

Waverly City School District

# **Five Year Forecast Financial Report**

May, 2019

*Claudia Zaler, Treasurer/CFO*

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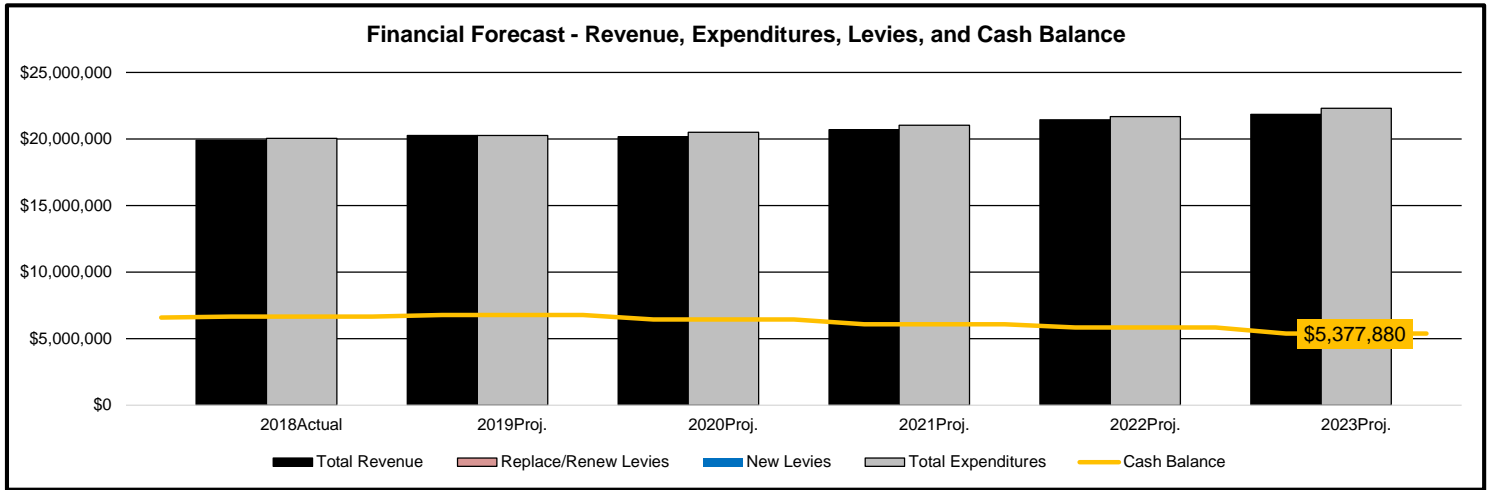
## Forecast Purpose/Objectives

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.

Forecast Methodology - This forecast is prepared based upon historical trends and current factors. This information is then extrapolated into estimates for subsequent years. The forecast variables can change multiple times throughout the fiscal year and while cash flow monitoring helps to identify unexpected variances no process is guaranteed. The intent is to provide the district's financial trend over time and a roadmap for decisions aimed at encouraging financial sustainability and stability.

# Forecast Summary



## Waverly City School District

### Financial Forecast

| Financial Forecast   | Fiscal Year 2019 | Fiscal Year 2020 | Fiscal Year 2021 | Fiscal Year 2022 | Fiscal Year 2023 |
|--|------------------|------------------|------------------|------------------|------------------|
| Beginning Balance  | 6,952,587        | 6,931,683        | 6,586,740        | 6,232,750        | 5,991,517        |
| + Revenue  | 20,253,029       | 20,155,838       | 20,688,130       | 21,449,599       | 21,854,350       |
| + Proposed Renew/Replacement Levies                                      | -                | -                | -                | -                | -                |
| + Proposed New Levies  | -                | -                | -                | -                | -                |
| - Expenditures   | (20,273,933)     | (20,500,781)     | (21,042,120)     | (21,690,832)     | (22,317,987)     |
| = Revenue Surplus or Deficit   | (20,904)         | (344,943)        | (353,990)        | (241,233)        | (463,637)        |
| Ending Balance with renewal levies<br>Note: Not Reduced for Encumbrances | 6,931,683        | 6,586,740        | 6,232,750        | 5,991,517        | 5,527,880        |

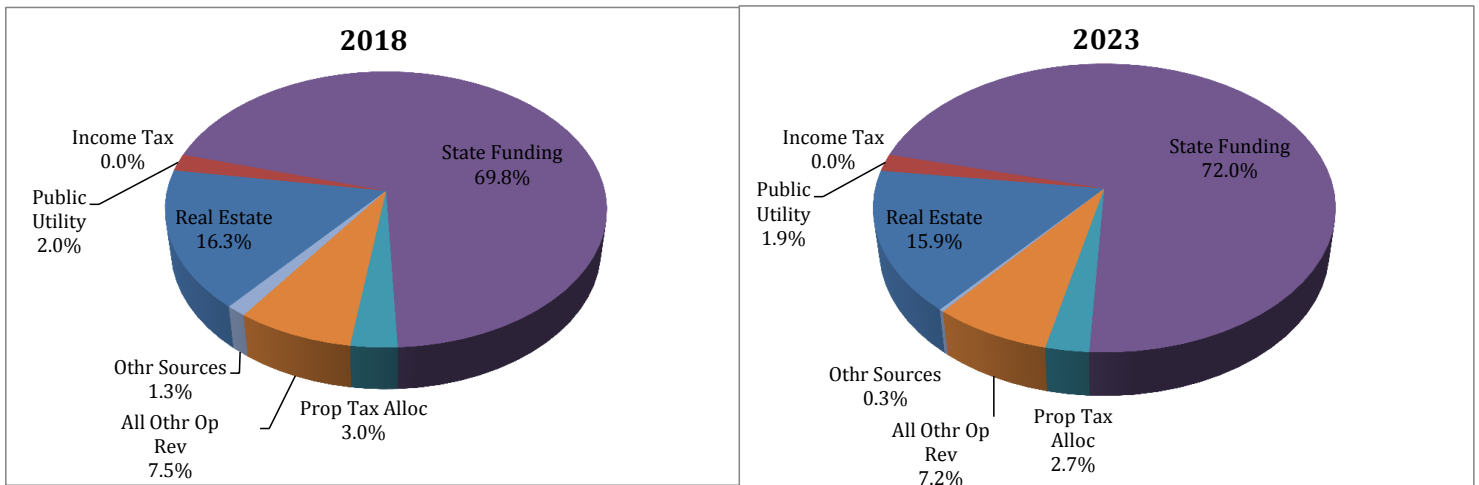
### Analysis Without Renewal Levies Included:

|                                       |           |           |           |           |           |
|---------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Revenue Surplus or Deficit w/o Levies | (20,904)  | (344,943) | (353,990) | (241,233) | (463,637) |
| Ending Balance w/o Levies             | 6,931,683 | 6,586,740 | 6,232,750 | 5,991,517 | 5,527,880 |

The Waverly City Local School District has used its best judgment in preparing this forecast and is to be used for planning and future financial decisions. Future changes in legislation could impact this financial forecast. As the Board of Education continues to oversee the five-year financial forecast, the user is encouraged to review this site for future updates.

The District completed some security upgrades and some facility improvements in the 2019 fiscal year which contributed to the negative spending. In forecasted year the negative spending is attributed mainly to the flat funding state dollars while expenditures increase with cost of living and special education cost.

## Revenue Sources and Forecast Year-Over-Year Projected Overview



|                           | Prev. 5-Year Avg. Annual Change | PROJECTED        |                  |                  |                  |                  | 5-Year Avg. Annual Change |
|---------------------------|---------------------------------|------------------|------------------|------------------|------------------|------------------|---------------------------|
|                           |                                 | Fiscal Year 2019 | Fiscal Year 2020 | Fiscal Year 2021 | Fiscal Year 2022 | Fiscal Year 2023 |                           |
| <b>Revenue:</b>           |                                 |                  |                  |                  |                  |                  |                           |
| 1.010-Real Estate         | 2.41%                           | 1.15%            | -1.97%           | 6.92%            | 0.42%            | 0.39%            | 1.38%                     |
| 1.020-Public Utility      | 2.82%                           | 7.52%            | -9.87%           | 7.66%            | 1.55%            | 0.00%            | 1.37%                     |
| 1.030-Income Tax          | n/a                             | 0.00%            | 0.00%            | 0.00%            | 0.00%            | 0.00%            | 0.00%                     |
| 1.035-State Funding       | 1.81%                           | 3.40%            | -0.08%           | 2.08%            | 5.59%            | 2.82%            | 2.76%                     |
| 1.040-Restricted Aid      | 474.21%                         | -2.52%           | 4.19%            | 1.36%            | 0.97%            | 0.91%            | 0.98%                     |
| 1.045-Restr Federal SFSF  | -100.00%                        | 0.00%            | 0.00%            | 0.00%            | 0.00%            | 0.00%            | 0.00%                     |
| 1.050-Property Tax Alloc  | 1.37%                           | -3.13%           | 0.16%            | 0.37%            | 0.37%            | 0.34%            | -0.38%                    |
| 1.060-All Other Operating | 31.06%                          | 7.87%            | -5.59%           | 0.94%            | 1.33%            | 1.43%            | 1.20%                     |
| 1.070-Total Revenue       | 4.56%                           | 2.66%            | -0.62%           | 2.76%            | 3.72%            | 2.02%            | 2.11%                     |
| 2.070-Total Other Sources | 306.44%                         | -68.20%          | 34.77%           | -17.94%          | -6.01%           | -30.23%          | -17.52%                   |
| 2.080-Total w/Other Srcs  | 4.96%                           | 1.73%            | -0.48%           | 2.64%            | 3.68%            | 1.89%            | 1.89%                     |

Total revenue is expected to grow at a Five-Year average annual rate of about 1.89% over the forecast period. General Property Tax (Real Estate) shows an increase for fiscal year 2019 due to 2017 being a re-evaluation for Pike County. However, with so many BOR complaints the district anticipates some changes throughout this forecast.

