

Revere Local School District

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Five-Year Forecast

Fiscal Years 2010 to 2012 Historical Data

Fiscal Years 2013 to 2017 Forecasted Data

Board Approval Date of May 21, 2013

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Executive Summary of Forecast

This update (as required each May) to the forecast last approved in October of 2012, reflects very little change when compared to the prior report. Accordingly, the district remains financially stable through Fiscal Year 2017 and is working very diligently to minimize the spending of reserves. This goal of operating within a balanced budget has been accomplished through strategies which favorably impact the escalation of staffing costs; both salaries and health care.

Specifically, the Board of Education has offered a formalized Staffing Reduction Incentive, has taken advantage of staffing changes due to retirement in order to reduce compensation costs, has implemented an incentive driven Wellness Plan and formed a Medical Consortium.

Of great uncertainty to the District's financial future is the failure by the State of Ohio, as of the submission of this forecast, to make key policy decisions which would have significant, detrimental financial implications for K to 12 public education, including the Revere LSD. Those pending decisions are as follows: what will be the State's new biennium budget for public education effective July 1, 2013, what is the status of school vouchers and will they be expanded, is there a plan to continue the Tangible Property hold harmless reimbursements and what will be the impact of a new School Funding Formula yet to be determined.

In light of the unanswered issues above, it is important that the reader of this forecast understand that the political environment in Ohio and across the nation is not pro public education. And, in addition, Revere is a high wealth district which justifies in the eyes of many legislators a loss or freeze of public dollars in favor of more local dependency in order to fund instruction. Accordingly, there are many financial unknowns which could both increase expenditures and reduce revenue which would negatively alter this forecast. At this time these unknown factors are not included in the current forecast as assumptions which would result in the loss of revenue

There are two other significant events in the forecast which should be pointed out to the reader. First, in the current fiscal year 2013, \$3.5 M was advanced to the health care fund and will be repaid prior to the end of the FY 13 fiscal year. The advance was necessary, as a cash-flow tool, to prevent a deficit balance in the health care fund until premiums were collected. These transactions therefore increased revenues and expenditures by the same amount. The second event relates to tax revenue and the user of the forecast will see that tax collections fall in FY 2017. For accounting treatment purposes, on a renewal levy, the revenue from the expiring levy must come off line 1.01 of the forecast and be added back in, on line 11.02. There is no change to the bottom line of the forecast but in this manner the reader of the forecast can see the impact of a renewal levy. The change in tax revenue for FY 2017 is a half years collection and the expiring levy is a five year emergency levy in the amount of \$4.6M.

Stifel Economic Summary

"Economic conditions continue to show no clear direction. Job growth has undershot the 2011/2012 average in each of the past two months. In Europe, the European Central Bank is

dealing with an even more dire economic reality than the Federal Reserve Bank. Although total payrolls are growing, the growth is at a sub-par pace, with real wage growth continuing to languish. The growth rate in business investment has slowed sharply in the first quarter. And finally, the March reading on the Leading Economic Indicators (LEI) Index doesn't bode well for a quick reversal in the above negative trends. The latest data on housing confirms that the incremental gains from residential construction will likely be choppy and uneven over the next several quarters. Existing home sales for March fell slightly from an annualized pace of 4.95MM to 4.92MM."

What is the Five-Year Forecast?

The five-year forecast was created in 1978 through H.B. 412. The purpose of the forecast was three fold:

1. To provide schools with a long range financial planning tool.
2. Create a standard method by which a school's financial condition could be readily assessed by the legislature, the Ohio Department of Education, and the State Auditor's Office.
3. Determine a school district's financial ability to enter into and fulfill contracts with vendors, unions and other parties with whom the school conducts business.

The forecast is required to be updated two times per year which takes place in October and then in May of each year. However, there is no restriction as to the number of times or required time intervals under which updated forecasts can be submitted by a district. The five-year forecast consists of a two page financial statement that provides revenue and expenditure data to the user of the report. The financial report presents three years of historical data and five years of projected data which includes the current year of operation. Enrollment data is also part of the two page financial statement. Finally, written assumptions, in the form of a narrative, must also be included in the forecast to help the reader understand how the financial data was arrived at.

General Approach to Preparation of Forecast And Related Assumptions

The forecast is developed through a comprehensive process involving the district's management team. They assess instructional needs, facility issues, incorporate identified goals, revisit the strategic plan which is in place and focus on staffing related impacts over this forecasted five year period. Underlying assumptions are also made relative to financial markets, national and state wide economic trends, as well as current and pending legislation. The financial assumptions relied upon in this forecast regarding market conditions were influenced in part, by information from the Federal Reserve Bank, Economic and Market Commentary from the United States Banking System and Economic Strategists such as the Stifel Alpha Advisor. Additional external sources are heavily relied upon in developing the forecast which would include data from the Ohio Department of Taxation, the Ohio Department of Education, the Federal Reserve Bank of Cleveland, trade associations such as the Ohio School Board Association, Summit County Fiscal Officer, investment publications such as the Wall Street Journal and peer review protocols. Critical to this process is the recognition of the fact that every decision made by the

District has an impact not only in the current school year but also those years which follow. It is prudent in developing the forecast, that the management team and Board of Education not be risk takers but be diligent in focusing on probable outcomes with both the revenues and expenditures.

Accounting Protocols

The five-year forecast is prepared on a cash basis and not on an accrual basis for both revenue and expenditures. Cash basis accounting recognizes revenue when received not earned and recognizes expenditures as paid rather than incurred. During the active fiscal year, all public schools operate on a cash basis but are required to provide accrual based financial statements for fiscal year end.

All budgets are developed under governmental accounting standards which rely upon the identification of function and object. Function is a term that pertains to the responsibilities for which a department is charged such as instruction of students or maintenance of facilities, to contrast two different areas of responsibility. The object further defines the purpose of the budget underneath the function. For example, salaries and supplies are two distinct objects under the function of pupil transportation. Budgets are developed at the department level so that the unique operating requirements of each area can be better managed and controlled. Finally, the District isolates various activities for reporting purposes by using fund accounting. The five-year forecast reflects only activity for the "general" fund of the District which is the primary operating account. There are many other types of funds under the responsibility of the Board of Education. A representative list would include a health care fund, a debt retirement fund, a food service fund, athletics, Federal funds and student activity funds such as student council.

Overview of the District

The Revere Local School District has four primary instructional buildings consisting of a high school, middle school, 4th -5th grade elementary building and a kindergarten through 3rd grade elementary building. In addition to the instructional buildings, the district operates a State required pre-school program housed at the 4th/5th grade elementary building, an athletic field house, bus garage and administrative building. Geographically, the district serves a 51 square mile area consisting primarily of residential neighborhoods of a more rural setting without a consistent network of sidewalks. District boundaries fall within Richfield Township, Richfield Village, Bath Township, and small parts of Copley Township and the City of Akron.

