PRE

BUCKEYE LOCAL SCHOOL DISTRICT - - ASHTABULA COUNTY
Schedule Of Revenue, Expenditures and Changes In Fund Balances
Actual and Forecasted Operating Fund

	ACTUAL			FORECASTED				
	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
Revenue:								
1.010 - General Property Tax (Real Estate)	5,326,592	5,235,040	5,144,923	4,857,153	4,982,788	5,006,561	5,038,370	5,062,012
1.020 - Tangible Personal Property Tax	1,213,569	1,130,584	1,033,416	876,621	760,976	760,976	760,976	760,976
1.030 - Income Tax	-	-	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	5,545,756	5,389,115	5,403,547	5,482,205	5,717,459	6,049,162	6,166,364	6,285,910
1.040 - Restricted Grants-in-Aid	386,072	471,591	378,317	31,329	22,104	22,104	22,104	22,104
1.045 - Restricted Federal Grants-in-Aid - SFSF	-	-	-	-	-	-	-	-
1.050 - Property Tax Allocation	4,414,779	4,325,896	3,647,095	3,329,817	3,327,305	3,327,893	3,328,517	3,329,245
1.060 - All Other Operating Revenues	1,269,506	1,645,893	1,311,726	1,234,718	1,235,335	1,235,953	1,236,571	1,237,189
1.070 - Total Revenue	18,156,274	18,198,119	16,919,024	15,811,843	16,045,968	16,402,649	16,552,902	16,697,436
Other Financing Sources:								
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-	-	-
2.020 - State Emergency Loans and Advancements	-	-	-	-	-	-	-	-
2.040 - Operating Transfers-In	929,868	605,644	318,933	800,000	-	-	-	-
2.050 - Advances-In	22,144	18,862	27,438	39,101	50,000	50,000	50,000	50,000
2.060 - All Other Financing Sources	8,578	975	30,443	-	-	-	-	-
2.070 - Total Other Financing Sources	960,590	625,481	376,814	839,101	50,000	50,000	50,000	50,000
2.080 - Total Revenues and Other Financing Sources	19,116,864	18,823,600	17,295,838	16,650,944	16,095,968	16,452,649	16,602,902	16,747,436
Expenditures:								
3.010 - Personnel Services	9,563,442	9,415,667	9,053,563	8,878,022	9,638,992	9,756,831	9,876,111	9,996,849
3.020 - Employees' Retirement/Insurance Benefits	3,926,749	3,643,387	3,450,050	3,659,147	4,152,798	4,360,061	4,586,354	4,833,559
3.030 - Purchased Services	3,843,844	3,426,853	3,299,780	3,331,251	2,793,816	2,903,130	3,016,999	3,135,623
3.040 - Supplies and Materials	468,538	434,683	422,008	632,440	601,413	619,456	638,040	657,181
3.050 - Capital Outlay	51,401	91,433	94,735	142,817	112,102	115,465	118,929	122,496
3.060 - Intergovernmental	-	-	-	-	-	-	-	-
Debt Service:								
4.010 - Principal-All Years	50,000	55,000	55,000	-	-	-	-	-
4.020 - Principal - Notes	-	-	-	-	-	-	-	-
4.030 - Principal - State Loans	-	-	-	-	-	-	-	-
4.040 - Principal - State Advances	-	-	-	-	-	-	-	-
4.050 - Principal - HB264 Loan	-	-	-	-	-	-	-	-
4.055 - Principal - Other	-	-	-	-	-	-	-	-
