



Amherst Exempted Village School
District

Five Year Forecast Financial Report

May, 2018

Barbara Donohue, Treasurer

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Forecast Purpose/Objectives

Ohio Department of Education's purposes/objectives for the five-year forecast are:

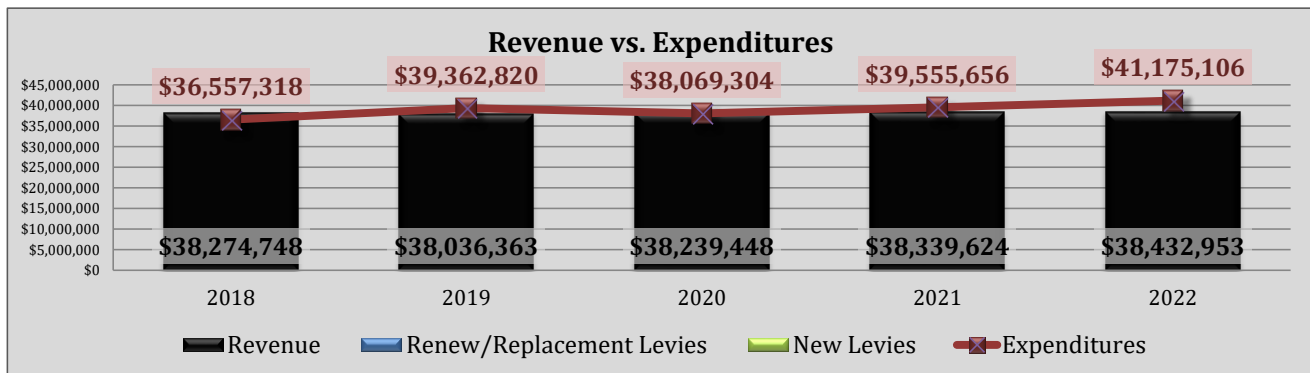
1. To engage the local board of education and the community in the long range planning and discussions of financial issues facing the school district.
2. To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate."
3. To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems.

Five Year Forecast - Simplified Statement

	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
Beginning Balance	16,151,109	17,868,538	16,542,081	16,712,225	15,496,192
+ Revenue	38,274,748	38,036,363	38,239,448	38,339,624	38,432,953
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(36,557,318)	(39,362,820)	(38,069,304)	(39,555,656)	(41,175,106)
= Revenue Surplus or Deficit	1,717,429	(1,326,457)	170,144	(1,216,032)	(2,742,153)
Ending Balance	17,868,538	16,542,081	16,712,225	15,496,192	12,754,039
Revenue Surplus or Deficit w/o Levies	1,717,429	(1,326,457)	170,144	(1,216,032)	(2,742,153)
Ending Balance w/o Levies	17,868,538	16,542,081	16,712,225	15,496,192	12,754,039

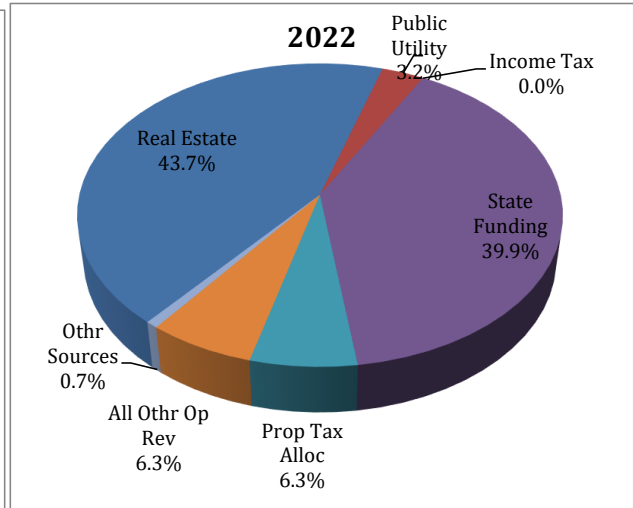
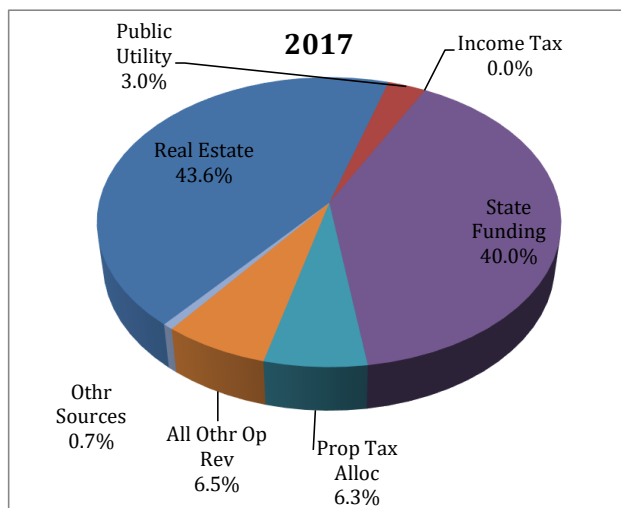
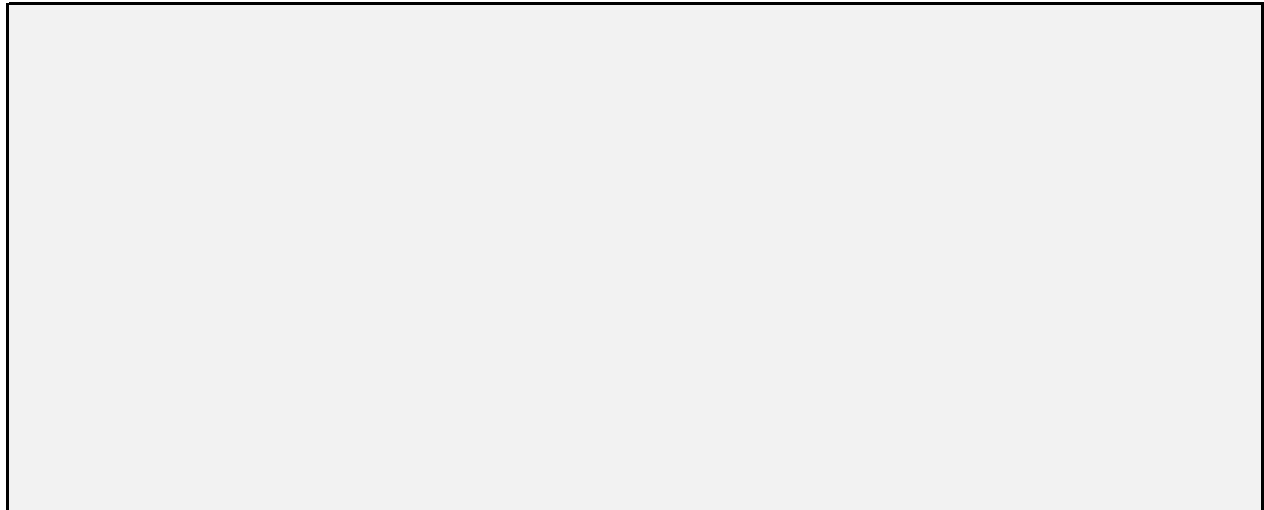
Summary:

Executive Summary - gives a big picture snapshot of the forecast. The District is spending more funds than they are receiving in 2019, 2021, and 2022.



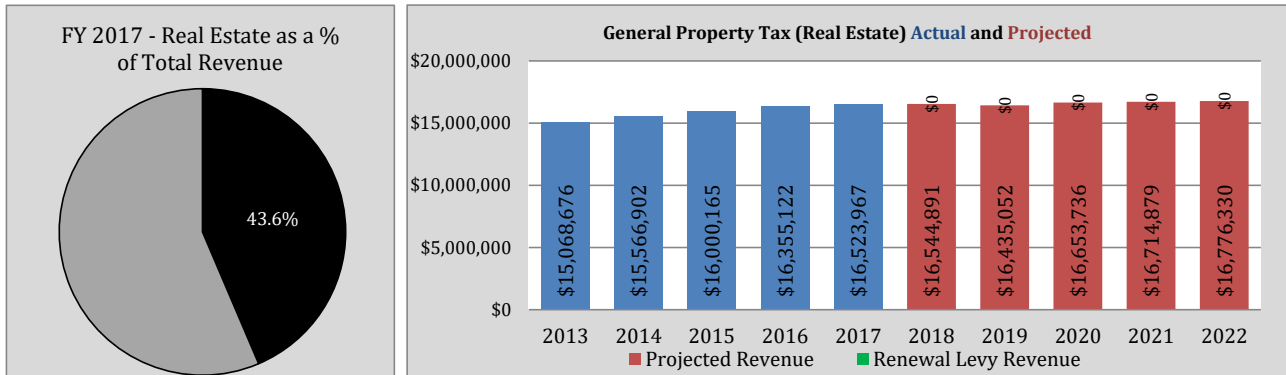
Revenue Overview

	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	
Revenue:							
1.010-Real Estate	2.91%	0.13%	-0.66%	1.33%	0.37%	0.37%	0.31%
1.020-Public Utility	10.77%	8.11%	-0.20%	-0.05%	-0.05%	-0.05%	1.55%
1.030-Income Tax	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.035-State Funding	-0.01%	0.38%	0.66%	-0.01%	-0.01%	0.08%	0.22%
1.040-Restricted Aid	125.91%	-0.60%	-0.55%	-0.27%	-0.25%	-0.29%	-0.39%
1.045-Restr Federal SFSF	-79.40%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.050-Property Tax Alloc	-1.55%	-1.35%	1.15%	0.33%	0.33%	0.33%	0.16%
1.060-All Other Operating	22.70%	-2.90%	0.61%	-0.87%	1.41%	0.56%	-0.24%
1.070-Total Revenue	1.84%	0.18%	0.07%	0.54%	0.26%	0.25%	0.26%
2.070-Total Other Sources	13.69%	119.70%	-48.80%	0.00%	0.00%	0.00%	14.18%
2.080-Total Rev & Other Srcs	1.49%	0.95%	-0.62%	0.53%	0.26%	0.24%	0.27%



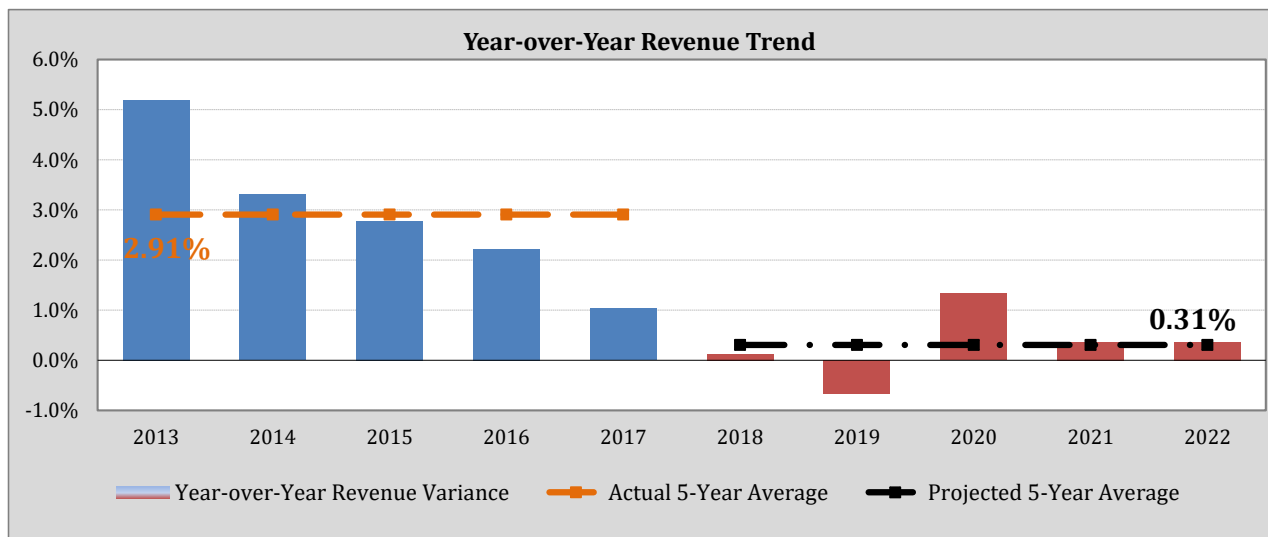
1.010 - General Property Tax (Real Estate)

Revenue collected from taxes levied by a school district by the assessed valuation of real property using effective tax rates for class I (residential/agricultural) and class II (business).



