

044495-Niles City Schools

**NILES CITY SCHOOL DISTRICT-TRUMBULL COUNTY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2009, 2010 and 2011 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2012 THROUGH 2016**



**Forecast Provided By
Niles City School District
Treasurer's Office
LINDA MOLINARO, TREASURER
May 23, 2012**

Niles City School District – Trumbull County
Notes to the Five Year Forecast
General Fund Only
May 23, 2012

Introduction to the Five Year Forecast

All school districts in Ohio are required to file a five (5) year forecast by October 31, and May 31, in each fiscal year. The state economy is emerging from a record making recession; however, the economic recovery is slow and may take years before school district revenues are more predictable. The effects of the recession on the national, state and our local economy created a state deficit which required the State of Ohio to make nearly \$8 Billion in reductions in the FY12 -13 state biennium budget which translated into funding reductions for nearly every school district in Ohio. While state funding for schools for the first 2 years of the state budget is predictable for FY12-13, the outlying years 3 through 5 of the forecast (FY14 through FY16) could see funding reductions and downward adjustments. School districts are required to project through FY16 which the reader of this forecast is reminded that this period of time contains 2 future state biennium budgets. This adds to uncertainty as the state of Ohio does not prepare its own forecasts longer than 2 years at a time. The forecast notes below contain the best data available at this time for state funding.

Update May 23, 2012

Our forecast is being updated to reflect our most current economic data for our next scheduled May 2012, update and filing of the forecast.

Revenues:

The overview of revenues show we are on target with our October 2011 FY12 General Fund Total Revenue Line 2.08 estimate of \$23,440,534. The updated estimate is now \$23,467,910 up \$27,376, which is +.12% over October 2011. We are very pleased with this 99.88% accuracy at a time when revenue from the state and property taxes are in a period of volatility. While the overall total revenue is nearly perfectly accurate with projections there were variances within revenue categories that canceled each other out.

- Line 1.01 – Collections were up \$59,752 over original estimates which were calculated anticipating a sharp drop in assessed values. A portion of this is February 2012 delinquent collection was up \$15,000 over last year's collection reflecting a liquidation of a layer of delinquencies that has built over the past 2 years. HB920 increased outside millage rates to help buffer the loss of assessed values which resulted in revenue being slightly higher than originally estimated.
- Line 1.035 - is down \$193,865 due to our ADM being down 52 students over our October 2011 estimate and the new state wide per pupil adjustment fell from \$159 to \$148 in March helping to buffer the loss of state aid. State foundation funding is a major funding source for Niles and will need to be closely monitored.
- Line 1.05 – is up \$37,941 over estimates due slightly underestimating the amount of homestead reimbursements paid to the district as part of reductions in taxpayer's tax bills.
- Line 1.06 - All other revenue is up \$64,276 due to an increase of 13 students in open enrollment from our October 2011 estimates according to the most recent EMIS data.

Expenditures:

Our original estimates for expenditures on Line 4.5 are expected to be overall less than projected by \$601,564. This is primarily due to taking health insurance premium holidays and reducing reserves in our health insurance fund and reducing costs for fringe benefits on Line 3.2 by \$645,000. This was done to avoid a cash deficit in FY12.

- Line 3.03 – purchased services are up \$124,000 over original estimates due to an additional 24 students leaving the district and enrolling in Community Schools.



Unreserved Ending Cash Balance:

With the decreasing assessed values and tax revenues, and; lower state funding as noted above the ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be barely positive June 2012 in the amount of \$2,015. Ohio Revised Code does not allow school districts to close any fiscal year with a negative ending cash balance. **It is recommended that districts carry at least a thirty (30) day ending cash balance in order to deal with unknown events that could occur at any point in a school year. That would be an ending balance of \$1.9 million for our district compared to \$2,015 we expect to end with June 2012.**

We have structured the Niles City School District forecast estimating the affects of the current state biennium budget, HB153, which became effective July 1, 2011. A brief recap of the major revenue changes per HB153 begins with sharp reductions to Tangible Personal Property tax (TPP) state reimbursements. In addition to these reduction in HB153, the federal State Fiscal Stabilization Funds (SFSF) which Ohio used to help balance its General Revenue Fund for education, has been eliminated as of June 30, 2011 and state funds were not adequate to make up for the loss. So while actual state General Revenue Foundation Funding to the district increased actual revenue overall fell to the district considering the loss of SFSF money and the phase out of TPP reimbursement. The table below summarizes the (\$1,955,232) net loss from FY11 revenue levels in operating revenues from the state budget and SFSF elimination for FY12 and FY13.

<u>Revenue Source</u>	<u>FY12 +/-</u>	<u>FY13 +/-</u>	<u>FY12 & FY13</u>
			<u>Totals +/-</u>
TPP Fixed Rate Reimbursement	(\$459,845)	(\$703,695)	(\$1,163,540)
TPP Utility SB3 Reimbursement	(11,374)	(11,374)	(22,748)
SFSF Funding	(1,094,723)	(1,094,723)	(2,189,446)
State Aid	<u>673,788</u>	<u>746,714</u>	<u>1,420,502</u>
Total State/SFSF Net Reduction	<u>(\$892,154)</u>	<u>(\$1,063,078)</u>	<u>(\$1,955,232)</u>

The above state and federal reductions have an immediate impact on FY12 & FY13 funding; however, funding estimates beyond FY13 are also heavily impacted. The TPP Fixed Rate funding was anticipated to be received through FY18. The reduction of TPP revenues from original estimates through FY18 results an additional net reduction of \$1.6 million in long term reductions beyond FY13.

Our estimates as of this date show a loss of revenue due to the reduction in state funding and lower local property tax collections due the reappraisal that took place in 2011 that reduced residential values by 10.38%. Any reduction in values reduces our taxes on 5.7 inside mills the district collects.

We have included the first year of the new state funding formula called The BRIDGE Formula. The new BRIDGE formula is effective for FY12 and FY13. The details of any subsequent state education funding model for FY14 and beyond is unknown. State foundation funding represents approximately 60% of our General Fund revenue and is very significant to the district.

