

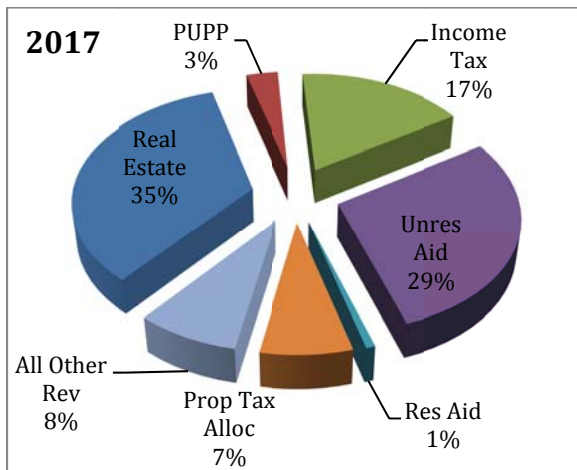
# Berkshire Local Schools

## May 2017 Forecast

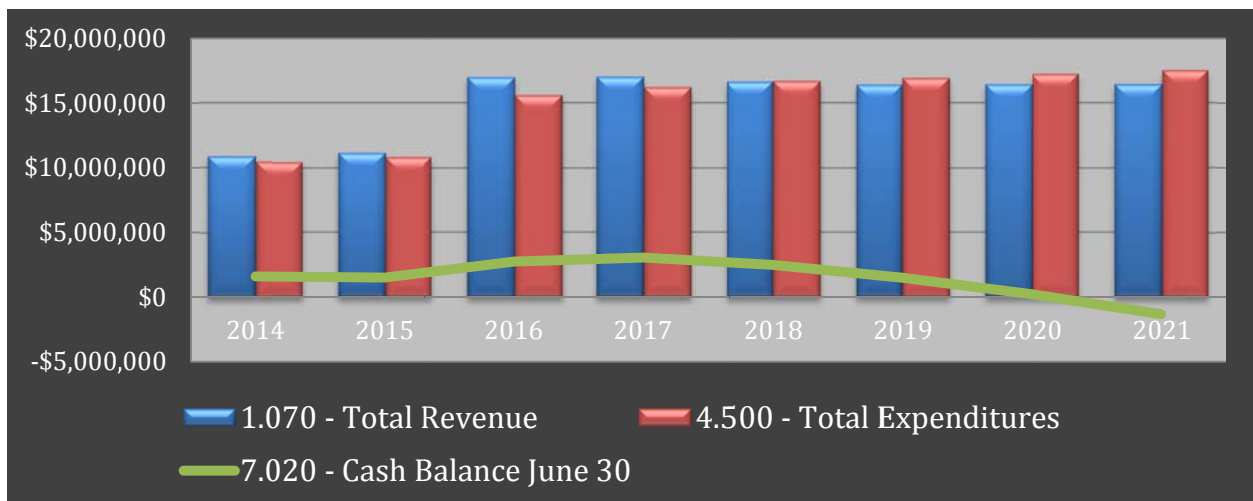
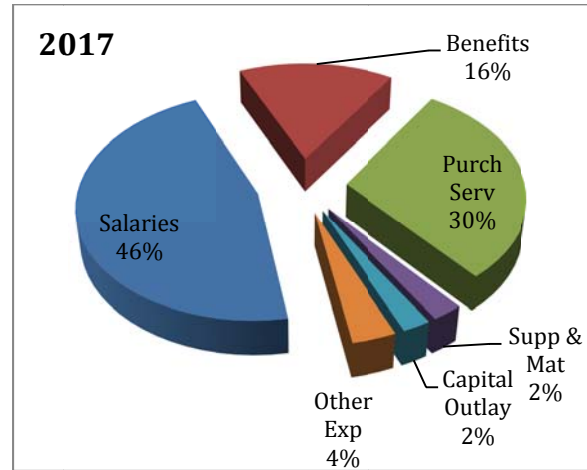
### Financial Overview

- ✓ Revenues are forecasted to total \$17,148,129 which is a decrease from the October Forecast of \$57,880.
- ✓ Expenditures are forecasted to total \$16,858,508. This is an decrease of \$45,034 over the October Forecast and is attributed to decreases in purchase services and materials and supplies.
- ✓ The District is forecasted to have a negative fund balance on June 30, 2021 of \$1,422,189.

