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, 2010, 2011, 2012 FORECASTED FISCAL YEARS ENDING JUNE 30, 2013 THROUGH 2017

Forecast Provided By

NEW ALBANY-PLAIN LOCAL SCHOOL DISTRICT

Treasurer's Office

Rebecca Jenkins, Treasurer/CFO

May 20, 2013

New Albany-Plain Local Schools

Franklin County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2010, 2011 and 2012 Actual;
Forecasted Fiscal Years Ending June 30, 2013 Through 2017

		Actual				Forecasted				
		Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Average Change	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
	Revenues									
1.010	General Property Tax (Real Estate)	$36,562,899	$38,163,947	$37,218,685	1.0%	$38,623,862	$40,532,643	$40,910,884	$41,294,058	$41,334,202
1.020	Tangible Personal Property	$68,276	39,851	5,935	-63.4%	2,525	-	-	-	-
1.035	Unrestricted State Grants-in-Aid	$2,586,230	2,349,551	2,391,237	-3.7%	$2,639,450	2,819,383	2,833,393	2,833,393	2,833,393
1.040	Restricted State Grants-in-Aid	$7,100	555	4,209	283.1%	$555	555	555	555	555
1.045	Restricted Federal Grants-in-Aid - SFSF/EdJobs	171,897	208,325	115,963	-11.6%	-	-	-	-	-
1.050	Property Tax Allocation	$4,938,947	5,218,480	4,499,394	-4.1%	$4,586,869	4,647,891	4,665,378	4,684,317	4,693,102
1.060	All Other Revenues	3,911,656	3,648,774	4,240,757	4.8%	4,313,344	4,329,517	4,346,093	4,363,085	4,380,501
1.070	*Total Revenues*	$48,247,005	$49,629,483	$48,476,180	1.8%	$50,166,605	$52,329,988	$52,756,302	$53,175,406	$53,241,752
	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	1,255,640	1,285,000	1,435,000	7.0%	-	-	-	-	-
2.050	Advances-In	-	-	-	0.0%	-	-	-	-	-
2.060	All Other Financing Sources	92,981	41,457	-	-77.7%	989,547	515,688	41,830	41,830	41,830
2.070	*Total Other Financing Sources*	1,348,621	1,326,457	1,435,000	3.3%	989,547	515,688	41,830	41,830	41,830
2.080	*Total Revenues and Other Financing Sources*	$49,595,626	$50,955,940	$49,911,180	0.3%	$51,156,152	$52,845,676	$52,798,132	$53,217,236	$53,283,582
	Expenditures									
3.010	Personal Services	$28,061,167	$30,824,838	$31,608,789	0.0%	$33,073,433	$34,004,664	$35,681,680	$36,575,770	$37,108,011
3.020	Employees' Retirement/Insurance Benefits	8,865,300	9,837,787	10,576,265	9.2%	11,306,091	12,016,791	13,019,602	13,895,446	14,729,675
3.030	Purchased Services	5,668,902	4,784,309	4,561,524	-10.1%	5,425,274	5,525,779	6,519,868	6,642,264	6,757,709
3.040	Supplies and Materials	1,309,082	1,331,110	1,224,856	-3.1%	1,334,068	1,499,450	1,591,739	1,623,574	1,656,045
3.050	Capital Outlay	344,105	688,093	423,314	30.7%	500,000	870,000	887,400	905,148	923,251
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%	132,000	132,000	132,000	132,000	132,000
4.055	Principal-Other	-	-	-	0.0%	-	-	-	-	-
4.060	Interest and Fiscal Charges	-	-	-	0.0%	44,670	38,670	32,670	32,670	32,670
4.300	Other Objects	1,639,167	1,500,110	689,943	-31.2%	728,125	762,687	777,941	793,500	809,370
4.500	*Total Expenditures*	$45,887,723	$48,966,247	$49,084,691	3.5%	$52,543,662	$54,850,042	$58,642,900	$60,600,373	$62,148,731
	Other Financing Uses									
5.010	Operating Transfers-Out	1,804,328	1,879,488	2,042,988	6.4%	450,000	459,000	468,180	477,544	487,094
5.020	Advances-Out	-	-	-	0.0%	-	-	-	-	-
5.030	All Other Financing Uses	275,301	21,800	-	-96.0%	1,040,000	520,000	520,000	520,000	520,000
5.040	*Total Other Financing Uses*	2,079,629	1,901,288	2,042,988	-0.6%	1,490,000	979,000	988,180	997,544	1,007,094
5.050	*Total Expenditures and Other Financing Uses*	$47,967,352	$50,867,535	$51,127,679	3.3%	$54,033,662	$55,829,042	$59,631,080	$61,597,917	$63,155,825
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	1,628,274	88,405	(1,216,499)	-785.3%	(2,877,510)	(2,983,365)	(6,832,947)	(8,380,681)	(9,872,243)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	17,152,528	18,780,802	18,869,207	5.0%	17,652,708	14,775,198	11,791,833	4,958,885	(3,421,795)
7.020	*Cash Balance June 30*	18,780,802	18,869,207	17,652,708	-3.0%	14,775,198	11,791,833	4,958,885	(3,421,795)	(13,294,038)
8.010	*Estimated Encumbrances June 30*	584,450	446,748	1,216,503	74.4%	700,000	700,000	700,000	700,000	700,000
	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*	$18,196,352	$18,422,459	$16,436,205	-4.8%	$14,075,198	$11,091,833	$4,258,885	($4,121,795)	($13,994,038)
	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*	$18,196,352	$18,422,459	$16,436,205	-4.8%	$14,075,198	$11,091,833	$4,258,885	($4,121,795)	($13,994,038)

