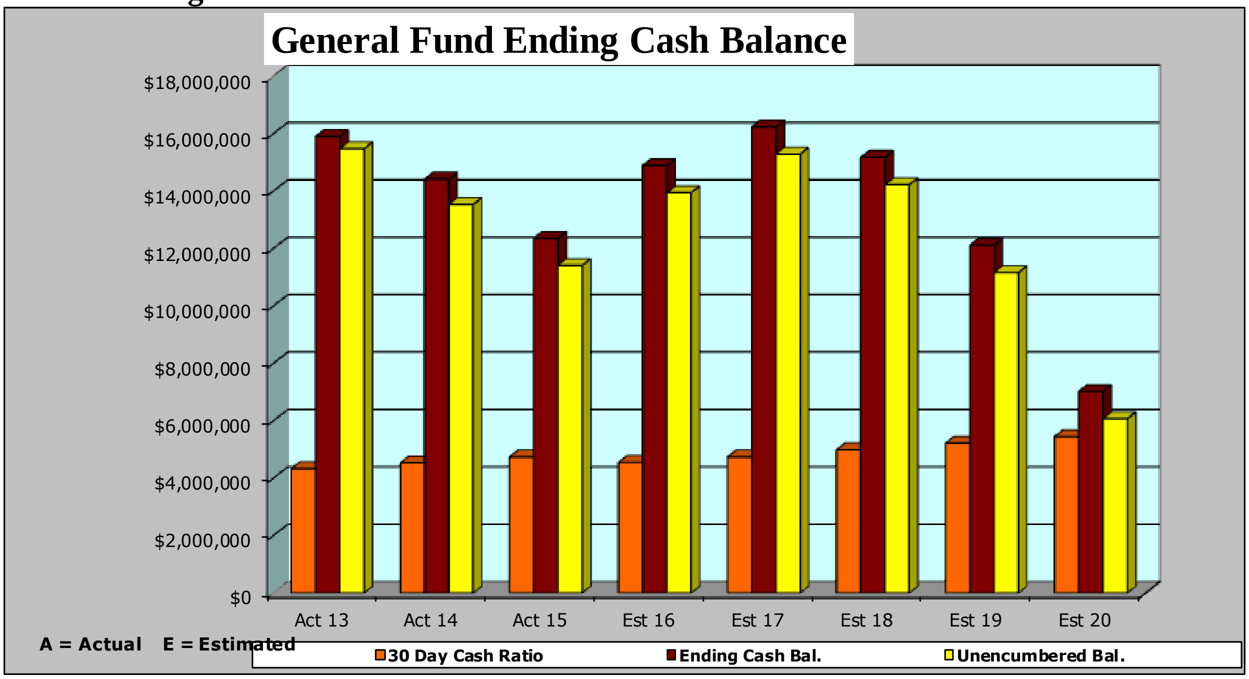
	FY16	FY17	FY18	FY19	FY20
Estimated Encumbrances	$950,000	$950,000	$950,000	$950,000	$950,000

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

This amount must not go below $-0- or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year 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.

	FY16	**FY17**	**FY18**	**FY19**	**FY20**
Ending Cash Balance	$13,945,647	$15,291,338	$14,227,784	$11,164,722	$6,077,406

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 now known as a "CAP" district for FY15-FY20 for state funding. Based on current legislation, being on the CAP in FY16 and FY17 means we received a 7.5% increase in state basic aid each year as well as funding for meeting or exceeding the graduation rate and 3rd grade guarantee metrics.

  We believe the district will receive additional state funds for the period FY18 through FY20. We have estimated an increase in the CAP amount of 5% each year, but this amount could be higher or lower.

- 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 an appraisal update in calendar year 2014 to collect in calendar year 2015. The district realized a 4.36% increase in residential and a .4% increase in commercial property values. We believe slight increases will continue in the next sexennial reappraisal which will occur in calendar year 2017 for collection in calendar year 2018.

- 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 FY16 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 HB64 that will increase the district expenditures in the form of expanded school choice programs and increases in amounts deducted from our state aid in the 2016-17 school years. The cost of each Peterson Special Needs voucher and Autism Scholarship Program increased sharply in HB64 from $20,000 each to $27,000, a 35% increase. 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 $4.2 million to New Albany Schools. This revenue will begin to decrease as abatements roll off in future years. 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.

- 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 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 must be planned for in the general fund unless a PI levy is approved by voters should the board choose to place such a levy on the ballot. The plan estimates $1.9 million each year for potential permanent improvement needs. This plan is not captured in this general fund forecast.

- Enrollment growth is a substantial risk to the five-year forecast. As noted on page five (5) of these assumptions, the district realized an addition of 609 students from FY11 to FY15 and expects to gain an additional 456 from FY16 to FY20. 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. 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 more than 15 credit hours of higher education. This legislation also prohibits districts from charging any type of fee. We will continue to monitor this expense.

- Patient Protection and Affordable Care Act (PPACA) – This program was approved March 23, 2010 along with the Health Care and Education Reconciliation Act. Many of the provisions of this federal statute were to be implemented January 1, 2015. Implementation of those provisions has increased costs by as much as 2%. There is the additional risk that costs will go up as additional staff is added to our health care rolls. 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.

- Another potential concern for District finances is the opening of the Marburn Academy now anticipated opening in fall of 2016. This facility will serve approximately 275 students with a range of special needs. The weighted funding for these students will be deducted from the District's State aid. This could cost the District up to $20,000 per student who attends Marburn Academy. Because NAPLS has a high quality program for students with the special needs serviced by Marburn we anticipate that many students will remain with NAPLS. The District will still be obligated to serve the students at Marburn and expect that some students will attend from NAPLS. We have included increased costs associated with the opening of Marburn beginning in FY17.

- Negotiated agreements expire June 30, 2017.