Real Estate is 43.6% of the District revenue. Future valuations are assumed to continue to recent historical trends. Collection rates were up in March 2018 due to the federal government made changes to limit the deductibility of property taxes and, also state and local income taxes, beginning 2018. Through 2017, there was generally no deductibility limit. In response to the federal law changes, there is anecdotal evidence that taxpayers who had the cash available pre-paid their entire 2018 tax bill prior to January 1, 2018. This would allow the taxpayers to deduct the full amount of these tax payments on their 2017 federal tax returns. The collections split for Class I went from 52.1% on average up to 53.3% and class II from 52.8% to 53.6%. Over all it is not a change in the amount of anticipated revenue this calendar year, just shifts more revenue to this spring than usual.

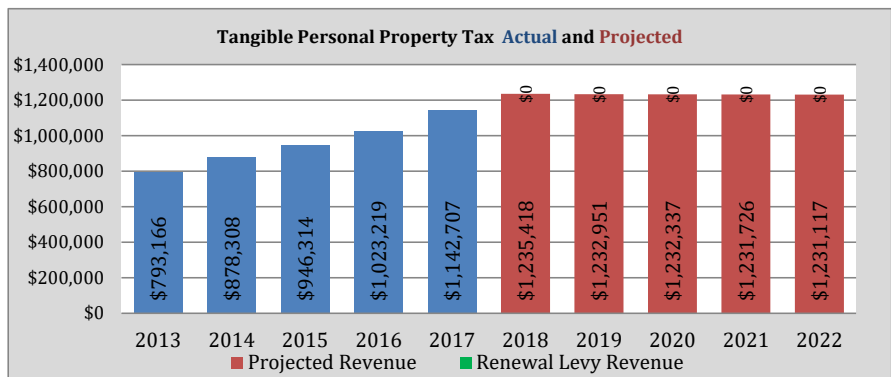
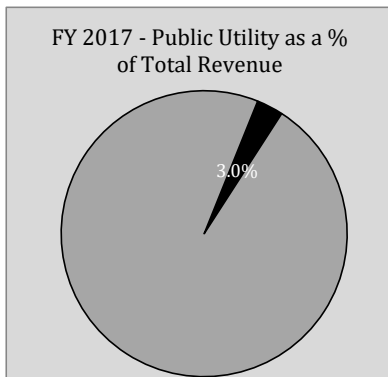
The Bond issue passed in November 2016 with a passage rate of 65%, which is for a new elementary school, extra classrooms, HVAC for Marion L. Steele and Nord, Paving, and a Board office. The District was able to obtain a rate that allowed the District to shave a few years off the term of the Bond. The projected amounts are flat lined as any estimates in this line are subject to change as conditions, events and circumstances dictate.



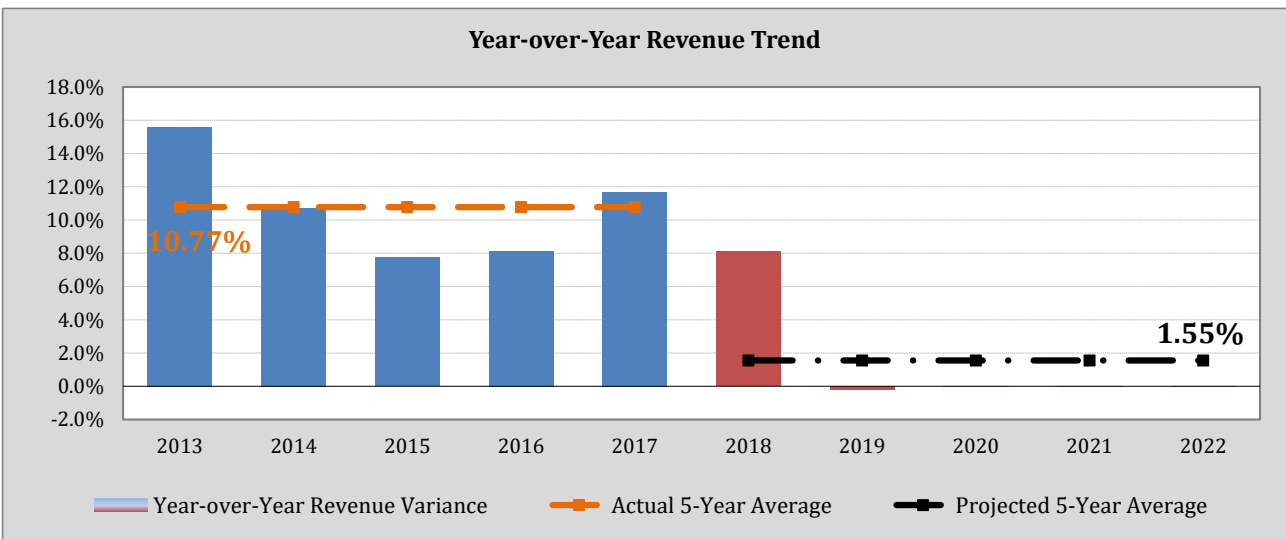
*Projected % trends include renewal levies

1.020 - Public Utility Personal Property

Revenue generated from public utility personal property valuations multiplied by the district's full voted tax rate.



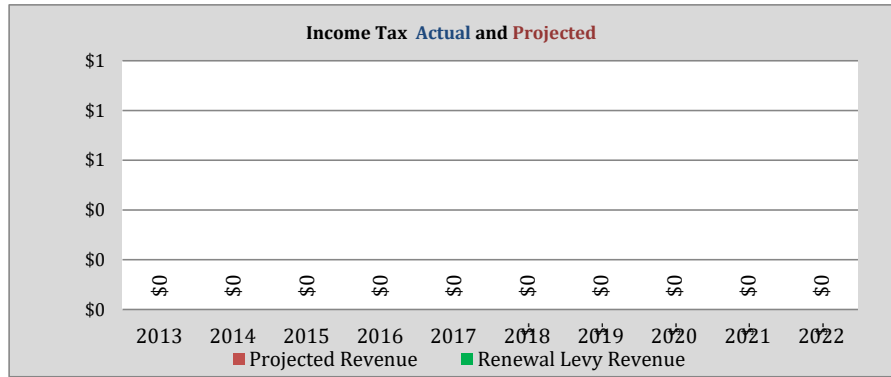
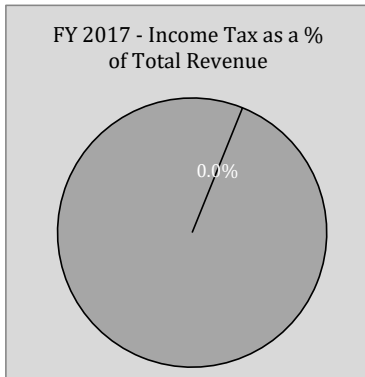
Public Utility is 3% of the District revenue and brings in 1.1 million annually. This is based on historical trends. The projected amounts are flat lined as any estimates in this line are subject to change as conditions, events and circumstances dictate.



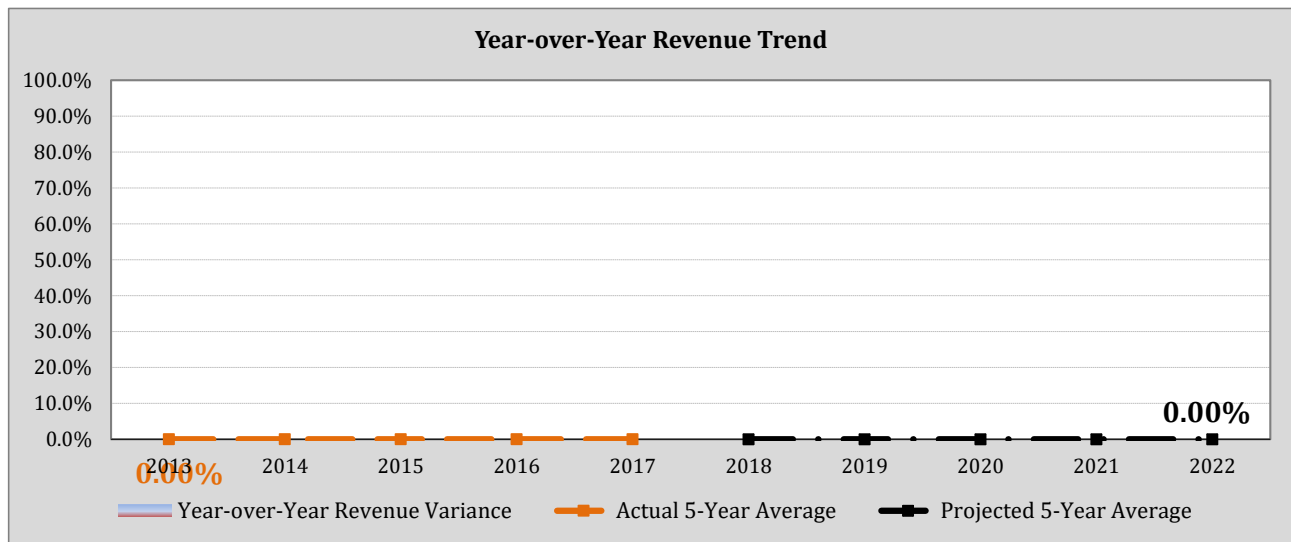
*Projected % trends include renewal levies

1.030 - Income Tax

Revenue collected from income tax earmarked specifically to support schools with a voter approved tax by residents of the school district; separate from federal, state and municipal income taxes.



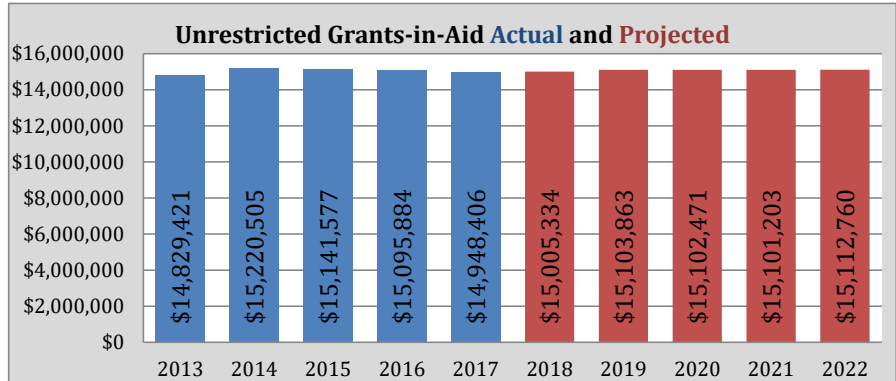
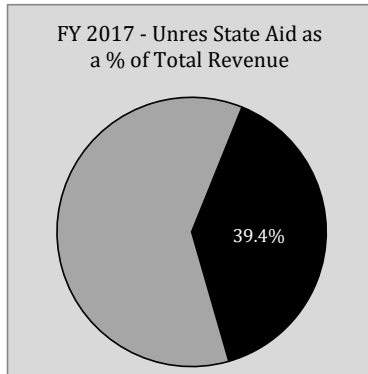
The District does not have and Income Tax levy.



