

ALEXANDER LOCAL SCHOOL DISTRICT
Schedule Of Revenue, Expenditures and Changes In Fund Balances
Actual and Forecasted Operating Fund

	ACTUAL			FORECASTED				
	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Revenue:								
1.010 - General Property Tax (Real Estate)	3,037,686	3,071,634	3,252,941	3,212,245	3,279,883	3,406,553	3,494,376	3,532,157
1.020 - Public Utility Personal Property	1,358,625	1,800,484	2,157,150	2,121,658	2,123,736	2,125,635	2,127,536	2,129,448
1.030 - Income Tax	-	-	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	9,579,109	9,509,115	9,579,604	9,554,404	9,552,196	9,553,911	9,554,994	9,555,647
1.040 - Restricted Grants-in-Aid	220,979	226,667	212,480	207,640	208,661	207,576	207,868	209,105
1.045 - Restricted Federal Grants-in-Aid - SFSF	-	-	-	-	-	-	-	-
1.050 - Property Tax Allocation	502,010	503,662	514,588	524,963	530,603	550,882	570,084	576,482
1.060 - All Other Operating Revenues	1,299,557	1,821,323	1,936,908	2,036,682	1,952,998	1,956,525	1,965,879	1,963,316
1.070 - Total Revenue	15,997,966	16,932,885	17,653,671	17,657,592	17,648,077	17,801,082	17,920,737	17,966,155
Other Financing Sources:								
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-	-	-
2.020 - State Emergency Loans and Advancements	-	-	-	-	-	-	-	-
2.040 - Operating Transfers-In	387,979	109,922	107,162	109,316	106,150	107,650	99,150	105,479
2.050 - Advances-In	-	-	-	-	-	-	-	-
2.060 - All Other Financing Sources	19,422	6,587	45,222	5,209	5,000	5,000	5,000	5,000
2.070 - Total Other Financing Sources	407,401	116,509	152,384	114,525	111,150	112,650	104,150	110,479
2.080 - Total Revenues and Other Financing Sources	16,405,367	17,049,394	17,806,055	17,772,117	17,759,227	17,913,732	18,024,887	18,076,634
Expenditures:								
3.010 - Personnel Services	6,135,667	6,196,643	6,497,407	6,589,157	6,876,051	7,077,741	7,287,323	7,455,905
3.020 - Employees' Retirement/Insurance Benefits	2,436,386	2,563,908	2,591,656	2,608,537	2,800,011	2,967,716	3,143,305	3,322,213
3.030 - Purchased Services	3,063,400	3,080,530	3,005,388	2,865,974	2,886,808	2,841,653	2,880,992	2,985,853
3.040 - Supplies and Materials	532,346	532,834	487,800	554,583	452,483	461,997	471,725	576,672
3.050 - Capital Outlay	1,023,303	359,184	117,035	364,726	334,968	340,222	395,567	401,004
3.060 - Intergovernmental	-	-	-	-	-	-	-	-
Debt Service:								
4.010 - Principal-All Years	75,000	80,000	155,000	-	-	-	-	-
4.020 - Principal - Notes	-	-	-	-	-	-	-	-
4.030 - Principal - State Loans	-	-	-	-	-	-	-	-
4.040 - Principal - State Advances	-	-	-	-	-	-	-	-
4.050 - Principal - HB264 Loan	-	-	-	85,000	85,000	90,000	85,000	85,000
4.055 - Principal - Other	-	-	-	80,000	80,000	85,000	85,000	85,000
4.060 - Interest and Fiscal Charges	32,203	59,336	87,139	80,967	74,671	67,655	60,679	60,679
4.300 - Other Objects	227,509	261,172	260,309	239,733	236,955	239,201	241,471	243,765
4.500 - Total Expenditures	13,525,814	13,133,607	13,201,734	13,468,677	13,826,947	14,171,185	14,651,062	15,216,091
Other Financing Uses								
5.010 - Operating Transfers-Out	3,785,207	3,845,066	4,033,130	4,117,143	4,347,915	4,554,312	4,741,957	4,945,777
5.020 - Advances-Out	-	-	-	-	-	-	-	-
5.030 - All Other Financing Uses	60,317	30,159	-	-	-	-	-	-
5.040 - Total Other Financing Uses	3,845,524	3,875,225	4,033,130	4,117,143	4,347,915	4,554,312	4,741,957	4,945,777
5.050 - Total Expenditures and Other Financing Uses	17,371,338	17,008,832	17,234,864	17,585,820	18,174,862	18,725,497	19,393,019	20,161,868
Excess of Rev & Other Financing Uses Over (Under) Expenditures and Other Financing Uses	(965,971)	40,562	571,191	186,297	(415,635)	(811,765)	(1,368,132)	(2,085,234)
Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	4,236,475	3,270,504	3,311,066	3,882,257	4,068,554	3,652,919	2,841,154	1,473,022
7.020 - Cash Balance June 30	3,270,504	3,311,066	3,882,257	4,068,554	3,652,919	2,841,154	1,473,022	(612,212)
8.010 - Estimated Encumbrances June 30	193,913	26,737	128,985	40,000	40,000	40,000	40,000	40,000
Reservations of Fund Balance:								
9.010 - Textbooks and Instructional Materials	-	-	-	-	-	-	-	-
9.020 - Capital Improvements	-	-	-	-	-	-	-	-
9.030 - Budget Reserve	-	-	-	-	-	-	-	-
9.040 - DPIA	-	-	-	-	-	-	-	-
9.050 - Debt Service	-	-	-	-	-	-	-	-
9.060 - Property Tax Advances	-	-	-	-	-	-	-	-
9.070 - Bus Purchases	-	-	-	-	-	-	-	-
9.080 - Subtotal	-	-	-	-	-	-	-	-
Fund Balance June 30 for Certification								
10.010 - of Appropriations	3,076,591	3,284,330	3,753,273	4,028,554	3,612,919	2,801,154	1,433,022	(652,212)
Rev from Replacement/Renewal Levies								
11.010 - Income Tax - Renewal	-	-	-	-	-	-	-	-
11.020 - Property Tax - Renewal or Replacement	-	-	-	-	-	-	-	-
11.030 - Cumulative Balance of Replacement/Renewal Levies	-	-	-	-	-	-	-	-
Fund Balance June 30 for Certification								
12.010 - of Contracts, Salary and Other Obligations	3,076,591	3,284,330	3,753,273	4,028,554	3,612,919	2,801,154	1,433,022	(652,212)
Revenue from New Levies								
13.010 - Income Tax - New	-	-	-	123,979	1,479,338	2,101,332	2,101,332	2,101,332
13.020 - Property Tax - New	-	-	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	123,979	1,603,316	3,704,648	5,805,980	7,907,312
14.010 - Revenue from Future State Advancements	-	-	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	3,076,591	3,284,330	3,753,273	4,152,533	5,216,236	6,505,803	7,239,003	7,255,101



ALEXANDER LOCAL SCHOOL DISTRICT

Five Year Forecast Notes

October 15, 2018

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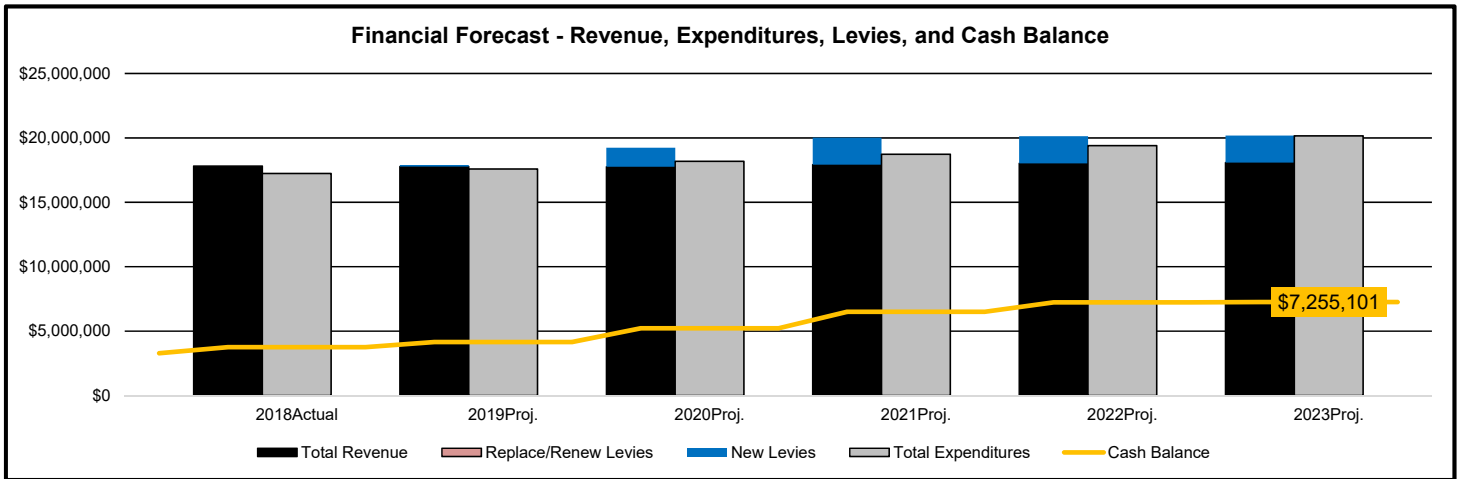
Forecast Purpose/Objectives

