SPRINGFIELD CITY SCHOOL DISTRICT-CLARK COUNTY

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2014, 2015 and 2016 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2017 THROUGH 2021**

Springfield
CITY SCHOOLS
Every Student | Every Opportunity | Every Day

**Forecast Provided By
Springfield City School District
Treasurer's Office
Dale R. Miller, CPA, Treasurer/CFO
937-505-2814**

October 13, 2016

Springfield City School District

Clark County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2014, 2015 and 2016 Actual;
Forecasted Fiscal Years Ending June 30, 2017 Through 2021

		Actual				Forecasted				
		Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Average Change	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
	Revenues									
1.010	General Property Tax (Real Estate)	20,213,751	20,095,040	20,231,688	0.0%	20,492,633	20,319,584	17,374,993	14,878,487	14,920,951
1.020	Tangible Personal Property	-	-	-	0.0%	$0	$0	$0	$0	$0
1.030	Income Tax	-	-	-	0.0%	$0	$0	$0	$0	$0
1.035	Unrestricted State Grants-in-Aid	51,730,454	57,596,660	61,933,628	9.4%	66,759,262	67,779,842	68,816,178	69,868,516	70,937,102
1.040	Restricted State Grants-in-Aid	6,435,744	6,674,849	7,093,890	5.0%	6,997,519	7,063,380	7,129,900	7,197,085	7,264,942
1.045	Restricted Fed. SFSF Fd. 532 FY10&11/Ed Jobs Fd.504 F	0	0	-	0.0%	$0	$0	$0	$0	$0
1.050	Property Tax Allocation	2,770,189	2,822,738	2,775,332	0.1%	2,743,575	2,727,746	2,308,489	1,890,068	1,887,646
1.060	All Other Revenues	2,236,967	2,081,142	2,460,237	5.6%	2,545,704	2,586,326	2,777,104	2,793,039	2,809,134
1.070	*Total Revenues*	83,387,105	89,270,429	94,494,775	6.5%	99,538,693	100,476,878	98,406,664	96,627,195	97,819,775
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	-	-	-	0.0%	-	-	$0	$0	$0
2.020	State Emergency Loans and Advancements (Approved)	-	-	-	0.0%	-	-	-	-	-
2.040	Operating Transfers-In	-	-	27,457	0.0%	-	-	-	-	-
2.050	Advances-In	4,945,400	5,000	123,008	1130.1%	728,000	128,000	128,000	128,000	128,000
2.060	All Other Financing Sources	37,560	63,538	109,872	71.0%	65,000	65,000	65,000	65,000	65,000
2.070	*Total Other Financing Sources*	4,982,960	68,538	260,337	90.6%	793,000	193,000	193,000	193,000	193,000
2.080	*Total Revenues and Other Financing Sources*	88,370,065	89,338,967	94,755,112	3.6%	100,331,693	100,669,878	98,599,664	96,820,195	98,012,775
	Expenditures									
3.010	Personal Services	$41,193,610	$43,165,454	$46,184,601	5.9%	$48,485,023	$50,458,367	$52,275,726	$54,205,343	$56,204,380
3.020	Employees' Retirement/Insurance Benefits	$16,560,301	$16,599,169	$17,500,460	2.8%	$18,651,543	$19,862,559	$21,078,712	$22,379,667	$23,770,827
3.030	Purchased Services	$20,651,097	$21,732,404	$21,545,518	2.2%	$23,173,685	$23,889,180	$24,566,030	$25,266,657	$25,991,985
3.040	Supplies and Materials	2,371,826	5,134,310	4,295,402	50.1%	3,624,248	3,496,975	4,971,884	5,049,041	5,128,512
3.050	Capital Outlay	274,483	303,387	1,604,993	219.8%	620,000	300,000	300,000	300,000	300,000
3.060	Intergovernmental	-	-	-	0.0%	-	-	-	-	-
	Debt Service:				0.0%					
4.010	Principal-All (Historical Only)	-	1,660,000	-	0.0%	-	-	-	-	-
4.020	Principal-Notes	-	-	-	0.0%	-	-	-	-	-
4.030	Principal-State Loans	-	-	-	0.0%	-	-	-	-	-
4.040	Principal-State Advancements	-	-	-	0.0%	-	-	-	-	-
4.050	Principal-HB 264 Loans	$345,000	$360,000	$65,000	-38.8%	$65,000	$65,000	$65,000	$65,000	$65,000
4.055	Principal-Other	-	-	-	0.0%	-	-	-	-	-
4.060	Interest and Fiscal Charges	$122,903	$79,080	$40,858	-42.0%	$36,144	$32,400	$28,656	$24,912	$21,168
4.300	Other Objects	$655,044	$787,219	$703,275	4.8%	$763,970	$774,138	$784,513	$795,102	$805,908
4.500	*Total Expenditures*	82,174,264	89,821,023	91,940,107	5.8%	95,419,613	$98,878,619	104,070,521	108,085,722	112,287,780
	Other Financing Uses									
5.010	Operating Transfers-Out	$15,000	$15,000	$1,757,457	5808.2%	$1,730,000	$1,730,000	$1,730,000	$1,730,000	$1,730,000
5.020	Advances-Out	5,000	123,008	860,500	1479.9%	128,000	128,000	128,000	128,000	128,000
5.030	All Other Financing Uses	$1,660	$275,598	$283,574	8252.6%	$0	$0	$0	$0	$0
5.040	*Total Other Financing Uses*	21,660	413,606	2,901,531	1205.5%	1,858,000	1,858,000	1,858,000	1,858,000	1,858,000
5.050	*Total Expenditures and Other Financing Uses*	82,195,924	90,234,629	94,841,638	7.4%	97,277,613	100,736,619	105,928,521	109,943,722	114,145,780
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	6,174,141	(895,662)	(86,526)	-102.4%	3,054,080	(66,741)	(7,328,857)	(13,123,527)	(16,133,005)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	23,461,542	29,635,683	28,740,021	11.6%	28,653,495	31,707,575	31,640,834	24,311,977	11,188,450
7.020	*Cash Balance June 30*	29,635,683	28,740,021	28,653,495	-1.7%	31,707,575	31,640,834	24,311,977	11,188,450	4,944,555-
8.010	*Estimated Encumbrances June 30*	2,090,993	3,196,631	1,510,198	0.1%	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000

Springfield City School District

Clark County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2014, 2015 and 2016 Actual;
Forecasted Fiscal Years Ending June 30, 2017 Through 2021

