

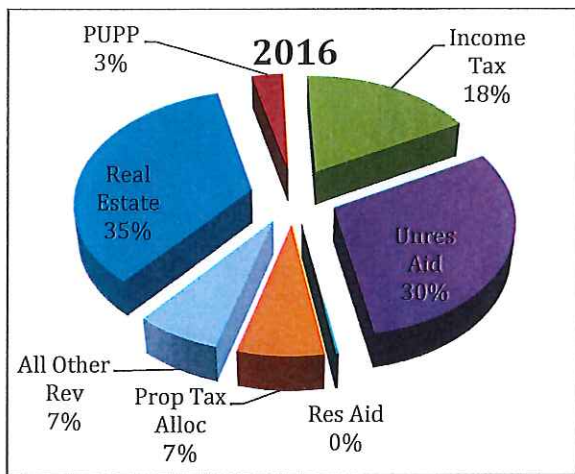
Berkshire Local Schools

May 2016 Forecast

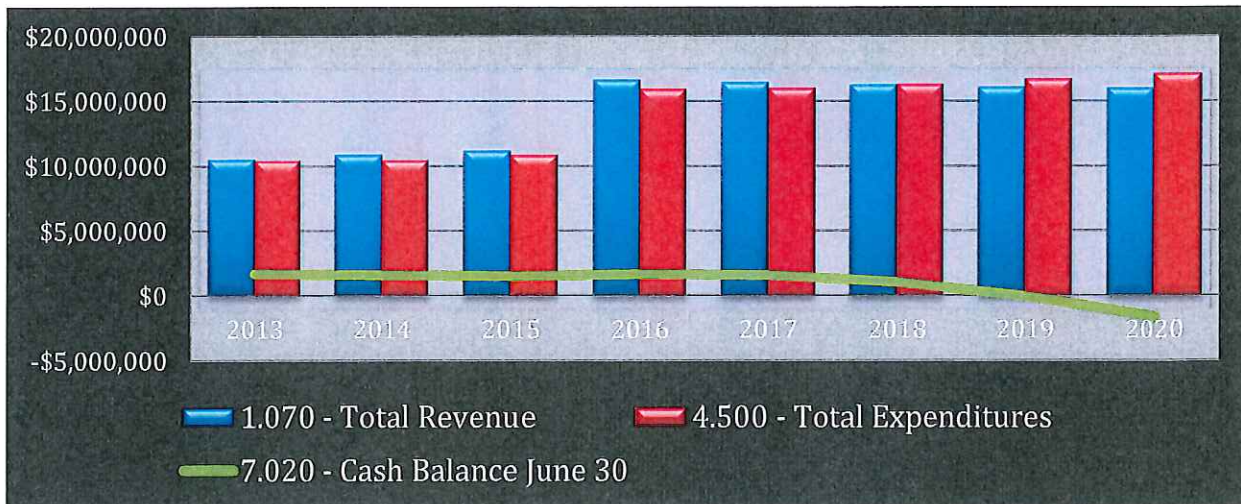
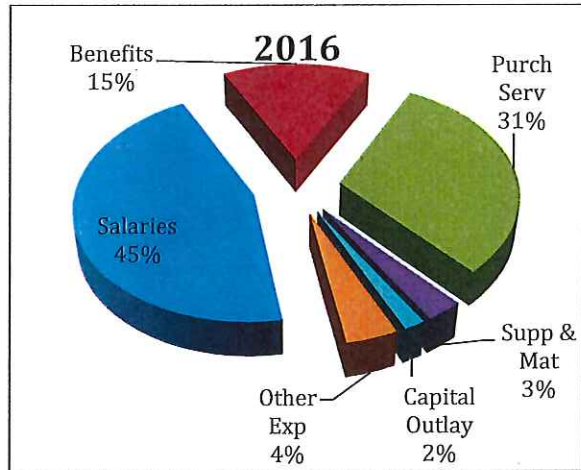
Financial Overview

- ✓ Revenues are forecasted to total \$16,783,568 which is a decrease from the January update of \$39,478.
- ✓ Expenditures are forecasted to total \$16,639,076. This is an increase of \$272,480 over the January update and is attributed to additional costs in salaries, benefits and special education services.
- ✓ The District is forecasted to have a negative fund balance on June 30, 2020 of \$1,221,534. This is an improvement from the January forecast when a negative fund balance was forecasted for 2019. This is due to reductions in personnel services.