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



ALEXANDER LOCAL SCHOOL DISTRICT

Financial Forecast

	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Beginning Balance	3,882,257	4,192,533	5,256,236	6,545,803	7,279,003
+ Revenue	17,772,117	17,759,227	17,913,732	18,024,887	18,076,634
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	123,979	1,479,338	2,101,332	2,101,332	2,101,332
- Expenditures	(17,585,820)	(18,174,862)	(18,725,497)	(19,393,019)	(20,161,868)
= Revenue Surplus or Deficit	310,276	1,063,703	1,289,567	733,200	16,098
Ending Balance with renewal levies Note: Not Reduced for Encumbrances	4,192,533	5,256,236	6,545,803	7,279,003	7,295,101

Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	186,297	(415,635)	(811,765)	(1,368,132)	(2,085,234)
Ending Balance w/o Levies	4,068,554	3,652,919	2,841,154	1,473,022	(612,212)

Due to the continuing failure of the operating levy, the District approved approximately \$600,000 of spending reductions for the 2017-18 year and an additional approximately \$360,000 for the 2018-19 year. New curriculum spending was also frozen for the 2020-2022 years saving approximately \$270,000.

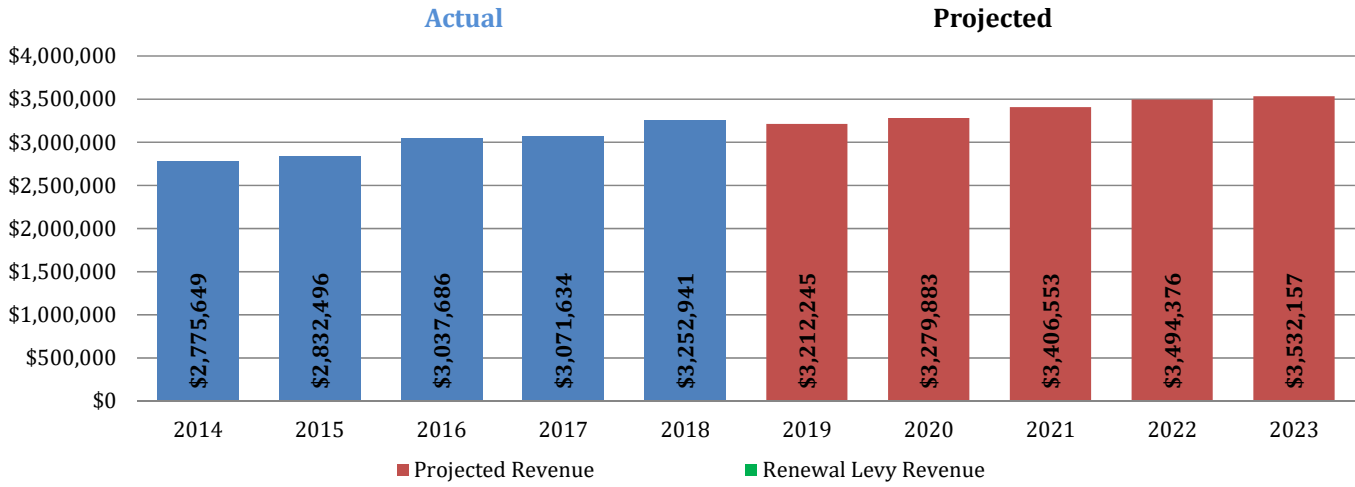
Alexander has essentially received no increase in state revenue since fiscal year 2009, which is especially challenging due to the fact that this is the District's largest source of operating revenue. The District has also not passed a levy for new operating funds since 1991.

Alexander has reduced its staff through attrition by roughly 34 employees since 2005, which has been a major contributing factor to their ability to maintain a balanced budget despite the stagnant increases in funding. However, it is the belief of the administration that the current staffing levels are at the minimum amount possible while continuing to offer a quality educational experience.

Without additional revenues or reducing expenditures, the District will be facing a growing deficit spending trend that will begin eroding the District's cash balance reserves. Based on historical and the current funding formula, as well as the demographic make-up of the District, Alexander does not anticipate any increase in State funding. This is especially true considering the District is currently on the funding "guarantee" by over \$1.6 million. This means that the funding formula would have to be changed significantly enough to first bring the District off of the "guarantee" before even seeing any additional State revenues.

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	3,252,941	3,212,245	3,279,883	3,406,553	3,494,376	3,532,157
YOY \$ Change	181,307	(40,696)	67,638	126,670	87,823	37,781
YOY % Change	5.9%	-1.3%	2.1%	3.9%	2.6%	1.1%

Percentage of Total Revenue	2018	2019	2020	2021	2022	2023
	18.3%	18.1%	18.5%	19.0%	19.4%	19.5%

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	185,317,380	10,298,020	20.00	0.00	21.60	(0.54)	100.5%
2018	186,878,104	1,560,724	20.00	-	21.60	-	101.0%
2019	189,254,170	2,376,066	20.00	(0.00)	21.60	-	100.8%
2020	201,026,428	11,772,258	20.00	-	20.92	(0.68)	100.4%
2021	202,686,859	1,660,431	20.00	-	20.92	-	100.4%
2022	205,466,859	2,780,000	20.00	-	20.92	-	100.3%

Alexander Local School District is located within three counties from which the district receives property tax revenue. The majority of the district is within Athens County, the balance being made up of a small portion of Columbia Township (Meigs County) and a small portion of Vinton County. General property tax is calculated using the district's real property valuation multiplied by the current tax rates. The district is currently at the 20 mill floor. Therefore, district residents are taxed at the minimum level allowed by law for operating expenses. Forecasted amounts combine projections from the County Auditor and projected increases based on historical trends.

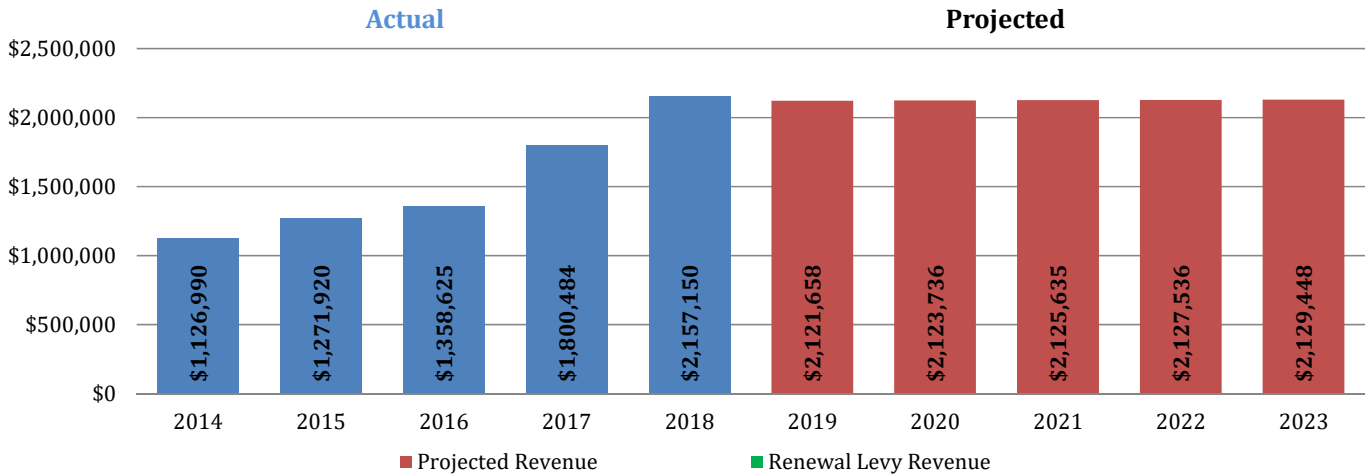
In 2014, Athens County had their reappraisal; which means the market value for all real property was updated based on a visual inspection. The Ag/Res valuation for Alexander increased 7.3% from both the reappraisal and new construction. In 2017, Athens County had their triennial update; which means the market values of real property were updated through studies of property transactions occurring since the last physical appraisal. The increase in Ag/Res valuation from the triennial update and new construction was 5.9% for 2017. The next reappraisal for Athens County will be for 2020.