Forecast Risks and Uncertainty:

The forecast reflects the renewal of a 5.3 mill emergency levy in March 2012 to continue collecting in FY13. This renewal will continue the same amount of money this district has been collecting.

The recession has adversely affected the real estate market for both residential and commercial property. Real estate values fell by 10.38% in 2011 for collection in 2012. We have assumed stable valuation each year after

the reappraisal through FY16. Risk of radical reduction in local taxes is mitigated by the effect of HB920 reduction factors and our two (2) emergency levies which are fixed sum. The district fixed sum emergency levy will automatically adjust upward in response to lower values. The risk of sharply lower tax collections is low even if values fall.

The State Budget represents nearly 67% of district revenues. It is clearly the area where the largest risk could come to revenue. It appears that FY12 and FY13 are stable for now, and the one time federal SFSF money has been eliminated after FY11 and EdJobs will be exhausted after FY13. The risk comes in FY14 and beyond if the state economy worsens.

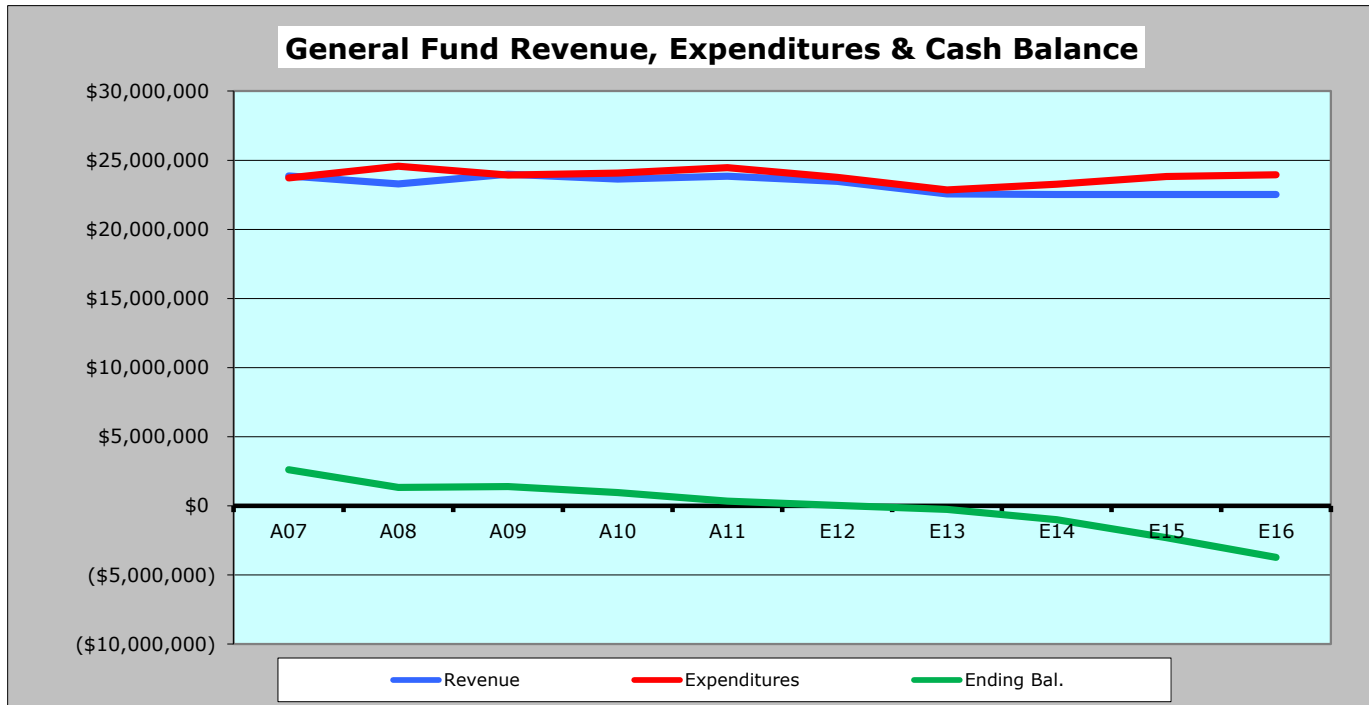
The state budget eliminated tangible personal property (TPP) "Fixed Rate" reimbursements to the district after FY12. This was an area of uncertainty that was cleared up by abruptly eliminating the funding source to the district. This represents no further risk to the district. However, the "Fixed Sum" TPP reimbursements related to our emergency levies could come under scrutiny for reduction in subsequent state budgets. This is a moderate risk to the district if the economy continues to be weak.

There are many provisions in the new state budget bill HB153 and several others that have been proposed that would increase the districts exposure to Ed Choice Vouchers, Special Education and Autism vouchers and a several other favorable school choice provisions. These all could expose the district to new expenditures that are not currently in the forecast. We are closely monitoring these new and proposed laws for adverse effects to our district.