Governance of the Revere Local School District is overseen by an elected five member Board of Education and is a separate & distinct unit of government apart from the municipalities which make-up the District. Public schools in Ohio, as is the case with other forms of government, have the power to act as a taxing authority subject to voter approval with the exception of inside millage and an un-voted debt limit of 1/10th of 1% of the District's tax valuation.

The District employs on a contracted basis approximately 319 staff members. The majority of the staff is made up of licensed, instructionally based employees but this number also includes secretaries, administrative personnel, cooks, custodians, drivers and other support staff. The

majority of these employees are represented by one of two local unions; the Ohio Education Association or The Ohio Association of Public School Employees.

School Funding

Schools in Ohio had been funded on a similar formula from the mid 1970's until July of 2009 at which time then Governor Strickland introduced a new funding model. This model was never fully perfected nor was it fully implemented. School funding is subject to the biennium budget that is approved every two years as submitted by the current governor and then approved by the legislature. Accordingly, the funding model is a political formula that is dependent upon posturing and compromise and is not fully predictable.

The Ohio school funding model remains and has always been linked to property values. Within that formula there was a penalty calculation called the Charge Off. Under the Charge Off calculation the Revere LSD lost all funding with the exception of a floor (guarantee) that preserved a minimal payment to the District. There was a proposal that the floor be eliminated as part of Governor Strickland's funding proposal and since that time has been a subject of concern in that it would represent a significant loss of revenue to public schools including Revere.

Under Governor Kasich, Governor Strickland's model was abandoned and a new model is being developed. Accordingly, for all practical purposes, there is no predictable funding model currently in place that can be utilized in predicting future state revenues under this forecast.

A brief history of Ohio's school funding formula, expanding on the above information, is covered below.

Ohio's School Funding Formula

(Prior to the Adoption of HB 1 Which Became Effective 7/1/09)

Property taxes are a root component of the school funding formula in Ohio. The Revere Local School District has historically been defined as a "Guarantee" district and is a "Zero" state share district. These descriptors are given to the District since the local property values, when compared to other schools, are well above the state average and categorize the system as a high wealth district.

The reader of this forecast should understand that a key component of the State's funding formula is tied directly to wealth.

Consequently, the Revere Local School District as a zero share, guarantee district is impacted in the following ways in relation to funding from the State of Ohio:

1. The District's State Funding was capped and has been placed on a guarantee which means that the funding received from the State of Ohio is frozen, with some minor exceptions.

2. Funding paid to the Revere Schools is not tied to enrollment. The District does not receive the per pupil funding amount as provided for by the State's funding formula and consequently when a student moves into the District no additional funding is received from the State for that pupil
3. The majority of the supplemental programs in the State's funding formula, such as those for special needs students, are tied to the state share percentage. As a zero state share district we do not receive the supplemental funding so badly needed by those students. The programs are still funded by the District but through local tax dollars

The end result is that based upon the wealth of the district as defined by property value we are almost entirely reliant on local property taxes to fund the school system.

The funding model used in Ohio was changed in July of 2009 but these changes are being phased in and contingent upon both the economic outcomes of the State as well as the ever changing political landscape. Accordingly, the reader of these notes should understand some of the funding concepts are under further analysis and in flux.

**Ohio's School Funding Formula – Under Governor Strickland
Referred to as the Evidence Based Model
(HB 1, Effective 7/1/09 to 7/1/11)**

HB 1 would have negatively impacted the Revere LSD with a projected reduction of School Foundation funding estimated, when fully phased in over multiple biennium budgets, in the amount of \$1,266,900.

The previous and new funding models have a multiplier that is used to re-distribute the finite State resources to poorer school districts which at the same time penalizes districts such as Revere. That multiplier in this model was called the Educational Challenge Factor which was comprised of economic data pertaining to property value, the community's federally adjusted income, the number of residents with higher education degrees and the level of poverty in the community.

Of critical importance under the prior funding model, a guarantee existed under which schools like Revere LSD where protected from a further erosion of State support. That guarantee was eliminated under this funding bill.

The reader of this report must understand that the Board of Education, Superintendent and CFO/Treasurer recognize the importance of providing equal resources to schools that are disadvantaged. Our concern is not the State's effort to direct more resources to the poorest schools in Ohio but the shifting or reduction of the current minimal State support received by the Revere LSD to the poorer school systems (Robin Hood Effect). Our district has consistently achieved Academic Excellence with Distinction. We accept the fact that additional resources are not available but strongly disagree with a funding approach in which the economic resources of successful schools that are leaders in public education are eroded.

The programming aspect of HB1 also contained a number of unfunded mandates which would have had a significant negative impact on the Revere Schools. This includes programs such as mandatory, without tuition all-day kindergarten and a Family/Civic Engagement staff.

Ohio's School Funding Formula – Under Governor Kasich (HB 153, Proposed Adoption 7/1/11)

It is not totally clear as to the complete model under which Governor Kasich intends to fund Ohio's schools. What is clear is that he does not intend to adopt the funding model implemented by former Governor Strickland. With the possible elimination of the funding guarantee it is thought that Governor Kasich is going to significantly reduce the amount of funding coming from Columbus, dedicated to supporting public education. Under his biennium budget proposal, there is a significantly greater local dependency on property taxes to fund k-12 education. By transferring the burden to fund schools to the local level, there is a greater dependency on local property taxes which has been declared unconstitutional three times by the Ohio Supreme Court.

Under Governor Kasich's plan the Revere LSD will lose almost \$2,000,000 annually in State support when fully implemented. His budget proposals are as follows:

1. Eliminate hold harmless payments for Public Utility tax losses - \$461,437
2. Eliminate hold harmless payments for Tangible Personal Property tax losses - \$1,176,000
3. Reduce school funding payments - \$103,000 (minimum)
4. Not replace Federal Stimulus money previously used to fund public schools - \$158,850
5. Autism and Peterson Scholarships (school choice) funded by local tax dollars - \$100,000

Also contained with the governor's budget bill and HB 136 is significant legislation focusing on and modifying an expanded State voucher program. Instead of funding these proposals out of the State's budget the dollars supporting the school choice voucher program are coming out of local school tax dollars. The voucher program for regular education students has been postponed but is still under active discussion and is not in this forecast.

Summary of Funding Proposals

It is clear that a high achieving school district, like the Revere LSD, will become more and more dependent on local funding. The constituents of the Revere L.S.D. must decide what they want their schools to look like and the services to be provided. From that decision, the school system would either have to increase its dependence on the community through increased tax levy support over the long term or eliminate programming. The other essential component which is already in place and continually being evaluated, is the ongoing process of identifying ways to reduce and contain costs i.e. doing more with less. The Board of Education and administration take this responsibility very seriously.

General Economic Trends

The Federal Open Market Committee (FOMC) is made up of Federal Reserve Bank Presidents and Board Members. In their current quarter report, they identified that after an extended period of declining economic activity there has been some improvement seen in financial conditions. This shift is driven by monetary and fiscal policies. However, the recovery will be tempered by the need to rebuild wealth, very tight credit conditions and weakness in labor markets. Although

the housing market and automotive markets showed the start of a rebound the growth is very modest. It is anticipated that we will not enter into a robust recovery but a sluggish recovery occurring over time, perhaps well into 2015.