Revenues:



Expenditures:



Berkshire Local School District - Geauga County
Schedule Of Revenue, Expenditures and Changes In Fund Balances
Actual and Forecasted Operating Fund

	ACTUAL			FORECASTED				
	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
Revenue:								
1.010 - General Property Tax (Real Estate)	3,807,793	3,886,285	3,959,763	5,838,191	5,896,573	5,955,539	6,015,094	6,075,245
1.020 - Public Utility Personal Property	291,967	321,947	356,009	543,859	548,584	548,970	549,410	549,904
1.030 - Income Tax	1,756,995	1,876,815	1,839,804	2,954,737	2,962,124	2,977,179	2,992,310	3,007,517
1.035 - Unrestricted Grants-in-Aid	2,868,614	2,821,229	2,947,413	4,973,587	4,956,971	4,957,009	4,807,447	4,663,313
1.040 - Restricted Grants-in-Aid	34,868	12,372	11,542	34,265	34,265	34,265	34,265	34,265
1.045 - Restricted Federal Grants-in-Aid - SFSF	-	-	-	-	-	-	-	-
1.050 - Property Tax Allocation	1,057,561	1,067,871	1,079,639	1,173,707	888,427	676,560	576,066	578,861
1.060 - All Other Operating Revenues	689,634	886,068	988,262	1,125,283	1,151,960	1,096,960	1,096,960	1,096,960
1.070 - Total Revenue	10,507,432	10,872,587	11,182,432	16,643,629	16,438,904	16,246,482	16,071,551	16,006,065
Other Financing Sources:								
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-	-	-
2.020 - State Emergency Loans and Advancements	-	-	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-	-	-
2.050 - Advances-In	135,000	100,000	103,300	124,939	125,000	125,000	125,000	125,000
2.060 - All Other Financing Sources	2,298	53,504	40,456	15,000	15,000	15,000	15,000	15,000
2.070 - Total Other Financing Sources	137,298	153,504	143,756	139,939	140,000	140,000	140,000	140,000
2.080 - Total Revenues and Other Financing Sources	10,644,730	11,026,091	11,326,188	16,783,568	16,578,904	16,386,482	16,211,551	16,146,065
Expenditures:								
3.010 - Personnel Services	5,678,218	5,479,053	5,710,714	7,207,924	7,249,909	7,392,406	7,613,102	7,842,626
3.020 - Employees' Retirement/Insurance Benefits	1,793,207	1,815,711	1,914,814	2,414,655	2,421,755	2,498,092	2,590,787	2,688,297
3.030 - Purchased Services	2,089,043	2,302,099	2,293,632	4,905,610	4,975,714	5,047,631	5,121,970	5,195,840
3.040 - Supplies and Materials	281,561	238,202	306,969	471,749	399,487	399,487	399,487	399,487
3.050 - Capital Outlay	99,486	115,156	173,741	271,573	365,966	382,966	384,299	386,899
3.060 - Intergovernmental	-	-	-	-	-	-	-	-
Debt Service:								
4.010 - Principal-All Years	-	-	-	-	-	-	-	-
4.020 - Principal - Notes	-	-	-	43,000	-	-	-	-
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	-	-	-	1,668	-	-	-	-
4.300 - Other Objects	499,715	502,273	459,454	623,249	582,097	589,567	597,207	605,019
4.500 - Total Expenditures	10,441,230	10,452,494	10,859,324	15,939,429	15,994,927	16,310,150	16,706,851	17,118,169
Other Financing Uses								
5.010 - Operating Transfers-Out	493,130	555,174	355,000	574,705	525,000	505,000	470,000	470,000
5.020 - Advances-Out	135,000	100,000	201,072	124,943	125,000	125,000	125,000	125,000
5.030 - All Other Financing Uses	-	-	-	-	-	-	-	-
5.040 - Total Other Financing Uses	628,130	655,174	556,072	699,648	650,000	630,000	595,000	595,000
5.050 - Total Expenditures and Other Financing Uses	11,069,360	11,107,668	11,415,396	16,639,076	16,644,927	16,940,150	17,301,851	17,713,169
Excess of Rev & Other Financing Uses Over (Under)								
6.010 - Expenditures and Other Financing Uses	(424,630)	(81,577)	(89,208)	144,492	(66,022)	(553,668)	(1,090,300)	(1,567,104)
Cash Balance July 1 - Excluding Proposed Renewal/								
7.010 - Replacement and New Levies	2,098,330	1,673,700	1,592,123	1,911,069	2,055,561	1,989,538	1,435,870	345,570
7.020 - Cash Balance June 30	1,673,700	1,592,123	1,502,915	2,055,561	1,989,538	1,435,870	345,570	(1,221,534)
8.010 - Estimated Encumbrances June 30	-	-	-	-	-	-	-	-
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	1,673,700	1,592,123	1,502,915	2,055,561	1,989,538	1,435,870	345,570	(1,221,534)
Rev from Replacement/Renewal Levies								
11.010 - Income Tax - Renewal	-	-	-	-	-	-	-	-
11.020 - Property Tax - Renewal or Replacement	-	-	-	-	-	-	-	-
11.030 - Cumulative Balance of Replacement/Renewal L	-	-	-	-	-	-	-	-
Fund Balance June 30 for Certification								
12.010 - of Contracts, Salary and Other Obligations	1,673,700	1,592,123	1,502,915	2,055,561	1,989,538	1,435,870	345,570	(1,221,534)
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	1,673,700	1,592,123	1,502,915	2,055,561	1,989,538	1,435,870	345,570	(1,221,534)
ADM Forecasts								
20.010 - Kindergarten	-	-	-	86	80	80	80	80
20.015 - Grades 1-12	-	-	-	1,138	1,124	1,107	1,090	1,086