4.060 - Interest and Fiscal Charges	6,244	3,816	1,272	-	-	-	-	-
4.300 - Other Objects	209,531	236,046	212,334	188,732	194,394	200,226	206,233	212,420
4.500 - Total Expenditures	18,119,749	17,306,885	16,588,742	16,832,410	17,493,515	17,955,168	18,442,664	18,958,127
Other Financing Uses								
5.010 - Operating Transfers-Out	916,368	605,644	312,616	800,000	-	-	-	-
5.020 - Advances-Out	18,862	18,213	39,101	50,000	50,000	50,000	50,000	50,000
5.030 - All Other Financing Uses	-	913	-	-	-	-	-	-
5.040 - Total Other Financing Uses	935,230	624,770	351,717	850,000	50,000	50,000	50,000	50,000
5.050 - Total Expenditures and Other Financing Uses	19,054,979	17,931,655	16,940,459	17,682,410	17,543,515	18,005,168	18,492,664	19,008,127
Excess of Rev & Other Financing Uses Over (Under) 6.010 - Expenditures and Other Financing Uses	61,885	891,945	355,379	(1,031,465)	(1,447,547)	(1,552,519)	(1,889,762)	(2,260,691)
Cash Balance July 1 - Excluding Proposed Renewal/ 7.010 - Replacement and New Levies	4,054,313	4,116,198	5,008,143	5,363,522	4,332,057	2,884,509	1,331,990	(557,772)
7.020 - Cash Balance June 30	4,116,198	5,008,143	5,363,522	4,332,057	2,884,509	1,331,990	(557,772)	(2,818,463)
8.010 - Estimated Encumbrances June 30	268,118	147,039	258,729	150,000	150,000	150,000	-	-
Reservations of Fund Balance:								
9.010 - Textbooks and Instructional Materials	-	-	-	-	-	-	-	-
9.020 - Capital Improvements	-	-	-	-	-	-	-	-
9.030 - Budget Reserve	-	-	-	-	-	-	-	-
9.040 - DPIA	-	-	-	-	-	-	-	-
9.050 - Debt Service	-	-	-	-	-	-	-	-
9.060 - Property Tax Advances	-	-	-	-	-	-	-	-
9.070 - Bus Purchases	-	-	-	-	-	-	-	-
9.080 - Subtotal	-	-	-	-	-	-	-	-
Fund Balance June 30 for Certification 10.010 - of Appropriations	3,848,080	4,861,104	5,104,793	4,182,057	2,734,509	1,181,990	(557,772)	(2,818,463)
Rev from Replacement/Renewal Levies								
11.010 - Income Tax - Renewal				-	-	-	-	-
11.020 - Property Tax - Renewal or Replacement				-	-	-	-	-
11.030 - Cumulative Balance of Replacement/Renewal Le	-	-	-	-	-	-	-	-
Fund Balance June 30 for Certification 12.010 - of Contracts, Salary and Other Obligations	3,848,080	4,861,104	5,104,793	4,182,057	2,734,509	1,181,990	(557,772)	(2,818,463)
Revenue from New Levies								
13.010 - Income Tax - New				-	-	-	-	-
13.020 - Property Tax - New				-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-	-	-
14.010 - Revenue from Future State Advancements	-	-	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	3,848,080	4,861,104	5,104,793	4,182,057	2,734,509	1,181,990	(557,772)	(2,818,463)
ADM Forecasts								
20.010 - Kindergarten - October Count				-	-	-	-	-
20.015 - Grades 1-12 - October Count				-	-	-	-	-

