

South Euclid-Lyndhurst City Schools
Cuyahoga County
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE HISTORICAL FISCAL YEARS ENDED JUNE 30, 2013, 2014 & 2015
ACTUAL FORECASTED FISCAL YEARS ENDING JUNE 30, 2016 THROUGH 2020

Line Number	Fiscal Year 2013 ACTUAL	Fiscal Year 2014 ACTUAL	Fiscal Year 2015 ACTUAL	Ave. Annual CHANGE	Fiscal Year 2016 FORECAST	Fiscal Year 2017 FORECAST	Fiscal Year 2018 FORECAST	Fiscal Year 2019 FORECAST	Fiscal Year 2020 FORECAST
Revenue:									
1.010 General Property (Real Estate)	43,566,762	41,304,275	41,751,670	-2.05%	39,826,000	39,826,000	39,826,000	39,826,000	39,826,000
1.020 Tangible Personal Property Tax	1,956	31	0	-99.21%	0	0	0	0	0
1.030 Income Tax	0	0	0	0.00%	0	0	0	0	0
1.035 Unrestricted Grants-In-Aid (All 3100's except 3130)	6,803,125	6,665,884	7,120,097	2.40%	7,090,000	7,090,000	7,090,000	7,090,000	7,090,000
1.040 Restricted Grants-In-Aid (All 3200's)	85,995	586,822	952,971	322.39%	690,000	690,000	690,000	690,000	690,000
1.045 Restricted Federal Grants-In-Aid - SFSF (4220)	5,845	0	0	0.00%	0	0	0	0	0
1.050 Property Tax Allocation (3130)	5,945,158	6,191,239	6,125,574	1.54%	6,083,000	6,083,000	6,083,000	6,083,000	6,083,000
1.060 All Other Rev except 1931,1933,1940,1950,5100 & 5200	3,289,396	3,252,497	3,345,636	0.87%	2,034,000	2,004,000	2,004,000	2,004,000	2,004,000
1.070 Total Revenue	<u>59,698,237</u>	<u>58,000,748</u>	<u>59,295,948</u>	-0.31%	<u>55,723,000</u>	<u>55,693,000</u>	<u>55,693,000</u>	<u>55,693,000</u>	<u>55,693,000</u>
Other Financing Sources									
2.010 Proceeds From Sale of Notes (1940)	0	0	0	0.00%	0	0	0	0	0
2.020 State Emergency Loans & Advancements (Approved - 1950)	0	0	0	0.00%	0	0	0	0	0
2.040 Operational Transfers-In (5100's)	75,000	125,000	150,000	43.33%	0	0	0	0	0
2.050 Advances-in (5200's)	99,350	78,000	18,000	-49.21%	27,000	20,000	20,000	20,000	20,000
2.060 All Other Financing Sources (1931 & 1933)	221,697	347,157	467,195	45.58%	50,000	50,000	50,000	50,000	50,000
2.070 Total Other Financing Sources	<u>396,047</u>	<u>550,157</u>	<u>635,195</u>	27.18%	<u>77,000</u>	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>
2.080 Total Revenues and Other Financing Sources	<u>60,094,284</u>	<u>58,550,905</u>	<u>59,931,143</u>	-0.11%	<u>55,800,000</u>	<u>55,763,000</u>	<u>55,763,000</u>	<u>55,763,000</u>	<u>55,763,000</u>
Expenditures:									
3.010 Personal Services	31,246,289	32,265,619	32,236,272	1.59%	32,900,000	34,133,750	34,748,158	35,373,624	36,010,350
