DUBLIN CITY SCHOOL DISTRICT - FRANKLIN COUNTY

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS ENDED JUNE 30, 2016, 2017 and 2018 ACTUAL FORECASTED FISCAL YEARS ENDING JUNE 30, 2019 THROUGH JUNE 30, 2023

DUBLIN CITY SCHOOLS
THE DUBLIN DIFFERENCE

Forecast Provided By
Dublin City School District
Treasurer's Office
Mr. Brian Kern, Treasurer/CFO

December 10, 2018 (revised)

Dublin City School District

Franklin County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2016, 2017 and 2018 Actual;
Forecasted Fiscal Years Ending June 30, 2019 Through 2023

		Actual				Forecasted				
		Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Average Change	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
	Revenues									
1.010	General Property Tax (Real Estate)	$144,959,125	$147,198,782	$156,101,681	3.8%	$160,380,969	$175,133,601	$175,707,940	$178,678,330	$180,406,218
1.020	Tangible Personal Property	5,282,630	5,813,923	6,120,356	7.7%	6,632,858	6,960,428	7,024,553	7,067,303	7,110,053
1.030	Income Tax	-	-	-	0.0%	-	-	-	-	-
1.035	Unrestricted State Grants-in-Aid	17,756,046	18,339,974	19,452,568	4.7%	20,203,315	21,261,758	22,232,830	23,236,224	24,282,040
1.040	Restricted State Grants-in-Aid	897,829	1,020,645	961,621	3.9%	953,949	945,218	936,576	928,023	919,559
1.045	Restricted Fed. SFSF Fd. 532 FY10&11/Ed Jobs Fd.504	-	-	-	0.0%	-	-	-	-	-
1.050	Property Tax Allocation	16,745,554	15,404,207	14,855,381	-5.8%	14,593,652	14,800,405	14,932,519	15,057,120	15,168,356
1.060	All Other Revenues	3,921,626	4,219,868	6,481,241	30.6%	3,399,641	4,173,136	4,190,806	4,208,653	4,226,678
1.070	*Total Revenues*	$189,562,810	$191,997,399	$203,972,848	3.8%	$206,164,384	$223,274,546	$225,025,224	$229,175,653	$232,112,904
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	$0	$0	$10,812,833	0.0%	$3,500,000	$0	$0	$0	$0
2.020	State Emergency Loans and Advancements (Approved)	-	-	-	0.0%	-	-	-	-	-
2.040	Operating Transfers-In	-	-	-	0.0%	-	-	-	-	-
2.050	Advances-In	328,000	12,350	270,300	996.2%	530,977	50,000	50,000	50,000	50,000
2.060	All Other Financing Sources	72,501	-	365,459	0.0%	-	-	-	-	-
2.070	*Total Other Financing Sources*	$400,501	$12,350	$11,448,592	46252.1%	$4,030,977	$50,000	$50,000	$50,000	$50,000
2.080	*Total Revenues and Other Financing Sources*	$189,963,311	$192,009,749	$215,421,440	6.6%	$210,195,361	$223,324,546	$225,075,224	$229,225,653	$232,162,904
	Expenditures									
3.010	Personal Services	$116,078,881	$119,927,536	$125,679,545	4.1%	$132,887,218	$139,971,301	$148,959,874	$157,437,382	$163,656,905
3.020	Employees' Retirement/Insurance Benefits	40,185,017	39,943,269	41,398,454	1.5%	43,536,245	45,257,972	49,938,690	54,646,994	58,682,128
3.030	Purchased Services	14,839,169	17,474,416	16,952,572	7.4%	15,735,492	16,474,546	17,598,562	18,711,364	19,594,788
3.040	Supplies and Materials	3,255,203	4,276,390	4,518,412	18.5%	6,755,631	6,958,300	7,307,049	7,626,260	7,855,048
3.050	Capital Outlay	1,614,467	11,301,185	7,903,934	285.0%	7,273,127	2,879,259	3,023,222	3,174,383	3,333,102
3.060	Intergovernmental	-	-	-	0.0%	-	-	-	-	-
	Debt Service:				0.0%					
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%	-	-	-	-	-
4.055	Principal-Other	-	-	-	0.0%	-	-	-	-	-
4.060	Interest and Fiscal Charges	-	-	68,670	0.0%	191,000	-	-	-	-
4.300	Other Objects	2,812,476	3,137,289	3,080,001	4.9%	3,031,613	3,253,038	3,315,404	3,379,112	3,444,196
4.500	*Total Expenditures*	$178,785,213	$196,060,085	$199,601,588	5.7%	$209,410,326	$214,794,416	$230,142,801	$244,975,495	$256,566,167
	Other Financing Uses									
5.010	Operating Transfers-Out	$539,050	$489,550	$451,050	-8.5%	$549,050	$535,050	$535,050	$535,050	$535,050
5.020	Advances-Out	12,350	270,300	530,977	1092.6%	50,000	50,000	50,000	50,000	50,000
5.030	All Other Financing Uses	18,609	11,964	13,754	-10.4%	-	-	-	-	-
5.040	*Total Other Financing Uses*	$570,009	$771,814	$995,781	32.2%	$599,050	$585,050	$585,050	$585,050	$585,050
5.050	*Total Expenditures and Other Financing Uses*	$179,355,222	$196,831,899	$200,597,369	5.8%	$210,009,376	$215,379,466	$230,727,851	$245,560,545	$257,151,217
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	$10,608,089	($4,822,150)	$14,824,071	-276.4%	$185,985	$7,945,080	($5,652,627)	($16,334,892)	($24,988,313)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	58,577,997	69,186,086	64,363,936	5.6%	79,188,007	79,373,992	87,319,072	81,666,445	65,331,553
7.020	*Cash Balance June 30*	$69,186,086	$64,363,936	$79,188,007	8.0%	$79,373,992	$87,319,072	$81,666,445	$65,331,553	$40,343,240
8.010	*Estimated Encumbrances June 30*	2,879,307	5,151,538	9,946,273	86.0%	3,000,000	3,100,000	3,200,000	3,300,000	3,300,000
`	**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%	-	-	-	-	-

Dublin City School District

Franklin County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2016, 2017 and 2018 Actual;
Forecasted Fiscal Years Ending June 30, 2019 Through 2023

		Actual				Forecasted				
		Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Average Change	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
10.010	*Fund Balance June 30 for Certification of Appropriations*	$66,306,779	$59,212,398	$69,241,734	3.1%	$76,373,992	$84,219,072	$78,466,445	$62,031,553	$37,043,240
	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 Renewal Levies				0.0%	-	-	-	-	-
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	$66,306,779	$59,212,398	$69,241,734	3.1%	$76,373,992	$84,219,072	$78,466,445	$62,031,553	$37,043,240
	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*	$66,306,779	$59,212,398	$69,241,734	3.1%	$76,373,992	$84,219,072	$78,466,445	$62,031,553	$37,043,240

Dublin City School District – Franklin County
Notes to the Five Year Forecast
General Fund Only
December 10, 2018

Introduction to the Five Year Forecast
For fiscal year 2019 (July 1, 2018 – June 30, 2019) school districts in Ohio are required to file a five (5) year financial forecast by October 31, 2018, and May 31, 2019. HB87, effective November 1, 2018, will change the filing date from October 31 to November 30 beginning with the November filing in 2019. The May 31 filing date will remain unchanged. The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Fiscal year 2019 (July 1, 2018 – June 30, 2019) is the first year of the five year forecast and is considered the baseline year. Our forecast is being revised and updated to reflect the most current economic data available to us on December 10, 2018 which revises the October 2018 filing.