Meigs County had their reappraisal in 2016. Vinton County had their reappraisal in 2015. Alexander has a very small Class II (commercial / industrial) real estate tax base. For 2017, Class II tax receipts only accounted for approximately 7% of the total real estate tax receipts received by the District.

*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	2,157,150	2,121,658	2,123,736	2,125,635	2,127,536	2,129,448
YOY \$ Change	356,666	(35,492)	2,078	1,899	1,901	1,912
YOY % Change	19.8%	-1.6%	0.1%	0.1%	0.1%	0.1%

Percentage of Total Revenue	2018	2019	2020	2021	2022	2023
	12.1%	11.9%	12.0%	11.9%	11.8%	11.8%

Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2017	62,934,400	(2,152,010)	33.70	-	100.0%
2018	62,990,689	56,289	33.70	-	100.0%
2019	63,047,028	56,339	33.70	-	100.0%
2020	63,103,418	56,390	33.70	-	100.0%
2021	63,159,858	56,441	33.70	-	100.0%
2022	63,216,858	57,000	33.70	-	100.0%

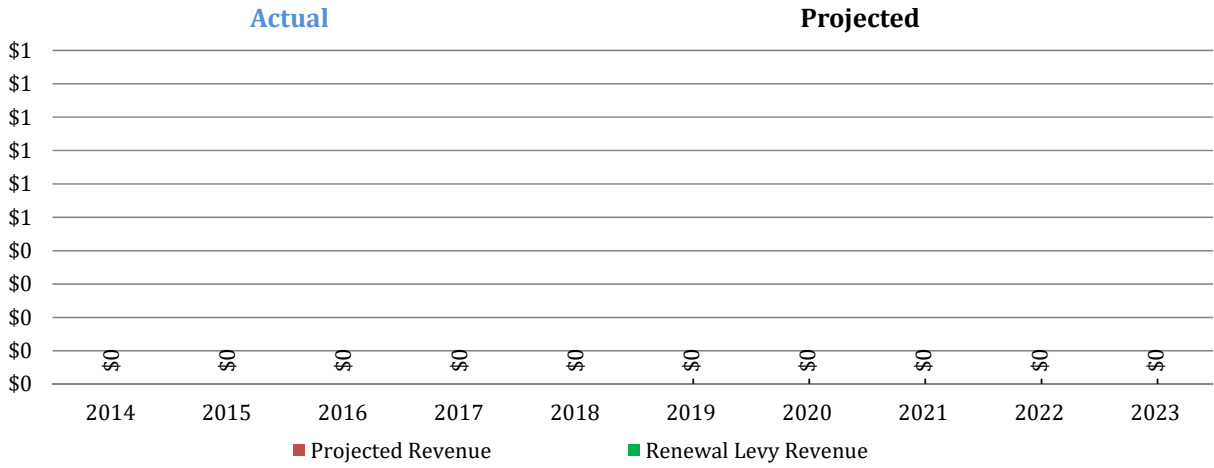
Public Utility Personal Property (PUPP), the tangible property used in the operations of a public utility company, is the only component of this category's collections that remain. As you can see above, the District's PUPP values increased in 2015 and again so in 2016 due in large part to the Texas Eastern pipeline installation. The PUPP valuation decreased by about \$2.2 million for 2017. The District expects minimal growth in PUPP values going forward as values typically decline due to depreciation which can offset any smaller increases due to new improvements.

Tax Year	PUPP Valuation
2009	\$36,360,750
2010	\$36,816,020
2011	\$36,257,620
2012	\$36,532,660
2013	\$37,838,890
2014	\$34,966,540
2015	\$41,767,090
2016	\$65,086,410
2017	\$62,934,400
2018 - Projected	\$62,990,689
2019 - Projected	\$63,047,028
2020 - Projected	\$63,103,418
2021 - Projected	\$63,159,858
2022 - Projected	\$63,216,858

*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.



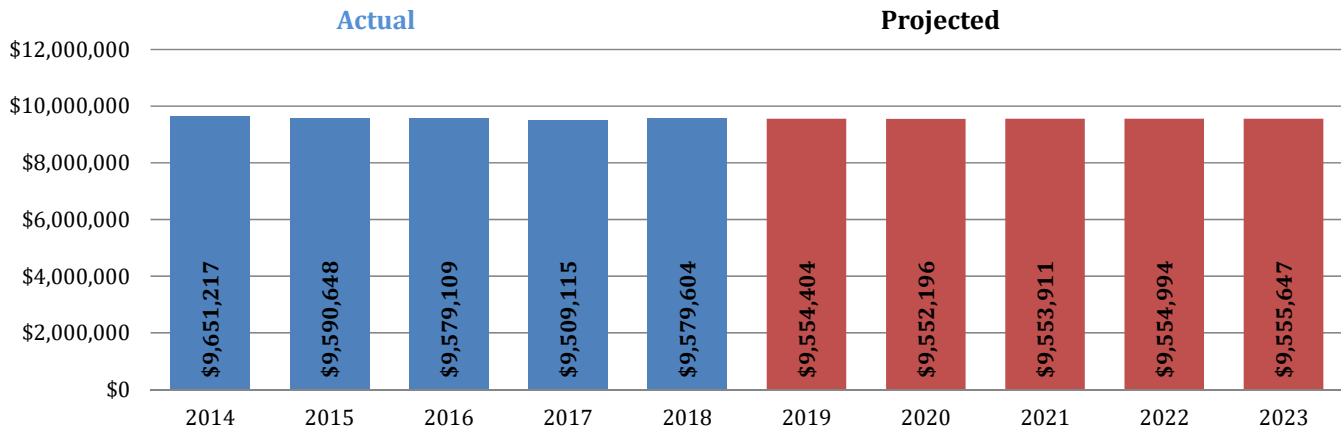
	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	-	-	-	-	-	-
YOY \$ Change	-	-	-	-	-	-
YOY % Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Alexander Local Schools currently does not have an income tax. The District is on the ballot in November 2018 for an income tax.

**Projected % trends include renewal levies*

1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



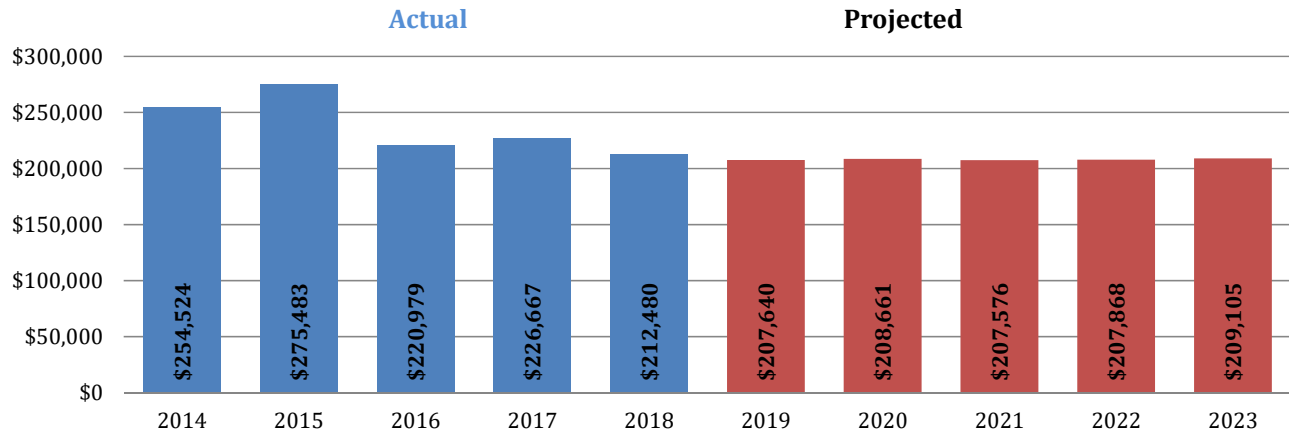
	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	9,579,604	9,554,404	9,552,196	9,553,911	9,554,994	9,555,647
YOY \$ Change	70,489	(25,200)	(2,208)	1,715	1,083	653
YOY % Change	0.7%	-0.3%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Revenue	53.8%	53.8%	53.8%	53.3%	53.0%	52.9%
Core Funding Per Pupil	6,010	6,020	6,050	6,100	6,200	6,250
State Share Index (SSI)	48.6%	48.6%	46.4%	46.4%	47.1%	47.1%
State Core Funding Per Pupil	2,923	2,928	2,808	2,831	2,919	2,943
Formula ADM (Funded Student Count)	1,518	1,512	1,511	1,494	1,491	1,498
Funding Status	Guarantee	Guarantee	Guarantee	Guarantee	Guarantee	Guarantee