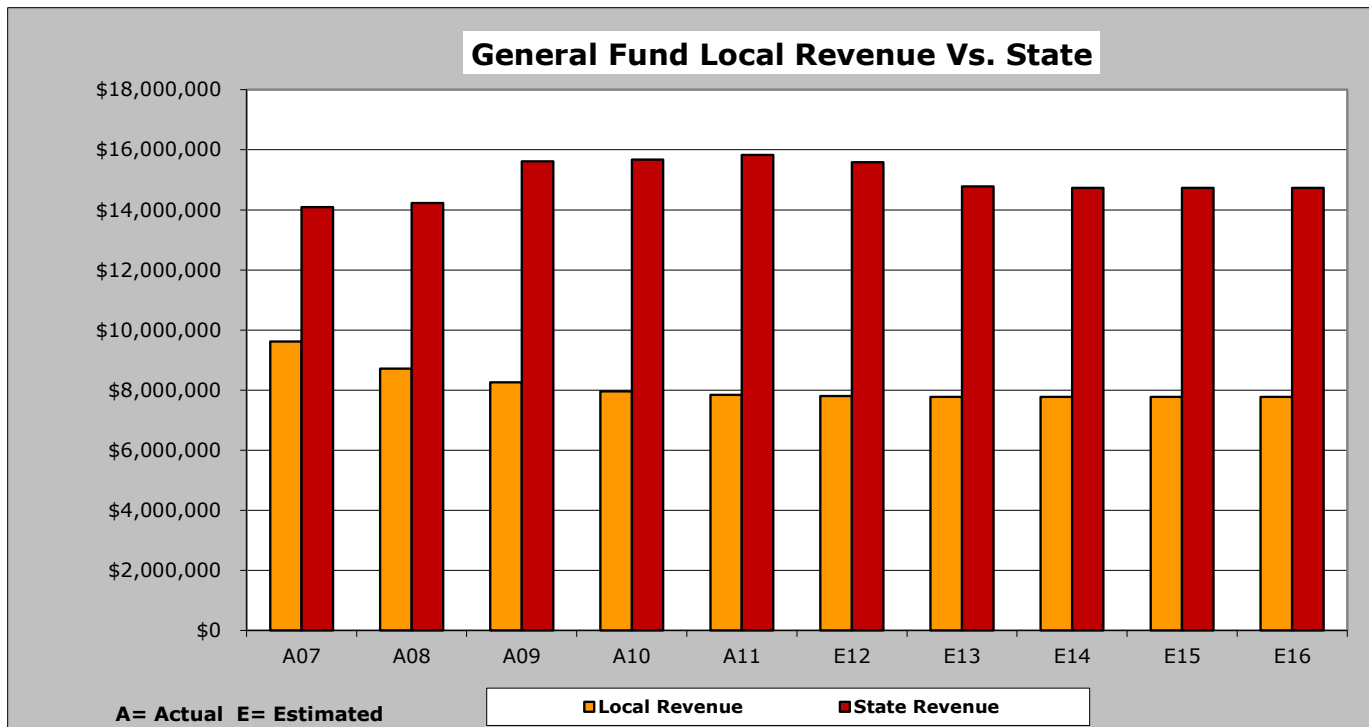
Labor relations in the district have been very amicable with all parties working for the best interest of students and realizing the resource challenges the district faces. We believe as the district moves forward a strong working relationship will continue.

The major Lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information please feel free to contact Ms. Linda Molinaro, Treasurer of Niles Local at 330-652-2500.

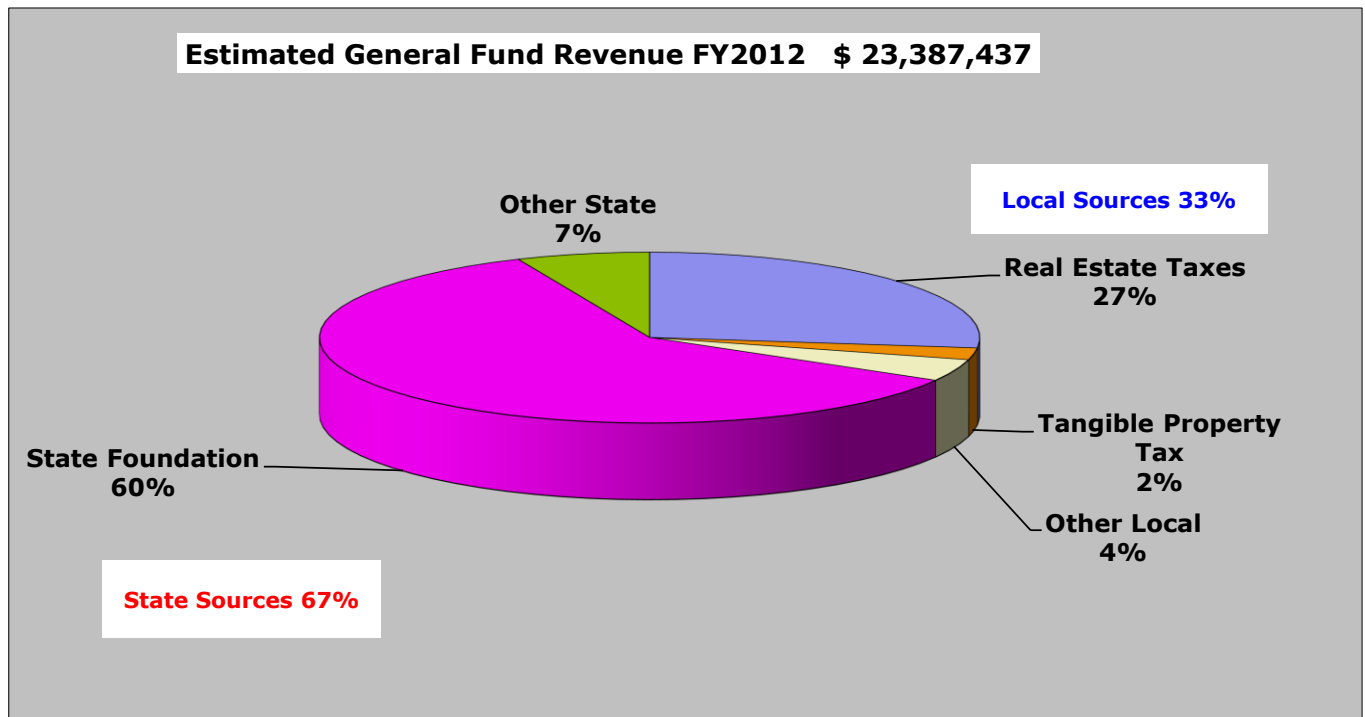
The graph captures in one snapshot the operating scenario facing Niles City School District over the next few years and the immediate need to take action to increase ending cash balance.



Revenue Assumptions



All Revenue Sources General Fund FY12



Real Estate Value Assumptions – Line # 1.010

Property Values are established each year by the County Auditor based on new construction and complete reappraisal or updated values. There was a reappraisal update for 2011 values to be collected in 2012 and a full reappraisal in 2014 to be collected in 2015. Due to the ongoing economic slowdown, especially for property values, no inflationary increase in values has been projected in the entire forecast. Property values for the district fell just over 10.38% in the 2011 reappraisal. Because the district has fixed sum emergency levies the Niles City School District feels that a sharp decline in values would have minimal impact in the amount of taxes to be collected due to the slow economy.

