

FIVE-YEAR FORECAST



NATURE AND PURPOSE OF THE PRESENTATION

The five-year forecast was created by the 122nd General Assembly in 1997-98 via Am. Sub. H.B. 412. It serves three primary purposes:

- To provide a standardized tool for long range planning at the local level.
- To serve as a basis for determining a district's ability to sign the "412" certificate.
- To provide a method for the Ohio Department of Education and the Auditor of State to identify districts headed toward financial difficulties.

Statutorily, we are required to update this model bi-annually. The first filing shall be on or before October 31st and the second filing shall be between April 1st and May 31st of each fiscal year.

Additional statutory references governing the five-year forecast can be found per the following:

- Ohio Revised Code Section 5705.391
- Administrative Rule 3301-92-04
- Auditor of State Technical Bulletin 98-015

BASIC PHILOSOPHY

The five-year forecast requires District management to evaluate potential long-term outcomes when making current decisions relative to new initiatives and fund existing programs and services over multiple years. In doing so, the multi-year budgeting process lends itself to meeting both short and long-term goals while maintaining financial solvency.

This forecast represents a series of assumptions or estimates of future economic, legislative, and market conditions. It is a “snap shot” of variables known or assumed at a particular point in time. Because circumstances and conditions assumed in projections frequently do not occur as expected and are based on information existing at the time projections are prepared, there will usually be differences between projected and actual results.

BASIS OF ACCOUNTING

This financial forecast has been prepared on the cash receipts and disbursements basis of accounting, which is the required basis (non-GAAP) of accounting used for budgetary purposes. Under this method, revenues are recognized when received rather than when earned, and expenditures are recognized when paid rather than when the obligations are incurred. Under Ohio law, the District is required to encumber legally binding expenditure commitments and to make appropriations for the expenditure and commitment of funds.

FUND ACCOUNTING

The District maintains its accounts in accordance with the principles of “fund” accounting. Fund accounting is used by governmental entities, such as school districts, to report the financial position and the results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions and activities. The transactions of each fund are reflected in a self-balancing group of accounts, which presents an accounting entity that stand separate from the activities reported in other funds. The General Fund is the operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is disbursed or transferred in accordance with Ohio law.

BUDGET METHODOLOGY

The District utilizes the function/object approach to school district budgeting. This approach organizes the budget around major functions in the district – primarily instructional and supporting services. By design, this program structure closely matches the way in which responsibilities are assigned and results in an effective and efficient budgeting structure with clear lines of authority and accountability.

DESCRIPTION OF THE ORGANIZATION

The District is governed by the Constitution of the State of Ohio and various statutes enacted by the Ohio General Assembly through the State Department of Education. Under Ohio law, the District is a separate and distinct unit of government. The Mayfield City School District Board of Education is a five-member board elected at-large, with staggered four-year terms and serves as the taxing authority, contracting body, policy maker, and ensures that all other general laws of the State of Ohio are followed.

Located in the eastern suburbs of Cleveland, Mayfield City School District is comprised of four diverse and dynamic communities, the cities of Highland Heights and Mayfield Heights and the villages of Gates Mills and Mayfield.

FISCAL PROJECTIONS (2017-2018 through 2021-2022)

This financial projection presents the expected revenues, expenditures and fund balance of the General Fund of the Mayfield City School District for each of the fiscal years including June 30, 2015 through June 30, 2022, with historical information presented for fiscal years ended June 30, 2015, 2016, and 2017 that are based upon the school district's fiscal year-end annual cash reports (4502) filed with the Auditor of State.

GENERAL ASSUMPTIONS

A series of general assumptions were developed in order to arrive at the individual income and expense amounts. Though these assumptions may not be specific to the district operations, they do provide a backdrop of national and regional issues that have an indirect impact on the District.

NATIONAL:

- The general state of the economy is expected to gain momentum through the fourth quarter of next year. Key economic statistics per “The Kiplinger Letter” dated October 6, 2017 suggests the following during the ensuing 12-month period:
 - GDP growth – 2.1% for the remainder of 2017 and 2.4% for 2018.
 - Interest Rates – 10-Year T Notes dipping to 2.8% by the end of 2017
 - Inflation – 2.0% in 2018, up from 1.4% at the end of 2017.
 - Unemployment declining to 4.0% by the end of 2018, from 4.3% currently.
- There will be no significant new unfunded mandates enacted by the Federal government or enhancements to current Federal mandates – No Child Left Behind (NCLB), Highly Qualified Teacher (HQT), Individuals with Disabilities Education Act (IDEA), etc.

STATE:

- Ohio's economy is expected to grow at roughly the same pace as 2016. Auto sales are set to have their best year on record, yet employment gains in the industry are unlikely. Demand for steel has stabilized, providing relief to much of the state, while healthcare, finance and education will support economic growth. Although the region still faces some challenges, low living and business costs and availability of underutilized assets are important to attracting new industries.
- On or before July 1, 2017, the Governor and the Ohio General Assembly authorized Amend Sub HB49 the State's biennial budget for the period July 1, 2017 thru June 30, 2019. What follows are the key items impacting Mayfield CSD.

- HB49 continued the phase-out of the Tangible Personal Property (TPP) and Public Utility Tangible Property (PUTP) reimbursement first put into law after the comprehensive tax reform in 2005 and utility deregulation reform in 2001.

In essence, Mayfield CSD will lose \$3.79M in annual operating revenue during the biennium (July 1, 2017 thru June 30, 2019) or the equivalent of 3 mills of local property taxation. The District was successful in passing a combination levy in November 2016 to assist in combating this revenue loss, however, it only requested 5.0 mills of additional tax collections recognizing that the community had a limited appetite to offset the entire 3.0 mill loss plus keeping up with normal school district expense inflation. The District will evaluate its ongoing commitments and make adjustments accordingly.

- HB49 maintained the basic tenets of the prior biennial budget state foundation program components and the funding formula nomenclature the "Opportunity Grant." The Opportunity Grant mechanics continue to center on students' needs with an emphasis on funding following the student if he or she chooses to leave a traditional public school and attend a community school or STEM school. HB49 also maintains the nine primary aid categories used in the prior formula: the core opportunity grants, targeted assistance, K-3 literacy funding, economically disadvantaged aid, limited English proficiency funding, gifted funding, transportation aid, special education aid, and career technical education funding.

The formula continues the application of a "local share" component applied to the gross calculation and offers both a minimum or guaranteed level of funding for Districts identified to be "high-wealth" and a Cap limit for those calculations that generate funding in excess of 5.0% of a "limitation" base. The various state funding calculations for Mayfield CSD result in a "guarantee" or minimum level of state support.

- There will be no significant new unfunded mandates enacted by the State Legislature or legislative acts having a negative financial impact on primary or secondary education or specifically the Mayfield CSD.

LOCAL:

- Enrollment will be consistent with current and immediate historical trends (including movement of students from building to building and grade to grade) and that there will not be any significant enrollment increases during the forecasted period. Further, the composition of our enrollment (regular, special, etc.) will maintain its consistency throughout the forecasted period.
- There will not be any additional exemptions, abatements, incentive districts, etc. associated with any parcels located within the district boundaries that will have an adverse impact on the district.
- Key employers representing approximately \$403M of Class II business real property value will continue to provide \$21.4M of property per annum of taxes during the forecasted period and not be negatively impacted by changes to the economy.

BOTTOM LINE ANALYSIS

The following line graph illustrates the change in anticipated ending unobligated cash balances for the forecasted period beginning July 1, 2017 and concluding June 30, 2022. Since all of Mayfield CSD historical levy requests are permanent or continuing in nature, current collections as determined by the Cuyahoga County auditor are incorporated, however, a successor levy to avoid cash deficits is not. In addition, the following general assumptions apply:

- The operating proceeds from Issue #115 (a combination levy, 5.0 mills for current expenses and 1.9 mills for permanent improvements) that was approved by the votes (**54.7% FOR** vs. 45.3% AGAINST) on the November 8, 2016 ballot, have been included in all financials.
- It is still worth noting that the continued debilitating effects of HB920 (1976) coupled with moderate economic conditions are insufficient at growing revenue at a satisfactory level to offset basic “school district” expenditure inflation.

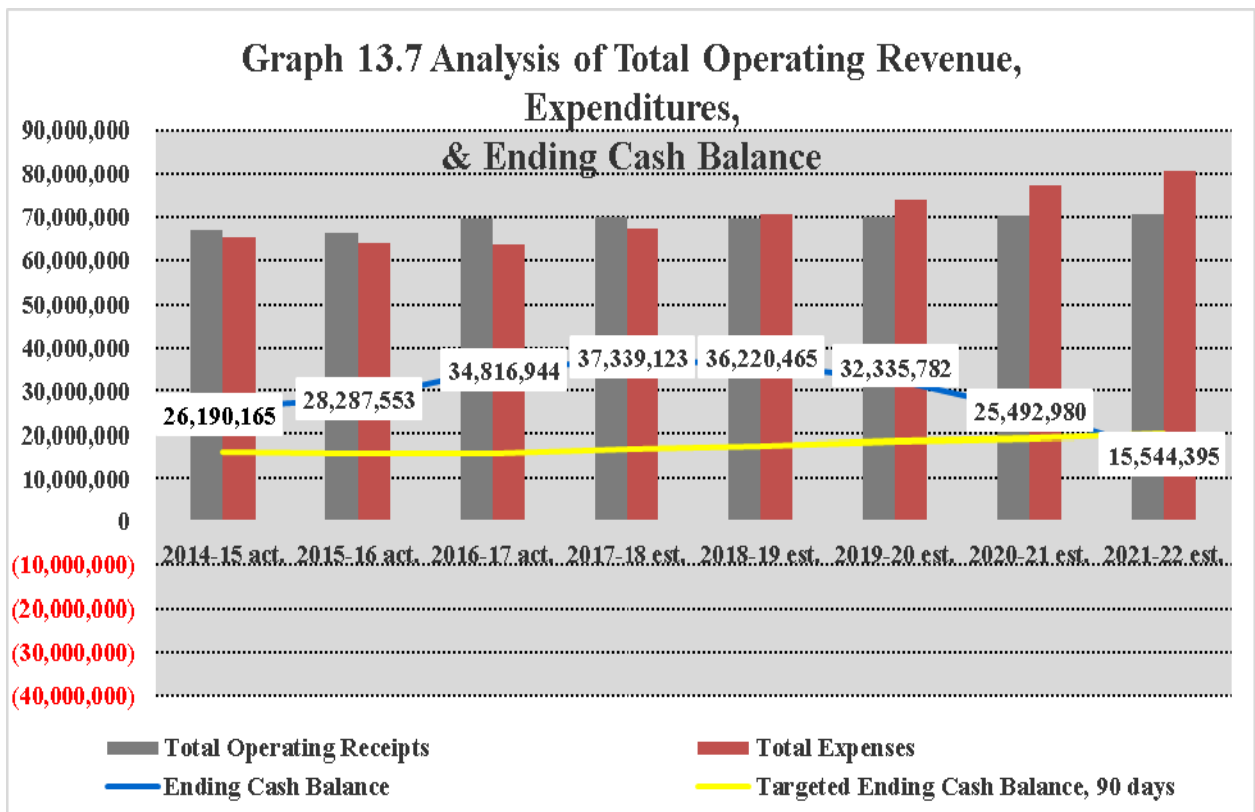
This anemic growth and annual revenue hindrance is further compounded by the recent enactment of Amend Sub HB49, HB64 & SB208, wherein, the Ohio General Assembly and the Governor nullified its prior commitment to the District by permanently eliminating \$3.79M in Tangible Personal Property (TPP) Loss Payments as mentioned above.

Revenue growth is again blunted by tepid market activity and economic fundamentals - stagnant property values, challenges to business office & retail property values, credit and financial markets concerns, variable unemployment rates, and the impacts of global economic activity.

- The forecast includes all provisions contained in Amend Sub HB49 (2017) the Governor’s 2-year budget bill. A couple of significant items worth re-emphasizing is the legislation included in HB59 (2013) provided a permanent abeyance of the phase-out of the Tangible Personal Property Loss payments at the FY2013 levels per the most recent Ohio Department of Education/Ohio Department of Taxation guidance & spreadsheet circulars and a “Guaranteed” level of State support per the current public school funding formula ie. Opportunity Grant Aid. While at this writing this is now a moot point, it is intended to highlight the impacts of changes in legislative priorities at the state level that have a profound impact on local or Mayfield City School District operations.

- An ending unobligated fiscal year end & month end cash deficits are first projected outside of the 5-year projection period. However, deficit year spending (cash outflows exceed cash inflows) begins in fiscal year 2019 and would otherwise occur normally throughout the forecasted period due to the structural imbalance between expenditure growth and revenue stagnation, however, the elimination of the Tangible Personal Property Loss Reimbursements of \$3.79M exacerbates and accelerates this imbalance beginning in fiscal year 2018 and continuing throughout the forecasted period.

It is important to remind the reader that the District is not permitted, per the Ohio Revised Code, to end the fiscal year with a deficit. Therefore, the District will continue to evaluate additional revenue opportunities and reductions to its expenditures in advance of this eventual deficit.