The State retained the basic framework of the school funding formula in the current biennial budget covering FY 2018 and FY 2019. The basic aide per-pupil funding amount was increased from \$6,000 per student to \$6,010 for FY 2018 and \$6,020 for FY 2019 (increase of 0.167%). With these types of changes, the District does not anticipate coming off of the funding "guarantee" any time in the near future.

The formula calculates the funding it sends to schools by multiplying the per-pupil funding amount (\$6,020) times the District's enrollment, multiplied by the District's individual state share percentage. The state share percentage is determined by the District's relative wealth per-pupil compared to other District's throughout the state. Alexander's current state share percentage is 48.6%. Alexander's state share percentage in 2008 was 66%. The formula also contains additional targeted components based on other things such as the amount of agricultural tax base in the District, economic disadvantaged student population, and special education student population, to come up with the total funding amount. Since this current formula actually calculates that the District should receive a smaller amount than we received in FY 2017, the state makes up the difference with the funding "guarantee." Alexander is currently on the guarantee by about \$1.6 million, which is approximately 16.7% of our total state funding. As funding in fiscal years beyond FY19 will be defined by future biennium budgets, the District has assumed the "guarantee" will stay in place over these years and minimal changes in the funding formula will occur. Alexander currently receives approximately \$427,636 less in state funds than they did in the 2008-09 fiscal year.

1.040 & 1.045 - Restricted Grants-in-Aid

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

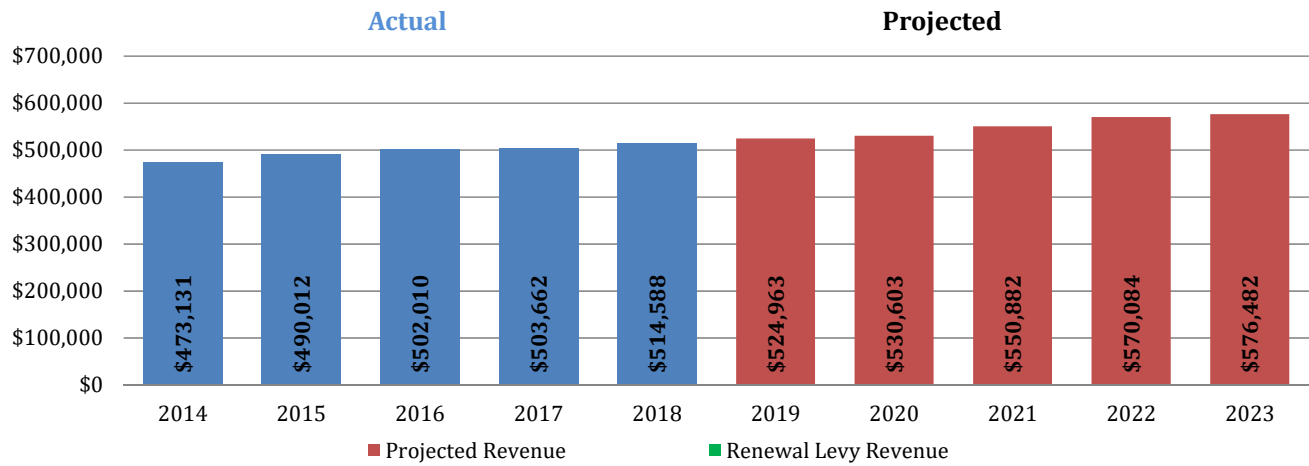


	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	212,480	207,640	208,661	207,576	207,868	209,105
YOY \$ Change	(14,187)	(4,840)	1,021	(1,085)	292	1,237
YOY % Change	-6.3%	-2.3%	0.5%	-0.5%	0.1%	0.6%
Percentage of Total Revenue	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
Economic Disadvantaged Funding	149,486	150,636	150,511	148,844	148,550	149,193
Percentage of Disadvantaged Students	43.8%	43.8%	43.8%	43.8%	43.8%	43.8%

The primary source of dollars reflected in the Restricted Aid category in FY13 and beyond consist of money that is restricted specifically for Career Tech and Economic Disadvantaged. This is all reflected in line 1.04 and 1.045 of the forecast.

1.050 - Property Tax Allocation

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



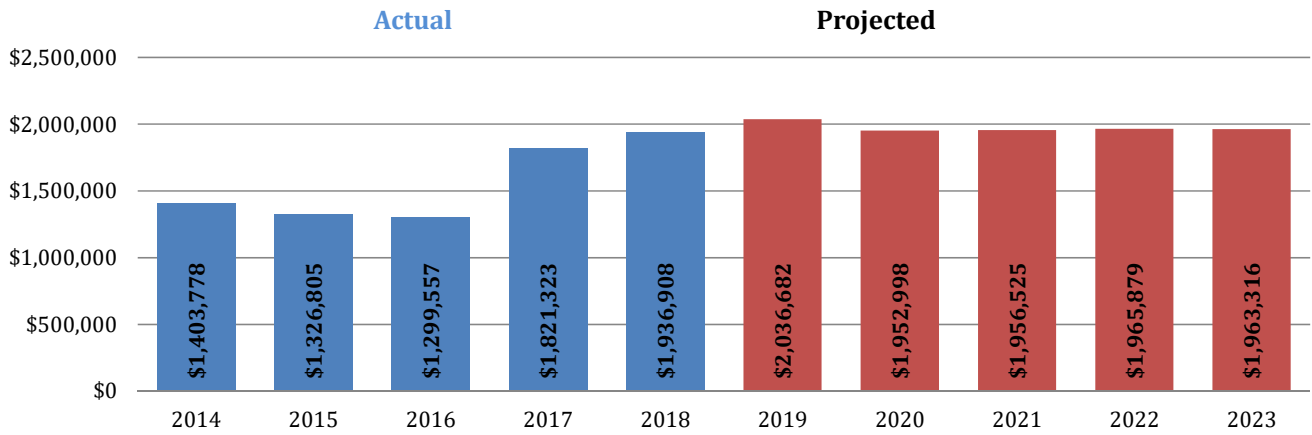
	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total With Renewal Levies	514,588	524,963	530,603	550,882	570,084	576,482
YOY \$ Change	10,926	10,375	5,640	20,279	19,202	6,398
YOY % Change	2.2%	2.0%	1.1%	3.8%	3.5%	1.1%
Percentage of Total Revenue	2.9%	3.0%	3.0%	3.1%	3.2%	3.2%
% of Residential Real Estate 10% Rollback	9.94%	9.94%	9.94%	9.94%	9.94%	9.94%
% of Residential Real Estate 2.5% Rollback	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%
% of Residential Real Estate Homestead	3.73%	3.73%	3.73%	3.73%	3.73%	3.73%

The state provides property tax reimbursements to qualifying Class I (residential and agricultural) property owners. All Class I (residential / agricultural) taxpayers in Alexander are provided a 10% reduction on their taxes which is picked up by the State. An additional 2.5% tax incentive or "rollback" is provided to owner occupied dwellings and certain other tax payers who qualify for an additional Homestead credit from the State. This figure is directly tied to property tax collection amounts. Since property valuations are expected to steadily rise through the forecasted period, state paid property tax reimbursements are also expected to trend upward.