		Actual				Forecasted				
		Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Average Change	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
`	**Reservation of Fund Balance**									
9.010	Textbooks and Instructional Materials	-	-	-	0.0%	-	-	-	-	-
9.020	Capital Improvements	-	-	-	0.0%	-	-	-	-	-
9.030	Budget Reserve	-	-	-	0.0%	-	-	-	-	-
9.040	DPIA	-	-	-	0.0%	-	-	-	-	-
9.045	Fiscal Stabilization	-	-	-	0.0%	-	-	-	-	-
9.050	Debt Service	-	-	-	0.0%	-	-	-	-	-
9.060	Property Tax Advances	-	-	-	0.0%	-	-	-	-	-
9.070	Bus Purchases	-	-	-	0.0%	-	-	-	-	-
9.080	*Subtotal*	-	-	-	0.0%	-	-	-	-	-
10.010	*Fund Balance June 30 for Certification of Appropriations*	27,544,690	25,543,390	27,143,297	-0.5%	30,207,575	30,140,834	22,811,977	9,688,450	(6,444,555)
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal				0.0%	-	-	-	-	-
11.020	Property Tax - Renewal or Replacement				0.0%	-	-	3,069,875	6,139,750	6,143,094
11.300	Cumulative Balance of Replacement/Renewal Levies				0.0%	-	-	3,069,875	9,209,625	15,352,719
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	27,544,690	25,543,390	27,143,297	-0.5%	30,207,575	30,140,834	25,881,852	18,898,075	8,908,164
	Revenue from New Levies									
13.010	Income Tax - New				0.0%	-	-	-	-	-
13.020	Property Tax - New				0.0%	-	-	-	-	-
13.030	Cumulative Balance of New Levies	-	-		0.0%	-	-	-	-	-
14.010	Revenue from Future State Advancements				0.0%	-	-	-	-	-
15.010	*Unreserved Fund Balance June 30*	27,544,690	25,543,390	27,143,297	-0.5%	30,207,575	30,140,834	25,881,852	18,898,075	8,908,164

Springfield City School District – Clark County
Notes to the Five Year Forecast
General Fund Only
October 13, 2016

Introduction to the Five Year Forecast

All school districts in Ohio are required to file a five (5) year financial forecast by October 31, and May 31, in each fiscal year (FY). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Fiscal year 2017 (July 1, 2016 through June 30, 2017) is the first year of the five year forecast and is considered the baseline year. Our forecast is being updated to reflect the most current economic data for the October 2016 filing.

Economic Environment Affecting Forecast Variables –State Economy

It is important in long range forecasting to consider the economic climate in which projections of revenues are made. Statewide economic data suggests that the economy for the FY17-21 period is growing moderately and should continue during the forecast period. It is important for our school district to consider the statewide economic data for two very important reasons. First, our state funding is directly affected by state revenue collections and the health of the state budget. Second, the same economic forces driving state tax revenues are also likely affecting the underlying economics of most communities in Ohio, which directly impacts the ability to collect local tax revenue. Generally speaking, local school district economic viability is tied to the same fundamental economics that drive the state's economic viability.

The State of Ohio revenues through FY16 have recovered and are at record levels in spite of a personal income tax reduction in FY15 and FY16. The two significant contributors to the economic recovery continue to be personal income taxes and sales and use taxes. Baring further legislative cuts personal income tax will continue to grow.

The recovery of the labor market which began in 2010 continues in 2015 as noted in both personal income tax and sales tax collections. The continued increase in State revenue is a clear indication that the economy has recovered and that there is economic growth in our state. Another indication that the state of Ohio has achieved solid footing economically is the accumulation of reserves in the State Rainy Day Fund (RDF). The RDF balance in FY16 has reached an all time record high deposit of $2.034 billion thanks to a higher statutory balance allowed by HB64. This cushion should continue to help ensure that funding for schools approved in the recent state biennium budget HB64 will be met through FY17and could be continued into the future even if a brief pull back in the economy occurs as some economist project for late 2017 or 2018.

The state of Ohio's unemployment rate hit 4.8% at the end of June 2016. The last time it was at this level was in October 2001. Over the past 12 months ended May 2016 the unemployment rate dropped .20% as 27,600 new jobs were created. This is a common measure to monitor for continued economic growth and viability.

For school districts, a final piece of economic data which is highly relevant is the value of real property. In the 2015 Tax Year, 24 of Ohio's 88 counties went through a reappraisal or update for Class 1 (Residential and Agricultural Property) and Class 2 (Commercial, Industrial and Mineral Property). From tax year 2007 to 2012, Class 1 and 2 property values declined by $10.8 billion, a reduction of 4.6%. In 2015 Class 1 values rose by $3.58 billion or 1.99% statewide, while Class 2 property increased for the second time since 2009 by $270.0 million or .54% statewide. Home values for the 12 month period ending in June 2016 were up statewide by 3.5%. Clearly property values have stabilized and should begin to rise at varying levels across the state.

The final category of property is Public Utility Personal Property (PUPP) values. PUPP values continued to grow throughout the Great Recession and into Tax Year 2015 due in part to continued new construction, reinvestment in aging infrastructure due to historic low interest rates and development of natural gas and petroleum transmission lines across the state. PUPP values are of higher value as they are taxed at the full gross tax rate. PUPP values grew $1.2 billion or 9.5% statewide in Tax Year 2015.

Overall, we believe the economy of the state is stable and growing. This should provide a stable basis for which to make projections of state revenues to the district as noted in HB64 through FY17 and continuing through FY21 in future state budgets.

Forecast Risks and Uncertainty:

A five year financial forecast has risks and uncertainty not only due to economic uncertainties but also due to state legislative changes that will occur in the spring of 2017 and 2019 due to deliberation of the next two (2) state biennium budgets for FY18-19 & FY20-21, both of which affect this five year forecast. We have estimated revenues and expenses based on the best data available to us at the time of this forecast. The items below give a short description of the current issues and how they may affect our forecast long term.

I. The State Budget represents 77 % of district revenues, which means it, is a significant area of risk to revenue. The risk comes in FY18 and beyond if the state economy worsens or if the funding formula in future state budgets reduce funding to our district. There are two future State Biennium Budgets covering the period from FY18 through FY21 in this forecast. Future uncertainty in both the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long range through FY21.

II. The district became eligible for a U.S. Department of Agriculture program in FY12 called Community Eligibility Provision (CEP). This program allows districts with 40% eligible students to certify free and reduced price lunches via Direct Certification. The ODE uses this information to certify Economically Disadvantaged students. In FY16 and FY17 if a school building was CEP eligible 100% of their students were reflected as Economically Disadvantaged. In FY 16 & 17 the District received economic disadvantaged money in excess of $7.4 million. We have heard that the ODE is looking into different EMIS codes to report students as Economically Disadvantaged and this could affect the estimated CAP increase on which the District is currently funded. We will watch this very carefully as budget deliberations occur this spring and EMIS changes are made.