Five-Year Forecast – Summary

MAYFIELD CITY SCHOOLS								
SM-5 (Five-Year Forecast)								
Description	FY2014/15 Actual	FY2015/16 Actual	FY2016/17 Actual	FY2017/18 Estimate	FY2018/19 Estimate	FY2019/20 Estimate	FY2020/21 Estimate	FY2021/22 Estimate
REVENUES:								
General Property Tax (Real Estate)	51,748,174	51,646,082	56,259,735	58,547,658	59,090,083	59,594,222	60,064,248	60,554,367
Tangible Personal Property Tax	0	14,188	0	0	0	0	0	0
Income Tax	0	0	0	0	0	0	0	0
Unrestricted Grants-in-Aid (All 3100's except 3130)	5,903,849	5,045,200	3,898,716	2,070,707	1,003,363	896,865	785,042	667,627
Restricted Grants-in-Aid (All 3200's)	61,690	79,029	106,312	106,312	106,312	106,312	106,312	106,312
Property Tax Allocation (3130)	5,690,031	5,668,779	5,718,856	5,820,422	5,845,422	5,870,422	5,895,422	5,920,422
All Other Revenues except 1931,1933,1940,1950,5100, 5200	2,676,800	2,907,454	2,931,113	2,751,758	2,779,853	2,808,859	2,838,807	2,869,730
Total Revenues	66,080,543	65,360,732	68,914,732	69,296,858	68,825,034	69,276,680	69,689,831	70,118,459
	3.45%	-1.09%	5.44%	0.55%	-0.68%	0.66%	0.60%	0.62%
OTHER FINANCING SOURCES:								
Operating Transfers-In (5100)	0	0	0	0	0	0	0	0
Advances-In (5200)	690,587	705,357	579,697	579,697	579,697	579,697	579,697	579,697
All Other Financing Sources (including 1931 and 1933)	0	0	0	0	0	0	0	0
Total Other Financing Sources	690,587	705,357	579,697	579,697	579,697	579,697	579,697	579,697
Total Revenues and Other Financing Sources	66,771,130	66,066,090	69,494,429	69,876,554	69,404,730	69,856,377	70,269,528	70,698,155
EXPENDITURES:								
Personal Services	34,186,117	33,284,697	34,483,925	36,437,000	38,185,000	39,923,000	41,737,000	43,632,000
Employees' Retirement/Insurance Benefits	13,530,191	14,092,041	14,556,197	15,180,600	15,984,000	16,814,500	17,689,300	18,611,100
Purchased Services	10,444,864	9,995,139	10,286,748	10,801,672	11,335,610	11,898,556	12,492,158	13,118,160
Supplies and Materials	2,050,305	1,854,798	1,592,867	2,191,688	2,237,317	2,284,451	2,333,153	2,383,487
Capital Outlay	501,595	953,067	369,049	283,962	286,801	289,669	292,566	295,491
Other Objects	1,190,390	1,081,990	1,232,273	1,284,454	1,319,660	1,355,883	1,393,153	1,431,501
Total Expenditures	61,903,462	61,261,732	62,521,058	66,179,376	69,348,388	72,566,059	75,937,330	79,471,740
	4.56%	-1.04%	2.06%	5.85%	4.79%	4.64%	4.65%	4.65%
OTHER FINANCING USES:								
Operating Transfers-Out	2,154,393	1,658,860	216,532	575,000	575,000	575,000	575,000	575,000
Advances-Out	1,066,557	852,497	737,779	600,000	600,000	600,000	600,000	600,000
All Other Financing Uses	0	0	(220)	0	0	0	0	0
Total Other Financing Uses	3,220,950	2,511,357	954,091	1,175,000	1,175,000	1,175,000	1,175,000	1,175,000
Total Expenditures and Other Financing Uses	65,124,412	63,773,089	63,475,150	67,354,376	70,523,388	73,741,059	77,112,330	80,646,740
	4.17%	-2.07%	-0.47%	6.11%	4.70%	4.56%	4.57%	4.58%
Operating Surplus/(Deficit)	1,646,718	2,293,001	6,019,279	2,522,179	(1,118,658)	(3,884,683)	(6,842,802)	(9,948,585)
Beginning Cash Balance (July 1) - Excluding Proposed Renewal/ Replacment & New Levies	28,058,970	29,705,688	31,998,689	38,017,968	40,540,147	39,421,489	35,536,806	28,694,004
Ending Cash Balance (June 30)	29,705,688	31,998,689	38,017,968	40,540,147	39,421,489	35,536,806	28,694,004	18,745,419
Estimated Encumbrances June 30	3,515,523	3,711,136	3,201,024	3,201,024	3,201,024	3,201,024	3,201,024	3,201,024
Unreserved Fund Balance June 30	26,190,165	28,287,553	34,816,944	37,339,123	36,220,465	32,335,782	25,492,980	15,544,395
90 day targeted cash carryover, 365 day year	147	162	200	202	187	160	121	70
5.0 Cash reserves @ 25% of expenses	16,281,103	15,943,272	15,868,787	16,838,594	17,630,847	18,435,265	19,278,083	20,161,685

Five-Year Forecast – Detail (includes percentage & dollar changes)

MAYFIELD CITY SCHOOLS										
SM-5 (Five-Year Forecast)										
Description	FY2014/15 Actual	% of Total	+/- \$ Change	+/- % Change	FY2015/16 Actual	% of Total	+/- \$ Change	+/- % Change	FY2016/17 Actual	% of Total
REVENUES :										
General Property Tax (Real Estate)	51,748,174	77.50%	(102,092)	-0.20%	51,646,082	78.17%	4,613,653	8.93%	56,259,735	80.96%
Tangible Personal Property Tax	0	0.00%	14,188	#DIV/0!	14,188	0.02%	(14,188)	-100.00%	0	0.00%
Income Tax	0	0.00%	0	#DIV/0!	0	0.00%	0	#DIV/0!	0	0.00%
Unrestricted Grants-in-Aid (All 3100's except 3130)	5,903,849	8.84%	(858,649)	-14.54%	5,045,200	7.64%	(1,146,483)	-22.72%	3,898,716	5.61%
Restricted Grants-in-Aid (All 3200's)	61,690	0.09%	17,339	28.11%	79,029	0.12%	27,282	34.52%	106,312	0.15%
Property Tax Allocation (3130)	5,690,031	8.52%	(21,252)	-0.37%	5,668,779	8.58%	50,077	0.88%	5,718,856	8.23%
All Other Revenues except 1931,1933,1940,1950,5100, 5200	2,676,800	4.01%	230,655	8.62%	2,907,454	4.40%	23,659	0.81%	2,931,113	4.22%
Total Revenues	66,080,543		(719,811)	-1.09%	65,360,732		3,554,000	5.44%	68,914,732	
	3.45%				-1.09%				5.44%	
OTHER FINANCING SOURCES :										
Operating Transfers-In (5100)	0	0.00%	0	#DIV/0!	0	0.00%	0	#DIV/0!	0	0.00%
Advances-In (5200)	690,587	1.03%	14,770	2.14%	705,357	1.07%	(125,661)	-17.82%	579,697	0.83%
All Other Financing Sources (including 1931 and 1933)	0	0.00%	0	#DIV/0!	0	0.00%	0	#DIV/0!	0	0.00%
Total Other Financing Sources	690,587		14,770	2.14%	705,357		(125,661)	-17.82%	579,697	
Total Revenues and Other Financing Sources	66,771,130	100%	(705,041)	-1.06%	66,066,090	100%	3,428,339	5.19%	69,494,429	100%
		86.0%				86.8%				89.2%
EXPENDITURES :										
Personal Services	34,186,117	52.49%	(901,420)	-2.64%	33,284,697	52.19%	1,199,228	3.60%	34,483,925	54.33%
Employees' Retirement/Insurance Benefits	13,530,191	20.78%	561,850	4.15%	14,092,041	22.10%	464,156	3.29%	14,556,197	22.93%
Purchased Services	10,444,864	16.04%	(449,725)	-4.31%	9,995,139	15.67%	291,609	2.92%	10,286,748	16.21%
Supplies and Materials	2,050,305	3.15%	(195,507)	-9.54%	1,854,798	2.91%	(261,931)	-14.12%	1,592,867	2.51%
Capital Outlay	501,595	0.77%	451,472	90.01%	953,067	1.49%	(584,018)	-61.28%	369,049	0.58%
Other Objects	1,190,390	1.83%	(108,400)	-9.11%	1,081,990	1.70%	150,283	13.89%	1,232,273	1.94%
Total Expenditures	61,903,462		(641,730)	-1.04%	61,261,732		1,259,327	2.06%	62,521,058	
	4.56%	74.5%			-1.04%	75.5%			2.06%	78.5%
OTHER FINANCING USES:										
Operating Transfers-Out	2,154,393	3.31%	(495,533)	-23.00%	1,658,860	2.60%	(1,442,328)	-86.95%	216,532	0.34%
Advances-Out	1,066,557	1.64%	(214,061)	-20.07%	852,497	1.34%	(114,717)	-13.46%	737,779	1.16%
All Other Financing Uses	0	0.00%	0	#DIV/0!	0	0.00%	(220)	#DIV/0!	(220)	0.00%
Total Other Financing Uses	3,220,950	0.00%	(709,594)	-22.03%	2,511,357	0.00%	(1,557,265)	-62.01%	954,091	0.00%
Total Expenditures and Other Financing Uses	65,124,412	100%	(1,351,324)	-2.07%	63,773,089	100%	(297,939)	-0.47%	63,475,150	100%
	4.17%				-2.07%				-0.47%	
Operating Surplus/(Deficit)	1,646,718		646,283	39.25%	2,293,001		3,726,278	162.51%	6,019,279	
Beginning Cash Balance (July 1) - Excluding Proposed Renewal/ Replacement & New Levies	28,058,970		1,646,718	5.87%	29,705,688		2,293,001	7.72%	31,998,689	
Ending Cash Balance (June 30)	29,705,688		2,293,001	7.72%	31,998,689		6,019,279	18.81%	38,017,968	
Estimated Encumbrances June 30	3,515,523		195,613	5.56%	3,711,136		(510,112)	-13.75%	3,201,024	
Unreserved Fund Balance June 30	26,190,165		2,097,388	8.01%	28,287,553		6,529,391	23.08%	34,816,944	
90 day targeted cash carryover, 365 day year	147	0	(567)	(1,409)	162	0	(7,999)	(18,034)	200	0
5.0 Cash reserves @ 25% of expenses	16,281,103	0	(224,320)	(0)	15,943,272	0	(49,458)	(0)	15,868,787	0

Five-Year Forecast – Detail continued (includes percentage & dollar changes)

MAYFIELD CITY SCHOOLS												
SM-5 (Five-Year Forecast)												
Description	+/- \$ Change	+/- % Change	FY2017/18 Estimate	% of Total	+/- \$ Change	+/- % Change	FY2018/19 Estimate	% of Total	+/- \$ Change	+/- % Change	FY2019/20 Estimate	% of Total
REVENUES:												
General Property Tax (Real Estate)	2,287,923	4.07%	58,547,658	83.79%	542,425	0.93%	59,090,083	85.14%	504,139	0.85%	59,594,222	85.31%
Tangible Personal Property Tax	0	#DIV/0!	0	0.00%	0	#DIV/0!	0	0.00%	0	#DIV/0!	0	0.00%
Income Tax	0	#DIV/0!	0	0.00%	0	#DIV/0!	0	0.00%	0	#DIV/0!	0	0.00%
Unrestricted Grants-in-Aid (All 3100's except 3130)	(1,828,009)	-46.89%	2,070,707	2.96%	(1,067,344)	-51.54%	1,003,363	1.45%	(106,498)	-10.61%	896,865	1.28%
Restricted Grants-in-Aid (All 3200's)	1	0.00%	106,312	0.15%	0	0.00%	106,312	0.15%	0	0.00%	106,312	0.15%
Property Tax Allocation (3130)	101,565	1.78%	5,820,422	8.33%	25,000	0.43%	5,845,422	8.42%	25,000	0.43%	5,870,422	8.40%
All Other Revenues except 1931,1933,1940,1950,5100, 5200	(179,355)	-6.12%	2,751,758	3.94%	28,095	1.02%	2,779,853	4.01%	29,006	1.04%	2,808,859	4.02%
Total Revenues	382,126	0.55%	69,296,858		(471,824)	-0.68%	68,825,034		451,647	0.66%	69,276,680	
			0.55%				-0.68%				0.66%	
OTHER FINANCING SOURCES:												
Operating Transfers-In (5100)	0	#DIV/0!	0	0.00%	0	#DIV/0!	0	0.00%	0	#DIV/0!	0	0.00%
Advances-In (5200)	0	0.00%	579,697	0.83%	0	0.00%	579,697	0.84%	0	0.00%	579,697	0.83%
All Other Financing Sources (including 1931 and 1933)	0	#DIV/0!	0	0.00%	0	#DIV/0!	0	0.00%	0	#DIV/0!	0	0.00%
Total Other Financing Sources	0	0.00%	579,697		0	0.00%	579,697		0	0.00%	579,697	
Total Revenues and Other Financing Sources	382,126	0.55%	69,876,554	100%	(471,824)	-0.68%	69,404,730	100%	451,647	0.65%	69,856,377	100%
				92.1% Taxes				93.56% Taxes				93.71% Taxes
EXPENDITURES:												
Personal Services	1,953,075	5.66%	36,437,000	54.10%	1,748,000	4.80%	38,185,000	54.15%	1,738,000	4.55%	39,923,000	54.14%
Employees' Retirement/Insurance Benefits	624,404	4.29%	15,180,600	22.54%	803,400	5.29%	15,984,000	22.66%	830,500	5.20%	16,814,500	22.80%
Purchased Services	514,924	5.01%	10,801,672	16.04%	533,938	4.94%	11,335,610	16.07%	562,946	4.97%	11,898,556	16.14%
Supplies and Materials	598,821	37.59%	2,191,688	3.25%	45,629	2.08%	2,237,317	3.17%	47,134	2.11%	2,284,451	3.10%
Capital Outlay	(85,088)	-23.06%	283,962	0.42%	2,840	1.00%	286,801	0.41%	2,868	1.00%	289,669	0.39%
Other Objects	52,181	4.23%	1,284,454	1.91%	35,206	2.74%	1,319,660	1.87%	36,223	2.74%	1,355,883	1.84%
Total Expenditures	3,658,317	5.85%	66,179,376		3,169,013	4.79%	69,348,388		3,217,671	4.64%	72,566,059	
			5.85%	77.8% S&B			4.79%	78.01% S&B			4.64%	78.14% S&B
OTHER FINANCING USES:												
Operating Transfers-Out	358,468	165.55%	575,000	0.85%	0	0.00%	575,000	0.82%	0	0.00%	575,000	0.78%
Advances-Out	(137,779)	-18.67%	600,000	0.89%	0	0.00%	600,000	0.85%	0	0.00%	600,000	0.81%
All Other Financing Uses	220	-100.00%	0	0.00%	0	#DIV/0!	0	0.00%	0	#DIV/0!	0	0.00%
Total Other Financing Uses	220,909	23.15%	1,175,000	0.00%	0	0.00%	1,175,000	0.00%	0	0.00%	1,175,000	0.00%
Total Expenditures and Other Financing Uses	3,879,226	6.11%	67,354,376	100%	3,169,013	4.70%	70,523,388	100%	3,217,671	4.56%	73,741,059	100%
			6.11%				4.70%				4.56%	0.00%
Operating Surplus/(Deficit)	(3,497,100)	-58.10%	2,522,179		(3,640,837)	#####	(1,118,658)		(2,766,025)	247.26%	(3,884,683)	
Beginning Cash Balance (July 1) - Excluding Proposed Renewal/ Replacment & New Levies	6,019,279	18.81%	38,017,968		2,522,179	6.63%	40,540,147		(1,118,658)	-2.76%	39,421,489	
Ending Cash Balance (June 30)	2,522,179	6.63%	40,540,147		(1,118,658)	-2.76%	39,421,489		(3,884,683)	-9.85%	35,536,806	
Estimated Encumbrances June 30	0	0.00%	3,201,024		0	0.00%	3,201,024		0	0.00%	3,201,024	
Unreserved Fund Balance June 30	2,522,179	7.24%	37,339,123		(1,118,658)	-3.00%	36,220,465		(3,884,683)	-10.73%	32,335,782	
90 day targeted cash carryover, 365 day year	237	433	202	0	(129)	(232)	187	0	(441)	(858)	160	0
5.0 Cash reserves @ 25% of expenses	643,952	0	16,838,594	0	526,056	0	17,630,847	0	534,133	0	18,435,265	0