3.020 Employees' Retirement/Insurance Benefits	12,329,075	13,026,674	13,337,806	4.02%	13,162,000	14,996,580	16,346,272	17,817,437	19,421,006
3.030 Purchased Services	7,675,624	8,353,280	9,044,785	8.55%	9,911,000	9,500,000	9,500,000	9,500,000	9,500,000
3.040 Supplies and Materials	1,276,763	1,583,290	1,570,814	11.61%	2,045,000	1,800,000	1,800,000	1,800,000	1,800,000
3.050 Capital Outlay	335,469	272,377	539,485	39.63%	537,000	450,000	450,000	100,000	100,000
3.060 Intergovernmental (7600 and 7700 Functions)	0	0	0	0.00%	0	0	0	0	0
Debt Service:									
4.010 All Principal - (Historical Only)	0	0	0	0.00%	0	0	0	0	0
4.020 Principal-Notes	0	0	0	0.00%	0	0	0	0	0
4.030 Principal-State Loans	0	0	0	0.00%	0	0	0	0	0
4.040 Principal-State Advancements	0	0	0	0.00%	0	0	0	0	0
4.050 Principal-HB 264 Loans	0	0	0	0.00%	0	0	0	0	0
4.055 Principal other	0	0	0	0.00%	0	0	0	0	0
4.060 Interest and Fiscal Charges	0	0	0	0.00%	0	0	0	0	0
4.300 Other Objects	1,353,677	1,490,393	1,050,566	-9.71%	1,107,000	1,110,000	1,110,000	1,110,000	1,110,000
4.500 Total Expenditures	<u>54,216,897</u>	<u>56,991,633</u>	<u>57,779,728</u>	3.25%	<u>59,662,000</u>	<u>61,990,330</u>	<u>63,954,430</u>	<u>65,701,061</u>	<u>67,941,356</u>
Other Financing Uses									
5.010 Operational Transfers-Out	534,000	845,827	803,020	26.67%	900,000	700,000	700,000	700,000	700,000
5.020 Advances-Out	78,000	18,000	27,000	-13.46%	20,000	20,000	20,000	20,000	20,000
5.030 All Other Financing Uses	0	0	0	0.00%	0	0	0	0	0
5.040 Total Other Financing Uses	<u>612,000</u>	<u>863,827</u>	<u>830,020</u>	18.62%	<u>920,000</u>	<u>720,000</u>	<u>720,000</u>	<u>720,000</u>	<u>720,000</u>
5.050 Total Expenditures and Other Financing Uses	<u>54,828,897</u>	<u>57,855,460</u>	<u>58,609,748</u>	3.41%	<u>60,582,000</u>	<u>62,710,330</u>	<u>64,674,430</u>	<u>66,421,061</u>	<u>68,661,356</u>
Excess Of Revenues and Other Financing Sources over(under) Expenditures and									
6.010 Other Financing Uses	5,265,387	695,445	1,321,395	1.61%	-4,782,000	-6,947,330	-8,911,430	-10,658,061	-12,898,356
Cash Balance July 1 - Excluding Proposal Renewal/									
7.010 Replacement and New Levies	7,491,501	12,756,888	13,452,333	37.87%	14,773,728	9,991,728	3,044,398	-5,867,032	-16,525,093
7.020 Cash Balance June 30	<u>12,756,888</u>	<u>13,452,333</u>	<u>14,773,728</u>	7.64%	<u>9,991,728</u>	<u>3,044,398</u>	<u>-5,867,032</u>	<u>-16,525,093</u>	<u>-29,423,448</u>