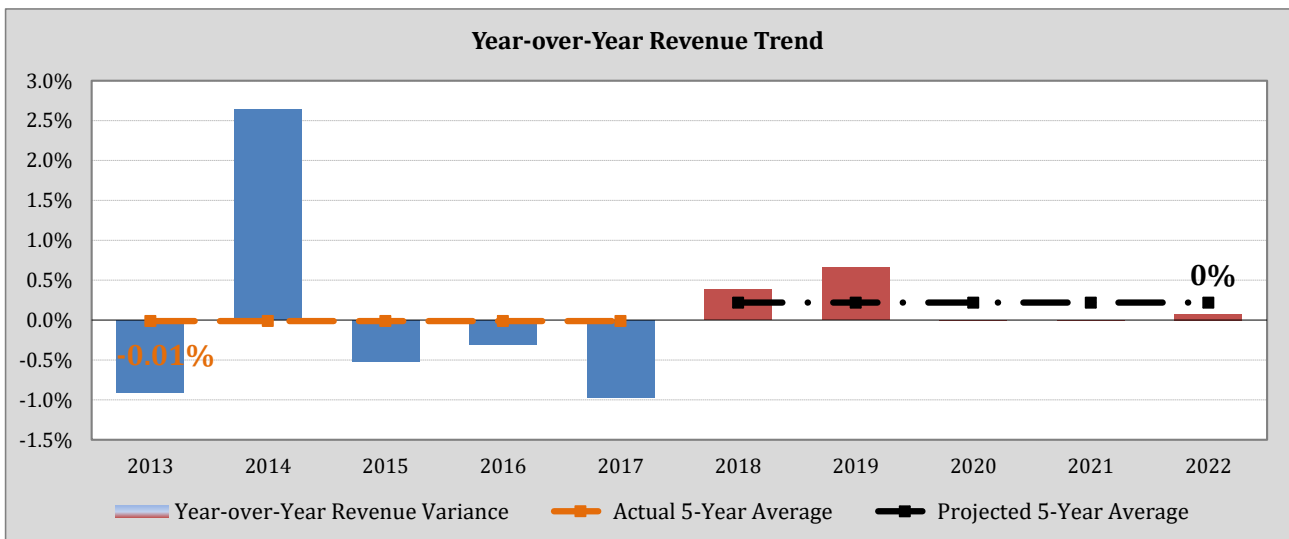
*Projected % trends include renewal levies

1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.

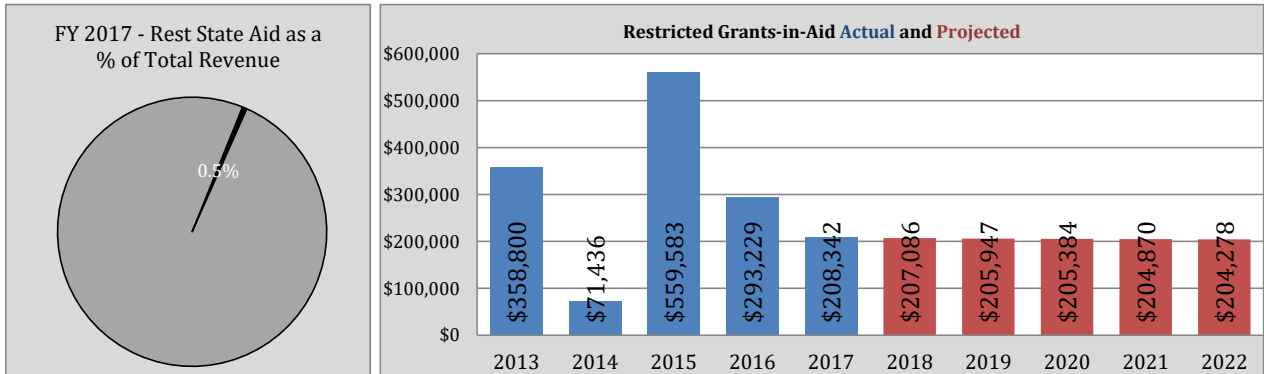


The District collects 39.4% of our revenue from the State. The District is on the guarantee and would need the enrollment to increase to see increase in state aid. The district's enrollment has decreased by 35 students since August 2017. The projected amounts are flat lined as any estimates in this line are subject to change as conditions, events and circumstances dictate.

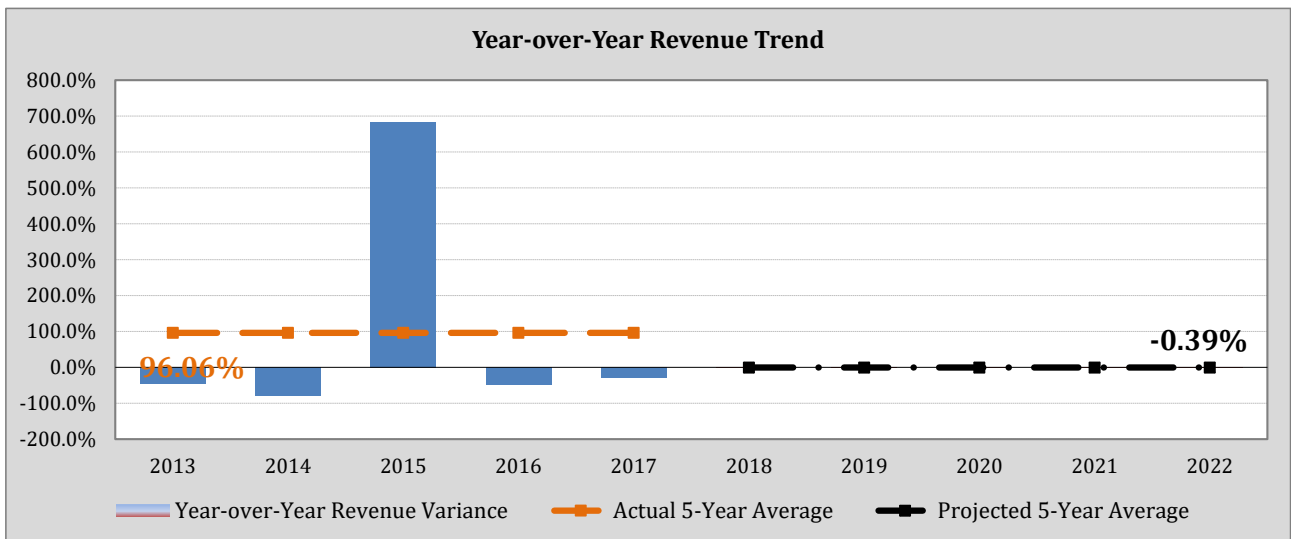


1.040 & 1.045 - Restricted Grants-in-Aid

Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.

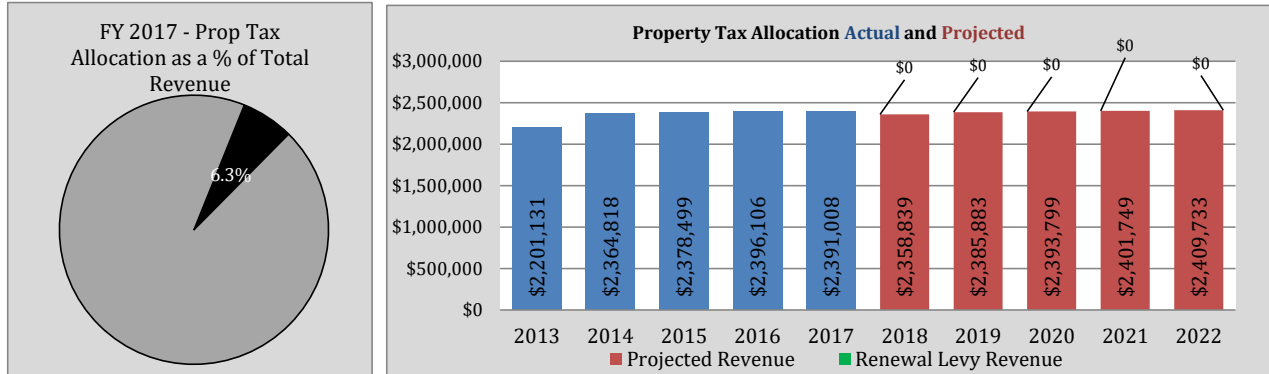


Restricted aid is .5% of the District Revenue. The categories that fall under restricted is Career Tech, which is declining, Economic Disadvantaged funds, and Catastrophic Aid. These funds are spend in appropriate categories. The projected amounts are flat lined as any estimates in this line are subject to change as conditions, events and circumstances dictate. The projected amounts are flat lined as any estimates in this line are subject to change as conditions, events and circumstances dictate.



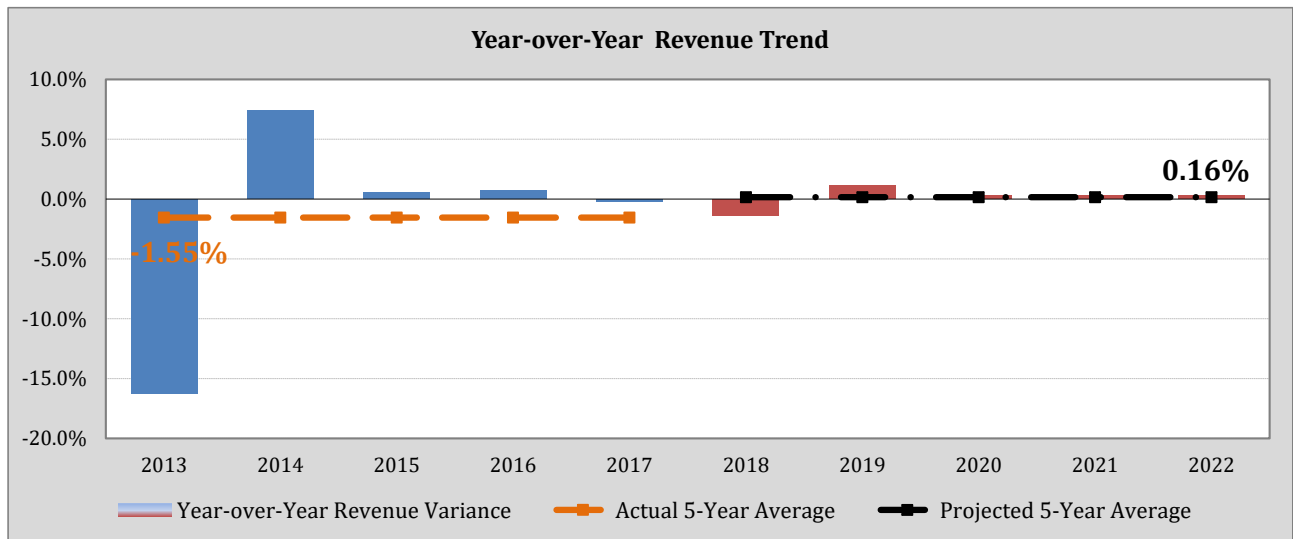
1.050 - Property Tax Allocation

Includes funds received for Tangible Personal Property Tax Reimbursement, Electric Deregulation, Homestead and Rollback.