Five-Year Forecast – Detail continued (includes percentage & dollar changes)

MAYFIELD CITY SCHOOLS							
SM-5 (Five-Year Forecast)							
Description	+/- \$ Change	+/- % Change	FY2020/21 Estimate	% of Total	+/- \$ Change	+/- % Change	FY2021/22 Estimate
REVENUES :							
General Property Tax (Real Estate)	470,026	0.79%	60,064,248	85.48%	490,119	0.82%	60,554,367
Tangible Personal Property Tax	0	#DIV/0!	0	0.00%	0	#DIV/0!	0
Income Tax	0	#DIV/0!	0	0.00%	0	#DIV/0!	0
Unrestricted Grants-in-Aid (All 3100's except 3130)	(111,823)	-12.47%	785,042	1.12%	(117,414)	-14.96%	667,627
Restricted Grants-in-Aid (All 3200's)	0	0.00%	106,312	0.15%	0	0.00%	106,312
Property Tax Allocation (3130)	25,000	0.43%	5,895,422	8.39%	25,000	0.42%	5,920,422
All Other Revenues except 1931,1933,1940,1950,5100, 5200	29,948	1.07%	2,838,807	4.04%	30,923	1.09%	2,869,730
Total Revenues	413,151	0.60%	69,689,831		428,628	0.62%	70,118,459
			0.60%				0.62%
OTHER FINANCING SOURCES :							
Operating Transfers-In (5100)	0	#DIV/0!	0	0.00%	0	#DIV/0!	0
Advances-In (5200)	0	0.00%	579,697	0.82%	0	0.00%	579,697
All Other Financing Sources (including 1931 and 1933)	0	#DIV/0!	0	0.00%	0	#DIV/0!	0
Total Other Financing Sources	0	0.00%	579,697		0	0.00%	579,697
Total Revenues and Other Financing Sources	413,151	0.59%	70,269,528	100%	428,628	0.61%	70,698,155
				93.87%			
EXPENDITURES :							
Personal Services	1,814,000	4.54%	41,737,000	54.12%	1,895,000	4.54%	43,632,000
Employees' Retirement/Insurance Benefits	874,800	5.20%	17,689,300	22.94%	921,800	5.21%	18,611,100
Purchased Services	593,602	4.99%	12,492,158	16.20%	626,002	5.01%	13,118,160
Supplies and Materials	48,702	2.13%	2,333,153	3.03%	50,334	2.16%	2,383,487
Capital Outlay	2,897	1.00%	292,566	0.38%	2,926	1.00%	295,491
Other Objects	37,270	2.75%	1,393,153	1.81%	38,348	2.75%	1,431,501
Total Expenditures	3,371,271	4.65%	75,937,330		3,534,410	4.65%	79,471,740
			4.65%	78.26%			4.65%
OTHER FINANCING USES :							
Operating Transfers-Out	0	0.00%	575,000	0.75%	0	0.00%	575,000
Advances-Out	0	0.00%	600,000	0.78%	0	0.00%	600,000
All Other Financing Uses	0	#DIV/0!	0	0.00%	0	#DIV/0!	0
Total Other Financing Uses	0	0.00%	1,175,000	0.00%	0	0.00%	1,175,000
Total Expenditures and Other Financing Uses	3,371,271	4.57%	77,112,330	100%	3,534,410	4.58%	80,646,740
	4.77%	0.20%	4.57%	0.00%	4.84%	0.26%	4.58%
Operating Surplus/(Deficit)	(2,958,120)	76.15%	(6,842,802)		(3,105,782)	45.39%	(9,948,585)
Beginning Cash Balance (July 1) - Excluding Proposed Renewal/ Replacment & New Levies	(3,884,683)	-9.85%	35,536,806		(6,842,802)	-19.26%	28,694,004
Ending Cash Balance (June 30)	(6,842,802)	-19.26%	28,694,004		(9,948,585)	-34.67%	18,745,419
Estimated Encumbrances June 30	0	0.00%	3,201,024		0	0.00%	3,201,024
Unreserved Fund Balance June 30	(6,842,802)	-21.16%	25,492,980		(9,948,585)	-39.02%	15,544,395
90 day targeted cash carryover, 365 day year	(741)	(1,690)	121	0	(1,027)	(3,108)	70
5.0 Cash reserves @ 25% of expenses	559,631	0	19,278,083	0	586,712	0	20,161,685

REVENUES

Line 2.080- Total Revenues & Other Financing Sources

This category includes all revenues & other financing sources that support the General or operating fund.

General Assumptions for this category include:

- ✓ All Real Property Tax Revenue (Line 1.010) has been trended according to current tax rates (including the additional 5.0 mills for continuing, current expense approved on 11/08/16) and values as provided by the Cuyahoga County Budget Commission (12/27/16) and in accordance with the most recent Certificate of Estimated Resources (10/10/17). Included on each document are the Cuyahoga County Auditor's expected tax collections rate of 96.92% for all classifications of property – Class I & Class II. For the purposes of this forecast and based on historical trend data, the District is utilizing a collection percentage of 97.85 to include collections related to delinquencies and to more closely represent the average collection rate.

Growth in this category continues to moderate as economic market activity and housing begin to rebound and show signs of strength. New housing starts, construction estimates, and the rate of growth on existing properties appear to be trending up but remain at pre-2006 levels. This continues to hinder possible operating revenue growth from inside millage and new construction - both inside millage and new construction are exempt from certain applications of HB920 (1976).

The new construction estimates have been developed by utilizing a 5-year look back, analysis of housing data provided by the Cuyahoga County Auditor, review of various local publications, and discussions with local officials.

- ✓ The Personal Tangible Property (Line 1.020) tax revenue has been eliminated for **ALL** projected fiscal years. Any collections included in this category for the financial period presented represent historical delinquencies and not current billings.

As a footnote, this tax category has always been a target for elimination by the Ohio General Assembly as evidenced by recently enacted legislation - HB95, HB66, and Amend Sub HB153. While recognizing that a replacement tax was necessary to maintain some sense of balance between individual & business taxation in Ohio, the General Assembly created the Commercial Activities Tax (CAT), a tax on gross business receipts that are deposited in the state general revenue fund with a portion dedicated to primary & secondary education. A very important distinction in comparing these two types of taxes is the profound shift from what was considered a local tax (tangible personal property) to a state based tax on business activity. In other words, this was a shift from business property (local) to business activity (state).

In fiscal year 2005-06, the tangible personal property tax represented 12.54% of all Mayfield CSD operating revenue or the equivalent of 6.15 taxable mills. While the tangible personal property tax is now ZERO for the current and all future fiscal periods, the replacement CAT tax is providing limited Tangible Personal Property tax loss payments per a pre-determined scale that will expire at the conclusion of the 2017-18 fiscal year.

While HB 66 (2005) served as the basis for the pre-determined Tangible Personal Property tax loss payments, Amend Sub HB 153 (2011) provided an accelerated phase-out of this prior commitment in order to assist with a State of Ohio budget deficit reported at that time to equate to \$8.0B. While the District appropriately planned for the gradual elimination of these payments as

originally prescribed in HB66 (2005), Governor Kasich's budget reduced these payments permanently by **\$3.49M** in 2013 and again by **\$3.9M** in 2015.

During deliberations of prior five-year forecast submissions, District officials assumed that the \$3.79M of TPPT loss reimbursements would continue at perpetuity because there appeared to be general support within the Ohio General Assembly during their biennium budget deliberations at that time (budget period 07/01/13 to 06/30/15) and that the obstacle to inclusion of this provision rest with Governor Kasich. Therefore, budget planning and more importantly expenditure prioritization was developed with this key provision included.

Amend Sub HB64 was passed by the Ohio General Assembly & signed by the Governor and not only resumed but accelerated (with yet another iteration of new phase-out metrics & methodology) for the current 2-year state budget cycle that coincides with fiscal years 2015/16, 2016/17, & FY2017/18 presented herein. In summary, **\$3.79M IN ANTICIPATED ANNUAL TPPT LOSS PAYMENTS TO MAYFIELD CSD WILL BE COMPLETELY ELIMINATED beginning July 1, 2018 or FY 2018-19 with a majority of the total reduction (\$3.4M) beginning in FY 2017-18.** A side by side comparison of recent legislative acts and the financial impacts can be found in the table on page 14.

Amend Sub 49 (2017), the current biennial budget bill, did nothing to address these lost payments and therefore future writings and references to this funding source will be greatly minimized in FY2018-19.

- ✓ The *Unrestricted Grants-In-Aid (Line 1.030)* category includes the state funding program, the tangible personal property loss transitional payments (previously discussed) & any other unrestricted receipts from the state.
 - The *State Funding Program* has included the provisions of Amend Sub HB49 (2017). This funding formula (also known as Opportunity Grant Aid) is comprised of a base cost per pupil amount - \$6,000 in FY18 and each year thereafter (note: base cost was \$5,900 in FY16, \$6,000 in FY17) - times a state share index - consisting of local property and income tax wealth measures as compared to State of Ohio averages - times the number of District students (Average Daily Membership).

This state share index is purported to represent the local share of the base cost per pupil amount. The new funding formula further establishes a floor of 5% for Districts having local factors well in excess of the State of Ohio averages, ***of which Mayfield qualifies for the 5% floor.***

Other key elements of the new funding formula:

- *Targeted Assistance Tier One* funds for the 490th lowest local wealth per pupil districts – ***Mayfield is not eligible for this funding.***
- *Targeted Assistance Tier Two* funds for rural districts – ***Mayfield is not eligible for this funding.***
- *Special Education* –per pupil weighted funds times the state share index - ***Mayfield's level is 5% of the total calculation.***
- *Preschool Special Education* – calculated as \$4,000 times the state share index - ***Mayfield's level is 5% of the total calculation.***
- *Limited English Proficient* - per pupil weighted amount times the state share index - ***Mayfield's level is 5% of the total calculation.***

- K-3 Literacy - per pupil amount times the state share index - *Mayfield's level is 5% of the total calculation.*
- Career Tech Education - per pupil amount times the state share index - *Mayfield's level is 5% of the total calculation.*
- Gifted Education – per pupil and unit based funding - *Mayfield's level is consistent with prior year calculations; however, it is presented as a separate category.*
- Transportation Funding – on a per mile or per rider basis with the calculated value to reduced from 60 percent to 50 percent funded - *Mayfield's level has been REDUCED as a result of this funding level change from the prior year calculations; however, it is presented as a separate category.*

In order to better understand the relationship in the amount of funding anticipated for Mayfield relative to the various changes to the state funding formula, the table below represents the **GROSS** aid received during the past 3 budget cycles and that projected for the 2017-18 fiscal year by incorporating the new Opportunity Grant metrics.

The various formula names the presiding Governor(s) at the time of implementation. Regardless of the various formula machinations, Mayfield continues to experience **NO real practical or sustainable increases to its state aid** to fund its current operations and it is clearly not sufficient to offset the inflationary demands of its basic operations.