South Euclid-Lyndhurst City Schools
Cuyahoga County
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE HISTORICAL FISCAL YEARS ENDED JUNE 30, 2013, 2014 & 2015
ACTUAL FORECASTED FISCAL YEARS ENDING JUNE 30, 2016 THROUGH 2020

Line Number	Fiscal Year 2013 ACTUAL	Fiscal Year 2014 ACTUAL	Fiscal Year 2015 ACTUAL	Ave. Annual CHANGE	Fiscal Year 2016 FORECAST	Fiscal Year 2017 FORECAST	Fiscal Year 2018 FORECAST	Fiscal Year 2019 FORECAST	Fiscal Year 2020 FORECAST	
8.010	Estimated Encumbrances June 30	635,987	1,051,232	696,973	15.80%	650,000	650,000	650,000	650,000	650,000
Reservation of Fund Balance:										
9.010	Textbook and Instructional Materials	0	0	0	0.00%	0	0	0	0	0
9.020	Capital Improvements	0	0	0	0.00%	0	0	0	0	0
9.030	Budget Reserve	0	0	0	0.00%	0	0	0	0	0
9.040	DPIA	0	0	0	0.00%	0	0	0	0	0
9.045	SFSF	0	0	0	0.00%	0	0	0	0	0
9.050	Debt Service	0	0	0	0.00%	0	0	0	0	0
9.060	Property Tax Advances	0	0	0	0.00%	0	0	0	0	0
9.070	Bus Purchases	0	0	0	0.00%	0	0	0	0	0
9.080	Subtotal	0	0	0	0.00%	0	0	0	0	0
10.010	Fund Balance June 30 For Certification of Appropriations	12,120,901	12,401,101	14,076,755	7.91%	9,341,728	2,394,398	-6,517,032	-17,175,093	-30,073,448
Revenue from Replacement / Renewal Levies:										
11.010	Income Tax - Renewal	0	0	0	0.00%	0	0	0	0	0
11.020	Property Tax - Renewal or Replacement	0	0	0	0.00%	0	0	0	0	0
11.300	Cumulative Balance of Renewal / Replacement Levies	0	0	0	0.00%	0	0	0	0	0
12.010	Fund Balance June 30 For Certificates of Contracts, Salary Schedules, and Other Obligations	12,120,901	12,401,101	14,076,755	7.91%	9,341,728	2,394,398	-6,517,032	-17,175,093	-30,073,448
Revenue from New Levies:										
13.010	Income Tax - New	0	0	0	0.00%	0	0	0	0	0
13.020	Property Tax - New	0	0	0	0.00%	0	0	0	0	0
13.030	Cumulative Balance of New Levies	0	0	0	0.00%	0	0	0	0	0
14.010	Revenue from Future State Advancements	0	0	0	0.00%	0	0	0	0	0
15.010	Unreserved Fund Balance June 30	12,120,901	12,401,101	14,076,755	7.91%	9,341,728	2,394,398	-6,517,032	-17,175,093	-30,073,448
20.010	Kindergarten - October Count					220	220	220	220	220
20.015	Grades 1-12 - October Count					3,300	3,300	3,300	3,300	3,300
21.010	Personal Services SFSF	0	0	0	0.00%	0	0	0	0	0
21.020	Employees Retirement/Insurance Benefits SFSF	0	0	0	0.00%	0	0	0	0	0
21.030	Purchased Services SFSF	0	0	0	0.00%	0	0	0	0	0
21.040	Supplies and Materials SFSF	5,845	0	0	0.00%	0	0	0	0	0
21.050	Capital Outlay SFSF	0	0	0	0.00%	0	0	0	0	0
21.060	Total Expenditures - SFSF	5,845	0	0		0	0	0	0	0

See accompanying summary of significant forecast Assumptions and accounting policies.

Includes: General Fund, Emergency Levy Fund, SDFSF, PBA fund, and any portion of debt service fund related to general fund debt.

South Euclid-Lyndhurst City School District
Cuyahoga County
Five-Year Forecast Assumptions
Fiscal Year 2016-2020

The following assumptions are an integral part of the 5-Year forecast and designed to assist the reader in understanding how the figures in the 5-Year forecast were determined. For the most part, the 5-Year forecast reflects conservative estimates of revenue and expenditure expectations for the five-year period beginning July 1, 2015 and ending June 30, 2020. The five-year forecast is designed to assist management in making well informed decisions regarding programming while recognizing the financial impact of such decisions. Unfortunately, given the financial climate and the number of unforeseen variables that exist when projecting school district finances, the 5-Year forecast tends to be a “moving target”. With that said, the reader should recognize that the 5-Year forecast is only as accurate as the information that was available at the time it was prepared. Thus, the reader should not place a high level of reliance on the accuracy of the forecasted figures past the first couple years.

REVENUE ASSUMPTIONS

Line 1.01 – General Property Tax - Real Estate (71%)

Fiscal Year 2016

This line represents the expected tax collections from real estate taxes, commercial real estate taxes and public utility tangible taxes as collected by the Cuyahoga County Auditor for properties in South Euclid City, Lyndhurst City and a small portion of Richmond Heights City. Because taxes are the largest revenue item in the General Fund (about 71% of the General Fund’s yearly estimated revenue), a significant amount of time is dedicated to analyzing data provided by the County Auditor’s Office as well as analyzing historical trends and current economic conditions that exist within our region with respect to property values and tax collection rates.

The original estimate for fiscal year 2016 for all property taxes is \$39,826,000. This amount is approximately \$2,000,000 less than what was actually received in fiscal year 2015. The amount received in FY 2015 included approximately \$1.1 million in delinquent tax collections that are not included in the FY 2016 estimate for fiscal prudence suggests not to expect delinquent tax collections in any given year. The remaining difference from FY 2015 is due to the fact we anticipate a decrease in property values in January which will reduce tax revenue by approximately \$1 million.

Fiscal Years 2017-2020

For these fiscal years, the 5-Year forecast reflects no increase or decrease from what is expected to be received in fiscal year 2016.

