

Berkshire Local Schools

Geauga County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2009, 2010 and 2011 Actual;
Forecasted Fiscal Years Ending June 30, 2012 Through 2016

	Actual				Average Change	Forecasted				
	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011			Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016
Revenues										
1.010 General Property Tax (Real Estate)	4,045,045	4,094,791	4,095,179	0.6%	3,957,392	3,957,392	4,130,682	4,219,897	4,219,897	
1.020 Tangible Personal Property Tax	266,403	12,243	8,964	-61.1%	0	0	0	0	0	
1.030 Income Tax	1,747,744	1,577,032	1,626,657	-3.3%	1,635,955	1,635,955	1,652,315	1,668,838	1,685,526	
1.035 Unrestricted State Grants-in-Aid	3,179,697	3,014,121	2,887,601	-4.7%	2,833,892	2,842,075	2,842,075	2,842,075	2,842,075	
1.040 Restricted State Grants-in-Aid	36,181	14,149	14,857	-27.9%	0	0	0	0	0	
1.045 Restricted Federal Grants-in-Aid - SFSF	0	203,005	407,340	0.0%	0	0	0	0	0	
1.050 Property Tax Allocation	1,328,350	1,535,873	1,550,613	8.3%	1,240,102	1,036,186	529,447	529,447	529,447	
1.060 All Other Revenues	340,154	324,652	553,552	33.0%	374,000	324,000	324,000	324,000	324,000	
1.070 <i>Total Revenues</i>	10,943,574	10,775,866	11,144,763	0.9%	10,041,341	9,795,608	9,478,519	9,584,257	9,600,945	
Other Financing Sources										
2.010 Proceeds from Sale of Notes	0	0	0	0.0%	0	0	0	0	0	
2.020 State Emergency Loans and Advancements (Approved)	0	0	0	0.0%	0	0	0	0	0	
2.040 Operating Transfers-In	0	139,122	71,100	0.0%	0	0	0	0	0	
2.050 Advances-In	39,289	350	6,000	757.6%	160,116	0	0	0	0	
2.060 All Other Financing Sources	9,977	9,900	17,228	36.6%	5,000	5,000	5,000	5,000	5,000	
2.070 <i>Total Other Financing Sources</i>	49,266	149,372	94,328	83.2%	165,116	5,000	5,000	5,000	5,000	
2.080 <i>Total Revenues and Other Financing Sources</i>	10,992,840	10,925,238	11,239,091	1.1%	10,206,457	9,800,608	9,483,519	9,589,257	9,605,945	
Expenditures										
3.010 Personal Services	5,716,459	6,054,040	5,990,291	2.4%	5,929,899	5,959,548	5,989,346	6,019,293	6,049,389	
3.020 Employees' Retirement/Insurance Benefits	1,658,998	1,728,906	1,935,777	8.1%	1,897,655	1,966,651	1,976,484	1,986,367	1,996,299	
3.030 Purchased Services	1,665,429	1,621,643	1,962,174	9.2%	2,063,888	2,063,888	2,063,888	2,063,888	2,063,888	
3.040 Supplies and Materials	359,070	370,556	391,159	4.4%	307,388	325,000	325,000	325,000	325,000	
3.050 Capital Outlay	91,778	719,409	99,023	298.8%	70,597	125,000	100,000	100,000	100,000	
3.060 Intergovernmental	0	0	0	0.0%	0	0	0	0	0	
Debt Service:										
4.010 Principal-All (Historical Only)	0	0	0	0.0%	0	0	0	0	0	
4.020 Principal-Notes	0	0	0	0.0%	0	0	0	0	0	
4.030 Principal-State Loans	0	0	0	0.0%	0	0	0	0	0	
4.040 Principal-State Advancements	0	0	0	0.0%	0	0	0	0	0	
4.050 Principal-HB 264 Loans	0	0	0	0.0%	0	0	0	0	0	
4.055 Principal-Other	0	0	0	0.0%	0	0	0	0	0	
4.060 Interest and Fiscal Charges	0	0	0	0.0%	0	0	0	0	0	
4.300 Other Objects	494,006	405,257	454,478	-2.9%	456,838	456,838	456,838	456,838	456,838	
4.500 <i>Total Expenditures</i>	9,985,740	10,899,811	10,832,902	4.3%	10,726,265	10,896,925	10,911,556	10,951,386	10,991,414	
Other Financing Uses										
5.010 Operating Transfers-Out	415,359	549,722	504,826	12.1%	449,303	475,000	325,000	325,000	325,000	
5.020 Advances-Out	8,222	350	26,000	3616.4%	160,116	0	0	0	0	
5.030 All Other Financing Uses	0	0	0	0.0%	0	0	0	0	0	
5.040 <i>Total Other Financing Uses</i>	423,581	550,072	530,826	13.2%	609,419	475,000	325,000	325,000	325,000	
5.050 <i>Total Expenditures and Other Financing Uses</i>	10,409,321	11,449,883	11,363,728	4.6%	11,335,684	11,371,925	11,236,556	11,276,386	11,316,414	
6.010 <i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</i>	583,519	(524,645)	(124,637)	-133.1%	(1,129,227)	(1,571,317)	(1,753,038)	(1,687,129)	(1,710,469)	