MAYFIELD CITY SCHOOLS							
STATE AID							
STATE AID	Gov. Kasich OPPORTUNITY GRANT		Gov. Kasich OPPORTUNITY GRANT		Gov. Kasich OPPORTUNITY GRANT		Gov. Kasich HB49
Funding Category	FY2014/15 ACT	+/- \$	FY2015/16 ACT	+/- \$	FY2016/17 ACT	+/- \$	FY2017/18 EST
ADM	3,811.58	21	3,832.17	72	3,904.58	0	3,904.58
Basic Aid Per Pupil	\$5,800	100	5,900	100	6,000	0	6,000
State Share Index	5.00%		5.00%		5.00%		5.00%
FORMULA AID W/GUARANTEE	1,105,358	25,132	1,130,490	40,884	1,171,374	0	1,171,374
Special Education Weights	213,865	(34,160)	179,705	8,083	187,787	0	187,787
Career-Tech/Adult Ed	18,248	1,265	19,512	8,562	28,074	0	28,074
Training & Experience	0	0	0	0	0	0	0
Extended Service	0	0	0	0	0	0	0
Transitional Aid Guarantee	0	0	93,799	(93,799)	0	0	0
Graduation/3rd Grade Reading Bonus	0	0	11,787	(1,937)	9,850	0	9,850
Gifted Aid	189,646	1,896	191,542	2,669	194,211	0	194,211
Transportation	938,043	(109,318)	828,726	9,964	838,689	0	838,689
Special Ed Transportation	0	0	367,804	(35,672)	332,132	0	332,132
Excellence w/Distinction Subsidy	0	0	0	0	0	0	0
Limited English Proficiency Funding	9,842	480	10,322	(806)	9,516	0	9,516
K-3 Literacy Funding	128,179	10,024	138,203	11,514	149,718	0	149,718
Economic Disadvantage Funding	43,443	16,074	59,517	18,721	78,238	0	78,238
(3110) State Foundation	2,646,623	165,414	2,812,037	187,552	2,999,589	0	2,999,589

It is assumed that the Ohio General Assembly will maintain the current simulated values proposed in Amend Sub HB49 for the remainder of its 2-year budget cycle ending 06/30/19 and that it will not substantively change the calculations to the detriment of Mayfield CSD.

- The *Tangible Personal Property Loss Transitional Payment* is being presented in accordance with the metrics included in Amend Sub HB49 (2015) Amend Sub HB64 (2015), Amend Sub HB153 (2011), and the original prescriptions included in HB1 (2009) - the Strickland Administration's budget bill. It is assumed that the TPP loss payments will be completely eliminated in fiscal year 2018-19.

Fiscal Year	TPP Phase-out	Annual Savings /	Cumulative Savings /	TPP Phase-out	Annual Savings /	Cumulative Savings /	TPP Phase-out			
	HB1 (Strickland)	(Loss)	(Loss)	Amend Sub HB153 (Kasich)	(Loss)	(Loss)	Amend Sub HB64/SB208 (Kasich)			
2012	6,106,535	(1,180,000)	(1,180,000)	4,926,535		0	4,926,535	*	}	HB1
2013	6,106,535	(2,307,045)	(3,487,045)	3,799,490		0	3,799,490	*		
2014	3,232,774	566,716	(2,920,329)	3,799,490		0	3,799,490	&	}	HB153
2015	2,514,380	1,285,110	(1,635,219)	3,799,490		0	3,799,490	&		
2016	1,795,986	2,003,504	368,285	3,799,490	(289,114)	(289,114)	3,510,376	%	}	HB64 / SB208
2017	1,077,591	2,721,899	3,090,184	3,799,490	(288,919)	(578,033)	3,510,571	%		
2018	359,197	3,440,293	6,530,477	3,799,490	(3,425,366)	(4,003,399)	374,124	%		
2019	0	3,799,490	10,329,967	3,799,490	(3,799,490)	(7,802,889)	0	%		
*	Includes provisions per Amend Sub HB153									
&	Original phase out as prescribed by HB66									
%	Revised phase out as prescribed per HB64/SB208									

- ✓ The *Property Tax Allocation (Line 1.050)* category represents the Homestead & Rollback exemptions (now known as the Non-Business Credit and the Owner Occupied Credit) and are comprised of a 10% credit to class I real property tax payers and a 2.5% credit for owner-occupied dwellings paid by the State of Ohio in lieu of the property owner for all levies in effect and subsequently renewed at the same amount.

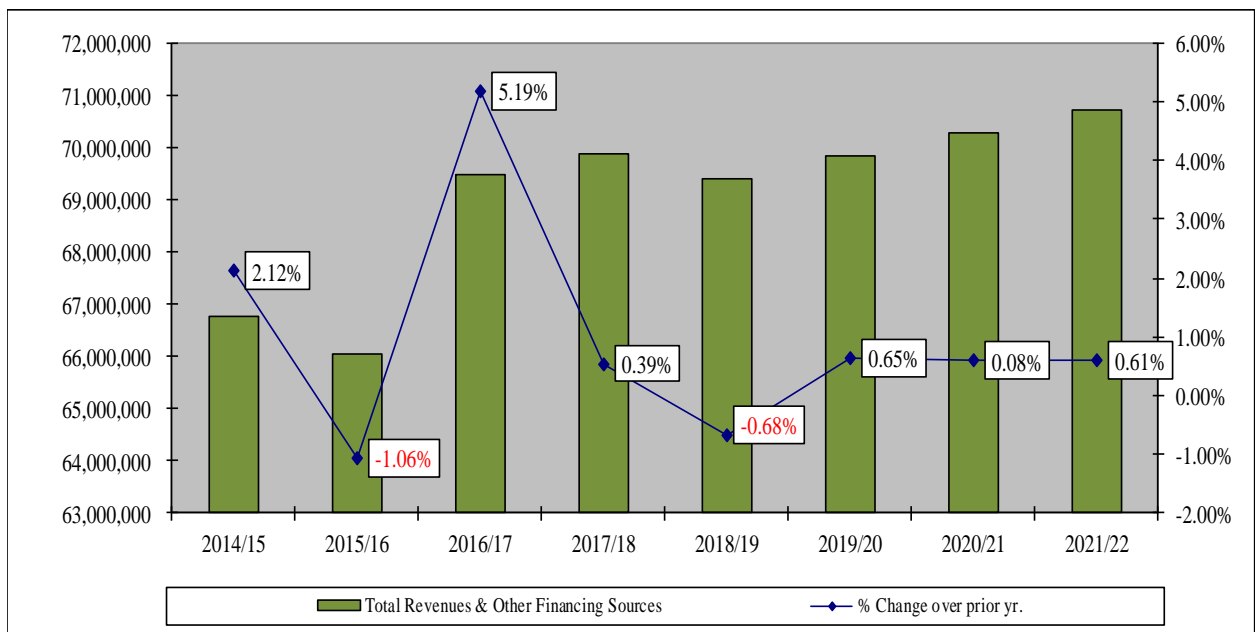
Effective with any new or replacement levy presented in November 2013 and thereafter, the 10% & 2.5% property tax credit has been eliminated per Amend Sub HB59 (2013). Therefore, revenue presented in this category is consistent with historical trends and the impact of this legislative act has NOT been included in this forecast.

- ✓ The *All Other Revenues (Line 1.060)* category includes miscellaneous receipts, interest income, revenue in lieu of taxes etc. Specific assumptions include:
 - *Interest Income* continues to suffer from a modest yield curve with overnight interest rates hovering at 1.20%. The District's portfolio contains weighted to date maturities of 2.39 years and an average yield to maturity of 1.65%. Improvements to overnight rates appear to be measured. For the forecasted period, interest earnings are projected based on July to September 2017 monthly postings in conjunction with anticipated future maturities within the current portfolio. Changes to future values stem from modest interest rate growth and the impacts of declining cash reserves.

- Miscellaneous Income & All Other Categories are trended at rates consistent with current and past collections. Tax abatement payments received from Highland Heights and Mayfield Heights represent the largest portion of this category and stem from income tax revenue sharing agreements related to improvements and new construction to Class II property. It is assumed that the businesses making these payments will continue to be viable and productive members of our business community. This has been further substantiated based on conversations with the Finance Director from each municipality.
- Revenue in-lieu of tax payments received from Mayfield Village is projected consistent with the most recent information received from the City Finance Directors. Again, it is assumed that the businesses making these payments will continue to be viable and productive members of our business community.

The following table & graph provide a statistical & visual comparison of all revenue sources.

Total Revenues & Other Financing Sources	ACTUAL			ESTIMATE				
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Real Property Taxes	51,748,174	51,646,082	56,259,735	58,547,658	59,090,083	59,594,222	60,064,248	60,554,367
Tang. Pers. Property Taxes	0	14,188	0	0	0	0	0	0
Homestead & Rollback	5,690,031	5,668,779	5,718,856	5,820,422	5,845,422	5,870,422	5,895,422	5,920,422
State Foundation	1,865,226	1,282,941	961,334	864,737	763,310	656,811	544,988	427,574
Tang. Pers. Prop Loss Pymnt	3,799,490	3,525,658	2,697,329	965,917	0	0	0	0
Other State Sources	300,823	315,630	346,365	346,366	346,366	346,366	346,366	346,366
Interest Income	36,126	461,226	333,925	340,604	347,927	355,407	363,048	370,854
Misc. Income	608,554	572,292	584,712	604,757	625,529	647,055	669,362	692,479
Transfers & Advances	690,587	705,357	579,697	579,697	579,697	579,697	579,697	579,697
Revenue in Lieu of Taxes	2,032,120	1,873,937	2,012,476	1,806,397	1,806,397	1,806,397	1,806,397	1,806,397
Line 2.080 Total:	66,771,130	66,066,090	69,494,429	69,876,554	69,404,730	69,856,377	70,269,528	70,698,155
Dollar Change	1,387,514	(705,041)	3,428,339	382,126	(471,824)	451,647	413,151	428,628
% Change over prior yr.	2.12%	-1.06%	5.19%	0.55%	-0.68%	0.65%	0.59%	0.61%

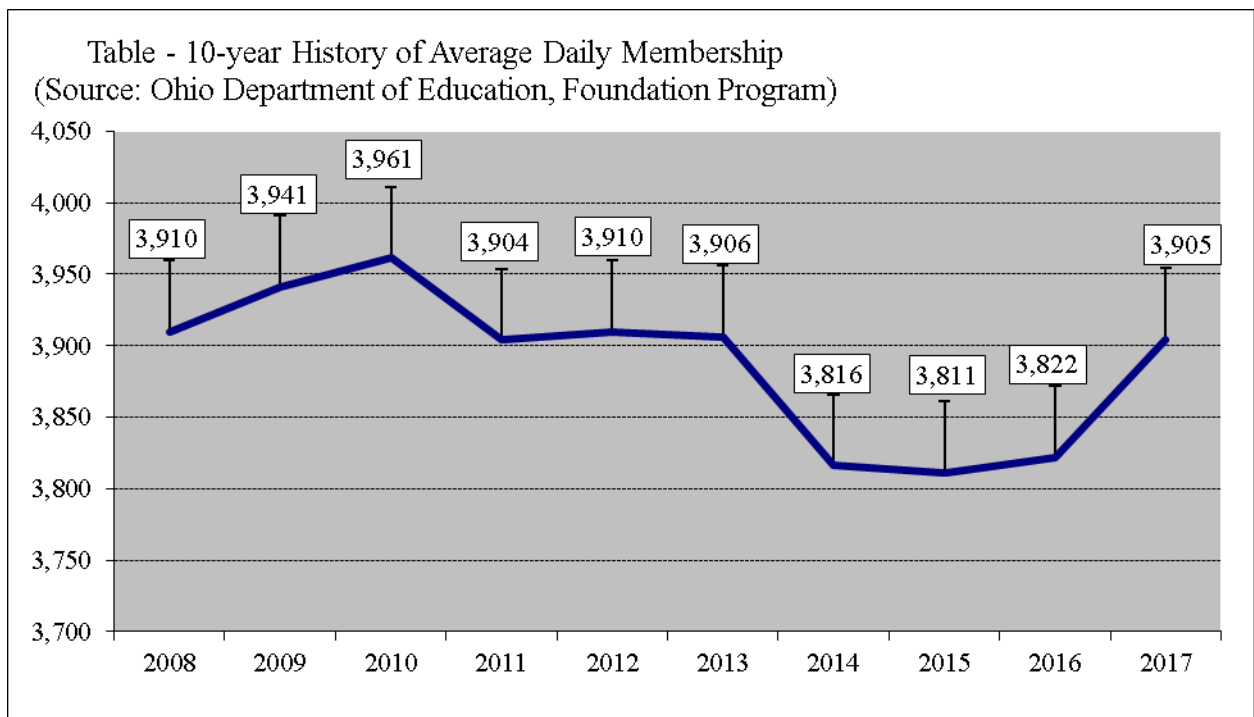


EXPENDITURES

PUPIL ENROLLMENT

- ✓ *Pupil enrollment* is a significant element in the development of the current & future expenditure expectations. While this forecast does not include a prediction of future enrollment levels, it is assumed that there will not be a substantial increase or decrease in either the total or the composition (regular, special, etc.) from the FY2013 base-level enrollment during the forecasted period. Additionally, the change in student enrollment will follow historical patterns and current predictions as made by the school district.

For illustration purposes, the district's 10-year average-daily-membership history (source Ohio Department of Education School Foundation program), which represents the official count for state funding purposes and not necessarily synonymous with day-to-day educational enrollment, is found in the Table below.



EXPENDITURE DEVELOPMENT & PRIORITIZATION

The annual spending plan or anticipated expenditures (budget) is developed with input from all major stakeholders and in accordance with the following budgeting pillars (Mayfield Vision) and guiding principles. These elements serve as guideposts to decision-making when contemplating current or new initiatives.

BUDGETING PILLARS / MAYFIELD VISION

1. **Student Learning and Academic Excellence** - Close the achievement gap and improve student performance *as measured by* PARCC, AP scores, OGT, ACT, SAT.

2. **Fiscal Stewardship and Operations** – Create the infrastructure and efficient/effective operations that support the vision of the district through reallocation and allocation of resources to teaching and learning as measured by 3 to 5 year levy cycles, expenditure growth rate to average 2%, resource allocation analysis, ROI, millage rates, number of shared services opportunities, market share.
3. **Community Relations and Family Partnerships** – Create partnerships and strategic alliances to promote and support the vision of the district as measured by the number of/impact of partnerships, levy support, community satisfaction surveys.
4. **Growing Leadership, Talent and Professional Capacity** – Build leadership capacity at all levels required to support the district vision, mission, and goals as measured by number of internal candidates for leadership positions, administrator evaluation results, stakeholder feedback regarding clarity of communication of vision, mission, goals, and strategies and use of data to drive decision making.