Line 1.035 – Unrestricted Grants-in-Aid (13%)

Fiscal Year 2016

This line represents the expected revenue from the State Foundation Program and revenue from the Casino Tax (imposed in fiscal year 2013). According to initial reports from the Ohio Department of Education, the school district is expected to receive approximately \$7.4 million from the State Foundation Program. This amount is about \$400,000 more than the district received last fiscal year. However, based on continued decline in enrollment over the past few years, I remain cautious and skeptical about how much the district will ultimately receive this fiscal year. With that said, the estimate for fiscal year 2016 is \$6.9 million.

Based on receiving just over \$185,000 from the Casino Tax last fiscal year, the estimate for this fiscal year is \$190,000. Therefore, the estimate for unrestricted grants-in-aid in total for fiscal year 2016 is \$7,090,000.

Fiscal Years 2017-2020

For these fiscal years, the 5-Year forecast reflects no increase or decrease from what is expected to be received in fiscal year 2016.

Line 1.04 – Restricted Grants-in-Aid (1%)

Fiscal Year 2016

This line represents the expected revenue from the Ohio Department of Education for Catastrophic Special Education Reimbursement and for Economically Disadvantaged Funding. The estimate for this revenue line account is \$690,000 for fiscal year 2016. The estimate for Catastrophic Special Education Reimbursement is \$90,000 and the estimate for Economically Disadvantaged Funding is \$600,000.

Fiscal Years 2017-2020

For these fiscal years, the 5-Year forecast reflects no increase or decrease from what is expected to be received in fiscal year 2016.

Line 1.05 – Property Tax Allocation (11%)

Fiscal Year 2016

This line represents the expected revenue from the State of Ohio for Homestead and Rollback reimbursements. The State of Ohio contributes 10% of the real estate taxes for homeowners in the State of Ohio. The State of Ohio also contributes 2.5% of the real estate taxes for owner occupied homes in the State of Ohio. Finally, the State of Ohio contributes a portion of real estate taxes for qualified senior or disabled citizens, regardless of income, on the dwelling that is the individual's principal place of residence. This portion of taxes paid by the State of Ohio directly to school districts is known as the Homestead Exemption.

The estimate for fiscal year 2016 is \$6,083,000, which is approximately \$43,000 less than we received in fiscal year 2015.

Fiscal Years 2017-2020

For these fiscal years, the 5-Year forecast reflects no increase or decrease from what is expected to be received in fiscal year 2016.

Line 1.06 – All Other Revenue (3%)

Fiscal Year 2016

This line represents the other local revenue that is received by the school district and is estimated to be \$2,034,000 for FY 2016:

<u>Source</u>	<u>2016 Estimate</u>	<u>2015 Actual</u>
Tuitions from all sources	\$1,553,000	\$1,956,016
Interest Earnings	\$ 100,000	\$ 97,342
Pay to Participate Fees	\$ 85,000	\$ 87,760
Class Fees	\$ 75,000	\$ 93,889
Miscellaneous Revenue	\$ 100,000	\$ 708,890
Revenue in Lieu	\$ 0	\$ 285,000
Medicaid Reimbursement	<u>\$ 121,000</u>	<u>\$ 116,739</u>
Total	\$2,034,000	\$3,345,636

The reason for the significant reduction in estimated revenue in FY 2016 compared to what the district actually received in FY 2015 is primarily in the area of tuitions, miscellaneous and revenue in lieu.

Because the district will not offer auto shop and cosmetology in the future, the estimated reduction in tuition is \$400,000. As a result of a change in accounting with respect to the employee’s share of healthcare premiums, the district will no longer receipt those funds under miscellaneous revenue but instead will wire the share of premium directly to the fiscal agent of the insurance consortium. Finally, the district is not anticipating receiving any revenue in lieu of taxes in FY 2016.

Fiscal Years 2017-2020

A decrease of \$30,000 from fiscal year 2016 is being reflected in fiscal year 2017-2020.

Line 2.05 – Advances-In (0%)

Fiscal Year 2016

This line represents the return of funds advanced to other funds (fund accounts) at the end of the last fiscal year. In fiscal year 2016, the return of advances is \$27,000.

Fiscal Years 2017-2020

For these fiscal years, an estimate of \$20,000 is being reflected.

Line 2.06 – All Other Financing Sources (0%)

Fiscal Year 2016

This line represents the sale of assets, insurance claims received and refunds of prior year's expenditures. This line varies from year to year and is typically not a large source of revenue. However, the past 3 years saw significant revenue but there is little expectation this fiscal year and beyond. The estimate for fiscal year 2016 is \$50,000.

Fiscal Years 2017-2020

For these fiscal years, an estimate of \$50,000 is being reflected.