***BERKSHIRE LOCAL SCHOOL
ASSUMPTIONS – May 9, 2016
Five Year Forecast – FY16 – FY20***

REVENUES

1.010: Real Property Tax

Real property tax is the largest source of revenue for The District. The auditor certifies 98% of the collection on real property.

The District's FY16 revenue is based upon current tax rates and values. With the territory transfer occurring on July 1, 2015, the residents of Ledgemont will continue to pay their current tax rates related to the school district and JVS until January 1, 2017. This is due to the fact that real estate taxes are assessed in arrears and rates are always assessed for one complete year.

1.020: Personal Property/Public Utility Tax

This line item includes Personal Property tax and Public Utility tax. Personal property tax revenue has been eliminated for non-utility producing entities. As a reminder, this is the result of the Ohio General Assembly tax restructuring policy adopted via HB66. The only remaining revenue in Line 1.02 will be Public Utility personal property tax. As stated above, the Berkshire rate of taxation will not be assessed until January 1, 2017.

1.030: Income Tax

The District collects an earned income tax of 1%. The forecast reflect slight growth for FY17 through FY20.

Grants-In-Aid

1.035: Unrestricted Grants-in-Aid

Unrestricted grants-in-aid represent funds received through the State Foundation statement settlements from the Ohio Department of Education (ODE). The State funding for schools is based on several factors all of which are subject to deliberations and approval of the Ohio General Assembly.

As part of the Territory Transfer, the District is guaranteed to receive the same amount in State Foundation monies for the next three years. The State funding for schools is based on several factors all of which are subject to deliberations and approval of the Ohio General Assembly. For FY19 and FY20, a three percent decrease in funding is forecasted.

In 2009, Ohio voters approved the construction of four full-service casinos in the State of Ohio. The Constitutional Amendment directs that school districts receive a portion of the gross casino revenue based on student populations for students who are residents of the county in which the School resides. The revenue is intended to supplement current State aid, not supplant. The estimates used are based on current enrollment and revenues

supplementing, not supplanting. The amounts used are \$50.50 per student for FY16 through FY20. FY16 casino revenues total \$62,897.