GUIDING BUDGETING PRINCIPLES

- Resource reallocation and expenditures must support our vision priorities and department goals
- There is a distinction between fixed, one time and continuous costs
 - Can only trade one- time costs for one-time savings
 - Can only trade continuous costs for continuous savings
- Saving immaterial resources in some cases are not worth the potential political risks
- We cannot plan on significant savings in personnel
 - NO RIF will take place, evaluate attrition for potential savings
- Staffing analytics
 - Elementary = continued utilization of class size parameters
 - Middle School = teaming must be maintained
 - High School Course Auditing = certified staffing pattern
 - Classified Staffing
 - IA/SNA always in flux = look first to reallocate
 - Operations = continue to right size and assess opportunities via attrition

Line 3.010- Personal Services

By definition this category includes amounts paid to school district employees who hold positions of a permanent nature or who have been hired temporarily such as substitutes. This category includes the gross salary for personal services rendered while on the payroll of the district.

General Assumptions for this category include:

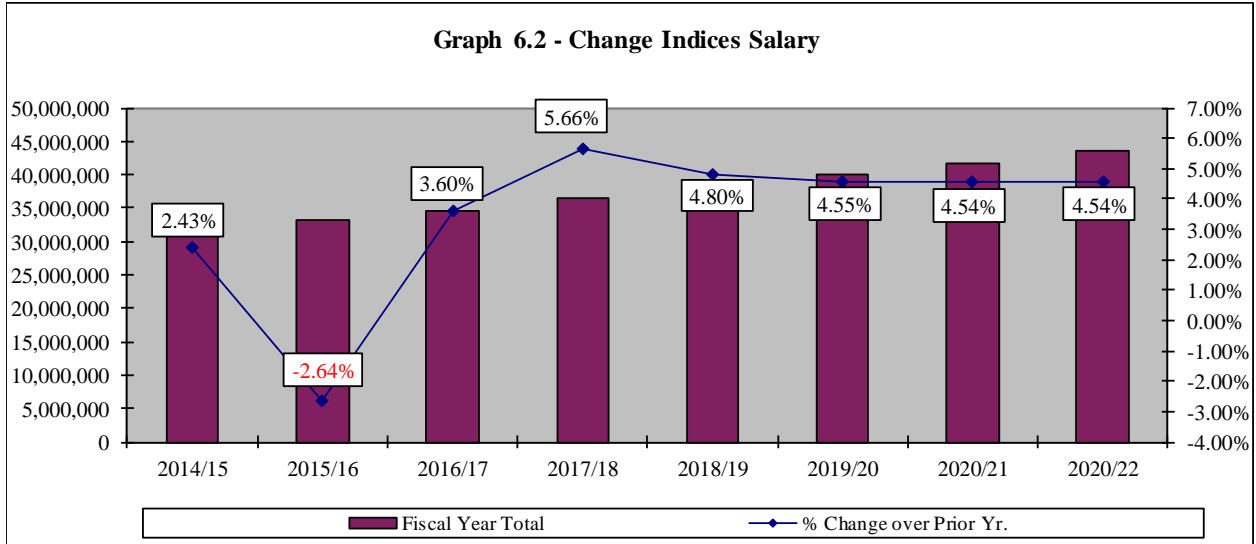
- ✓ During the 2015-16 budget discussions, the District Administration committed to an approximate \$600K permanent personnel reduction, which has also been incorporated. To address instructional needs pursuant to the Mayfield Vision goals identified for 2016/17, approximately \$600,000 was then added back to the annual personnel budget to address these priorities. Finally, included in the original budgeted amount for personal services is approximately .25% annually to fund unknown staffing needs that occur normally during the operating period or school year.
- ✓ All base percentage raises identified in each collective bargaining agreement and any agreement with non-represented staff members have been incorporated in the forecasted periods. These increases include: 0% (FY2015/16), 2.5% (FY2016/17), & 2.5% (FY2017/18). Increases beyond

FY2017/18 are inclusive of the recent tentative agreements approved by MEA, MEA-ESP, & MASP for successor contracts for the period 07-01-18 thru 06-30-22 and scheduled to be approved by the Mayfield Board of Education at its 10-25-17 regularly scheduled board meeting.

- ✓ Step and increment raises embedded in salary schedules have been developed according to historical movement and increased educational levels of current staff members. For 2015/16, we have successfully negotiated freezes to both base and step movements and have incorporated this into the salary estimates accordingly. For years FY2016/17, & FY2017/18, steps have been slightly reduced because certified staff members are limited to one column or educational advancement per year. Changes contemplated in past and present legislation and/or compliance with the Federal Race-to-the-Top programs involving merit and other pay provisions have not been included in this forecast.
- ✓ It is assumed that full-time-equivalents for additional staffing needs stemming from programming or operational changes will be managed with existing personnel and/or reallocation of exiting staffing members through attrition.
- ✓ Because of changes included in SB341 & SB342 (2012) to the certified (STRS) and classified (SERS) pension systems in an effort to promote financial sustainability, the revised pension pay-out options, pension eligibility, etc. will likely cause an exit of many of our senior certified staff members during the transition period during the ensuing school years. However, for the purposes of this forecast, NO attrition savings has been included including any that might be generated via an exit incentive authorized by the MEA, MEA-ESP, & MASP through a Memorandum of Understanding that the Mayfield Board of Education is scheduled to approve at its 10-25-17 regularly scheduled board meeting.

The following table & graph provide a statistical & visual comparison of personal services. The “certified staff” represents all members required to hold a teacher’s certificate, including principals, the Superintendent, etc. and the “classified staff” represents everyone else. The “fixed” cost designation represents those regularly employed persons with a salary schedule placement and the “variable” cost designation represents supplemental, substitutes, severance payments, “other” compensation, overtime, etc.

	ACTUAL			ESTIMATE				
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2020/22
TEACHERS								
Base & Salary Schedule %	4.75%	0.00%	5.25%	5.25%	4.90%	4.65%	4.65%	4.65%
Cost of 1%	\$249,538	\$241,655	\$251,139	\$268,094	\$279,270	\$292,270	\$305,850	\$320,060
SUPPORT STAFF								
Base & Salary Schedule %	4.25%	0.00%	4.75%	4.75%	4.45%	4.20%	4.20%	4.20%
Cost of 1%	\$82,721	\$81,768	\$84,124	\$88,110	\$92,040	\$95,910	\$99,950	\$104,140
Certified Staff (Fixed Costs)	24,038,638	23,240,517	24,230,997	25,692,000	26,952,000	28,206,000	29,517,000	30,889,000
Certified Staff (Variable Costs)	1,352,408	1,298,470	1,254,101	1,319,000	1,385,000	1,452,000	1,521,000	1,593,000
Classified Staff (Fixed Costs)	7,943,661	7,888,959	8,162,432	8,549,000	8,930,000	9,305,000	9,697,000	10,104,000
Classified Staff (Variable Costs)	851,410	856,750	836,395	877,000	918,000	960,000	1,002,000	1,046,000
Sub-Total Line 3.010	34,186,117	33,284,696	34,483,925	36,437,000	38,185,000	39,923,000	41,737,000	43,632,000
Dollar Change	810,291	(901,421)	1,199,229	1,953,075	1,748,000	1,738,000	1,814,000	1,895,000
Percentage Change	2.43%	-2.64%	3.60%	5.66%	4.80%	4.55%	4.54%	4.54%



Line 3.020 Employee’s Retirement/Insurance Benefits

By definition this category includes amounts paid by the school district on behalf of employees. Not included in gross salary, these amounts are over and above it. Such payments are not paid directly to employees; nevertheless, they are part of a school district’s costs of salaries & benefits.

General Assumptions for this category include:

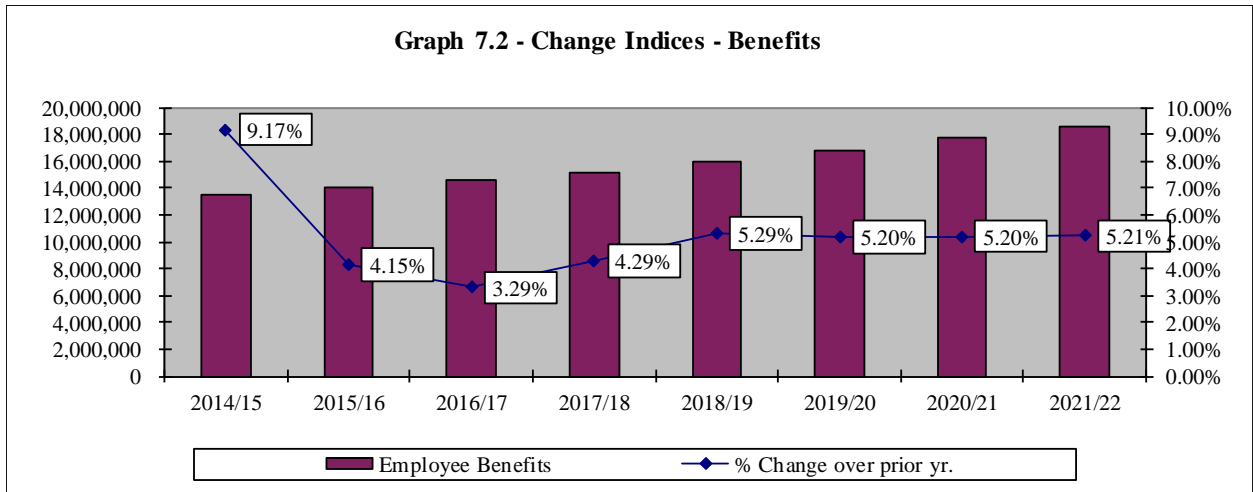
- ✓ Approximately \$330K of the 9.17% increase in FY2013/14 is comprised of an additional Board of Education premium payment in June 2015 to advance funds for the construction of the Wildcat Health & Wellness Center located at Mayfield High School. This advance will be amortized over a 5-year period and is expected to be repaid by reduced Medical/Rx premiums from the providers.
- ✓ All retirement contributions will increase at the same rate as base and step increases and there will not be a legislative change to increase these contribution rates.
- ✓ All future increases to the various insurance programs will be as follows:
 - Medical/Rx – has been trended at 3.00% for FY2017/18 & pursuant to recent trend & market data and 6.00% for each of the forecasted years thereafter.
 - As a result of the recent negotiations, each successor collective bargaining agreement contains a 6% inflationary cap that stipulates that every dollar exceeding 6% will be paid 100% by the employee. Effective July 1, 2020 the insurance rate cap will be increased to 7%.
 - Vision – has been trended at 2.00% for FY2017/18 and for each of the forecasted years thereafter.
 - Dental – has been trended at 3.00% for FY2017/18 and for each of the forecasted years thereafter.
 - Term Life – has been trended at 2.00% for FY2017/18 and for each of the forecasted years thereafter.
 - Any and all fluctuations in percentages in each of these insurance related categories stem from network or carrier changes or plan design changes resulting from the collective bargaining process. Further, the trend

percentages have been established with the assistance of the District's insurance consultant and to address actuarially determined reserves related to run-out claims inherent to each.

- While the Affordable Healthcare Act contains many possible financial challenges and/or mandates for our insurance program, it is assumed that the inflationary rate cap will require meaningful dialog with employees to mitigate these potentially cost prohibitive mandates and they will therefore be negated.
- ✓ Medicare has been trended at 6.00% for each year thereafter and is associated with the transition from non-contributing staff members to contributing staff members via new hires (Medicare eligibility is for employees hired after 03/31/86).
- ✓ Workers Compensation will increase 3.00% per year. The anticipated trend has been established with the assistance of our third-party administrator coupled with an historical look back of past & current claim activity as well as evaluation of prescribed reserve requirements.

The following table & graph provide a statistical & visual comparison of this category.

	ACTUAL			ESTIMATE				
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Insurance Premium Analysis								
Medical & Rx	\$18,474	\$19,583	\$20,170	\$20,775	\$22,022	\$23,343	\$24,744	\$26,228
Dental	\$1,537	\$1,583	\$1,583	\$1,630	\$1,679	\$1,730	\$1,782	\$1,835
Vision	\$170	\$173	\$178	\$182	\$185	\$189	\$193	\$197
Term-Life	\$78	\$80	\$80	\$81	\$83	\$84	\$86	\$88
Total BOE Cost for Full-time employee	\$20,259	\$21,418	\$22,011	\$22,669	\$23,969	\$25,346	\$26,804	\$28,348
Dollar Change	\$714	\$1,160	\$593	\$658	\$1,301	\$1,377	\$1,458	\$1,544
% Change over prior yr.	3.65%	5.72%	2.77%	2.99%	5.74%	5.75%	5.75%	5.76%
Employee Benefits Categories								
STRS	3,843,188	3,883,061	4,573,525	4,813,600	5,049,500	5,284,300	5,530,000	5,787,100
SERS	1,462,696	1,453,517	1,493,051	1,564,000	1,633,600	1,702,200	1,773,700	1,848,200
Medical Ins.	6,834,029	7,322,011	7,076,496	7,330,400	7,770,200	8,236,400	8,730,600	9,254,500
Vision Ins.	519,396	565,742	528,136	547,200	563,600	580,500	597,900	615,800
Term-Life	102,850	110,165	101,532	104,300	106,400	108,600	110,800	113,000
Medicare	460,789	455,613	475,039	503,500	533,700	565,800	599,700	635,700
Workers Comp	282,079	274,698	284,806	293,400	302,200	311,300	320,600	330,200
Other Benefits	25,163	27,236	23,611	24,200	24,800	25,400	26,000	26,600
Total Line 3.020	13,530,191	14,092,041	14,556,197	15,180,600	15,984,000	16,814,500	17,689,300	18,611,100
Dollar Change	1,136,843	561,850	464,155	624,403	803,400	830,500	874,800	921,800
% Change over prior yr.	9.17%	4.15%	3.29%	4.29%	5.29%	5.20%	5.20%	5.21%



Line 3.030 Purchased Services

By definition, this category represents amounts paid for personal services rendered by individuals who are not on the payroll of the school district and other services which the school district may purchase.