New Operating Levy, Bond Issue and Permanent Improvement Levies
The October 2018 forecast is being updated to include updates that will affect the forecast due to the passage of the 5.9 mill operating levy, a 2.0 mill permanent improvement levy, and a $195 million bond issue. These levies will have the result of increasing revenues to the general fund while shifting some facility repair and maintenance costs away from the General Fund. The net result is an improved five year forecast through FY23 over the October 2018 forecast filed with the Ohio Department of Education.

Forecast Risks and Uncertainty:
A five year financial forecast has risks and uncertainty not only due to economic uncertainties but also due to state legislative changes that will occur in the spring of 2019 and 2021 due to deliberation of the next two (2) state biennium budgets for FY20-21 and FY22-23, both of which affect this five year forecast. We have estimated revenues and expenses based on the best data available to us at the time of this forecast. The items below give a short description of the current issues and how they may affect our forecast long term:

I. Our district has 76.4% of our assessed property value in Franklin County, 13.9% in Delaware County and 9.8% in Union County. Growth in the Union County area of our district is expected to continue with development of Jerome Village. A reappraisal update in Union County occurred in tax year 2016 for collection in 2017, which resulted in an overall increase of 1.16% in values for the reappraisal but total overall increase of 1.95% when considering new construction. Franklin and Delaware Counties experienced a reappraisal in Tax Year 2017 for collection in 2018. We realized an overall increase of 9.0% due to inflations and new construction in our tax base. The district is well above the 20 mill floor for residential and commercial property so increases due to reappraisals or updates will only increase revenue by the 4.4 inside mills. New construction will increase annual revenue for all classes of property and we have projected historic trends for new commercial construction in addition to housing developments. The prospects of sharply lower taxes due to economic events affecting the districts tax base are extremely unlikely.

II. HB49, the new state budget eliminated the TPP supplement payment that was part of the prior state budget HB64. HB64 eliminated $4.3 million of TPP reimbursement and HB49 eliminated all TPP supplement after FY18. The FY18 TPP supplement payment of $169,420 was our final TPP payment from the state of Ohio. TPP reimbursement and TPP supplement will not longer be a factor for our forecasts as both have been eliminated by legislative action.

III. The State Budget represents 18.3% of district revenues, which means it is still a significant area of risk to revenue. The risk comes in FY20 and beyond if the state economy worsens or if the funding formula in future state budgets reduce funding to our district. There are two future State Biennium Budgets covering the period from FY20-21 and FY22-23 in this forecast. Future uncertainty in both the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long range through FY23.

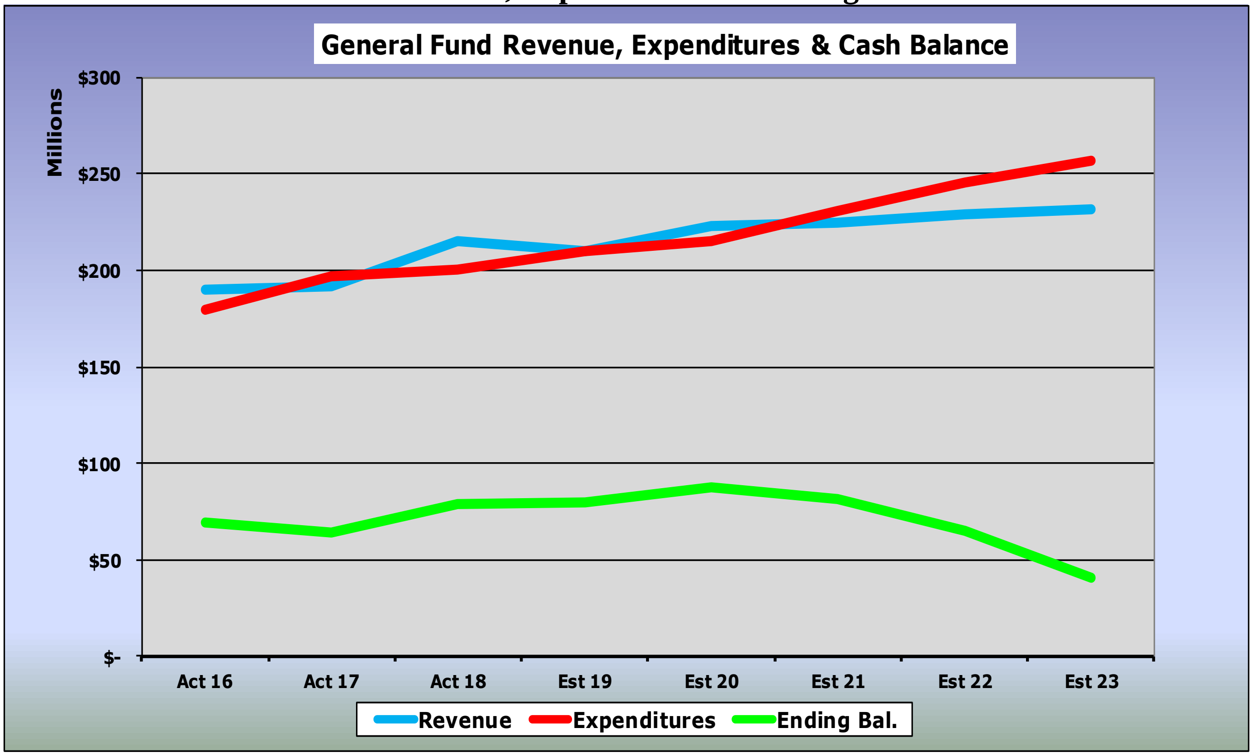
IV. HB49 continues many school choice provisions from prior budgets that will continue to draw funds from our district through programs such as the Autism Vouchers and College Credit Plus which are deducted from our state aid in the 2017-18 school years. In FY18 $1.8 million was deducted from our state aid for these new programs. These are examples of new school 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.

V. Patient Protection and Affordable Care Act (PPACA) – This program was approved March 23, 2010 along with the Health Care and Education Reconciliation Act. Implementation of several provisions related to this act has increased costs by as much as 2%. There is the additional risk that costs will go up as additional staffs are added to our health care rolls and the potential for the Cadillac Tax that was delayed by congress until 2022. 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 exists as it is under review and potential appeal or modification at the Federal Level.

VI. Labor relations in our district have been amicable with all parties working for the best interest of students and realizing the resource challenges we face. We believe as we move forward our positive working relationship will continue and will only grow stronger.