### 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 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
<b>Revenue:</b>								
1.010 - General Property Tax (Real Estate)	3,886,285	3,959,763	5,838,192	5,839,992	5,773,820	5,854,849	5,864,061	5,873,297
1.020 - Public Utility Personal Property	321,947	356,009	543,859	563,608	565,428	567,790	569,372	570,958
1.030 - Income Tax	1,876,815	1,839,804	2,954,737	2,890,170	2,969,529	2,976,953	2,984,395	2,991,856
1.035 - Unrestricted Grants-in-Aid	2,821,229	2,947,413	5,124,771	4,992,947	4,892,947	4,730,354	4,730,784	4,730,829
1.040 - Restricted Grants-in-Aid	12,372	11,542	29,879	123,486	135,026	134,800	134,641	134,483
1.045 - Restricted Federal Grants-in-Aid - SFSF	-	-	-	-	-	-	(271)	(159)
1.050 - Property Tax Allocation	1,067,871	1,079,639	1,176,025	1,249,108	1,009,180	849,024	850,478	851,937
1.060 - All Other Operating Revenues	886,068	988,262	1,312,105	1,367,572	1,295,839	1,294,839	1,293,839	1,293,839
<b>1.070 - Total Revenue</b>	<b>10,872,587</b>	<b>11,182,432</b>	<b>16,979,566</b>	<b>17,026,882</b>	<b>16,641,769</b>	<b>16,408,608</b>	<b>16,427,300</b>	<b>16,447,039</b>
<b>Other Financing Sources:</b>								
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-	-	-
2.020 - State Emergency Loans and Advancements	-	-	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-	-	-
2.050 - Advances-In	100,000	103,300	124,939	120,000	125,000	125,000	125,000	125,000
2.060 - All Other Financing Sources	53,504	40,456	13,150	1,247	1,500	1,500	1,500	1,500
2.070 - Total Other Financing Sources	153,504	143,756	138,089	121,247	126,500	126,500	126,500	126,500
<b>2.080 - Total Revenues and Other Financing Sources</b>	<b>11,026,091</b>	<b>11,326,188</b>	<b>17,117,655</b>	<b>17,148,129</b>	<b>16,768,269</b>	<b>16,535,108</b>	<b>16,553,800</b>	<b>16,573,539</b>
<b>Expenditures:</b>								
3.010 - Personnel Services	5,479,053	5,710,714	7,207,298	7,470,437	7,549,846	7,650,843	7,753,859	7,858,937
3.020 - Employees' Retirement/Insurance Benefits	1,815,711	1,914,814	2,536,321	2,567,773	2,810,104	2,902,212	2,998,413	3,098,901
3.030 - Purchased Services	2,302,099	2,293,632	4,482,829	4,832,790	4,929,446	5,028,034	5,128,595	5,231,167
3.040 - Supplies and Materials	238,202	306,969	421,053	399,082	399,072	399,072	399,072	399,072
3.050 - Capital Outlay	115,156	173,741	271,335	362,437	433,410	384,743	392,343	362,944
3.060 - Intergovernmental	-	-	-	-	-	-	-	-
<b>Debt Service:</b>								
4.010 - Principal-All Years	-	-	43,000	-	-	-	-	-
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	-	-	1,668	-	-	-	-	-
4.300 - Other Objects	502,273	459,454	624,275	583,714	578,029	578,297	578,570	578,848
<b>4.500 - Total Expenditures</b>	<b>10,452,494</b>	<b>10,859,324</b>	<b>15,587,779</b>	<b>16,216,233</b>	<b>16,699,906</b>	<b>16,943,201</b>	<b>17,250,852</b>	<b>17,529,869</b>
<b>Other Financing Uses</b>								
5.010 - Operating Transfers-Out	555,174	355,000	569,705	522,275	525,000	480,000	480,000	480,000
5.020 - Advances-Out	100,000	201,072	124,939	120,000	125,000	125,000	125,000	125,000
5.030 - All Other Financing Uses	-	-	-	-	-	-	-	-
5.040 - Total Other Financing Uses	655,174	556,072	694,644	642,275	650,000	605,000	605,000	605,000
<b>5.050 - Total Expenditures and Other Financing Uses</b>	<b>11,107,668</b>	<b>11,415,396</b>	<b>16,282,423</b>	<b>16,858,508</b>	<b>17,349,906</b>	<b>17,548,201</b>	<b>17,855,852</b>	<b>18,134,869</b>
<b>Excess of Rev &amp; Other Financing Uses Over (Under)</b>								
<b>6.010 - Expenditures and Other Financing Uses</b>	<b>(81,577)</b>	<b>(89,208)</b>	<b>835,232</b>	<b>289,621</b>	<b>(581,638)</b>	<b>(1,013,093)</b>	<b>(1,302,052)</b>	<b>(1,561,330)</b>
<b>Cash Balance July 1 - Excluding Proposed Renewal/ Replacement and New Levies</b>	<b>1,673,700</b>	<b>1,592,123</b>	<b>1,911,069</b>	<b>2,746,302</b>	<b>3,035,923</b>	<b>2,454,285</b>	<b>1,441,193</b>	<b>139,141</b>
<b>7.020 - Cash Balance June 30</b>	<b>1,592,123</b>	<b>1,502,915</b>	<b>2,746,302</b>	<b>3,035,923</b>	<b>2,454,285</b>	<b>1,441,193</b>	<b>139,141</b>	<b>(1,422,189)</b>
8.010 - Estimated Encumbrances June 30	-	-	-	-	-	-	-	-
<b>Reservations of Fund Balance:</b>								
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	-	-	-	-	-	-	-	-
<b>Fund Balance June 30 for Certification</b>								
<b>10.010 - of Appropriations</b>	<b>1,592,123</b>	<b>1,502,915</b>	<b>2,746,302</b>	<b>3,035,923</b>	<b>2,454,285</b>	<b>1,441,193</b>	<b>139,141</b>	<b>(1,422,189)</b>
<b>Rev from Replacement/Renewal Levies</b>								
11.010 - Income Tax - Renewal	-	-	-	-	-	-	-	-
11.020 - Property Tax - Renewal or Replacement	-	-	-	-	-	-	-	-
11.030 - Cumulative Balance of Replacement/Renewal Levies	-	-	-	-	-	-	-	-
<b>Fund Balance June 30 for Certification</b>								
<b>12.010 - of Contracts, Salary and Other Obligations</b>	<b>1,592,123</b>	<b>1,502,915</b>	<b>2,746,302</b>	<b>3,035,923</b>	<b>2,454,285</b>	<b>1,441,193</b>	<b>139,141</b>	<b>(1,422,189)</b>
<b>Revenue from New Levies</b>								
13.010 - Income Tax - New	-	-	-	-	-	-	-	-
13.020 - Property Tax - New	-	-	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-	-	-
14.010 - Revenue from Future State Advancements	-	-	-	-	-	-	-	-
<b>15.010 - Unreserved Fund Balance June 30</b>	<b>1,592,123</b>	<b>1,502,915</b>	<b>2,746,302</b>	<b>3,035,923</b>	<b>2,454,285</b>	<b>1,441,193</b>	<b>139,141</b>	<b>(1,422,189)</b>
<b>ADM Forecasts</b>								
20.010 - Kindergarten	-	-	-	96	93	93	93	93
20.015 - Grades 1-12	-	-	-	1,138	1,134	1,124	1,117	1,110