**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.



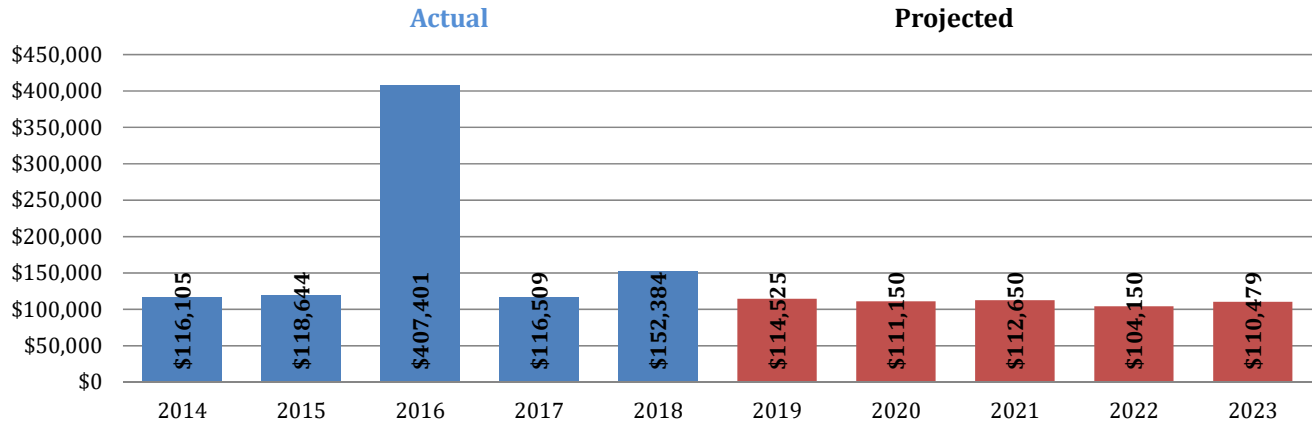
	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	1,936,908	2,036,682	1,952,998	1,956,525	1,965,879	1,963,316
YOY \$ Change	115,585	99,774	(83,684)	3,527	9,354	(2,563)
YOY % Change	6.3%	5.2%	-4.1%	0.2%	0.5%	-0.1%
Percentage of Total Revenue	10.9%	11.5%	11.0%	10.9%	10.9%	10.9%

The estimate for this category includes a number of revenue sources such as tuition for foster care students; open enrollment incoming; investment earnings, etc. Investment earnings are a function of cash on hand and interest rates. Most of these sources are driven by inflationary pressure as well as district policy. Open enrollment is a primary source of funding reflected in this category (\$1,117,908 in FY17 and \$1,286,841 in FY18). This is also where the lease payments from Holzer for the wellness center lease (\$50,000 annually) are accounted for. Another reason for the unusually large increase in FY17 is from a \$98,000 insurance reimbursement for our bus that was totaled, receiving our FY16 excess cost payment from Ohio Department of Education in FY17 instead of FY16, and receipting our revenue from the bond refunding which saved the taxpayers over \$140,000 in bond interest expenses. Other sources of revenue in this category are Medicaid reimbursements and mobile home taxes.

Open enrollment revenue, excess cost and tuition for court placed / foster students makes up approximately 76% of the total revenue in this category.

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.

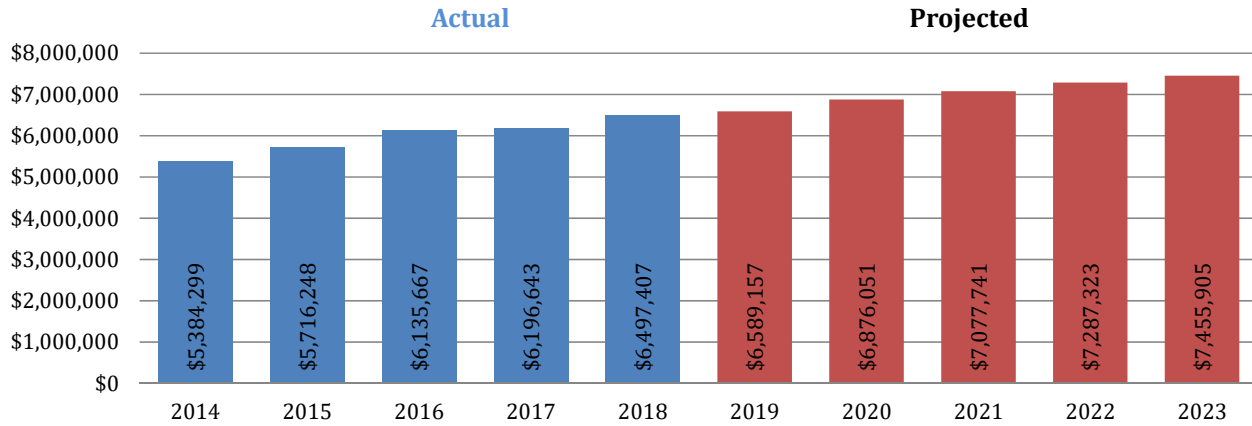


	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	152,384	114,525	111,150	112,650	104,150	110,479
YOY \$ Change	35,875	(37,859)	(3,375)	1,500	(8,500)	6,329
YOY % Change	30.8%	-24.8%	-2.9%	1.3%	-7.5%	6.1%
Percentage of Total Revenue	0.9%	0.6%	0.6%	0.6%	0.6%	0.6%
Transfers In	107,162	109,316	106,150	107,650	99,150	105,479
Advances In	-	-	-	-	-	-

Advances and transfers are used sparingly and only when other revenue categories do not appropriately capture the essence of a transaction. The transfers projected here are for the debt payments for the HB264 energy project. The large, one-time increase in FY16 is from funds that remained in the OSFC construction project fund for the new building that has now been closed out and moved to the General Fund (\$281,000). The funds for FY 2018 were up due to a refund from the School Employee's Retirement System (SERS) where they base their payments off of an estimated salary and they owed us a refund for FY 2017 as well as a refund for FY17 excess costs from the Athens-Meigs ESC where they invoice throughout the year based on an estimate and then reconcile after the fiscal year is complete.

3.010 - Personnel Services

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



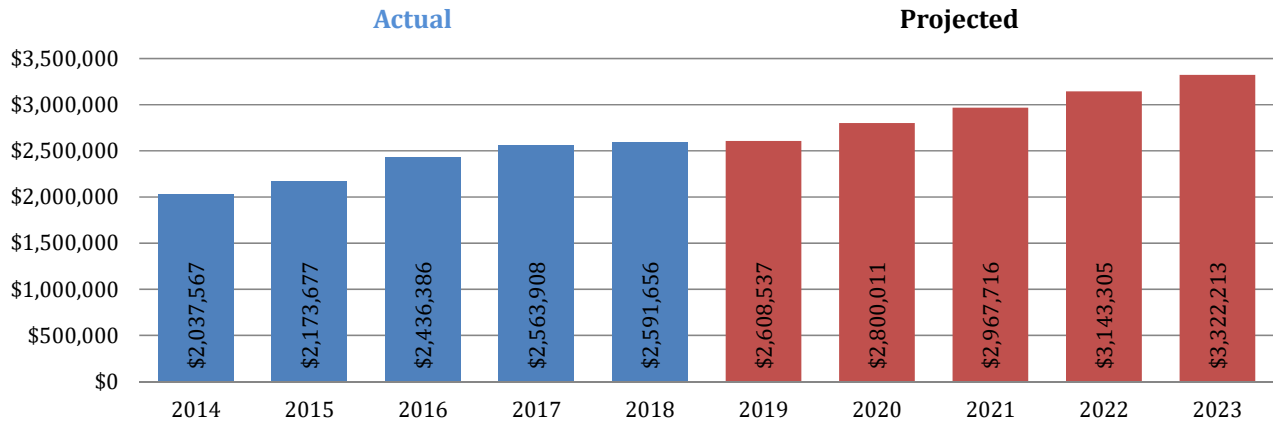
	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	6,497,407	6,589,157	6,876,051	7,077,741	7,287,323	7,455,905
YOY \$ Change	300,764	91,750	286,894	201,690	209,582	168,582
YOY % Change	4.9%	1.4%	4.4%	2.9%	3.0%	2.3%
Percentage of Total Budget	37.7%	37.5%	37.8%	37.8%	37.6%	37.0%

The Board agreed to new 3-year contracts with both the certificated and classified staff that run through Fiscal Year 2019. The classified contract includes base salary increases of 2% for each year of the contract. The certificated contract includes a 4% base salary increase for FY17, 3.5% for FY18, and 3% for FY19. In exchange for the higher base salary increases, the certificated contract includes an increase in the amount the employees pay for their health insurance. The remaining years of the forecast include a projected 2% increase for FY20 – FY23. For the 2018-19 school year, Alexander has 34 fewer employees than they did during the 2005-06 year. This has been a major reason why we have been able to maintain a balanced budget despite no significant increases in our revenues. However, it is the belief of the administration that the current staffing levels are at the minimum amount possible while continuing to offer a quality educational experience.