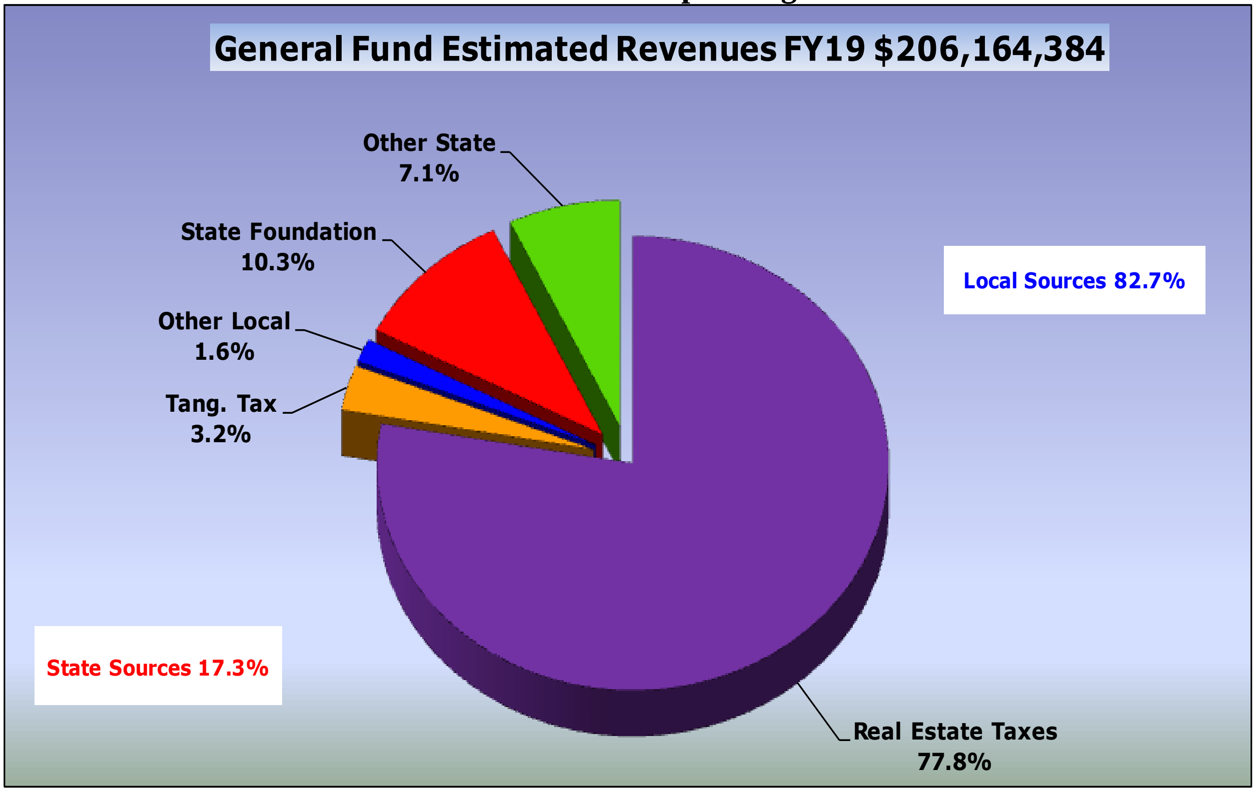
The major categories of revenue and expenditures on the forecast are noted below in the headings to make it easier to reference the assumptions made for the forecast item. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information please feel free to contact me - Mr. Brian Kern Treasurer/CFO of Dublin City School District 614-764-5913.

General Fund Revenue, Expenditure and Ending Cash Balance:



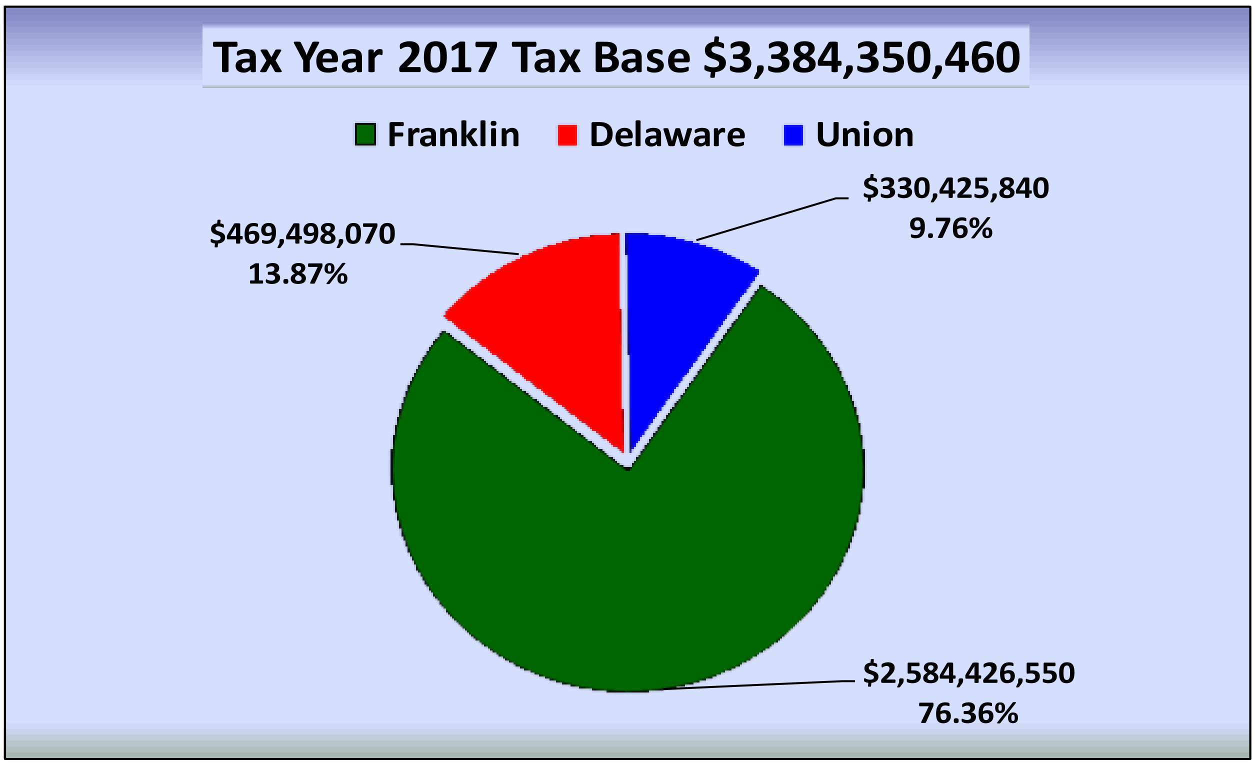
Revenue Assumptions

Estimated General Fund Operating Revenues:



Real Estate Value Assumptions – Line #1.010
The district has property value in Franklin, Delaware and Union Counties which adds complexity to the effort required projecting these revenue sources. The graph on the following page shows the amount of property value in each county as of Tax Year 2017. Property values are established each year by the County Auditors based on new construction and complete reappraisal or updated values.

Our district has 76.4% of our assessed property value in Franklin County, 13.9% in Delaware County and 9.8% in Union County. A reappraisal update occurred in tax year 2017 for collection in 2018 in Franklin and Delaware Counties. We realized a Class I (residential and agricultural property) increase of 7.04% and a 5.63% increase in Class II (commercial industrial property) for inflationary growth, but an overall increase of 9.0% in our total tax base which includes estimates for new construction and PUPP values. When values increase due to reappraisals and updates (inflationary increases), reduction factors are increased and House Bill 920 decreases effective tax rates so the district tax revenues do not grow except for 4.4 inside unvoted mills. We have estimated new construction based on trends, new housing and commercial construction data for future years which is reflected in continued growth in property taxes through out the forecast period.



ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Estimated TAX YEAR 2018 COLLECT 2019	Estimated TAX YEAR 2019 COLLECT 2020	Estimated TAX YEAR 2020 COLLECT 2021	Estimated TAX YEAR 2021 COLLECT 2022	Estimated TAX YEAR 2022 COLLECT 2023
Res./Ag.	$2,499,629,010	$2,536,057,478	$2,680,541,602	$2,698,222,852	$2,742,886,330
Comm./Ind.	841,563,649	848,963,649	864,853,286	872,253,286	879,653,286
Public Utility Personal Property (PUPP)	80,908,520	81,908,520	82,408,520	82,908,520	83,408,520
Tangible Personal Property (TPP)	0	0	0	0	0
Total Assessed Value	$3,422,101,179	$3,466,929,647	$3,627,803,407	$3,653,384,657	$3,705,948,136

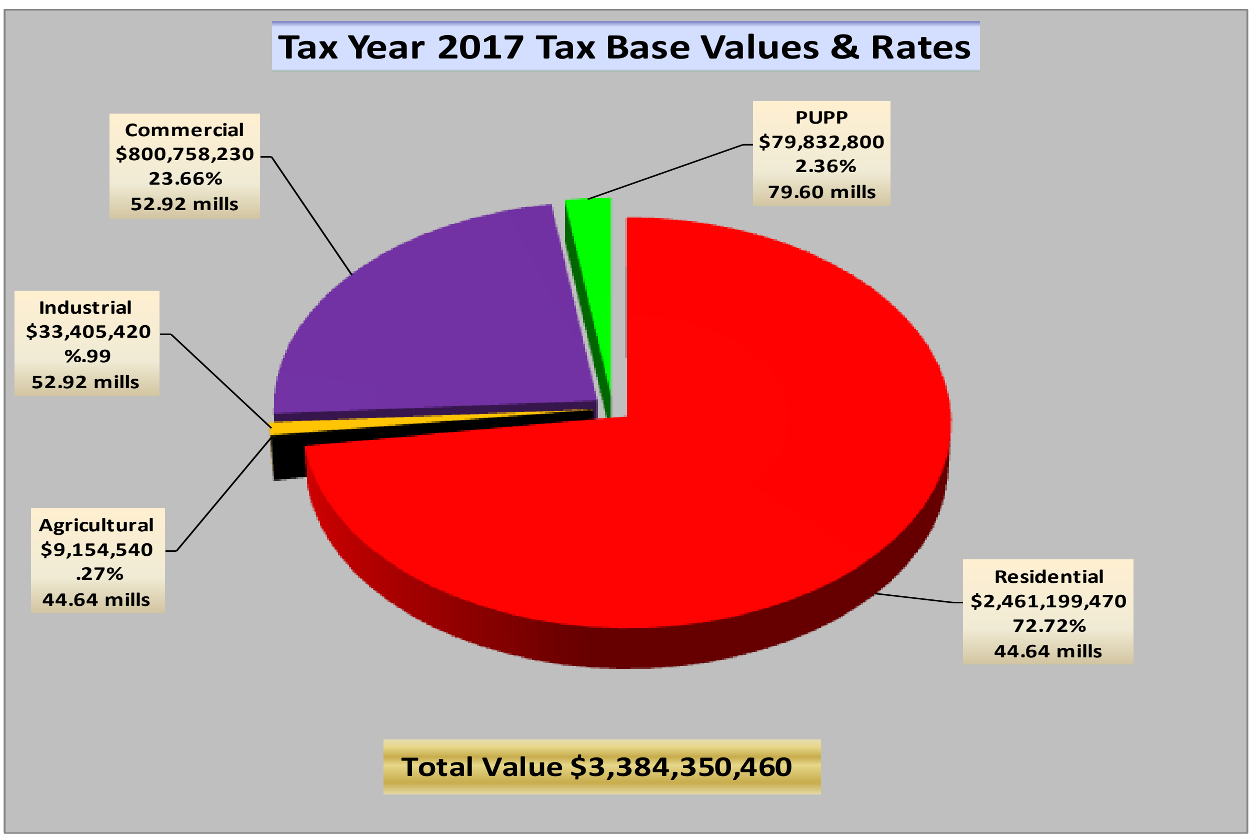
ESTIMATED REAL ESTATE TAX (Line #1.010)

Source	FY19	FY20	FY21	FY22	FY23
Est. Real Estate Taxes	$147,268,933	$162,193,352	$162,520,084	$165,133,308	$166,494,208
TIF Tax Collections	12,301,946	12,640,249	12,987,856	13,345,022	13,712,010
BOR/BTA Tax Collections	810,090	300,000	200,000	200,000	200,000
Total Line #1.01 Real Estate Taxes	$160,380,969	$175,133,601	$175,707,940	$178,678,330	$180,406,218

Property tax levies are estimated to be collected at 98.5% of the annual amount. This allows a 1.5% delinquency which fluctuates year to year. Typically, 52.7% of residential/agriculture (Class I) and commercial/industrial (Class II) is expected to be collected in the February tax settlements and 47.3% is expected to be collected in the August tax settlements. Public utility tax settlements (PUPP) are estimated to be received 50% in February and 50% in August. Our BOR/BTA settlement collections in FY18 were $762,732 which was a little higher than our estimate. These amounts are unpredictable from year to year based on valuation challenges and settlement agreements.

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 $4.7 million 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 a onetime cash flow acceleration only and is not additional new taxes. Tax collections will return to normal collections for FY20.

The graph below shows the breakdown of the Tax Year 2017 actual tax values and effective tax rates for each classification of property value the district has. Residential and agricultural property is Class I, commercial and industrial properties are Class II and public utility personal property is referred to as PUPP.



The district receives a number of "non-school district" Tax Increment Financing (TIF) payments from the county auditor. These agreements were created by SB19 effective in 2004 where municipalities and other tax granting entities could collect other political subdivisions taxes in repayment of capital costs advanced for infrastructure needed for development but allow school districts to receive their normal taxes. Therefore, they are "non-school district TIFs". This shows a commitment to the school district to prioritize money for student education above other priorities.

"Win-Win Agreement"

The district has been a party to the "Win-Win Agreement" along with several other districts in central Ohio and Columbus City Schools since May 1986. Among other things this agreement required annual commercial tax revenue sharing between our district and Columbus City Schools. The districts payments for this agreement have been netted out of the tax revenues noted on Line 1.01 of the forecast.

On June 30, 2016 the district entered into an amended agreement with Columbus City Schools that required a payment in FY17 of $1,170,000. No further payments are due Columbus City Schools under this agreement unless in FY21 the Columbus City Schools decides not to accept a property transfer from Dublin Schools where no children currently reside. If Columbus elects not to accept this transfer the district will be required to pay Columbus City Schools a final payment estimated to be $1,175,000 to conclude the Win-Win Agreement. The amount for FY21 has been netted from estimated property taxes noted on Line 1.01 to be conservative in our estimation of this future scenario.

Estimated Public Utility Personal Property Tax (PUPP) – Line #1.020

Revenues posted on this line are ostensibly Public Utility Personal Property (PUPP) taxes which are collected at the districts' gross tax rates not subject to reduction factors. We have estimated past trend growth in these values for future years. The phase out of tangible personal property tax (TPP), as noted earlier, began in fiscal year 2006 and was completely eliminated after fiscal year 2011.