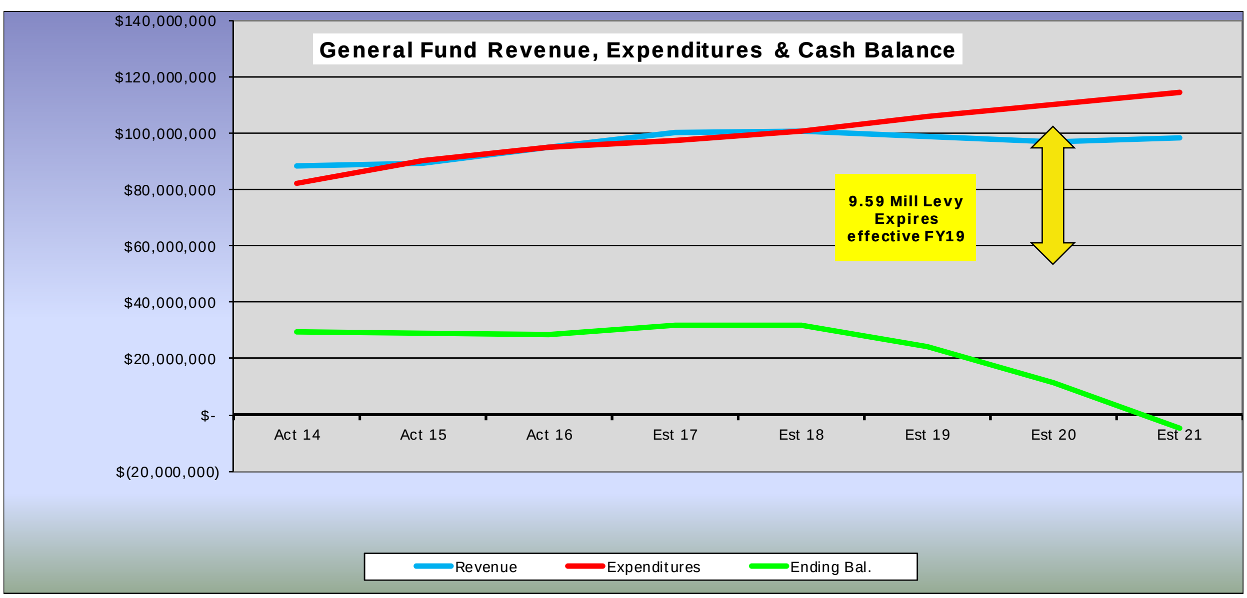
III. The district's 9.59 mill emergency levy was renewed November 5, 2012 and will expire on December 31, 2018. The renewal of this levy is necessary to keep the district financially healthy long term.

IV. There are many provisions in the current state budget bill HB64 that will increase the district expenditures in the form of expanded school choice programs such as College Credit Plus and increases in amounts deducted from our state aid in the 2016-17 school years. The cost of each Peterson Special Needs voucher and Autism Scholarship Program increased sharply in HB64 from $20,000 each to $27,000, a 35% increase. These are examples of new choice programs that cost the district money. Expansion or creation of programs such as these exposes the district to new expenditures that are not currently in the forecast. We are monitoring any new threats to our state aid and increased costs very closely.

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

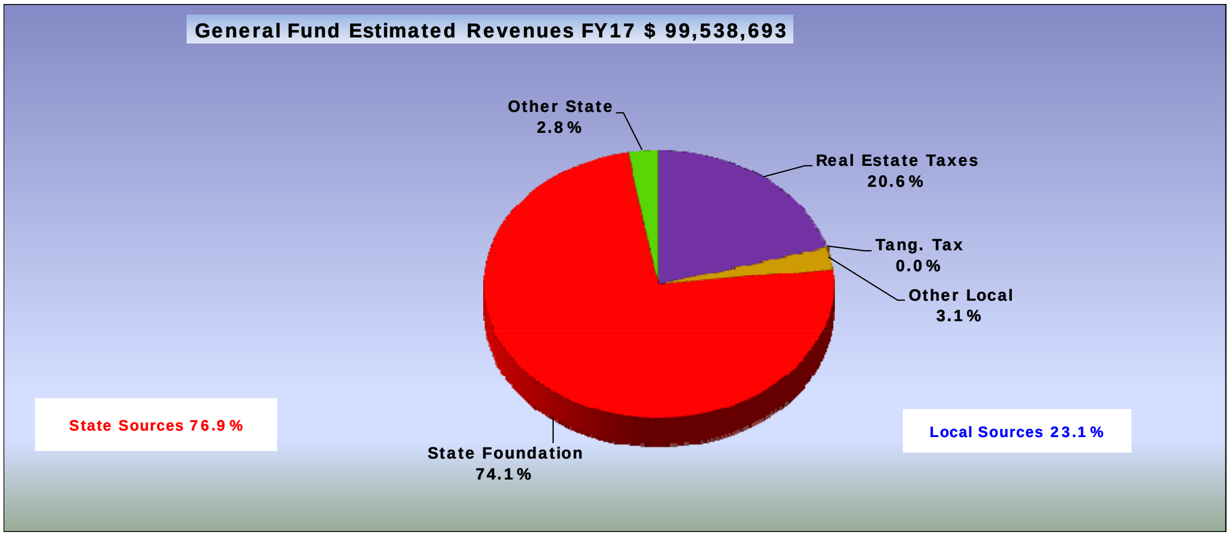
The major categories of revenue and expenditures on the forecast are noted below in the headings to make it easier to reference the assumptions made for the forecast item. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information please feel free to contact me - Mr. Dale R. Miller, Treasurer/CFO of Springfield City School District at 937-505-2811.

General Fund Revenue, Expenditure and Ending Cash Balance:



Revenue Assumptions

Estimated General Fund Revenues:



Real Estate Value Assumptions – Line # 1.010

Property values are established each year by the County Auditor based on new construction and complete reappraisal or updated values. A reappraisal update of the district property value occurred for 2013 values collected in calendar year 2014. Residential values fell 9.77% or a drop of $43,280,150 as a result of the reappraisal. When values fall, reduction factors are lowered and House Bill 920 increases effective tax rates so the district tax revenues are held harmless. In addition, in tax year 2016 no significant increase or decrease in tax values is expected. These factors are reflected in the flat property tax revenues on Line 1.01 for fiscal year 2017 through fiscal year 2021. Also note, fiscal year 2019 includes the revenues related to renewal of the levy on line 11.02.

In addition to reductions in real estate values, House Bill 153 effective July 1, 2011, eliminated the tangible personal property tax (TPP) reimbursement after fiscal year 2012. These reimbursements were to fully compensate the district for the TPP taxes that were based on calendar year 2004 property values. Eliminating the TPP tax was the equivalent of the District losing $3.2 million or a 4.8 mill levy each year. It should be no surprise the district had a need to pass a new 9.0 mill Emergency Levy in 2006 in part to replace these lost local funds. This in effect transferred the burden for those lost dollars into increased taxes on local taxpayers, a shift of taxes from businesses to mainly residential taxpayers.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Estimated TAX YEAR2016 COLLECT 2017	Estimated TAX YEAR2017 COLLECT 2018	Estimated TAX YEAR2018 COLLECT 2019	Estimated TAX YEAR2019 COLLECT 2020	Estimated TAX YEAR2020 COLLECT 2021
Res./Ag.	$393,142,610	$392,567,610	$391,992,610	$391,417,610	$390,842,610
Comm./Ind.	$164,595,290	$164,995,290	$165,395,290	$165,795,290	$166,195,290
Public Utility Personal Property (PUPP)	$38,710,300	$39,210,300	$39,710,300	$40,210,300	$40,710,300
Tangible Personal Property (TPP)	$0	$0	$0	$0	$0
Total Assessed Value	$596,448,200	$596,773,200	$597,098,200	$597,423,200	$597,748,200

ESTIMATED REAL ESTATE TAX (Line #1.010)

Source	FY17	FY18	FY19	FY20	FY21
General Property Taxes	$20,492,633	$20,319,584	$17,374,993	$14,878,487	$14,920,951

Property tax levies are estimated to be collected at 95% of the annual amount. This allows a 3.25% delinquency and 1.75% auditor and treasurer fees. Typically, 54% of the new residential/agriculture (Res/Ag) and commercial/industrial (Comm/Ind) is expected to be collected in the February tax settlements and 46% is expected to be collected in the August tax settlements. Public utility tax settlements (PUPP) are estimated to be received 50% in February and 50% in August. As previously noted, tangible personal property tax (TPP) is no longer collected.