1.040: Restricted Grants-in-Aid

Restricted Grants-in-Aid represents funding for monies that are restricted for a specific purpose such as: special education excess cost reimbursement, economically disadvantaged, bus purchases and career technology.

1.050: Property Tax Allocation

The property tax allocation represents the Homestead and Rollback reimbursement and the personal property replacement known as the Tangible Personal Property Replacement (TPP) and SB3 Electric Deregulation. Due to the House Bill 64, the biannual state budget bill, the District has experienced a loss in the TPP monies of \$184,796 in FY16, \$190,861 in FY17 and \$404,456 in FY18. In FY19, TPP monies will be eliminated.

1.060: All Other Revenue

This revenue line item includes all other local revenue, open enrollment, manufactured home revenue, Medicaid reimbursements and interest earnings.

2.050: Advances In

Advances In represents temporary movement of monies between funds.

2.060: All Other Financing Sources

This revenue line item represents other revenue sources such as sale and loss of Assets and refund of prior year expenditures.

EXPENDITURES

3.010: Personal Services

Forecasted salary and benefit amounts are based on current negotiated contracts and non-negotiated employees. The current negotiated contract for Certified and Classified Employees expires at the end of FY18. FY17 reflects the non-renewal of one administrator and three certified employees.

Personnel Services include all salaries, substitutes, long term substitutes, certified extra classes, and overtime costs. The forecasted amounts assumes that approximately \$275,000 will be available in Title I salaries.

3.020: Employees' Retirement/Insurance Benefits

Benefits include: retirement, Medicare, workers compensation, unemployment compensation, life insurance, health and dental insurance.

3.030: Purchased Services

This category represents amounts paid for personal services rendered by personnel who are not on the payroll of the school district along with tuition costs to other districts and utilities. The largest expenditure in this category is for special education services followed by open enrollment out.

It is important to note that any unanticipated spikes in these categories will require a reprioritization within and among the costs included.

3.040: Supplies & Materials

Supplies and materials are comprised of classroom supplies, textbooks, janitorial and transportation fuel and supplies costs.

3.050: Capital Outlay

Since no additional taxes from the permanent improvement levy will be generated until FY18, \$100,000 has been allocated FY17 to account for upkeep of the buildings in Montville. In FY18, additional taxes from the permanent improvement levy will be collected. It is assumed that these additional monies will be used to maintain the current elementary in Montville.

4.020 Principal Note

FY16 reflects a final payment on a tax anticipation note acquired by Ledgemont in 2011 for a boiler replacement. This debt does not qualify for debt forgiveness under HB487.

4.300: Other Objects

Other objects include expenditures such as County Auditor and Treasurer fees and costs associated with the County Educational Service Center and audit costs.

5.010: Transfers

The following represents the scheduled transfers from the general fund to various other funds:

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
Self Insurance Fund	325,000	325,000	325,000	325,000	325,000
Cafeteria Fund	70,000	60,000	40,000	30,000	30,000
Termination Benefits Fund	139,705	100,000	100,000	75,000	75,000
Athletics	25,000	25,000	25,000	25,000	25,000
Uniform Supply Account	10,000	10,000	10,000	10,000	10,000
Miscellaneous Funds	5,000	5,000	5,000	5,000	5,000
	<u>574,705</u>	<u>525,000</u>	<u>505,000</u>	<u>470,000</u>	<u>470,000</u>

The transfer to the Termination Benefits Fund represents a set-aside for future severance payments for exiting employees upon their retirement. The amount is derived from the accrual calculation in the preparation of financial statements.

5.020: Advances-Out

Advances-Out are typically approved prior to the fiscal year end for state and federal funds and these advances are anticipated to be returned to the general fund within the same fiscal year.

NOTICE

The district's five-year forecast is based on the above assumptions known at this point in time. As with all forecasting models, operating fiscal results of each fiscal year will change if the original assumptions are modified. The five-year forecast includes only the General Fund and SFSF monies.