



# **Northeastern Local School District - Clark County**

**Financial Report  
Five Year Forecast  
May, 2016**



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### Forecast Purpose/Objectives

Ohio Department of Education's purposes/objectives for the five-year forecast are:

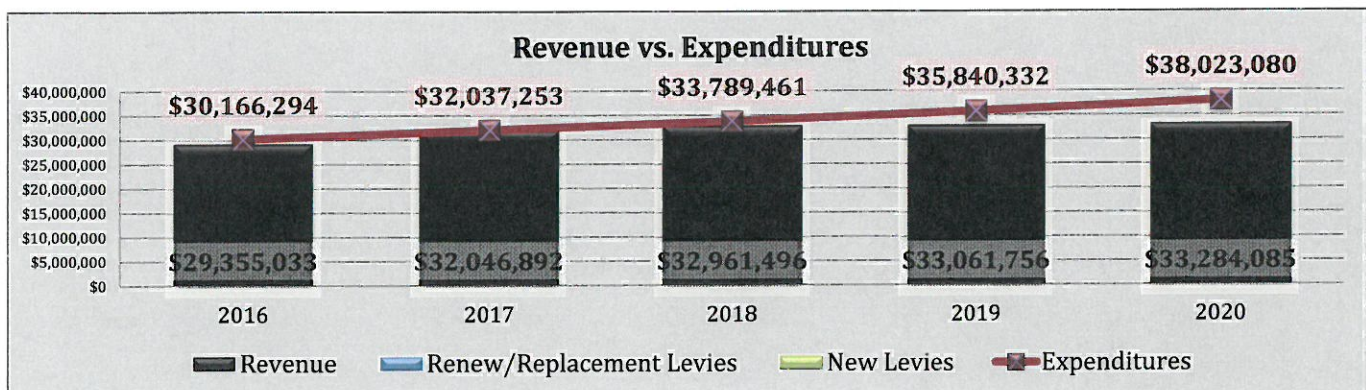
1. To engage the local board of education and the community in the long range planning and discussions of financial issues facing the school district.
2. To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate."
3. To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems.

## Executive Summary

	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
Beginning Balance	6,583,175	5,771,913	5,781,553	4,953,588	2,175,012
+ Revenue	29,355,033	32,046,892	32,961,496	33,061,756	33,284,085
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(30,166,294)	(32,037,253)	(33,789,461)	(35,840,332)	(38,023,080)
= Revenue Surplus or Deficit	(811,262)	9,640	(827,964)	(2,778,576)	(4,738,995)
Ending Balance	5,771,913	5,781,553	4,953,588	2,175,012	(2,563,983)
Revenue Surplus or Deficit w/o Levies	(811,262)	9,640	(827,964)	(2,778,576)	(4,738,995)
Ending Balance w/o Levies	5,771,913	5,781,553	4,953,588	2,175,012	(2,563,983)

### Executive Summary:

FY 17 is the end of the current biennium (school funding model). FY 18-FY20 are based on past trends and current assumptions. As you can see, we have a negative cash balance at the end of FY 20. This is mainly due to the uncertainty of school funding for FY18-FY20 combined with our declining enrollment and increased costs. Major cuts will need to occur during FY 18 if the forecast for funding is accurate and enrollment figures continue to drop in the district.



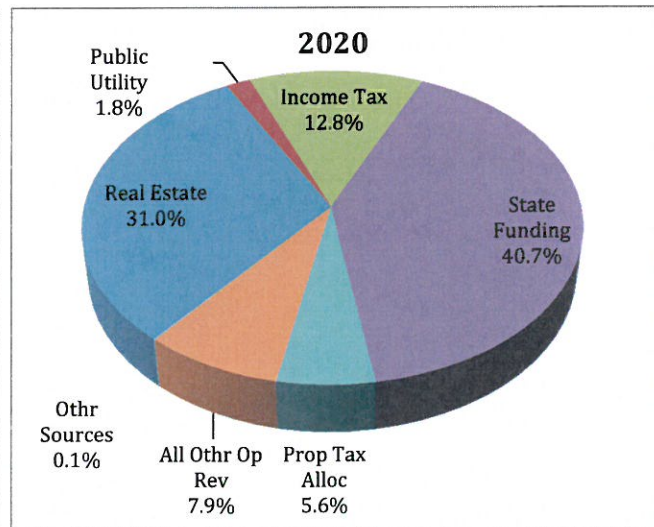
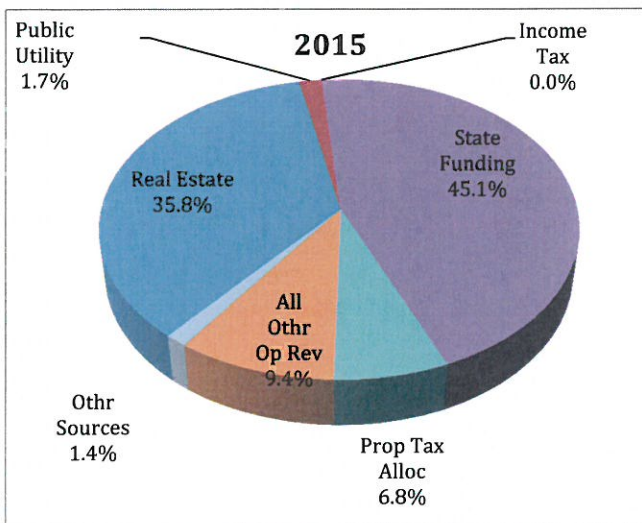


## Revenue Overview

	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	
<b>Revenue:</b>							
1.010-Real Estate	0.98%	-1.65%	-1.19%	-0.26%	-0.04%	-0.04%	-0.64%
1.020-Public Utility	3.13%	6.08%	2.92%	2.49%	3.00%	3.00%	3.50%
1.030-Income Tax	n/a	n/a	1171.39%	33.77%	1.00%	1.00%	301.79%
1.035-State Funding	1.38%	0.18%	0.56%	-0.16%	0.35%	1.28%	0.44%
1.040-Restricted Aid	16.16%	-55.78%	95.36%	-26.15%	-0.43%	-0.64%	2.47%
1.045-Restr Federal SFSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1.050-Property Tax Alloc	-8.25%	-3.13%	-4.07%	-0.27%	0.04%	0.04%	-1.48%
1.060-All Other Operating	5.66%	-5.66%	0.02%	0.02%	0.02%	0.02%	-1.12%
1.070-Total Revenue	0.28%	-1.20%	10.18%	2.86%	0.30%	0.67%	2.56%
2.070-Total Other Sources	195.68%	-26.93%	-89.84%	0.00%	0.00%	0.00%	-23.35%
2.080-Total Rev & Other Srcs	0.52%	-1.55%	9.17%	2.85%	0.30%	0.67%	2.29%

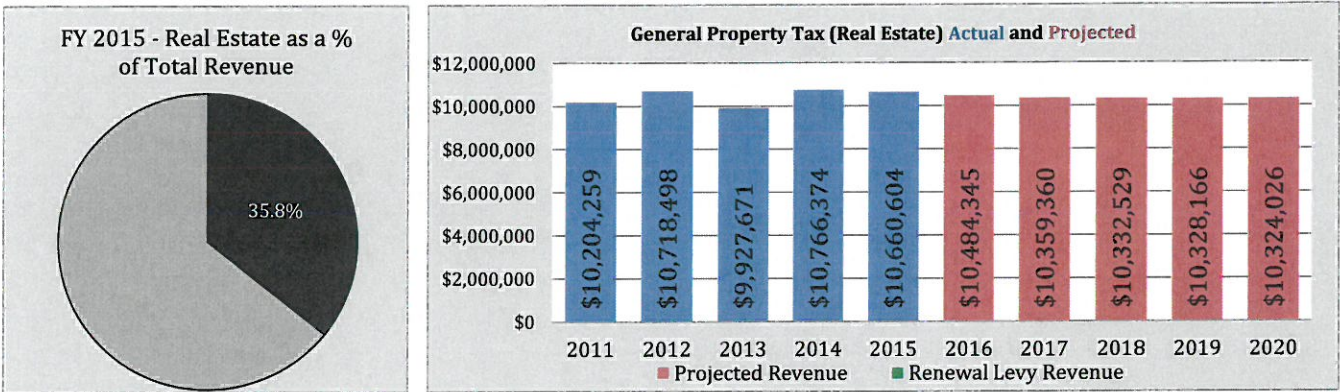
### Notes & Assumptions:

Real estate decrease over last year due to Navistar refund. Income tax revenue was estimated at \$246,000 for the first distribution and it came in at \$245,908. State funding is known for FY 17, however then a new biennium begins. Restricted Aid includes catastrophic student costs - should receive money every year however ODE has informed districts that we will not receive our distribution until next year (that's why there is such a decrease this year and increase next year). Property tax allocation is fairly steady. Other revenue decreased due to a decrease in Pay to Participate fees this school year.

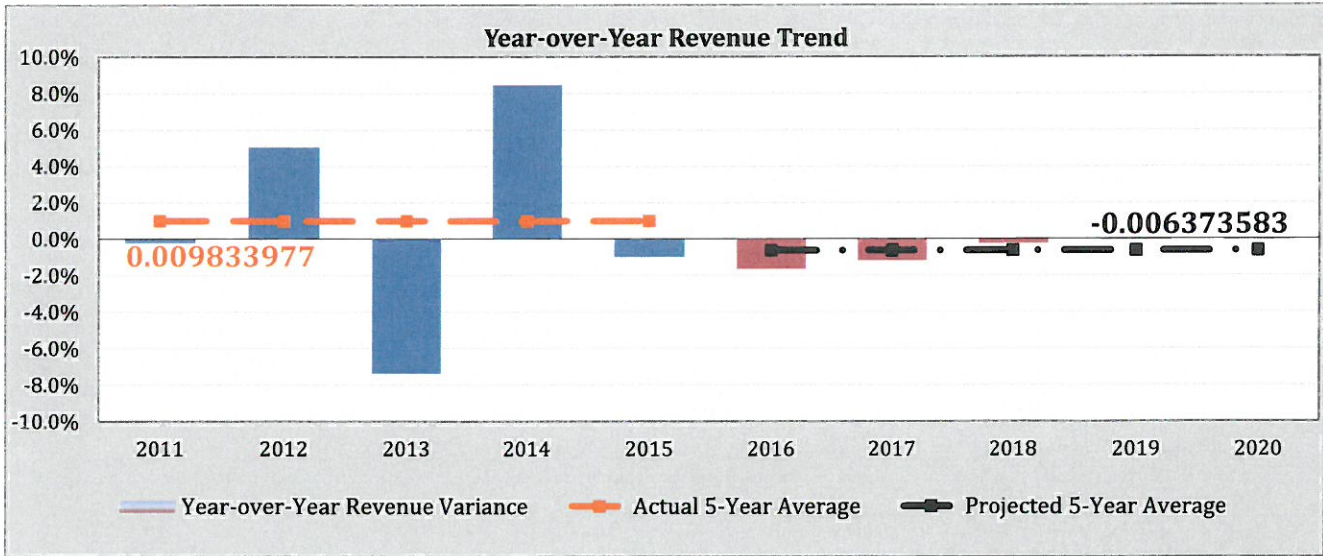


1.010 - General Property Tax (Real Estate)

Revenue collected from taxes levied by a school district by the assessed valuation of real property using effective tax rates for class I (residential/agricultural) and class II (business).



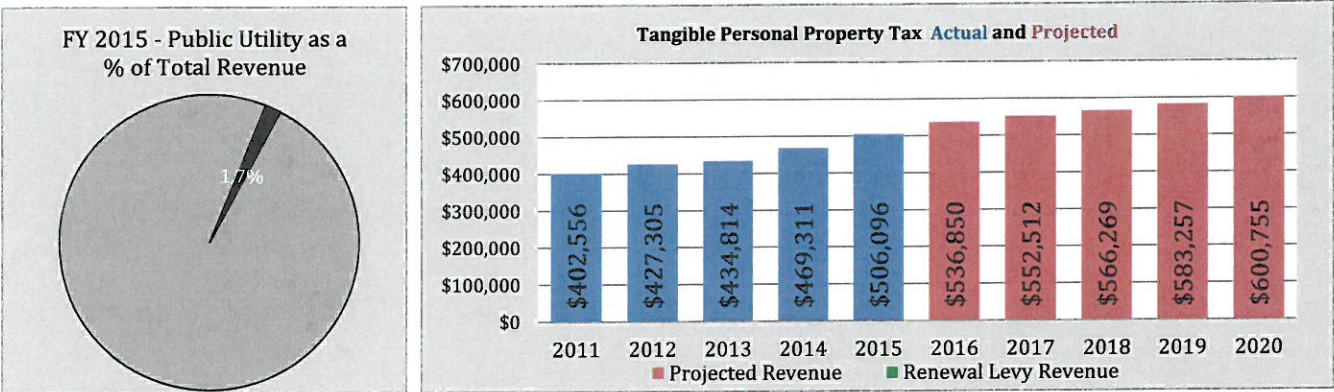
Notes & Assumptions:



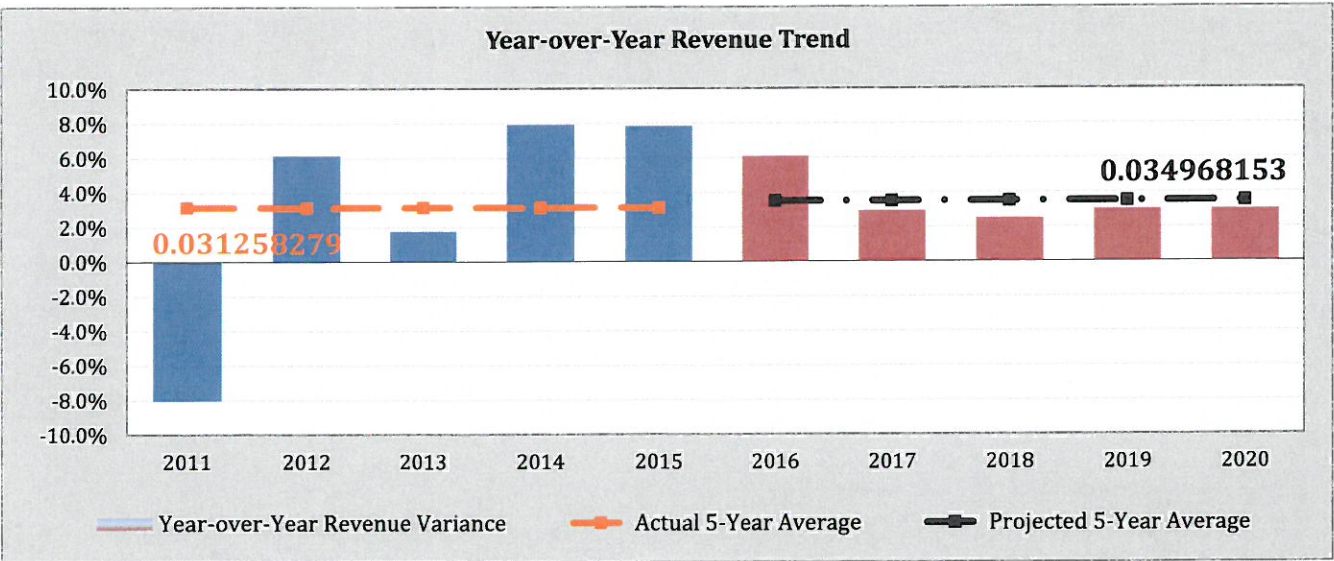
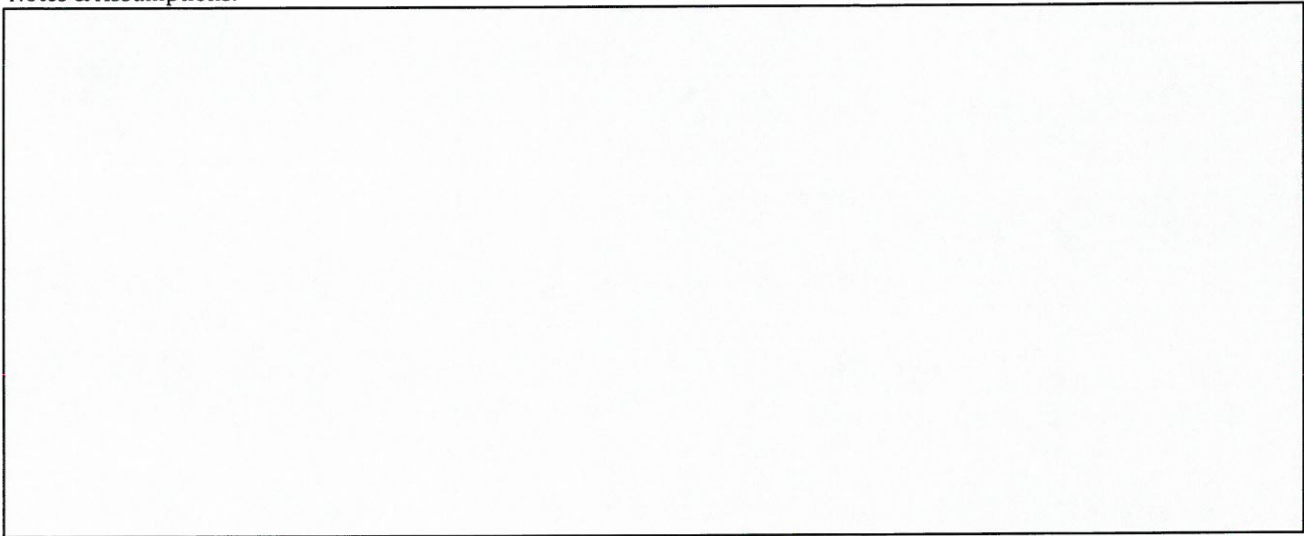


1.020 - Public Utility Personal Property

Revenue generated from public utility personal property valuations multiplied by the district's full voted tax rate.

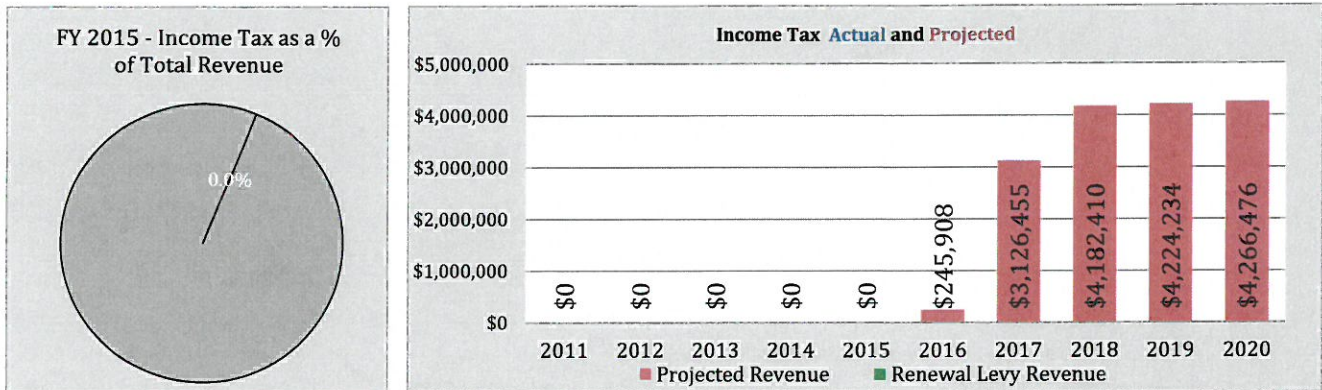


Notes & Assumptions:

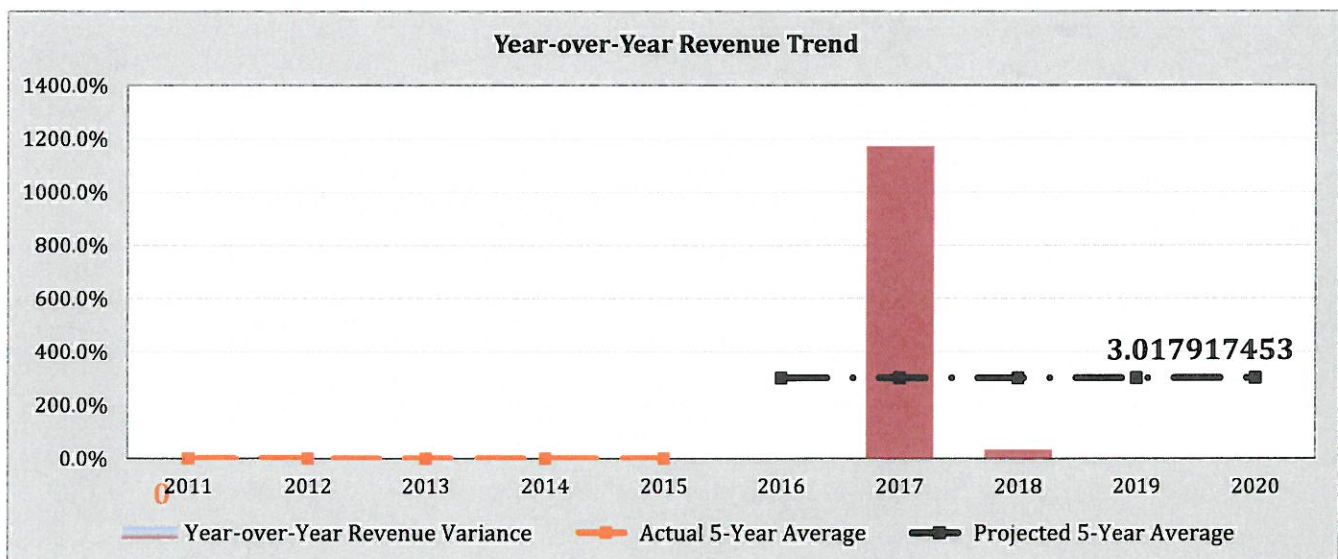


## 1.030 - Income Tax

Revenue collected from income tax earmarked specifically to support schools with a voter approved tax by residents of the school district; separate from federal, state and municipal income taxes.



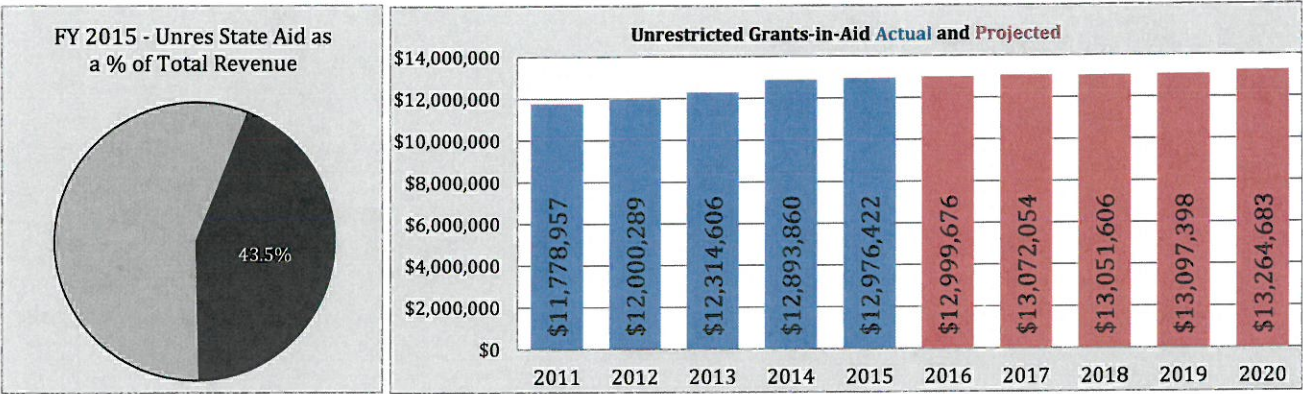
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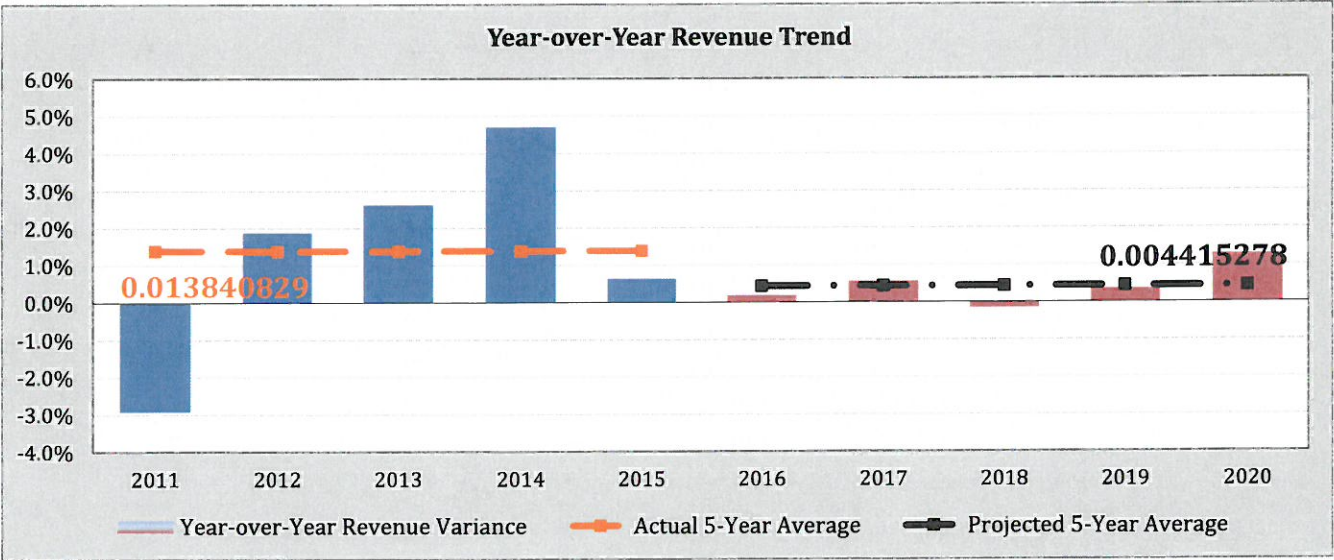
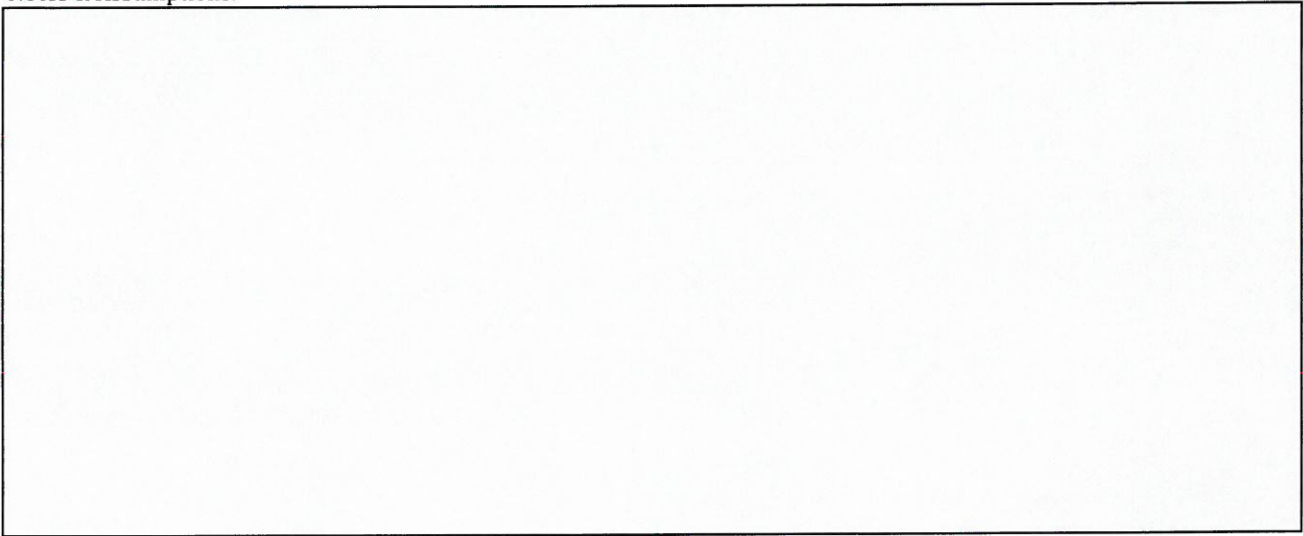