EXPENDITURE ASSUMPTIONS

Line 3.01 – Personal Services (54%)

Fiscal Year 2016

This line represents the salary expectations for all employees of the School District that are paid out of the General Fund based on current contractual obligations. These salaries include administrative staff, teachers, classified personnel, substitutes, supplemental contracts, overtime, etc.

Because school districts are a service industry, costs associated with personnel are the largest expenditure. In most school districts, personnel (salaries and benefits) accounts for between 80-85% of the total budget of a school district (we are closer to 77%). Prudence requires extensive monitoring and extensive data analysis regarding personnel similar to that of the extensive monitoring and data analysis done in the area of real estate taxes.

The District has three (3) unions, one inclusive of all teaching staff and two (2) support staff unions representing all classified personnel such as secretaries, custodians, bus drivers, cafeteria workers, etc. School district administrator's both certified and classified are not represented by a union nor are the five (5) administrative secretarial assistants. Two (2) of the three (3) unions negotiated new contracts in the Spring/Summer and now have a contract through June 30, 2018. Currently the contract for the districts certified staff expired at the end of the 2014-2015 school year. Negotiations between the parties began in early June and were not settled by the end of the school year. The parties are expected to resume negotiations after the start of the 2015-2016 school year.

The estimate for fiscal year 2016 is \$32,900,000 and includes all current staff (except cafeteria staff, which are paid out of a different fund and a handful of teachers paid out of Federal Grant

Funds). Historical trends and a thorough analysis were used to determine an estimate for substitute costs, supplemental contracts and overtime.

A major change took place last school year with respect to substitute teachers. The district entered into a contract with a vendor that provided substitute teachers when necessary. This cost will no longer be reflected as a personnel cost but will be included in purchased services costs. The district has agreed to a contract again this school year with respect to substitutes being provided for by an outside vendor.

Fiscal Years 2017-2020

For fiscal year 2017 an increase of 2.5% has been included to overall salaries for illustration purposes. It is important to understand that this increase does not assume that all staff will receive a 2.50% increase each year, but that overall salary expenditures will increase by 2.50%. In fiscal years 2018-2020 an increase of 1.8% has been included to overall salaries for illustration purposes.

Line 3.02 – Employees’ Retirement/Insurance Benefits (22%)

Fiscal Year 2016

This line represents the cost of benefits for all employees of the School District that are paid out of the General Fund based on current contractual obligations. These benefits include payment into the retirement systems (STRS and SERS), healthcare benefits (hospitalization, dental, vision and life insurance), medicare, workers compensation premiums and unemployment compensation. The estimate for fiscal year 2016 is \$13,162,000. It is important to note that due to a change in the accounting of healthcare benefits, the 5-Year forecast for FY 2016 reflects 11 monthly healthcare payments instead of 12. The invoice for July was paid at the end of June. Moving forward the invoice for the given month will be paid via wire transfer by the due date (10th of the month).

Fiscal Years 2017-2020

For fiscal year 2017 in addition to a 9% increase the estimate reflects 12 monthly healthcare premium payments. For fiscal years 2018-2020 a 9% increase to the previous years estimate has been utilized for illustration purposes. This increase does not assume that all benefits items will increase by 9% each year, but that overall benefit expenditures will increase by 9%.

Line 3.03 – Purchased Services (16%)

Fiscal Year 2016

This line represents the cost of purchased services for the district. This expenditure category consists of a variety of subcategories which include but are not limited to: legal services, contract services, property insurance, travel/meeting expenses, utilities, postage, maintenance services, tuition, excess costs, community school deduction, post secondary options deduction and open enrollment deductions.

The estimate for fiscal year 2016 is \$9,911,000. The actual expenditures last fiscal year were just under \$9.1 million. There are a couple reasons for the significant increase over last year. Primarily the area of tuitions, excess costs, community school deduction and autism scholarship deductions are anticipated to be higher than they were last fiscal year. Tuitions are expected to increase significantly as a result of no longer offering auto shop or cosmetology at Brush. However, these options will be offered by the Mayfield Excel Tecc consortium and a tuition cost is expected.

Fiscal Years 2017-2020

For these fiscal years, the estimate does reflect a decrease of about \$400,000 from that of fiscal year 2016. It is anticipated that this area will experience a decline in yearly expenditures through cost saving and cost containing measures implemented recently.