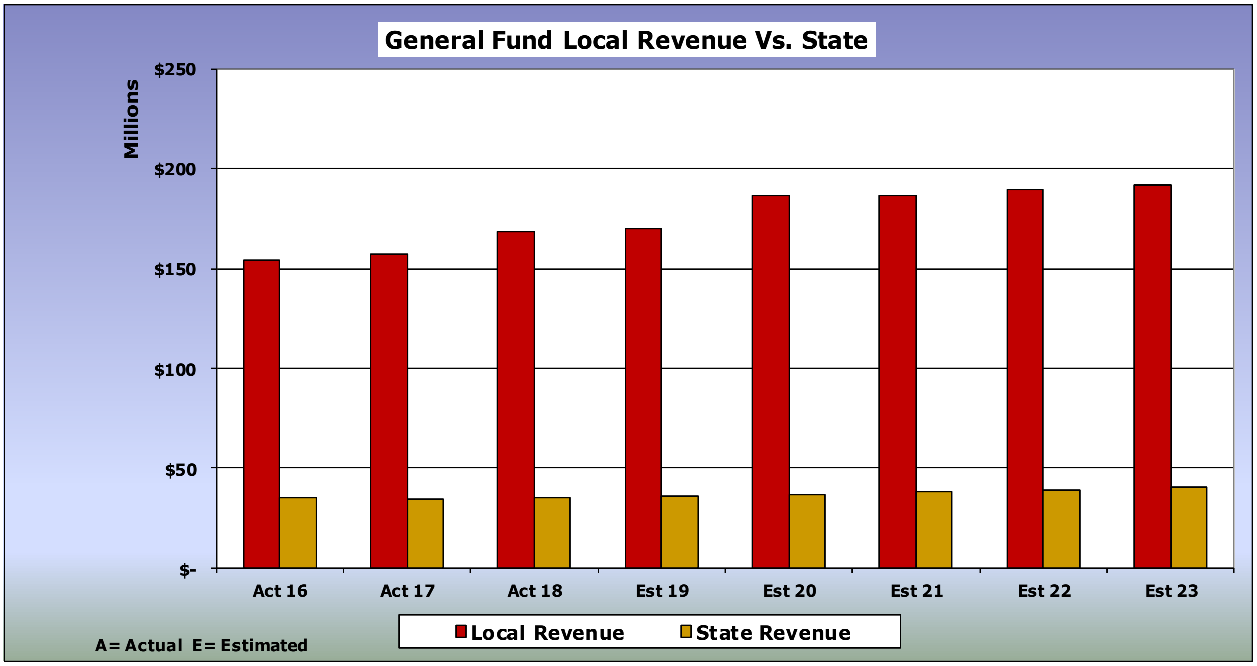
Source	FY19	FY20	FY21	FY22	FY23
Public Utility Personal Property	$6,632,858	$6,960,428	$7,024,553	$7,067,303	$7,110,053
Total Line #1.020	$6,632,858	$6,960,428	$7,024,553	$7,067,303	$7,110,053

New Tax Levies – Line #13.030

No new levies are modeled in this forecast at this time.

Comparison of Local Revenue and State Revenue:

The graph on the following page clearly shows that local taxpayers are the chief source of district operating dollars as the state funding formula is not attempting to help fund districts considered wealthy by the state.



State Foundation Revenue Estimates

A) Unrestricted State Foundation & Casino Revenue – Line #1.035

The current state funding model retained the prior funding formula used to determine the amount and allocation of state aid to school districts. The amounts estimated for state funding are based on component computations from the most recent State Foundation Payment Report for FY19.

We are projected to be a CAP funded district regarding state funding FY19 through FY23. In fact, at a 4% average cap growth rate beyond FY19 we will be a cap district until at least FY28. Which means the state owes our district more money per their funding formula than we are paid. The state owes us nearly $11.9 million more than our payments in FY19. That is equivalent to a 3.88 mill levy each year we are shorted on state funding.

The current funding formula 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 0.17% from $6,000 in FY17 to $6,010 in FY18 and 0.17% 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.

The current funding model 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-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-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. Dublin City Schools is in this category of Cap funding as our ADM grew at 4.5% between FY14-FY16. So our Cap is estimated to grow by 4.5% in FY18 and FY19.

Our district will be a Cap funded district growing at 4.47% for FY18 and 4.5% FY19. We have estimated Cap growth of 4% for FY20-23, but will depend on future state budgets.

Our current SFPR estimates for FY19 are using September #2 SFPR average daily membership (ADM) and increasing between 300 - 350 students each year through FY23. Beginning in FY16, the state changed the way it measures student ADM. Student counts are now supposed to be 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 2019, and then there will be adjustments into the succeeding fiscal year.

Future State Budgets: Our funding status for the FY20-23 will depend on two (2) new state budgets which are unknown. We have been very conservative in our estimates of future state funding growth per pupil by estimating 0.5% per year FY20-FY23, 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 were 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 FY18 statewide were 1,791,647 students at $51.37 per pupil. That is a decline of 4 tenths of 1% percent from the prior year. For FY19-23 we estimated another 4 tenths of 1% decline in pupils to 1,784,480 and GCR increasing to $92.9 million or $52 per pupil. We will increase estimates for future years when actual casino revenues show signs of stronger increases.

Source	FY19	FY20	FY21	FY22	FY23
Basic Aid-Unrestricted	$18,118,935	$19,160,622	$20,114,603	$21,100,561	$22,128,591
Additional Aid Items	1,250,796	1,250,796	1,250,796	1,250,796	1,250,796
Basic Aid-Unrestricted Subtotal	$19,369,731	$20,411,418	$21,365,399	$22,351,357	$23,379,387
Ohio Casino Commission ODT	833,584	850,340	867,431	884,867	902,653
Total Unrestricted State Aid Line #1.035	$20,203,315	$21,261,758	$22,232,830	$23,236,224	$24,282,040

B) Restricted State Foundation Revenue – Line #1.035

HB49 continues funding two restricted sources of revenues to school districts which are Economic Disadvantaged Funding and Career Technical Education Funding. The district has elected to also post Catastrophic Aid for special education as restricted revenues. The amount of the Economically Disadvantaged Aid is estimated to grow by 1% each remaining year of the forecast. We have incorporated this amount into the restricted aid amount in Line # 1.04 for FY19-23.

Source	FY19	FY20	FY21	FY22	FY23
Economically Disadvantaged Aid	$12,099	$12,220	$12,342	$12,465	$12,590
Career Tech - Restricted	56,641	56,641	56,641	56,641	56,641
Catastrophic Aid Reimbursement	885,209	876,357	867,593	858,917	850,328
Total Restricted State Revenues Line #1.040	$953,949	$945,218	$936,576	$928,023	$919,559

C) Restricted Federal Grants in Aid – Line #1.045

SUMMARY	FY19	FY20	FY21	FY22	FY23
Unrestricted Line #1.035	$20,203,315	$21,261,758	$22,232,830	$23,236,224	$24,282,040
Restricted Line #1.040	953,949	945,218	936,576	928,023	919,559
Total State Foundation Revenue	$21,157,264	$22,206,976	$23,169,406	$24,164,247	$25,201,599

State Taxes Reimbursement/Property Tax Allocation

a) Rollback and Homestead Reimbursement
Rollback funds are reimbursements paid to the district from 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. In 2007 HB119 expanded the Homestead Exemption for all seniors over age 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. The result of HB59 is that homestead reimbursements have decreased from previous levels and like the rollback reimbursements above, the state is increasing the tax burden on our local taxpayers.

b) Tangible Personal Property Reimbursements – Fixed Rate
Prior state budgets have ravaged the districts' TPP fixed rate reimbursements. Only a 20% portion for the FY17 TPP Supplement established by SB208 will be paid in FY18 and then we will no longer receive any of these promised funds.

c) Tangible Personal Property Reimbursements – Fixed Sum
The district does not received Fixed Sum TPP payments for General Fund levies.