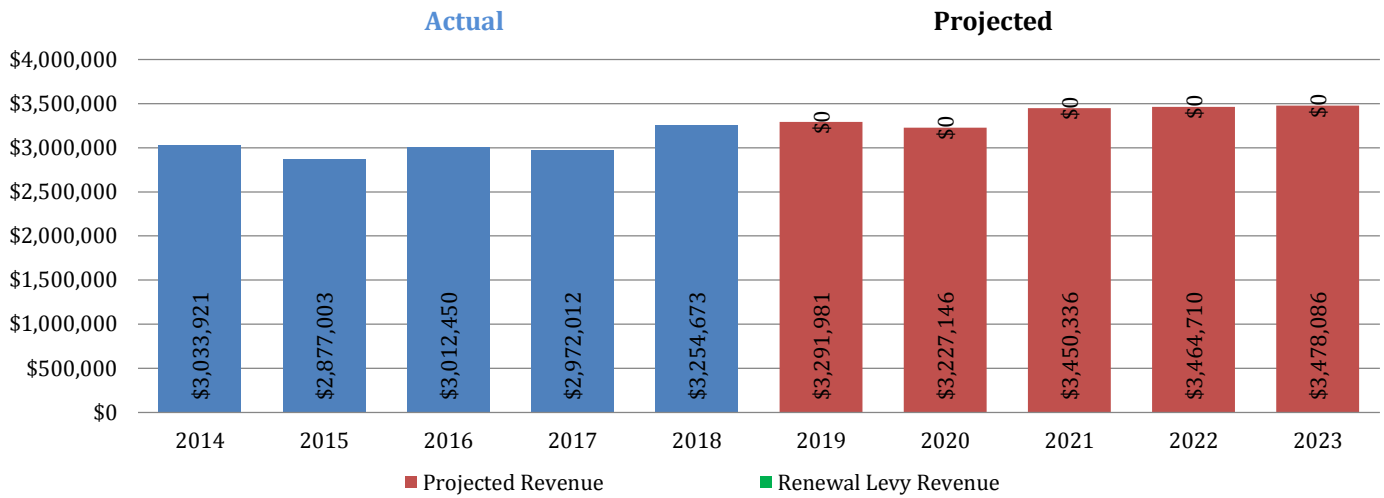
Each Revenue line item will be documented in detail in the assumptions.

District enrollment had been declining but has stabilized and is predicted it increase over the next few years due to a change in the District Open Enrollment policy.

As you can see, around 70% of the District's Operating Revenue comes from State funding sources; State Foundation, State Restricted Funds, and Property Tax Allocation.

### 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).



|                           | FORECASTED |           |           |           |           |           |
|---------------------------|------------|-----------|-----------|-----------|-----------|-----------|
|                           | 2018       | 2019      | 2020      | 2021      | 2022      | 2023      |
| Total With Renewal Levies | 3,254,673  | 3,291,981 | 3,227,146 | 3,450,336 | 3,464,710 | 3,478,086 |
| YOY \$ Change             | 282,661    | 37,308    | (64,835)  | 223,190   | 14,374    | 13,376    |
| YOY % Change              | 9.5%       | 1.1%      | -2.0%     | 6.9%      | 0.4%      | 0.4%      |

| Percentage of Total Revenue | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  |
|-----------------------------|-------|-------|-------|-------|-------|-------|
|                             | 16.3% | 16.3% | 16.0% | 16.7% | 16.2% | 15.9% |

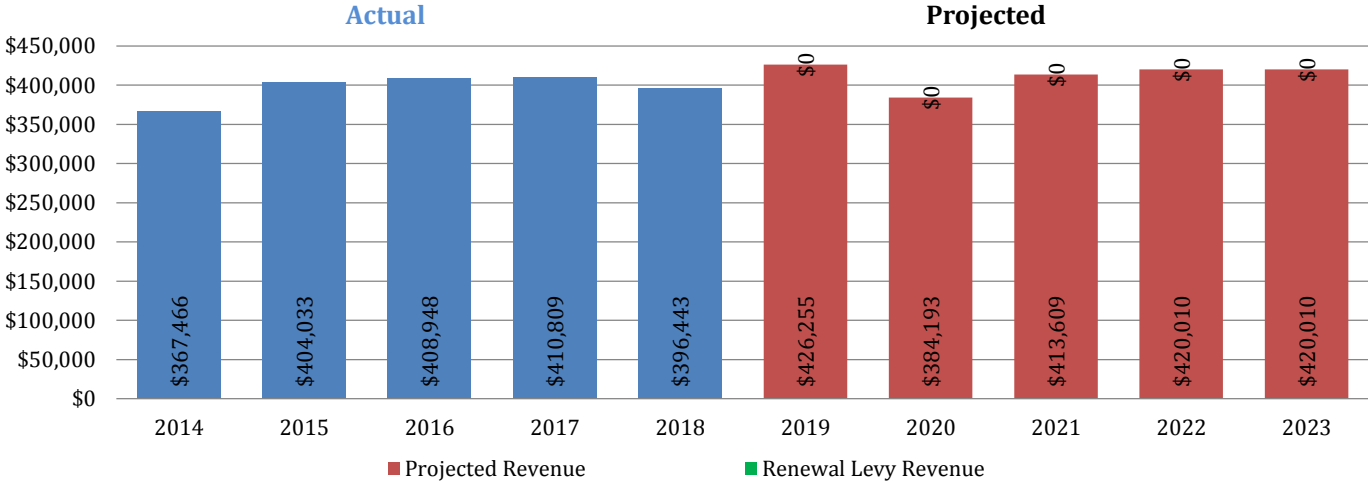
| Values, Tax Rates and Gross Collections |             |              |              |        |               |        | Gross Collection Rate Including Delinquencies |
|---|-------------|--------------|--------------|--------|---------------|--------|---|
| Tax Yr                                  | Valuation   | Value Change | Class I Rate | Change | Class II Rate | Change |   |
| 2017                                    | 200,059,440 | 30,095,780   | 20.00        | (0.00) | 23.44         | (2.35) | 92.9%   |
| 2018                                    | 195,655,821 | (4,403,619)  | 20.46        | 0.46   | 24.02         | 0.59   | 93.5%   |
| 2019                                    | 196,442,202 | 786,381      | 20.46        | -      | 24.02         | -      | 97.6%   |
| 2020                                    | 198,686,961 | 2,244,759    | 20.33        | (0.13) | 23.85         | (0.18) | 97.5%   |
| 2021                                    | 199,473,342 | 786,381      | 20.33        | -      | 23.85         | -      | 97.5%   |
| 2022                                    | 200,730,723 | 1,257,381    | 20.28        | (0.05) | 23.85         | -      | 97.5%   |

Property Tax estimates are based upon property valuations established each year by the County Auditor and include new construction growth and updated appraisal values when applicable. The valuation growth for the district drives local collection growth. The forecast reflects a slight decrease in FY2015 and then some slight increases moving forward due to 2014 being a re-evaluation year for the county and historical trend of tax complaints filed for a reduction in property valuation. In FY2016 and FY2017 there was an increase in delinquent tax collections. In 2017 the county went through a reappraisal with significant increase to real estate values. FY2019 shows an increase in revenue but beyond 2019 the district has allowed for some decreases to account for all the BOR complaints filed with the county auditor.

\*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.



|                           | FORECASTED |         |          |         |         |         |
|---------------------------|------------|---------|----------|---------|---------|---------|
|                           | 2018       | 2019    | 2020     | 2021    | 2022    | 2023    |
| Total With Renewal Levies | 396,443    | 426,255 | 384,193  | 413,609 | 420,010 | 420,010 |
| YOY \$ Change             | (14,366)   | 29,812  | (42,062) | 29,416  | 6,401   | -       |
| YOY % Change              | -3.5%      | 7.5%    | -9.9%    | 7.7%    | 1.5%    | 0.0%    |

| Percentage of Total Revenue | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------------------|------|------|------|------|------|------|
|                             | 2.0% | 2.1% | 1.9% | 2.0% | 2.0% | 1.9% |

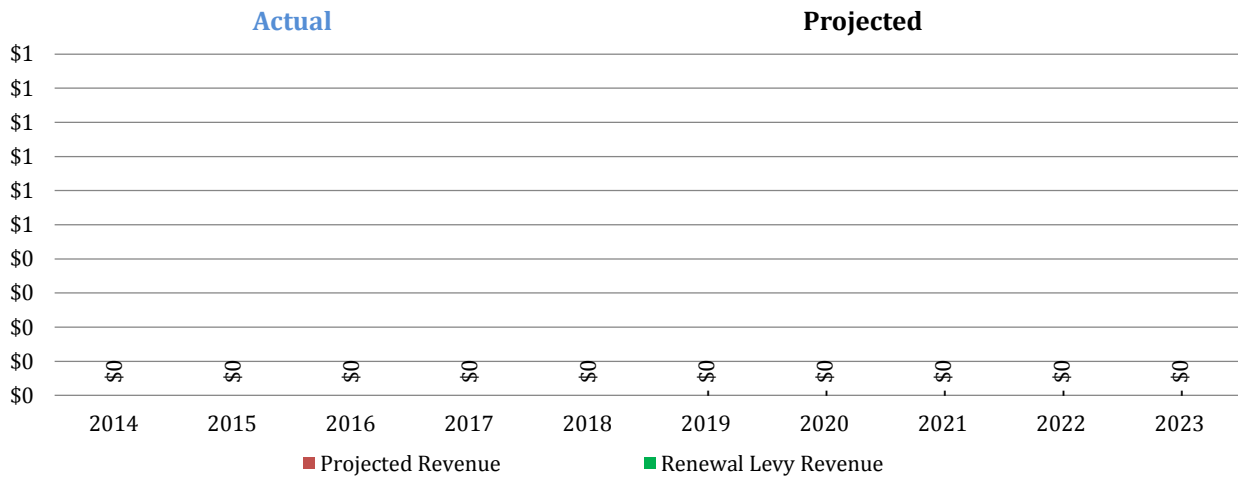
| Values and Tax Rates |            |              |                 |        | Gross Collection Rate Including Delinquencies |
|----------------------|------------|--------------|-----------------|--------|---|
| Tax Year             | Valuation  | Value Change | Full Voted Rate | Change |   |
| 2017                 | 15,216,330 | 416,330      | 26.50           | -      | 99.3%   |
| 2018                 | 15,366,330 | 150,000      | 26.50           | -      | 100.0%  |
| 2019                 | 15,366,330 | -            | 26.50           | -      | 100.0%  |
| 2020                 | 15,849,430 | 483,100      | 26.50           | -      | 100.0%  |
| 2021                 | 15,849,430 | -            | 26.50           | -      | 100.0%  |
| 2022                 | 15,849,430 | -            | 26.50           | -      | 100.0%  |

Public Utility Personal Property revenue is based on the expected receipts for the general tangible personal property tax (TPP) that the District receives from the Pike County Auditor's Office and State Reimbursements.