A reminder that Tangible Personal Property (TPP) values as noted below will decrease to \$-0- in 2011 as a result of HB 66 passed in 2005 to be effective July 1, 2005. The district was allegedly held harmless from the loss of the local taxes by the state TTP reimbursements noted below in these notes for Line # 1.050, under TPP Reimbursements. Fixed rate TPP reimbursements have been eliminated after FY12. This is far from held harmless. This in effect transferred the burden for those lost dollars into increased taxes on local taxpayers, a shift of taxes from businesses to mainly residential taxpayers.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR 2011 COLLECT 2012	TAX YEAR 2012 COLLECT 2013	TAX YEAR 2013 COLLECT 2014	TAX YEAR 2014 COLLECT 2015	TAX YEAR 2015 COLLECT 2016
Res./Ag.	176,783,610	176,783,610	176,783,610	176,783,610	176,783,610
Comm./Ind.	51,050,270	51,050,270	51,050,270	51,050,270	51,050,270
Public Utility (PUPP)	10,485,060	10,485,060	10,485,060	10,485,060	10,485,060
Tangible Prop.(TPP)	0	0	0	0	0
Total Assessed Valuation	\$238,318,940	\$238,318,940	\$238,318,940	\$238,318,940	\$238,318,940

ESTIMATED REAL ESTATE TAX (Line #1.010)

<u>Source</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Est. Prop. Taxes Excluding TPP	\$ 6,305,731	\$ 6,298,384	\$6,298,384	\$6,298,384	\$6,298,384

Property tax levies are estimated to be collected at 98% of the annual amount. This allows 2% delinquency factor. In general, 53% of the new Res/Ag and Comm/Ind is expected to be collected in the February tax settlement and 47% collected in the August tax settlement. Public Utility tax settlements (PUPP taxes) are estimated to be received 50% in February and 50% in August settlement from the County Auditor. TPP will cease to be collected after FY11.

The 10 year 5.3 mill emergency levy passed November 2009 will expire December 31, 2019, and; the 10 year 5.3 mill levy passed March 2012 will expire December 31, 2022, both of which are beyond this forecast period. The actual millage on the emergency levies increased because of assessed valuation declines mentioned above.

Renewal and Replacement Levies – Line #11.02 - No renewal levies are modeled in this forecast period.

New Tax Levies – Line #13.030 - No new levies are modeled in this forecast.

Estimated Tangible Personal Tax & PUPP Taxes – Line#1.020

The phase out of TPP taxes as noted earlier began in FY06 with HB66 that was adopted in June 2005. HB66 included provisions for the State to “hold districts harmless” through 2010 then annually are phased out until gone after 2018. Fixed rate TPP reimbursements will be eliminated after FY12 by HB153.

Only Public Utility Personal Property Taxes (PUPP) are shown below in this revenue category in FY12 and beyond. Any actual TPP taxes collected in this forecast period will be from older delinquent taxes being collected.

<u>Source</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Tangible Prop. (TPP) & PUPP	\$525,342	\$496,468	\$496,468	\$496,468	\$496,468
Total Line # 1.020	<u>\$525,342</u>	<u>\$496,468</u>	<u>\$496,468</u>	<u>\$496,468</u>	<u>\$496,468</u>

Other Local Revenues – Line #1.060

Open enrollment is up 13 students over October estimates and is expected to remain stable. Remaining other revenues is projected to grow by 1% annually. Interest rates are expected to remain low flat for the forecast period. Funds are predominately invested in STAR Ohio and interest bearing sweep accounts, but we are planning on laddering out investments to catch any portion of the yield curve offering slightly better rates. Security of the public funds collected by the district is the top priority of the treasurer’s office.

<u>Source</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Open Enrollment Gross	\$ 754,057	\$ 754,057	\$ 754,057	\$ 754,057	\$ 754,057
Interest	8,051	8,051	8,051	8,051	8,051
Tuition SF-14 & SF-14H	32,854	33,183	33,515	33,850	34,188
Other Income and rentals	176,950	178,719	180,507	182,312	184,135
Total Line # 1.060	<u>\$971,912</u>	<u>\$974,010</u>	<u>\$976,129</u>	<u>\$978,270</u>	<u>\$980,431</u>

State Taxes Reimbursement/Property Tax Allocation

A) Rollback and Homestead Reimbursement

These funds are reimbursements from Ohio for tax credits given owner occupied residences equaling 12.5% of the gross property taxes charged residential taxpayers. These amounts will grow along with new levies and new construction in Res/Ag./property classifications. HB66 eliminated 10% rollback on Class II property (commercial and industrial), and HB119 expanded the homestead exemption for seniors on the first \$25K of value. As noted earlier this will cause local tax collections on the senior citizens to fall but the state reimbursements to increase with a net effect of \$-0-.

<u>Source</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Base R & H	\$1,093,791	\$1,090,860	\$1,090,860	\$1,090,860	\$1,090,860
New Levy- (Gross receipts not net of R&H)	\$0	\$0	\$0	\$0	\$0
Total Rollback & Homestead	\$ 1,093,791	\$ 1,090,860	\$ 1,090,860	\$ 1,090,860	\$ 1,090,860

b) Tangible Personal Property Reimbursements – Fixed Rate

The new state budget bill HB153 will slash these reimbursements to NCSD after FY12, reducing our state revenue by over \$1.6 million beyond FY13.

<u>Source</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
TPP Reimbursement - Fixed Rate	\$243,850	\$0	\$0	\$0	\$0
Total TPP Fixed Rate	\$243,850	\$0	\$0	\$0	\$0

c) Tangible Personal Property Reimbursements – Fixed Sum

The fixed sum reimbursements which are a significant portion of our Emergency Levy revenues are not affected by HB153.