In Chairman Bernanke's Press Conference on September 13, 2012, he described the employment situation as remaining as a grave concern with the rate of reduction in unemployment too slow to off-set prior numbers plus the newly unemployed. In addition, the new jobs being created are lower level positions which will not contribute to our nation's productivity. Overall the economic outlook is uncertain. All of these conditions combined continue to motivate the Federal Reserve Bank to take additional actions in order to improve our economy.

Focusing on real estate trends, credit markets for households remained constrained, even as interest rates declined for mortgages and many consumer type loans. Restrictive bank lending policies to individuals are a result of the banking industry's concerns about the ability of consumers to repay loans in an environment of high unemployment

Even with house prices showing signs of stabilization, home values remained well below the remaining amount of principal on mortgages (so-called underwater loans) for many borrowers. With this background, and with a very high unemployment rate, delinquency rates on all types of residential mortgages continued to move higher.

From a non-real estate perspective, the economic recovery from the recent recession was expected to be gradual, with real gross domestic product (GDP) expanding at a rate that was only moderately above FOMC member's assessment of its longer-run sustainable growth rate and the unemployment rate declining slowly over the next few years. It is also anticipated that inflation would remain subdued over this period. A few members made modest upward revisions to their projections for real GDP growth in 2010. Beyond 2010, however, the trend for participants' projections for economic activity and inflation showed little changed, with participants continuing to expect that the pace of the economic recovery will be restrained by household and business uncertainty, only gradual improvement in labor market conditions, and slow easing of credit conditions in the banking sector. It is generally expected that it would take time for the economy to converge fully to its longer-run path with a sustainable rate of output, growth and rates of employment. Many members hold the view that the convergence process between unemployment and GDP, in order to meet the Federal Reserve's targets, could take more than five to six years.

★ Please note that the above economic summary establishes the background under which the assumptions in this forecast were made in reference to real estate taxes which is the District's primary source of revenue. Of particular concern is the housing market, resulting property values & growth, the State's deficit spending, the State's weakened revenue streams and the tax payer's propensity to assume additional taxes which are contained in this five year forecast.

Any economic forecast must consider the recent global events in the Middle East, Europe and Japan which represent significant threats to future growth in the United States and the world markets. The FOMC points out that recent economic indicators, although improved, do not indicate we have reached a point of durable, self-sustaining expansion. Accordingly, their economic policy will not change until that point is reached.

The Public Policy Impact of HB 66, SB 3 and 287

HB 66, implemented in 2005 created sweeping reform in the tax structure of the State. These changes had a direct impact on both the economy of the State and on public school funding. The Educational Tax Policy Institute projected that these structural tax changes would result in a loss of revenue to the State by fiscal year 2009/2010 of \$3.5B.

Changes to the tax structure are as follows:

1. Elimination of tangible taxes paid by businesses (forecast line 1.020)
2. Phase out of the Corporate Franchise Tax over 5 years
3. Replacement of the temporary 1 cent sales tax with a permanent ½ cent tax increase
4. Enact an untested Commercial Activity Tax (CAT Tax) on gross business receipts

SB 3 and 287 enacted by the 123rd General Assembly reduced the assessment rates for certain tangible personal property of electric utilities and all tangible personal property of gas utilities. For electric utilities, including rural electric utilities, all property except transmission and distribution property will have its assessment rate reduced to 25 percent. All natural gas personal property goes to 25 percent from 88 percent. The two changes combined have been estimated to reduce property taxes by about \$300 million on a state wide basis. The actual impact to the Revere LSD was a total loss in assessed value of \$32 M.

HB 66 did include a hold-harmless clause which was intended to insulate schools from the tax revenue losses incurred by the elimination of the tangible tax value and public utility value. Under Governor Strickland's budget bill the hold harmless payments were largely eliminated. See additional notes above under HB 153.

Enrollment

Three of the primary communities that populate the school system, Bath Township, Richfield Township and Richfield Village, have comprehensive land use plans in place which control the growth of residential development. Consequently, the District is not experiencing significant growth in student enrollment. However, because of the high quality of life in our community, which includes the school system's academic achievement, our district is a desirable location and will continue to experience a modest growth in enrollment over time. The one exception to this conservative growth pattern is the southern-most region of the district along Route 18. This area is growing rapidly and allows for high density residential developments. The Superintendent continues to monitor the enrollment growth coming from this sector. At the current time the district is at capacity in two of our four academic buildings. The District's current strategic plan includes a component for facilities and is an issue in the forefront of short and long term planning. From a historical perspective, the community's support of a building initiative is divided. The forecast does contain enrollment data on line 20.010 and 20.015. This data shows an overall decline in historical enrollment FY 10 to FY 12. All day kindergarten has had a positive impact on enrollment.

Facilities

The District continues to focus on an ongoing facilities maintenance program and those costs are partially reflected in both the purchase service and supply budgetary categories. There is a clear recognition by the Board of Education and the administration of the age of our buildings. And as mentioned under enrollment above there is an actively managed strategic plan in place that is examining this critical issue of facilities to the future of the District. This forecast does not reference specific building initiatives in that building projects are typically funded by the permanent improvement fund or bond initiatives and not the general fund. A facilities committee was established by the Board of Education in late fall of 2007 to develop a comprehensive master plan for land use and facilities. To assist in facility evaluation process, the architectural and engineering firm of GPD has been hired by the Board to work in an advisory capacity.

Starting in the fall of 2011, discussions had begun relating to the need for an updated strategic plan which would include facilities. To that end, the Board employed a firm by the name of People Advantage who helped the District with community support to develop a strategic plan. That plan was adopted in 2012.

The District's facilities are old and incorporated into this forecast are line-item expenditures for maintenance supplies and purchase services. This increasing investment is necessary in order to insure a safe and productive instructional environment for staff and students.

Finally a major step forward has occurred in the area of facilities. The District applied for and was awarded an energy improvement project under HB 264 through the Ohio School Facilities Program. This \$3.2 million dollar initiative was funded through un-voted bonds at a 0% interest rate subsidized through a Federal stimulus program. In addition, the debt service payment is funded by the energy savings generated from the "green" facility improvements.

The HB 264 program will also serve to relieve the facility related financial burden on the general fund.

The Board of Education recently acted to support a standing Properties and Grounds Committee designed to seek input from the community and put strategies and planning in place relative to our facilities.