New Albany-Plain Local Schools

Franklin County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2010, 2011 and 2012 Actual;
Forecasted Fiscal Years Ending June 30, 2013 Through 2017

		Actual				Forecasted				
		Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Average Change	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
	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*	$18,196,352	$18,422,459	$16,436,205	-4.8%	$14,075,198	$11,091,833	$4,258,885	($4,121,795)	($13,994,038)
	ADM Forecasts									
20.010	Kindergarten - October Count					-	-	-	-	-
20.015	Grades 1-12 - October Count					-	-	-	-	-
	State Fiscal Stabilization Funds- Information Only									
21.010	Personal Services SFSF				0.0%					
21.020	Employees Retirement/Insurance Benefits SFSF				0.0%					
21.030	Purchased Services SFSF				0.0%					
21.040	Supplies and Materials SFSF				0.0%					
21.050	Capital Outlay SFSF				0.0%					
21.060	*Total Expenditures - SFSF*	$0	$0	$0	0.0%	$0	$0	$0	$0	$0

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 20, 2013

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. Preparing this forecast is not an easy task especially when considering the State of Ohio does not prepare its own forecasts longer than two years at a time.

The BRIDGE formula for State basic aid funding will be in effect for FY13. The State of Ohio has indicated a new funding model will be in place for FY14. The details of any subsequent state education funding model for FY14 and beyond are unknown. State foundation funding represents approximately 14% of our General Fund revenue and is very significant to the district

HB153 went into effect on July 1, 2011. HB153 created a "Bridge Formula" for calculating state foundation funding until a new formula can be created. This Bridge Formula basically means New Albany-Plain is still a guarantee district, meaning we will receive approximately the same amount of state foundation funding in FY13 that we received in FY12. The most significant consequence of being a guarantee district is that we receive no additional funding for our student growth. While New Albany-Plain continues to grow between 150-200 students per year, our state funding has remained flat. This formula does not replace the Federal stimulus money we had previously received, which is a loss of close to $320,000 compared to FY11.

We are monitoring the Governors originally proposed HB59 (February 2013) and Substitute HB59 (April 2013) proposed by the Ohio House of Representatives. The Governors proposal showed New Albany Schools receiving an additional $2.9 million in state aid. The House version reduces that revenue to approximately $150,000. Under either HB59 proposed formulas the district is expected to get some additional money. We will not know the actual formula until sometime in June when the legislative conference committee is expected to have a compromised funding formula, which is after our May 31, 2013 filing deadline. Since we will not know with certainty the funding formula prior to May 31, 2013, we feel it is reasonable to assume a flat state funding for the period FY14-17 since neither proposal suggests reductions to our state funding. State foundation revenue equates to 5% of our total revenue each year.

The May 2013 forecast has been updated to include the passage of the November, 2012 operating levy, which is discussed in the Real Estate Note.

Revenues:

The overview of revenues shows that we are substantially on target with original estimates at this point in the year.

- Line 1.01 – Now includes the 4.24 mill operating levy passed in November 2012. This levy collected approximately $1.8 million which is consistent with a ½ year collection. FY14 projects a full fiscal year collection of approximately $3.5 million.
- Line 1.035 –Casino revenue was received in January 2013 and is required to be posted on Line 1.035. The district received approximately $96,000 in casino revenue and does not anticipate losing these revenues at this time. However, HB59 is currently working its way through the legislative process which could cause a change in how these revenues are received, if at all.
- Line 1.06 - All other revenue is expected to remain on target. This line includes approximately $3.6 million in income tax sharing revenue.

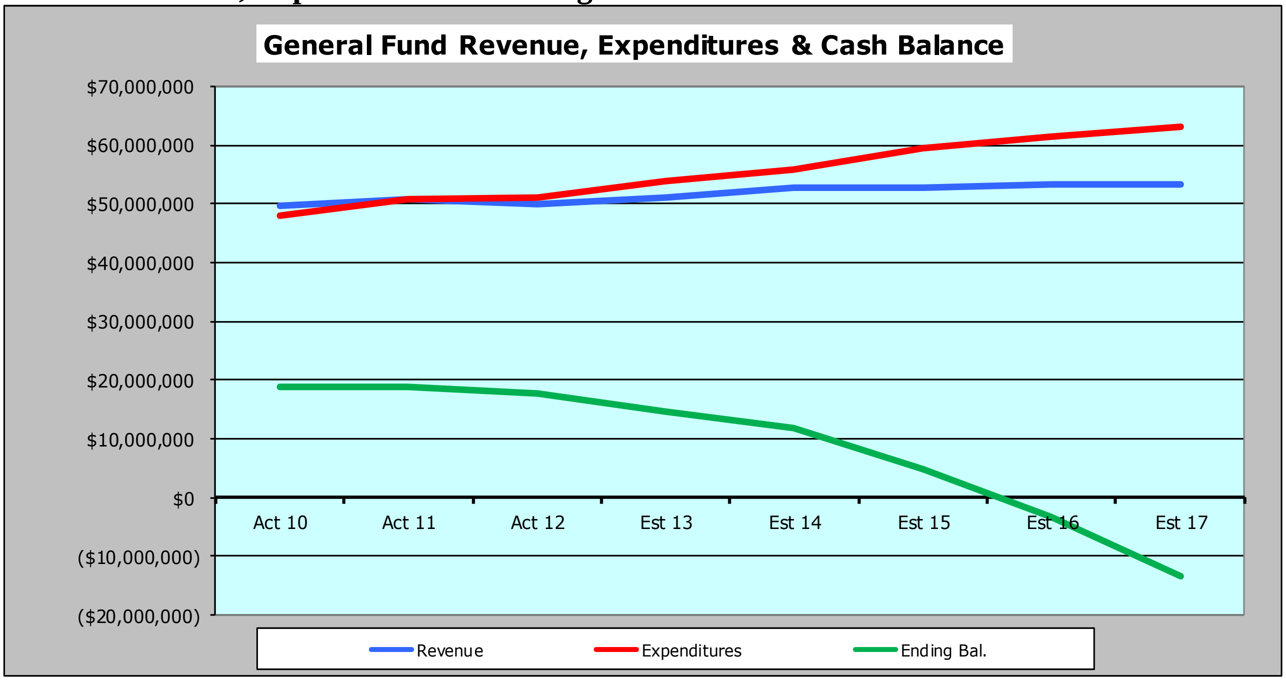
All other areas of revenue are tracking as anticipated for FY13.