Homestead and rollback collection payments are under this category. If the District would pass a new emergency or operating levy (none are planned at this time), the State will no longer reimburse the District on the 10.0% credit residential property owners receive and the 2.5% owner occupied property owners receive; the State stopped these reimbursement for and NEW levies passed after November 2013; this DOES NOT apply to the emergency renewal levies the District has planned for CY2017 and C Y2023.

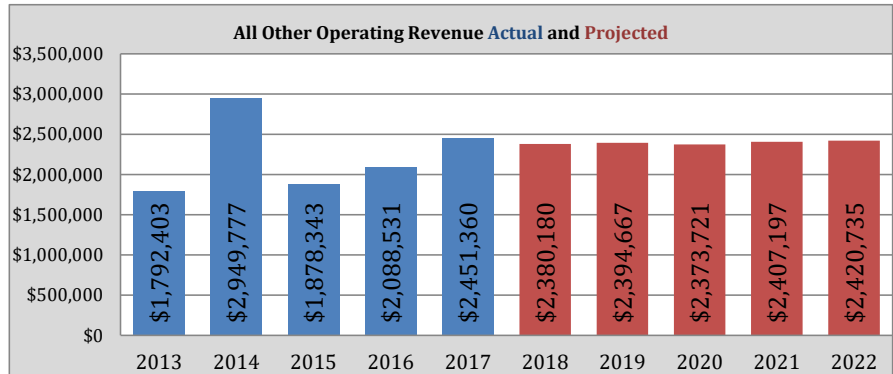
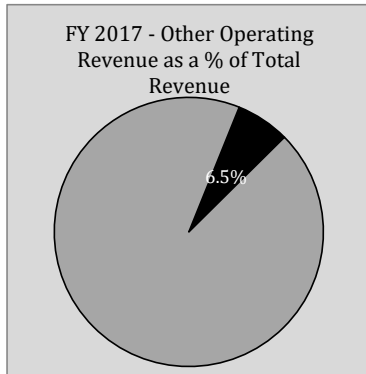
Any estimates presented in this line item are subject to change as conditions, events and circumstances dictate.



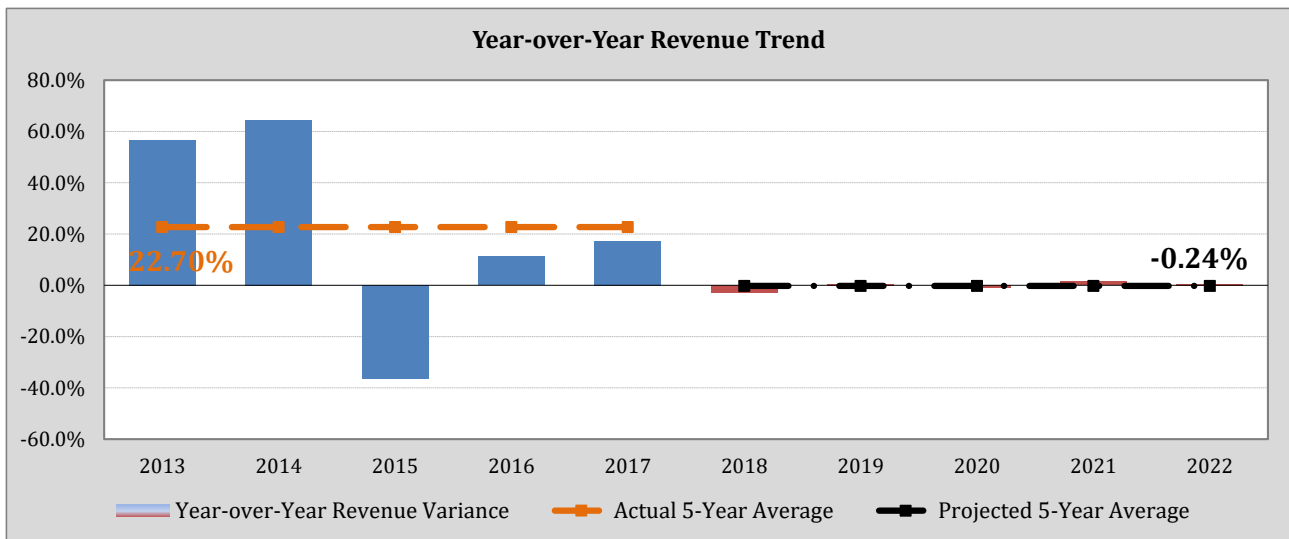
*Projected % trends include renewal levies

1.060 - All Other Operating Revenues

Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.

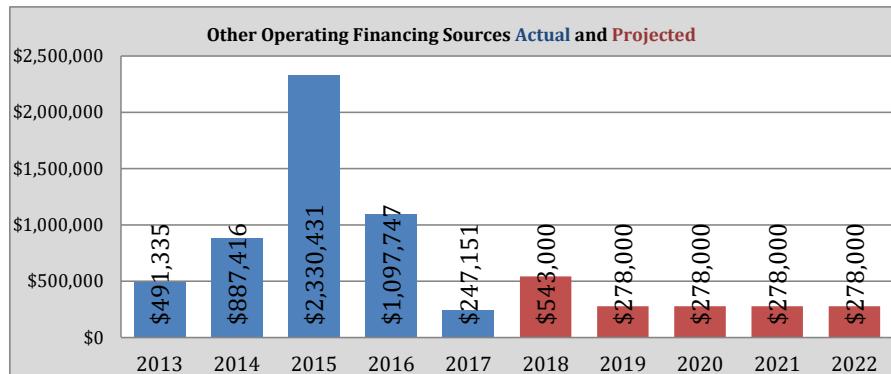
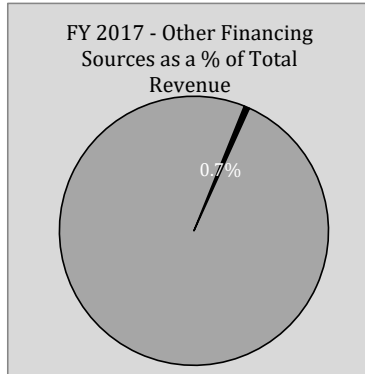


Other operating revenue is 6.5% of the total revenue. Current TIF payments are assumed unchanged; these payments are assumed to remain flat through FY2022. The district has their investment portfolio with Redtree, which result in higher earnings at maturity. The District continues to invest in Star Ohio. Medicaid reimbursements are around \$80,000 annually, which the District will not receive after this year. The District receives around one million dollars on open enrollment annually. Any estimates presented in this line item are subject to change as conditions, events and circumstances dictate.

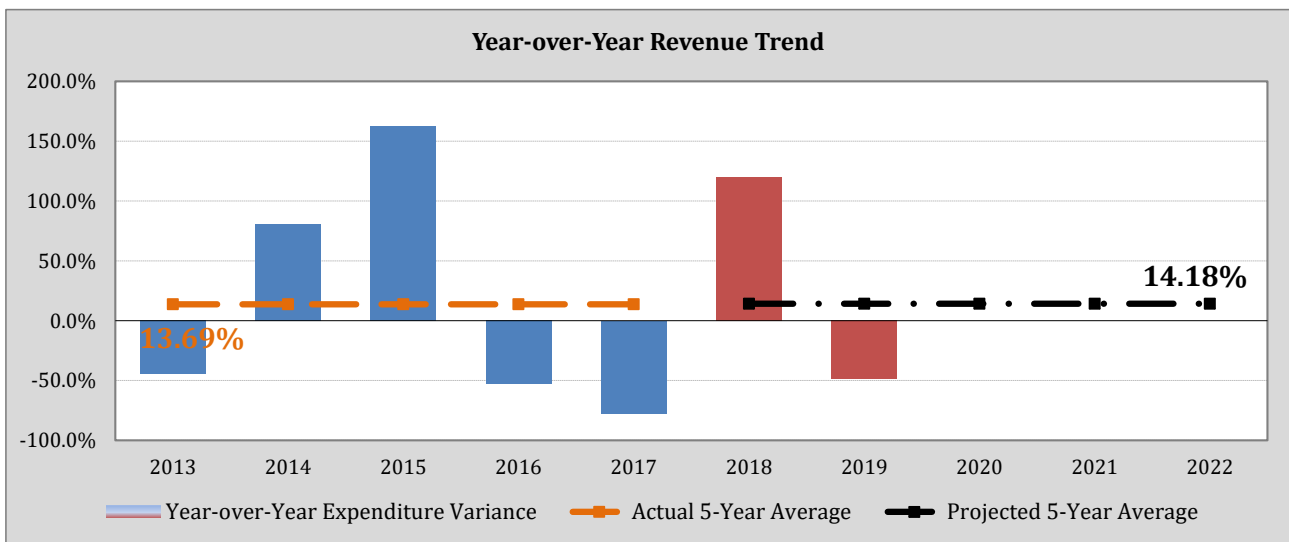


2.070 - Total Other Financing Sources

Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.

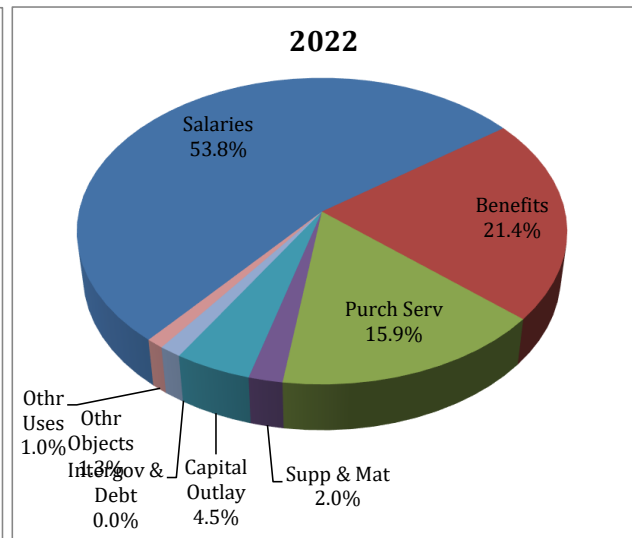
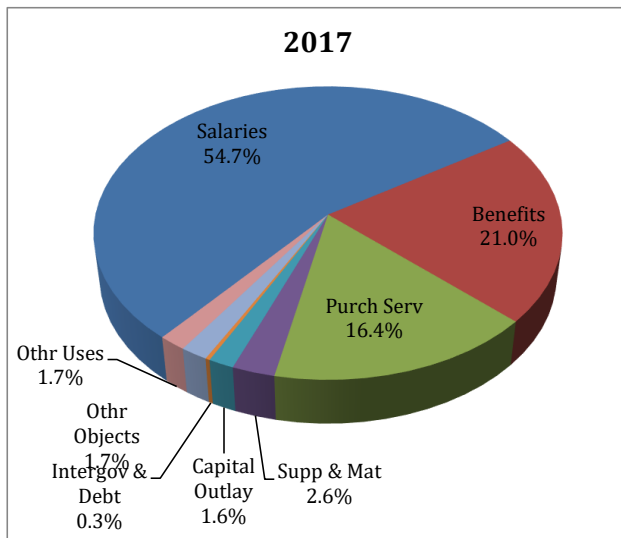


Transfers and Advances - This is used to advance funds at yearend for grants that we are waiting to receive the money and then the District will advance back the funds. The big spike in 2015 is where a transfer was made to clear out funds that had balances in that the district no longer had to track so tranfered the funds to the general fund.



