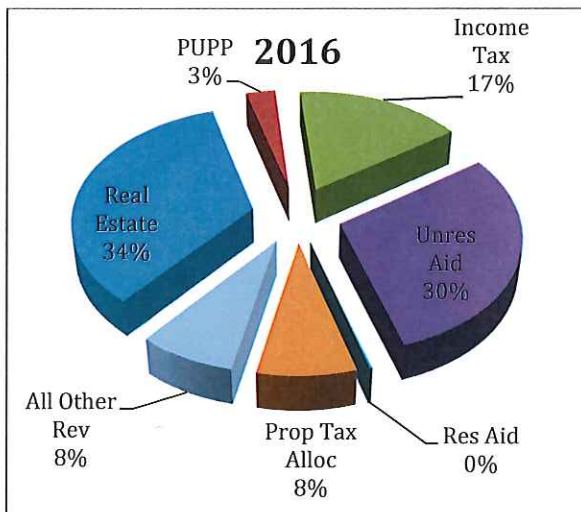


# Berkshire Local Schools January 2016 Updated Forecast

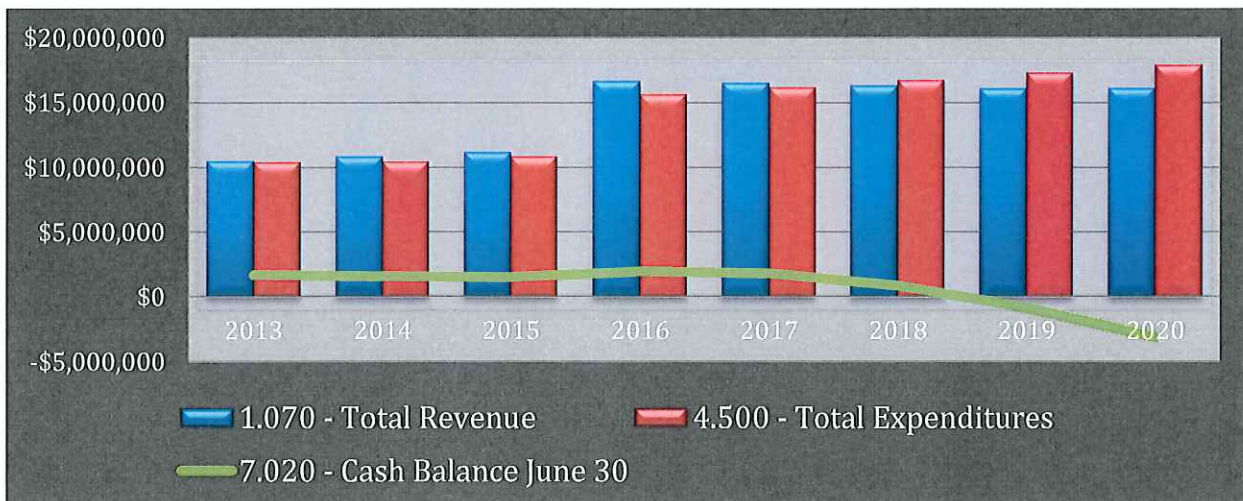
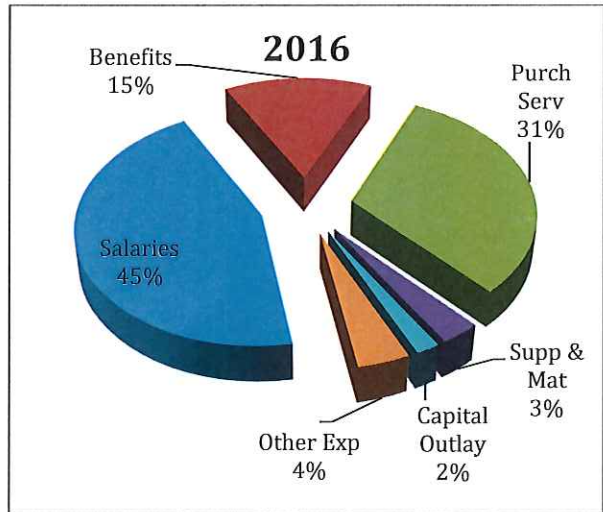
## Financial Overview

- ✓ The forecast reflects the consolidation of Ledgemont into Berkshire for FY16 through FY20.
- ✓ Revenues have been adjusted for FY16 to reflect revised TPP, Foundation and Other Revenue amounts, resulting in a net decrease of \$1,150.
- ✓ Expenditures have been adjusted for FY16 to reflect actual expenditures, the result is a net decrease in expenditures of \$382,869.
- ✓ The District is forecasted to have a negative fund balance on June 30, 2019 of \$428,790, This is an improvement of \$318,302 from the October forecast.