Expanded Fiscal Overview

Since proclaiming a budget deficit of \$8 B at the start of his term, the Governor's proposed biennial budget slashed funding for K-12 education across the State. The loss realized by the Revere School District was \$1.6 M in hold harmless payments for Public Utility and Tangible Property taxes. In addition, the District lost an additional \$100,000 under the State Funding Formula. Through re-appraisal and the resulting loss in taxable value the District lost \$440,000 in property taxes. These losses in revenue exclude two other key areas in which there is significant discussion by the Governor and pending legislation. Those two areas are first, school choice/voucher programs and second, further mid-biennium budget cuts. The school choice voucher proposal for regular education is not incorporated into this forecast but remains a very

serious concern because these voucher plans are funded out of local tax dollars. The two voucher programs benefiting special education students, the Peterson and Autism Scholarship programs, are in this forecast. The Governor is proposing a mid-budget review (MBR) and there is concern he will further erode school funding with additional budget cuts. These cuts are unknown and not in the forecast at the level the governor initially proposed.

SB 5 which was approved by our legislature and repealed by voters in November of 2011 under Issue 2, is also a factor which is very difficult to calculate into this forecast. Without taking a position pro or con for SB 5, some of its' provisions would have helped to contain costs and were picked-up under other legislation. However, these and similar changes in law are not an overnight solution to the funding structure of K-12 education in Ohio.

The District continually needs to remind our constituents that the financial challenges facing us not only relate to inflationary expenditure growth which compounds over time but of much more significance is the loss of revenue facing the district emanating from the legislature, because these items are outside of our control. The possible savings contained in SB 5 are overshadowed by the loss of revenue and the transfer of voucher costs to the local level.

The District has recently been on the ballot three times for new operating money. With the 3rd attempt on May 3, 2011, this issue passed. This levy was an Emergency Levy for a 10 year term collecting \$4.7 M when fully phased in. The community also supported the renewal of an existing emergency operating levy in February of 2011. The Board of Education, the administration and our students feel very fortunate to have received this level of support from our community.

The OAPSE bargaining unit agreed to salary concessions for fiscal years 2011 and 2012 and accepted a salary freeze in fiscal year 2013. The REA bargaining unit agreed to a salary concession for fiscal year 2011 and accepted a freeze in fiscal year 2012. Note that the next paragraph goes into more detail relating to the teacher's contract. In addition, stipends were negotiated with both unions which negates the compounding impact of base increases. These significant concessions are incorporated into the forecast and directly contribute to the financial stability of the district as well as the extended levy cycle.

Through an agreed upon settlement, a 3 year bargaining agreement with the REA was put in place effective with fiscal year 2013 and ending in fiscal year 2015. This 3 year agreement was incorporated into the forecast and helped to contain overall costs. This agreement upheld the salaries which were frozen in FY 12 , provided for an increase in medical premium payments by the staff in FY 13, FY 14 & FY 15, adopts a wellness program designed to contain medical costs, and provided increases in compensation through a stipend in FY 13 which does not become part of the base salary. The OAPSE contract was also settled and is effect for FY 13, FY 14, and FY 15. This agreement calls for an increase in premium contributions, adopts a wellness program designed to contain medical costs, and utilizes stipends to eliminate the compounding effect of salary increases.

The reader of the forecast will see that the District will be able to operate in the black with the limited utilization of reserves for fiscal years 2013 through 2017. The goal of the Board of Education is to make budgetary decisions over the upcoming years that will enable the district to be in the black through fiscal year 2019 (seven years) which is very possible when projecting out those two additional years.

The students, faculty and parents of the Revere L.S.D. have distinguished themselves with extremely high and consistent academic achievement. We believe that the parents and community recognize the need to maintain and build upon our academic success which resulted in the approval of new money in May of 2011. There is also a direct link between strong schools, property values and strong communities which we believe also played a significant role in the May approval of new money.

The significant assumptions and facts in this forecast are as follows:

Expenditures:

1. Both of the District's bargaining units entered into 3 year contracts expiring at the end of FY 2015 which will have significant favorable impacts on the budget (see details above).
2. Certified positions were eliminated at the end of 2010 and 2011 as part of an employee severance plan which represents an aggressive approach to containing staffing costs. Overall 18 employees took the incentive plan, both certified and classified, with a projected savings of \$2,000,000 over 8 years.
3. Bargaining platforms for future negotiations with both unions have been re-evaluated which represents a significant savings on personnel costs when compared to historical bargaining settlements. This change is reflected in years 2014 through 2017.
4. The previously included budget reserve fund for unanticipated expenditures has been eliminated when compared to prior forecasts.
5. The District has intentionally worked to reduce controllable expenditures in FY 12 in order to minimize the amount by which we spend into the reserve balance.
6. Incorporated into the forecast for FY 14 and FY 15 are six certified retirements with only 3 staff members being replaced at significantly reduced salaries. These retirements are anticipated to be generated by changes in the retirement system that will motivate staff to retire earlier.
7. From a budget/cost perspective, the District will continue to implement cost savings measures and re-examine the purchase and delivery of services in containing costs.
8. All Day Kindergarten on a tuition basis is reflected in the forecast (both expenditures and revenues). If a fifth all-day kindergarten class is added no additional staff is needed since a current teacher, instructing two half day classes will assume duties for an full day class.
9. Proposed voucher costs are not included in this forecast beyond the voucher programs for special needs students which are the Autism and John Peterson scholarships.

Revenue

1. Based upon ongoing national real estate trends and the fall off of new construction in the local market, in the next two years the District is not anticipating any significant increase in tax collections and in fact will see a loss in revenue through the most recent property reappraisal which resulted in a loss of value. This devaluation first impacts FY 12 and FY 13.
2. The significant loss in school funding from the State did not occur at the level anticipated but that risk possibility still exists with the Governor implementing a mid-biennium budget review and remains in the forecast at a modified level. There is a Transition Aide payment of \$277,000 which is only in place for FY 14 and it is projected will be lost in FY 15 forward.
3. Public Utility hold harmless payments stopped in FY 2012 representing an annual loss of \$461,437.

4. Tangible Personal Property Tax hold harmless payments will be phased out over two years FY 12 and FY 13 resulting in an annual loss of \$1,177,000 with a remaining loss in reimbursements of \$300,000 still in question.
5. Loss of stimulus dollars has taken place with an annual loss of \$158,850 from 2011 to 2012. In a similar fashion the Jobs Ed Grant Funding was only for one year, FY 12.
6. With the approval of the renewal levy in February of 2011 and new money in May of 2011, this revenue is re-inserted back at the top of the forecast under tax revenue instead of being pulled out and shown at the end of the forecast.
7. Calendar year 2011 was a triennial appraisal update for Summit County and there was a negative adjustment in appraised values of just under 8% which resulted in a loss of revenue in the amount of \$440,000 over FY 12 and FY 13.
8. Revenue from casino operations was received for the first time in FY 2013 in the amount of \$55,000 which is estimated to continue in future years at a similar rate.