<u>Source</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
TPP Reimbursement - Fixed Sum	\$187,661	\$187,661	\$187,661	\$187,661	\$187,661
Total TPP Fixed Sum	\$187,661	\$187,661	\$187,661	\$187,661	\$187,661

Summary of State Tax Reimbursement – Line #1.050

<u>Source</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Rollback and Homestead	\$1,093,791	\$1,090,860	\$1,090,860	\$1,090,860	\$1,090,860
TPP Reimbursement - Fixed Rate	243,850	0	0	0	0
TPP Reimbursement - Fixed Sum	187,661	187,661	187,661	187,661	187,661
Total Tax Reimb./Prop Allocations Line #1.0	\$1,525,302	\$1,278,521	\$1,278,521	\$1,278,521	\$1,278,521

State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045

We have modeled state funding based on ODE simulations of the BRIDGE Formula for FY12 and FY13. We have held state funding flat for FY14 and beyond lacking data to suggest otherwise.

A) Unrestricted State Foundation Revenue SF-3 Form – Line #1.035

<u>Source</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
State Basic Aid FY12 -FY16	\$13,308,118	\$13,381,044	\$13,381,044	\$13,381,044	\$13,381,044
Additional Aid	\$0	\$0	\$0	\$0	\$0
Total Unrest. State Aid Line # 1.035	<u>\$13,308,118</u>	<u>\$13,381,044</u>	<u>\$13,381,044</u>	<u>\$13,381,044</u>	<u>\$13,381,044</u>

B) Restricted State Revenues – Line # 1.040

The only item currently in “restricted aid” is Career Technical. These amounts are generally stable and we have incorporated this amount into the restricted aid amount in Line # 1.04, which the state should continue into the future with small growth year to year.

<u>Source</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Other Restricted	\$0	\$0	\$0	\$0	\$0
Career Tech - Restricted	<u>68,476</u>	<u>68,476</u>	<u>68,476</u>	<u>68,476</u>	<u>68,476</u>
Total Restricted State Revenues Line #1.040	<u>\$68,476</u>	<u>\$68,476</u>	<u>\$68,476</u>	<u>\$68,476</u>	<u>\$68,476</u>

C) Restricted Federal Grants in Aid – line #1.045

In August 2010 we learned that the Education Jobs Bill was passed by the US Government as part of the American Reinvestment and Recovery Act (ARRA) of 2009. Our total allocation is \$734,047. A portion of this money will be estimated to be used in FY13 for contract payments in July and August. All EdJobs money is used for restricted purposes and accounted for in Fund 504. Ed Jobs money is one time funds that will be eliminated after FY13 when these funds are exhausted.

<u>Source</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Restricted Federal Aid Line # 1.045	<u>\$682,556</u>	<u>\$51,491</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	{EdJobs}				

SUMMARY OF STATE FOUNDATION REVENUES

<u>Source</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Unrestricted Line # 1.035	13,308,118	13,381,044	13,381,044	13,381,044	13,381,044
Restricted Line # 1.040	68,476	68,476	68,476	68,476	68,476
Restricted Fed. SFSF /EdJobs #1.045	<u>682,556</u>	<u>51,491</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u>\$14,059,150</u>	<u>\$13,501,011</u>	<u>\$13,449,520</u>	<u>\$13,449,520</u>	<u>\$13,449,520</u>

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

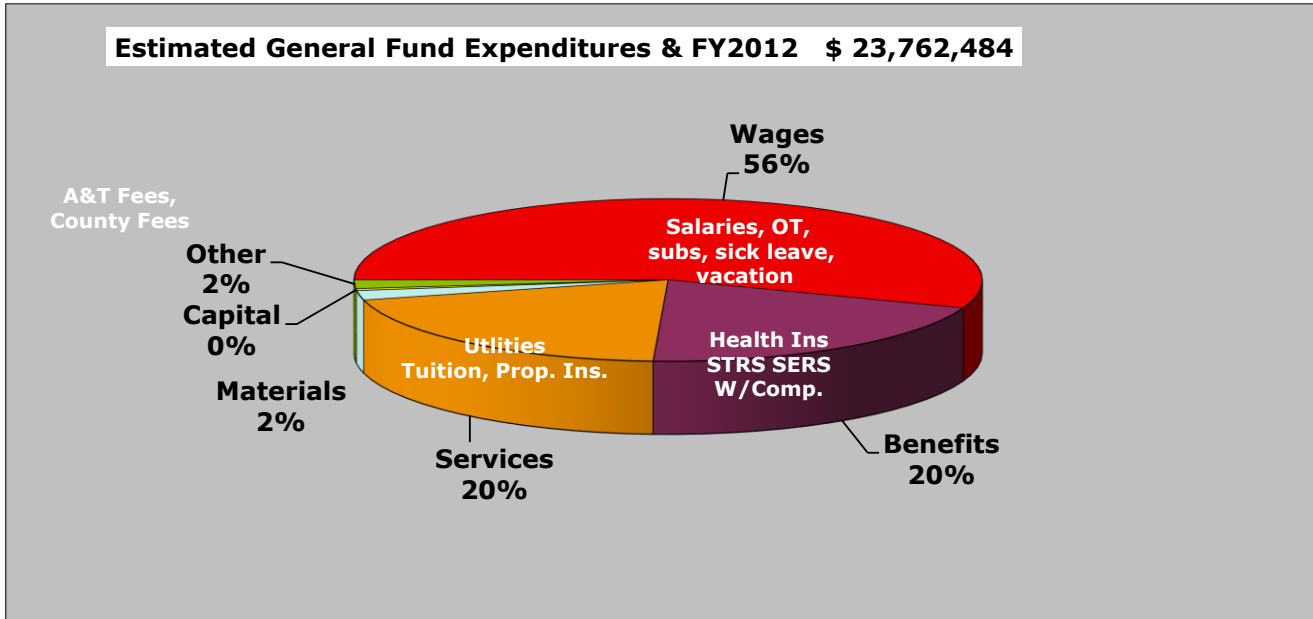
Transfers In / Return of Advances – Line #2.040 & Line #2.050

These are non-operating revenues which are the repayment of short term loans to other funds over the previous fiscal year and reimbursements for expenses received for a previous fiscal year in the current fiscal year. All advances over year end are planned to be returned in the succeeding fiscal year.