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	Actual				Average Change	Forecasted				
	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011			Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	2,723,307	3,306,826	2,782,181	2.8%	2,657,544	1,528,317	(43,000)	(1,796,038)	(3,483,167)	
7.020 Cash Balance June 30	3,306,826	2,782,181	2,657,544	-10.2%	1,528,317	(43,000)	(1,796,038)	(3,483,167)	(5,193,636)	
8.010 Estimated Encumbrances June 30	513,093	30,261	104,331	75.3%	30,000	30,000	30,000	30,000	30,000	
Reservation of Fund Balance										
9.010 Textbooks and Instructional Materials				0.0%	0					
9.050 Debt Service				0.0%						
9.070 Bus Purchases				0.0%		0	0	0	0	
9.080 Subtotal	0	0	0	0.0%	0	0	0	0	0	
10.010 Fund Balance June 30 for Certification of Appropriations	2,793,733	2,751,920	2,553,213	-4.4%	1,498,317	(73,000)	(1,826,038)	(3,513,167)	(5,223,636)	
Revenue from Replacement/Renewal Levies										
11.010 Income Tax - Renewal				0.0%						
11.020 Property Tax - Renewal or Replacement	0	0		0.0%						
11.300 Cumulative Balance of Replacement/Renewal Levies	0	0	0	0.0%	0	0	0	0	0	
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	2,793,733	2,751,920	2,553,213	-4.4%	1,498,317	(73,000)	(1,826,038)	(3,513,167)	(5,223,636)	
15.010 Unreserved Fund Balance June 30	2,793,733	2,751,920	2,553,213	-4.4%	1,498,317	(73,000)	(1,826,038)	(3,513,167)	(5,223,636)	
ADM Forecasts										
20.010 Kindergarten - October Count				0.0%	62	62	62	62	62	
20.015 Grades 1-12 - October Count				0.0%	955	955	955	955	955	
State Fiscal Stabilization Funds										
21.010 Personal Services SFSF	0	83,542	21,568	0.0%	7,044					
21.020 Employees Retirement/Insurance Benefits SFSF	0	3,468	48,207	0.0%						
21.030 Purchased Services SFSF	0	12,682	17,584	0.0%						
21.040 Supplies and Materials SFSF	0	80,353	158,333	0.0%						
21.050 Capital Outlay SFSF	0	20,761	2,200	0.0%						
21.060 Total Expenditures - SFSF	0	200,806	247,892	0.0%	7,044	0	0	0	0	

See accompanying summary of significant forecast assumptions and accounting policies

Includes: General fund, Emergency Levy fund, DPIA fund, Textbook fund and any portion of Debt Service fund related to General fund debt

BERKSHIRE LOCAL SCHOOL DISTRICT ASSUMPTIONS
Five Year Forecast – FY12 - FY16

REVENUES

1.010: Real Property Tax

Real property tax is the largest source of revenue for the Berkshire Local School District. The district does not include delinquent taxes in the revenue forecast and the auditor certifies 98% of the collection on real property.

The District's FY12 tax revenue is based on the auditor's certificate of resources. Compared to FY11, the forecast is reflecting a decrease of \$137,787 in property tax revenue. This decrease is due to delinquencies collected in FY11. Current outstanding delinquencies of real property total \$371,711.10 however due to the uncertainty of collection, these amount have not been included in the forecast. Calendar year 2011 is a reappraisal year, no increases are anticipated due to the current state of the housing market. It should be noted that reappraisal values have not be released as of the release of this forecast.

FY14 includes tax revenues totaling \$173,290 for a tax abatement on Great Lakes Cheese due to expire in 2013. FY15 includes tax revenues totaling \$89,215 for tax abatement on Saint Gobain due to expire in 2014.

1.020: Personal Property 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.

Monies received in FY11 are the result of delinquency collections. Current outstanding delinquencies for personal property total \$727.69

1.030: Income Tax

The District added ¼ % in 2008 along with a change from a traditional tax to an earned income tax. The total tax is 1%. In FY11 the District experienced a \$58,923 or 3.74% increase in income tax receipts. The forecast reflects this increase in income taxes plus .50% for FY12 and a 1% increase each year beginning in FY14 through FY16. This line item will need to be revisited quarterly as it is an unpredictable revenue source due to the economy. Current outstanding delinquencies were not available as of the release of this forecast.