Other Considerations & Comments

1. The forecast is a fluid document and decisions impacting future years on the expenditure side will undergo further discussion and consensus building on the part of the Board before being finalized.
2. The Board of Education does utilize a Finance and Audit Committee to discuss the forecast and related assumptions. The forecast is representative of the input from a broad range of individuals and is not the "Treasurer's" forecast.
3. The reader should note that for FY 11 and FY12 combined, the District operated in the black and the forecast shows the District will also be in the black for FY 13 & FY 14. This was only accomplished with the support of additional revenue from the new levy which offset the revenue losses identified in this forecast.
4. The District's ability to avoid spending into reserves is a significant factor which will lengthen the length of the levy cycle.
5. When reviewing the difference between revenues and expenditures for FY 12 and FY13, it is important that the reader factor in the revenue from the new operating levy which represents \$2.35 M in additional resources in each of those years. Without that new revenue source, the district would be in a position of significant deficit spending.

INCOME ASSUMPTIONS

Forecast Line 1.010
Forecast Line 1.020

General Property Taxes (Real Estate)
Tangible Personal Property Taxes

Property taxes are levied and collected on a calendar year (CY) basis in contrast to a school district's fiscal year which runs from July 1st to June 30th of each year. Compounding the complexity of forecasting tax collection revenues both the effective millage rate and the total assessed valuation change from one year to the next. Consequently, property tax revenues received by a school district are the combination of two different tax years' assessments and valuations. Changes to value and assessment rates occur primarily as a result of new construction, reappraisal, tax appeals received by the county and levies newly approved by voters. The State of Ohio requires that residential and commercial property be appraised

once every three years. For Summit County, CY 2011 was a triennial update and CY 2014 will be a full re-appraisal, after which this rotation between full and triennial updates will continue every three years.

Of critical importance is that the reader of the forecast understand that as noted above the CY 2011 re-appraisal did occur and the valuation of the District dropped by 7.61% for a loss in value of \$77,682,720. This represents a projected loss of tax collections in the amount of \$440,000. This is the first time in the recent history of the District where a loss in value has occurred.

Also impacting tax revenue is the high volume of tax appeal cases both residential and commercial which were submitted at unprecedented levels. For these cases in which the property owner seeks a reduction in the tax value, there is no formal process through which the county or the Department of Taxation communicates the outcome of the appeal.

The forecast assumes there will be minimal new construction growth at a rate of .5%/year impacting future tax collections and that the full re-appraisal taking place in CY 2014 will reflect an increase in value of only 2%.

The majority of the District's tax values are primarily associated with residential value of \$757 M followed by commercial property value at \$132 M. With the phase out of the tangible tax component and the devaluation of public utility values, residential real estate property values have become the primary revenue source on the tax duplicate.

The increase in property tax value which results from higher appraised values does not generate new revenue because of HB 920 which was passed in the 70's. There are some exceptions to this rule, but HB 920 in simple terms requires by law that when property values increase through re-appraisal that the millage is reduced so that the revenue received by a school district from the community as a whole remains flat. Individual tax payers may however have a different experience, so that some tax bills may go down and others go up at different rates, but as a community the collection is flat.

Tax value growth from new construction or new value does provide new revenue as it is recognized by the county and added to the tax rolls. Based upon overall economic conditions it is predicted that historical trends in new property growth will not occur in the near term as has been the case historically in the communities comprising the District.

One of the exceptions to HB 920 occurs when the original voted millage is rolled back, over time, and falls to what is called the 20 mill floor. When that happens new taxes are levied on the increased valuation through re-appraisal and there is no roll back of millage as previously occurred under re-appraisal. Stated differently, increased tax values through re-appraisal do provide a school district with new revenue when the 20 mill floor is reached in the absence of the effect of HB 920. The other exception is inside millage which does provide new revenue on reappraisal growth.

Summary

Based on the general economic outlook including the national and global economies, the impact to property values from new growth and re-appraisal have been significantly

tempered in this forecast over historical trends. When looking at the trend in new construction, increases in tax value are close to zero which translates to minimal growth in tax collections.

Tax revenues are directly determined by the levies in place. The District was fortunate to receive support for a new operating levy as well as a renewal in calendar year 2011. Reflected in this forecast is the new operating levy on which a 50% collection will be received in FY 2012 and then the remaining portion of the collection will be received in FY 2013 at which time it will collect at 100%. That new levy was a 10 year emergency operating levy in the amount of \$4,763,000. Note also that the accounting treatment, in the forecast for the approved emergency levy moves that collection from the lower portion of the forecast to the top of the forecast on line # 1.010.

Forecast Line 1.035 Unrestricted Grants-in-Aid

This forecast line represents revenue received from the State of Ohio for the education of our resident students. The District was previously protected from a loss of revenue from the State by what was referred to as the funding guarantee. However, under Governor Strickland's tenure that guarantee was under discussion by the legislature for elimination. Under Strickland's funding plan, when fully implemented, the Revere schools would have lost \$1,250,000. This reduction was never fully implemented since he was not re-elected. Now under Governor Kasich's budget bill effective July 1, 2011, without the guarantee, the Revere LSD was scheduled to lose \$1,124,000 in school funding. This too was subsequently blocked by the legislature but still under discussion in Governor Kasich's mid-biennium budget changes which would be under active discussion after the November 2012 elections. It is significant to note that under two consecutive governors the district would have lost more than \$1M in state funding and one governor was a democrat and the other a republican.

Without the guarantee in place it is predictable that the District will again lose more funding in FY 2013 and the following years. This loss in funding is driven by the District's above average property values and the deduction/penalty received under the funding mechanisms. It is a misnomer that the District receives the per pupil funding amount typically referenced in the various funding proposals. As of the submission of this forecast funding for future fiscal years is unknown and still an issue being debated by the legislature.

Forecast Line 1.040 Restricted Grants-in-Aid

The District applies for reimbursement of catastrophic costs associated with special needs students and is also eligible to received partial funding for the purchase of a new bus. For this forecast it is assumed that these revenue sources will continue at reduced levels when compared to historical receipts. The excess cost portion will fluctuate based upon the number of students generating reimbursements and also be impacted by the State's budget cuts.

Forecast Line 1.045**Restricted Federal Grants-In-Aid SFSF (All 3200's)**

This revenue line item was created to show the revenue received under the American Recovery and Reinvestment Act. The State of Ohio elected to use these federal funds to prop-up k-12 public education funding in light of the State's economic challenges. These stimulus payments were received for just fiscal 2010 and fiscal 2011. At the end of fiscal 2011 this funding source was eliminated. The monies were to be used to support the general operational costs of the district. The annual allocation for FY 11 was \$147,808 excluding funds directed toward special education.

Forecast Line 1.050**Property Tax Allocation**

For all residential home owners the State of Ohio forgives or rolls back 10% of the tax bill and this amount is paid by the State to the public entity that levied the tax. This also holds true for the 2.5% homestead exemption on residential owner-occupied properties. These amounts are semi-annually aggregated and paid as a reimbursement by the State to the schools in Ohio. This payment is one of the primary components of line 1.050. The homestead/rollback payment mirrors for the most part changes in value that take place in residential property. This figure will possibly increase as it will be impacted by the elimination of the income restriction on a secondary form of the homestead exemption. Changes to the rollback and homestead exemption amounts will mirror changes to property tax values and the collection under the newly adopted May of 2011 levy.