1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



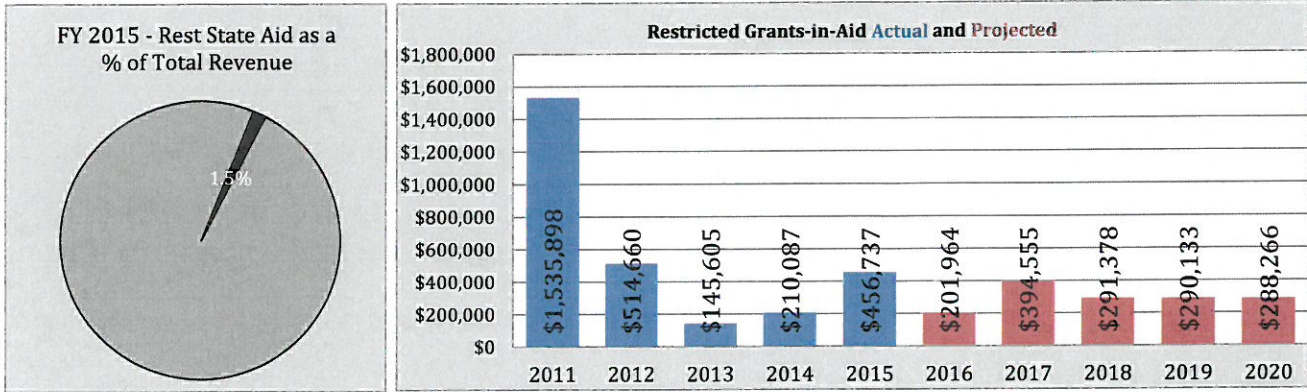
Notes & Assumptions:



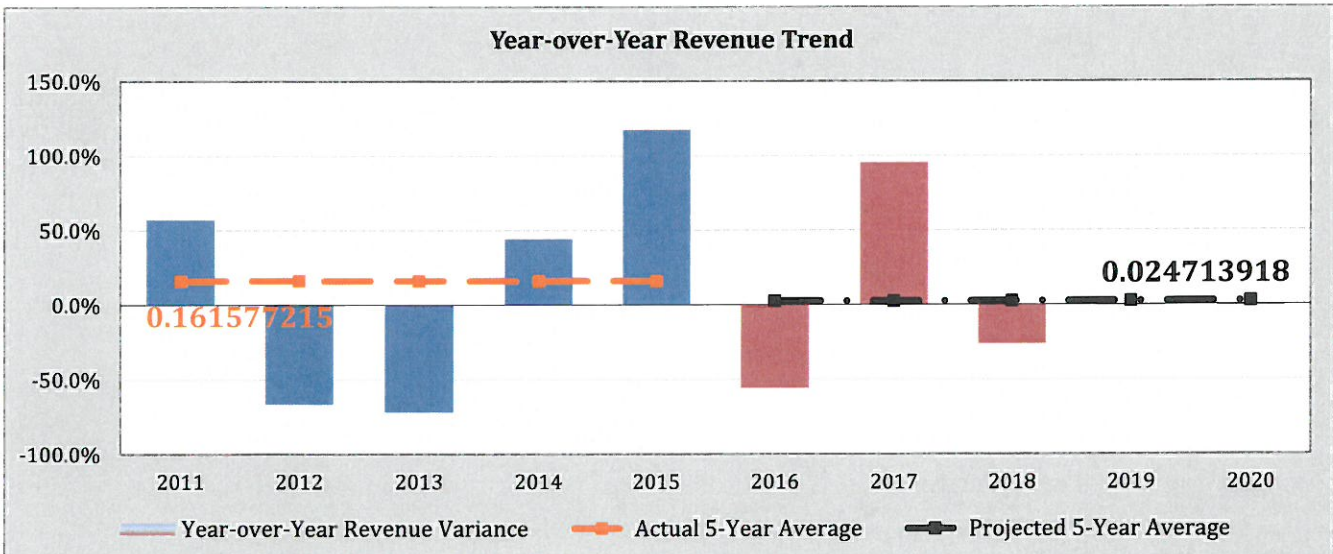
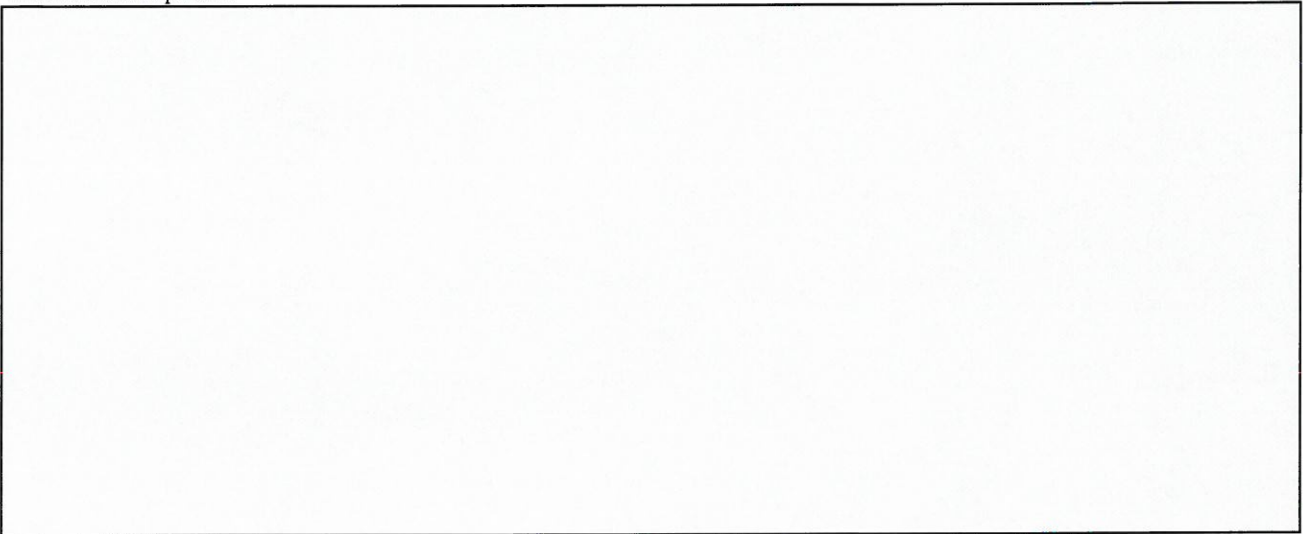


## 1.040 & 1.045 - Restricted Grants-in-Aid

Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.

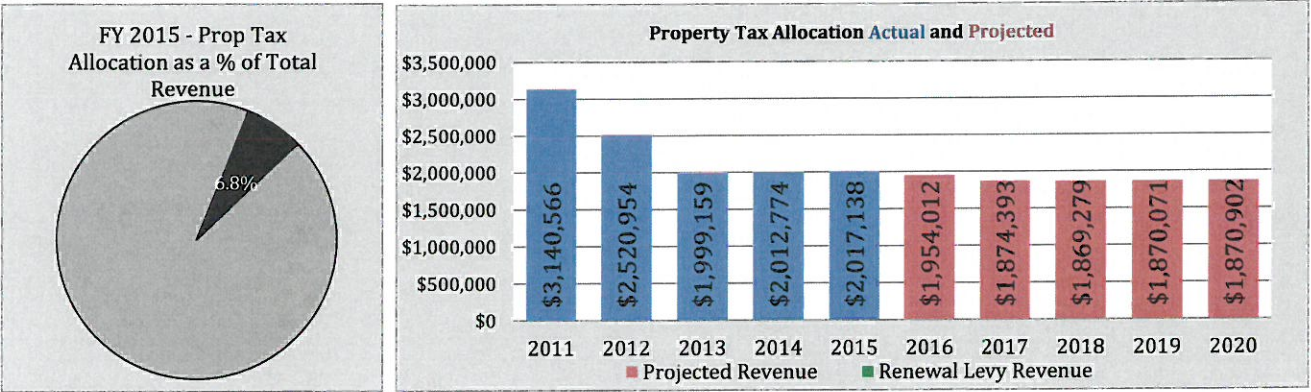


Notes & Assumptions:

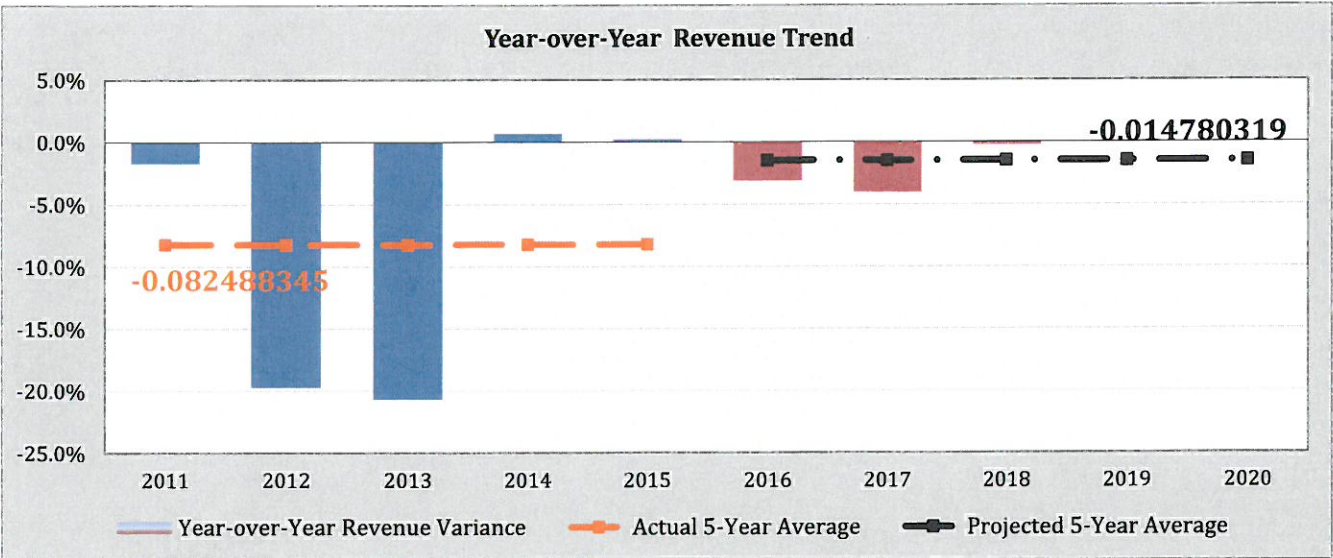
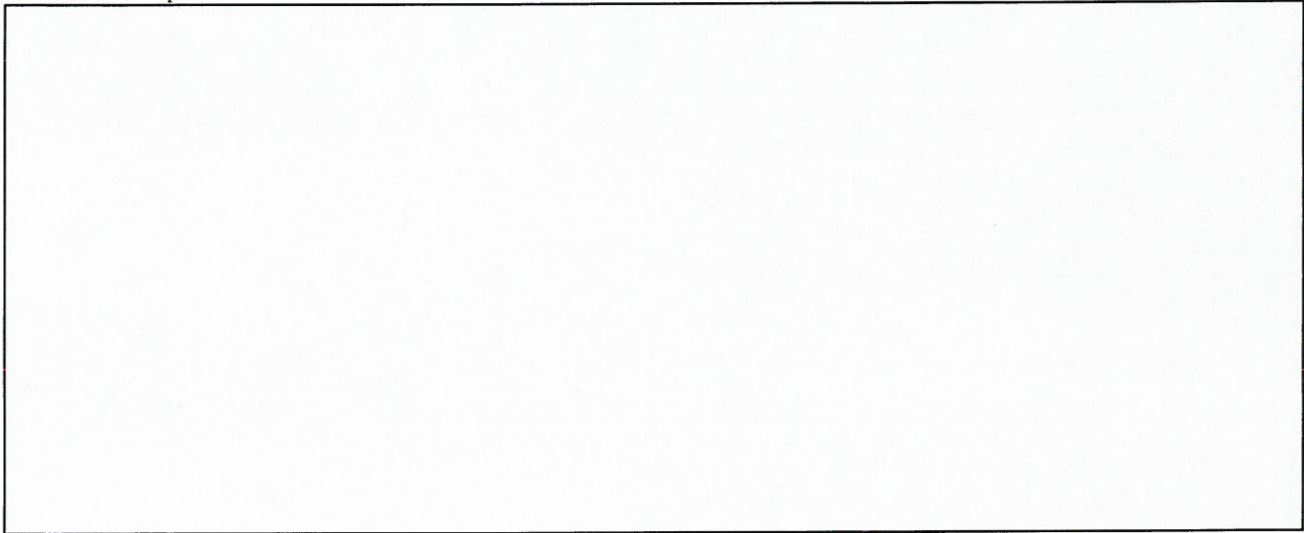


1.050 - Property Tax Allocation

Includes funds received for Tangible Personal Property Tax Reimbursement, Electric Deregulation, Homestead and Rollback.