All Other Financial Sources – Line #2.060

ALL OTHER FINANCIAL SOURCES - LINE #2.060					
	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Refund of prior years expenditures	<u>\$80,473</u>	<u>\$16,000</u>	<u>\$16,000</u>	<u>\$16,000</u>	<u>\$16,000</u>

Expenditures Assumptions



Wages – Line #3.010

FY12-16 base wages are estimated to remain at 0%. **Step and training increases for all staff are planned in the forecast and have been adjusted down as a result of attrition and RIF's.** An early retirement incentive program was adopted in FY09 which resulted in the last installment payment in FY2012. Net personnel cuts made for FY12 of \$504,862 will reduce costs in FY12 and FY13 to fully implement those reductions. Another round of staff cuts were made for FY13. 17 FTE certificated staff and 15.5 FTE classified positions were cut for FY13. These reductions are noted below in attrition reductions for staff who retired and will not be replaced and staff reductions for those who were reduction in force.

Source	FY12	FY13	FY14	FY15	FY16
Base Wages	\$12,967,148	\$12,776,343	\$11,685,203	\$11,730,128	\$11,937,751
Increases	0	0	0	0	0
All Staff - Steps & Training	229,913	226,141	206,828	207,623	211,298
Attrition Reductions	0	(\$453,120)	(\$82,872)	0	0
Unfunded Recapture	0	0	0	0	0
Retirement Incentive	198,000	0	0	0	0
Severance	245,692	224,568	0	0	0
Staff Reductions	(\$420,718)	(\$864,161)	(\$79,031)	0	0
Total Wages Line 3.010	<u>\$13,220,035</u>	<u>\$11,909,771</u>	<u>\$11,730,128</u>	<u>\$11,937,751</u>	<u>\$12,149,049</u>
Rate Increase	0.00%	0.00%	0.00%	0.00%	0.00%

Fringe Benefits Estimates

This area of the forecast captures all costs associated with benefits and retirement costs. The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System or the School Employees Retirement System as required by Ohio law. SERS announced on April 5, 2010 that they are going to require districts to pay SERS on a current fiscal year basis and not 6 months in arrears which has been the case since 1987 when districts moved from calendar year to fiscal year. This will have the result of accelerating our costs

by up to one-half a year's cost of \$228,000 for SERS. We are taking the 1/6 additional costs per year for 6 years option. We are estimating this cost beginning in FY11, ending FY16 to be \$38,000 additional each year.

A) STRS/SERS will increase as Wages Increase

Source	FY12	FY13	FY14	FY15	FY16
Base Wages	\$1,815,401	\$1,788,688	\$1,635,928	\$1,642,218	\$1,671,285
Increases	0	0	0	0	0
Steps & Training	32,188	31,660	28,956	29,067	29,582
Attrition Reductions	0	(\$63,437)	(\$11,602)	0	0
Unfunded Recapture	0	0	0	0	0
Staff Reductions	(58,901)	(120,983)	(11,064)	0	0
Other SERS 1/6 Cost P/Yr. Ends FY16	<u>38,000</u>	<u>38,000</u>	<u>38,000</u>	<u>38,000</u>	<u>38,000</u>
Total Retirement System Estimates	<u>\$1,826,688</u>	<u>\$1,673,928</u>	<u>\$1,680,218</u>	<u>\$1,709,285</u>	<u>\$1,738,867</u>

B) Insurance

Estimated increases are 15% for FY11; 0% for FY12; and 5% for FY13 through FY16, for medical, dental and vision insurance. **Medical trend and utilization would suggest an increase of 10% to 15% in FY13 through FY16, however such an increase is not sustainable. We have used 5% trend adjustments to fit current cash flow realities that are facing the district. The district has proposed establishing a health insurance committee to work collaboratively to study ways to reduce costs to within the 5% budget number.**

Source	FY12	FY13	FY14	FY15	FY16
Base Costs	\$3,237,584	\$2,658,490	\$2,952,973	\$3,041,203	\$3,193,263
Base Adjustment for Premium Holiday	\$179,500	\$0	\$0	\$0	\$0
Premium Holiday	(\$645,000)	\$645,000	\$0	\$0	\$0
Attrition Reductions	0	(\$166,295)	(\$30,414)	0	0
Staff Reductions	(113,594)	(317,147)	(29,004)	0	0
Insurance Trend Adjustment	<u>0</u>	<u>132,925</u>	<u>147,649</u>	<u>152,060</u>	<u>159,663</u>
Total Insurance Estimates	<u>\$2,658,490</u>	<u>\$2,952,973</u>	<u>\$3,041,203</u>	<u>\$3,193,263</u>	<u>\$3,352,926</u>

C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to remain at about 1% of wages FY12 – FY16. Unemployment costs were increased in FY13 due to reductions in staff.

Source	FY12	FY13	FY14	FY15	FY16
Workers Comp Base Cost Estimates	\$228,707	\$206,039	\$117,301	\$119,378	\$121,490
Workers Comp Prem Holiday	(\$114,000)	(\$114,000)	\$0	\$0	\$0
Unemployment Compensation	<u>\$3,000</u>	<u>\$150,000</u>	<u>\$3,000</u>	<u>\$3,000</u>	<u>\$3,000</u>
Toal BWC & UC Cost Estimates	<u>\$117,707</u>	<u>\$242,039</u>	<u>\$120,301</u>	<u>\$122,378</u>	<u>\$124,490</u>

D) Medicare

Medicare will continue to increase at the rate of increase of wages. Contributions are 1.45% on all wages paid.

Summary of Fringe Benefits – Line #3.020

Source	FY12	FY13	FY14	FY15	FY16
STRS/SERS	\$ 1,826,688	\$ 1,673,928	\$ 1,680,218	\$ 1,709,285	\$ 1,738,867
Insurance's	2,658,490	2,952,973	3,041,203	3,193,263	3,352,926
Workers & UC Comp	117,707	242,039	120,301	122,378	124,490
Medicare	155,128	142,232	145,574	151,397	157,453
Other/Tuition	<u>24,489</u>	<u>24,489</u>	<u>24,489</u>	<u>24,489</u>	<u>24,489</u>
Total Line 3.020	<u>\$ 4,782,501</u>	<u>\$ 5,035,661</u>	<u>\$ 5,011,785</u>	<u>\$ 5,200,811</u>	<u>\$ 5,398,225</u>

Purchased Services – Line #3.030

An overall inflation of 3% is being estimated for this category of expenses. Utility costs are assumed to increase 5% a year. Open enrollment and Community schools continue to draw a significant number of students from our funding which are major expenditures in this area. The District hopes to draw students back from these areas with improved performance and with the new facilities.