Expenditures:

Expenditures are currently tracking slightly under projections, however; at this time we expect our original estimates for expenditures to remain materially accurate for FY13. There is no area of expenditures which we feel looks to be in conflict with our original projections.

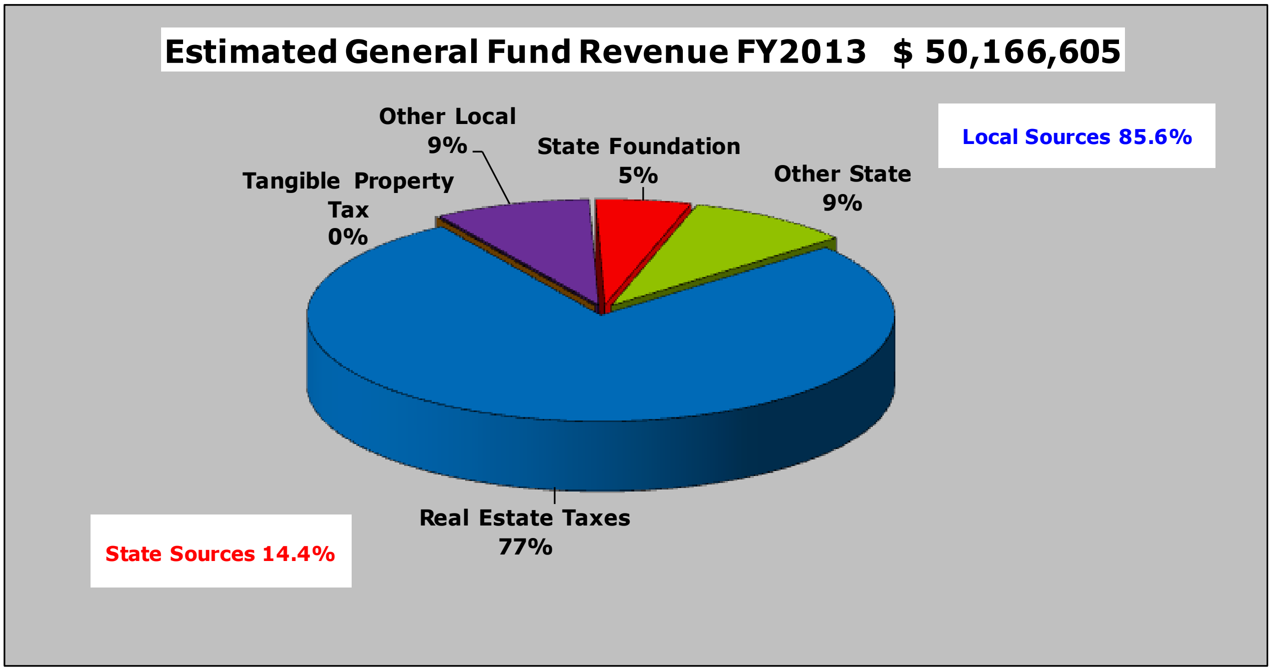
The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast 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:



Revenue Assumptions

Estimated General Fund Revenue for FY13



Real Estate Value Assumptions – Line # 1.010

The County Auditor conducted a reappraisal of existing property values in calendar year 2011. The economic downturn has had a negative impact on property values. As such, property values in total in New Albany-Plain did not see any increase during this or the previous reappraisal. This is an unusual occurrence as the District saw double digit percentage growth in the prior two reappraisals. The 2011 reappraisal resulted in a decrease in property valuation of approximately 9%.

Also, HB920 causes the District's voted, or outside, millage to adjust so that the District does not receive less revenue than the voted mills provided when they were approved by the voters unless there is no room for the millage to be adjusted upward. This will be true of all existing operating levies, except the levy passed in March 2008. The 2008 reappraisal warranted no adjustment to real estate values, therefore, this levy was not rolled back, causing it to be collected at its original 24.4 mills. Because this levy is a fixed rate levy, there is no room for HB920 to adjust upward. This caused NAPLS to lose approximately $3 million in current real estate tax collections.