Line 3.04 – Supplies and Materials (3%)

Fiscal Year 2016

This line represents the cost of supplies and materials for the district. This expenditure category consists of a variety of subcategories which include but are not limited to: instructional supplies, software, textbooks, workbooks, library books, custodial/maintenance supplies, bus supplies and bus fuel. The estimate for fiscal year 2016 is \$2,045,000, which is almost \$500,000 higher than actual expenditures last fiscal year. Most of the anticipated increase (more than \$400,000) is in the area of instructional supplies and textbooks. There is also an anticipated increase of about \$70,000 for bus fuel as a result of timing of filling the tanks and an anticipated increase to diesel fuel prices.

Fiscal Years 2017-2020

For these fiscal years, the estimate of \$1,800,000 is being reflected.

Line 3.05 – Capital Outlay (<1%)

Fiscal Year 2016

This line represents the cost of new and replacement equipment. The estimate for fiscal year 2016 is \$537,000.

Fiscal Years 2017-2020

For fiscal years 2017 & 2018 an estimate of \$450,000 is being reflected and is primarily a result of the Strategic Plan related to new/replacement technology in addition to an increased desire for up-to-date technology. For fiscal years 2019 and 2020 an estimate of \$100,000 is being reflected.

Line 4.3 – Other Objects (2%)

Fiscal Year 2016

This line represents the cost of other objects also known as dues and fees. This expenditure category consists of a variety of subcategories which include but are not limited to: State audit charges, Cuyahoga County ESC deductions, County Auditor/Treasurer fees, bank service charges, liability insurance and tax assessments on district owned properties not used for educational purposes. The estimate for fiscal year 2016 is \$1,107,000.

Fiscal Years 2017-2020

For these fiscal years, an estimate of \$1,110,000 is being reflected.

Line 5.01 – Operational Transfers Out (1%)

Fiscal Year 2016

This line represents transfers from the General Fund to other funds in the district that require a transfer to cover any deficit. The largest transfer is typically made to the Nutrition Services Fund (cafeteria). However, with the creation of a new fund to account for employee severance payments (Fund 035) it is anticipated that this fund will require the largest transfer each year. Previously, employee severance payments were included in salaries of the General Fund.

In years when the actual ending cash balance appears as though it will significantly surpass the projected ending cash balance, the Board of Education has authorized transfers to existing reserve accounts as a means of financial prudence for the future of the school district.

The estimate for fiscal year 2016 is \$900,000. Below are the Funds and the anticipated transfer amounts:

Building Fund	\$ 70,000
Nutrition Service Fund	235,000
Severance Fund	450,000
Student Activity Funds	10,000
Athletics	<u>135,000</u>
Total	\$900,000

Fiscal Years 2017-2020

For these fiscal years, the estimate of \$700,000 is being utilized. This is a result of an expectation of less employee severance payments than what is expected in FY 2016. Based on history, FY 2016 has seen far more retirements than in previous years.

Line 5.02 – Advances-Out (0%)

Fiscal Year 2016

This line represents advances from the General Fund to other funds in the district that require an advance to end the fiscal year with a positive cash balance. An advance is different from a transfer in that an advance must be repaid to the General Fund in the next fiscal year. A transfer of funds is not repaid. Typically, advances are made to Federal Funds due to the fact that most Federal Funds require funds to be spent before Federal Funds are released to the school district. Most of the time, the advance is only necessary to cover the amount of purchase orders that are on the system at the end of the fiscal year. The estimate of advances for fiscal year 2016 is \$20,000.

Fiscal Years 2017-2020

For these fiscal years, the estimate of \$20,000 is being utilized.

Line 7.02 – Cash Balance June 30

Fiscal Year 2015

This line represents the actual ending cash balance of the General Fund. A negative ending cash balance indicates deficit spending and corrective action must be taken to ensure the ending cash balance is no longer negative. The estimated ending cash balance for June 30, 2016 is \$9,991,728.

Fiscal Years 2017-2020

The ending cash balance is expected to decline in fiscal year 2017 and in each subsequent fiscal year.

Line 10.01 – Fund Balance June 30

Fiscal Year 2016

This line represents the actual ending fund balance of the General Fund. The fund balance is calculated by subtracting outstanding encumbrances from the actual ending cash balance at the end of the year. A negative ending fund balance is not permitted under Ohio Law. The estimated ending fund balance for June 30, 2016 is \$9,341,728.

Fiscal Years 2017-2020

Based on the information included in the 5-year forecast, it would appear that the need for additional revenue would not be necessary until sometime in fiscal year 2017.