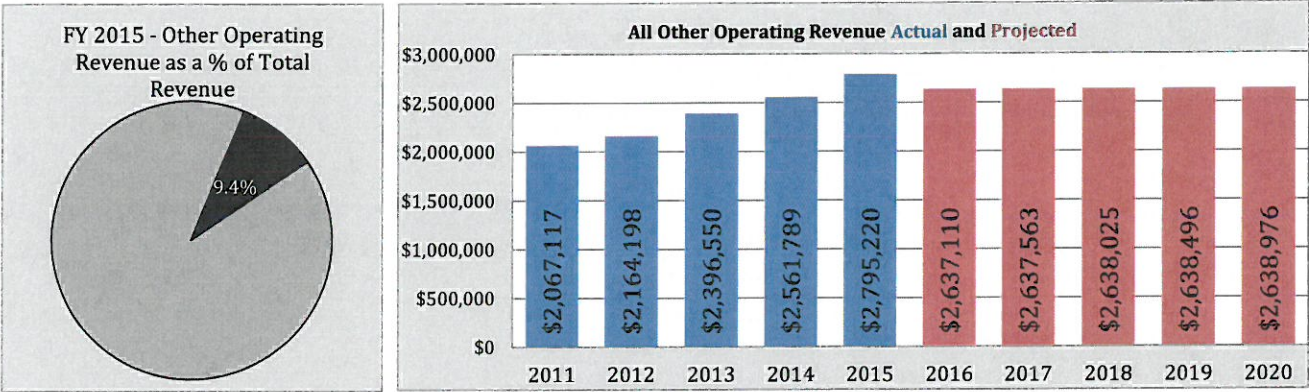
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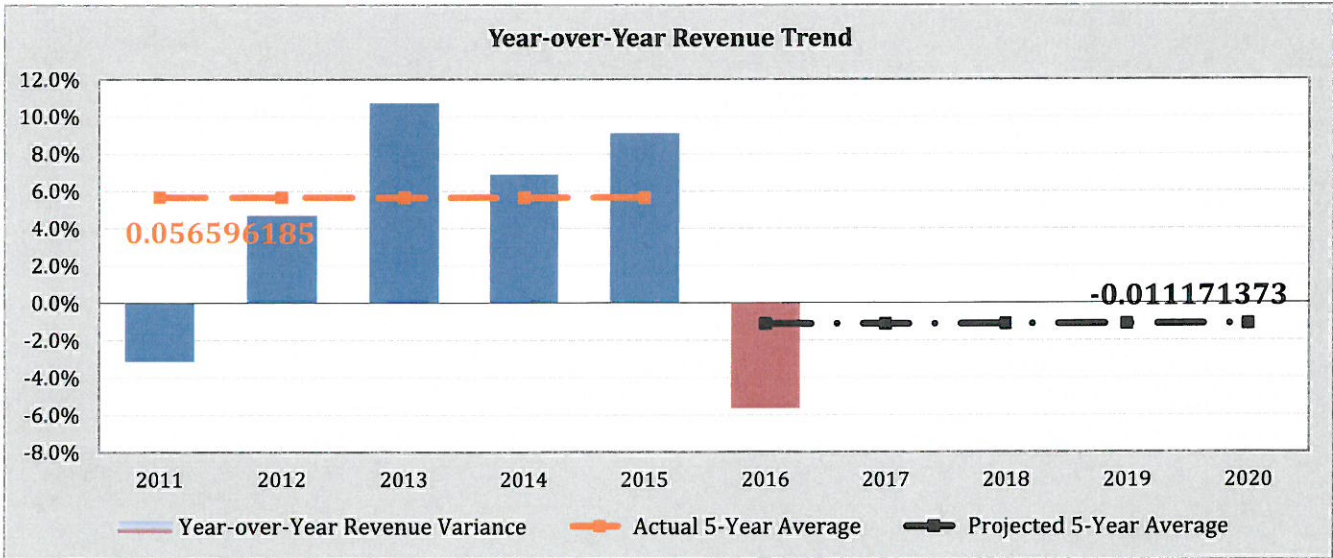
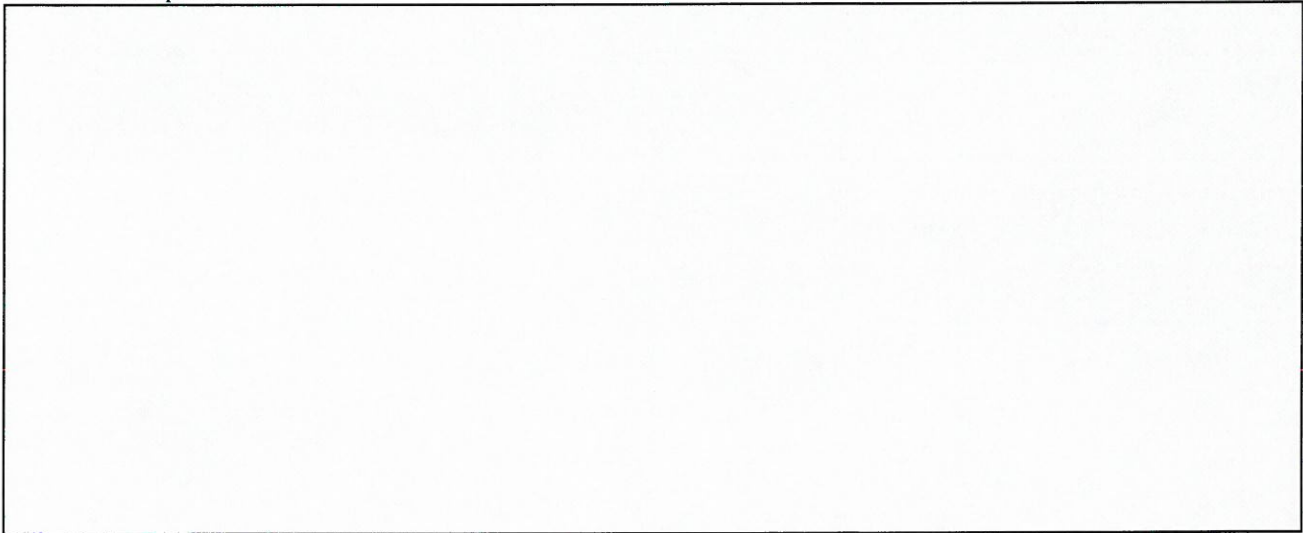


1.060 - All Other Operating Revenues

Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.



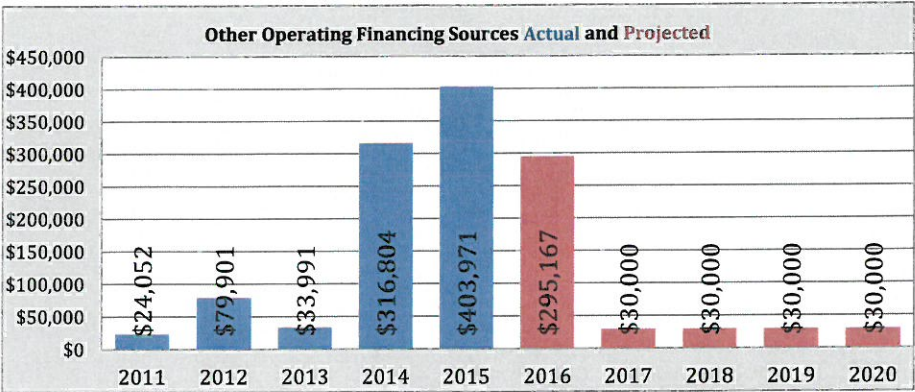
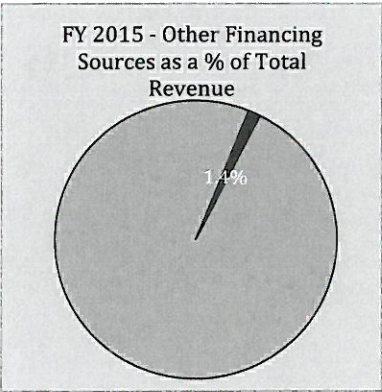
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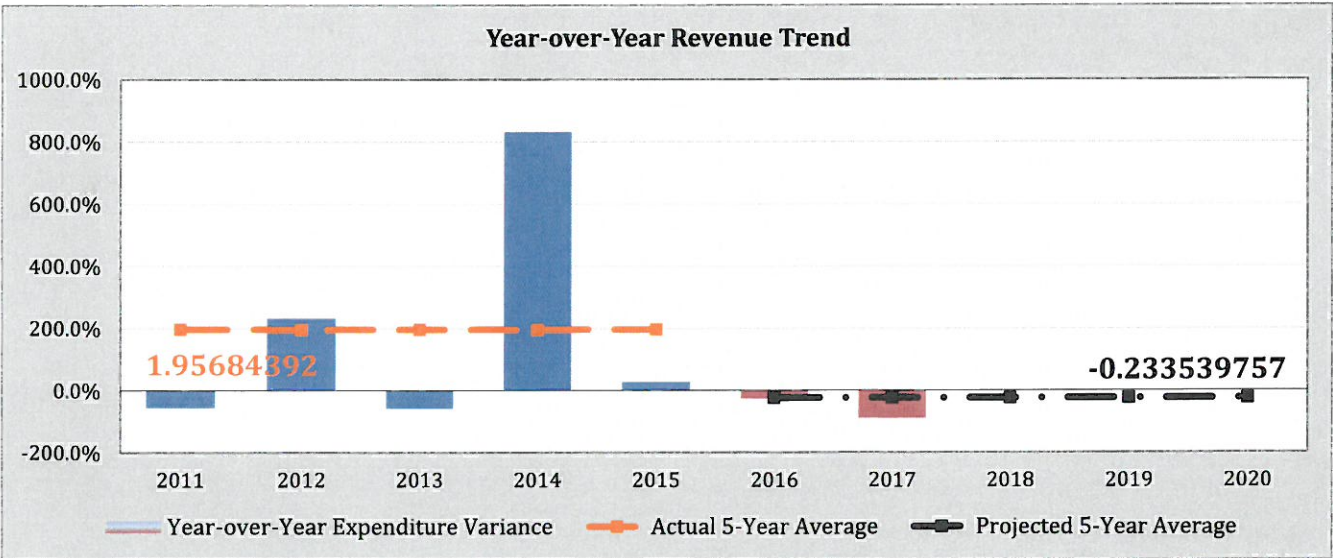
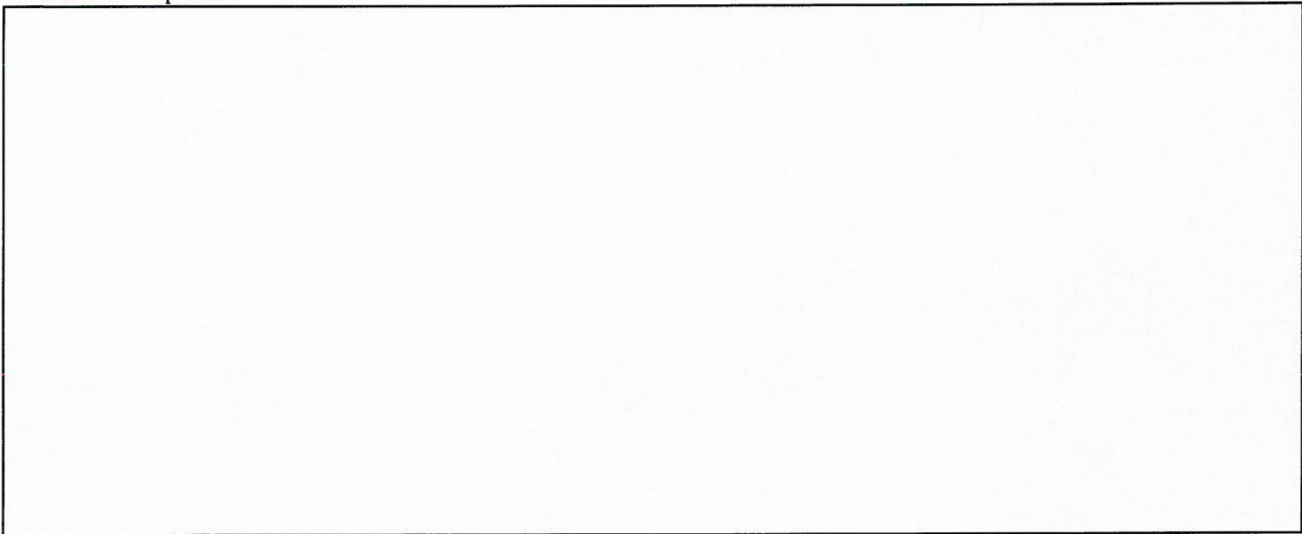


2.070 - Total Other Financing Sources

Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.