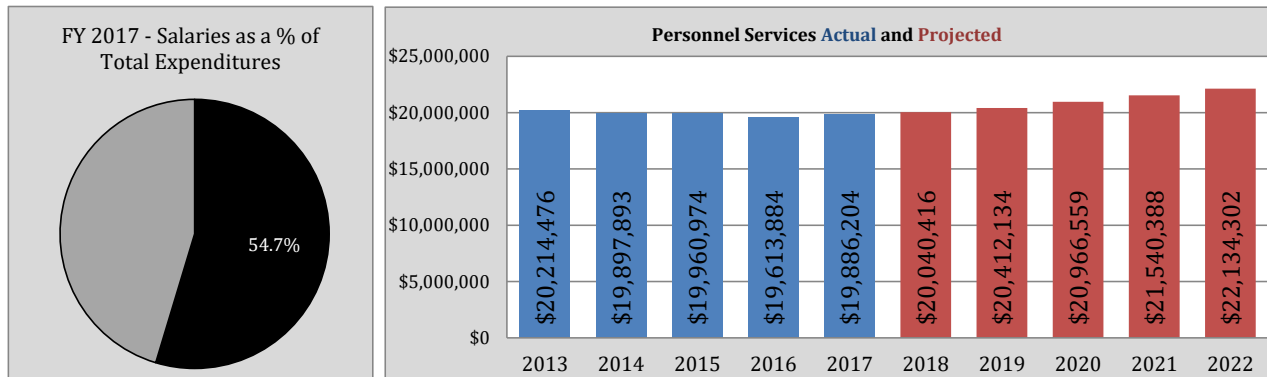
Expenditures Overview

	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	
Expenditures:							
3.010-Salaries	-1.29%	0.78%	1.85%	2.72%	2.74%	2.76%	2.17%
3.020-Benefits	0.44%	-5.26%	3.90%	5.34%	5.46%	5.57%	3.00%
3.030-Purchased Services	11.99%	-2.09%	2.49%	3.27%	3.25%	2.65%	1.92%
3.040-Supplies & Materials	0.58%	7.56%	-13.02%	-15.05%	3.87%	3.85%	-2.56%
3.050-Capital Outlay	732.08%	130.14%	156.85%	-63.13%	19.93%	24.02%	53.56%
3.060-Intergov	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.010-4.060-Debt	-4.27%	-84.11%	-100.00%	n/a	n/a	n/a	-92.06%
4.300-Other Objects	4.15%	-12.90%	0.00%	0.00%	0.00%	0.00%	-2.58%
4.500-Total Expenditures	1.07%	0.78%	7.55%	-2.89%	3.95%	4.14%	2.70%
5.040-Total Other Uses	29.74%	-16.18%	16.60%	-28.47%	0.00%	0.00%	-5.61%
5.050-Total Exp & Other Uses	1.13%	0.50%	7.67%	-3.29%	3.90%	4.09%	2.58%



3.010 - Personnel Services

Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.

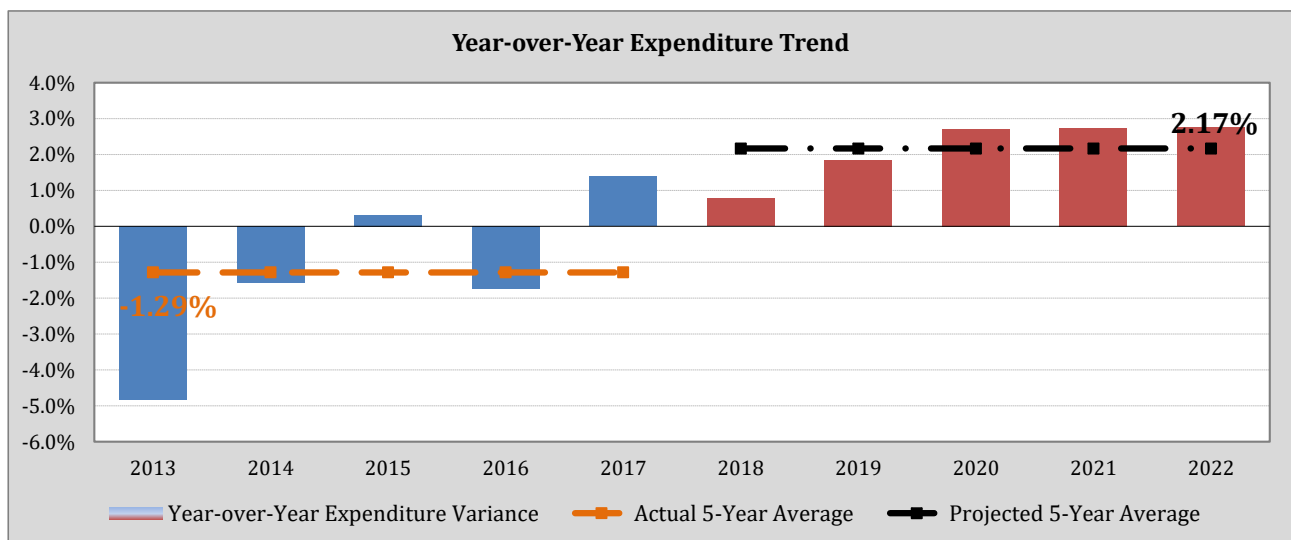


Salaries and wages follow labor contract provisions for all unions and administrators. The current labor contracts are good through June 29, 2019. The current percentage increase in all union and administrator contract is as follows:

FY2014-FY2015	1%
FY2015-FY2016	1.25%
FY2016-FY2017	1.25%
FY2017-FY2018	1.75%
FY2018-FY2019	2.25%

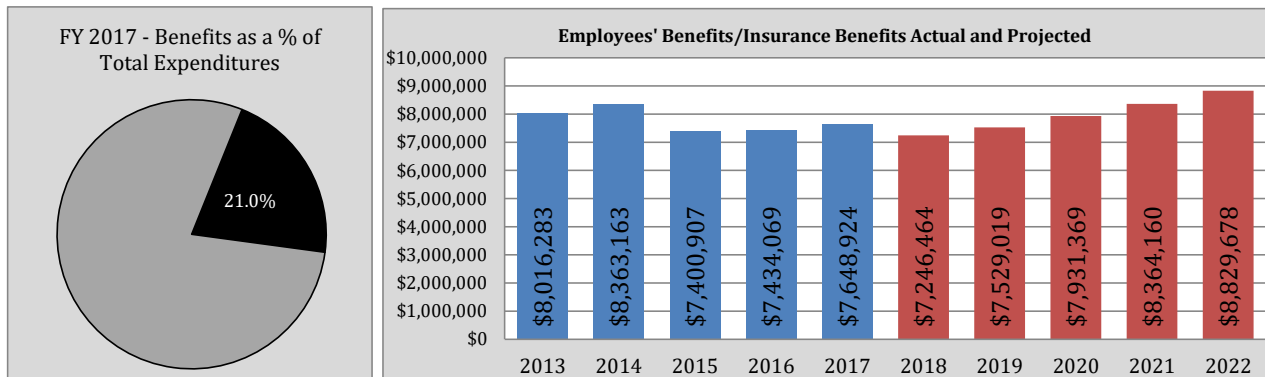
Salaries are 54.7% of the expenditures in the district. The district is projecting a reduction in three additional teachers at 80,000 per teacher and reduction of two teachers each year after. Total savings equates to 1,200,000.00.

Any estimates presented in this line item are subject to change as conditions, events or circumstances dictate.



3.020 - Employees' Benefits

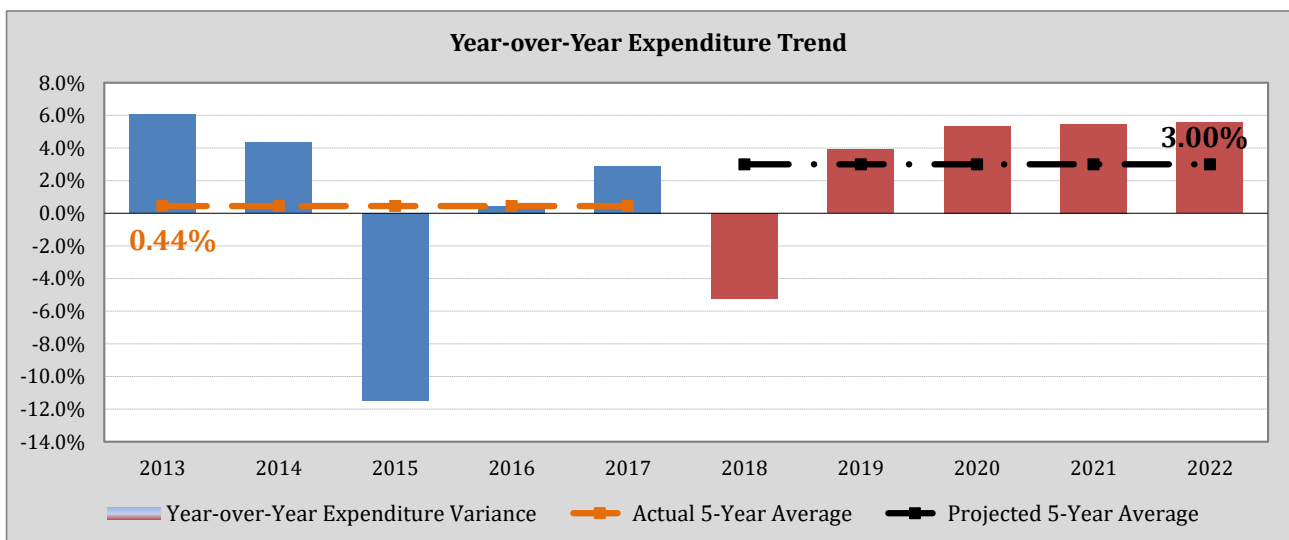
Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.



In 2015 the District was able to change the health insurance plan design and saved the District one million dollars. Then the District implemented spousal language which save the district around \$300,000 more annually.

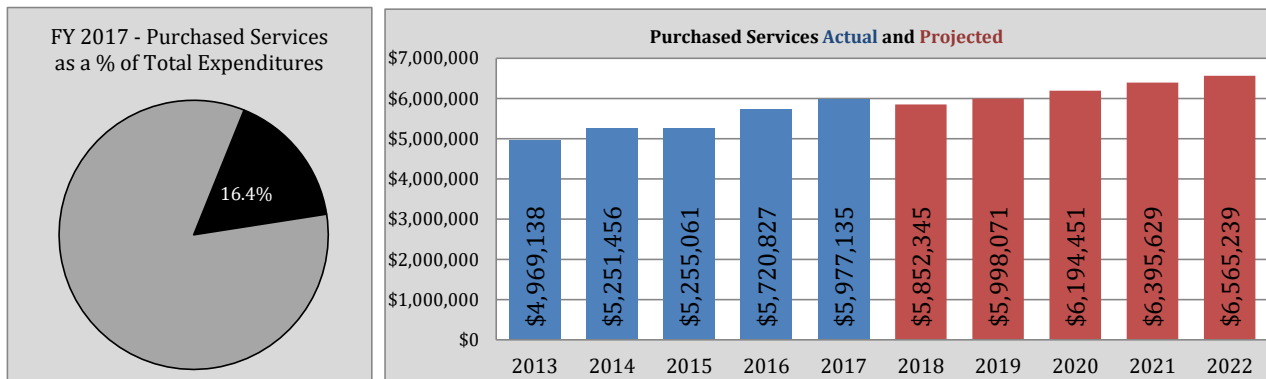
In FY2016 the District experience a 2% increase in premium after having anywhere from 17% to 21% increases. In FY2017 & FY2018 the District experienced a 6.7% and 2% increase. In 2019 the District has no increase in the Health, Dental or life insurance. For 2020,2021 & 2022 projecting 8% increases.