General Assumptions for this category include:

- ✓ The FY2015/16 base year was elevated to accommodate the anticipated increase in utility usage. All future year increases have been trended at 5% from the revised base year levels.
- ✓ The Out of District Tuition category experienced a trend anomaly beginning in Fiscal Year 2013/14 due to a change in the flow of a state aid dollars and its emphasis on funding following students and the financial reporting change from an expense to revenue accounting treatment and further disrupted the trend levels in FY 2014/15 & FY2015/16 respectively. Beginning in FY2016/17 and thereafter the baseline was/is corrected and normal fluctuations in student placements have/will result in a more “normalized” expenditure trend.
- ✓ Pupil Transportation has been reduced to increased evaluation and exploration of using existing fleet operations rather than outsourcing. It is not yet clear whether future reductions are anticipated and therefore FY2016/17 serves as the new baseline with forecasted periods assumed to increase at a 3% trend rate.
- ✓ Property, Fleet & Auto Insurance has been trended at 3%.
- ✓ For those qualifying Building Repairs & Maintenance expenditures having a useful life of 5-years or more and adding to the overall value of the facility, equipment, or personal property have been moved to the additional .90 mill (2008), .50 (2012), and .50 (2016) permanent improvement funds as part of the District’s overall financial plan.

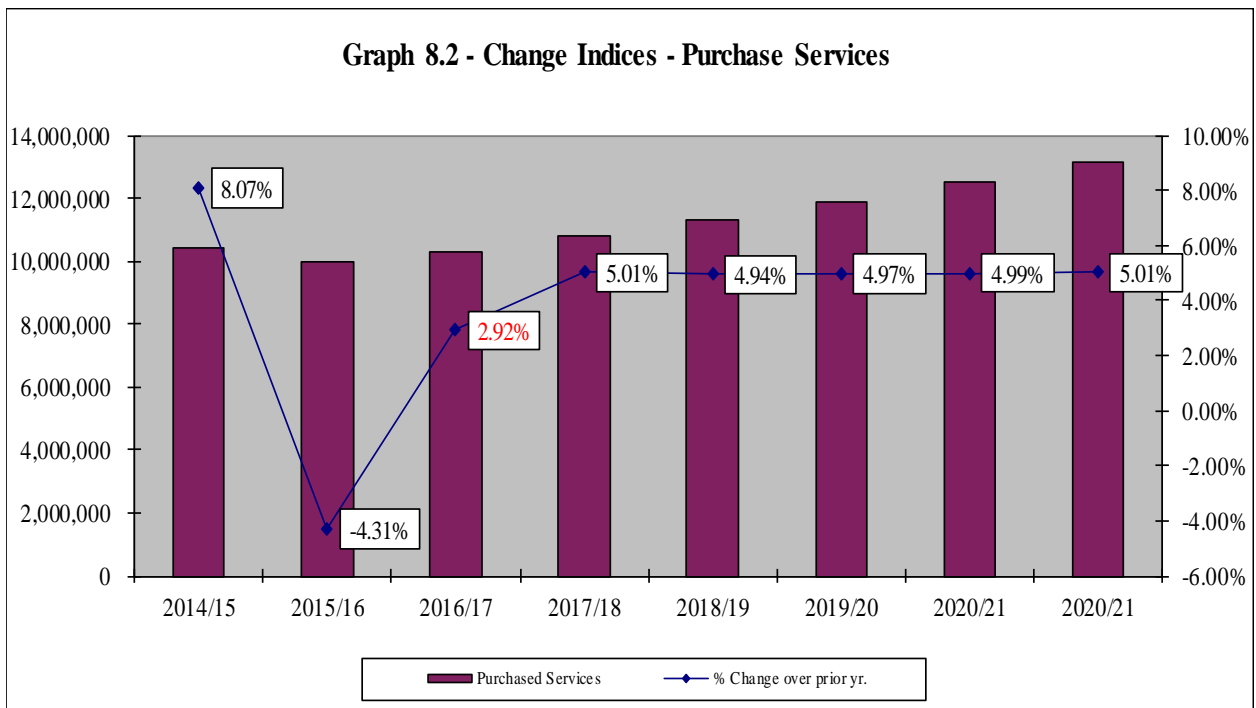
The District engaged in a \$57M capital improvements plan during the period FY2010/11 thru 2016/17 to all of its facilities. As such and when appropriate, supplemental dollars from this category have been used to extend & complete these capital projects. Beginning in FY2017/18 and thereafter, a normal spending pattern for this category will resume and therefore building repairs & maintenance have been trended at 3%. However, the Board and

administration reserve the right to utilize under spent budgeted amounts to continue to improve its aging facilities.

- ✓ All other categories not previously mentioned were trended at a composite rate of 2%.
 - It is important to note that any unanticipated spikes in uncontrollable categories – utilities, tuition, & transportation – will require a reprioritization within and among the costs included in this category. Contingencies may need to be developed to balance program needs versus these overhead demands.

The following table & graph provide a statistical & visual comparison of this category.

	ACTUAL			ESTIMATE				
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2020/21
Purchased Services Categories								
Professional & Technical	509,724	779,366	729,984	557,053	568,194	579,558	591,149	602,972
Contracted Professional	492,748	491,704	512,686	700,903	714,921	729,220	743,804	758,680
Repairs & Maintenance	550,317	639,201	430,265	248,189	255,634	263,303	271,203	279,339
Rentals	10,395	11,340	12,134	15,574	15,730	15,887	16,046	16,207
Pupil Transportation	965,170	852,210	678,830	732,062	754,024	776,645	799,944	823,942
Property & Fleet Insurance	68,939	63,682	67,621	80,546	82,962	85,451	88,015	90,655
Utilities	1,374,160	1,225,322	1,366,910	1,450,535	1,523,061	1,599,214	1,679,175	1,763,134
Tuition	6,232,433	5,622,289	6,224,921	6,598,417	6,994,322	7,413,981	7,858,820	8,330,349
All Other Purchased Services	240,978	310,025	263,397	418,394	426,762	435,297	444,003	452,883
Total Line 3.030	10,444,864	9,995,139	10,286,748	10,801,672	11,335,610	11,898,556	12,492,158	13,118,160
Dollar Change	779,961	(449,725)	291,609	514,924	533,938	562,946	593,602	626,002
% Change over prior yr.	8.07%	-4.31%	2.92%	5.01%	4.94%	4.97%	4.99%	5.01%



Line 3.040 Supplies & Materials

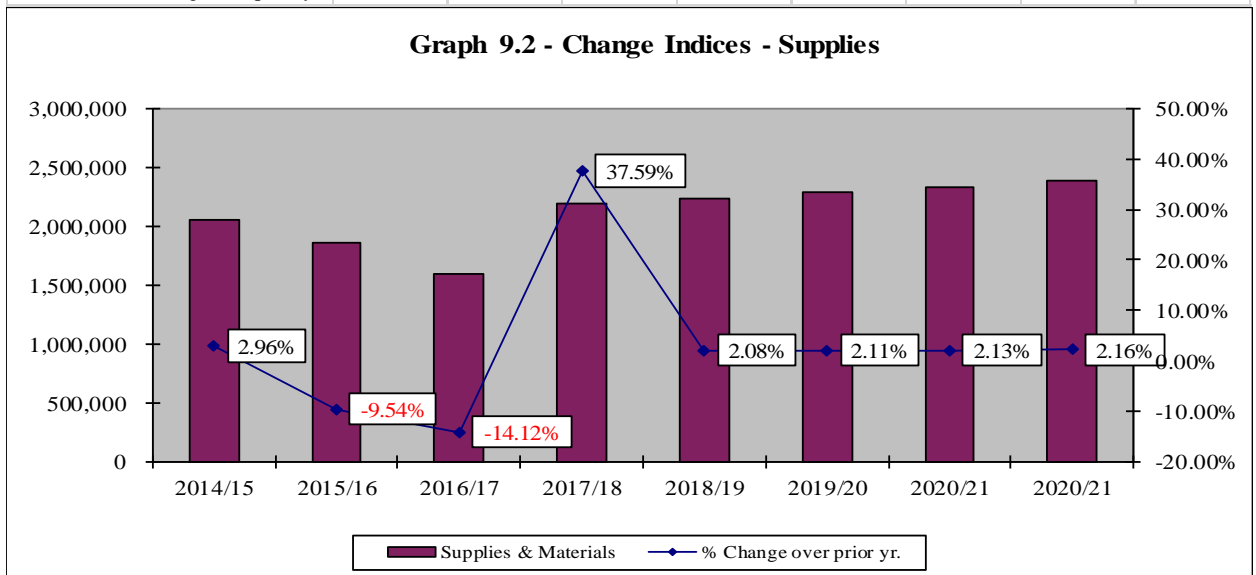
By definition, this category represents amounts paid for material items of an expendable nature that are consumed, worn out, or deteriorated from use, or that lose their identity through fabrication or incorporation.

General Assumptions for this category include:

- ✓ Vehicle Supplies – The District has set aside dollars in its Permanent Improvement Fund to replace its bus and vehicle fleet. The District has historically struggled keeping pace with its replacement schedule, however, elected to enter into a capital lease program to replace 10 busses in FY2017/18 using PI resources. Therefore, the vehicle supply budget has been left at the pre-purchase level and will be re-evaluated for FY2018-19 & thereafter.
- ✓ All other categories not previously mentioned were trended at a composite rate of 1%.
 - Again, it is important to note that any unanticipated spikes in uncontrollable categories – namely gasoline & fuel – will require a reprioritization within and among the costs included in this category. Contingencies may need to be developed to balance program needs versus these overhead demands.

The following table & graph provide a statistical & visual comparison of this category.

	ACTUAL			ESTIMATE				
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2020/21
Supplies & Materials								
Educational Supplies	490,571	520,588	443,468	597,925	603,904	609,943	616,043	622,203
Textbooks	219,739	149,387	138,796	260,903	263,512	266,147	268,809	271,497
Library Books etc.	71,598	71,100	77,394	94,193	95,135	96,086	97,047	98,017
Software	308,378	321,424	149,509	177,073	178,844	180,632	182,439	184,263
Building & Grounds Supplies	340,461	336,876	374,305	333,441	336,776	340,144	343,545	346,980
Vehicle Supplies	619,557	455,423	409,395	728,153	759,146	791,499	825,271	860,526
Total Line 3.040	2,050,305	1,854,798	1,592,867	2,191,688	2,237,317	2,284,451	2,333,153	2,383,487
Dollar Change	58,861	(195,507)	(261,931)	598,821	45,629	47,134	48,702	50,334
% Change over prior yr.	2.96%	-9.54%	-14.12%	37.59%	2.08%	2.11%	2.13%	2.16%



Line 3.050 New & Replacement Equipment

By definition, this category represents expenditures for the acquisition of, or addition to, fixed assets. Included are expenditures for land or existing buildings; improvements of grounds; construction of buildings; additions to buildings; remodeling of buildings; initial and additional equipment, furnishings and vehicles.

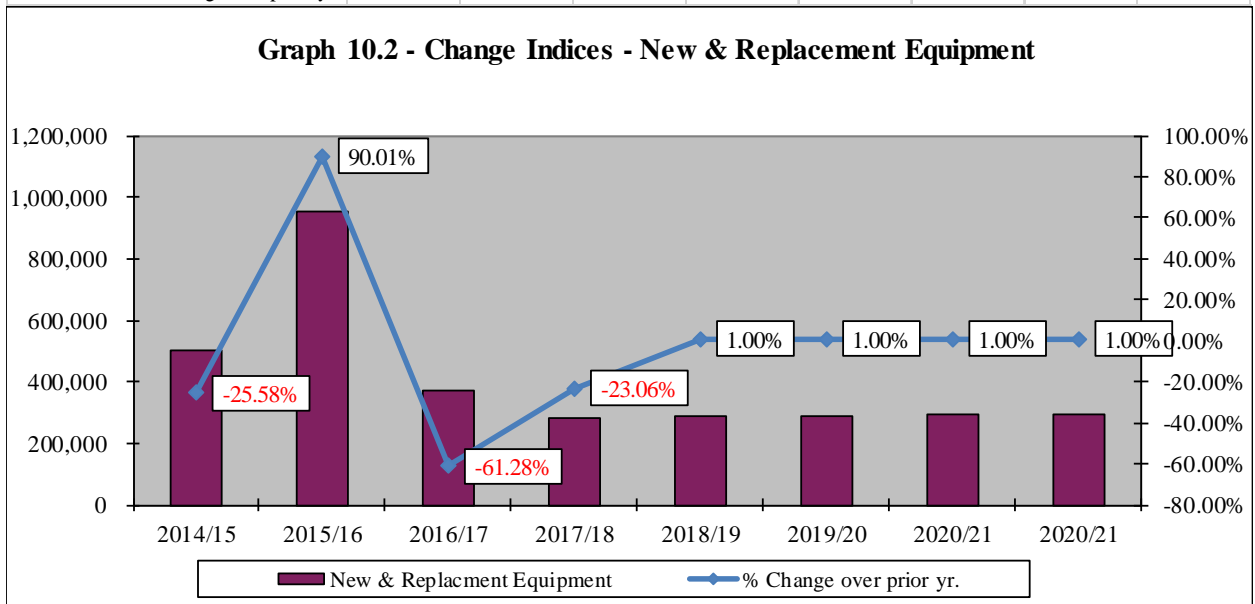
General Assumptions for this category include:

- ✓ All categories for the forecasted period have been trended at 1%
- ✓ All future bus and vehicle-related purchases, technology equipment, etc. or any asset having a useful life of 5-years or more and improving a District fixed asset or personal property qualifies as permanent improvement (2008, 2012, & 2016) offset and is included accordingly as part of the District's 5-year capital plan.