Renewal and Replacement Levies – Line #11.02

The district currently has one levy; a 9.59 mill emergency levy passed May 3, 2011, which will expire on December 31, 2018.

Source	FY17	FY18	FY19	FY20	FY21
Renew 7.0 mill Levy in 2020	$0	$0	$0	$0	$0
Renew 9.59 mill levy in 2018	$0	$0	$3,069,875	$6,139,750	$6,143,094
Total Line # 11.020	$0	$0	$3,069,875	$6,139,750	$6,143,094

New Tax Levies – Line #13.030

No new levies are modeled in this forecast.

Estimated Tangible Personal Tax – Line#1.020

The phase out of tangible personal property tax (TPP), as noted earlier, began in fiscal year 2006. The TPP was eliminated after fiscal year 2011. Any revenues received in fiscal year 2014 and beyond are delinquent TPP taxes.

Other Local Revenues – Line #1.060

Open enrollment is expected to remain stable after several years of decreases in students entering the district. In addition to increases in open enrollment revenue, we have budgeted increases in tuition reimbursement for court placed students. An overall increase of 1% is factored through FY 2021. Medicaid revenue has experienced an increase over the past several years and is expected to continue to increase throughout the forecast.

Interest income will increase and decrease as the cash position of the General Fund fluctuates over the forecast period. The district's balances available for investment vary month to month due to cash flow needs. The sharply reduced interest rates will lower investment earnings; however increased fund balance will assist in growth of this revenue source as well as providing the opportunity for longer term investment to increase the yield. We have recently seen a reduction in the availability of CDARS investment through our local banks therefore; we actually have the investment income as flat in the forecast period. Hopefully yields increase in future years. Security of the public funds collected by the district is the top priority of the treasurer's office.

Source	FY17	FY18	FY19	FY20	FY21
Open Enrollment Gross	$904,466	$913,511	$922,646	$931,872	$941,191
Interest	$37,091	$37,091	$37,091	$37,091	$37,091
Indirect Cost & E-Rate	$313,716	$316,850	$320,016	$323,213	$326,442
Tuition SF-14 & SF-14H	$344,282	$347,725	$351,202	$354,714	$358,261
Other Income and rentals	$946,149	$971,149	$1,146,149	$1,146,149	$1,146,149
Total Line # 1.060	$2,545,704	$2,586,326	$2,777,104	$2,793,039	$2,809,134

State Taxes Reimbursement/Property Tax Allocation

a) Rollback and Homestead Reimbursement

Rollback funds are reimbursements paid to the district from the State of Ohio for tax credits given owner occupied residences equaling 12.5% of the gross property taxes charged residential taxpayers on tax levies passed prior to September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013, which is the effective date of HB59. HB66 the FY06-07 budget bill previously eliminated 10% rollback on Class II (commercial and industrial) property.

Homestead Exemptions are also credits paid to the district from the state of Ohio for qualified elderly and disabled. In 2007 HB119 expanded the Homestead Exemption for all seniors over age 65 years of age or older or who are disabled regardless of income. Effective September 29, 2013 HB59 changes the requirement for Homestead Exemptions. Individual taxpayers who do not currently have their Homestead Exemption approved or those who do not get a new application approved for tax year 2013, and who become eligible thereafter, will only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who currently have their Homestead Exemption as of September 29, 2013 will not lose it going forward and will not have to meet the new income qualification. This will reduce homestead reimbursements to the district, and as with the rollback reimbursements above, increase the taxes collected locally on taxpayers.

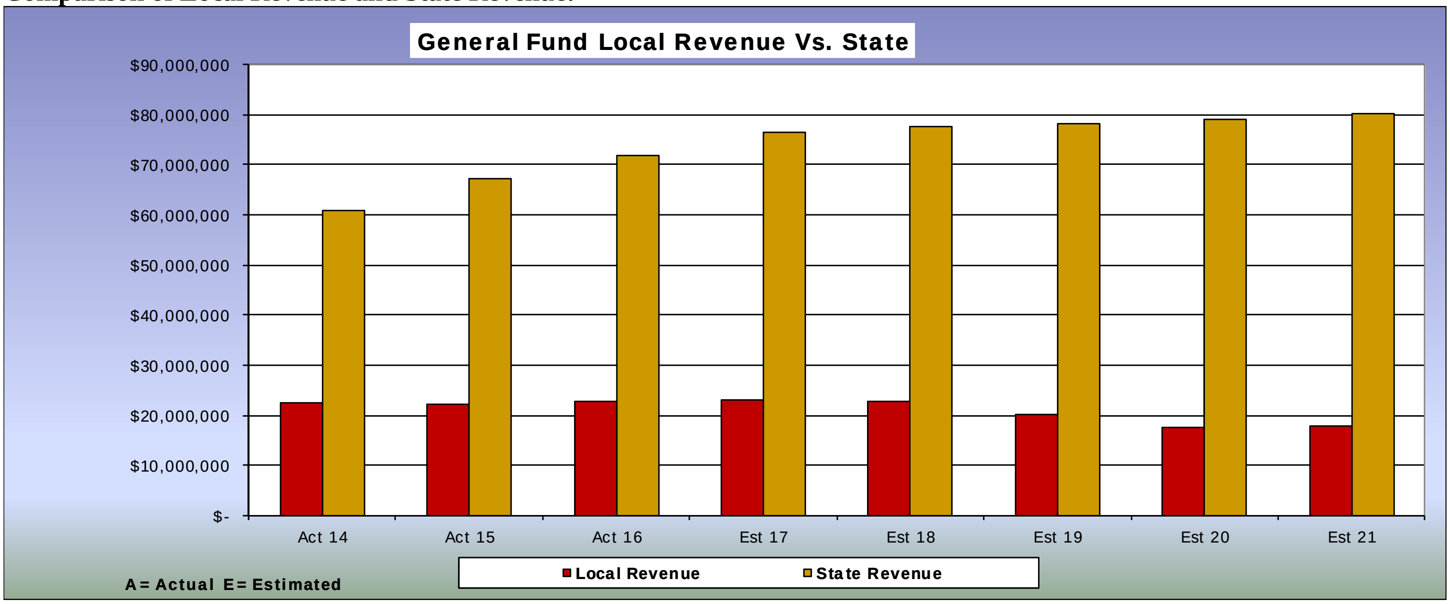
b) Tangible Personal Property Reimbursements – Fixed Rate/Fixed Sum

The District no longer receives fixed rate or fixed sum TPP reimbursements.

Summary of State Tax Reimbursement – Line #1.050

Source	FY17	FY18	FY19	FY20	FY21
a) Rollback and Homestead	$2,743,575	$2,727,746	$2,308,489	$1,890,068	$1,887,646
b) TPP Reimbursement - Fixed Rate	$0	$0	$0	$0	$0
c) TPP Reimbursement - Fixed Sum	$0	$0	$0	$0	$0
Total Tax Reimb./Prop. Tax Allocations #1.050	$2,743,575	$2,727,746	$2,308,489	$1,890,068	$1,887,646

Comparison of Local Revenue and State Revenue:



State Foundation Revenue Estimates

The amounts estimated for FY17 for state funding are based on the August 2016 State Foundation Payment Report (SFPR). The current FY16-FY17 state budget HB64 includes an increase in funding for our district. We are projected to be a CAP District regarding state funding in FY17. Our state funding status for FY18-21 will depend on the FY18-19 and FY20-21 state budgets. There are two unknown state budgets in this forecast period covering four fiscal years.