\*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.



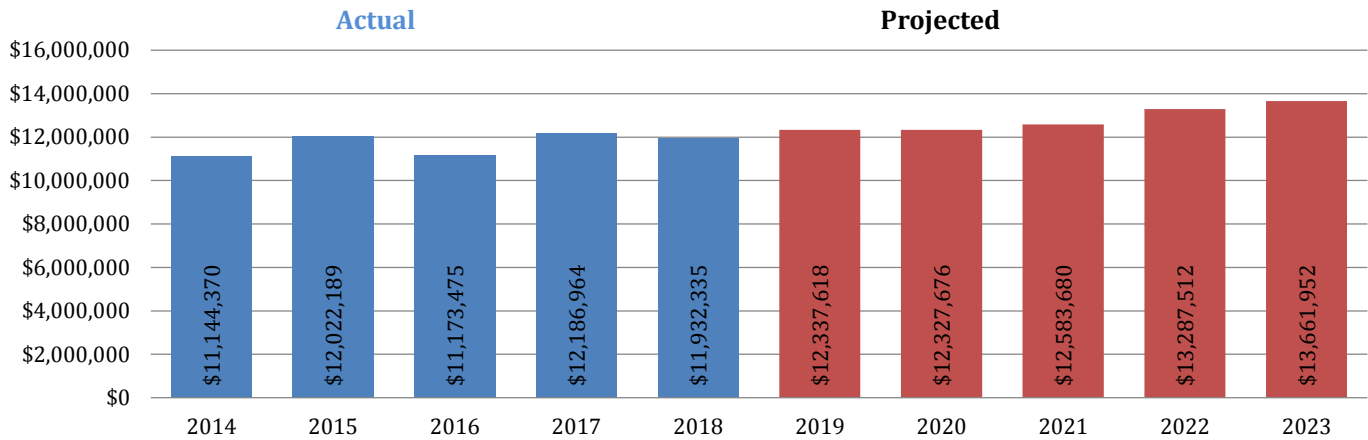
|                             | FORECASTED |      |      |      |      |      |
|-----------------------------|------------|------|------|------|------|------|
|                             | 2018       | 2019 | 2020 | 2021 | 2022 | 2023 |
| Total                       | -          | -    | -    | -    | -    | -    |
| YOY \$ Change               | -          | -    | -    | -    | -    | -    |
| YOY % Change                | 0.0%       | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Percentage of Total Revenue | 0.0%       | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

Waverly City Schools does not currently have an income tax.

*\*Projected % trends include renewal levies*

### 1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



|               | FORECASTED |            |            |            |            |            |
|---------------|------------|------------|------------|------------|------------|------------|
|               | 2018       | 2019       | 2020       | 2021       | 2022       | 2023       |
| Total         | 11,932,335 | 12,337,618 | 12,327,676 | 12,583,680 | 13,287,512 | 13,661,952 |
| YOY \$ Change | (254,629)  | 405,283    | (9,942)    | 256,004    | 703,832    | 374,440    |
| YOY % Change  | -2.1%      | 3.4%       | -0.1%      | 2.1%       | 5.6%       | 2.8%       |

|                             |       |       |       |       |       |       |
|-----------------------------|-------|-------|-------|-------|-------|-------|
| Percentage of Total Revenue | 59.9% | 60.9% | 61.2% | 60.8% | 61.9% | 62.5% |
|-----------------------------|-------|-------|-------|-------|-------|-------|

|                              |       |       |       |       |       |       |
|------------------------------|-------|-------|-------|-------|-------|-------|
| Core Funding Per Pupil       | 6,010 | 6,020 | 6,020 | 6,020 | 6,020 | 6,020 |
| State Share Index (SSI)      | 68.3% | 68.3% | 65.2% | 65.2% | 67.3% | 67.3% |
| State Core Funding Per Pupil | 4,103 | 4,110 | 3,928 | 3,928 | 4,052 | 4,052 |

|                                    |       |       |       |       |       |       |
|------------------------------------|-------|-------|-------|-------|-------|-------|
| Formula ADM (Funded Student Count) | 1,802 | 1,808 | 1,835 | 1,856 | 1,872 | 1,884 |
|------------------------------------|-------|-------|-------|-------|-------|-------|

|                |           |         |           |         |        |         |
|----------------|-----------|---------|-----------|---------|--------|---------|
| Funding Status | Guarantee | Formula | Guarantee | Formula | Capped | Formula |
|----------------|-----------|---------|-----------|---------|--------|---------|

Unrestricted Grants-in-Aid represents State Foundation. The State Foundation payments include formula and various categorical aid programs updated to reflect the new formula changes. The state no longer uses an annual count week but a daily count. The state per pupil increased by \$10 in FY2019 from FY2018 and this conservative rate continues for the future forecasted years. The District is funded based on the formula in fiscal year 2019, but fluctuates back and forth between formula, guarantee and capped during the remainder of the forecast with slight changes in enrollment.

The semi-monthly payments are calculated by the State Department of Education, Division of School Finance. Unrestricted grant projections are based on the FY2019 current ADM and current Ohio Department of Education (ODE) School Finance Payment Report (SFPR) and future years are based on the estimates using historical census and enrollment data and trends.

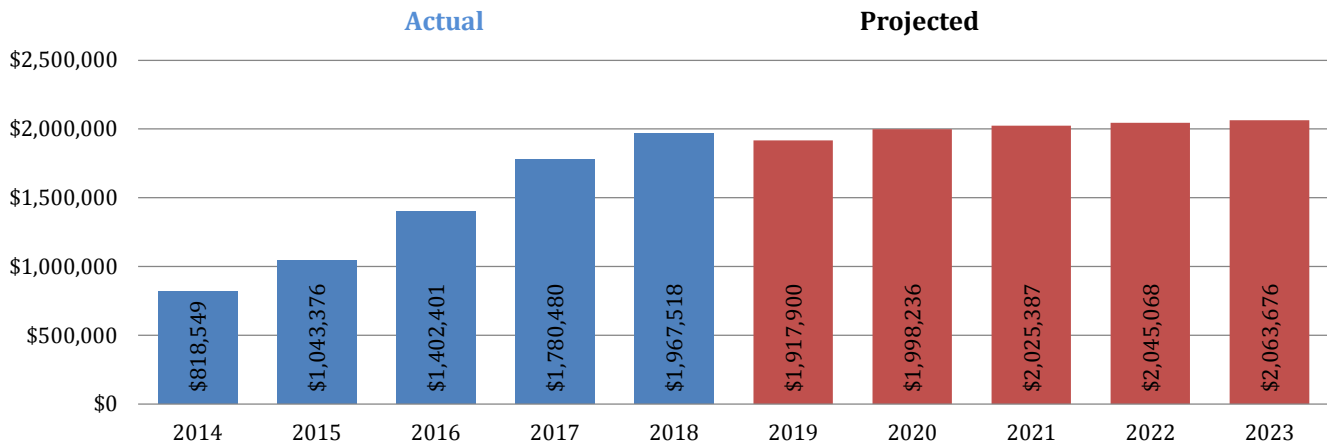
The late implementation of the formula and data reports containing errors were not available to districts until late in FY2016 that resulted in several districts receiving adjustments to state funding for FY2015 in FY2016.

This figure is based on the totals from the April #2 2019 Foundation Settlement Report. The total foundation figure has been reduced by both Economic Disadvantaged Funding and Career Tech funding being recorded in Line 1.04. The current state funding amount is \$6,020 and remains flat funded through the remainder of this forecast based on the current proposal of House Bill 166.