However, during the \$57M Capital Improvement program, dollars from this category were targeted to assist with the completion of key facility & grounds improvements in order to satisfy strategic elements of the facility master plan. The Board and administration reserve the right to utilize under spent budgeted amounts to continue to improve its aging instructional equipment demands.

The table & graph below provide a statistical & visual comparison of this category.

	ACTUAL			ESTIMATE				
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2020/21
New & Replacement Equipment								
All Other New & Replacmnt Equip	103,634	13,452	57,626	38,915	39,304	39,697	40,094	40,495
New & Replacmnt Computer Equip	0	0	0	0	0	0	0	0
New & Replacmnt Instructional Equip	379,976	686,814	311,424	245,046	247,497	249,972	252,471	254,996
Replacement Vehicles & Buses	17,984	252,801	0	0	0	0	0	0
Line 3.050 Total:	501,594	953,067	369,049	283,962	286,801	289,669	292,566	295,491
Dollar Change	(172,433)	451,473	(584,018)	(85,088)	2,840	2,868	2,897	2,926
% Change over prior yr.	-25.58%	90.01%	-61.28%	-23.06%	1.00%	1.00%	1.00%	1.00%



Line 4.300 Other Misc. Expenses

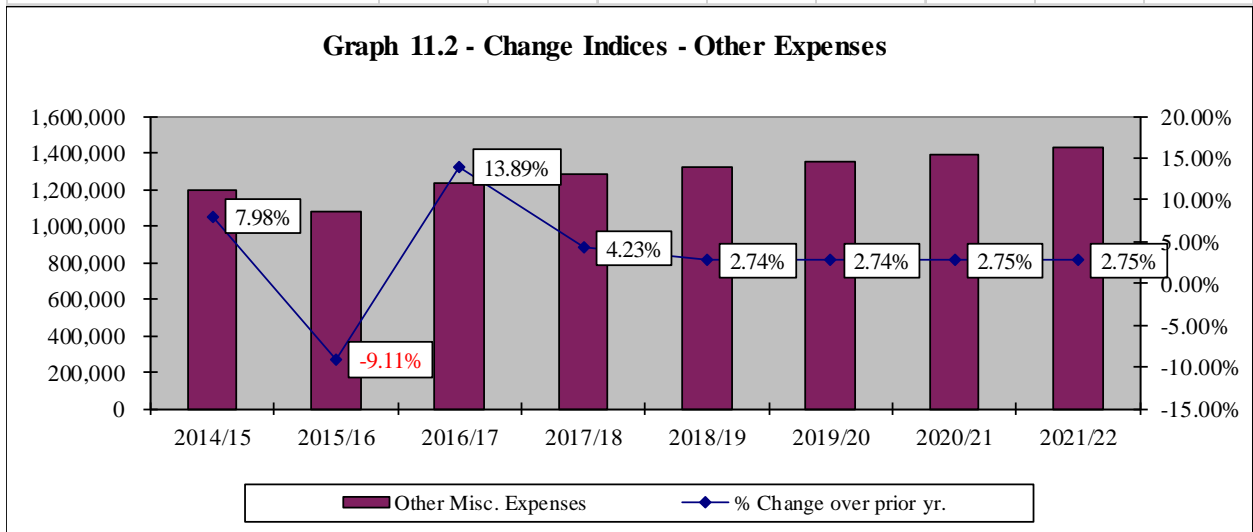
By definition, this category includes amounts paid for goods and services not otherwise classified above, such as expenditures for the retirement of debt, the payment of interest on debt and the payment of dues and fees.

General Assumptions for this category include:

- ✓ Cuyahoga County Auditor & Treasurer Fees associated with the collection of property taxes are trended at 3%.
- ✓ All other categories have been trended at historical increases, 1-3% depending on the category.

The table & graph on the next page provide a statistical & visual comparison of this category.

	ACTUAL			ESTIMATE				
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Other Misc. Expenses								
General Liability & Performance Bonds	71,848	83,164	87,082	74,899	76,397	77,925	79,483	81,073
Cuyahoga Co. ESC	26,011	26,579	25,922	28,846	29,134	29,425	29,720	30,017
County Auditor & Treasurer's Fees	871,044	746,676	876,017	902,297	929,366	957,247	985,965	1,015,543
All Other Misc. Expenses	221,487	225,571	243,252	278,413	284,763	291,286	297,986	304,868
Line 4.300 Total:	1,190,390	1,081,990	1,232,273	1,284,454	1,319,660	1,355,883	1,393,153	1,431,501
Dollar Change	87,986	(108,400)	150,283	52,181	35,206	36,223	37,270	38,348
% Change over prior yr.	7.98%	-9.11%	13.89%	4.23%	2.74%	2.74%	2.75%	2.75%



Line 5.040 Other Financing Uses

By definition, this category provides either temporary or permanent financial resources to other funds. Historically, the district has provided permanent funding to Community Recreation, student fees, and the Athletic Department.

General Assumptions for this category include:

- ✓ Transfers represent permanent financial assistance to non-operating funds and programs. The District currently supports Community Education & Recreation, Athletics, Uniform School Supplies, Termination Benefits, Employee Benefits, and some Debt Service. Therefore, the transfer category can and does experience volatility as each of the areas mentioned requires funding to satisfy a change in program, philosophy, or need. However, every effort is made to manage the overall level necessary to support the program.

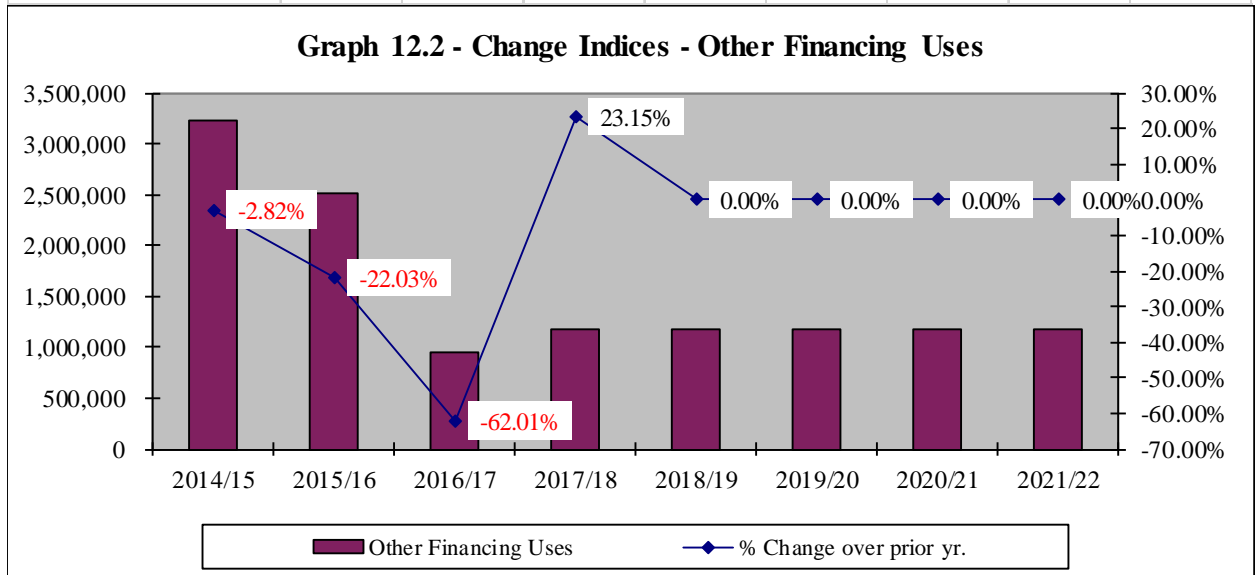
During FY2014/15 the District took advantage of under spent budget amounts to offset approximately \$1.0M of Permanent Improvement Fund debt payments in an effort to provide resources to its 3 primary capital improvement projects – Rehabilitating the old Cuyahoga County Library into an Innovation Center, Air-conditioning all 4 of its elementaries, & Rehabilitating its vocational wing at its High School. In FY2015/16, the District utilized this same methodology to fund \$875K of facility improvements at Millridge Elementary as well as funding \$440K associated with the recently issued debt for the Mayfield Innovation Center improvements. Patterns returned to normal as is evidenced in FY2016/17 & each year thereafter.

The Board and administration reserve the right to continue to utilize under spent budgeted amounts to continue to improve its aging facilities.

- ✓ Advances represent interim loans to funds to offset mid-year cash deficits. Essentially, they do not have a material impact on the financials.

The table & graph below provide a statistical & visual comparison of this category.

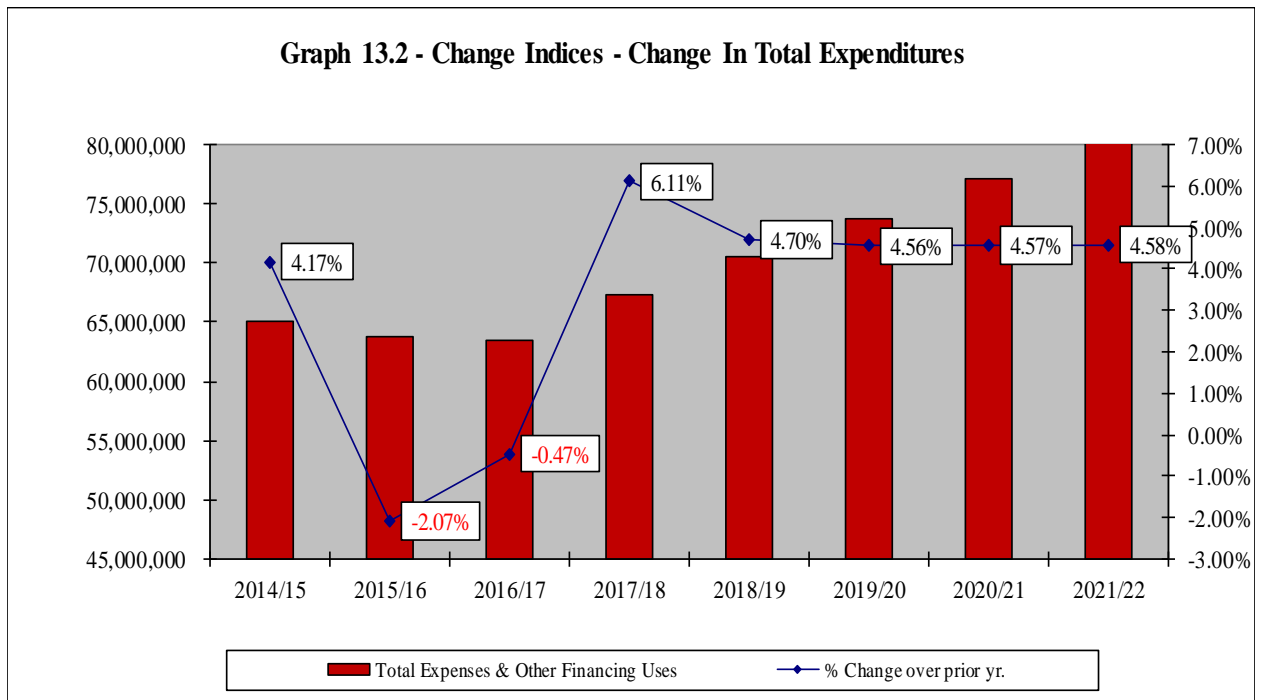
	ACTUAL			ESTIMATE				
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Other Financing Uses								
Transfers	2,154,393	1,658,860	216,532	575,000	575,000	575,000	575,000	575,000
All Other Financing Uses	0	0	(220)	0	0	0	0	0
Advances	1,066,557	852,497	737,779	600,000	600,000	600,000	600,000	600,000
Refund of Prior Year	0	0	0	0	0	0	0	0
Line 5.040 Total:	3,220,950	2,511,357	954,091	1,175,000	1,175,000	1,175,000	1,175,000	1,175,000
Dollar Change	(93,431)	(709,593)	(1,557,266)	220,909	0	0	0	0
% Change over prior yr.	-2.82%	-22.03%	-62.01%	23.15%	0.00%	0.00%	0.00%	0.00%



Line 5.050 Total Expenditures and Other Financing Uses

The following table & graph provide a statistical & visual comparison of all expenditure and other financing uses.