The District experience a few more retirements in the last few years with the change in the STRS (State Teachers Retirement System). The District was moved from group rating with workers comp in FY2016 and back to group rating this year. Our rate is under 1% and is projected the same through out the forecast. The District works with Comp Management to manage our Workers Comp Claims. Any estimates presented in this line item are subject to change as conditions, events and circumstances dictate.

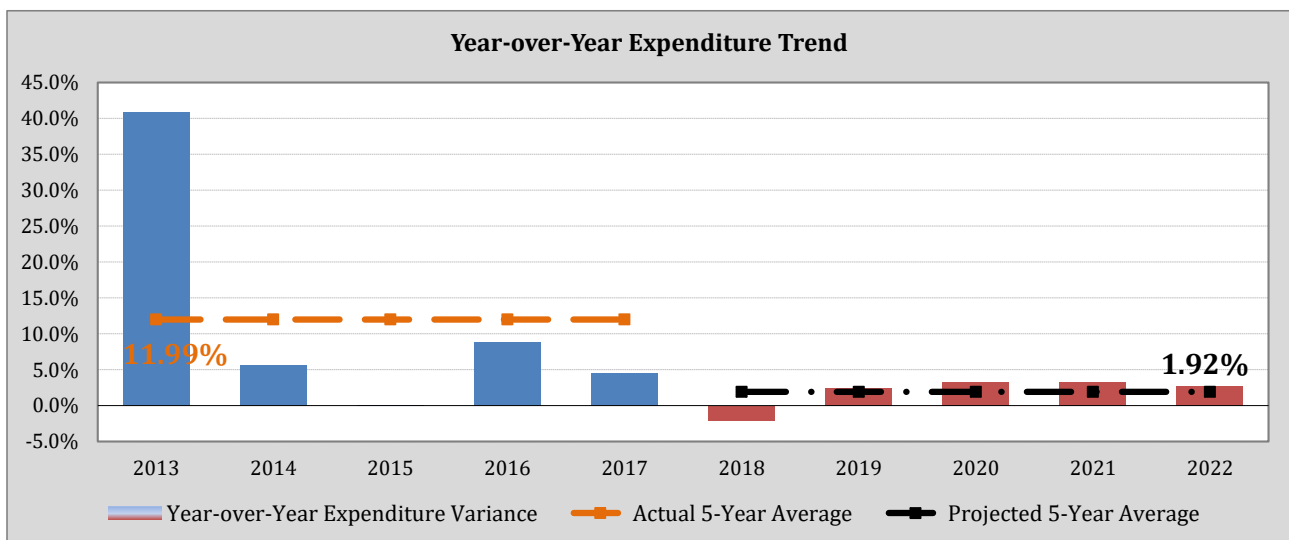


3.030 - Purchased Services

Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, and other services which the school district may purchase.

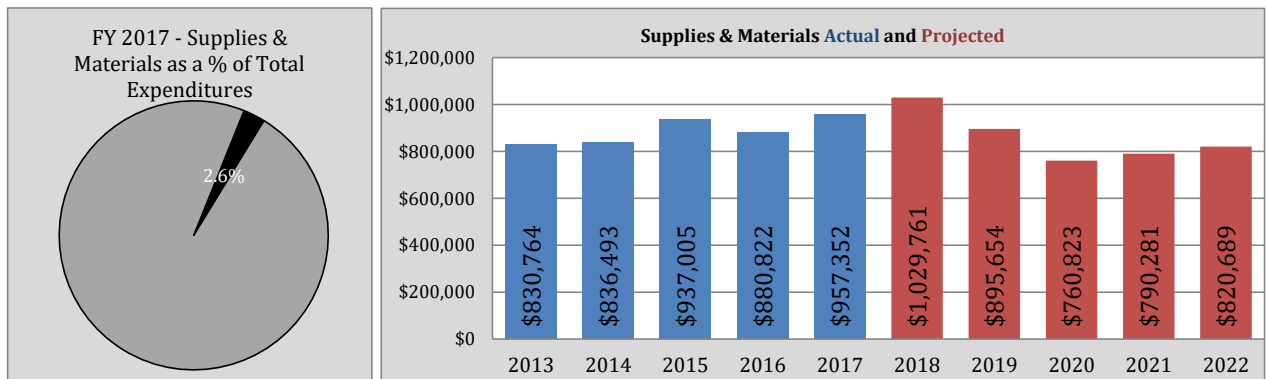


Purchase services are 16.4% of our expenses for the District.
 Other District Tuition Is around one million dollars a year and projected to grow by 3% annually throughout the forecast.
 Excess Cost Tuition is approximately 650,000 dollars a year and also projected by grow 3% annually throughout the forecast.
 Open enrollment out is 1,365,000.00 annually and is more than we receive for open enrollment in and is flat lined going forward.
 The utilities in the District such as, phone, electric, gas, water, and trash cost the district around 1,120,000.00 a year and forecasted to increase 3% annually throughout the forecast.
 Professional Services such as, Legal, Purchase Services (repairs and professional technical service, Insurance (property, fleet and liability) cost the District around two million dollars a year and projecting 3% growth throughout the forecast.
 The district is forecasting a decrease of 184,000 through 2022, due to elimination of 4 alternative seats with Lorain County Academy. Any estimates presented in this line item are subject to change as conditions, events, and circumstances dictate.

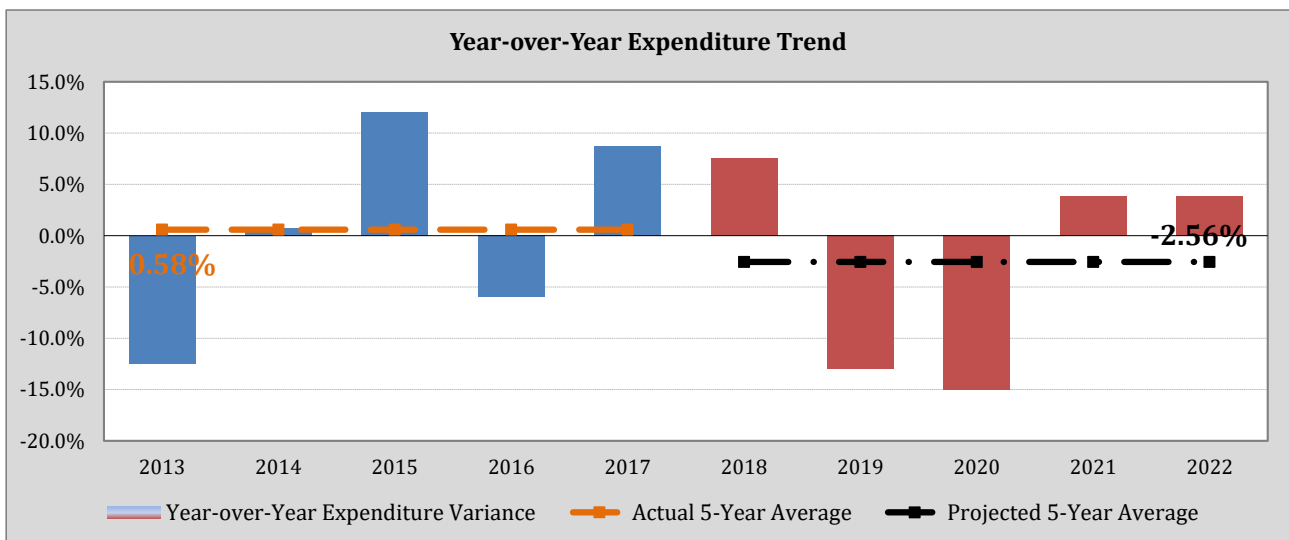


3.040 - Supplies & Materials

Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.

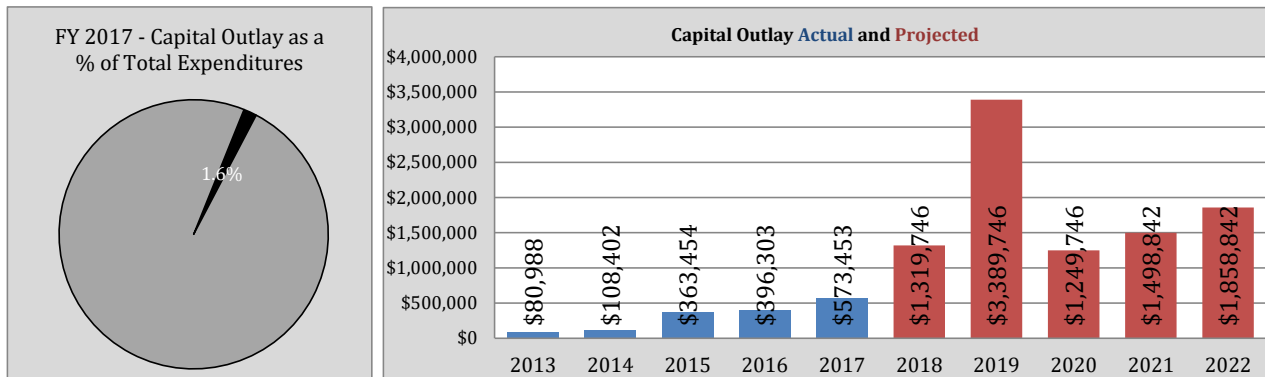


Supplies and Materials is 2.6% of our expenses in the District. There is a reduction in the curriculum budget in 2018-2019 and 2019-2020 of \$165,000 each year, total savings of \$330,000. For 2021 through 2022 forecasting a 1% increase. Any estimates presented in this line item are subject to change as conditions, events, and circumstances dictate.