### 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
<b>Revenue:</b>								
1.010 - General Property Tax (Real Estate)	3,807,793	3,886,285	3,959,763	5,723,975	5,726,482	5,731,701	5,750,407	5,775,075
1.020 - Public Utility Personal Property	291,967	321,947	356,009	491,072	533,374	538,707	544,095	549,535
1.030 - Income Tax	1,756,995	1,876,815	1,839,804	2,789,804	2,794,404	2,778,821	2,813,287	2,822,800
1.035 - Unrestricted Grants-in-Aid	2,868,614	2,821,229	2,947,413	5,038,732	5,037,672	5,036,611	4,891,292	4,890,686
1.040 - Restricted Grants-in-Aid	34,868	12,372	11,542	34,177	34,177	34,177	34,177	34,177
1.045 - Restricted Federal Grants-in-Aid - SFSS	-	-	-	-	-	-	-	-
1.050 - Property Tax Allocation	1,057,561	1,067,871	1,079,639	1,312,942	1,167,540	979,187	856,862	861,011
1.060 - All Other Operating Revenues	689,634	886,068	988,262	1,292,405	1,254,260	1,229,260	1,219,260	1,209,260
<b>1.070 - Total Revenue</b>	<b>10,507,432</b>	<b>10,872,587</b>	<b>11,182,432</b>	<b>16,683,107</b>	<b>16,547,908</b>	<b>16,328,465</b>	<b>16,109,379</b>	<b>16,142,545</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	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
<b>2.080 - Total Revenues and Other Financing Sources</b>	<b>10,644,730</b>	<b>11,026,091</b>	<b>11,326,188</b>	<b>16,823,046</b>	<b>16,687,908</b>	<b>16,468,465</b>	<b>16,249,379</b>	<b>16,282,545</b>
<b>Expenditures:</b>								
3.010 - Personnel Services	5,678,218	5,479,053	5,710,714	7,029,613	7,424,798	7,760,790	8,110,221	8,473,630
3.020 - Employees' Retirement/Insurance Benefits	1,793,207	1,815,711	1,914,814	2,276,357	2,343,182	2,452,239	2,566,704	2,686,854
3.030 - Purchased Services	2,089,043	2,302,099	2,293,632	4,936,952	5,010,233	5,085,988	5,164,308	5,245,291
3.040 - Supplies and Materials	281,561	238,202	306,969	492,331	492,331	492,331	492,331	492,331
3.050 - Capital Outlay	99,486	115,156	173,741	290,006	344,466	396,466	397,799	415,399
3.060 - Intergovernmental	-	-	-	-	-	-	-	-
<b>Debt Service:</b>								
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	597,025	563,552	570,902	578,418	586,105
<b>4.500 - Total Expenditures</b>	<b>10,441,230</b>	<b>10,452,494</b>	<b>10,859,324</b>	<b>15,666,952</b>	<b>16,178,563</b>	<b>16,758,716</b>	<b>17,309,781</b>	<b>17,899,609</b>
<b>Other Financing Uses</b>								
5.010 - Operating Transfers-Out	493,130	555,174	355,000	574,705	535,000	535,000	510,000	510,000
5.020 - Advances-Out	135,000	100,000	201,072	124,939	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	699,644	660,000	660,000	635,000	635,000
<b>5.050 - Total Expenditures and Other Financing Uses</b>	<b>11,069,360</b>	<b>11,107,668</b>	<b>11,415,396</b>	<b>16,366,596</b>	<b>16,838,563</b>	<b>17,418,716</b>	<b>17,944,781</b>	<b>18,534,609</b>
<b>Excess of Rev &amp; Other Financing Uses Over (Under)</b>								
<b>6.010 - Expenditures and Other Financing Uses</b>	<b>(424,630)</b>	<b>(81,577)</b>	<b>(89,208)</b>	<b>456,450</b>	<b>(150,655)</b>	<b>(950,252)</b>	<b>(1,695,402)</b>	<b>(2,252,065)</b>
<b>Cash Balance July 1 - Excluding Proposed Renewal/</b>								
<b>7.010 - Replacement and New Levies</b>	<b>2,098,330</b>	<b>1,673,700</b>	<b>1,592,123</b>	<b>1,911,069</b>	<b>2,367,519</b>	<b>2,216,864</b>	<b>1,266,612</b>	<b>(428,790)</b>
<b>7.020 - Cash Balance June 30</b>	<b>1,673,700</b>	<b>1,592,123</b>	<b>1,502,915</b>	<b>2,367,519</b>	<b>2,216,864</b>	<b>1,266,612</b>	<b>(428,790)</b>	<b>(2,680,854)</b>
<b>8.010 - Estimated Encumbrances June 30</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<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>1,673,700</b>	<b>1,592,123</b>	<b>1,502,915</b>	<b>2,367,519</b>	<b>2,216,864</b>	<b>1,266,612</b>	<b>(428,790)</b>	<b>(2,680,854)</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 Le	-	-	-	-	-	-	-	-
<b>Fund Balance June 30 for Certification</b>								
<b>12.010 - of Contracts, Salary and Other Obligations</b>	<b>1,673,700</b>	<b>1,592,123</b>	<b>1,502,915</b>	<b>2,367,519</b>	<b>2,216,864</b>	<b>1,266,612</b>	<b>(428,790)</b>	<b>(2,680,854)</b>
<b>Revenue from New Levies</b>								
13.010 - Income Tax - New	-	-	-	-	-	-	-	-
13.020 - Property Tax - New	-	-	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-	-	-
<b>14.010 - Revenue from Future State Advancements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>15.010 - Unreserved Fund Balance June 30</b>	<b>1,673,700</b>	<b>1,592,123</b>	<b>1,502,915</b>	<b>2,367,519</b>	<b>2,216,864</b>	<b>1,266,612</b>	<b>(428,790)</b>	<b>(2,680,854)</b>
<b>ADM Forecasts</b>								
20.010 - Kindergarten	-	-	-	86	76	76	76	76
20.015 - Grades 1-12	-	-	-	1,134	1,123	1,102	1,077	1,065

***BERKSHIRE LOCAL SCHOOL  
ASSUMPTIONS – OCTOBER 12, 2015  
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 no growth for FY16 and 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.

**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 and FY17 and \$249,185 in FY18.

**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.

Personnel Services include all salaries, substitutes, long term substitutes, certified extra classes, and overtime costs. The forecasted amounts assumes that approximately \$288,000 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. Ledgemont employees will be placed upon Berkshires healthcare plan.

**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.

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 for FY16 and FY17 to account for upkeep of the buildings in Montville. In FY18, additional taxes from the permanent improvement levy will amount to \$112,066. 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	70,000	70,000	70,000	70,000
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>535,000</u>	<u>535,000</u>	<u>510,000</u>	<u>510,000</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.**