With the elimination of tangible and public utility taxes, which were replaced by the CAT tax, Commercial Activity Taxes, schools were to be held harmless from revenue losses attributable to the changed tax structure. Under Governor Kasich, the hold harmless provisions were eliminated and are to be phased out completely in FY 12, FY13 and FY14 (anticipated). The concept of hold harmless payments has been a legislative topic of debate as to the programs permanency. Under Governor Kasich, the Public Utility payment will be 100% eliminated in fiscal year 2012 resulting in a loss of \$461,437 and Tangible Personal Property Tax (TPT) will be phased out with a total loss of revenue in the amount of \$1,177,000. At stake is an additional \$300,000 loss in TPT which is not reflected in the forecast as an assumption.

Forecast Line 1.060**All Other Revenue**

This line item is made up of revenue from investment income, excess cost reimbursement, tuition, contracted services revenue and other miscellaneous fees. The changes reflected are representative of the loss of investment income due to declining cash balances and falling investment rates. Under fund accounting, the District does invest other monies in addition to general fund balances but those earnings are not all allocated to the general fund and reflected in the five year forecast. In addition, in FY 10 the District received two years of excess cost tuition from one of our partner schools that we team with for special education services. This consortium helps reduce or contain costs in meeting the needs of our special needs students as well as those of the member districts. This double payment is adjusted for in the forecast as well.

Forecast Line 2.040
Forecast Line 2.050

Operational Transfers In
Advances In

The District routinely advances cash to other funds which have not received the full cash allocation approved by the funding source. This typically occurs with Federal or State funds during the course of the fiscal year. The amount advanced is then repaid in the following fiscal year when the full funding is received from the governing agency. For the purpose of this forecast, historical advance amounts were utilized for the projected revenues. Said differently, transfers and advances represent tools used in no-profit accounting to manage cash flow related issues.

EXPENSE ASSUMPTIONS

General Assumptions for All Expense Related Projections

- Based upon the enrollment projections listed in the forecast overall enrollment changes are very small. However, not all class sizes are the same and as students move from grade to grade we need to track the enrollment impact.
- The funding formulas do not technically provide revenue on a per pupil basis so that enrollment does not have a direct impact on revenue. This is not to say that future funding methods may change in this regard.
- Percentage increases were developed after evaluating historical trends, the economic environment, and key expenditure areas where specific inflationary trends were identified such as health care.
- A detailed general fund Revenue and Expenditure Plan is developed each year for the upcoming school year and for adoption by the Board. This report is prepared through a building and department based budgetary process and contains a line item budget for all general fund expenditures. It is from this report that the expenditures for the current school year are developed (FY2012-13) and this information also is heavily relied upon in developing this five year forecast.

Forecast Line 3.010

Personnel Services

Personnel service expenditures represent compensation paid to all staff members including substitutes, part-time employees, board members and all full time employees. The majority of the staff is represented by one of two labor unions. The licensed staff, except administrators, is represented by the Revere Education Association which is part of the National Education Association and the classified staff is represented by the Ohio Association of Public School Employees (OAPSE).

The REA contract and the OAPSE contracts were to originally expire on June 30, 2011. However, both bargaining units' agreed to salary concessions with the Board through a one year extension. Subsequent to the contract extensions the Board of Education has negotiated 3 year agreements with both unions. The details of those collective bargaining agreements are noted above under the Expanded Fiscal Overview section of the Forecast and represent savings to the District based on new health care agreements and the application of stipends.

The agreements are in effect through the end of FY 15. Both collective bargaining agrees will act to contain salary and benefit related expenditures.

Also incorporated into staffing expenditures is the cost of the Employee Severance Plan which is to be expensed over four years. The cost for the plan was \$234,000 in FY 11, \$365,000 in FY 12 & FY 13, and \$131,000 in FY 14. Without this severance program the District would have had to lay off entry level teachers in double the numbers instead of a voluntary program which targets the highest compensated teachers. As a cost savings initiative first implemented at the end of fiscal year 2010, this severance plan was an effort to reduce the number of high cost employees with seniority. The funding of the incentive plan and the phase out will cause a fluctuation in total salaries as seen in the forecast. In total there was a reduction of 18 employees attributable to the Employee Incentive Plan.

In FY 2013, the district implemented all-day kindergarten on a tuition basis which is permissible under State law. Accordingly, the staffing in FY 2013 reflects an increase of 1 and ½ certified staff members; a full time reading interventionist and a ½ time teacher. These expenses and other related costs were fully covered by the tuition.

Over FY 14 and FY 15, six retirements are anticipated, based on changes to the state retirement system. Of those six retirements 3 positions will be filled with lower cost employees.

Forecast Line 3.020

Employee Retirement/Insurance Benefits

Expenditures within this category include all medical premiums, payments to the SERS and STRS retirement systems, Medicare, workers compensation and unemployment insurance. Retirement contributions and workers compensation are true payroll taxes and change as wages are modified at a similar percentage.

The District in FY 2008 through FY 2011, has taken premium holidays in each of those fiscal years. The premium holiday is taken when a favorable balance is generated in the health care fund due to a lower than anticipated claims experience. The budgetary savings associated with a premium holiday for one month based on current medical costs is approximately a savings of \$292, 000. If two premium holidays were taken in any given year the associated reduction in health care costs would be approximately \$585,000. The District renewal rates for health care premiums have been under 8% prior to FY 2009. However in FY 2009 the District's claims experience grew significantly and that trend is shown in the succeeding fiscal years based upon experience. The District has joined a health care consortium to help contain health care related costs. With the renewal effective July 1, 2008 there was an annual savings of \$31,000 for fixed costs based on the District's participation in the medical consortium which continues year to year. Beginning with the health care renewal effective July 1, 2010, the District, through the consortium combined claims with the other member districts. We pooled claims to level swings in our health care renewal rates which have a direct impact on this segment of the budget. The overall renewal rate as of July 1, 2012 was 7% for Revere as a subcomponent of the consortium. With the most recent full negotiations completed with both unions and the agreed upon 3 year contracts there were very important health care savings generated through plan design utilizing wellness. However, it is most significant that wellness provisions that were agreed to will provide a long term cost

containment strategy in health care costs through reduced utilization and improved employee health.

With the severance program noted above, staff numbers have dropped which has directly impacted health care costs. The reduction in staff also has a direct impact on our retirement contributions which are down over the prior year's cost. This reduction in health care costs associated with one employee is approximately \$12,500 per employee. This forecast assumes no premium holidays in fiscal year 2013 forward. Also factored into the forecast is the additional revenue generated by increased premium contributions by the staff under the negotiated agreements effective July 1, 2013. Under both collective bargaining agreements premium contributions are moving to 10% for licensed staff and to 6% for non-licensed staff over a 3 year period.