Summary of State Tax Reimbursement – Line #1.050

Source	FY19	FY20	FY21	FY22	FY23
a) Rollback and Homestead	$14,593,652	$14,800,405	$14,932,519	$15,057,120	$15,168,356
b) TPP Reimbursement - Fixed Rate	0	0	0	0	0
c) TPP Reimbursement - Fixed Sum	0	0	0	0	0
Total Tax Reimbursements #1.050	$14,593,652	$14,800,405	$14,932,519	$15,057,120	$15,168,356

Other Local Revenues – Line #1.060
We have elected to show revenue sharing agreements such as the Bridge Street Agreement with the City of Dublin, the Upper Arlington Revenue Sharing Agreement and Payment In Lieu of Taxes (PILOT) payments in other income separate from property taxes on Line 1.01. These are the largest other revenue sources in the General fund other than rentals, interest income and other miscellaneous revenues. These are estimated to generally grow at 1% per year and based on trend data we have observed. In FY18 we received 2 payments from the City of Dublin for the Bridge Street Development. One of the payments was for FY19 so we have reduced FY19 by that payment and resumed estimates for FY20-23.

Source	FY19	FY20	FY21	FY22	FY23
City of Dublin Bridge St. Agreement	$0	$1,500,000	$1,500,000	$1,500,000	$1,500,000
Revenue Sharing Agreement- UA	214,000	214,000	214,000	214,000	214,000
PILOT payments	25,000	25,000	25,000	25,000	25,000
Tuition payments	825,705	833,962	842,302	850,725	859,232
Interest	850,000	450,000	450,000	450,000	450,000
Dues, Fees, Rentals & Other	923,801	933,039	942,369	951,793	961,311
Miscellaneous Receipts	561,135	217,135	217,135	217,135	217,135
Total Line #1.060	$3,399,641	$4,173,136	$4,190,806	$4,208,653	$4,226,678

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

In FY18 we borrowed Bond Anticipation Notes we identified as Series 2017A to purchase the Emerald Parkway Building. The $9.45 million is estimated to be borrowed over a 2 year period at a 1.415% interest rate. A second Bond Anticipation Note Series 2017B is a $9.1 million credit line at 1.99% that we will only draw $3.5 million on in FY19 due to passage of the November 6, 2018 bond issue, which will be used to pay for renovation costs of the new Emerald Parkway Building over the period FY18-20. The final maturity and principal for these debts will come from the November 6, 2018 bond issue.

Source	FY19	FY20	FY21	FY22	FY23
Bond Anticipation Note Series 2017A	$0	$0	$0	$0	$0
Bond Anticipation Note Series 2017B	3,500,000	0	0	0	0
Total Short Term Borrowing - Line #2.010	$3,500,000	$0	$0	$0	$0

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

These are non-operating revenues which are the repayment of short term loans to other funds during the previous fiscal year and reimbursements for expenses incurred in the previous fiscal year. All advances during the current year are planned to be returned in the succeeding fiscal year and are not considered operating revenues and are of an immaterial amount.

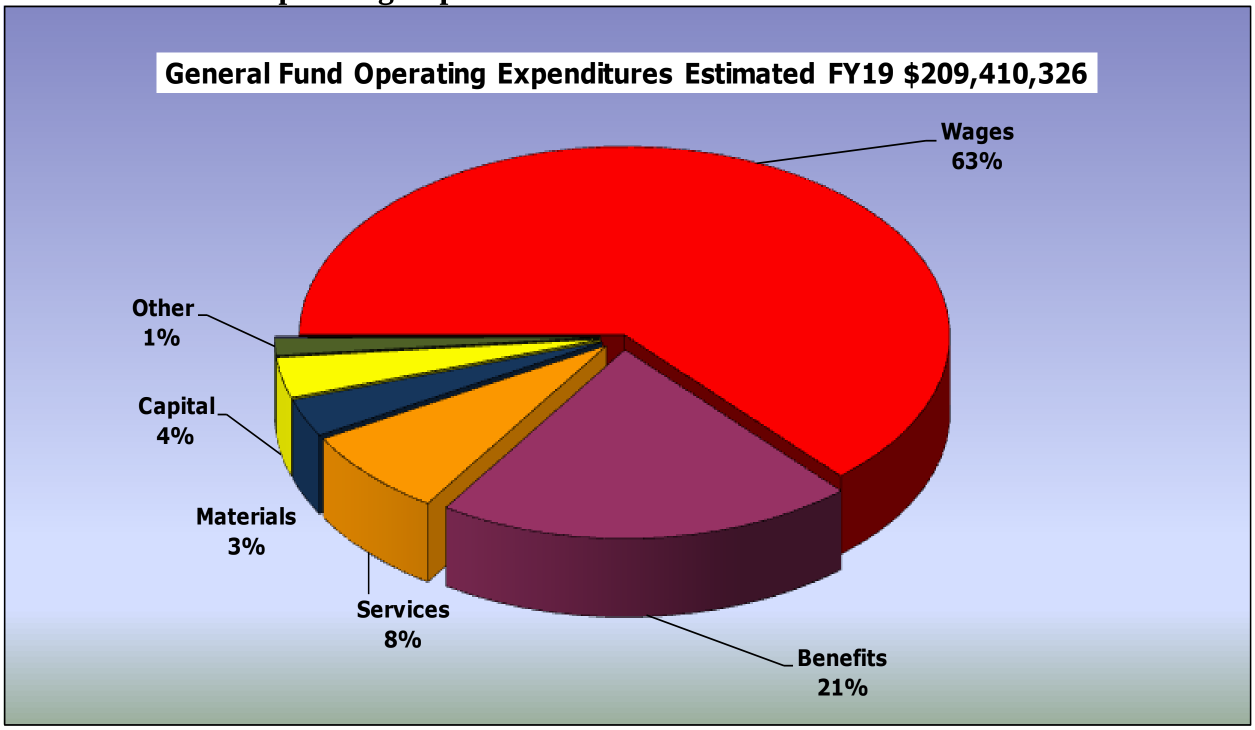
All Other Financial Sources – Line #2.060 & Line #14.010

Source	FY19	FY20	FY21	FY22	FY23
Transfers In - Line #2.040	$0	$0	$0	$0	$0
Advance Returns - Line #2.050	530,977	50,000	50,000	50,000	50,000
Total Transfer & Advances In	$530,977	$50,000	$50,000	$50,000	$50,000

Source	FY19	FY20	FY21	FY22	FY23
Refund of prior years expenditures	$0	$0	$0	$0	$0

Expenditures Assumptions

Estimated General Fund Operating Expenditures for FY19:



Wages – Line #3.010
The model reflects pay increases approved by the Board of Education for certificated, administrative and classified staff for FY19-FY20 2.1% and 2.15% respectively. Estimated base wage increases based on historical trend and step increases are included for FY21-FY23. **We have included new staffing to open two (2) new elementary buildings in FY21 and one (1) new middle school in FY22**.