### 1.040 & 1.045 - Restricted Grants-in-Aid

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

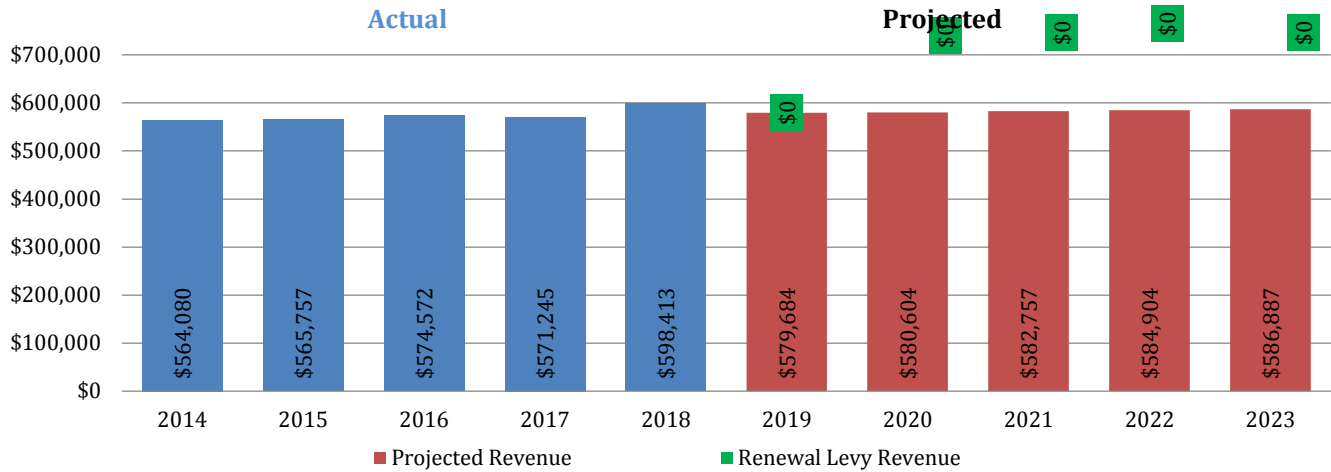


|                                      | FORECASTED |           |           |           |           |           |
|--------------------------------------|------------|-----------|-----------|-----------|-----------|-----------|
|                                      | 2018       | 2019      | 2020      | 2021      | 2022      | 2023      |
| Total                                | 1,967,518  | 1,917,900 | 1,998,236 | 2,025,387 | 2,045,068 | 2,063,676 |
| YOY \$ Change                        | 187,038    | (49,618)  | 80,336    | 27,151    | 19,681    | 18,608    |
| YOY % Change                         | 10.5%      | -2.5%     | 4.2%      | 1.4%      | 1.0%      | 0.9%      |
| Percentage of Total Revenue          | 9.9%       | 9.5%      | 9.9%      | 9.8%      | 9.5%      | 9.4%      |
| Economic Disadvantaged Funding       | 1,911,139  | 1,871,688 | 1,954,086 | 1,981,237 | 2,000,918 | 2,019,526 |
| Percentage of Disadvantaged Students | 96.0%      | 95.1%     | 95.9%     | 95.9%     | 95.9%     | 95.9%     |

Economic Disadvantaged Funding is based on the percentage of economically disadvantaged students attending the district and student participation in the Community Eligibility Program (Free Breakfast and Lunch). Currently the entire Waverly City School District is participating in the Community Eligibility Programs, making our percentage of economic disadvantage higher than the actual count. The Career Tech funding forecasted future years is based on the estimates using historical census and enrollment data and trends.

### 1.050 - Property Tax Allocation

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



|  | FORECASTED |          |         |         |         |         |
|--|------------|----------|---------|---------|---------|---------|
|  | 2018       | 2019     | 2020    | 2021    | 2022    | 2023    |
| Total With Renewal Levies                  | 598,413    | 579,684  | 580,604 | 582,757 | 584,904 | 586,887 |
| YOY \$ Change                              | 27,168     | (18,729) | 920     | 2,153   | 2,147   | 1,983   |
| YOY % Change                               | 4.8%       | -3.1%    | 0.2%    | 0.4%    | 0.4%    | 0.3%    |
| Percentage of Total Revenue                | 3.0%       | 2.9%     | 2.9%    | 2.8%    | 2.7%    | 2.7%    |
| % of Residential Real Estate 10% Rollback  | 9.37%      | 9.37%    | 9.37%   | 9.37%   | 9.37%   | 9.37%   |
| % of Residential Real Estate 2.5% Rollback | 1.48%      | 1.48%    | 1.48%   | 1.48%   | 1.48%   | 1.48%   |
| % of Residential Real Estate Homestead     | 5.72%      | 5.72%    | 5.72%   | 5.72%   | 5.72%   | 5.72%   |

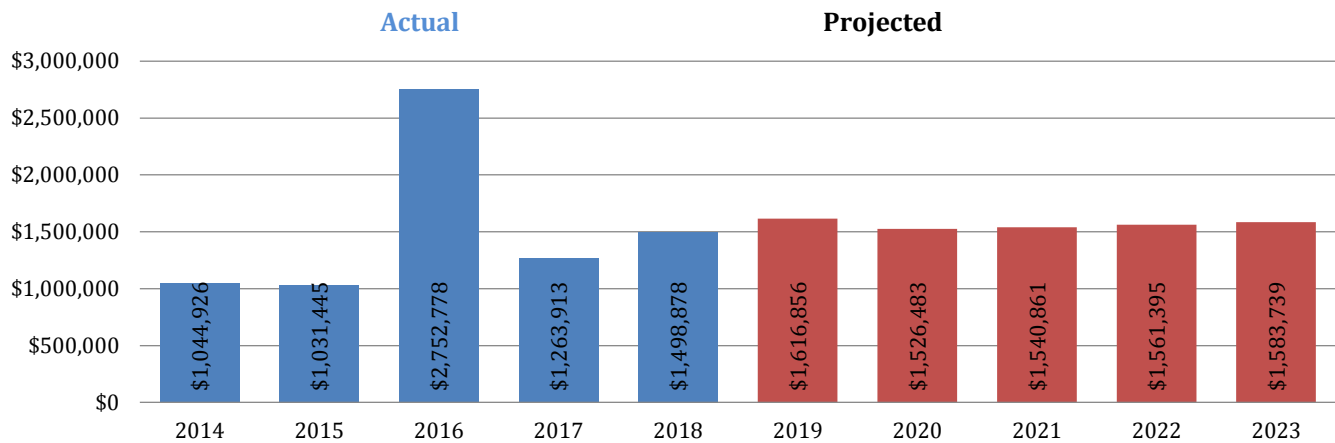
As a result of the rollback and homestead tax relief program the State reimburses the School District for a portion of the loss in real property taxes.

This figure is homestead, rollback property tax allocations and Fixed Rate TPP. It is based on the tax estimate received from the Pike County Auditor.

*\*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.



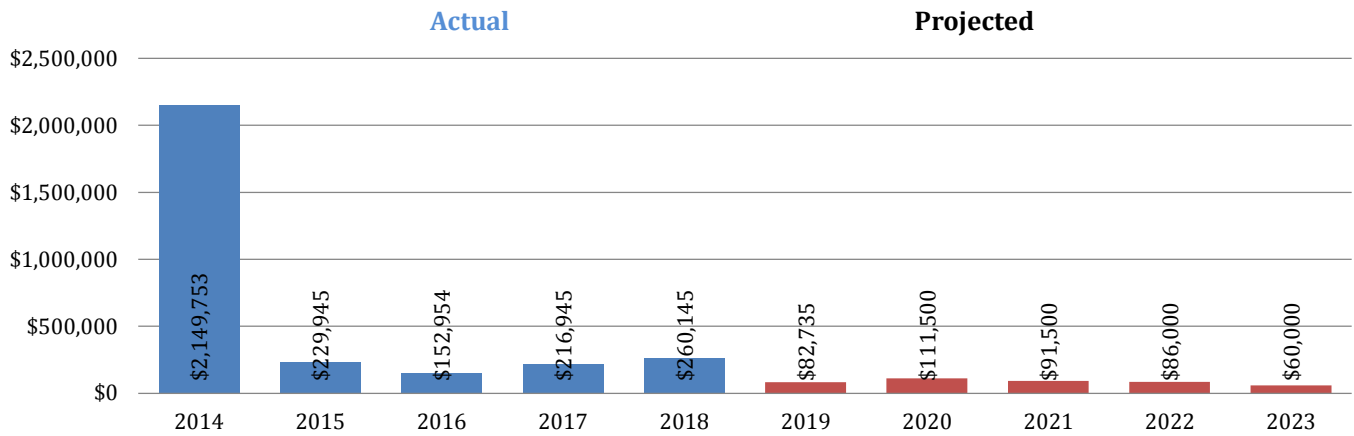
|                             | FORECASTED |           |           |           |           |           |
|-----------------------------|------------|-----------|-----------|-----------|-----------|-----------|
|                             | 2018       | 2019      | 2020      | 2021      | 2022      | 2023      |
| Total                       | 1,498,878  | 1,616,856 | 1,526,483 | 1,540,861 | 1,561,395 | 1,583,739 |
| YOY \$ Change               | 234,965    | 117,978   | (90,373)  | 14,378    | 20,534    | 22,344    |
| YOY % Change                | 18.6%      | 7.9%      | -5.6%     | 0.9%      | 1.3%      | 1.4%      |
| Percentage of Total Revenue | 7.5%       | 8.0%      | 7.6%      | 7.4%      | 7.3%      | 7.2%      |

Revenue from other sources is based on historical patterns and includes tuition, reimbursements, interest earned, student fees, and other local receipts. Out of the \$1,616,856, open enrollment is \$1,186,995 of this according to the April #2 2019 School Foundation Settlement Report.

This figure is largely based on the amount of tuition the district received through open enrollment from other districts. The ADM or Open Enrollment is expected to show change in future years as the District has changed the Interdistrict Open Enrollment Policy to be more conducive to the state funding formula. During FY2014 the District received settlements for Medicaid reporting for two prior fiscal years. For FY2016 the District received \$89,571 and \$93,633 in Medicaid reimbursement as a result of the FY2012 and FY2013 MSP audit. Prior year refunds of expenditures are also included in this figure, SERS and BWC refunds are examples of such. FY2016 also reflects an increase due to a settlement agreement between OFSC, Waverly CSD, and Triad Ar. Inc., Triad Architect, Ltd., Westfield Insurance – Ohio Farmers, and Staggs Roofing, Inc. In FY2017 and future years amounts have been adjusted to reflect a more historical trend.