The forecast assumes that growth in new residential and commercial real estate will remain slow due to the economy. New growth is projected at 1% in FY2013 and thereafter. Therefore, outside of the impact of a new levy, tax collections are anticipated to grow at a rate consistent with new construction. The District continues to have conversations with the Franklin County Auditor concerning this matter.

It is important to note that Real Estate Collections in CY12 were almost 100% collected. This is due to the increased collection of delinquencies. The increase in delinquency collection caused the collection rate to be 99.5%. This collection rate is anticipated to return to the more historical average of 95% in future years.

Franklin County, like many counties, has also seen a large influx of BOR (board of revision) 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 2012 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.

When values are reduced as a result of BOR 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.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	TAX YEAR 2012 ***COLLECT 2013***	TAX YEAR 2013 ***COLLECT 2014***	TAX YEAR 2014 ***COLLECT 2015***	TAX YEAR 2015 ***COLLECT 2016***	TAX YEAR 2016 ***COLLECT 2017***
Res./Ag.	$687,308,260	$688,308,260	$702,824,425	$703,074,425	$701,824,425
Comm./Ind.	123,225,140	124,225,140	128,951,894	129,951,894	130,951,894
Public Utility (PUPP)	21,661,930	22,161,930	22,661,930	23,161,930	23,661,930
Tangible Prop.(TPP)	-	-	-	-	-
Total Assessed Valuation	**$832,195,330**	**$834,695,330**	**$854,438,249**	**$856,188,249**	**$856,438,249**

ESTIMATED REAL ESTATE TAX (Line #1.010)

Source	**FY13**	**FY14**	**FY15**	**FY16**	**FY17**
Est. Prop. Taxes Excluding TPP	$38,623,862	$40,532,647	$40,910,887	$41,294,061	$41,334,206

The Franklin County Auditor advised using 95% for a current collections rate. 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 will cease 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 will cause Line 1.02 to drop to $-0- and Line 1.01 will increase slightly to account for PUPP tax receipts which are settled with general property taxes. There is no effect on total revenues.

State Foundation Revenue Estimates

The State funding for schools is based on several factors all of which are subject to deliberations and approval of the Ohio General Assembly. School funding is set as part of the State's biennial budget for FY13. We have held state funding flat for FY14 and beyond as we wait for the legislative outcome of HB59 which is the pending State budget legislation currently working its way through the legislative process. The original budget submitted by the governor projected New Albany-Plain Local Schools to receive an additional $2.9 million in FY14. However, the most recent substitute House of Representative version reduces that amount to approximately $150,000 in FY14 and FY15. Due to the uncertainty of the legislative outcome we have held state foundation aid flat. This revenue source will be updated once the budget bill is passed by both the House and Senate and signed by the governor.

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 total tax that will be paid into a student fund at the state level. These funds will be distributed to school districts in January and August each year beginning January 2013.

The initial casino payment to schools in January 2013 was $21.00 per pupil based on 1,816,000 pupils in Ohio. As more actual taxes are collected the state has indicated that the original 2009 estimates of $1.9 Billion of GCR may be closer to $1.0 to $1.2 B. We are estimating statewide student enrollment to decline by ½ of 1% from the FY13 total to 1,806,000 students and school districts share of GCR to be $109 million resulting in FY14 payments being $60 per pupil. For FY15-17 we estimated another ½ of 1% decline in pupils to 1,797,885 and GCR increasing to $114,174,720 or $63 per pupil. We are projecting the decline in the overall state enrollment based on historical trends.

No official Ohio Department of Taxation projections have been updated for actual data and no further guidance has been given as to the exact amount of these payments. Our assumptions are based on revenue reports produced monthly by the Ohio Casino Control Commission that the assumptions we have made are reasonable.

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

Source	FY13	FY14	FY15	FY16	FY17
Basic Aid-Unrestricted	2,451,328	2,449,045	2,449,045	2,449,045	2,449,045
Additional Aid Items	90,138	90,138	90,138	90,138	90,138
Basic Aid-Unrestricted Subtotal	$2,541,466	$2,539,183	$2,539,183	$2,539,183	$2,539,183
Ohio Casino Commission ODT	97,984	280,200	294,210	294,210	294,210
Total Unrestricted State Aid Line # 1.035	$2,639,450	$2,819,383	$2,833,393	$2,833,393	$2,833,393

B) Restricted State Revenues – Line # 1.040

The only item currently in "restricted aid" is Career Technical.

Source	FY13	FY14	FY15	FY16	FY17
Other Restricted	0	0	0	0	0
Career Tech - Restricted	555	555	555	555	555
Total Restricted State Revenues Line #1.040	$555	$555	$555	$555	$555

C) Restricted Federal Grants in Aid – line #1.045

The district expects to receive $115,963 in Ed Jobs money in FY12. These funds will no longer be available after FY13.