In FY14-15, HB59 created the fourth (4th) new funding formula for public education since 2009. HB64 the state FY16-17 state budget made alterations to the funding formula and added several new components. The new funding formula is very complex and could change again with the new FY 18-19 or FY20-21 state budgets. The funding formula in HB64 has a modified State Share Index (SSI) method to measure a district's wealth and capacity to raise local revenue.

The SSI is applied to the per pupil opportunity grant calculation and many of the other categorical funding items in the state foundation formula as noted below:

1. Opportunity Grant – Per pupil amount increased 1.7% from $5,800 in FY15 to $5,900 in FY16 and 1.7% to $6,000 in FY17.
2. Targeted Assistance – Tier I based on wealth and Tier II based on percentage of district agricultural assessed value
3. Special Education Additional Aid – Based on six (6) categories of disability
4. Limited English Proficiency – Based on three (3) categories based on time student enrolled in schools
5. Economically Disadvantaged Aid- Based on number and concentration of economically disadvantaged students
6. K-3 Literacy Funds- Based on districts K-3 average daily membership and two Tiers
7. Gifted Funds –Based on average daily membership at $5.05 in FY16 & FY17
8. Career-Technical Education Funds – Based on career technical average daily membership and five (5) categories students enrolled in
9. Transportation Aid – Funding based on total ridership rather than qualifying ridership in determining statewide cost per rider. Reduces state minimum share from 60% to 50%.

There are several new funding components provided in HB64 for FY16 &17. These are additional funds that can be earned by a district or is intended to help a district who has an undo burden or inability to raise local revenue.

1) Capacity Aid – Provides additional funding for districts where income generated for one mill of property tax is below the state median for what is generated of which SSCD will not qualify.
2) Transportation Supplement – Provides additional funding for districts with rider density (riders per square mile) less than 35 students in FY16 and 50 in FY17. Provides additional funding based on rider density and the number of miles driven by the school buses of which SCSD will not qualify.
3) 3rd Grade Reading Proficiency Bonus- Provides a bonus to districts based on third grade reading results.
4) High School Graduation Rate Bonus-Provides a bonus to districts based on high school graduation rates up to approximately $450 per student.

Note: these additional components are only paid to districts that are funded on the CAP or formula.

There are over 350 independent variables in the SFPR formula. If any of the variables are changed, either independently or in conjunction with other variables, there could be a change to forecasted state aid for FY17-21. Currently, there are still changes being made to the above variables as well as changes that could result once ODE finalizes the calculations from FY16, which is not expected until late February 2017. Our estimates are based on the best information available to us and the most current calculation used by ODE. Changes to our forecasted data could occur if there are large adjustments made by ODE based on the final FY16 reconciliation.

Our current SFPR estimates for FY17 are using August 2016 adjusted average daily membership (ADM) and hold those numbers steady through FY21. Beginning in FY16 the state changed the way it measures student ADM. Student counts are now supposed to be updated October 31, March 31, and June 30 of the fiscal year. In most cases the district will not know its actual student funded ADM until the end of June 2017 and then adjustments will be made into the succeeding fiscal year. This could result in undulating state aid payments throughout the year based on each student count if a district is on the formula. We are presently a CAP district so changes in enrollment will not likely affect our funding unless they are very large swings. Our estimate of state aid is based on the most current data we have available to us at the time. We have estimated stable enrollment through FY21 and a 1% per pupil increase each year beginning in FY18 for Opportunity Grant funding.

Current calculations indicate our district is a “CAP” funded district for FY17. The CAP growth rate for FY17 is 7.5%. We have conservatively estimated an increase in the CAP amount of 2.5% each year for FY18-21, but this amount could be higher or lower. There is no guidance on the state funding model or increases for the FY18-21 period.

On November 3, 2009 Ohio voters passed the Ohio casino ballot issue. This issue allowed for the opening of four (4) casinos one each in Cleveland, Toledo, Columbus and Cincinnati. As of March 4, 2013 all four (4) casinos were open for business and generating Gross Casino Tax Revenues (GCR). Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% GCR that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31st of January and August each year which began for the first time on January 31, 2013.

The initial student payment to schools in January 2013 (FY13) was a half year payment of $21.00 per pupil that rose to $51.50 per pupil for a full year in FY14 and $50.50 in FY15. The state indicated recently that the original 2009 estimates of $1.9 billion of GCR may be closer to $900 million as revenues from casinos are not growing robustly as originally predicted. Actual numbers generated for FY16 statewide were 1,792,947 students at $51.34 per pupil. For FY17-21 we estimated another 3 tenths of 1% decline in pupils to 1,789,000 and GCR increasing to $93 million or $51.91 per pupil. We will increase estimates for out years when actual casino revenues show signs of stronger increases.

A) Unrestricted State Foundation Revenue – Line #1.035

Source	FY17	FY18	FY19	FY20	FY21
Basic Aid-Unrestricted	$65,189,127	$66,198,901	$67,224,139	$68,265,080	$69,321,960
Additional Aid Items	$1,174,324	$1,174,324	$1,174,324	$1,174,324	$1,174,324
Basic Aid-Unrestricted Subtotal	$66,363,451	$67,373,225	$68,398,463	$69,439,404	$70,496,284
Ohio Casino Commission ODT	$395,811	$406,617	$417,715	$429,112	$440,818
Total Unrestricted State Aid Line # 1.035	$66,759,262	$67,779,842	$68,816,178	$69,868,516	$70,937,102

B) Restricted State Revenues – Line # 1.040

HB64 continues funding two restricted sources of revenues to school district which are Economic Disadvantaged Funding and Career Technical Education funding. We have incorporated this amount into the restricted aid amount in Line # 1.04 throughout the forecast.

Source	FY17	FY18	FY19	FY20	FY21
Economically Disadvantaged Aid	$6,586,103	$6,651,964	$6,718,484	$6,785,669	$6,853,526
Career Tech - Restricted	$411,416	$411,416	$411,416	$411,416	$411,416
Total Restricted State Revenues Line #1.040	$6,997,519	$7,063,380	$7,129,900	$7,197,085	$7,264,942

C) Restricted Federal Grants in Aid – line #1.045
No amounts are included in the forecasted years 2017 through 2021.

Summary of State Foundaton Revenues	FY17	FY18	FY19	FY20	FY21
Unrestricted Line # 1.035	$66,759,262	$67,779,842	$68,816,178	$69,868,516	$70,937,102
Restricted Line # 1.040	$6,997,519	$7,063,380	$7,129,900	$7,197,085	$7,264,942
Rest. Fed. Grants - SFSF & Ed Jobs Line #1.045	$0	$0	$0	$0	$0
Total State Foundation Revenue	$73,756,781	$74,843,222	$75,946,078	$77,065,601	$78,202,044

Short-Term Borrowing – Lines #2.010 & Line #2.020
There is no short term borrowing planned for in this forecast at this time from any sources.