There are pending discussions in Columbus that would impact the percentage amounts paid by the employer into the retirement system for pensions. These proposals are not incorporated into this forecast due to the uncertainty of the changes. The employee share will be increased by 4% beginning July 1, 2013

Health care inflation is assumed to be at 8% over the term of the forecast, however our renewal rates for the plan year starting July 1, 2013 are moving in the opposite direction and will generate significant savings in this area.

Forecast Line 3.030 Purchased Services

Purchase services includes expenditures for utilities, tuition paid to other districts, repairs and maintenance, contracted professional and technical services, open enrollment costs to other districts, post-secondary fees and excess costs for special education.

As mentioned above, utilities are a significant purchase service expense. To reduce our energy costs the district applied for and was approved for an energy reduction program under state law called HB 264. Reflected in FY 2013 is a partial year reduction in utilities of \$100,000 per year which was generated by this initiative and when fully phased in will represent a projected annual savings of \$215,000.

Not included in this forecast are the costs associated with the various voucher proposals and existing school choice programs which are under review. This includes the School Choice Voucher program which was proposed under House Budget Bill 136. This bill depending on the specifics of its implementation and how it is phased in will have a major impact on the forecast especially if you evaluate the impact of the voucher payments over a period of time such as five years. In analyzing the bill it is also important to know that the dollars to fund the proposed vouchers do not come out of the State budget in Columbus but come out of local revenue i.e. our constituent's property taxes. Further, the total cost of the vouchers may be in excess of four times the amount we receive per pupil from the State. Vouchers for special education students under the Peterson Scholarship and Autism Scholarship are in this forecast.

Forecast Line 3.040**Supplies and Materials**

This category of expenditures includes instructional supplies, text books, library books including periodicals, office supplies, software, building maintenance supplies and vehicle supplies.

The primary factors impacting variances in this category over prior year actual would be diesel fuel, bus repair parts/supplies the planned textbook adoption cycle and other instructional supplies. In the FY 2012 budget there previously was an increase of \$500,000 in the area of instruction for a new curriculum adoption as directed by the State. The majority of this expenditure did not occur in FY 12, was incorporated into FY 13 and increased to \$650,000 based on the new curriculum requirements developed by ODE. Future curriculum/textbook adoptions will be as follows: 2014 Replacement Books \$200,000, 2015 Art, Language, Business \$250,000 and 2016 Math & Science \$700,000

Historically, in FY 2007 the District completed a math and partial social studies textbook adoption which cost over \$360,000. Based on new State academic standards a significant curriculum adoption cycle will be needed into the future. Also, there was an adjustment in FY 13 to cover the kindergarten curriculum and instructional supply start-up costs associated with all day kindergarten. Transportation supply costs are estimated to increase over the term of the forecast to cover the increased cost of fuel, tires and repairs at a rate of 4%

Forecast Line 3.050**Capital Outlay New and Replacement Equipment**

Under the equipment forecast line funds are allocated to purchase everything from desks, to microscopes, to computer technology to buses. The defining parameter is that the equipment being purchased must have a usable lifespan of five years. The District has a pre-defined replacement cycle for technology which must be upheld in order for these items to not become obsolete. The district has a fleet of over 40 buses and historically we have replaced two per year utilizing the permanent improvement fund which saves resources within the general fund.

Throughout the forecast there is a planned replacement cycle for classroom technology. This includes computers, smart boards, and LCD projectors. The district is fortunate to have smart boards in every classroom and has over 1,000 desktop computers including laptops in that number. At an average cost of \$1,000 for desktop computers and budgeting \$160,000 annually. That is a replacement cycle of 6.25 years excluding the cost of LCD projectors, smart boards and the other classroom technology utilized by the district. This burden is shared between the permanent improvement fund and the general fund.

The district must replace its current servers which are aging and do not have the capability of sporting the districts storage needs, expanded email services, wireless applications, desktop virtualization (which is significant cost savings initiative) and expanded telephony. The district currently has 15 servers which must be replaced and these servers are spread out throughout the district. Based on advances in server technology the current servers can be replaced with blade servers and a U.C.S. chassis with 8 bays. The two blade servers and UCS chassis would have a cost of \$120,000 to which we would have the cost of a memory module at \$55,000 for storage.

As mentioned above the new servers will also give the district the capability of moving into the virtualization of desktop computers. Through virtualization the district is not replacing each individual desktop computer when they are no longer functional but is purchasing what is called a thin client and VM software which is then run from the blade servers. The students utilizing a virtualized computer station would only visibly see a monitor and keyboard that function as a dummy terminal. The infrastructure needed to implement virtualization (made possible through the new servers) is estimated to be the \$175,000 noted above and will enable us to generate significant savings relative to the replacement of desktop computers. A virtualized computer work station also has a life of 10 ears. The savings through virtualization, if current desktops are repurposed, would be \$87,000 per year per 100 computers replaced. With the new server technology, the district would also now be capable of moving forward with wireless technology.

The District is also looking at implementing BYOD (Bring Your Own Device) for our students. This accomplishment, when in place, will be a significant enhancement to our educational processes. In FY 2012, the District took the first step in this process by implementing a wireless network. The estimated completion date is estimated to be summer of 2012.

Another approach to the above solutions, which is now possible, is the implementation of virtualized servers and virtualized desktops. As a shared service we have already partnered with NEONET on wireless services, email and phones. This approach will also provide additional technology savings through economies of scale. The goal of implementing the above capital improvements to our network are projected to occur over fiscal year 2013 and 2014. The virtualized solution is under consideration and will be studied prior to moving forward with direct purchases.

Also planned for in this forecast over FY 13 and FY 14 is the acquisition and implementation of desktops to accommodate the requirement of on-line testing for all students. This is a new initiative and unfunded mandate that schools in Ohio must prepare for.

Forecast Line 4.300

All Other Objects

This category includes liability insurance, performance bonds, Summit County Auditor and Treasurer Tax Collection charges, banking fees, audit fees and the Summit County Educational Service Center deduction. The greatest single expenditure in this category is the county Auditor and Treasurer fees which were \$514,000 for FY 2012. This fee represents the costs associated with tax collection and are passed along to the public entity levying the tax. In election years when the District is on the ballot these fees increase to cover the cost of the polling locations. Also, a newly budget item in this category is the debt payment associated with the HB 264 project in the amount of \$215,000 which is offset from utility savings.

Forecast Line 5.010

Operational Transfers Out

Forecast Line 5.020

Advances Out

Within these categories the transfer and advance of funds from the general fund to other local, state, and federal grants are budgeted. Transfers are funds that are moved out of the general fund and into other funds without expectation of repayment. The primary example for the Revere LSD would be athletics. The general fund supplements the athletic fund each year. Typically up to \$50,000 is needed to balance the athletic budget which relies on primarily ticket sales to fund its programs. Advances are timing dependent and are temporary movements of cash from the general fund to another fund with an expectation of repayment. A prime example of an advance would be a Federal grant wherein the funding agency delays disbursement of the full grant amount.