## 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.



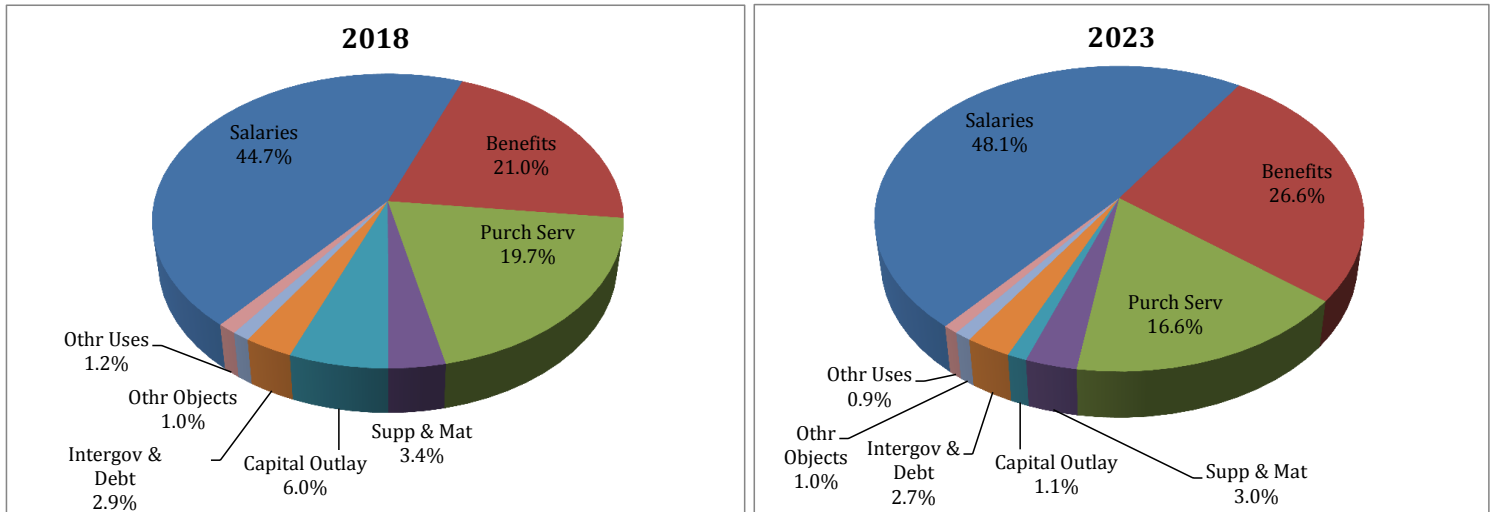
|                             | FORECASTED |           |         |          |         |          |
|-----------------------------|------------|-----------|---------|----------|---------|----------|
|                             | 2018       | 2019      | 2020    | 2021     | 2022    | 2023     |
| Total                       | 260,145    | 82,735    | 111,500 | 91,500   | 86,000  | 60,000   |
| YOY \$ Change               | 43,200     | (177,410) | 28,765  | (20,000) | (5,500) | (26,000) |
| YOY % Change                | 19.9%      | -68.2%    | 34.8%   | -17.9%   | -6.0%   | -30.2%   |
| Percentage of Total Revenue | 1.3%       | 0.4%      | 0.6%    | 0.4%     | 0.4%    | 0.3%     |
| Transfers In                | -          | -         | -       | -        | -       | -        |
| Advances In                 | 152,001    | 31,235    | 50,000  | 50,000   | 50,000  | 50,000   |

Other sources of revenue include proceeds from sale of notes, operating transfers-in, return of advances, sale of assets, and other miscellaneous revenue are all based on historical trend.

During FY14, the Board refinanced a long-term lease purchase and used the additional funds to complete the athletic facility project. At this time, there are no plans for sale of notes in the future.

At this time the District anticipates operating transfers in and the return of advance is based on historical trend to cover short-term loan amounts for other funds in the prior fiscal year.

### Expenditure Categories and Forecast Year-Over-Year Projected Overview



|                            | Prev. 5-Year Avg. Annual Change | PROJECTED        |                  |                  |                  |                  | 5-Year Avg. Annual Change |
|----------------------------|---------------------------------|------------------|------------------|------------------|------------------|------------------|---------------------------|
|                            |                                 | Fiscal Year 2019 | Fiscal Year 2020 | Fiscal Year 2021 | Fiscal Year 2022 | Fiscal Year 2023 |                           |
| <b>Expenditures:</b>       |                                 |                  |                  |                  |                  |                  |                           |
| 3.010-Salaries             | 2.88%                           | 4.54%            | 4.35%            | 3.46%            | 3.39%            | 2.71%            | 3.69%                     |
| 3.020-Benefits             | 5.92%                           | 8.29%            | 8.85%            | 6.23%            | 6.29%            | 6.14%            | 7.16%                     |
| 3.030-Purchased Services   | 6.65%                           | -5.10%           | -0.37%           | -0.22%           | -0.67%           | 0.00%            | -1.27%                    |
| 3.040-Supplies & Materials | 5.63%                           | 23.36%           | -20.54%          | 0.00%            | 0.00%            | 0.00%            | 0.57%                     |
| 3.050-Capital Outlay       | 97.02%                          | -41.53%          | -49.73%          | -28.26%          | 0.00%            | 0.00%            | -23.90%                   |
| 3.060-Intergov             | n/a                             | n/a              | n/a              | n/a              | n/a              | n/a              | n/a                       |
| 4.010-4.060-Debt           | 182.23%                         | 0.40%            | 0.21%            | -0.06%           | -0.05%           | -0.06%           | 0.09%                     |
| 4.300-Other Objects        | -1.23%                          | 1.50%            | 1.50%            | 1.50%            | 0.00%            | 0.00%            | 0.90%                     |
| 4.500-Total Expenditures   | 6.11%                           | 1.11%            | 1.38%            | 2.67%            | 3.11%            | 2.92%            | 2.24%                     |
| 5.040-Total Other Uses     | 144.37%                         | 8.00%            | -20.00%          | 0.00%            | 0.00%            | 0.00%            | -2.40%                    |
| 5.050-Total w/Other Uses   | 6.35%                           | 1.19%            | 1.12%            | 2.64%            | 3.08%            | 2.89%            | 2.18%                     |

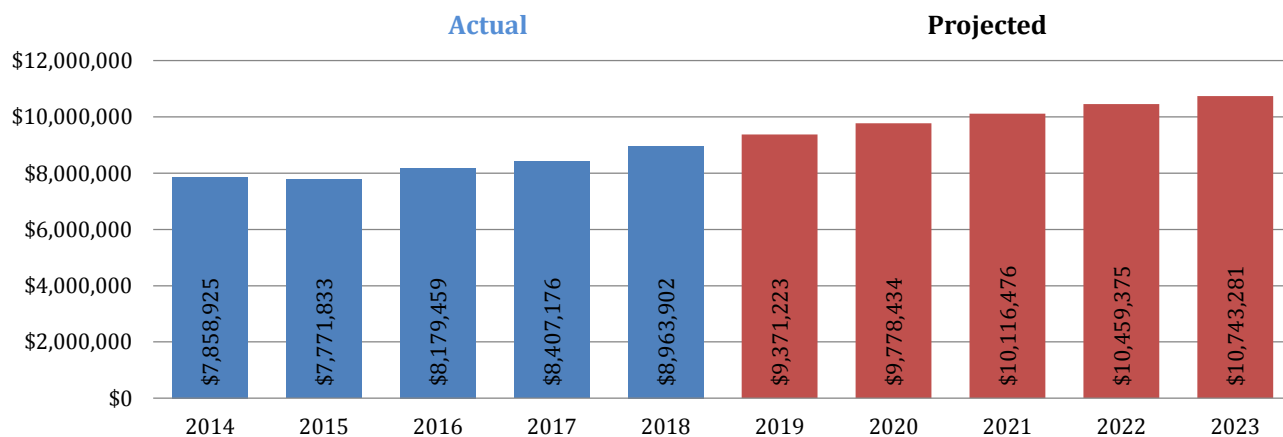
District total expenditures increase on an annual average rate of 2.18%. As you can see in the pie charts the main expenditures are salary and benefits, with benefits percentage annual increase being higher than salaries. The capital outlay expenditures fluctuate based on District needs each year.

District debt should level off now that the HB264 project financing is complete and in FY2016 the Hardship Loan for the OFCC remediation project was paid in full.

The District operating expenditures will be documented in detail on the pages to follow.

### 3.010 - Personnel Services

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



|                            | FORECASTED |           |           |            |            |            |
|----------------------------|------------|-----------|-----------|------------|------------|------------|
|                            | 2018       | 2019      | 2020      | 2021       | 2022       | 2023       |
| Total                      | 8,963,902  | 9,371,223 | 9,778,434 | 10,116,476 | 10,459,375 | 10,743,281 |
| YOY \$ Change              | 556,726    | 407,321   | 407,211   | 338,042    | 342,899    | 283,906    |
| YOY % Change               | 6.6%       | 4.5%      | 4.3%      | 3.5%       | 3.4%       | 2.7%       |
| Percentage of Total Budget | 44.7%      | 46.2%     | 47.7%     | 48.1%      | 48.2%      | 48.1%      |

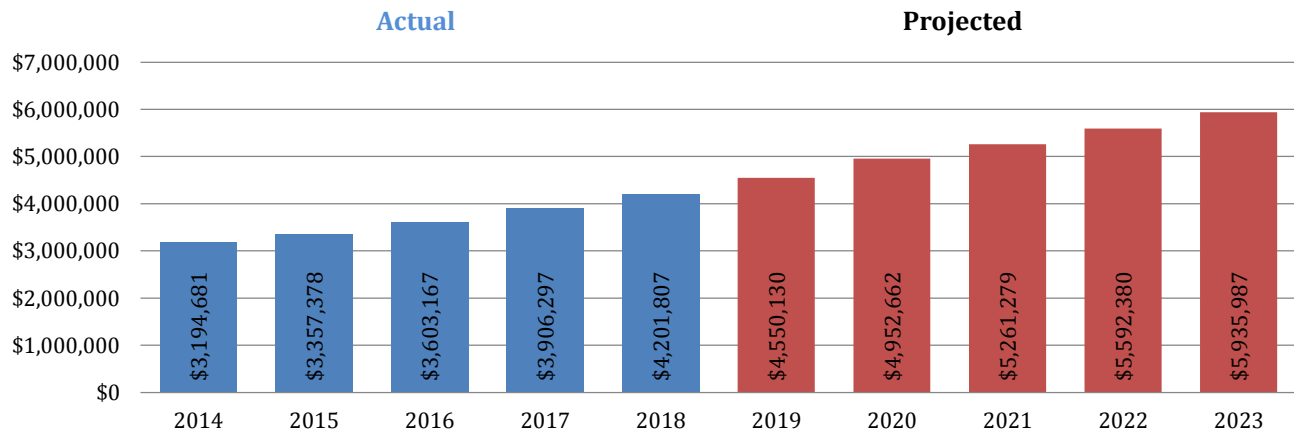
This figure is the salary of the districts full time and temporary certified and non-certified personnel paid from the general fund. Supplementals, overtime, substitutes, and board member salaries, are also part of this calculation. Two new teachers were hired in FY2016 to accommodate third grade enrollment, a part-time guidance counselor and in FY2017 changed the part-time to a full-time guidance counselor and added another. In FY2018 we added a Community Outreach Parental Engagement (COPE) Director, to work with students and families affected by the drug abuse pandemic in the area. For FY2019 the District hired a fourth guidance counselor to help with social and emotional issues with the student body and additional aides to help with special education classes and reduction in class size for additional reading concentration.