SUMMARY OF STATE FOUNDATION REVENUES

Source	FY13	FY14	FY15	FY16	FY17
Unrestricted Line # 1.035	$2,639,450	$2,819,383	$2,833,393	$2,833,393	$2,833,393
Restricted Line # 1.040	555	555	555	555	555
Restricted Fed. SFSF /EdJobs #1.045	0	0	0	0	0
Total State Foundation Revenue	$2,640,005	$2,819,938	$2,833,948	$2,833,948	$2,833,948

Property Tax Allocation Line 1.050

a) Rollback and Homestead Reimbursement

These funds are reimbursements from Ohio for tax credits given owner occupied residences equaling 12.5% of the gross property taxes charged residential taxpayers and for homestead exemptions for low income homeowners. These amounts will grow along with new levies and new construction in Res/Ag property classifications. HB66 eliminated 10% rollback on Class II property (commercial and industrial), and HB119 has expanded the homestead exemption for seniors on the first $25K of value. As noted earlier this will cause local tax collections on the senior citizens to fall but the state reimbursements to increase with a net effect of $-0-.

b) Tangible Personal Property Reimbursements – Fixed Rate
The district no longer receives any fixed rate reimbursement. HB153, the 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
These amounts reflected the state's reimbursement for tangible personal property tax fixed sum reimbursements.

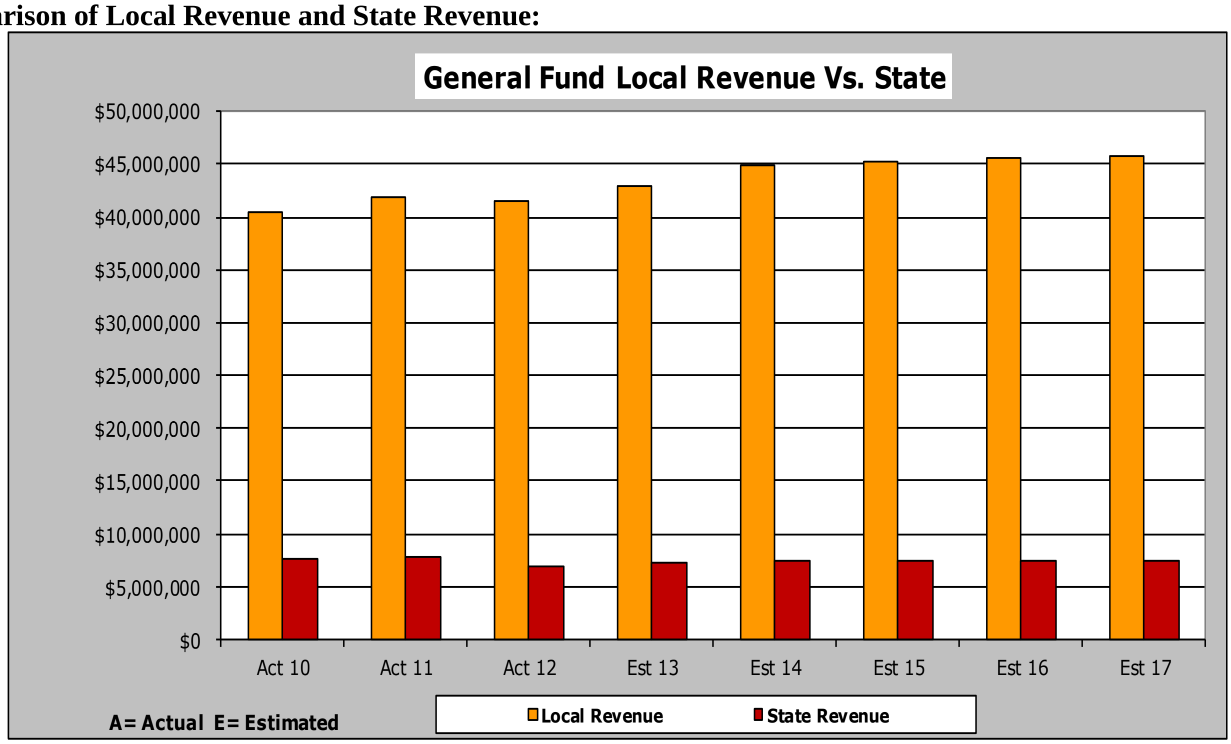
Summary of State Tax Reimbursement – Line #1.050

Source	FY13	FY14	FY15	FY16	FY17
Rollback and Homestead	4,586,869	4,647,892	4,665,378	4,684,317	4,693,102
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	$4,586,869	$4,647,892	$4,665,378	$4,684,317	$4,693,102

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 as well as some rental income, tuition payments, Medicaid reimbursements, and investment income. The income tax sharing portion is projected to remain flat based on conversations with the City of New Albany. Interest is expected to decline along with ending cash balances. All other revenue is expected to remain mostly stable during the forecast period.

Source	FY13	FY14	FY15	FY16	FY17
Tuition	$80,937	$82,960	$85,034	$87,160	$89,339
Interest	35,000	35,000	35,000	35,000	35,000
Income Tax Sharing	3,631,443	3,631,443	3,631,443	3,631,443	3,631,443
Other Income and rentals	565,964	580,113	594,616	609,481	624,718
Total Line # 1.060	$4,313,344	$4,329,517	$4,346,093	$4,363,085	$4,380,501

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 Columbus was annexing territory into the city for water and sewer expansion to undeveloped land, the law states that the Columbus Schools 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.

So simply put, 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.