Notes & Assumptions:

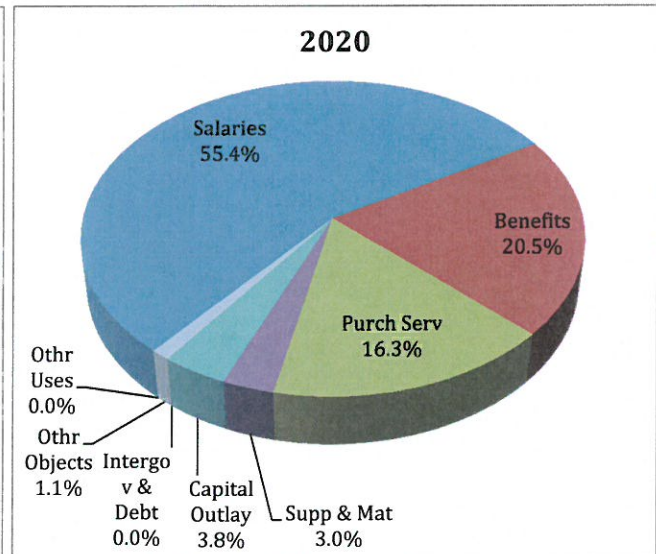
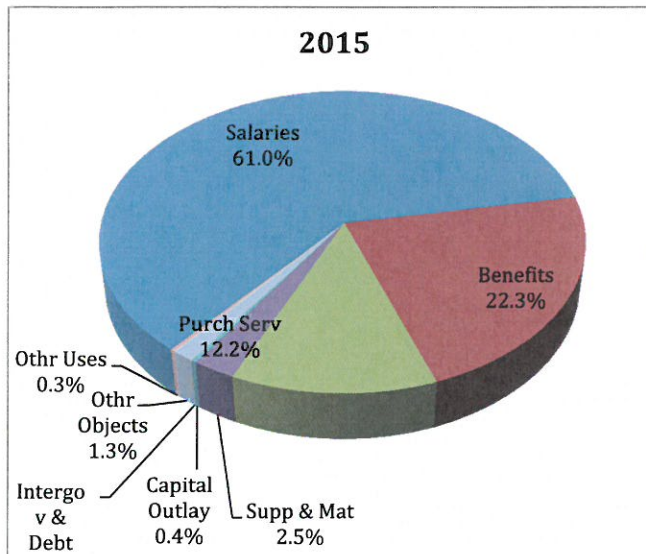


## Expenditures Overview

	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	
<b>Expenditures:</b>							
3.010-Salaries	-1.38%	2.16%	4.54%	4.64%	4.64%	4.64%	4.12%
3.020-Benefits	0.72%	0.41%	1.81%	4.91%	7.20%	7.73%	4.41%
3.030-Purchased Services	5.14%	26.52%	13.59%	8.31%	7.75%	7.28%	12.69%
3.040-Supplies & Materials	-3.75%	24.19%	5.88%	6.11%	6.33%	6.55%	9.81%
3.050-Capital Outlay	29.29%	508.38%	56.29%	15.00%	15.00%	15.00%	121.93%
3.060-Intergov	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.010-4.060-Debt	-17.80%	n/a	n/a	n/a	n/a	n/a	n/a
4.300-Other Objects	0.56%	-2.75%	3.06%	2.97%	8.49%	3.18%	2.99%
<b>4.500-Total Expenditures</b>	<b>-0.25%</b>	<b>7.05%</b>	<b>6.34%</b>	<b>5.59%</b>	<b>6.07%</b>	<b>6.09%</b>	<b>6.23%</b>
<b>5.040-Total Other Uses</b>	<b>84.04%</b>	<b>-13.80%</b>	<b>-50.00%</b>	<b>-100.00%</b>	<b>n/a</b>	<b>n/a</b>	<b>-54.60%</b>
<b>5.050-Total Exp &amp; Other Uses</b>	<b>-0.20%</b>	<b>6.98%</b>	<b>6.20%</b>	<b>5.47%</b>	<b>6.07%</b>	<b>6.09%</b>	<b>6.16%</b>

### Notes & Assumptions:

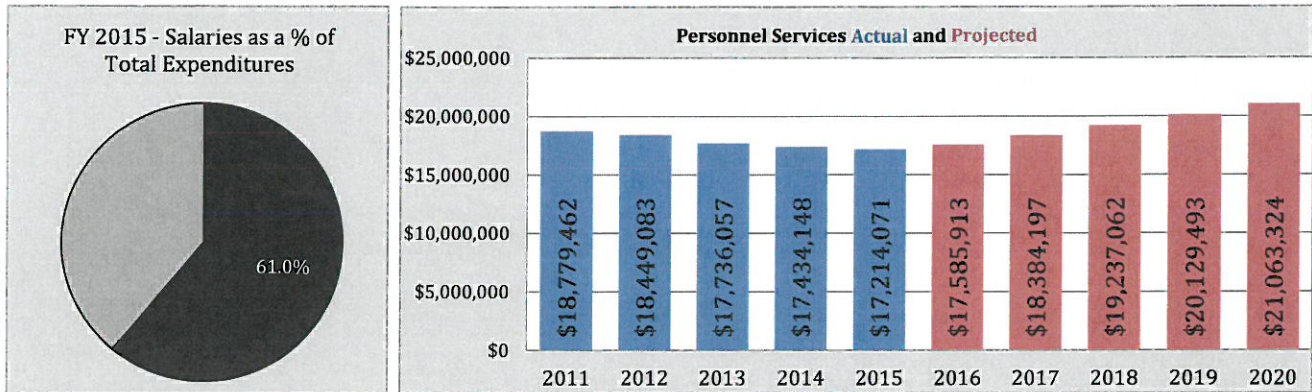
Salaries increased due to certified and classified negotiations. For Benefits, our district had a 0% increase in medical insurance for FY 16 and FY 17. In FY 18 it is capped at 7.5%. We also did not see an increase in dental or vision insurance. Purchased services shows an increase for Professional Development, College Credit Plus, Contracted Services with the ESC, and Special Education Services. Supplies and Materials increase is due to aging facilities and equipment - needing more supplies to fix items in the district. Capital Outlay is increased by \$500,000 for FY 17 for immediate repairs needed throughout the district and according to the PI Plan approved by the Board in FY 15.



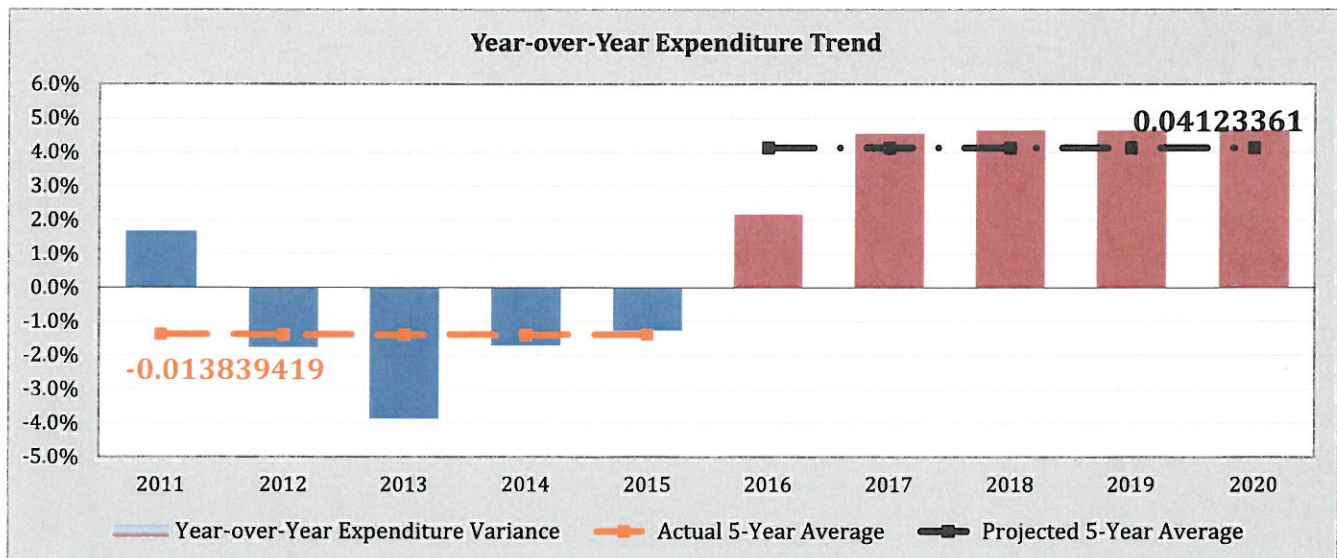


### 3.010 - Personnel Services

Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.



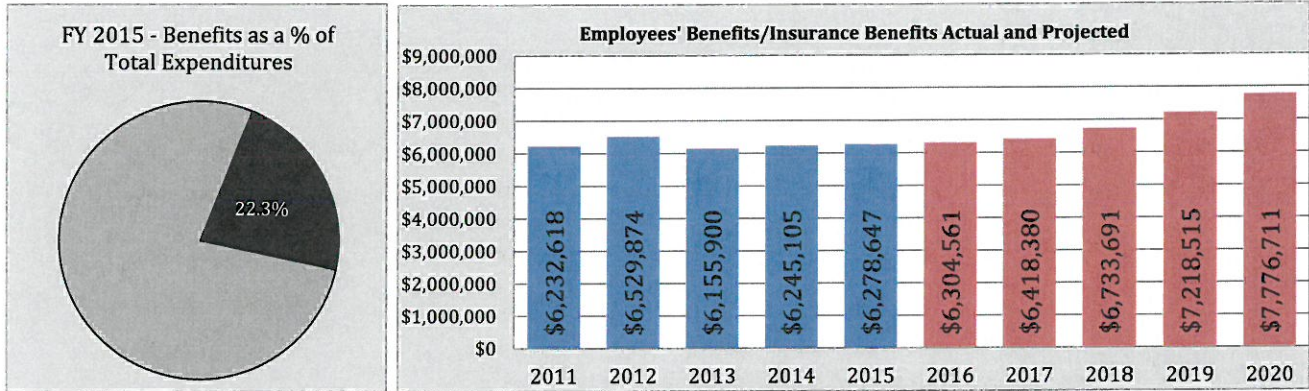
Notes & Assumptions:



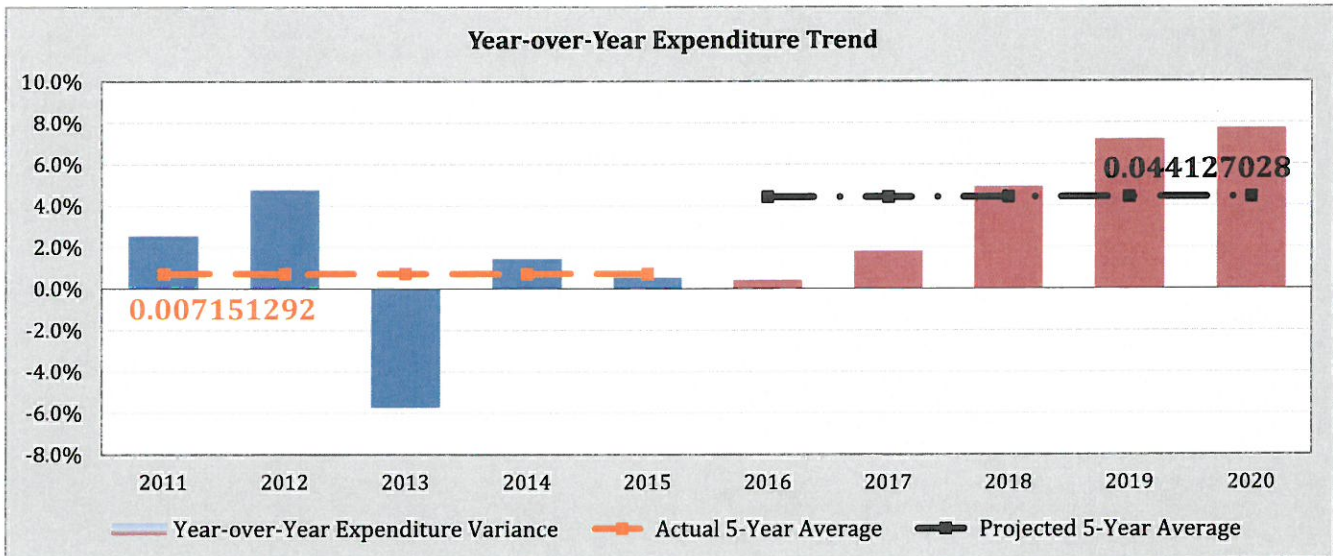
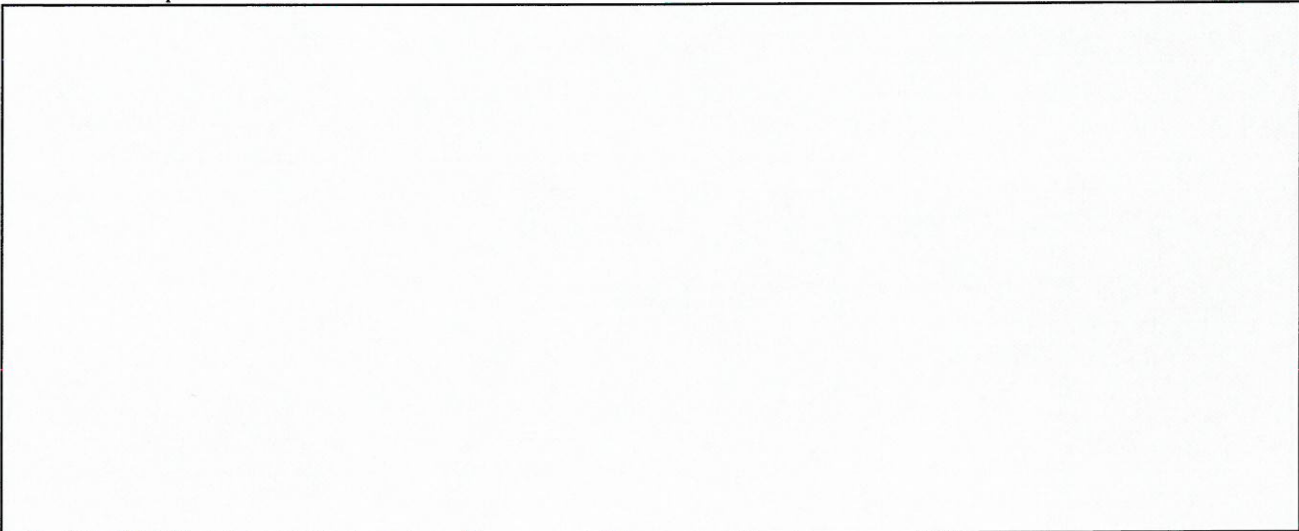


### 3.020 - Employees' Benefits

Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.