<u>Source</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Base Services	\$851,311	\$876,850	\$903,156	\$930,250	\$958,158
Tuition & ESC Sp Ed	1,233,154	1,270,148	1,308,253	1,347,500	1,387,925
Open Enrollment Deduction	893,341	920,141	947,745	976,178	1,005,463
Community School Deductions	1,222,722	1,259,404	1,297,186	1,336,101	1,376,184
Other Tuition	125,000	128,750	132,613	136,591	140,689
Utilities	481,843	505,935	531,232	557,793	585,683
Budget Reductions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Line 3.030	<u>\$4,807,370</u>	<u>\$4,961,228</u>	<u>\$5,120,184</u>	<u>\$5,284,414</u>	<u>\$5,454,102</u>

Supplies and Materials – Line #3.040

An overall inflation of 0% is being estimated for this category of expenses which are characterized by textbooks, copy paper, maintenance supplies and materials, etc. Budget reductions in FY11 of \$15,000 were made in this area. No further reductions are planned at this time.

<u>Source</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Supplies	\$444,904	\$444,904	\$444,904	\$444,904	\$444,904
Budget Reductions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Line 3.040	<u>\$444,904</u>	<u>\$444,904</u>	<u>\$444,904</u>	<u>\$444,904</u>	<u>\$444,904</u>

Equipment – Line # 3.050

An overall inflation rate of 0% for FY12 – FY16 is assumed due to budget constraints. A new school bus has been added in FY14 and FY15. **Technology estimates have been made for FY14 and FY15 to include computers in our new buildings. Updated technology is being driven by anticipated online testing and curriculum. Technology was estimated on one computer per teaching staff and one per five students.**

<u>Source</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Capital Outlay	\$165,589	\$93,689	\$90,000	\$90,000	\$90,000
Additional Bus Purchases	(71,900)	0	85,000	85,000	0
Technology/New Buildings	<u>0</u>	<u>0</u>	<u>375,000</u>	<u>375,000</u>	<u>0</u>
Total Line 3.050	<u>\$93,689</u>	<u>\$93,689</u>	<u>\$550,000</u>	<u>\$550,000</u>	<u>\$90,000</u>

Other Expenses – Line #4.300

The category of Other Expenses consists primarily of Auditor & Treasurer fees. A&T fees will decline with emergency levies expiring, however it is anticipated that they will be replaced so the A&T fees noted below are maintained at current levels. Currently, we are estimating annual increase of 1% for this forecast.

<u>Source</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
County Tax Fees & Election Costs	\$164,885	\$166,534	\$168,199	\$169,881	\$171,580
Annual Audit Fees	28,076	28,357	28,640	28,927	29,216
Liability Ins. & Other Misc. Costs	38,460	38,844	39,233	39,625	40,021
Budget Reductions	0	0	0	0	0
Increased A&T Fees for New Levies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Line 4.300	<u>\$231,421</u>	<u>\$233,735</u>	<u>\$236,072</u>	<u>\$238,433</u>	<u>\$240,817</u>

Transfers Out/Advances Out – Line# 5.010

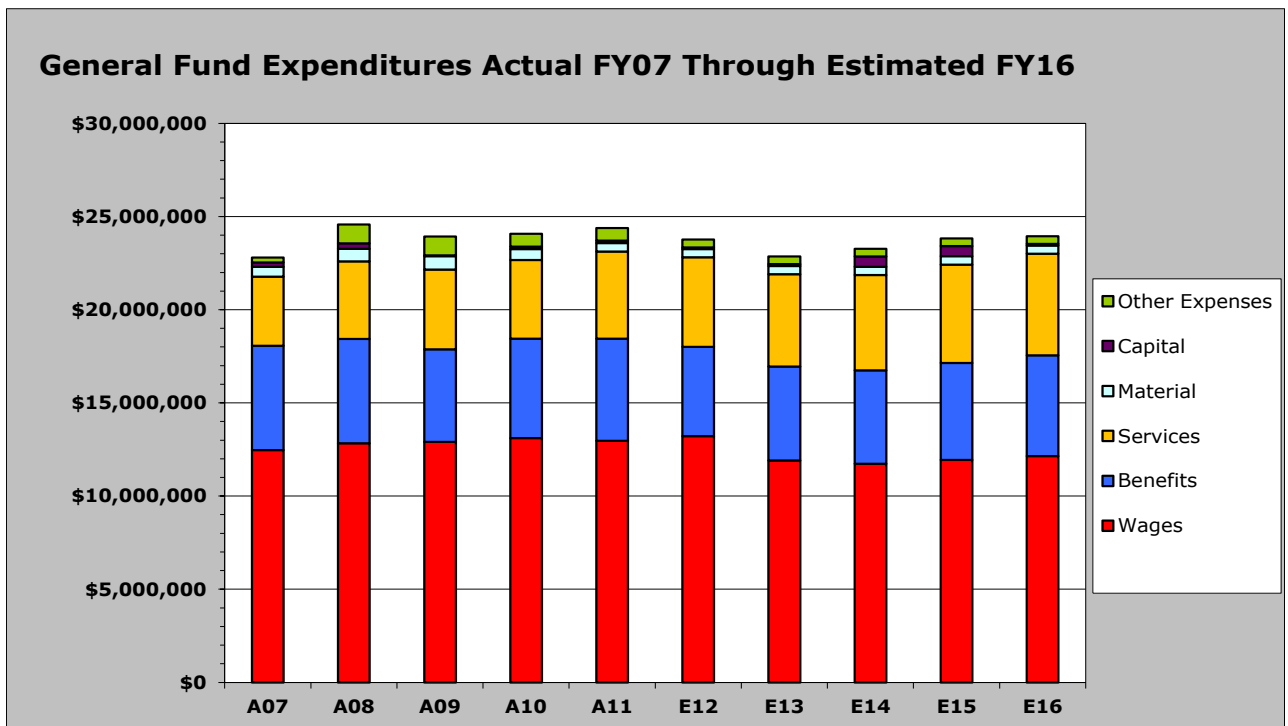
This account group covers fund to fund transfer and end of year short term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund.