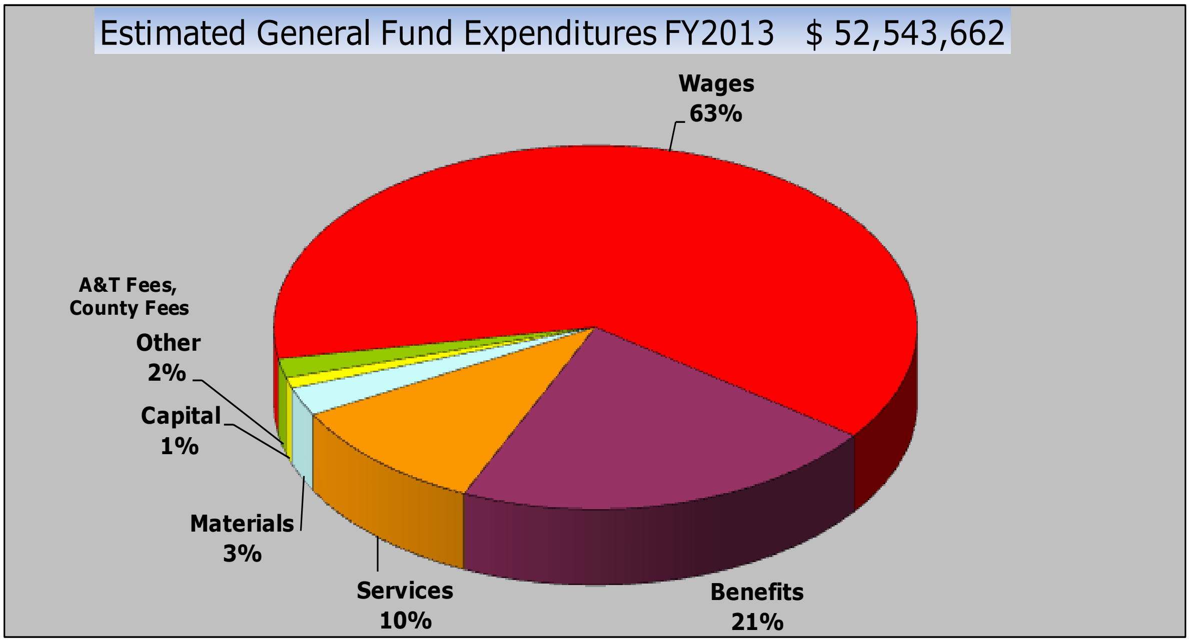
Lastly, the calculation over the years has been done incorrectly and there are back payments due the suburban schools as a result. As a result NA will pay $507,479.00 to the ESC escrow account to pay the payment due but then as a result of the corrections will receive $473,858.33 each year for three years to correct the payment error. FY14 is the final year of correction and then the payments will be the Win-Win calculation payment only.

ALL OTHER FINANCIAL SOURCES - LINE #2.060

Include Win Win Settlements FY13-15	**FY13**	**FY14**	**FY15**	**FY16**	**FY17**
Refund of prior years expenditures	$989,547	$515,688	$41,830	$41,830	$41,830

Expenditures Assumptions

Estimated General Fund Expenditures for FY13:



Wages – Line #3.010
The model reflects a base increase of 1% in FY13 and FY14 as negotiated. Included for planning purposes are 1% in FY15-FY17. Step and training pay increases of 2% are reflected based on the current negotiated agreement which included ½ steps through FY14. Steps are increased to the typical average 4% in FY15-FY17. The future of administrator and teacher pay may be tied to the new Ohio Teacher Evaluation System (OTES) and Ohio Principal Evaluation System (OPES). We are not certain as to details of how these may relate to staff pay; however, we have assumed that these systems, while different than the current step based pay system, will cost the district some additional resources annually.

Source	FY13	FY14	FY15	FY16	FY17
Base Wages	$31,482,854	$32,678,839	$33,859,271	$35,059,461	$35,689,696
Salary Adjustments	1,408,319	1,000,825	1,211,409	991,309	1,018,315
New Hires	182,260	325,000	611,000	525,000	400,000
Total Wages Line 3.010	$ 33,073,433	$ 34,004,664	$ 35,681,680	$ 36,575,770	$ 37,108,011

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.

B) Insurance
A projected increase of 7.1% is included in FY14 and 9% in FY15-FY17 based on negotiated agreement caps

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. Unemployment is expected to remain negligible.

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	FY13	FY14	FY15	FY16	FY17
STRS/SERS	$4,668,281	$4,798,653	$5,033,435	$5,158,608	$5,195,122
Insurance's	5,567,190	6,318,767	7,050,396	7,771,713	8,542,874
Workers & UC Comp	533,170	343,047	359,817	368,758	374,080
Medicare	471,856	490,731	510,360	530,774	552,005
Other/Tuition	65,594	65,594	65,594	65,594	65,594
Total Line 3.020	$11,306,091	$12,016,791	$13,019,602	$13,895,446	$14,729,675

Purchased Services – Line #3.030

An overall inflation of 3% is being estimated for this category of expenses. Utilities in FY13 have been restored to FY11 levels to compensate for FY12 having such a mild winter. This increase will carry through the forecast period. FY15 includes additional costs for the new building opening in that year.