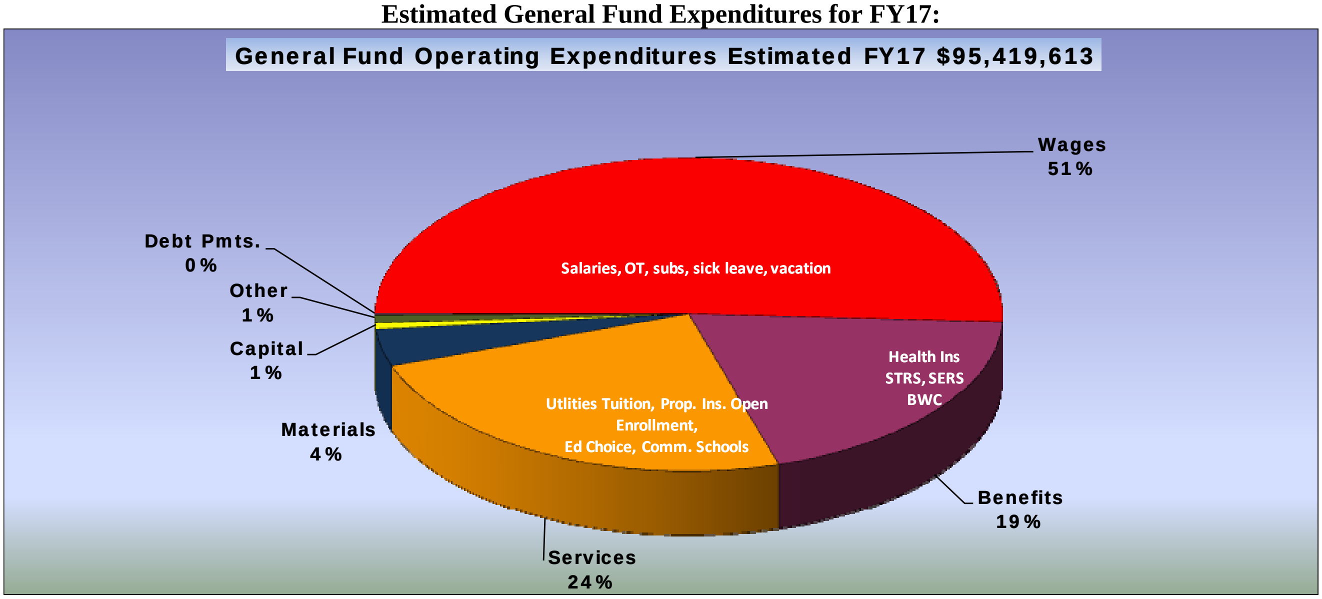
Transfers In / Return of Advances – Line #2.040 & Line #2.050
These are non-operating revenues which are the repayment of short term loans to other funds during the previous fiscal year and reimbursements for expenses incurred in the previous fiscal year. All advances during the current year are planned to be returned in the succeeding fiscal year.

All Other Financial Sources – Line #2.060

Source	FY17	FY18	FY19	FY20	FY21
Transfers In - Line 2.040	$0	$0	$0	$0	$0
Advance Returns - Line 2.050	$728,000	$128,000	$128,000	$128,000	$128,000
Total Transfer & Advances In	$728,000	$128,000	$128,000	$128,000	$128,000

Expenditures Assumptions

Estimated General Fund Expenditures for FY17:



Wages – Line #3.010
In March 2014, the Board ratified a contract with the Springfield Education Association (SEA) effective August 1, 2014. In August 2014, the Board ratified a contract with the Springfield Education United Support Staff (SEUSS) effective September 1, 2014. We included a 2% increase in base wages and 1.5% increase for step and training adjustments for fiscal years 2017 through fiscal year 2021 based on these negotiated agreements.

As a result of the contracts with the SEA and SEUSS, the District will also incur a one time payment to each employee subject to the contract. The cost of this one time payment is included as annual stipend and will cost the general fund an estimated $1,030,000 for fiscal year 2017.

The focus of the Board of Education and Administration for fiscal year 2017 and onward is to provide more services not only our students but to the community. The addition of the following positions in FY 17 will facilitate achieving that goal. A net total of 26 full time equivalent positions were added. The following is a breakdown on the additional staffing:

- 19 of the positions are teachers and curriculum coaches that directly impact instruction
- 4 of the positions are technology staffing to accommodate the increased demands of the 1:1 initiative and other technological advances throughout the District.
- 3 of the positions were administrative to facilitate the operations of the John Legend Theatre, college and career readiness and professional development.

Source	FY17	FY18	FY19	FY20	FY21
Base Wages	$45,154,601	$48,358,115	$50,395,529	$52,253,637	$54,220,415
Increases/ Merit Based Pay / Timing Adjust	$820,394	$775,000	$715,000	$783,805	$813,306
Growth	$1,479,269	$174,047	$0	$0	$0
Unfunded Recapture	$87,222	$129,065	$135,197	$137,901	$140,659
Retirement Incentive	$0	$0	$0	$0	$0
Annual Stipend	$1,030,000	$1,030,000	$1,030,000	$1,030,000	$1,030,000
Staff Reductions	($86,463)	($7,860)	$0	$0	$0
Total Wages Line 3.010	$48,485,023	$50,458,367	$52,275,726	$54,205,343	$56,204,380

Fringe Benefits Estimates Line 3.02
This area of the forecast captures all costs associated with benefits and retirement costs, which all except health insurance are directly related to the wages paid.

A) **STRS/SERS**
The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System or the School Employees Retirement System as required by Ohio law.

B) Insurance
The estimated increases for medical and dental insurance are 4.0% for fiscal year 2017, 8.0% for fiscal year 2018-2021. The above increases include adjustments for inflation and the function of the health insurance committee to maintain control of costs. Over the past two plan years claims have increased and have resulted in use of the reserve which increases the percentage needed to cover the plan.

Patient Protection and Affordable Care Act (PPACA) Costs- the Patient Protection and Affordable Care Act (PPACA) commonly called Obamacare or the Affordable Care Act (ACA), is a United States federal statute signed into law by President Barack Obama on March 23, 2010. Together with the Health Care and Education Reconciliation Act, it represents the most significant regulatory overhaul of the country's healthcare system since the passage of Medicare and Medicaid in 1965. Many of the significant provisions of the PPACA that were scheduled to be implemented by employers on January 1, 2014 were delayed until January 1, 2015.

It is uncertain to what extent the implementation of PPACA will effect costs in our district. There are numerous new regulations that potentially will require added staff time, at least initially due to increased demands, and it is likely that additional employees will be added to insurance coverage that do not have coverage now. The Transition Reinsurance fee due January 15, 2015, is a fee due the IRS for $5.25 per covered member per month for the prior year (2014).This will be $63 for each employee who had a full year of coverage in the prior year. This tax could equate to a roughly a 2% annual increase in fiscal year 2015. Longer-term, a significant concern is the 40% “Cadillac Tax” that will be imposed in 2020 for plans whose value of benefits exceed $10,200 for individual plans and $27,400 for family plans. The rules and implementation of the PPACA is an ongoing issue we are watching closely to evaluate the effect on our district.