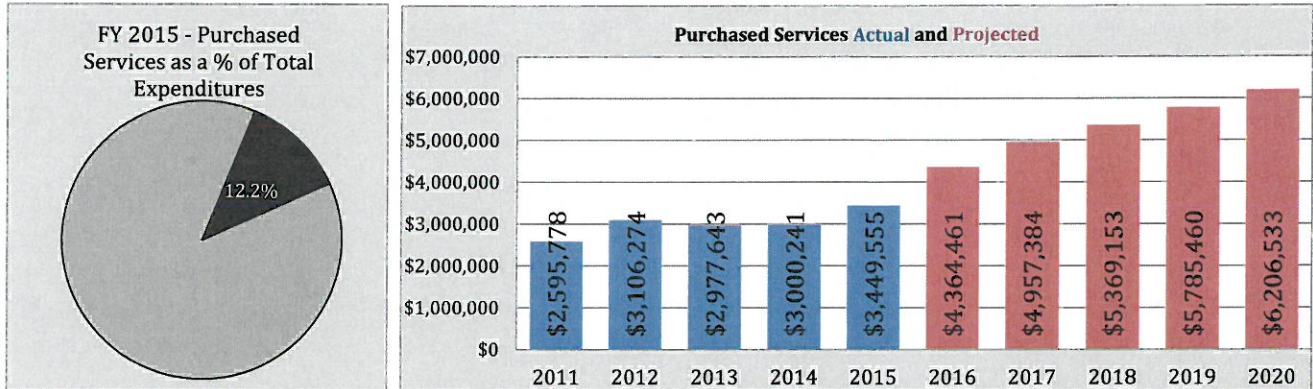


Notes & Assumptions:

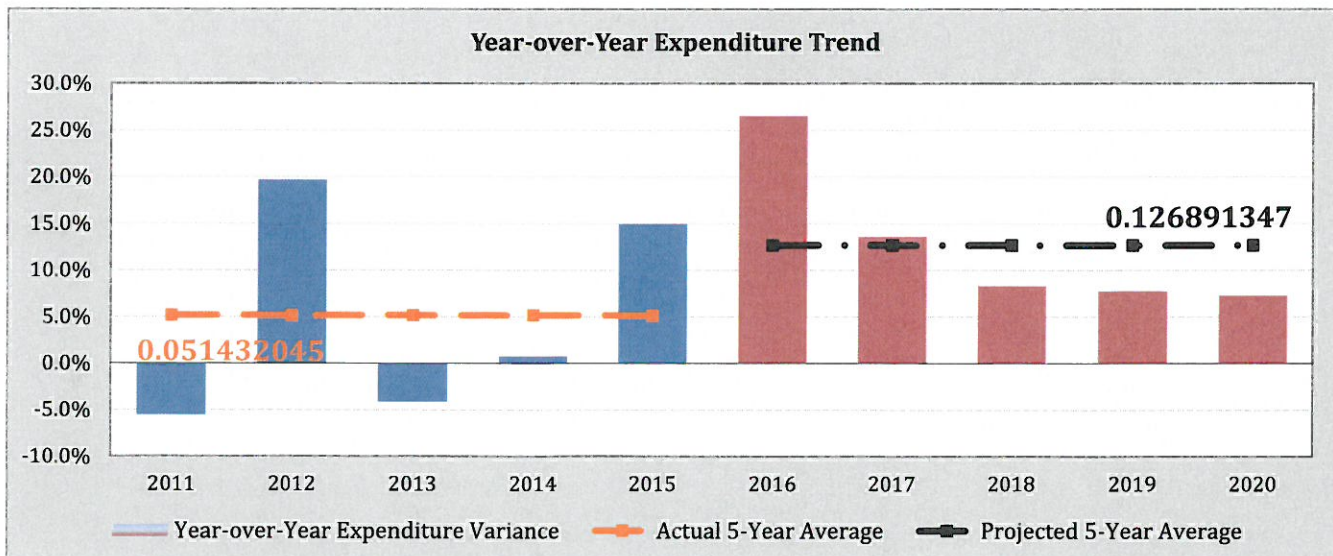
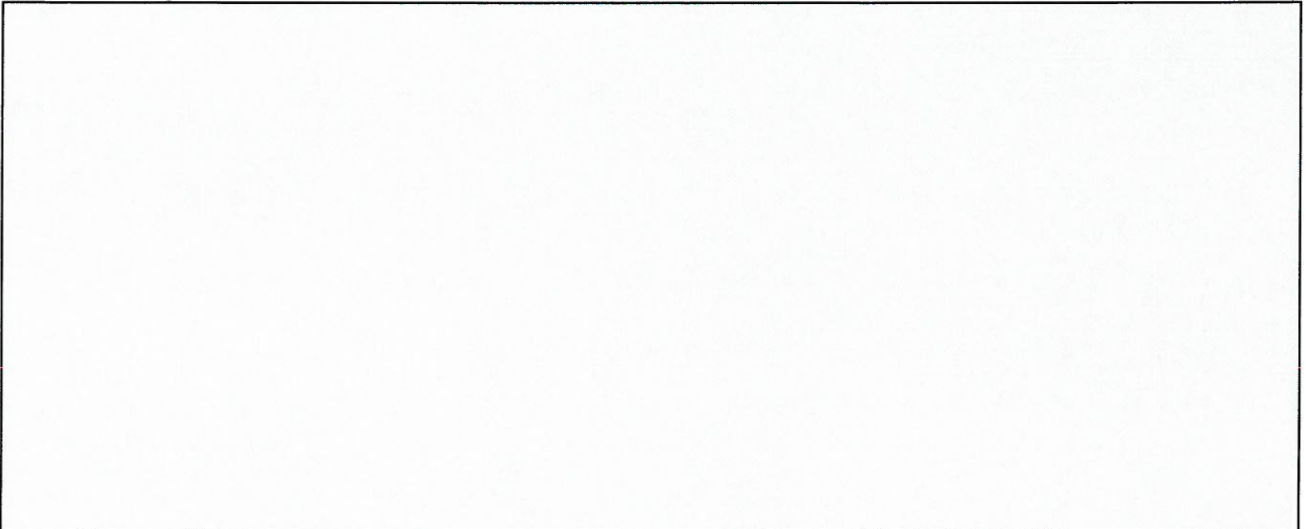


### 3.030 - Purchased Services

Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, and other services which the school district may purchase.



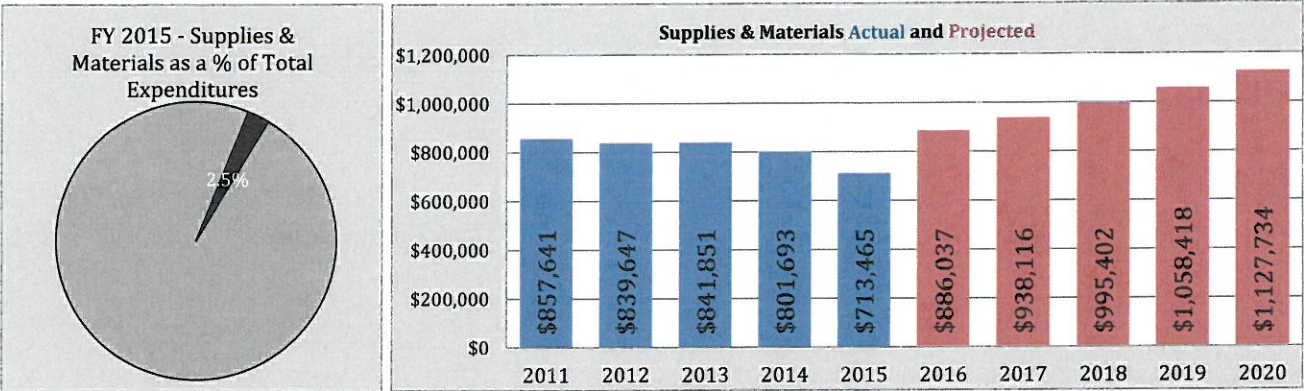
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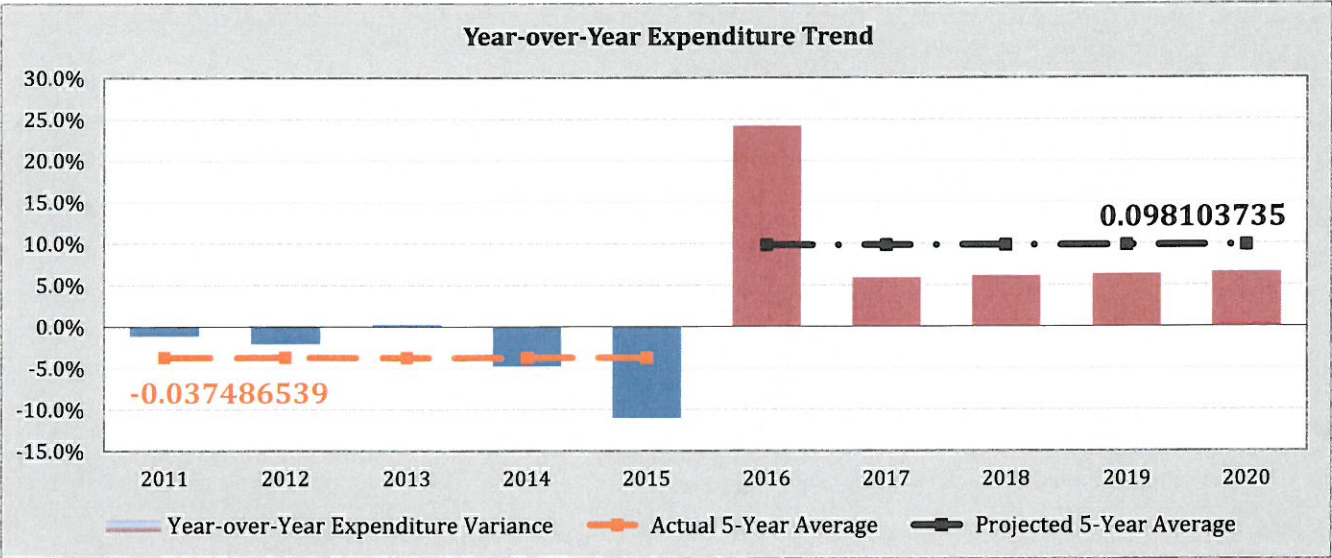
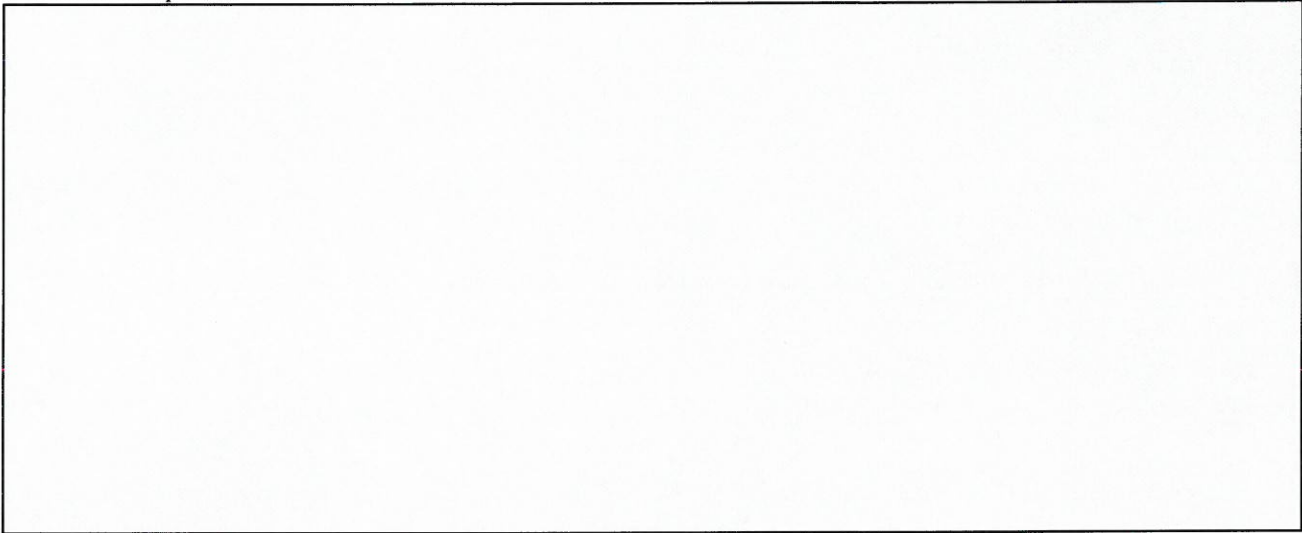


3.040 - Supplies & Materials

Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



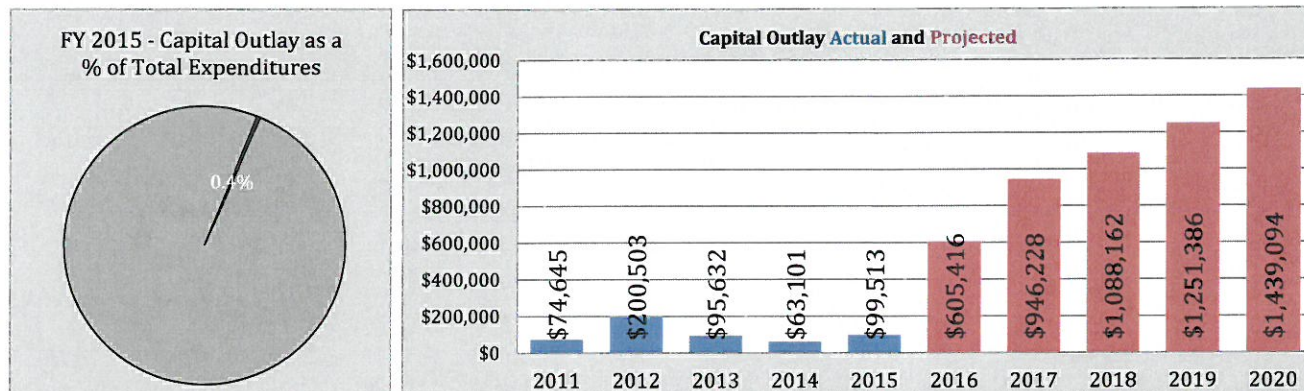
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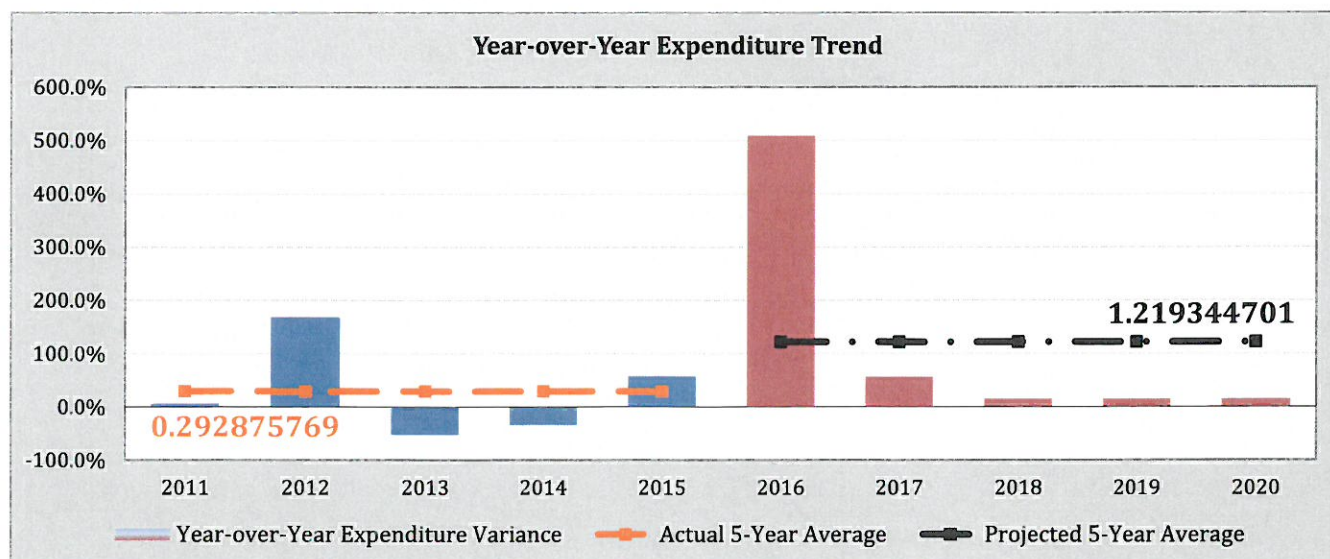


### 3.050 - Capital Outlay

This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.