Source	FY19	FY20	FY21	FY22	FY23
Base Wages	$120,172,648	$127,344,329	$134,380,820	$143,321,376	$151,750,440
Based Pay Increase	2,523,626	2,737,903	1,343,808	1,433,214	1,517,504
Steps & Academic Training	2,352,759	2,307,315	2,445,011	2,580,112	2,751,770
Growth Staff	2,295,296	1,991,273	1,556,162	1,498,247	1,508,258
New Building Staff	0	0	3,595,575	2,917,491	393,115
Substitutes	306,306	307,225	308,147	309,071	309,998
Supplementals	2,390,531	2,414,436	2,438,580	2,462,966	2,487,596
Stipends/OT/Severence & Misc.	2,846,052	2,868,820	2,891,771	2,914,905	2,938,224
Total Wages Line #3.010	$132,887,218	$139,971,301	$148,959,874	$157,437,382	$163,656,905

The district is experiencing increased student enrollment growth which will require addition staff increases each year of the forecast and is included above in "growth staff" estimates based on the most current data we have at this time.

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 are directly related to the wages paid. The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System or the School Employees Retirement System as required by Ohio law.

A) STRS/SERS
Generally the district must pay 14% of wages paid to both STRS and SERS. In addition, the district pays to SERS the employee surcharge which is an additional amount required over the 14% to provide added funds SERS collects to supplement contributions on lower paid short hour classified staff so they can have a pension when they retire.

B) Insurance
In FY16 the district received a 13% reduction in premium and in FY17 another 5% premium reduction. In FY19 the district is pleased to accept a third reduction of premiums. Rates are expected to be -1% in FY19, 3.5% in FY20 and 9% overall for fiscal years 2021 through 2023 which reflects trend and includes an additional 2% for national health care costs which will affect our district. Our estimates are based on our current employee census and claims data. This could increase at a much higher rate should claims increase dramatically.

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 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 in additional funds especially since it is being reviewed carefully at the federal level for amendment or repeal. 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. Longer-term, a significant concern is the 40% "Cadillac Tax" but in December 2017 this was delayed until 2022 by congress. This tax would be imposed on plans whose value of benefits exceeds $10,200 for individual plans and $27,500 for family plans. 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
Workers Compensation is expected to remain at about 0.51% of wages after fiscal year 2019 due to a moderated claim experience over prior years. Unemployment Compensation has been negligible and is anticipated to remain as such as we plan our staffing needs carefully.

D) Medicare
Medicare will continue to increase at the rate of increase of 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	FY19	FY20	FY21	FY22	FY23
A) STRS/SERS	$20,729,671	$21,136,847	$22,480,391	$23,775,422	$24,748,148
B) Insurance's	20,113,476	21,291,371	24,433,708	27,683,688	30,627,746
C) Workers Comp/Unemployment	679,214	715,933	762,554	806,517	838,737
D) Medicare	1,814,533	1,914,470	2,062,686	2,182,016	2,268,146
Other/Tuition/Annuities	199,351	199,351	199,351	199,351	199,351
Total Line #3.020	$43,536,245	$45,257,972	$49,938,690	$54,646,994	$58,682,128

.

Purchased Services – Line #3.030

One of the largest expenses in this area is contracted payment for substitute teachers with the ESC-COG of Central Ohio which reduces district costs to acquire substitutes, and other contract services purchased for special education and other areas of special needs**. With passage of the new permanent improvement levy and $195 million bond issue we have been able to move some targeted capital and maintenance cost items to these funds beginning in FY19 that were planned to spent from the General Fund. This will help reduce capital costs in the General Fund and prolong our new 5.9 mill operating levy**. We have estimated utilities to rise due to last year being a reasonably warm winter and the likelihood of increasing electric rates due to large capital investments being made by AEP in infrastructure which will ultimately become approved rate hikes**. We also have increased costs for additional utility costs in FY21 for two (2) new elementary schools and in FY22 for one (1) new middle school building.**

Source	FY19	FY20	FY21	FY22	FY23
Legal Fees, Prof. Development, Other Misc.	$867,465	$893,489	$920,294	$947,903	$976,340
ESC Substitutes & Training, SRO, Other Misc.	8,906,447	9,351,769	9,819,357	10,310,325	10,825,841
Repairs & Maint., Property Ins., Other Misc.	1,017,822	1,068,713	1,122,149	1,178,256	1,237,169
Tuition, Excess Costs, CCP, Other Misc.	647,699	667,130	687,144	707,758	728,991
Student Transportation	870,814	896,938	923,846	951,561	980,108
Utilities	3,425,245	3,596,507	4,125,772	4,615,561	4,846,339
Total Line #3.030	$15,735,492	$16,474,546	$17,598,562	$18,711,364	$19,594,788

Supplies and Materials – Line #3.040

An overall inflation of 3% is being estimated for this category of expenses which are characterized by textbooks, copy paper, maintenance supplies and fuel. Graded Course of Study adoptions have been planned for the forecast period to keep curriculum materials current district-wide. **We have adjusted costs upward from the October 2018 forecast for supplies and materials to open two (2) new elementary buildings in FY21 and one (1) new middle school in FY22.**

Source	FY19	FY20	FY21	FY22	FY23
General Office Supplies and Materials	$2,421,550	$2,494,197	$2,709,023	$2,890,294	$2,977,003
Textbooks/GCOS/Building Repairs	3,533,238	3,639,235	3,748,412	3,860,864	3,976,690
Transportation Fuel and Supplies	800,843	824,868	849,614	875,102	901,355
Total Line 3.040	$6,755,631	$6,958,300	$7,307,049	$7,626,260	$7,855,048

Equipment – Line #3.050

With the passage of the new permanent improvement levy and $195 million bond issue approved November 6, 2018 we have moved several items previously planned to be spent from the General Fund to the permanent improvement or bond issue, and away from the General Fund. We continue to use funds from the City of Dublin agreement to purchase and update technology in the district. In FY17 we purchased the Emerald Parkway Building for $9.4 million. **Bus purchases will be moved to the permanent improvement fund due to passage of the new levy. We have also reduced capital outlay and renovation cost for the Emerald Campus facility beginning in FY20 as those costs will be shifted to the new bond issue passed November 6, 2018.**

Source	FY19	FY20	FY21	FY22	FY23
Capital Outlay & Maintenance	$6,156,359	$1,706,653	$1,791,986	$1,881,585	$1,975,664
Replacement Bus Purchases	0	0	0	0	0
Technology Purchases	1,116,768	1,172,606	1,231,236	1,292,798	1,357,438
Total Line #3.050	$7,273,127	$2,879,259	$3,023,222	$3,174,383	$3,333,102