ASSUMPTIONS UNDERLYING THE FIVE-YEAR FORECAST

The **Five-Year Forecast** is a financial planning tool that continues to change with the finances and events of a school district. The financial projections are required by section 5705.391, R.C. enacted in Sub. H.B. No. 412. The projections are intended to provide a method for the State Department of Education and the State Auditor's Office to identify school districts that are headed toward financial difficulty. The format of the projection has also been designed as a guide for determining the ability to certify obligations under the requirement of section 5705.412, R.C.

General Guidelines

Time Period - The projection is to include three years of historical data and five years of projected data. The first year of projected data will be the year in which the projection is submitted.

Funds Included - The projection is to include the following funds: general fund, Education Jobs fund and emergency levy fund passed under the provision of 5705.194, R.C.

Debt Payments - Debt payments that were paid from money that otherwise would have gone to the general fund but were diverted to the debt service fund should be included in the historical data as both revenue and principal and interest expenditures.

The following are the ***current assumptions*** with the **Five-Year Forecast:**

PLEASE NOTE THAT ALL PROJECTIONS FOR FISCAL YEAR 2013 REFLECT TEN MONTHS OF ACTUAL DATA AND TWO MONTHS OF PROJECTED DATA.

The assumptions underlying Revenues are:

Line 1.010 General Property Tax (Real Estate)

Real Estate tax revenue estimates are based upon historical growth patterns, which include updates and reappraisals as well as new construction. Valuation growth drives local tax collection growth. In order to project future growth, the District looks at historical growth trends as well as current housing sales and building permits. Tax revenues are collected in arrears, meaning we are currently collecting on tax year 2012 values.

The triennial update for Ashtabula County in CY-2011 resulted in an overall 10% decrease in total property valuation in the Buckeye School District.

Line 1.010 General Property Tax (Real Estate) (Cont.)

It should be noted that in the October forecast, a 3.0% decrease was projected for FY-2013; however, we have realized a 5.6% decrease primarily due to a refund to the Ashtabula Towne Square for tax year 2011 in the amount of $127,169.

The projection assumes a .11% growth in new construction based on historical trends. Thus, there are small increases reflected in years 2015-2017.

Line 1.020 Tangible Personal Property Tax

The tangible personal property (TPP) tax was eliminated by House Bill 66 but did contain a full replacement schedule for districts through the end of FY-2011. H.B. 1 (the previous state budget bill) extended the full replacement of the loss of the tangible personal tax through FY-2013. Governor Kasich's current budget bill H.B. 153, once again, changes the reimbursement structure of the TPP replacement payments. These reimbursements are restructured such that, for FY-2012 and FY-2013, the reduction in a district's phase-out is limited to no more than 2% per year of its total resources (state + local funding) as compared to the base year (FY-2011). Any reimbursement a district is still receiving in FY-2013 continues to be received at that level in the future. Since the replacement funds are required to be placed in Line 1.050, the effects of this reduction in funding are shown in that section of the notes.

The only component which remains in this line item includes tax on the personal property of public utilities.

Public Utilities values were down approximately 9% for tax year 2011; therefore, the October forecast projected a loss in tax revenue of 3.9% in FY-2013 compared to FY-2012. However, we have realized a 15.2% decrease in revenue for FY-2013 and an additional decrease of 13.2% in FY-14 due partly to the closing of the FirstEnergy Corp. power plant. The closure has resulted in a $6.3 million reduction in property valuation and a significant loss of tax revenue for the District.

Line 1.030 Income Tax

Presently there are no income tax levies for the benefit of the Buckeye Local School District.

Line 1.035 Unrestricted Grants-in-Aid

Governor Kasich's budget bill, H.B. 153, eliminated the Ohio Evidence-Based model funding system. Since FY12, the state has used an interim funding model known as the bridge formula based on each district's property valuation per pupil.

Based on the governor's proposal (HB59) and the House of Representative's proposal (Sub. HB59), this forecast assumes a 6% increase in FY-14 and FY-15 and a 2% increase in each of the remaining years. ***It should be noted, that the state budget is not complete***. The substitute version of HB59 has been accepted by the House Finance & Appropriations Committee. The Senate will now will have a chance to make modifications. There is a good chance we will see additional changes before a FINAL version is approved by June 30th.

BASIC STATE AID PROJECTIONS

	FY-2013	FY-2014	FY-2015	FY-2016	FY-2017
State Aid	5,237,560	5,528,383	5,860,086	5,977,287	6,096,833
Subsidy	28,914				

***(does not include open enrollment–in students)**

The district received an additional $17 per student as a subsidy for a high performing district. Buckeye achieved an "Excellent" rating on the 2011-2012 State Report Card. This subsidy was received in FY-13. However, at this time, it is assumed that this subsidy will be discontinued in the new budget bill.

Also included in this line item are special education transportation allocations of $19,076 each year, casino proceeds in the amount of $38,000 for FY-13 and $50,000 for all remaining years and special ed. tuition reimbursements of $170,876 for FY-13 and $120,000 for all remaining years for students attending the district due to court ordered placement.