The forecast salary estimates are based on current year staffing totals. The District will be negotiating with the certified union this spring/summer and a historical trend was used to forecast future salary cost. The classified union negotiated for a \$0.50 per hour increase in FY2019, FY2020, and FY2021.

Several employees are funded by federal grant funds and are contingent upon future funding of all federal grants, however the reduction was considered throughout the forecast. In FY2016, FY2017, FY2018, FY2019 and FY2020 non-public schools chose to participate in federal funds, reducing the amount available to our district.

### 3.020 - Employees' Benefits

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



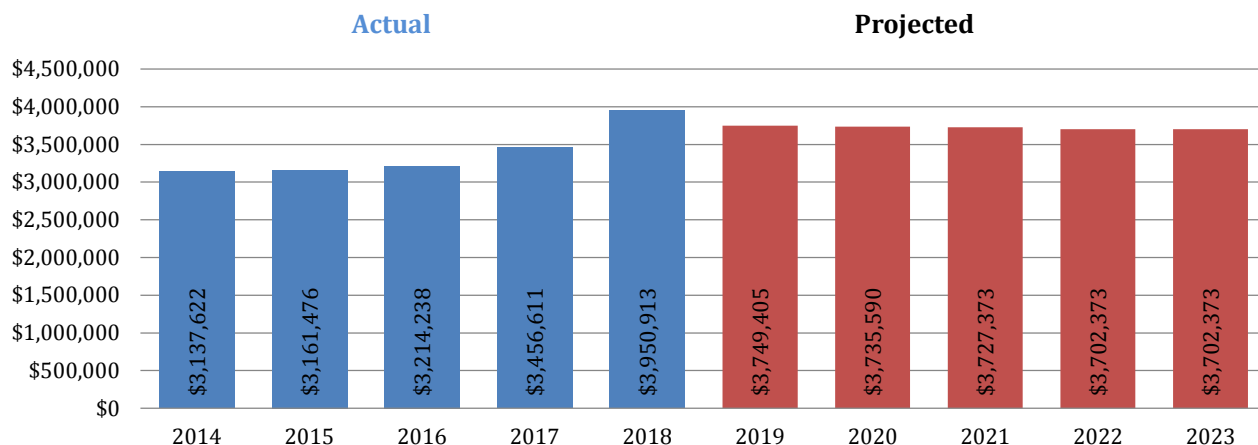
|                            | FORECASTED |           |           |           |           |           |
|----------------------------|------------|-----------|-----------|-----------|-----------|-----------|
|                            | 2018       | 2019      | 2020      | 2021      | 2022      | 2023      |
| Total                      | 4,201,807  | 4,550,130 | 4,952,662 | 5,261,279 | 5,592,380 | 5,935,987 |
| YOY \$ Change              | 295,510    | 348,323   | 402,532   | 308,617   | 331,101   | 343,607   |
| YOY % Change               | 7.6%       | 8.3%      | 8.8%      | 6.2%      | 6.3%      | 6.1%      |
| Percentage of Total Budget | 21.0%      | 22.4%     | 24.2%     | 25.0%     | 25.8%     | 26.6%     |

This figure represents the general fund portion of health and retirement benefits for district employees. The medical insurance increased 2.2% in FY2014, 7% increase in FY2015, FY2016, FY2017, 2% , FY2018 and FY2019 increased 7% and we are estimating an 8% increase each year through FY2023 based on national trend and effects of Health Reform. As a tool to try and keep medical insurance at or below an 8% increase, both union agreements state; if the insurance consultant indicates the premiums will increase more than 8% in any year, then the Board, upon consideration of recommendations of the committee, shall determine what plan design changes to make to bring the premium funding increase in at 8% or below. There was a 4% increase in dental insurance in FY14, a 2% decrease in FY2016, a 2% increase in FY2017 and FY2018 and FY2019 a 0% in FY2020 and an expected trend increase of 2% in FY2021-FY2023. Other fringe benefits will also increase based on salary estimates and staff. Employee fringe benefits were calculated based on the current year insurance premiums and enrollment.

The Waverly City Schools joined a medical insurance consortium in January 2011 in an effort to save money. Medical and Dental insurance are partially funded by the Board and life insurance is fully funded by the board. The District also offers a MAX 105 Plan to those employees electing to have medical coverage. Several employees are funded by federal grant funds and are contingent upon future funding of all federal grants, however the reduction was considered throughout the forecast.

### 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.



|                            | FORECASTED |           |           |           |           |           |
|----------------------------|------------|-----------|-----------|-----------|-----------|-----------|
|                            | 2018       | 2019      | 2020      | 2021      | 2022      | 2023      |
| Total                      | 3,950,913  | 3,749,405 | 3,735,590 | 3,727,373 | 3,702,373 | 3,702,373 |
| YOY \$ Change              | 494,302    | (201,508) | (13,815)  | (8,217)   | (25,000)  | -         |
| YOY % Change               | 14.3%      | -5.1%     | -0.4%     | -0.2%     | -0.7%     | 0.0%      |
| Percentage of Total Budget | 19.7%      | 18.5%     | 18.2%     | 17.7%     | 17.1%     | 16.6%     |

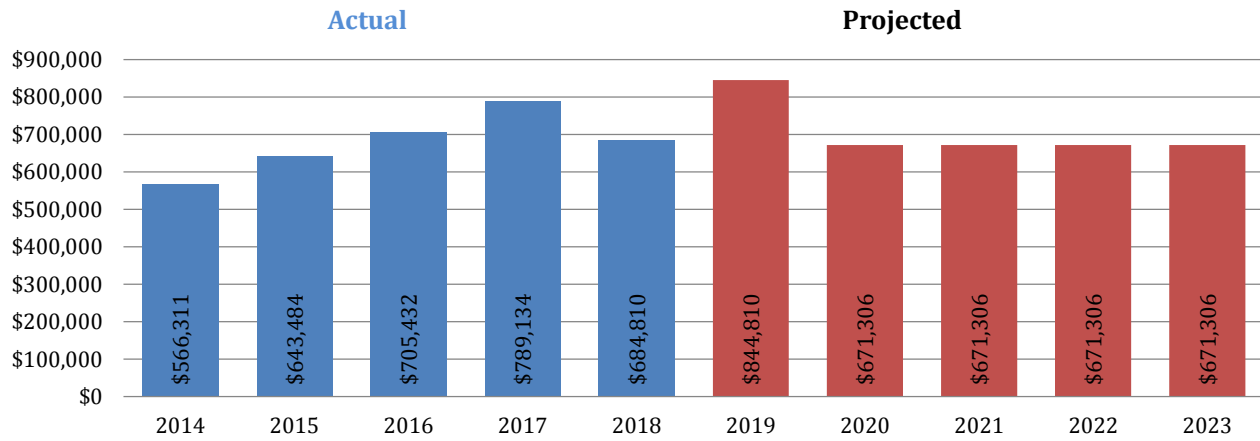
This figure represents professional and technical services, travel and meeting expenses, open enrollment, communication cost, utility services, and other miscellaneous services. The district contracts with several entities for services, with Educational Service Centers, other districts and various other vendors for special education, curriculum services, and virtual learning. With the implementation of the HB264 project the District will see a reduction in utility cost, along with a fixed energy rate and should assist in offsetting the rising cost of special education cost and the per pupil increase for open enrollment tuition to other districts.

Community school tuition deduction is also contained in this line item. The District offers its own online program as an option for students to stay in Waverly City School District. The current year open enrollment deduction of \$1,150,277.17 makes up 31% of the total purchased service spending for fiscal year 2019.



### 3.040 - Supplies & Materials

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

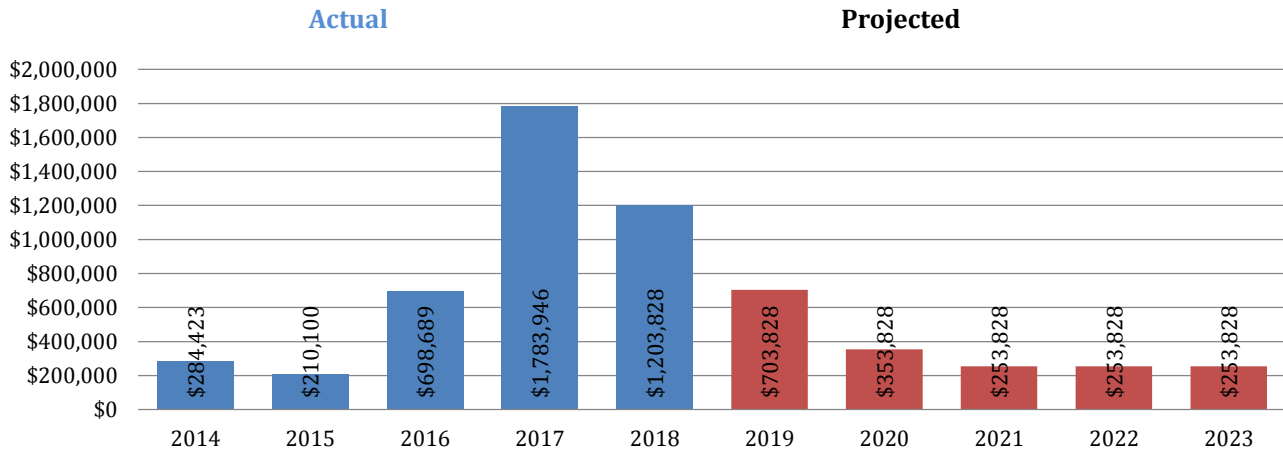


|                            | FORECASTED |         |           |         |         |         |
|----------------------------|------------|---------|-----------|---------|---------|---------|
|                            | 2018       | 2019    | 2020      | 2021    | 2022    | 2023    |
| Total                      | 684,810    | 844,810 | 671,306   | 671,306 | 671,306 | 671,306 |
| YOY \$ Change              | (104,324)  | 160,000 | (173,504) | -       | -       | -       |
| YOY % Change               | -13.2%     | 23.4%   | -20.5%    | 0.0%    | 0.0%    | 0.0%    |
| Percentage of Total Budget | 3.4%       | 4.2%    | 3.3%      | 3.2%    | 3.1%    | 3.0%    |

This figure represents general instructional supplies, textbooks, custodial supplies, maintenance/transportation supplies and materials including fuel. In an effort to comply with Common Core curriculum the district has increased spending to purchase additional textbooks and/or technology. There is a decrease in FY2020 – 2023 to account for a reduction in instructional supplies/replacements.