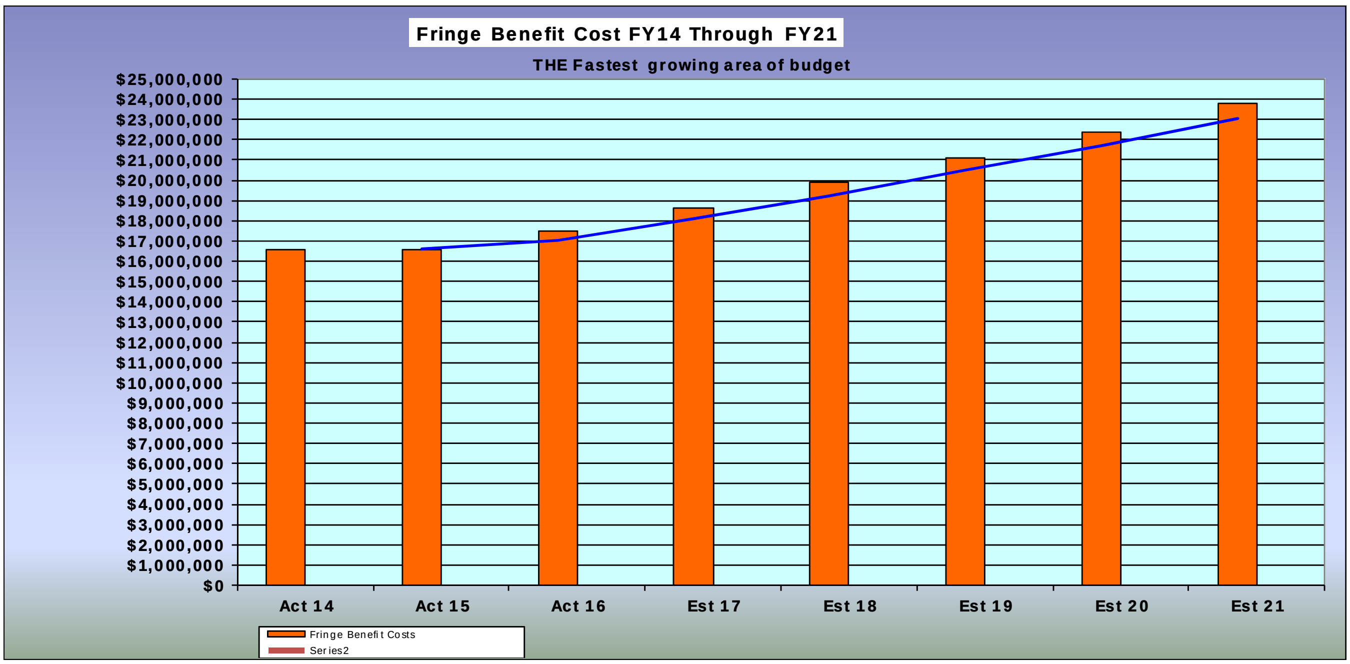
C) Workers Compensation & Unemployment Compensation
Workers Compensation is expected to remain at about 1/4% of wages after fiscal year 2017 due to a moderated claim experience over prior years. Unemployment Compensation has been negligible and is anticipated to remain as such as we plan our staffing needs carefully.

D) Medicare
Medicare will continue to increase at the rate of increase of wages. Contributions are 1.45% for all new employees to the district on or after April 1, 1986. These amounts are growing at the general growth rate of wages.

Summary of Fringe Benefits – Line #3.020

Source	FY17	FY18	FY19	FY20	FY21
A) STRS/SERS	$7,546,795	$7,887,134	$8,182,313	$8,489,621	$8,808,821
B) Insurance's	$10,116,569	$10,951,739	$11,838,694	$12,796,822	$13,831,821
C) Workers Comp/Unemployment	$166,213	$171,146	$175,689	$180,513	$185,511
D) Medicare	$657,330	$687,904	$717,380	$748,075	$780,038
Other/Tuition	$164,636	$164,636	$164,636	$164,636	$164,636
Total Line 3.020	$18,651,543	$19,862,559	$21,078,712	$22,379,667	$23,770,827

Fringe Benefits Actual Fiscal Year 2014 Through Fiscal Year 2016 and Estimated Fiscal Year 2017 Through Fiscal Year 2021
The graph below notes that health care is become the area of expenditures that are outpacing inflation. The federal Affordable Care Act and the increase in claims will require management to control the cost of health care.



Purchased Services – Line #3.030

In FY 17, an overall inflation of 5% is being estimated for all categories of this expense except for the Community School, Open Enrollment and Other Tuition categories. The estimated increase for these categories has been estimated at 7.5% as the students leaving for EdChoice and Community School will continue to absorb our savings in other areas of purchased services. The expenditure for our students attending elsewhere is one the fastest growing expenditures since fiscal year 2010. The increase in EdChoice vouchers has offset the decrease in community school enrollments in the previous years. In FY 17-21, inflation has been maintained at 5%-7.5%, of which the largest portion is the increase in state funding per student.

We have assumed the utilities to increase 4% in fiscal year 2017 and 3% in FY 18 due to an increase and electricity transmission fees. We estimate FY 19-21 utility costs will remain flat. This estimate is due to the District continuing to be aggressive regarding costs and we believe other cost cutting measures will maintain a flat charge throughout the forecast.

Two programs that the Springfield City School District funded with grant dollars have been eliminated by the funding agency. The Board of Education and Administration evaluated each program and determined the District will commit Springfield City School General Fund money to continue these programs. Community Connectors provides staffing to communicate between the individual school and parents, the second program, Dove& Eagle is a program of after school tutoring. Some other programs were reviewed and assessed by the administrative team, and unfortunately not all programs remained funded.

Source	FY17	FY18	FY19	FY20	FY21
Base Services	$5,624,134	$5,792,858	$5,966,644	$6,145,643	$6,330,012
Excess Cost County ESC	$412,000	$424,360	$437,091	$450,204	$463,710
Open Enrollment Deduction-477	$4,498,322	$4,633,272	$4,772,270	$4,915,438	$5,062,901
Community School Deductions-478	$5,807,546	$5,923,697	$6,042,171	$6,163,014	$6,286,274
Other Tuition Including Ed Scholarship-479	$4,435,455	$4,657,228	$4,890,089	$5,134,593	$5,391,323
Court Mediators - Grant Funding Ended	$120,000	$120,000	$120,000	$120,000	$120,000
Dove & Eagle - Grant Funding Ended	$225,000	$225,000	$225,000	$225,000	$225,000
Utilities	$2,051,228	$2,112,765	$2,112,765	$2,112,765	$2,112,765
Budget Reserves or (Reductions)	$0	$0	$0	$0	$0
Total Line 3.030	$23,173,685	$23,889,180	$24,566,030	$25,266,657	$25,991,985

Supplies and Materials – Line #3.040

An overall inflation of 3% is being estimated for this category of expenses which are characterized by textbooks, copy paper, maintenance supplies and fuel. The budget includes an additional $1.2 million in FY17 for purchase of electronic equipment to complete the 1:1 initiative approved in FY15. In FY 19 through FY 21, $2.4 million is again budgeted to renew the 1:1 initiative and replace electronic devices issued in prior years. FY18 includes $1.0 million for the routine update to the district curriculum during which time the 1:1 initiative will be assessed.