Line 1.040 Restricted Grants-in-Aid

Restricted grants-in-aid include federal stimulus, Ed Jobs Funds, Poverty Based Assistance (formerly DPIA) and Career Tech funding from the State of Ohio.

The district receives funding for career technical programs which is included in this line item. It is projected at the current level ($22,104) in all projected years.

In FY-13, we received the last disbursement from the Ed Jobs allocation in the amount of $9,225.

Line 1.050 Property Tax Allocation

The property tax allocation, also known as Rollback and Homestead, is reimbursed from the State of Ohio for tax credits given to owner-occupied residences equaling 12.5% of the gross property taxes charged to residential taxpayers. Starting July 2, 2007, the Homestead Exemption was expanded and is now available to all Ohio homeowners, regardless of income, who are either age 65 or older or permanently and totally disabled. These changes are the result of House Bill 199, which was signed into law by Gov. Ted Strickland on June 30, 2007. All households who qualify for the Homestead Exemption will receive a flat $25,000 property exemption on the market value of their home.

Future Rollback and Homestead reimbursements are modeled based on historical trends.

The reimbursements from the elimination of tangible personal property taxes are included in this line item. Revenue from the Commercial Activity Tax (CAT) was to provide a dedicated revenue stream to continue TPP replacement payments.

Hold harmless projections illustrated below are based on the spreadsheet provided by the OBM. The future projections are based on the current legislation and the proposed budget bill proposal.

	FY-2013	FY-2014	FY-2015	FY-2016	FY-2017
Direct Payment	$3,021,721	$2,697,004	$2,697,004	$2,697,004	$2,697,004
Less TPP reductions	(324,717)				
Net. Reimb.	$2,697,004	$2,697,004	$2,697,004	$2,697,004	$2,697,004

Rollback/ Homestead	$ 632,813	$ 630,301	$ 630,889	$ 631,513	$ 632,241

Total Line 1.050	$3,329,817	$3,327,305	$3,327,893	$3,328,517	$3,329,245

Line 1.060 All Other Revenues

All other revenues include other local taxes (manufactured homes), open enrollment (in) tuition, interest on investments, facility rental income, and all other miscellaneous receipts. All forecasted years, have a .05% increase projected because of an expectancy to see gradual economic improvement.

Line 1.060 All Other Revenues (Cont.)

The table below illustrates that open enrollment has been projected to remain flat for all forecasted years:

Year	Open Enrollment – In	Open Enrollment – Out
2013 – 2017	196	79

Line 2.040 Operating Transfers In

Operating transfers are revenues that will be *"transferred"* into the general fund at year-end. There is a projected transfer of $800,000 to cover the current deficit in the textbook / instructional materials and the capital / maintenance funds. Please note, the $800,000 is also reflected in line 5.01 as a transfer out; therefore, there is a net of zero.

Line 2.050 Advances In

Advances are revenues that are to be reimbursed to the general fund in the succeeding fiscal year. These are monies *"advanced"* to other funds that are showing a deficit at June 30th, commonly federal and state funds. $39,101 has been projected for fiscal year 2013. $50,000 has been projected for future years.

Line 2.060 All Other Financing Sources

This line item represents the proceeds from the sale of fixed assets and non-real property.

PLEASE NOTE THAT ALL PROJECTIONS FOR FISCAL YEAR 2013 REFLECT TEN MONTHS OF ACTUAL DATA AND TWO MONTHS OF PROJECTED DATA.

The assumptions underlying the Expenditures are as follows:

Line 3.01 Personal Services

The current projections include annual increases of 1.5% for step increases and classification changes.

The negotiated contract effective March 1, 2012 with UAW includes a .75% increase in FY-13 and a 1% increase in FY-14.

The negotiated contract effective August 16, 2012 with the BEA does not include any base increase for the current staff. However, effective the 2013-2014 school year, the early interventionists will become Buckeye hires and no longer contracted through the Ashtabula County Educational Service Center. $436,000 has been projected in FY-2014 and beyond for this change. Additionally, a 2.2% contingency has been projected in FY-2014 to accommodate staffing changes next school year. This will be adjusted accordingly in the October, 2013 forecast.