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. School funding fiscal years 2012 and 2013 is based upon the current simulations by the ODE. State Foundation revenues for fiscal years 2014 to 2016 are presented at the same funding level as fiscal year 2013.

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, bus purchases and career technology.

1.045: Restricted Federal Grants-in-Aid

Restricted Federal Grants-in-Aid represents funding for Budget Stabilization (SFSF) through the federal stimulus monies and Education Jobs federal monies. These monies have been eliminated beginning FY12.

The following represents Grants-In-Aid past and future payments for the District:

	Actual				
	2008	2009	2010	2011	
Unrestricted	3,173,551	3,179,697	3,014,121	2,887,601	
Restricted State	22,306	36,181	14,149	14,548	
Restricted Federal - SFSF	-	-	203,005	245,692	
Education Jobs				161,648	
	<u>3,195,857</u>	<u>3,215,878</u>	<u>3,231,275</u>	<u>3,309,489</u>	
	Estimated				
	2012	2013	2014	2015	2016
Unrestricted	2,833,892	2,842,075	2,842,075	2,842,075	2,842,075
Restricted State	-	-	-	-	-
Restricted Federal - SFSF	-	-	-	-	-
Education Jobs	-	-	-	-	-
	<u>2,833,892</u>	<u>2,842,075</u>	<u>2,842,075</u>	<u>2,842,075</u>	<u>2,842,075</u>

1.050: Property Tax Allocation

The property tax allocation represents the Homestead and Rollback reimbursement and the personal property replacement known as the Tangible Value Loss Replacement (TVLR) and SB3 Electric Deregulation. The current reimbursement has been discontinued by the new budget bill and the funding reimbursement will be discontinued in FY14.

SB3 deregulation, enacted in June 1999, made both regulatory and tax changes for electric and gas utilities. The changes resulted in reduced property tax revenues for

schools. Losses were guaranteed to be reimbursed for five years. This reimbursement has been discontinued in FY12

The following is a schedule of past and future reimbursements.

Property Tax Reimbursements

	Actual			
	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2008	2009	2010	2011
Personal Property	492,076.97	257,276.95	18,261.99	-
Homestead	60,380.07	109,920.91	113,915.33	77,706.27
2 1/2 % Rollback	440,402.54	442,483.05	443,359.47	489,960.26
TVLR	537,201.79	713,149.00	900,443.91	910,725.29
SB3 Electric Dereg	72,028.79	71,922.48	72,135.60	72,221.07
Total for Year	1,602,090.16	1,594,752.39	1,548,116.30	1,550,612.89

	Estimated				
	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2012	2013	2014	2015	2016
Personal Property	-	-	-	-	-
Homestead	114,000.00	114,000.00	114,000.00	114,000.00	114,000.00
2 1/2 % Rollback	415,447.00	415,447.00	415,447.00	415,447.00	415,447.00
TVLR	710,655.00	506,739.00	-	-	-
SB3 Electric Dereg					
Total for Year	1,240,102.00	1,036,186.00	529,447.00	529,447.00	529,447.00

1.060: All Other Revenue

This revenue line item includes all other local revenue and interest earnings. Due to the economy, the district does not anticipate significant increases in interest income.

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 covers FY12 with a possible extension through FY13 if the forecast allows for certification.

Personnel Services include all salaries, substitutes, long term substitutes, certified extra classes, overtime costs. For FY12 reflects the retirement of two certified staff and one classified.

3.020: Employees' Retirement/Insurance Benefits

Benefits include: retirement, Medicare, workers compensation, unemployment compensation, life insurance, health and dental insurance. Projected increases reflect increases in health insurance premiums and associated costs with step increases. Calculations for FY13 through FY16 are calculated based upon historical cost percentage of 33% of salaries.

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.

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 textbooks, janitorial and transportation supplies.

3.050: Capital Outlay

For FY11, one school bus was purchased along with some minor capital purchases and improvements. FY12 appropriations include \$44,000 for new radio equipment on all buses. FY13 through FY16 includes the purchase on one replacement bus per year.

4.300: Other Objects

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

5.010: Transfers

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

	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
Self Insurance Fund	250,000	250,000	250,000	250,000	250,000
Cafeteria Fund	-	50,000	50,000	50,000	50,000
Termination Benefits Fund	174,303	150,000	-	-	-
Miscellaneous Funds	25,000	25,000	25,000	25,000	25,000
	<u>449,303</u>	<u>475,000</u>	<u>325,000</u>	<u>325,000</u>	<u>325,000</u>

The transfer to the Termination Benefits Fund represents a set-aside for future severance payments for exiting employees upon their retirement. The amount was 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.

8.010: Encumbrances

Encumbrances are projected not to change each fiscal year. The FY12 through FY16 carryover encumbrances are based upon historical amounts.

9.010: Budget Reserve

At this time, there is no budget reserve

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.