

Exhibit 2

Financial Plan for Oakstone Community School July 1, 2017 – June 30, 2019

Introduction

Community school funding in the State of Ohio is established through June 30, 2017, in accordance with the biennial budget that was approved beginning July 1, 2015. Any funding after June 30, 2017, has not been established. As is the case for any school in Ohio, the Governing Authority of Oakstone Community School (the SCHOOL) will develop potential plans for funding changes as they occur. The SCHOOL may need to limit enrollment, make staffing cuts, renegotiate service rates, etc. in response to funding changes. We may also add students and/or staff or invest in new programs if it is appropriate to do so.

Estimated School Budget

The following tables summarize our receipt and disbursement projections for the term of the contract:

Receipt Estimates and Assumptions

Receipts	FY 18	FY 19
Foundation	\$7,810,988	\$7,889,098
Casino Revenue	13,350	13,350
Federal Grants	159,712	161,255
Medicaid in Schools	39,499	15,000
Interest	1,200	1,200
Total Receipts	\$8,024,749	\$8,079,903

Foundation - estimates are based on current law for FY 17 with enrollment of 266 students (full FTEs for all current students plus replacement of any students who withdrawal or graduate/age out each year) with 1% increases in both FY 18 and FY 19. The SCHOOL may take additional students or reduce enrollment by not replacing students if it is appropriate for the program.

Casino Revenue - remains stable based on FY 17 activity.

Federal Grants (Title VI-B and Title II-A) – increase in Title VI-B to cover salary increases for positions covered by this funding; Title II-A funds remain stable based on FY 17 activity.

Medicaid in Schools – includes \$15,000 per year in interim billing. FY 18 also include \$24,499 expected settlement from the 2013-2014 Medicaid in Schools cost report.

Interest – decreases slightly from FY17 due to smaller fund balance and then remains consistent.

Disbursement Estimates and Assumptions

Disbursements	FY 17	FY 18
Salaries & Wages	\$1,166,266	\$1,177,884
Fringe Benefits	407,580	411,905
Purchased Services	6,452,955	6,514,540
Supplies & Materials	31,270	23,770
Capital Outlay	15,000	10,500
Total Disbursements	\$8,073,071	\$8,138,599

Salaries & Wages – estimates include salaries for current staff including Superintendent, Fiscal Officer, Principal, Special Education Coordinator/Team Leader, intervention specialists, teachers, classroom aides, and an administrative assistant with total increases of 1% in each year to match receipt increases. Also includes addition of a special education representative/transition coordinator position and increase of administrative assistant to full time. The 1% increase in total salaries and wages is based on total salary and wage disbursements and is not a planned increase of 1% per person or position. The SCHOOL may authorize higher increases for some staff while reducing others or eliminate positions to allow for salary increases. Staff additions would be offset by other cuts or by increasing receipts through additional enrollment.

Fringe Benefits – includes all benefits for employees with 1% increase in each year to match increases in foundation receipts and in salaries and wages.

Purchased Services – includes sponsor fees, cell phone for Superintendent, training, professional memberships, support services, rent, insurance and bonds, audit fees, public notice advertisements, MEC services, summer camp services, related services, attorney fees, placement contracts for students placed at CCDE, etc. These services are expected to remain stable or increase slightly. The SCHOOL will negotiate with vendors as much as possible to restrict increases in these areas to match increases in receipts.

Supplies & Materials – FY 18 is an increase due anticipated classroom supply needs; FY 19 is back to FY17 spending levels with a slight increase.

Capital Outlay – FY 18 is an increase due to increased technology needs for testing; FY 19 is back to FY 17 spending levels with a slight increase.

Total Estimated Per Pupil Expenditure Amount

Based on the above projected disbursements and enrollment of 266 students, the estimated per pupil expenditure for each period of the Community School sponsor contract are 30,350 in FY 18 and \$30,596 in FY 19.

Projected Net Income/Remaining Fund Balance

	FY 18	FY 19
Net Income	(\$48,322)	(\$58,696)
Estimated Beginning Fund Balance	310,838*	262,516
Estimated Ending Fund Balance	\$262,516	\$203,820

**estimated beginning fund balance based on FY17 Appropriations Revision #3*

Internal Controls and Compliance

The SCHOOL will continue to operate in accordance with:

- policies and procedures of the Governing Authority for sound financial internal controls, including those for purchasing/invoices, accounts payable, and petty cash (if appropriate).
- applicable sections of the Ohio Revised Code and the Ohio Administrative Code, including OAC 3301-92-04 which requires a projection of revenues and expenditures be submitted each year by October 31 and May 31 for the current fiscal year and the ensuing four fiscal years

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Page 3

- rules adopted by the Auditor of State.

The SCHOOL will also continue to have annual audits in accordance with Ohio Rev. Code Section 117.10.

Conclusion

The SCHOOL has operated successfully since our opening in 2004 and has developed a financial model that has allowed the SCHOOL to remain solvent, meet all financial obligations, maintain high quality staff, provide a high quality program for our unique population, and provide inclusion experiences for many of our students through outside placement. The SCHOOL will continue to manage our financial resources in the same manner during the term of the sponsor contract that we have in our thirteen year history.