### 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.

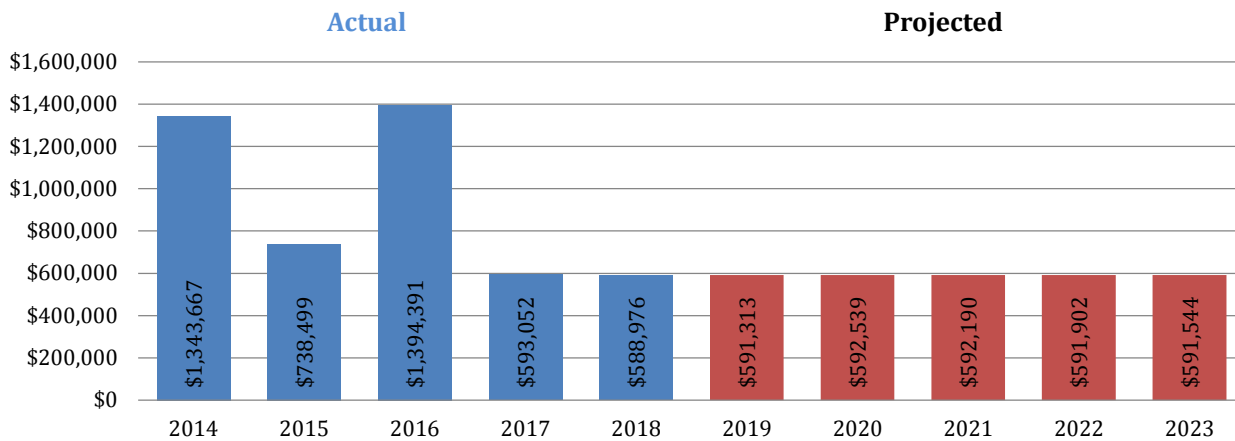


|                            | FORECASTED |           |           |           |         |         |
|----------------------------|------------|-----------|-----------|-----------|---------|---------|
|                            | 2018       | 2019      | 2020      | 2021      | 2022    | 2023    |
| Total                      | 1,203,828  | 703,828   | 353,828   | 253,828   | 253,828 | 253,828 |
| YOY \$ Change              | (580,118)  | (500,000) | (350,000) | (100,000) | -       | -       |
| YOY % Change               | -32.5%     | -41.5%    | -49.7%    | -28.3%    | 0.0%    | 0.0%    |
| Percentage of Total Budget | 6.0%       | 3.5%      | 1.7%      | 1.2%      | 1.2%    | 1.1%    |

This figure represents expenditures that typically have a useful life of five years or more. This would include custodial equipment, instructional equipment, technology equipment, school vehicles, and building improvements. Prior to FY2014 the District, in an attempt to realize annual savings had not been replacing vehicles or equipment, rather absorbing bus routes. During FY2016-FY2023 the District will replace buses and other equipment as deemed necessary by the Board of Education that exceeds the funding in the Permanent Improvement Fund and Building Maintenance Fund. In FY2016, FY2017 and FY2018 there is a significant increase in capital outlay because the District purchased new Chromebooks, computers, other instructional equipment, and new buses. Beginning in FY2018 the District intends to implement an equipment purchasing schedule.

### 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.



|                            | FORECASTED |         |         |         |         |         |
|----------------------------|------------|---------|---------|---------|---------|---------|
|                            | 2018       | 2019    | 2020    | 2021    | 2022    | 2023    |
| Total                      | 588,976    | 591,313 | 592,539 | 592,190 | 591,902 | 591,544 |
| YOY \$ Change              | (4,076)    | 2,337   | 1,226   | (349)   | (288)   | (358)   |
| YOY % Change               | -0.7%      | 0.4%    | 0.2%    | -0.1%   | 0.0%    | -0.1%   |
| Percentage of Total Budget | 2.9%       | 2.9%    | 2.9%    | 2.8%    | 2.7%    | 2.7%    |

This figure represents the principal and interest payments for the District's debt obligations.

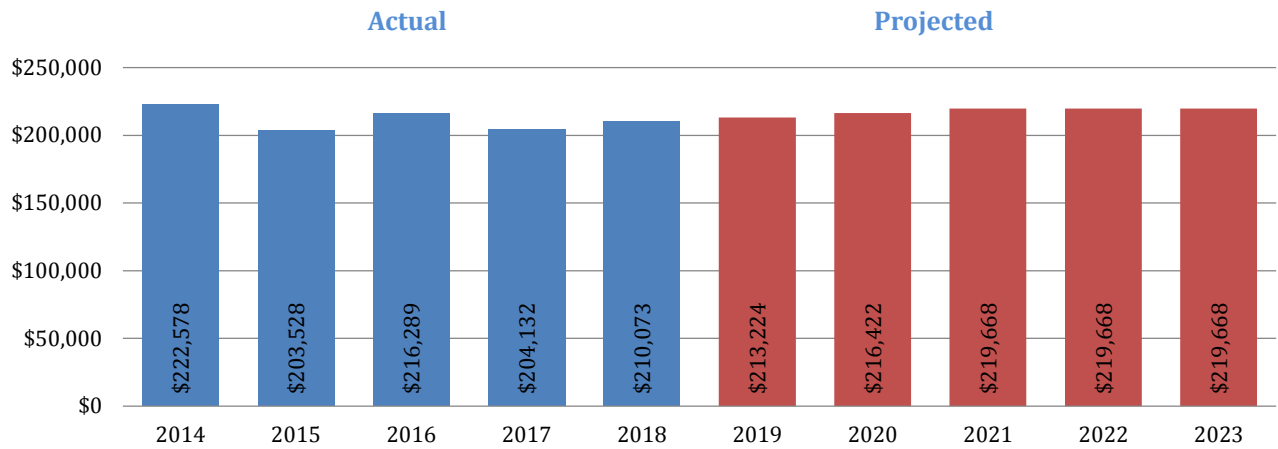
Certificates of Participation (COP'S) combined with the Ohio Development Energy Loan to finance energy conservation improvements to school facilities owned by the School District according to the House Bill 264. These payments are scheduled to end in December of 2029 and 2030 respectively.

Hardship loan with the Ohio School Facilities Commission for the Waverly City School District Remediation Project. The OSFC loan is interest free and was repaid in June of 2016 with settlements funds received. Please note that in FY15 there were two payments made on the OSFC loan.

The lease purchase agreement with First National Bank for the Auditorium at the new campus and athletic stadium improvements. The loan is scheduled to end in June of 2029 and interest for the COP's is also included here and is scheduled to end in December of 2029.

### 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.

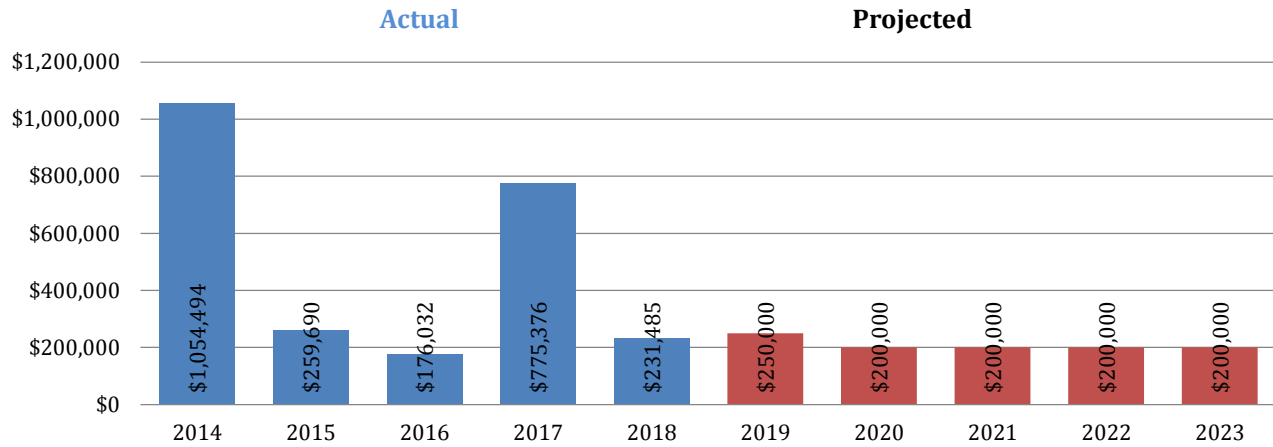


|                            | FORECASTED |         |         |         |         |         |
|----------------------------|------------|---------|---------|---------|---------|---------|
|                            | 2018       | 2019    | 2020    | 2021    | 2022    | 2023    |
| Total                      | 210,073    | 213,224 | 216,422 | 219,668 | 219,668 | 219,668 |
| YOY \$ Change              | 5,941      | 3,151   | 3,198   | 3,246   | -       | -       |
| YOY % Change               | 2.9%       | 1.5%    | 1.5%    | 1.5%    | 0.0%    | 0.0%    |
| Percentage of Total Budget | 1.0%       | 1.1%    | 1.1%    | 1.0%    | 1.0%    | 1.0%    |

Other objects are based on historical figures reflecting the districts dues/fees/memberships and property, fleet, and liability insurance.