The forecast includes an additional special education teacher for the 2018-19 school year since the District will no longer be able to utilize the special education unit with the Athens-Meigs ESC that is relocating from Albany to Nelsonville, and 1 less regular ed teacher who is on a leave of absence and 1 less Gifted Coordinator / instructor. The forecast includes a reduction of 2 classified positions for FY17, and a reduction of 5 additional classified positions for FY18 and 1 in FY19. The forecast includes bringing back 2 of the teaching positions for FY 2020 and beyond.

3.020 - Employees' Benefits

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

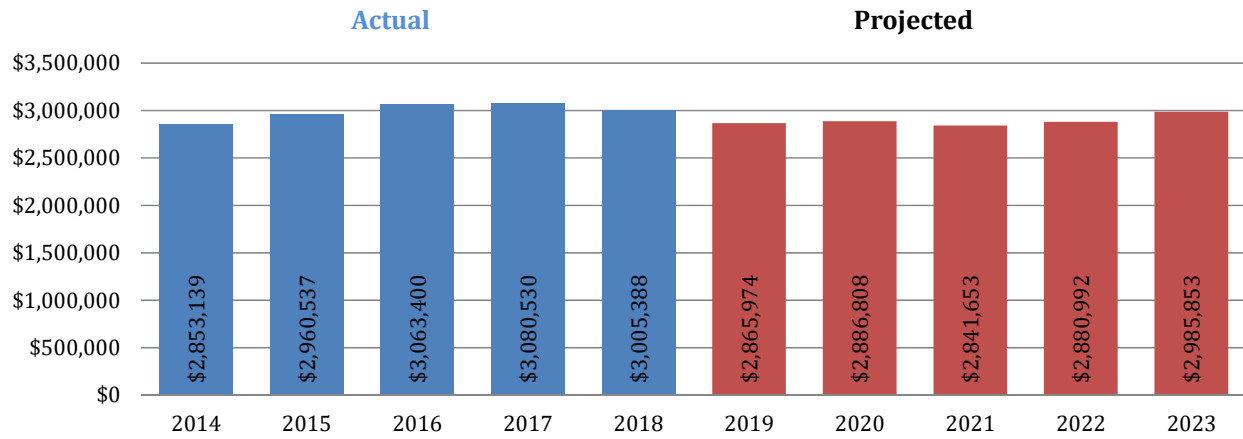


	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	2,591,656	2,608,537	2,800,011	2,967,716	3,143,305	3,322,213
YOY \$ Change	27,748	16,881	191,474	167,705	175,589	178,908
YOY % Change	1.1%	0.7%	7.3%	6.0%	5.9%	5.7%
Percentage of Total Budget	15.0%	14.8%	15.4%	15.8%	16.2%	16.5%

Most fringe benefit costs are driven by projected salary increases including board share retirement, Medicare, and worker's compensation. Due to the large increase in medical claims in 2014, our insurance premiums went up by 10% for FY15. We had a better claim year the following year and as a result our premiums only increased 2% for FY16. Due to another tough claims year, our health rates increased another 10% for FY17. Some of this increase was offset by the new teacher's contract in which the teachers agreed to pay a larger share of their health insurance premiums. The consortium experienced another good claims year in 2016-17 and approved a change to the reserves formula which resulted in no increase in health insurance rates for FY 2018. The consortium approved a 4% rate increase for health insurance for FY 2019. The forecast includes an average of 7.75% increases in insurance (medical, dental, and life) assessments for FY20 through FY23. Health insurance benefits make up a significant portion of our budget. This is something to monitor as we may need to consider changes to the benefit structure in the future to help keep these costs under control specifically if additional revenues are not approved. There is also a decrease in insurance costs due to the associated staff reductions for FY18 and FY19.

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.

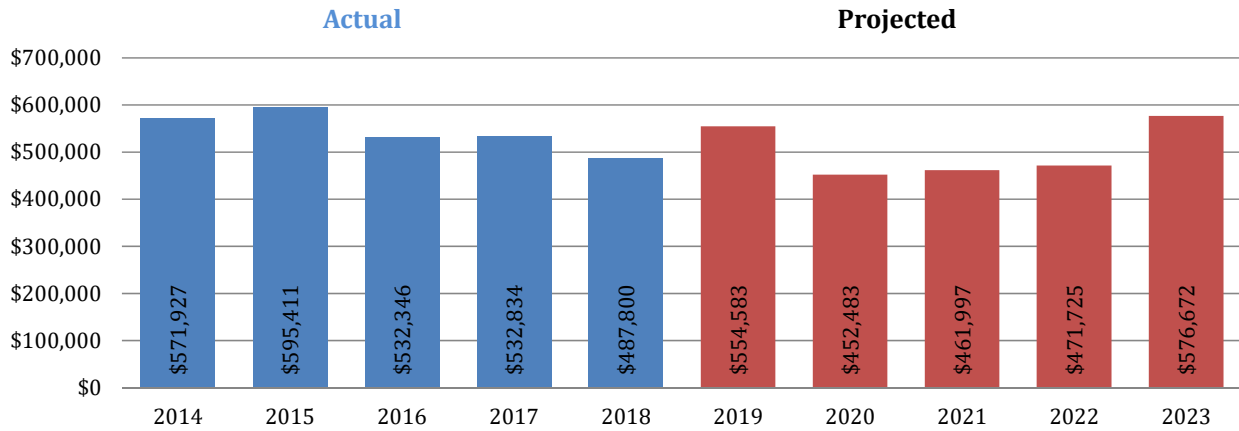


	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	3,005,388	2,865,974	2,886,808	2,841,653	2,880,992	2,985,853
YOY \$ Change	(75,142)	(139,414)	20,834	(45,155)	39,339	104,861
YOY % Change	-2.4%	-4.6%	0.7%	-1.6%	1.4%	3.6%
Percentage of Total Budget	17.4%	16.3%	15.9%	15.2%	14.9%	14.8%

This category accounts for a variety of expenses including utility charges, special education tuition, and open enrollment charges. A large source of increasing costs is due to the number of outgoing open enrollment and community school students (\$1,390,824 in FY18). These costs are projected to be approximately \$1,407,385 for FY19. There was a reduction of \$116,000 in FY16 and forward for moving our Alternative school students back to our building and no longer utilizing an agreement with the ESC for Alternative school services. The tuition Alexander is charged for special education students who leave our District through open enrollment or foster placed was up slightly from FY 2017 due in large part to more kids utilizing the special education scholarships the state offers to pay for their education at other qualifying providers rather than receiving their education from Alexander. This is something to monitor with the new Haugland Learning Center moving into Albany. Each student who takes a scholarship costs the District approximately \$27,000 per student. The District is projecting a decrease for FY 2019 due mostly to the elimination of the special ed unit with the Athens-Meigs ESC that relocated from Albany to Nelsonville. Maintenance contracted services costs were up in FY 2017 also due to the repair and sealing of the blacktop in the summer of 2016. This is anticipated to occur again in the summer of 2019 (paid in FY 2020).