Source	FY17	FY18	FY19	FY20	FY21
Supplies	$2,424,248	$2,496,975	$2,571,884	$2,649,041	$2,728,512
Textbook Upgrade- Electronic or Textbook	$0	$1,000,000	$0	$0	$0
Compters One-to-One	$1,200,000	$0	$2,400,000	$2,400,000	$2,400,000
Total Line 3.040	$3,624,248	$3,496,975	$4,971,884	$5,049,041	$5,128,512

Equipment – Line # 3.050

The administration prepared a five year capital plan which is funded with a stable no new millage bond issue. The capital plan has relieved the stress on the General Fund allowing the District to allocate funds that would have been used to complete safety and security projects to projects aimed at improving student test scores. The plan will be reviewed and updated annually with the appropriation budget. The annual bus purchase is expected to be covered by the permanent improvement fund FY 18-21.

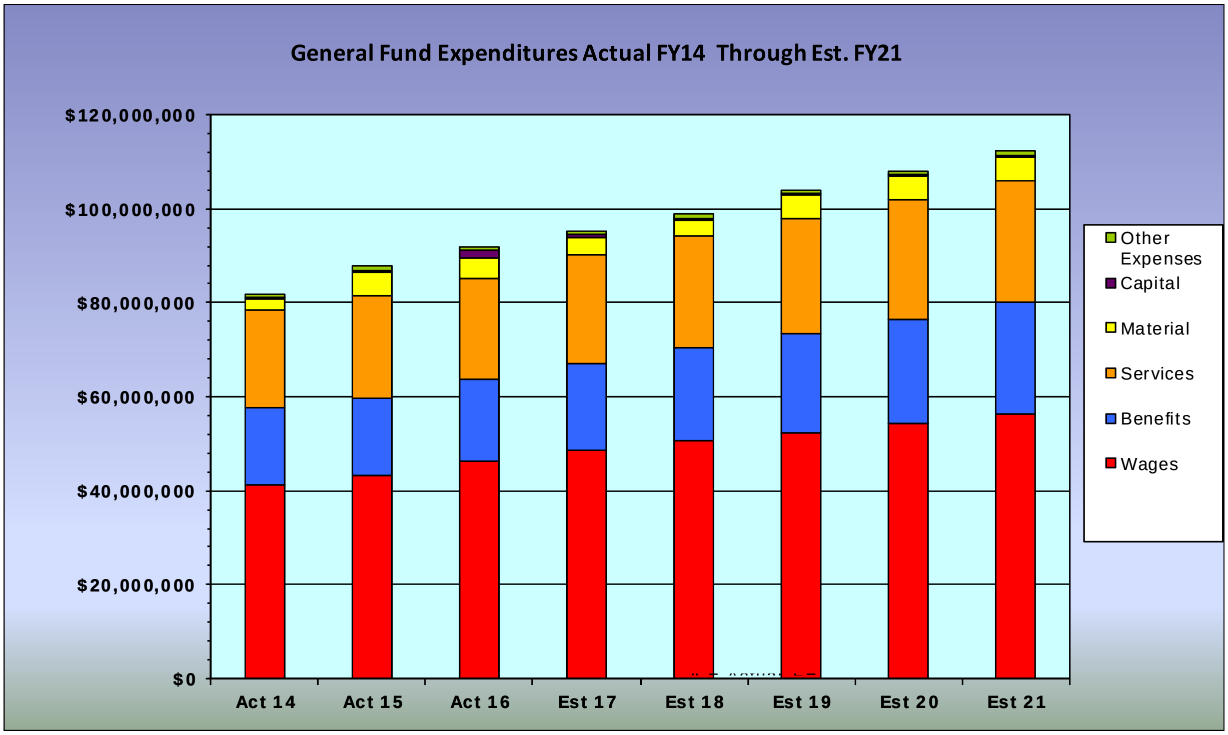
Source	FY17	FY18	FY19	FY20	FY21
Capital Outlay	$300,000	$300,000	$300,000	$300,000	$300,000
Replacement Bus Purchases	$320,000	$0	$0	$0	$0
Budget Reserve	$0	$0	$0	$0	$0
Total Line 3.050	$620,000	$300,000	$300,000	$300,000	$300,000

Other Expenses – Line #4.300

The category of Other Expenses consists primarily of the County ESC deductions for specialized services provided to the District and Auditor & Treasurer (A&T) fees. Auditor and Treasurer Fees will increase sharply anytime a new operating levy is collected. Also new construction will cause A&T fees to increase as more dollars are collected. A&T fees will decline with emergency levies expiring, however it is anticipated that they will be replaced. As a result, A&T fees noted below are maintained at current levels. Currently, we are estimating annual increase of 1% for this forecast.

Source	FY17	FY18	FY19	FY20	FY21
Clark County Auditor & Treasurer Fees	$487,557	$492,433	$497,357	$502,331	$507,354
Clark County ESC	$100,000	$100,000	$100,000	$100,000	$100,000
Other expenses	$176,413	$181,705	$187,156	$192,771	$198,554
Budget Reductions	$0	$0	$0	$0	$0
Increased A&T Fees for New Levies	$0	$0	$0	$0	$0
Total Line 4.300	$763,970	$774,138	$784,513	$795,102	$805,908

Total Expenditure Categories Actual Fiscal Year 2014 Through Fiscal Year 2016 and Estimated Fiscal Year 2017 Through Fiscal Year 2021



Transfers Out/Advances Out – Line# 5.010

This account group covers fund to fund transfers and end of year short term loans from the General Fund to other funds until they have received reimbursements to repay the General Fund. These amounts are limited in impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund. While the financial position is strong the Board of Education has earmarked one half of the most recent renewal to be transfer to the Permanent Improvement to be used in conjunction with the 1.55 mil level to fund the five year capital plan. The district will complete the plan and maintain and annually review as well as recommendation to issue debt to finance the plan.

Source	FY17	FY18	FY19	FY20	FY21
Operating Transfers Out Line #5.010	$1,730,000	$1,730,000	$1,730,000	$1,730,000	$1,730,000
Advances Out Line #5.020	$128,000	$128,000	$128,000	$128,000	$128,000
Total	$1,858,000	$1,858,000	$1,858,000	$1,858,000	$1,858,000

Debt Service:

The District currently amortizes one HB264 energy conservation projects that are returning savings considerably more than the debt schedule. HB264 phase II will reach maturity in December 2025 and is supported as QZEB and therefore have minimal interest.

Source	FY17	FY18	FY19	FY20	FY21
HB 264 Principal Line # 4.050	$65,000	$65,000	$65,000	$65,000	$65,000

Source	FY17	FY18	FY19	FY20	FY21
Interest on TANS & HB 264 Total Line 4.060	$36,144	$32,400	$28,656	$24,912	$21,168

Encumbrances –Line#8.010

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

	FY17	FY18	FY19	FY20	FY21
Estimated Encumbrances	$1,500,000	$1,500,000	$1,500,000	$1,500,000	$1,500,000

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

This amount must not go below $-0- or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of Ohio Revised Code section 5705.412, punishable by personal liability of $10,000, unless an alternative "412" certificate can be issued pursuant to House Bill 153 effective September 30, 2011. The cash balance below includes renewal of the 9.5 mill levy in 2019.

	FY17	FY18	FY19	FY20	FY21
Ending Unencumbered Cash Balance	$30,207,575	$30,140,834	$25,881,852	$18,898,075	$8,908,164

General fund ending cash balance with renewal of the 9.5 mill levy in 2019