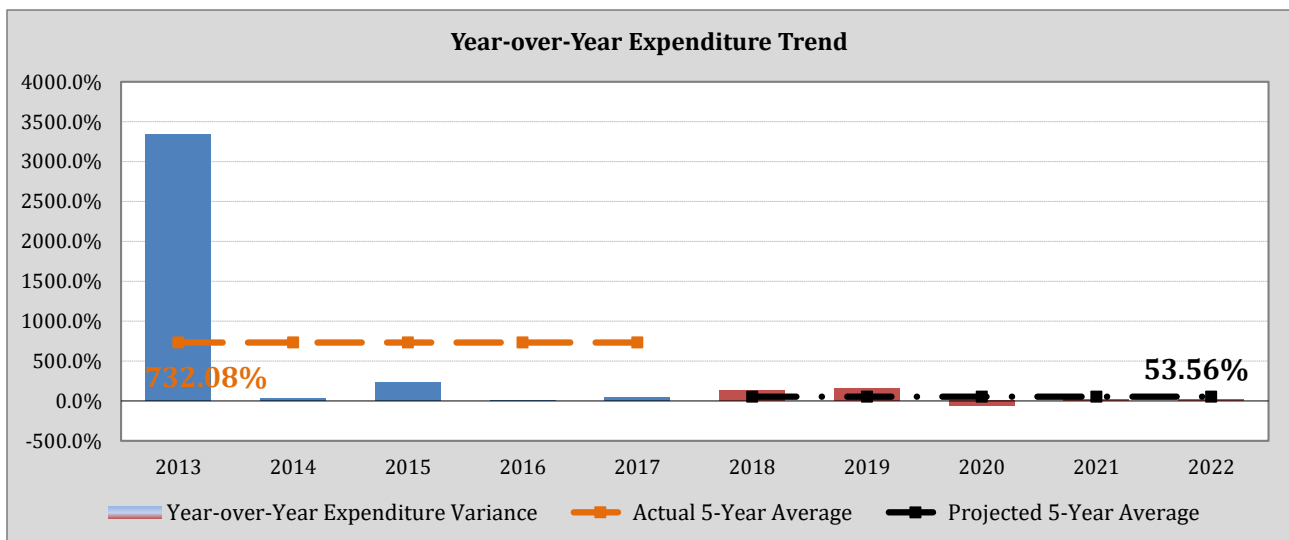
3.050 - Capital Outlay

This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



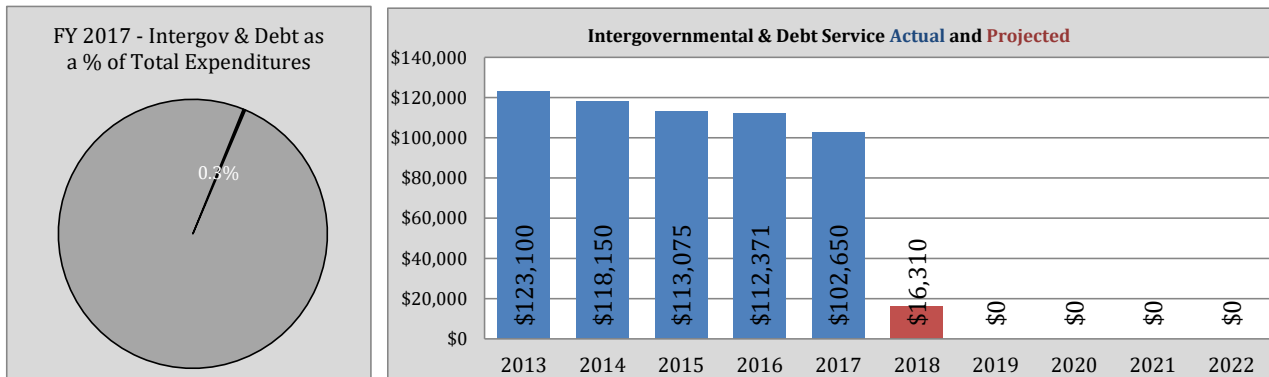
Facility improvements are repairs in this line item are usually very minimal due to the District having a Permanent Improvement Levy. Permanent Improvement is now coming out of this line item due to the tax anticipation note received to cover the renovation for the Steele Creative Learning Center and the South Lobby. An decrease in capital for 2018 is due to when expenditures will hit the books for summer projects. The increase in Capital for 2019 of 2,500,000.00 is for the budget overage on the OFCC project. The district also included \$360,000 each year starting 2019 for additional PI expenses. This line items has one Apple Lease for the technology in the District. The apple lease expires FY2021. The District has grown leaps and bounds in technology the last few years. Any estimates presented in this line item are subject to change as conditions, events, and circumstances dictate.

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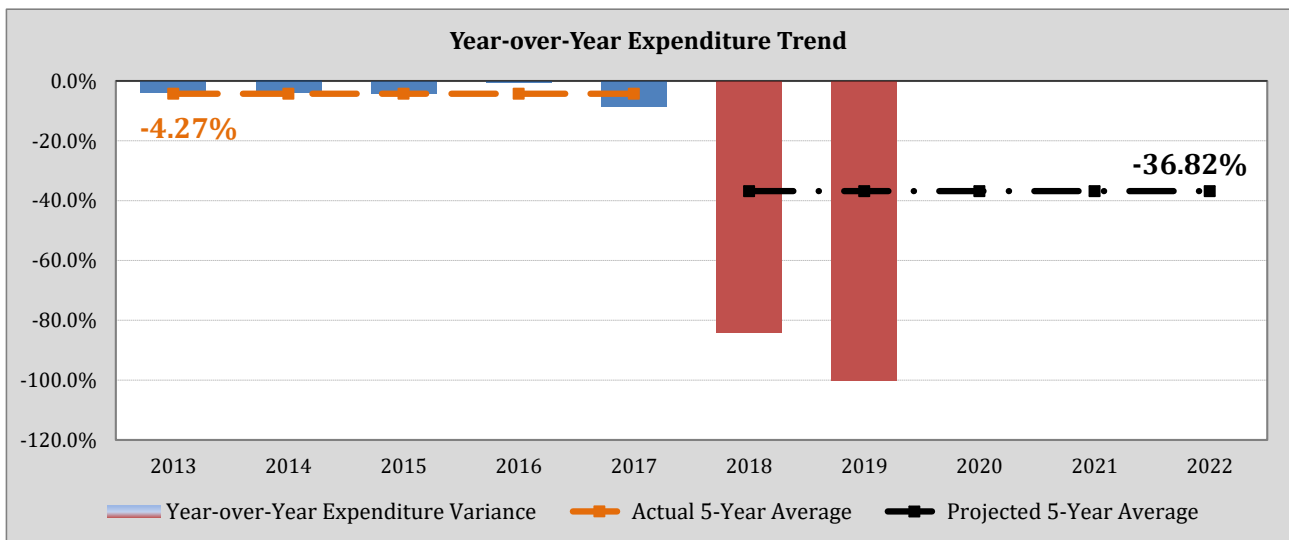
3.060-4.060 - Intergovernmental & Debt

These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.



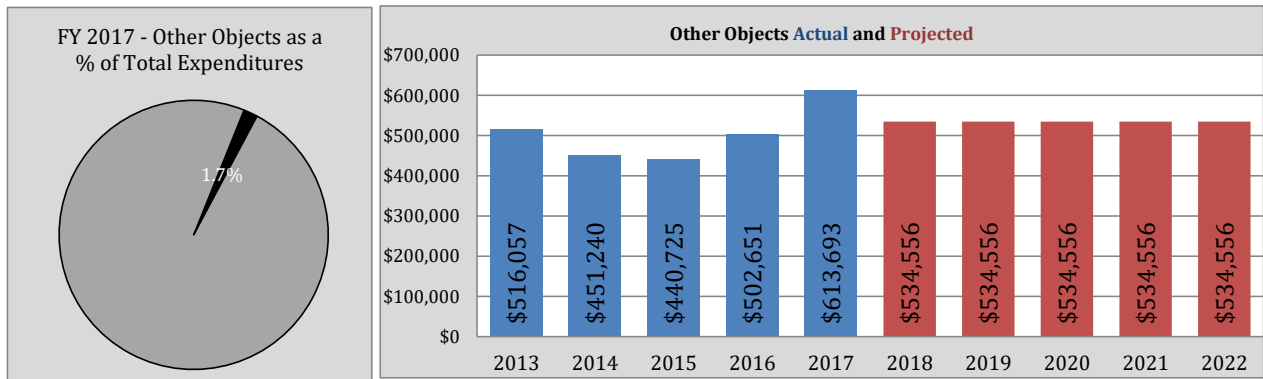
The District obtained a Tax Anticipation Note in the amount of \$1,500,000.00 for the purpose of the renovation of the Marion L. Steele Media Center and the Marion L. Steele South Lobby. The Media center was renovated and it cost the district around \$766,000.00 and the South Lobby to date around \$600,000.00 This has been great for the District. The Amherst School Education Foundation approved to give the District \$200,000.00 over a five year period to help cover the cost of the Creative Learning Center (which is what the Media Center is now called). The tax anticipatsion note will be paid over five years.

The District also has a HB264 loan that was obtained in 2001 and the last payment is December 2016. This was for lighting upgrades for all buildings and boiler / heaing control at Marion L. Steele. Any estimates presented in this line item are subject to change as conditions,events, and circumstances dictate.

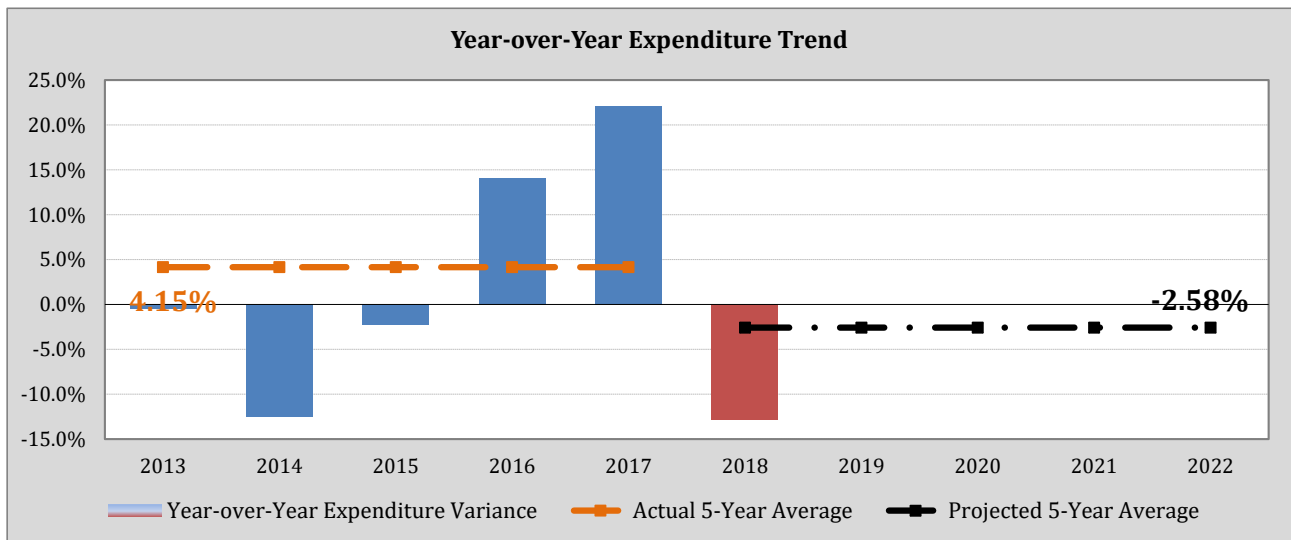


4.300 - Other Objects

Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.

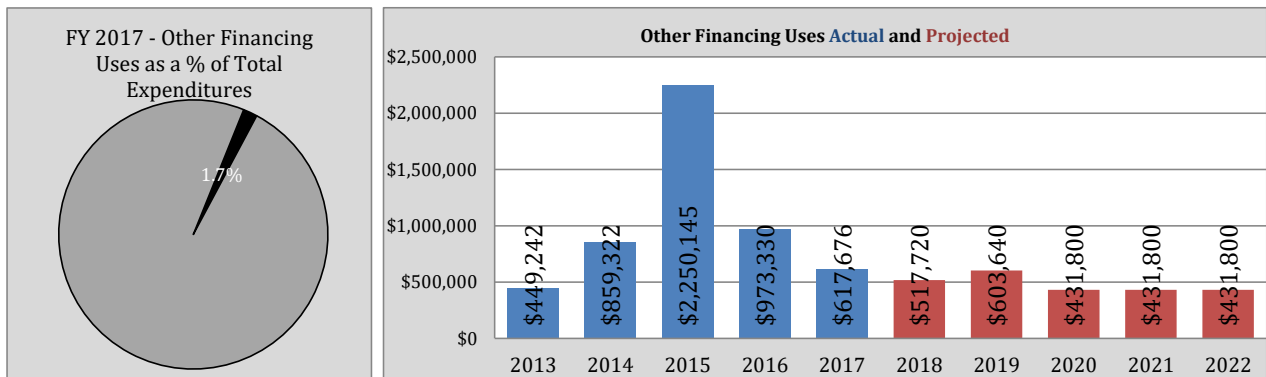


Other Objects are 1.7% of the District expenses. Some of the items that fall under this category are Audit Cost, Treasurer fees, bank fees. The County Treasurer charges around 6% on the collected taxes. This is flat lined throughout the forecast. Any estimates presented in this line item are subject change as conditions, events, and circumstances dictate.