<u>Source</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Transfer Line 5.010	\$0	\$0	\$0	\$0	\$0
Advances Line 5.020	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Transfers & Advances	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>Source</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
All Other Financing Uses - Line 5.030	\$0	\$0	\$0	\$0	\$0

Debt Service – Line# 4.020; 4.050; 4.060

HB 264 NOTE REPAYMENT - Line #4.050					
Energy conservation project debt service with a final maturity in school year 2020.					
<u>Source</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
HB 264 Principal Total Line 4.050	<u>\$132,000</u>	<u>\$132,000</u>	<u>\$132,000</u>	<u>\$132,000</u>	<u>\$132,000</u>
INTEREST AND FISCAL CHARGES - Line #4.060					
<u>Source</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Interest on TANS, Loans & HB 264 Line 4.060	<u>\$50,564</u>	<u>\$44,670</u>	<u>\$38,670</u>	<u>\$32,670</u>	<u>\$32,670</u>



Encumbrances –Line#8.010

These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered. In order for the district to have a positive cash balance on June 30, 2012 encumbrances will be pushed as low as possible..

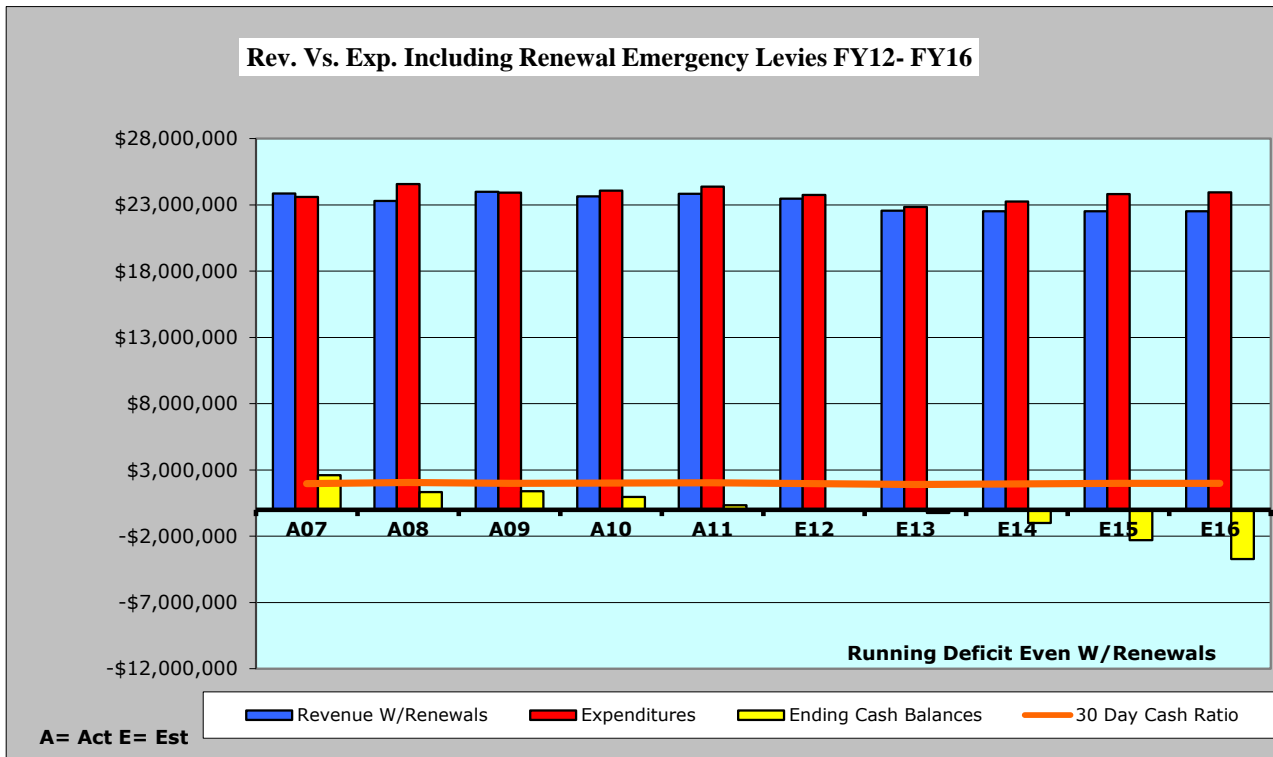
	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Estimated Encumbrances	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$40,000</u>

Reservations of Fund Balance – Line #9.080 – The district currently has no reservation of fund balance.

Ending Unencumbered Cash Balance – Line#15.010

This amount must not go below \$-0- or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of \$10,000. It is recommended by GFOA and other authoritative sources that a district maintains a minimum of thirty (30) day cash balance which is about \$1.9 million for our district.

	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Ending Cash Balance	<u>\$2,015</u>	<u>(\$289,248)</u>	<u>(\$1,037,968)</u>	<u>(\$2,341,788)</u>	<u>(\$3,764,232)</u>



SFSF Find 532 American Recovery & Reinvestment Act of 2009 Funding – Line 21.010 – 21.050

Allocation	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Personal Services SFSF	\$45,949	\$0	\$0	\$0	\$0
Employees Retirement/Insurance Benefits S	\$0	\$0	\$0	\$0	\$0
Purchased Services SFSF	\$0	\$0	\$0	\$0	\$0
Supplies and Materials SFSF	\$0	\$0	\$0	\$0	\$0
Capital Outlay SFSF	\$0	\$0	\$0	\$0	\$0
Total SFSF Funding	<u>\$45,949</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>