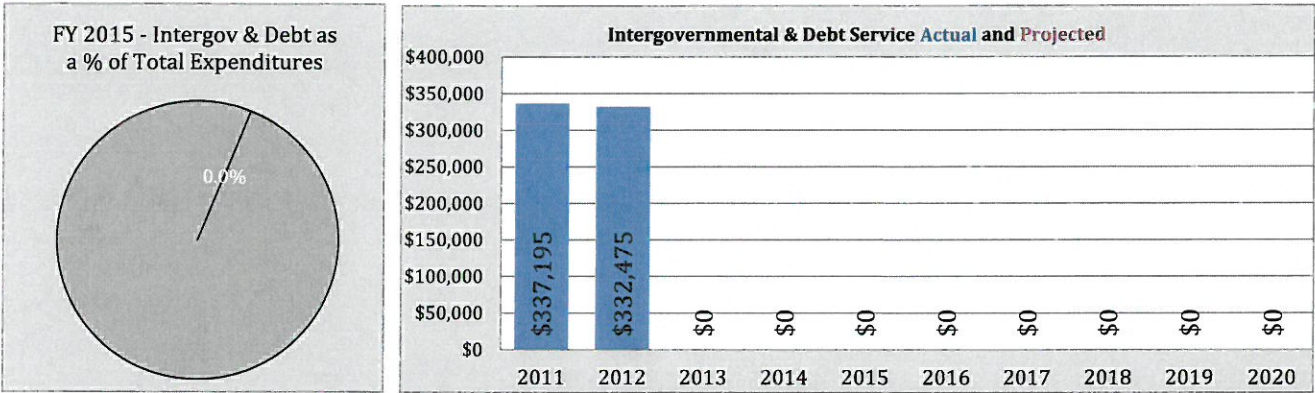


Notes & Assumptions:

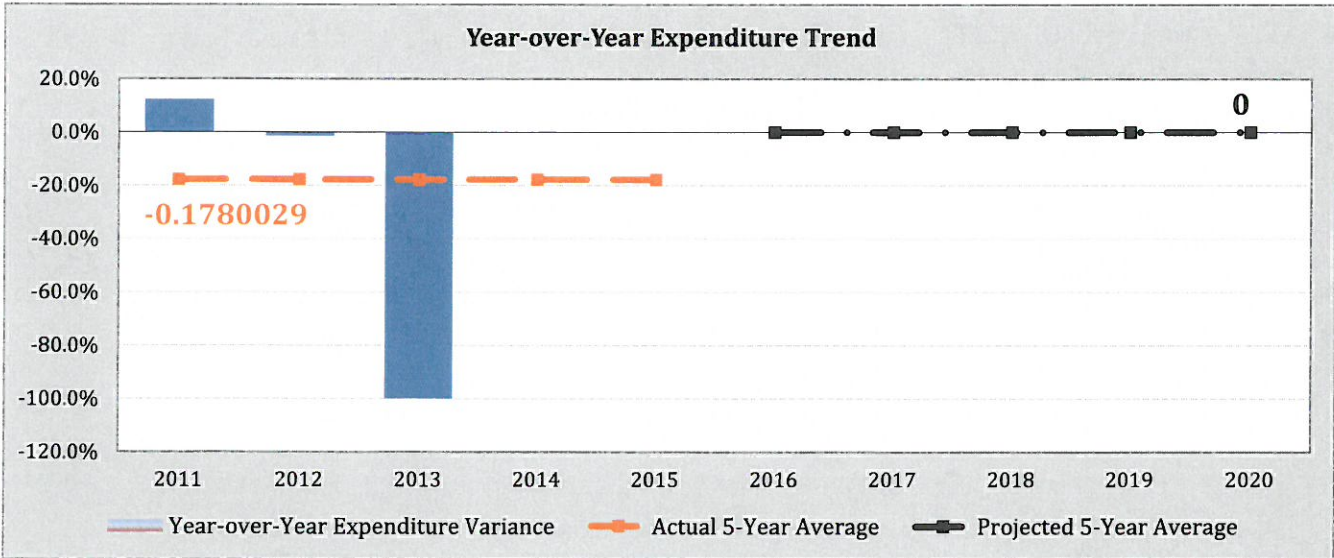
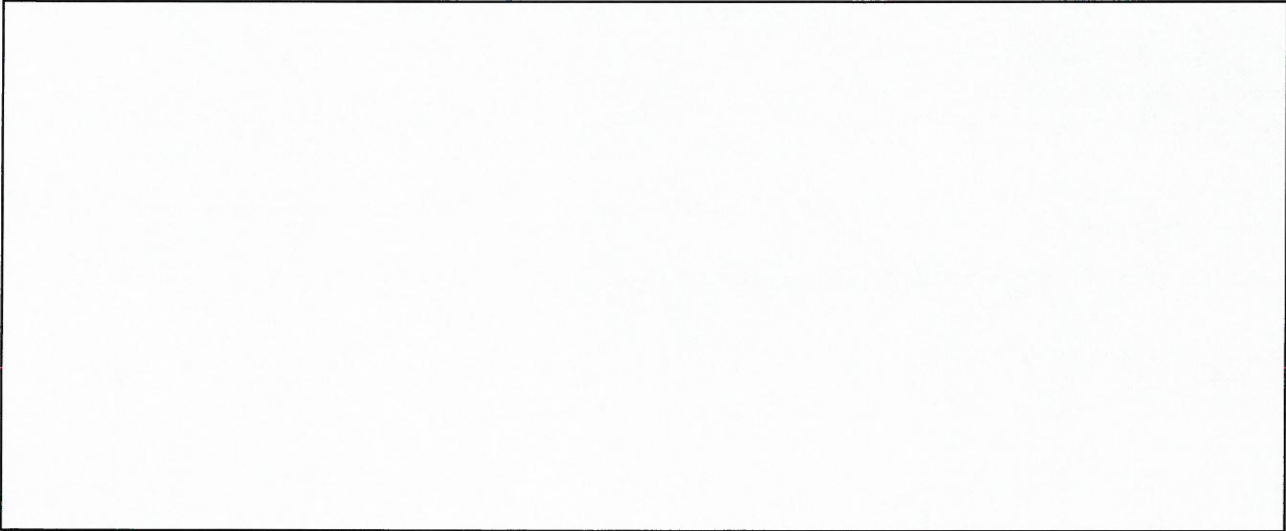


3.060-4.060 - Intergovernmental & Debt

These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.



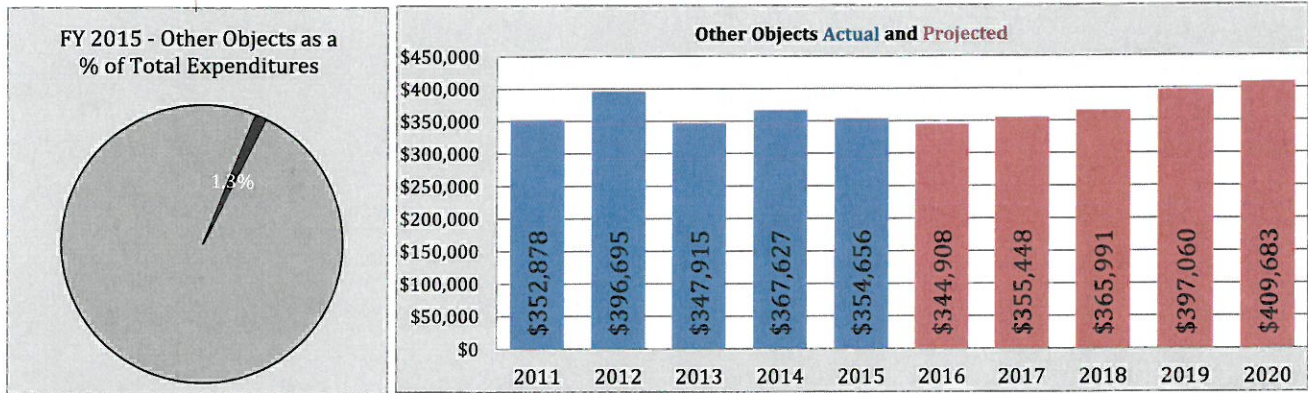
Notes & Assumptions:



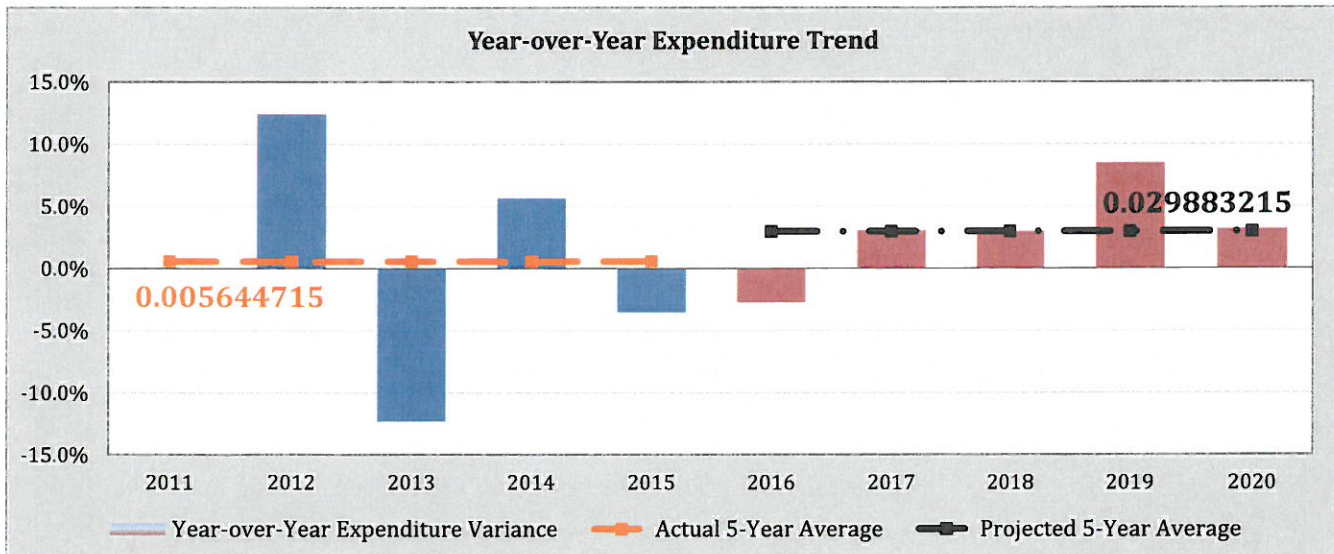
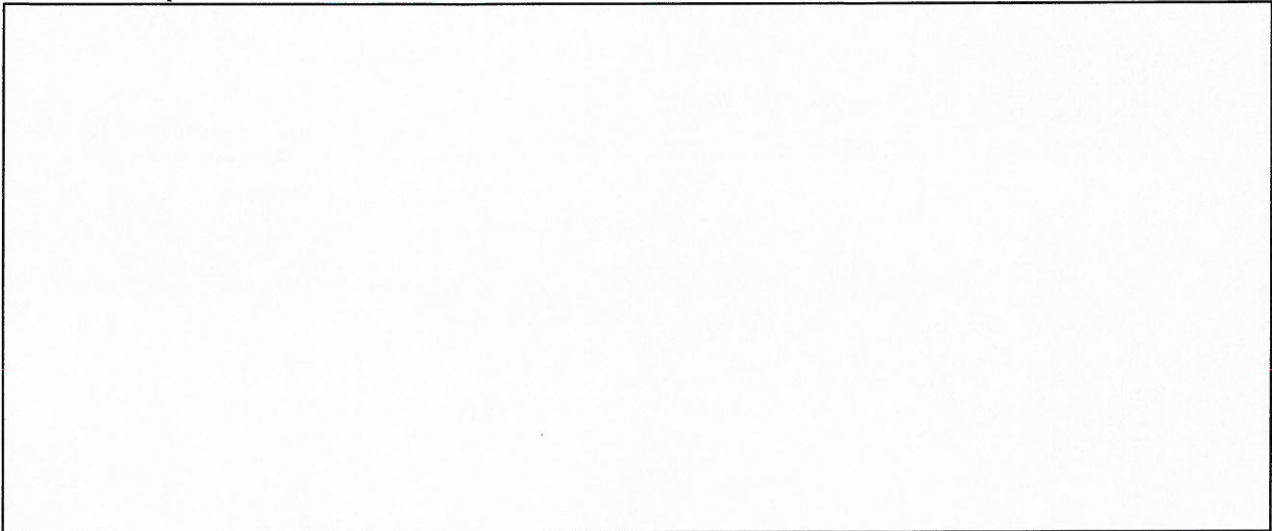