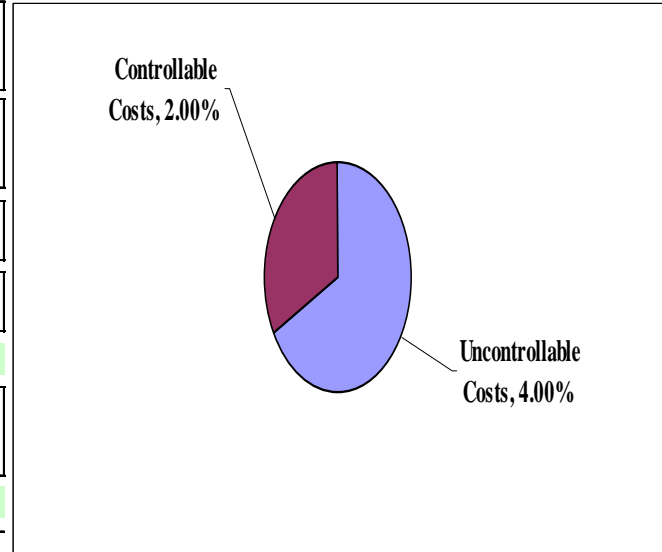
	ACTUAL			ESTIMATE				
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Total Expenses & Other Financing Uses								
Personal Services	34,186,117	33,284,697	34,483,925	36,437,000	38,185,000	39,923,000	41,737,000	43,632,000
Employee Benefits	13,530,191	14,092,041	14,556,197	15,180,600	15,984,000	16,814,500	17,689,300	18,611,100
Purchased Services	10,444,864	9,995,139	10,286,748	10,801,672	11,335,610	11,898,556	12,492,158	13,118,160
Supplies and Materials	2,050,305	1,854,798	1,592,867	2,191,688	2,237,317	2,284,451	2,333,153	2,383,487
Capital Outlay	501,595	953,067	369,049	283,962	286,801	289,669	292,566	295,491
Other Objects	1,190,390	1,081,990	1,232,273	1,284,454	1,319,660	1,355,883	1,393,153	1,431,501
Total Other Financing Uses	3,220,950	2,511,357	954,091	1,175,000	1,175,000	1,175,000	1,175,000	1,175,000
Line 5.050 Total:	65,124,412	63,773,089	63,475,150	67,354,376	70,523,388	73,741,059	77,112,330	80,646,740
Dollar Change	2,608,078	(1,351,324)	(297,939)	3,879,226	3,169,013	3,217,671	3,371,271	3,534,410
% Change over prior yr.	4.17%	-2.07%	-0.47%	6.11%	4.70%	4.56%	4.57%	4.58%



CONTROLLABLE VS. UNCONTROLLABLE COSTS

The table below illustrates the key differences between a public school districts uncontrollable and controllable costs and the associated difficulty in achieving an expenditure growth rate close to the Consumer Price Index, which is typically considered 3.00%. This is being provided for illustration purposes only and the percentages listed do not represent Mayfield CSD.

<i>Description</i>	<i>Percent</i>
Personnel Costs: embedded in collective bargaining agreements or Federal & State Law (STRS, SERS, Medicare, etc.)	3.00%
Purchase Services: Utilities, Out of District Tuition, Transportation, Contracted Health & Nursing services	0.70%
Supplies & Materials: Bus Fuel, Adopted Textbooks, Custodial Supplies, Paper	0.15%
Other Expenses: County Auditor & Treasurer Fees, Liability & Property Insurance	0.15%
Sub-Total Uncontrollable Costs:	4.00%
Personnel Costs: negotiated increases to collective bargaining agreements, program enhancements	2.00%
Sub-Total Controllable Costs:	2.00%
TOTAL:	6.00%



ENCUMBRANCES

The District uses the encumbrance method as part of its formal budgetary and management control. Under this method, purchase orders, contracts, resolutions and other commitments for the expenditure of funds are recorded to reserve that portion of the applicable appropriation for future payment.

Encumbrances outstanding at year-end represent planned expenditures which were budgeted in the fiscal year but which were not paid for as of year-end. The forecast assumes that the entire budget will be expensed within the year authorized and carries the outstanding encumbrances at the conclusion of FY2014/15 throughout the forecasted period.

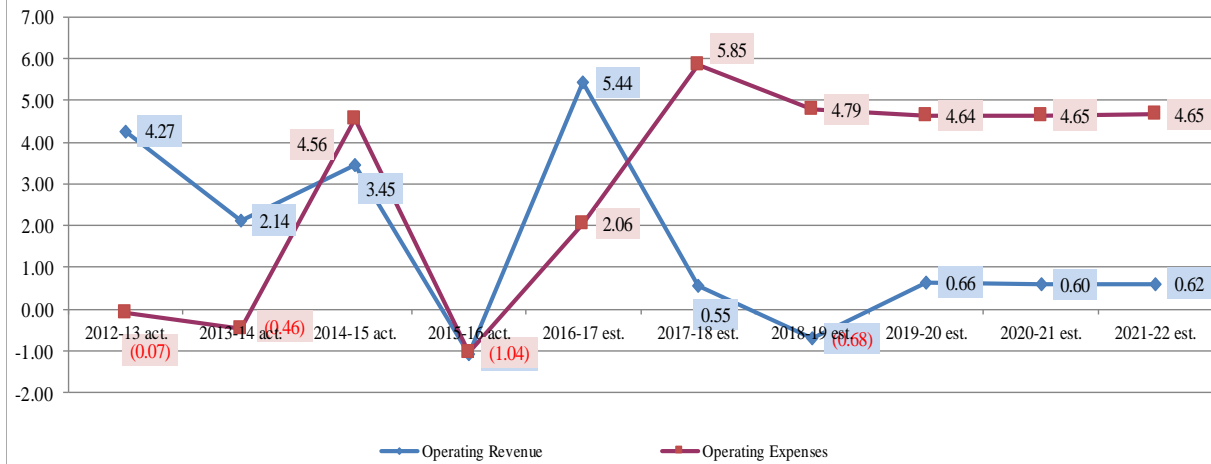
INDICE COMPARISON OF REVENUE & EXPENDITURE CHANGES BY FISCAL YEAR

As the table below demonstrates, even in-lieu of future expenditure reductions, operating revenue growth absent the passage of additional operating levies is NOT sufficient to keep pace with the traditional school district inflation and moreover CANNOT keep pace with a standard inflationary rate of 3.0%; which is widely used by non-school district entities as a measure of the cost-of-living or cost-of-doing business.

A highlight worth noting is the 6-year actual expenditure trend (FY2013 – FY2016) of .75%, which is considerably under the 3.0% base inflationary level typically associated with market level or “household purchasing” inflation and the overall change in operating expenses fiscal years 2012/13, 2013/14 and 2015/16 actually DECREASED by .07%, .46%, & 1.04% respectively. Overall, this 4-year trend percentage is largely attributed to the financial plan put forth by the Administration and endorsed by the Mayfield Board of Education. The large increase in revenue FY16-17 of 5.14% is due to the passage of our 5.0 mill operating levy to assist in addressing the elimination of the TPP Reimbursements by the Governor and the Ohio General Assembly.

As the blue portion of the line graph below illustrates, the projected revenue is essentially flat. Comparing this “flat-lined” revenue projection to the expense trajectory that includes managed albeit positive growth, the net result is the structural operating deficiency discussed at the beginning of this forecast. This is the primary basis upon which tax levy requests every three or four years are predicated.

10-YEAR HISTORY & PROJECTION OF REVNEUE & EXPENSE CHANGE INDICE ANALYSIS



LEVY HISTORY

A history of levy issues since 1965 and the related pass or failure is listed in the following table.

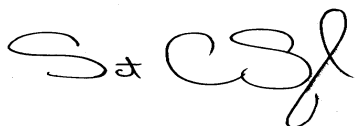
Year	Month	Type	Mills	Ballots	For	%	Against	%	Outcome	#
1965	Nov.	Operating	3.0	9,371	4,175	44.6%	5,196	55.4%	Fail	1
1965	Dec.	Operating	3.0	5,525	3,848	69.6%	1,677	30.4%	Pass	2
1967	Nov.	Operating	2.9	9,115	5,155	56.6%	3,960	43.4%	Pass	3
1968	May	Operating	15.7	3,575	2,376	66.5%	1,199	33.5%	Pass	4
1971	May	Operating	4.8	4,866	2,076	42.7%	2,790	57.3%	Fail	5
1971	June	Operating	4.8	6,038	3,177	52.6%	2,861	47.4%	Pass	6
1973	Nov.	Operating	3.5	11,014	5,647	51.3%	5,367	48.7%	Pass	7
1978	Nov.	Operating	5.5	10,732	5,957	55.5%	4,775	44.5%	Pass	8
1986	Nov.	Operating	0.3	11,967	6,162	51.5%	5,805	48.5%	Pass	9
1988	Nov.	Operating	5.5	15,873	9,200	58.0%	6,673	42.0%	Pass	10
1991	Nov.	Operating	5.9	11,238	5,777	51.4%	5,461	48.6%	Pass	11
1994	May	Operating	4.6	10,698	3,706	34.6%	6,992	65.4%	Fail	12
1995	May	Operating	4.4	9,181	4,204	45.8%	4,977	54.2%	Fail	13
1995	Nov.	Operating	3.0	12,238	7,270	59.4%	4,968	40.6%	Pass	14
2000	Nov.	Operating	1.9	15,138	7,465	49.3%	7,673	50.7%	Fail	15
2002	May	Operating	6.9	7,287	3,706	50.9%	3,581	49.1%	Pass	16
2004	Nov.	Operating	5.5	17,707	9,337	52.7%	8,370	47.3%	Pass	17
2008	March	Combination: Operating (5.0), PI (1.9)	6.9	12,098	6,000	49.6%	6,098	50.4%	Fail	18
2008	Nov.	Combination: Operating (5.0), PI (1.9)	6.9	17,970	10,276	57.2%	7,694	42.8%	Pass	19
2012	March	Combination: Operating (5.0), PI (.9)	5.9	8,542	4,517	52.9%	4,025	47.1%	Pass	20
2016	Nov.	Combination: Operating (5.0), PI (1.9)	6.9	16,741	9,159	54.7%	7,582	45.3%	Pass	21

SUMMARY

In conclusion and notwithstanding the negative impacts of legislative, economic, or political acts; the District has implemented “planned” budget reductions in an effort to weather the challenging economic climate. We have taken advantage of one-time resources to supplant current operating expenses as well as benefitting from funding sources trending better than anticipated that have contributed to our overall financial performance and improved bottom line. While this is helpful and necessary, the District MUST pay special attention to its cash collections, its anticipated fiscal year deficit spending (FY2018/19), first end of month deficit, and first fiscal year end deficit (both of which occur outside of the forecasted period), and plan accordingly.

The following spreadsheet includes all of the items that have been previously discussed and follows the same format that has been presented in past discussions. The input factors reflect the current assumptions and do not include possible levy scenario outcomes.

Please let me know if you have any questions.

A handwritten signature in black ink, appearing to read "S. C. Snyder". The signature is written in a cursive style with a large loop at the end.

MAYFIELD CITY SCHOOL DISTRICT								
ACTUAL & PRO-FORMA ENDING UNRESERVED OPERATING FUND BALANCE								
FY2015 THRU FY2022								
GENERAL & FIVE YEAR FORECAST PROJECTION STATISTICS								
LEVY ADVISORY SYSTEM	SEVERE	- SEVERE RISK OF LEVY FAILURE AND DAMAGED PUBLIC SUPPORT & GOODWILL						
	HIGH	- HIGH RISK OF LEVY FAILURE AND DAMAGED PUBLIC SUPPORT & GOODWILL						
	ELEVATED	- SIGNIFICANT RISK OF LEVY FAILURE AND DAMAGED PUBLIC SUPPORT & GOODWILL						
	GUARDED	- GENERAL RISK OF LEVY FAILURE AND DAMAGED PUBLIC SUPPORT & GOODWILL						
	LOW	- LOW RISK OF LEVY FAILURE AND DAMAGED PUBLIC SUPPORT & GOODWILL						
LEVY & FINANCIAL SCENARIOS								
I N P U T	2020 Levy	A	B	C	D	E	C O N T R O L	
	2021 Levy							
	2022 Levy							
	2023 Levy							
	2024 Levy							
#	Month Ending	Projected Fund Balance CURRENT	A 4yr. levy option	B 4yr. levy option	C 4yr. levy option	D 4yr. levy option	E 4yr. levy option	Cash Reserves 90 days carryover
	Jun-15	26,190,165	26,190,165	26,190,165	26,190,165	26,190,165	26,190,165	16,281,103
	Jun-16	28,287,553	28,287,553	28,287,553	28,287,553	28,287,553	28,287,553	15,943,272
0	Jun-17	34,816,944	34,816,944	34,816,944	34,816,944	34,816,944	34,816,944	15,868,787
3	Sep-17	42,994,736	42,994,736	42,994,736	42,994,736	42,994,736	42,994,736	
6	Dec-17	29,581,056	29,581,056	29,581,056	29,581,056	29,581,056	29,581,056	
9	Mar-18	45,358,677	45,358,677	45,358,677	45,358,677	45,358,677	45,358,677	
12	Jun-18	37,339,123	37,339,123	37,339,123	37,339,123	37,339,123	37,339,123	16,838,594
15	Sep-18	45,039,225	45,039,225	45,039,225	45,039,225	45,039,225	45,039,225	
18	Dec-18	30,211,285	30,211,285	30,211,285	30,211,285	30,211,285	30,211,285	
21	Mar-19	45,500,689	45,500,689	45,500,689	45,500,689	45,500,689	45,500,689	
24	Jun-19	36,220,465	36,220,465	36,220,465	36,220,465	36,220,465	36,220,465	17,630,847
27	Sep-19	43,416,677	43,416,677	43,416,677	43,416,677	43,416,677	43,416,677	
30	Dec-19	27,635,295	27,635,295	27,635,295	27,635,295	27,635,295	27,635,295	
31	Jan-20	27,104,084	27,104,084	27,104,084	27,104,084	27,104,084	27,104,084	
33	Mar-20	42,405,845	42,405,845	42,405,845	42,405,845	42,405,845	42,405,845	
36	Jun-20	32,335,782	32,335,782	32,335,782	32,335,782	32,335,782	32,335,782	18,435,265
39	Sep-20	38,978,141	38,978,141	38,978,141	38,978,141	38,978,141	38,978,141	
42	Dec-20	22,194,568	22,194,568	22,194,568	22,194,568	22,194,568	22,194,568	
45	Mar-21	36,391,664	36,391,664	36,391,664	36,391,664	36,391,664	36,391,664	
48	Jun-21	25,492,979	25,492,979	25,492,979	25,492,979	25,492,979	25,492,979	19,278,083
51	Sep-21	31,554,338	31,554,338	31,554,338	31,554,338	31,554,338	31,554,338	
54	Dec-21	13,717,272	13,717,272	13,717,272	13,717,272	13,717,272	13,717,272	
57	Mar-22	27,311,748	27,311,748	27,311,748	27,311,748	27,311,748	27,311,748	
60	Jun-22	15,544,395	15,544,395	15,544,395	15,544,395	15,544,395	15,544,395	20,161,685