***BERKSHIRE LOCAL SCHOOL  
ASSUMPTIONS – May 8, 2017  
Five Year Forecast – FY17 – FY21***

**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 FY17 revenue is based upon current tax rates and values. FY17 collections includes \$205,495 in delinquencies. Current outstanding delinquencies in Real Estate taxes are \$660,284; of this amount \$150,000 is forecasted to be collected in FY18. The decrease in projected collections in FY18 is attributed the reduction in the delinquency collection as well as pending cases before the Board of Revision.

**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.

**1.030: Income Tax**

The District collects an earned income tax of 1%. Current collections for FY17 fell below projected values by \$71,954. As a result of this, increases in FY18 through FY21 projections have been adjusted for slower growth.

**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, that occurred on July 1, 2015, the District is guaranteed to receive the same amount in State Foundation monies for the next three years. The District has one more year remaining under this agreement. The State funding for schools is based on several factors all of which are subject to deliberations and approval of the Ohio General Assembly. Currently, the General Assembly is deliberating the next biennium budget, of which schools are expected to experience reduced funding. FY19 reflects a 3.32% reduction in state funding.

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 \$51.85 per student for FY17 through FY21. FY17 casino revenues collected were \$61,344.

**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 catastrophic 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. Actual TPP funding received in FY17 was \$375,160. TPP funding is expected to be \$161,607 for FY18. Based upon current legislation, TPP funding will end in FY19.

**1.060: All Other Revenue**

This revenue line item includes all other local revenue, open enrollment, manufactured home revenue, Medicaid reimbursements and interest earnings. It should be noted that the pass through associated with MRDD, classed as other local revenue, has been reduced to \$75,000 each year from FY17 through FY21. Other changes associated with this category are due to the reclassification of Catastrophic Cost revenue to Restricted Revenue.

**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. Personnel Services include all salaries, substitutes, long term substitutes, certified extra classes, and overtime costs. The forecast reflects \$275,000 to be allocated to Title I salaries.

**3.020: Employees' Retirement/Insurance Benefits**

Benefits include: retirement, Medicare, workers compensation, unemployment compensation, life insurance, health and dental insurance. The District is coming off a two year contract with its' current healthcare carrier. A significant increase to healthcare premiums is expected but will not be known until July 2017. A 20% increase has been forecasted for FY18.

**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**

In FY18, additional taxes from the permanent improvement levy will be collected due to the addition of Ledgemont values however due to the repairs needed at Ledgemont Elementary, additional monies of \$90,000 has been set aside in FY18 and \$75,000 in FY19 through FY21.

**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 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Self Insurance Fund	325,000	325,000	325,000	325,000	325,000
Cafeteria Fund	70,000	60,000	40,000	40,000	40,000
Termination Benefits Fund	97,275	100,000	75,000	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
Miscellaneous Funds	5,000	5,000	5,000	5,000	5,000
	<u>522,275</u>	<u>525,000</u>	<u>480,000</u>	<u>480,000</u>	<u>480,000</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.**