3.040 - Supplies & Materials

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



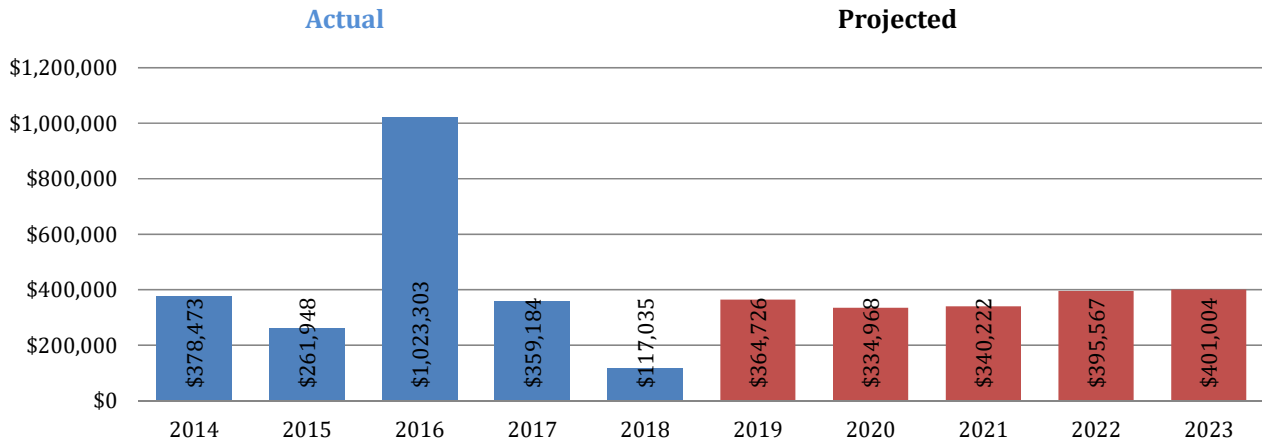
	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	487,800	554,583	452,483	461,997	471,725	576,672
YOY \$ Change	(45,034)	66,783	(102,100)	9,514	9,728	104,947
YOY % Change	-8.5%	13.7%	-18.4%	2.1%	2.1%	22.2%
Percentage of Total Budget	2.8%	3.2%	2.5%	2.5%	2.4%	2.9%

Estimates in this category incorporate historical spending as the baseline. The projection considers the impact of inflation and historical trends. The District spent significantly less (approximately \$50,000) on diesel fuel for the buses in FY 2016 than we did in the prior year thanks to lower fuel costs. Those fuel costs remain about the same for FY 2017 but increased about 12% in total for FY 2018 (approximately \$12,000). There is a significant drop in FY18 due to not purchasing any new textbooks from the general fund this year as well as lower spending on transportation repair parts. The increase in FY 2019 is due to the District purchasing some new curriculum for 2018-19. The Board approved freezing textbook spending for fiscal years 2020 - 2022 due to the failure of the levy. Fiscal year 2023 is projecting the purchase of new textbooks if possible. The forecast also includes a reduction to instructional supplies which are now purchased from the instructional supply fees.

The main expenditures in this category come from instructional supplies and textbooks (approximately 50% for FY 2019), maintenance / custodial / transportation supplies (approximately 34% for FY 2019), and bus fuel (approximately 22% for FY 2019).

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.



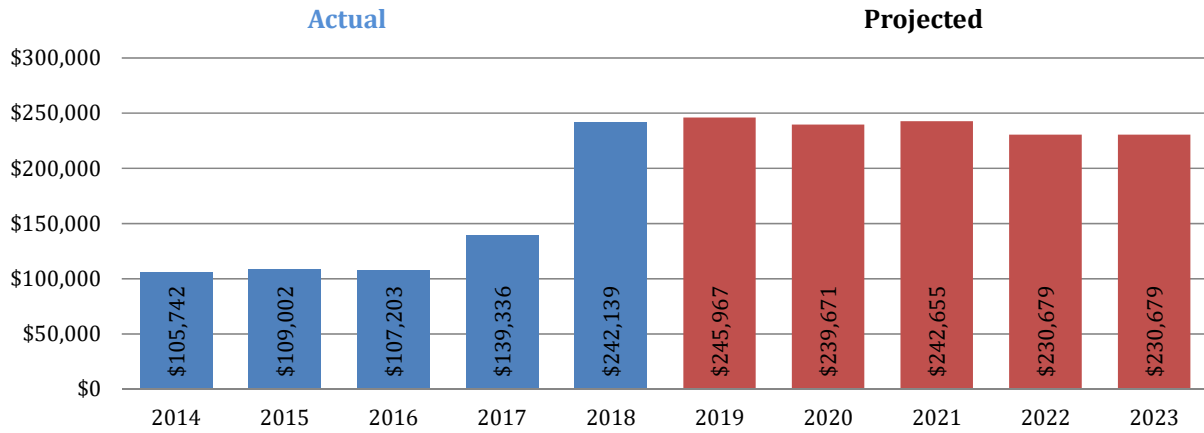
	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	117,035	364,726	334,968	340,222	395,567	401,004
YOY \$ Change	(242,149)	247,691	(29,758)	5,254	55,345	5,437
YOY % Change	-67.4%	211.6%	-8.2%	1.6%	16.3%	1.4%
Percentage of Total Budget	0.7%	2.1%	1.8%	1.8%	2.0%	2.0%

Capital outlay includes new buses, educational equipment, replacement technology expenditures, and plant equipment. Alexander purchased two new buses in FY11 through FY14. The forecast includes the purchase of two buses in FY 2019 (one due to it being totaled in an accident) and two buses in each of FY2020 – FY2023. The transportation department did not purchase any buses during FY15 and FY16. This saved the District approximately \$360,000. We purchased 1 handicap bus in FY17 and one to replace a bus that was totaled in an accident (which the funds were reimbursed by our insurance). There is also an additional expense of \$605,000 for a new bus garage as well as necessary technology upgrades to our server system. These are the reasons for the significant one-time increase in FY16. The District did not purchase any buses in FY18 as part of the cost reduction plan saving the District approximately \$180,000. The increase in FY 2019 is due to the scheduled purchase of one school bus and expenses for replacing some technology equipment and building security upgrades.

The main expenditures in this category in your typical year come from technology equipment (approximately 43% for FY 2019) and buses (approximately 50% for FY 2019).

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.

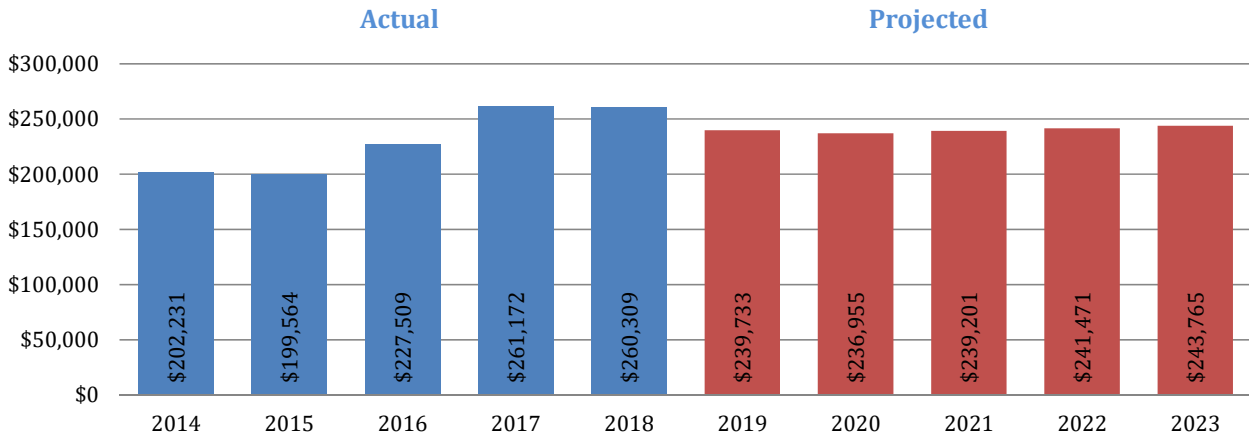


	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	242,139	245,967	239,671	242,655	230,679	230,679
YOY \$ Change	102,803	3,828	(6,296)	2,984	(11,976)	-
YOY % Change	73.8%	1.6%	-2.6%	1.2%	-4.9%	0.0%
Percentage of Total Budget	1.4%	1.4%	1.3%	1.3%	1.2%	1.1%

This includes the HB264 Energy Conservation Project payments which started in June 2010 and will be paid off in December 2024. The Board committed \$1.5 million for the construction of a wellness center in which their portion was completed in FY17. The remaining funds to complete the facility will be through private fundraising. The Board utilized a lease-purchase agreement to finance this purchase which is the reason for the increase in debt payments in FY17 and beyond in order to have the least impact on the annual budget. Part of the wellness center will be leased to Holzer Health which should bring in approximately \$50,000+ in additional revenues for the District to help offset the expense. This revenue is captured in line 1.06 of the forecast. The annual lease payments, less the annual rental revenue, accounts for approximately 0.5% of the total annual operating budget.