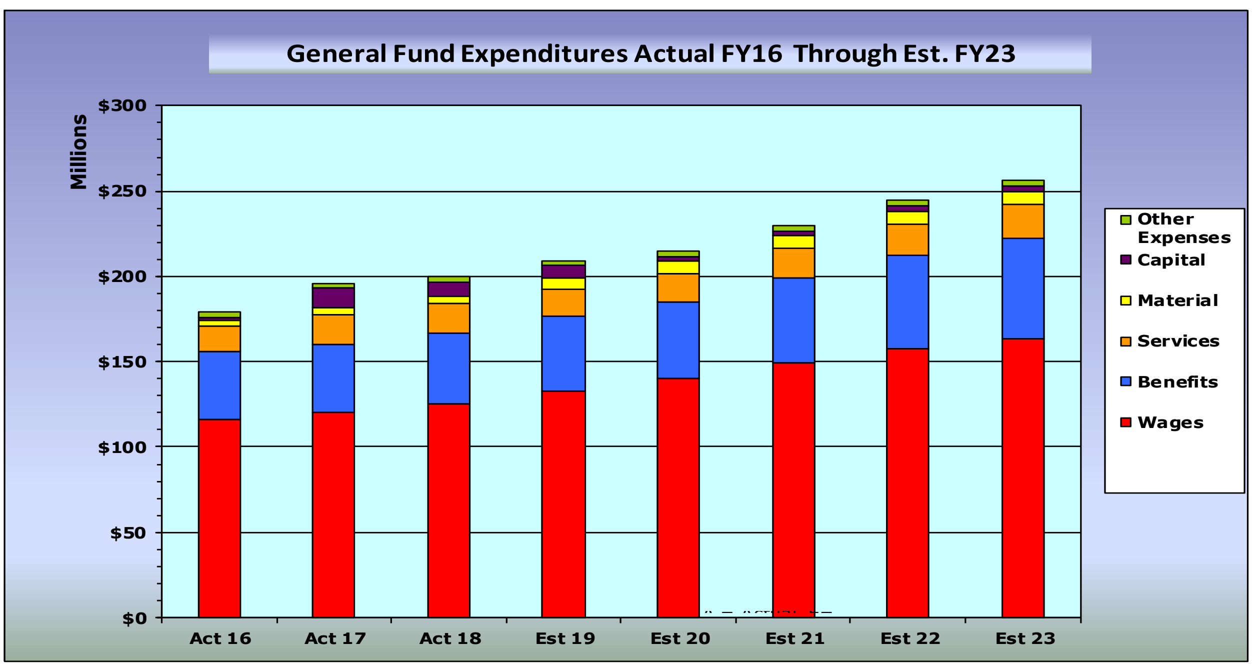
.

Other Expenses – Line #4.300

The category of Other Expenses consists primarily of County Auditor and Treasurer Fees for collection of property taxes and advertising for delinquent taxes. Other expenses are liability insurance and dues and fees. County ESC deductions for fees provided to the District and membership for participation in SB140 City County Agreement.

Source	FY19	FY20	FY21	FY22	FY23
County Auditor & Treasurer Fees	$2,153,264	$2,348,339	$2,383,564	$2,419,317	$2,455,607
ESC Deduction	101,402	104,444	107,577	110,804	114,128
Other expenses	776,947	800,255	824,263	848,991	874,461
Total Line #4.300	$3,031,613	$3,253,038	$3,315,404	$3,379,112	$3,444,196

Total Expenditure Categories Actual Fiscal Year 2016 through Fiscal Year 2018 and Estimated Fiscal Year 2019 through Fiscal Year 2023



Interest and Fiscal charges on Short-Term BANS – Line #4.06

The table below shows estimated interest payments for Series A & B Bond Anticipation Notes to purchase and renovate the Emerald Parkway Building. **Beginning in FY20 these costs will be paid from the new $195 million bond issue and moved away from the General Fund.**

Source	FY19	FY20	FY21	FY22	FY23
Interest on BANS Series A & B 4.060	$191,000	$0	$0	$0	$0

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 to repay the General Fund. These amounts are limited in impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund. We have included a transfer from General Fund $380,000 to 002 Sinking Fund to pay our debt for the HB264 project, $75,000 for summer school and $80,050 for athletic funds. We have to estimate advances to be $50,000 for each year.

Source	FY19	FY20	FY21	FY22	FY23
Operating Transfers Out Line #5.010	$549,050	$535,050	$535,050	$535,050	$535,050
Advances Out Line #5.020	50,000	50,000	50,000	50,000	50,000
Total	$599,050	$585,050	$585,050	$585,050	$585,050

Encumbrances – Line #8.010

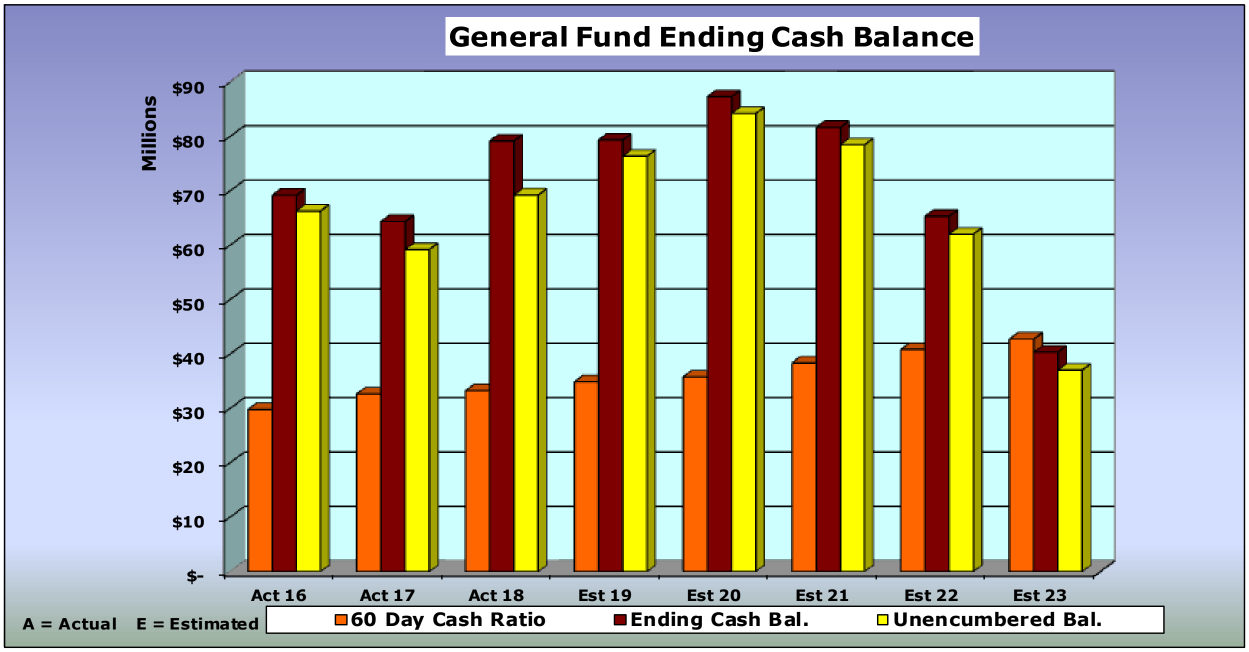
These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered.

	FY19	FY20	FY21	FY22	FY23
Estimated Encumbrances	$3,000,000	$3,100,000	$3,200,000	$3,300,000	$3,300,000

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

This amount must not go below $-0- or the district General Fund will violate Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of Ohio Revised Code section 5705.412, punishable by personal liability of $10,000, unless an alternative "412" certificate can be issued pursuant to House Bill 153 effective September 30, 2011.

	FY19	FY20	FY21	FY22	FY23
Ending Cash Balance	$76,373,992	$84,219,072	$78,466,445	$62,031,553	$37,043,240



True Cash Days Ending Balance
Another way to look at ending cash is to state it in 'True Cash Days". In other words, how many days could the district operate at year end if no additional revenues were received. This is the Current Years Ending Cash Balance divided by (Current Years Expenditures/365 days) = number of days the district could operate with out additional resources or a severe resource interruption. The Government Finance Officers Association recommends no less than two (2) months or 60 days cash is on hand at year end but could be more depending on each districts complexity and risk factors for revenue collection. Expenditures are calculated including transfers as this is a predictable funding source when used in the forecast. The graph indicates the district will need to stay focused on FY23 period as adequate reserves could fall below acceptable levels.