## 4.300 - Other Objects

Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



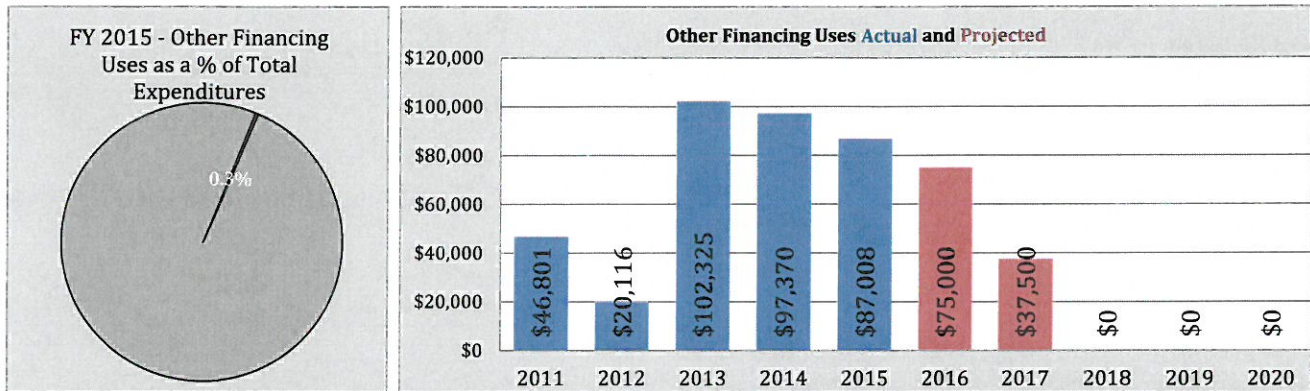
Notes & Assumptions:



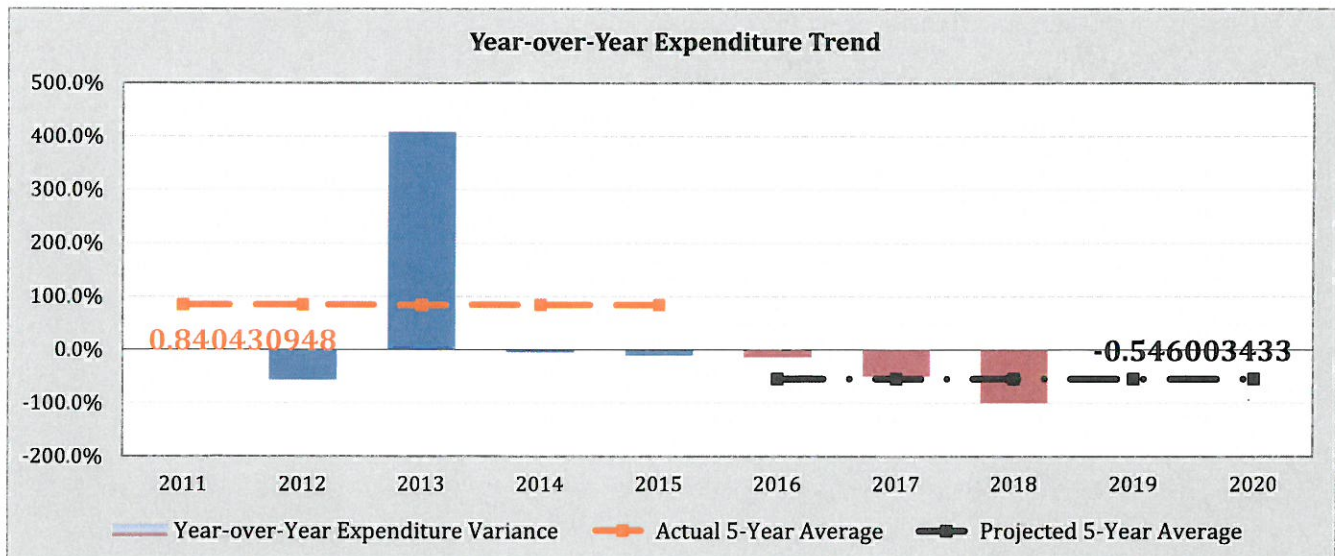
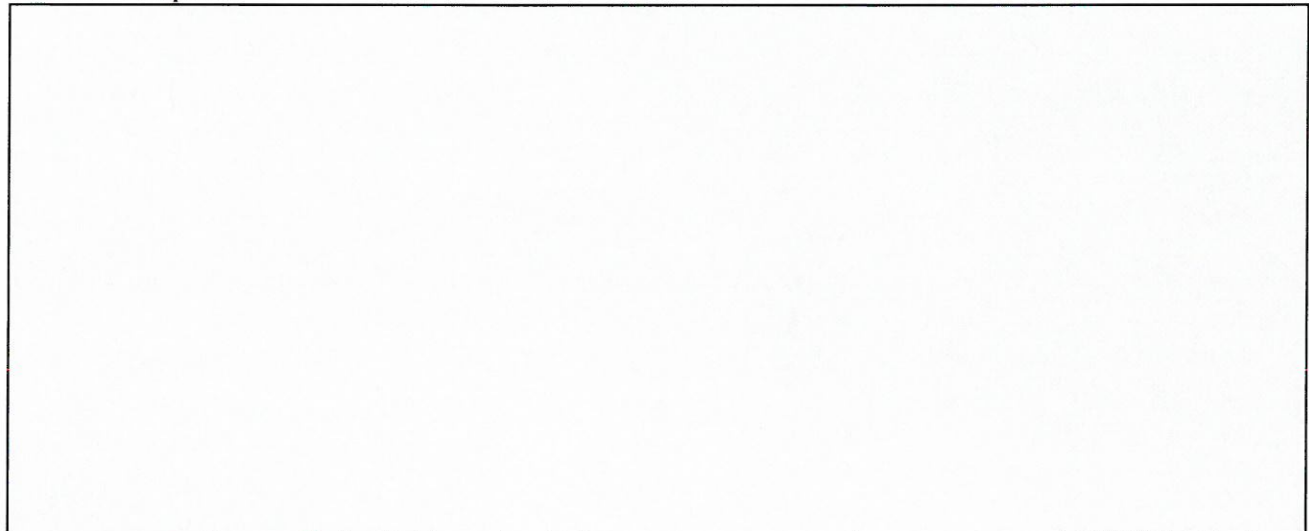


## 5.040 - Total Other Financing Uses

Operating transfers-out, advances out to other funds, and all other general fund financing uses.



Notes & Assumptions:



## Forecast Compare

Comparison of Previous Forecast Amounts to Current Forecasted Numbers  
F.Y. 2016

		Column A	Column B	Column C	Column D
		Previous Forecast Amounts For F.Y. 2016 Prepared on: 10/21/2015	Current Forecast Amounts For F.Y. 2016 Prepared on: 5/13/2016	Dollar Difference Between Previous and Current	Percent Difference Between Previous and Current
<b>Revenue:</b>					
1	Real Estate & Property Allocation	\$12,328,782	\$12,438,357	\$109,575	0.9%
2	Public Utility Personal Property	\$517,583	\$536,850	\$19,267	3.7%
3	Income Tax	\$246,000	\$245,908	-\$92	0.0%
4	State Foundation Restricted & Unrestricted	\$13,542,126	\$13,201,640	-\$340,486	-2.5%
5	Other Revenue	\$2,637,110	\$2,637,110	\$0	0.0%
6	Other Non Operating Revenue	\$182,000	\$295,167	\$113,167	62.2%
7	<b>Total Revenue</b>	<b>\$29,453,601</b>	<b>\$29,355,033</b>	<b>-\$98,568</b>	<b>-0.3%</b>
<b>Expenditures:</b>					
8	Salaries	\$17,773,456	\$17,585,913	-\$187,543	-1.1%
9	Fringe Benefits	\$6,371,787	\$6,304,561	-\$67,226	-1.1%
10	Purchased Services	\$3,981,461	\$4,364,461	\$383,000	9.6%
11	Supplies, Debt, Capital Outlay & Other	\$1,755,066	\$1,836,360	\$81,294	4.6%
12	Other Non Operating Expenditures	\$75,000	\$75,000	\$0	0.0%
13	<b>Total Expenditures</b>	<b>\$29,956,770</b>	<b>\$30,166,294</b>	<b>\$209,524</b>	<b>0.7%</b>
14	<b>Revenue Over/(Under) Expenditures</b>	<b>-\$503,169</b>	<b>-\$811,262</b>	<b>-\$308,093</b>	<b>-1%*</b>
15	<b>Ending Cash Balance</b>	<b>\$6,080,006</b>	<b>\$5,771,913</b>	<b>-\$308,093</b>	<b>-1%*</b>

\*Percentage Expressed In Terms of Total Expenditures

Notes:



Northeastern Local School District - Clark County

Fiscal Year:	Actual	FORECASTED				
	2015	2016	2017	2018	2019	2020
<b>Revenue:</b>						
1.010 - General Property Tax (Real Estate)	10,660,604	10,484,345	10,359,360	10,332,529	10,328,166	10,324,026
1.020 - Public Utility Personal Property	506,096	536,850	552,512	566,269	583,257	600,755
1.030 - Income Tax	-	245,908	3,126,455	4,182,410	4,224,234	4,266,476
1.035 - Unrestricted Grants-in-Aid	12,976,422	12,999,676	13,072,054	13,051,606	13,097,398	13,264,683
1.040 - Restricted Grants-in-Aid	456,737	201,964	394,555	291,378	290,133	288,266
1.045 - Restricted Federal Grants - SFSF	-	-	-	-	-	-
1.050 - Property Tax Allocation	2,017,138	1,954,012	1,874,393	1,869,279	1,870,071	1,870,902
1.060 - All Other Operating Revenues	2,795,220	2,637,110	2,637,563	2,638,025	2,638,496	2,638,976
<b>1.070 - Total Revenue</b>	<b>29,412,217</b>	<b>29,059,866</b>	<b>32,016,892</b>	<b>32,931,496</b>	<b>33,031,756</b>	<b>33,254,085</b>
<b>Other Financing Sources:</b>						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-
2.050 - Advances-In	22,820	41,513	-	-	-	-
2.060 - All Other Financing Sources	381,151	253,654	30,000	30,000	30,000	30,000
<b>2.070 - Total Other Financing Sources</b>	<b>403,971</b>	<b>295,167</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>
<b>2.080 - Total Rev &amp; Other Sources</b>	<b>29,816,188</b>	<b>29,355,033</b>	<b>32,046,892</b>	<b>32,961,496</b>	<b>33,061,756</b>	<b>33,284,085</b>
<b>Expenditures:</b>						
3.010 - Personnel Services	17,214,071	17,585,913	18,384,197	19,237,062	20,129,493	21,063,324
3.020 - Employee Benefits	6,278,647	6,304,561	6,418,380	6,733,691	7,218,515	7,776,711
3.030 - Purchased Services	3,449,555	4,364,461	4,957,384	5,369,153	5,785,460	6,206,533
3.040 - Supplies and Materials	713,465	886,037	938,116	995,402	1,058,418	1,127,734
3.050 - Capital Outlay	99,513	605,416	946,228	1,088,162	1,251,386	1,439,094
3.060 - Intergovernmental	-	-	-	-	-	-
<b>Debt Service:</b>						
4.010 - Principal-All Years	-	-	-	-	-	-
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	-	-	-	-	-	-
4.300 - Other Objects	354,656	344,908	355,448	365,991	397,060	409,683
<b>4.500 - Total Expenditures</b>	<b>28,109,907</b>	<b>30,091,294</b>	<b>31,999,753</b>	<b>33,789,461</b>	<b>35,840,332</b>	<b>38,023,080</b>
<b>Other Financing Uses</b>						
5.010 - Operating Transfers-Out	59,803	75,000	37,500	-	-	-
5.020 - Advances-Out	27,205	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
<b>5.040 - Total Other Financing Uses</b>	<b>87,008</b>	<b>75,000</b>	<b>37,500</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>5.050 - Total Exp and Other Financing Uses</b>	<b>28,196,915</b>	<b>30,166,294</b>	<b>32,037,253</b>	<b>33,789,461</b>	<b>35,840,332</b>	<b>38,023,080</b>
<b>6.010 - Excess of Rev Over/(Under) Exp</b>	<b>1,619,273</b>	<b>(811,262)</b>	<b>9,640</b>	<b>(827,964)</b>	<b>(2,778,576)</b>	<b>(4,738,995)</b>
<b>7.010 - Cash Balance July 1 (No Levies)</b>	<b>4,963,902</b>	<b>6,583,175</b>	<b>5,771,913</b>	<b>5,781,553</b>	<b>4,953,588</b>	<b>2,175,012</b>
<b>7.020 - Cash Balance June 30 (No Levies)</b>	<b>6,583,175</b>	<b>5,771,913</b>	<b>5,781,553</b>	<b>4,953,588</b>	<b>2,175,012</b>	<b>(2,563,983)</b>
8.010 - Estimated Encumbrances June 30	202,809	150,000	150,000	150,000	150,000	150,000
9.080 - Reservations Subtotal	-	-	-	-	-	-
<b>10.010 - Fund Bal June 30 for Cert of App</b>	<b>6,380,366</b>	<b>5,621,913</b>	<b>5,631,553</b>	<b>4,803,588</b>	<b>2,025,012</b>	<b>(2,713,983)</b>
<b>Rev from Replacement/Renewal Levies</b>						
11.010 & 11.020 - Income & Property Tax-Renewal	-	-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-
<b>12.010 - Fund Bal June 30 for Cert of Obligations</b>	<b>6,380,366</b>	<b>5,621,913</b>	<b>5,631,553</b>	<b>4,803,588</b>	<b>2,025,012</b>	<b>(2,713,983)</b>
<b>Revenue from New Levies</b>						
13.010 & 13.020 - Income & Property Tax-New	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
<b>15.010 - Unreserved Fund Balance June 30</b>	<b>6,380,366</b>	<b>5,621,913</b>	<b>5,631,553</b>	<b>4,803,588</b>	<b>2,025,012</b>	<b>(2,713,983)</b>