### 5.040 - Total Other Financing Uses

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



|               | FORECASTED |         |          |         |         |         |
|---------------|------------|---------|----------|---------|---------|---------|
|               | 2018       | 2019    | 2020     | 2021    | 2022    | 2023    |
| Total         | 231,485    | 250,000 | 200,000  | 200,000 | 200,000 | 200,000 |
| YOY \$ Change | (543,891)  | 18,515  | (50,000) | -       | -       | -       |
| YOY % Change  | -70.1%     | 8.0%    | -20.0%   | 0.0%    | 0.0%    | 0.0%    |

| Percentage of Total Budget | 1.2% | 1.2% | 1.0% | 1.0% | 0.9% | 0.9% |
|----------------------------|------|------|------|------|------|------|
|----------------------------|------|------|------|------|------|------|

|               |         |         |         |         |         |         |
|---------------|---------|---------|---------|---------|---------|---------|
| Transfers Out | 200,250 | 200,000 | 150,000 | 150,000 | 150,000 | 150,000 |
| Advances Out  | 31,235  | 50,000  | 50,000  | 50,000  | 50,000  | 50,000  |

Any transfer, amounts not to be reimbursed to the general fund, and advances, amounts to be reimbursed, must be Board approved.

In FY2014 loan proceeds of \$787,355 were transferred to the Permanent Improvement fund for the athletic facility and a transfer of \$126,623 in FY2015. The FY2016 \$91,179.09 was transferred to food service and other miscellaneous funds. In FY2017 \$623,154 of total transfers; \$269,000 to the Local Share of the OFCC project fund for the waterline replacement, \$121,981 to Permanent Improvement, and 232,173 to Food Service and other miscellaneous funds. In FY2018 transfers and advances consisted were \$231,485.71, with \$199,226 being to Food Service. Trends and historical data were used in FY2019 and forecasted years.

## Waverly City School District

### Five Year Forecast

| Fiscal Year:   | Actual            | FORECASTED        |                   |                   |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|  | 2018              | 2019              | 2020              | 2021              | 2022              | 2023              |
| <b>Revenue:</b>  |                   |                   |                   |                   |                   |                   |
| 1.010 - General Property Tax (Real Estate)               | 3,254,673         | 3,291,981         | 3,227,146         | 3,450,336         | 3,464,710         | 3,478,086         |
| 1.020 - Public Utility Personal Property                 | 396,443           | 426,255           | 384,193           | 413,609           | 420,010           | 420,010           |
| 1.030 - Income Tax                                       | -                 | -                 | -                 | -                 | -                 | -                 |
| 1.035 - Unrestricted Grants-in-Aid                       | 11,932,335        | 12,337,618        | 12,327,676        | 12,583,680        | 13,287,512        | 13,661,952        |
| 1.040 - Restricted Grants-in-Aid                         | 1,967,518         | 1,917,900         | 1,998,236         | 2,025,387         | 2,045,068         | 2,063,676         |
| 1.050 - Property Tax Allocation                          | 598,413           | 579,684           | 580,604           | 582,757           | 584,904           | 586,887           |
| 1.060 - All Other Operating Revenues                     | 1,498,878         | 1,616,856         | 1,526,483         | 1,540,861         | 1,561,395         | 1,583,739         |
| <b>1.070 - Total Revenue</b>                             | <b>19,648,260</b> | <b>20,170,294</b> | <b>20,044,338</b> | <b>20,596,630</b> | <b>21,363,599</b> | <b>21,794,350</b> |
| <b>Other Financing Sources:</b>                          |                   |                   |                   |                   |                   |                   |
| 2.010 - Proceeds from Sale of Notes                      | -                 | -                 | -                 | -                 | -                 | -                 |
| 2.020 - State Emergency Loans and Adv                    | -                 | -                 | -                 | -                 | -                 | -                 |
| 2.040 - Operating Transfers-In                           | -                 | -                 | -                 | -                 | -                 | -                 |
| 2.050 - Advances-In                                      | 152,001           | 31,235            | 50,000            | 50,000            | 50,000            | 50,000            |
| 2.060 - All Other Financing Sources                      | 108,144           | 51,500            | 61,500            | 41,500            | 36,000            | 10,000            |
| <b>2.070 - Total Other Financing Sources</b>             | <b>260,145</b>    | <b>82,735</b>     | <b>111,500</b>    | <b>91,500</b>     | <b>86,000</b>     | <b>60,000</b>     |
| <b>2.080 - Total Rev &amp; Other Sources</b>             | <b>19,908,405</b> | <b>20,253,029</b> | <b>20,155,838</b> | <b>20,688,130</b> | <b>21,449,599</b> | <b>21,854,350</b> |
| <b>Expenditures:</b>                                     |                   |                   |                   |                   |                   |                   |
| 3.010 - Personnel Services                               | 8,963,902         | 9,371,223         | 9,778,434         | 10,116,476        | 10,459,375        | 10,743,281        |
| 3.020 - Employee Benefits                                | 4,201,807         | 4,550,130         | 4,952,662         | 5,261,279         | 5,592,380         | 5,935,987         |
| 3.030 - Purchased Services                               | 3,950,913         | 3,749,405         | 3,735,590         | 3,727,373         | 3,702,373         | 3,702,373         |
| 3.040 - Supplies and Materials                           | 684,810           | 844,810           | 671,306           | 671,306           | 671,306           | 671,306           |
| 3.050 - Capital Outlay                                   | 1,203,828         | 703,828           | 353,828           | 253,828           | 253,828           | 253,828           |
| Intergovernmental & Debt Service                         | 588,976           | 591,313           | 592,539           | 592,190           | 591,902           | 591,544           |
| 4.300 - Other Objects                                    | 210,073           | 213,224           | 216,422           | 219,668           | 219,668           | 219,668           |
| <b>4.500 - Total Expenditures</b>                        | <b>19,804,309</b> | <b>20,023,933</b> | <b>20,300,781</b> | <b>20,842,120</b> | <b>21,490,832</b> | <b>22,117,987</b> |
| <b>Other Financing Uses</b>                              |                   |                   |                   |                   |                   |                   |
| 5.010 - Operating Transfers-Out                          | 200,250           | 200,000           | 150,000           | 150,000           | 150,000           | 150,000           |
| 5.020 - Advances-Out                                     | 31,235            | 50,000            | 50,000            | 50,000            | 50,000            | 50,000            |
| 5.030 - All Other Financing Uses                         | -                 | -                 | -                 | -                 | -                 | -                 |
| <b>5.040 - Total Other Financing Uses</b>                | <b>231,485</b>    | <b>250,000</b>    | <b>200,000</b>    | <b>200,000</b>    | <b>200,000</b>    | <b>200,000</b>    |
| <b>5.050 - Total Exp and Other Financing Uses</b>        | <b>20,035,794</b> | <b>20,273,933</b> | <b>20,500,781</b> | <b>21,042,120</b> | <b>21,690,832</b> | <b>22,317,987</b> |
| <b>6.010 - Excess of Rev Over/(Under) Exp</b>            | <b>(127,389)</b>  | <b>(20,904)</b>   | <b>(344,943)</b>  | <b>(353,990)</b>  | <b>(241,233)</b>  | <b>(463,637)</b>  |
| <b>7.010 - Cash Balance July 1 (No Levies)</b>           | <b>7,079,976</b>  | <b>6,952,587</b>  | <b>6,931,683</b>  | <b>6,586,740</b>  | <b>6,232,750</b>  | <b>5,991,517</b>  |
| <b>7.020 - Cash Balance June 30 (No Levies)</b>          | <b>6,952,587</b>  | <b>6,931,683</b>  | <b>6,586,740</b>  | <b>6,232,750</b>  | <b>5,991,517</b>  | <b>5,527,880</b>  |
|  |                   | Reservations      |                   |                   |                   |                   |
| 8.010 - Estimated Encumbrances June 30                   | 300,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           |
| 9.080 - Reservations Subtotal                            | -                 | -                 | -                 | -                 | -                 | -                 |
| <b>10.010 - Fund Bal June 30 for Cert of App</b>         | <b>6,652,587</b>  | <b>6,781,683</b>  | <b>6,436,740</b>  | <b>6,082,750</b>  | <b>5,841,517</b>  | <b>5,377,880</b>  |
| <b>Rev from Replacement/Renewal Levies</b>               |                   |                   |                   |                   |                   |                   |
| 11.010 & 11.020 - Renewal Levies                         | -                 | -                 | -                 | -                 | -                 | -                 |
| 11.030 - Cumulative Balance of Levies                    | -                 | -                 | -                 | -                 | -                 | -                 |
| <b>12.010 - Fund Bal June 30 for Cert of Obligations</b> | <b>6,652,587</b>  | <b>6,781,683</b>  | <b>6,436,740</b>  | <b>6,082,750</b>  | <b>5,841,517</b>  | <b>5,377,880</b>  |
| <b>Revenue from New Levies</b>                           |                   |                   |                   |                   |                   |                   |
| 13.010 & 13.020 - New Levies                             | -                 | -                 | -                 | -                 | -                 | -                 |
| 13.030 - Cumulative Balance of New Levies                | -                 | -                 | -                 | -                 | -                 | -                 |
| <b>15.010 - Unreserved Fund Balance June 30</b>          | <b>6,652,587</b>  | <b>6,781,683</b>  | <b>6,436,740</b>  | <b>6,082,750</b>  | <b>5,841,517</b>  | <b>5,377,880</b>  |