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.

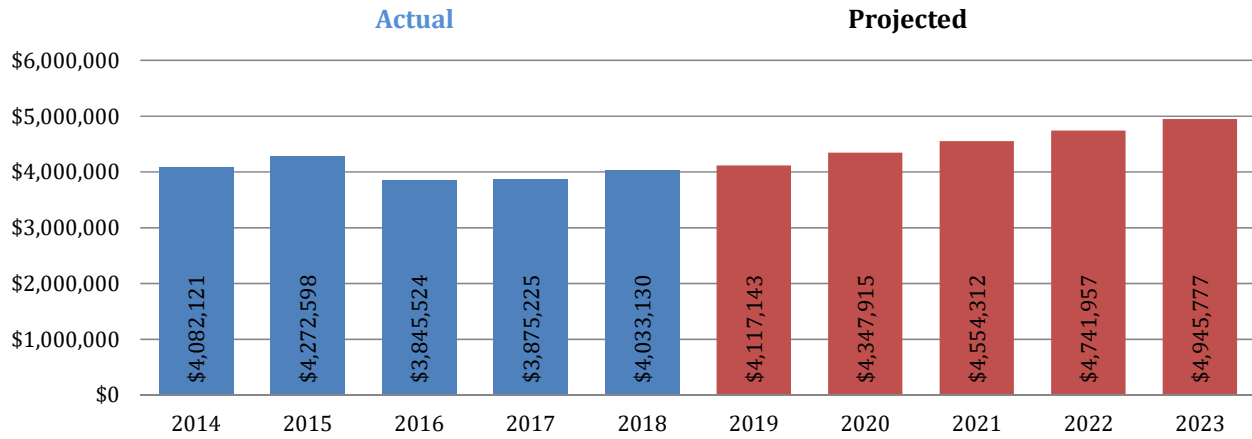


	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	260,309	239,733	236,955	239,201	241,471	243,765
YOY \$ Change	(863)	(20,576)	(2,778)	2,246	2,270	2,294
YOY % Change	-0.3%	-7.9%	-1.2%	0.9%	0.9%	1.0%
Percentage of Total Budget	1.5%	1.4%	1.3%	1.3%	1.2%	1.2%

The amounts projected for this category (FY2019 – FY2023) are based on historical trends and inflationary pressures. The jump in FY17 was due to accounting for the costs associated with the refunding of the bonds which saved the taxpayers over \$140,000 in interest expenses. The increase in FY 2018 was due to an increase in County DRETAC fees from the land bank (additional \$8,000 in FY 2018 and will increase to approximately \$16,000 in FY 2019) and the costs of the May 2017 election and November 2017 board member election.

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	4,033,130	4,117,143	4,347,915	4,554,312	4,741,957	4,945,777
YOY \$ Change	157,905	84,013	230,772	206,397	187,645	203,820
YOY % Change	4.1%	2.1%	5.6%	4.7%	4.1%	4.3%
Percentage of Total Budget	23.4%	23.4%	23.9%	24.3%	24.5%	24.5%
Transfers Out	4,033,130	4,117,143	4,347,915	4,554,312	4,741,957	4,945,777
Advances Out	-	-	-	-	-	-

The FY18 transfers and advances from the General Fund to other funds are for the retirement of debt from the HB264 Energy Conservation Project, the Food Service Fund and the Athletic Fund. The majority in this category are due to the realignment of expenditures to the Schoolwide Pool program (which consists of the salaries and fringes for the elementary staff). The corresponding amounts were reduced from the personal services and benefits categories resulting in a net wash.

The Schoolwide Pool started in FY10 and continues throughout the forecast. You will notice a significant decrease from FY15 to FY16 which was due to moving the 6th grade teachers back to the general fund from the Schoolwide Pool. Transfers for the Schoolwide pool made up approximately 94% of the total transfers in FY 2018. This is also why Alexander's salaries and fringes as a % share of the expenditure budget appears smaller than your typical school district. When you include the funds that are transferred into the Schoolwide pool for the elementary staff salaries and fringes, it is much more in line with other District's who do not utilize the Schoolwide pool program. The projected increases in FY 2020 and beyond are using the same assumptions for Schoolwide pool salaries and fringes as being used in section 3.01 and 3.02 of the forecast.

ALEXANDER LOCAL SCHOOL DISTRICT

Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2018	2019	2020	2021	2022	2023
Revenue:						
1.010 - General Property Tax (Real Estate)	3,252,941	3,212,245	3,279,883	3,406,553	3,494,376	3,532,157
1.020 - Public Utility Personal Property	2,157,150	2,121,658	2,123,736	2,125,635	2,127,536	2,129,448
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	9,579,604	9,554,404	9,552,196	9,553,911	9,554,994	9,555,647
1.040 - Restricted Grants-in-Aid	212,480	207,640	208,661	207,576	207,868	209,105
1.050 - Property Tax Allocation	514,588	524,963	530,603	550,882	570,084	576,482
1.060 - All Other Operating Revenues	1,936,908	2,036,682	1,952,998	1,956,525	1,965,879	1,963,316
1.070 - Total Revenue	17,653,671	17,657,592	17,648,077	17,801,082	17,920,737	17,966,155
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	107,162	109,316	106,150	107,650	99,150	105,479
2.050 - Advances-In	-	-	-	-	-	-
2.060 - All Other Financing Sources	45,222	5,209	5,000	5,000	5,000	5,000
2.070 - Total Other Financing Sources	152,384	114,525	111,150	112,650	104,150	110,479
2.080 - Total Rev & Other Sources	17,806,055	17,772,117	17,759,227	17,913,732	18,024,887	18,076,634
Expenditures:						
3.010 - Personnel Services	6,497,407	6,589,157	6,876,051	7,077,741	7,287,323	7,455,905
3.020 - Employee Benefits	2,591,656	2,608,537	2,800,011	2,967,716	3,143,305	3,322,213
3.030 - Purchased Services	3,005,388	2,865,974	2,886,808	2,841,653	2,880,992	2,985,853
3.040 - Supplies and Materials	487,800	554,583	452,483	461,997	471,725	576,672
3.050 - Capital Outlay	117,035	364,726	334,968	340,222	395,567	401,004
Intergovernmental & Debt Service	242,139	245,967	239,671	242,655	230,679	230,679
4.300 - Other Objects	260,309	239,733	236,955	239,201	241,471	243,765
4.500 - Total Expenditures	13,201,734	13,468,677	13,826,947	14,171,185	14,651,062	15,216,091
Other Financing Uses						
5.010 - Operating Transfers-Out	4,033,130	4,117,143	4,347,915	4,554,312	4,741,957	4,945,777
5.020 - Advances-Out	-	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	4,033,130	4,117,143	4,347,915	4,554,312	4,741,957	4,945,777
5.050 - Total Exp and Other Financing Uses	17,234,864	17,585,820	18,174,862	18,725,497	19,393,019	20,161,868
6.010 - Excess of Rev Over/(Under) Exp	571,191	186,297	(415,635)	(811,765)	(1,368,132)	(2,085,234)
7.010 - Cash Balance July 1 (No Levies)	3,311,066	3,882,257	4,068,554	3,652,919	2,841,154	1,473,022
7.020 - Cash Balance June 30 (No Levies)	3,882,257	4,068,554	3,652,919	2,841,154	1,473,022	(612,212)
		Reservations				
8.010 - Estimated Encumbrances June 30	128,985	40,000	40,000	40,000	40,000	40,000
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	3,753,273	4,028,554	3,612,919	2,801,154	1,433,022	(652,212)
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Renewal Levies	-	-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-
12.010 - Fund Bal June 30 for Cert of Obligations	3,753,273	4,028,554	3,612,919	2,801,154	1,433,022	(652,212)
Revenue from New Levies						
13.010 & 13.020 - New Levies	-	123,979	1,479,338	2,101,332	2,101,332	2,101,332
13.030 - Cumulative Balance of New Levies	-	123,979	1,603,316	3,704,648	5,805,980	7,907,312
15.010 - Unreserved Fund Balance June 30	3,753,273	4,152,533	5,216,236	6,505,803	7,239,003	7,255,101