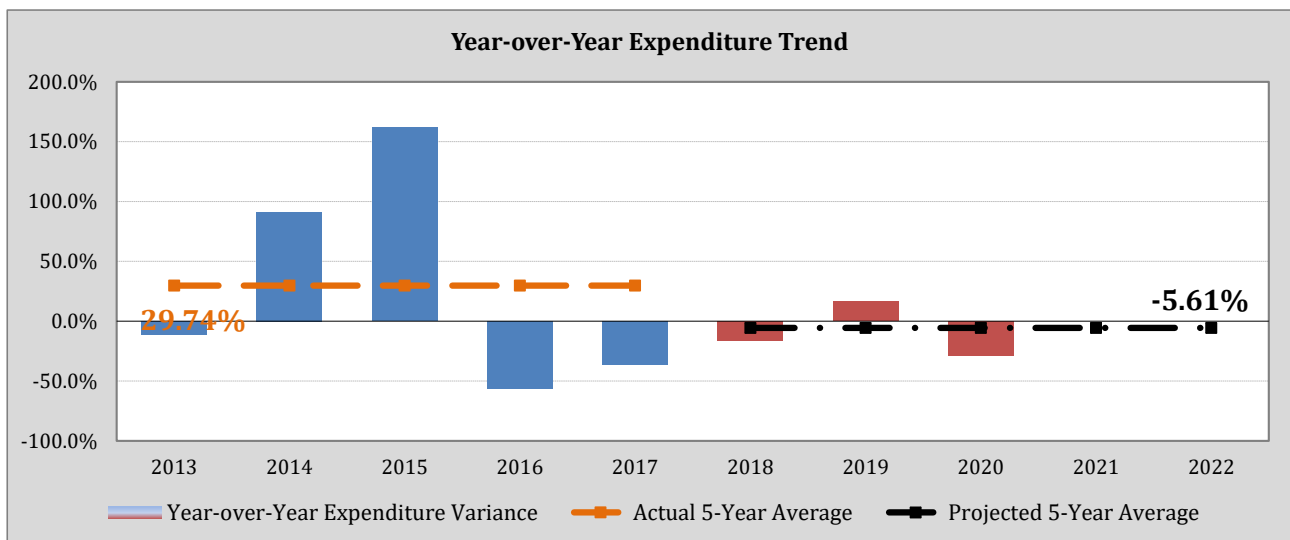


5.040 - Total Other Financing Uses

Operating transfers-out, advances out to other funds, and all other general fund financing uses.



Transfers and Advances
 This is also used for advances and transfer for the expense side. For example when advancing funds from general fund to grants, we use this line item. Any estimates that are presented in this line item are subject to change as conditions, events and circumstances dictate.

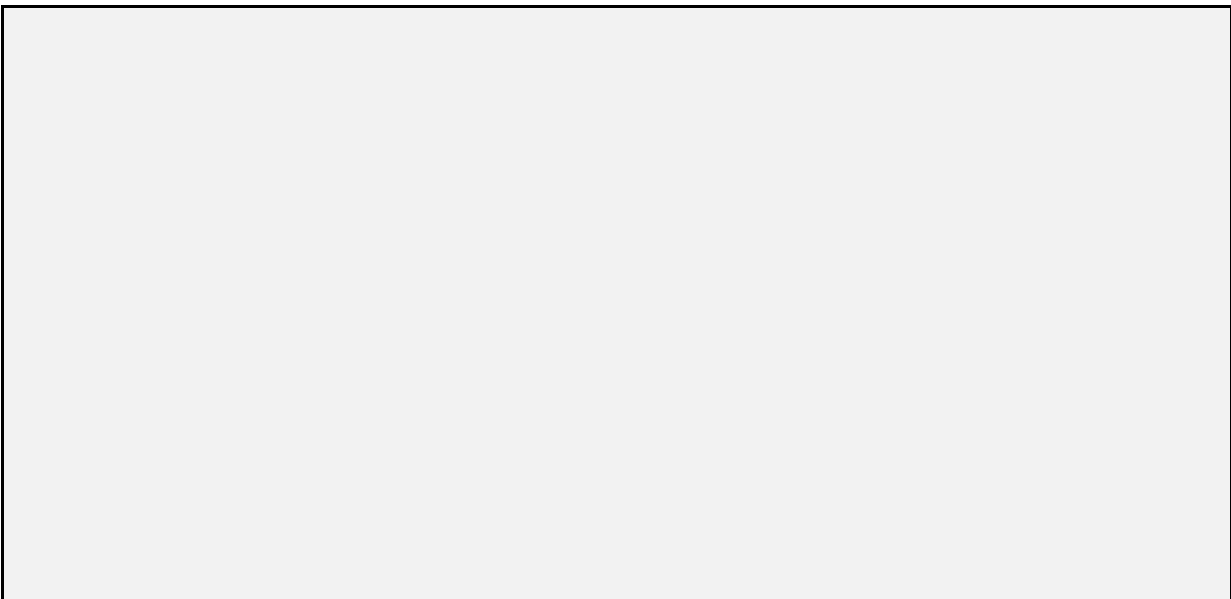


Forecast Compare

Comparison of Previous Forecast Amounts to Current Forecasted Numbers
F.Y. 2018

		Column A	Column B	Column C	Column D
		Previous	Current	Dollar Difference Between Previous and Current	Percent Difference Between Previous and Current
		Forecast Amounts For F.Y. 2018 Prepared on: 10/30/2017	Forecast Amounts For F.Y. 2018 Prepared on: 5/22/2018		
Revenue:					
1	Real Estate & Property Allocation	\$18,985,478	\$18,903,730	-\$81,748	-0.4%
2	Public Utility Personal Property	\$1,048,658	\$1,235,418	\$186,760	17.8%
3	Income Tax	\$0	\$0	\$0	n/a
4	State Foundation Restricted & Unrestricted	\$15,309,811	\$15,212,420	-\$97,391	-0.6%
5	Other Revenue	\$2,331,026	\$2,380,180	\$49,154	2.1%
6	Other Non Operating Revenue	\$278,000	\$543,000	\$265,000	95.3%
7	Total Revenue	\$37,952,973	\$38,274,748	\$321,775	0.8%
Expenditures:					
8	Salaries	\$20,652,134	\$20,040,416	-\$611,718	-3.0%
9	Fringe Benefits	\$8,160,404	\$7,246,464	-\$913,940	-11.2%
###	Purchased Services	\$6,845,216	\$5,852,345	-\$992,871	-14.5%
###	Supplies, Debt, Capital Outlay & Other	\$3,237,576	\$2,900,373	-\$337,203	-10.4%
###	Other Non Operating Expenditures	\$431,800	\$517,720	\$85,920	19.9%
###	Total Expenditures	\$39,327,130	\$36,557,318	-\$2,769,812	-7.0%
###	Revenue Over/(Under) Expenditures	-\$1,374,157	\$1,717,429	\$3,091,586	7.9%*
###	Ending Cash Balance	\$14,238,673	\$17,868,538	\$3,629,865	9.2%*

*Percentage expressed in terms of total expenditures



Amherst Exempted Village School District

Fiscal Year:	Actual	FORECASTED				
	2017	2018	2019	2020	2021	2022
Revenue:						
1.010 - General Property Tax (Real Estate)	16,523,967	16,544,891	16,435,052	16,653,736	16,714,879	16,776,330
1.020 - Public Utility Personal Property	1,142,707	1,235,418	1,232,951	1,232,337	1,231,726	1,231,117
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	14,948,406	15,005,334	15,103,863	15,102,471	15,101,203	15,112,760
1.040 - Restricted Grants-in-Aid	208,342	207,086	205,947	205,384	204,870	204,278
1.045 - Restricted Federal Grants - SFSF	-	-	-	-	-	-
1.050 - Property Tax Allocation	2,391,008	2,358,839	2,385,883	2,393,799	2,401,749	2,409,733
1.060 - All Other Operating Revenues	2,451,360	2,380,180	2,394,667	2,373,721	2,407,197	2,420,735
1.070 - Total Revenue	37,665,790	37,731,748	37,758,363	37,961,448	38,061,624	38,154,953
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	34,403	-	-	-	-	-
2.050 - Advances-In	-	325,513	260,000	260,000	260,000	260,000
2.060 - All Other Financing Sources	212,748	217,487	18,000	18,000	18,000	18,000
2.070 - Total Other Financing Sources	247,151	543,000	278,000	278,000	278,000	278,000
2.080 - Total Rev & Other Sources	37,912,941	38,274,748	38,036,363	38,239,448	38,339,624	38,432,953
Expenditures:						
3.010 - Personnel Services	19,886,204	20,040,416	20,412,134	20,966,559	21,540,388	22,134,302
3.020 - Employee Benefits	7,648,924	7,246,464	7,529,019	7,931,369	8,364,160	8,829,678
3.030 - Purchased Services	5,977,135	5,852,345	5,998,071	6,194,451	6,395,629	6,565,239
3.040 - Supplies and Materials	957,352	1,029,761	895,654	760,823	790,281	820,689
3.050 - Capital Outlay	573,453	1,319,746	3,389,746	1,249,746	1,498,842	1,858,842
3.060 - Intergovernmental	-	-	-	-	-	-
Debt Service:						
4.010 - Principal-All Years	100,000	-	-	-	-	-
4.020 - Principal - Notes	-	-	-	-	-	-
4.030 - Principal - State Loans	-	-	-	-	-	-
4.040 - Principal - State Advances	-	-	-	-	-	-
4.050 - Principal - HB264 Loan	-	-	-	-	-	-
4.055 - Principal - Other	-	-	-	-	-	-
4.060 - Interest and Fiscal Charges	2,650	16,310	-	-	-	-
4.300 - Other Objects	613,693	534,556	534,556	534,556	534,556	534,556
4.500 - Total Expenditures	35,759,410	36,039,598	38,759,180	37,637,504	39,123,856	40,743,306
Other Financing Uses						
5.010 - Operating Transfers-Out	34,403	171,800	171,800	171,800	171,800	171,800
5.020 - Advances-Out	325,513	260,000	260,000	260,000	260,000	260,000
5.030 - All Other Financing Uses	257,760	85,920	171,840	-	-	-
5.040 - Total Other Financing Uses	617,676	517,720	603,640	431,800	431,800	431,800
5.050 - Total Exp and Other Financing Uses	36,377,086	36,557,318	39,362,820	38,069,304	39,555,656	41,175,106
6.010 - Excess of Rev Over/(Under) Exp	1,535,855	1,717,429	(1,326,457)	170,144	(1,216,032)	(2,742,153)
7.010 - Cash Balance July 1 (No Levies)	14,615,254	16,151,109	17,868,538	16,542,081	16,712,225	15,496,192
7.020 - Cash Balance June 30 (No Levies)	16,151,109	17,868,538	16,542,081	16,712,225	15,496,192	12,754,039
8.010 - Estimated Encumbrances June 30	-	-	-	-	-	-
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	16,151,109	17,868,538	16,542,081	16,712,225	15,496,192	12,754,039
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Income & Property Tax-Renewal	-	-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-
12.010 - Fund Bal June 30 for Cert of Obligations	16,151,109	17,868,538	16,542,081	16,712,225	15,496,192	12,754,039
Revenue from New Levies						
13.010 & 13.020 - Income & Property Tax-New	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	16,151,109	17,868,538	16,542,081	16,712,225	15,496,192	12,754,039