Line 3.02 Employee Retirement/Insurance Benefits

Employee retirement and insurance benefits include the employer portions of STRS, SERS, workers compensation, Medicare, health and life insurance premiums.

Health insurance premiums increased 15% in FY-13. FY 2014-2017 have been forecasted with a 10% increase. This is a very speculative projection and is reviewed annually with the health insurance consultants. At which time, rates will be set for the new plan year effective October 1, 2013.

It should be noted that the Buckeye employees have agreed to higher premium shares, plan design changes and higher prescription co-pays as part of their recent negotiated agreements.

Additionally, effective the 2013-2014 school year, the early interventionist specialists will become Buckeye hires and no longer contracted through the Ashtabula County Educational Service Center. $198,000 has been projected in FY-2014 for this change as well as anticipated staff changes next school year. This will be adjusted accordingly in the October, 2013 forecast.

Line 3.03 Purchased Services

Purchased services includes various expenditures such as contracted services through the Ashtabula County Educational Service Center, OT/PT contracted services and excess cost for special education, utilities, open enrollment (out), and other miscellaneous expenditures.

FY-13 reflects a 1% increase over the prior year based on ten months of actual expenditures and two months of estimates. Additionally, in FY-14, there has been a 4.6% reduction projected to offset the services which are currently contracted through the ACESC for intervention specialists and will no longer be provided.

Note, the contracted services contract with the ACESC has an estimated 5% increase each year beginning FY-2015-2017.

Open enrollment (out) has been projected to remain flat.

All future projections reflect an inflationary increase of 3% for each year.

Line 3.04 Supplies and Materials

Supplies and materials include bus repair and maintenance supplies, fuel for buses and other school vehicles, textbooks, and other miscellaneous supplies. Current consumer reports indicate that diesel has been averaging around $3.54 per gallon (down .25 cents from a year ago). In FY-12, there is $150,000 allocated for the math textbook adoption (K-8) and the math pilot project at the high school. Additionally, there is $50,000 projected for FY-13 to complete the math textbook adoption (9-12) and $200,000 is projected in fiscal years 2013-2016 for several additional textbook adoptions required to align to the new academic content standards.

All future projections in this line item also reflect an inflationary increase of 3% for each year.

Line 3.05 Capital Outlay

Capital outlay are expenditures for the purchase of new and replacement equipment. Many of these expenditures have been transferred to the Permanent Improvement Fund including bus purchases. This line item continues to reflect the district's commitment to upgrading technology.

Line 3.05 Capital Outlay (Cont.)

In FY-13, we are realizing a 50.75% increase over the prior year. Again, primarily due to technology upgrades throughout the district.

All future projections reflect an inflationary increase of 3% for each year.

Line 4.30 Other Objects

Other objects include expenditures such as county auditor fees, state auditor fees and other miscellaneous expenditures.

In FY-13, we are realizing a 11% decrease over the prior year. This savings is being realized primarily due to county auditor's fees coming in approximately $28,000 lower then the previous year.

All future projections reflect an inflationary increase of 3% for each year.

Line 5.01 Operating Transfer Out

Operating transfers out are revenues that will be *"transferred"* out of the general fund at year-end. There is a projected transfer of $800,000 to cover the current deficit in the textbook / instructional materials and in the capital / maintenance funds. Please note, the $800,000 is also reflected in line 2.04 as a transfer out; therefore, there is a net of zero.

Line 5.02 Advances Out

Advances out are general funds that are *"advanced"* to other funds that are showing a deficit at June 30th, commonly federal and state funds. These amounts are paid back in the next fiscal year. $50,000 is projected for all years based on the current procedures for cash requests in state and federal grants.

Line 8.01 Estimated Encumbrances June 30

These are the estimated encumbrances at June 30th. Based on the actual encumbrance totals for FY-2010 – FY-2012, this amount has averaged in the range of approximately $224,700. A $150,000 encumbrance has been projected for each year through 2015.