Source	FY13	FY14	FY15	FY16	FY17
Base Services	$1,270,524	$1,258,700	$1,296,461	$1,335,355	$1,375,415
Tuition & ESC Sp Ed	1,705,202	1,756,358	1,809,049	1,863,320	1,919,220
Community School Deductions	491,646	506,395	521,587	537,235	553,352
Other Tuition	175,488	180,753	186,176	191,761	197,514
Utilities	1,187,529	1,246,905	1,309,251	1,374,713	1,443,449
Other	$594,885	$576,668	$1,397,345	$1,339,881	$1,268,760
Total Line 3.030	$5,425,274	$5,525,779	$6,519,868	$6,642,264	$6,757,709

Supplies and Materials – Line #3.040

An overall inflation of 2-3% 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 FY15.

Source	FY13	FY14	FY15	FY16	FY17
Supplies	$1,261,602	$1,374,090	$1,544,434	$1,623,574	$1,656,045
Increased enrollment/New Building	72,466	125,360	47,305	0	0
Total Line 3.040	$1,334,068	$1,499,450	$1,591,739	$1,623,574	$1,656,045

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 is beginning to include bus purchases in the general fund beginning in FY14.

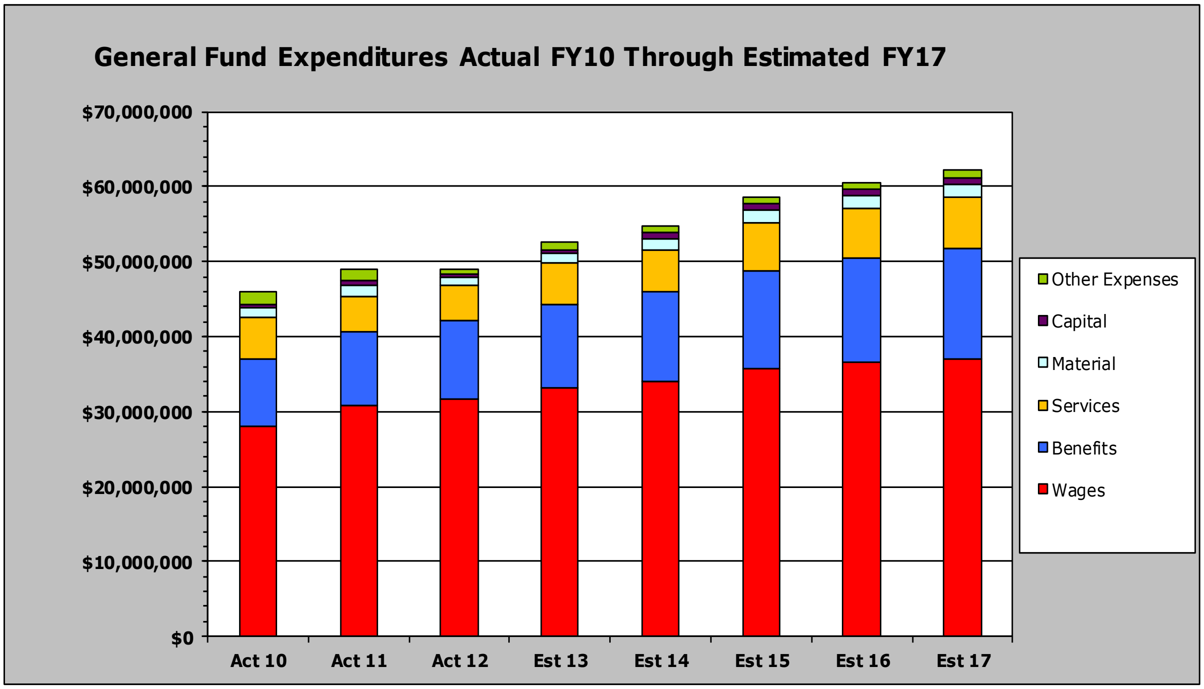
Source	FY13	FY14	FY15	FY16	FY17
Capital Outlay	$500,000	$500,000	$500,000	$500,000	$500,000
Additional Bus Purchases	0	370,000	387,400	405,148	423,251
Technology/New Buildings	0	0	0	0	0
Total Line 3.050	$500,000	$870,000	$887,400	$905,148	$923,251

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	FY13	FY14	FY15	FY16	FY17
County Tax Fees & Election Costs	$443,794	$448,232	$452,715	$457,242	$461,814
County Board of Education	119,148	120,340	121,543	122,759	123,986
Liability Ins, &Other Misc.Costs	155,252	156,804	158,372	159,956	161,556
Budget Reductions	0	0	0	0	0
Increased A&T Fees for New Levies	$9,931	$37,311	$45,311	$53,544	$62,014
Total Line 4.300	$ 728,125	$ 762,687	$ 777,941	$ 793,500	$ 809,370

Total Expenditure Categories Actual FY10 through FY12 and Estimated FY13 through FY17



Transfers Out/Advances Out – Line# 5.010

This account group covers fund to fund transfer 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.

Source	FY13	FY14	FY15	FY16	FY17
Transfer Line 5.010	$450,000	$459,000	$468,180	$477,544	$487,094
Advances Line 5.020	0	0	0	0	0
Total Transfers & Advances	$450,000	$459,000	$468,180	$477,544	$487,094

Source	FY13	FY14	FY15	FY16	FY17
All Other Financing Uses - Line 5.030	$1,040,000	$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.