Questions about the Five Year Forecast

Questions should be directed to:

Dave Forrest
CFO/Treasurer
Revere Local School District
330-523-3106

**REVERE LOCAL SCHOOL DISTRICT
SUMMIT COUNTY**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEARS ENDED JUNE 30, 2010, 2011 AND 2012
FORECASTED FISCAL YEARS ENDING JUNE 30, 2013 THROUGH JUNE 30, 2017**

Line Number	Fiscal Yr 2010 ACT	Fiscal Yr 2011 ACT	Fiscal Yr 2012 ACT	Ave. Annual CHANGE	Fiscal Yr 2013	Fiscal Yr 2014	Fiscal Yr 2015	Fiscal Yr 2016	Fiscal Yr 2017
Revenue:									
1.010	22,405,471	22,660,528	24,657,860	4.98%	26,478,751	26,558,187	26,692,037	26,826,288	24,856,766
1.020	140,691	67,144	0	-76.14%	0	0	0	0	0
1.030	0	0	0	0.00%	0	0	0	0	0
1.035	2,165,421	2,151,179	2,190,876	0.59%	2,083,000	2,083,000	1,806,000	1,806,000	1,806,000
1.040	166,540	203,153	97,143	-15.10%	8,732	3,732	2,532	1,332	132
1.045	0	0	0	0.00%	0	0	0	0	0
1.050	4,682,705	4,684,232	3,998,932	-7.30%	3,647,000	3,665,235	3,676,231	3,687,259	3,698,321
1.060	794,396	849,566	647,376	-8.43%	808,691	866,691	836,691	811,691	811,691
1.070	30,355,224	30,615,802	31,592,187	2.02%	33,026,174	33,176,845	33,013,490	33,132,570	31,172,911
Other Financing Sources									
2.010	0	0	0	0	0	0	0	0	0
2.020	0	0	0	0.00%	0	0	0	0	0
2.040	0	0	0	0.00%	0	0	0	0	0
2.050	450,737	225,000	147,664	-42.23%	3,737,664	237,664	237,664	237,664	237,664
2.060	52,737	38,034	30,705	-23.57%	35,000	35,000	35,000	35,000	35,000
2.070	503,474	263,034	178,369	-39.97%	3,772,664	272,664	272,664	272,664	272,664
2.080	30,858,698	30,878,836	31,770,556	1.48%	36,798,838	33,449,509	33,286,154	33,405,234	31,445,575
Expenditures:									
3.010	19,012,557	19,003,167	18,812,012	-0.53%	18,901,167	19,053,500	19,012,309	19,368,766	19,805,203
3.020	6,503,478	5,985,221	6,597,621	1.13%	6,968,738	7,290,338	7,561,338	7,962,336	8,363,334
3.030	3,781,069	3,443,542	3,407,485	-4.99%	4,253,912	3,819,068	3,971,831	4,130,704	4,295,933
3.040	874,131	824,066	961,963	5.50%	1,352,000	921,060	1,107,923	1,602,240	966,330
3.050	441,308	249,404	263,788	-18.86%	266,542	398,004	713,924	442,481	460,180
3.060	0	0	0	0.00%	0	0	0	0	0
4.010	0	0	0	0.00%	0	0	0	0	0
4.020	0	0	0	0.00%	0	0	0	0	0
4.030	0	0	0	0.00%	0	0	0	0	0
4.040	0	0	0	0.00%	0	0	0	0	0
4.050	0	0	0	0.00%	0	0	0	0	0
4.055	0	0	0	0.00%	0	0	0	0	0
4.060	0	0	0	0.00%	0	0	0	0	0
4.300	540,758	649,877	639,921	9.32%	910,800	794,232	808,001	862,321	918,814
4.500	31,153,301	30,155,277	30,692,790	-0.73%	32,673,159	32,276,222	33,175,327	34,366,849	34,809,793
Other Financing Uses									
5.010	102,000	75,000	80,000	-9.90%	75,000	75,000	75,000	75,000	75,000
5.020	250,000	237,664	142,548	-22.43%	4,050,000	250,000	250,000	250,000	250,000
5.030	0	0	0	0.00%	0	0	0	0	0
5.040	352,000	312,664	222,548	-20.00%	4,125,000	325,000	325,000	325,000	325,000
5.050	31,505,301	30,467,941	30,905,338	-0.93%	36,798,159	32,601,222	33,500,327	34,693,849	35,134,793

Line Number	Fiscal Yr 2010 ACT	Fiscal Yr 2011 ACT	Fiscal Yr 2012 ACT	Ave. Annual CHANGE	Fiscal Yr 2013	Fiscal Yr 2014	Fiscal Yr 2015	Fiscal Yr 2016	Fiscal Yr 2017
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses									
6.010	-646,603	410,895	865,218	-26.49%	679	848,287	-214,172	-1,288,615	-3,689,218
7.010	14,773,493	14,126,890	14,537,785	-0.73%	15,403,003	15,403,682	16,251,969	16,037,797	14,749,182
7.020	14,126,890	14,537,785	15,403,003	4.43%	15,403,682	16,251,969	16,037,797	14,749,182	11,059,964
8.010	830,347	1,035,304	1,092,979	15.13%	950,000	950,000	950,000	950,000	950,000
Reservation of Fund Balance:									
9.010	0	0	0		0	0	0	0	0
9.020	0	0	0		0	0	0	0	0
9.030	0	0	0		0	0	0	0	0
9.040	0	0	0		0	0	0	0	0
9.045	0	0	0		0	0	0	0	0
9.050	0	0	0		0	0	0	0	0
9.060	0	0	0		0	0	0	0	0
9.070	0	0	0		0	0	0	0	0
9.080	0	0	0		0	0	0	0	0
10.010	13,296,543	13,502,481	14,310,024	3.76%	14,453,682	15,301,969	15,087,797	13,799,182	10,109,964
Revenue from Replacement / Renewal Levies:									
11.010	0	0	0		0	0	0	0	0
11.020	0	0	0		0	0	0	0	2,050,000
11.030	0	0	0		0	0	0	0	2,050,000
12.010	13,296,543	13,502,481	14,310,024	3.76%	14,453,682	15,301,969	15,087,797	13,799,182	12,159,964
Revenue from New Levies:									
13.010	0	0	0		0	0	0	0	0
13.020	0	0	0		0	0	0	0	0
13.030	0	0	0		0	0	0	0	0
14.010									
15.010	13,296,543	13,502,481	14,310,024	3.76%	14,453,682	15,301,969	15,087,797	13,799,182	12,159,964
ADM Forecasts									
20.010	152	156	145		160	165	169	173	178
20.015	2,704	2,651	2,547		2,474	2,486	2,499	2,511	2,524
State Fiscal Stabilization Funds									
21.010	136,279								
21.020									
21.030	11,529								
21.040									
21.050									
21.060	147,808								