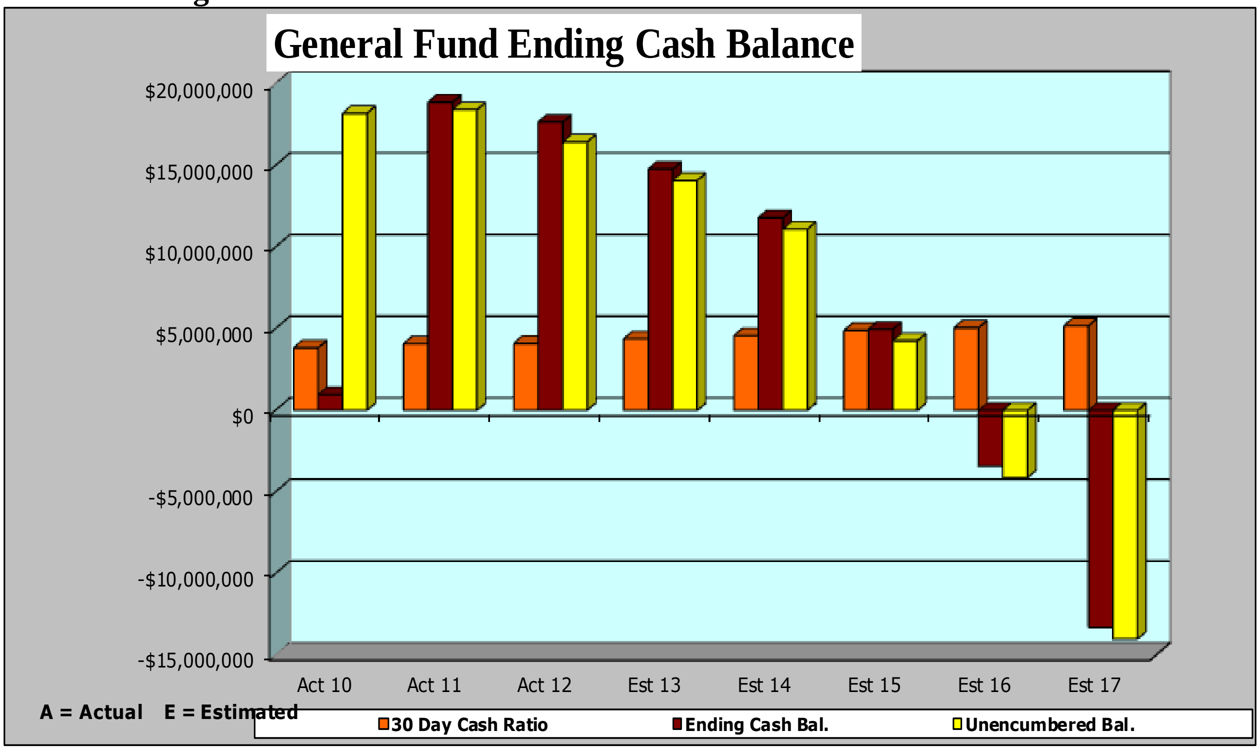
	FY13	FY14	FY15	FY16	FY17
Estimated Encumbrances	$700,000	$700,000	$700,000	$700,000	$700,000

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. The deficit noted in FY16 is 2 new state biennium budgets away and the district management will prevent such a deficit from occurring.

	FY13	FY14	FY15	FY16	FY17
Ending Cash Balance	$14,075,198	$11,091,837	$4,258,894	($4,121,782)	($13,994,020)

General Fund Ending Cash Balance



RISK ASSESSMENT

- Unrestricted Grants-in-Aid or state foundation payments are one area of risk for the district. HB59 is the current State biennial budget. HB59 is working its way through the legislative process. We will not know the final outcome of this legislation until after the May 31 filing deadline as passed. The governors original budget bill showed New Albany Schools receiving approximately $2.9 million in additional state aid. The substitute HB59 reduced that amount to approximately $150,000. We have projected state aid as flat throughout the forecast pending the final outcome of this legislation. We feel it is appropriate to keep this funding level flat as neither proposal projects a decrease.

- Enrollment **may** be a key driver in the Unrestricted Grants-in-Aid revenue area. We remain cautiously optimistic that the biennial budget will give New Albany credit for the extreme growth we have seen over several years.

- 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. As seen in 2011 for 2012 collections the district saw an almost 9% decrease in property values. The district believes real estate values are stable at this time and projects very slight new construction growth in future years. This area must be continually monitored.

- The district had seen an increase in delinquent property taxes. FY13 shows an increase in delinquent tax collections. This revenue source must also be closely monitored for future fluctuations. The Franklin County Auditor's office is recommending the district expect to return to a more normal 95% collection rate from the current 99.5% in FY13.

- Utility costs are also a risk factor depending on weather conditions and cost increases from year to year. Ohio experienced one of the warmest winters in recorded history in FY12, which lead to significant risk related to energy costs. On August 8, 2012 the PUCO issued a modified electric security plan (ESP). Rates could be increased as much as 19%.

- An increase in the current voucher legislation such as the John Peterson Autism Scholarship and others is also a potential risk and must be monitored to capture the potential additional expenditure. The current qualifier is household income. Should this income level be reduced this cost could increase dramatically.

- 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 $3.6 million to New Albany Schools.

- State reimbursements continue to be at 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 $4.5 million to New Albany Schools.

- The district is currently assessing campus-wide capital improvements. These expenditures were historically taken from permanent improvement funds. The District allowed the permanent improvement levy to expire. Moving forward, these expenditures must be included in the general fund.

- Technology needs are being examined and will also be included in the general fund appropriations.

- Negotiated agreements expire June 30, 2014.