LAKEWOOD CITY SCHOOL DISTRICT - CUYAHOGA COUNTY

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS ENDED ACTUAL JUNE 30, 2010, 2011, 2012 FORECASTED FISCAL YEARS ENDING JUNE 30, 2013 THROUGH 2017

Forecast Provided By

LAKEWOOD CITY SCHOOL DISTRICT

Treasurer's Office

Tim Penton, Treasurer/CFO

October 31, 2012

LAKEWOOD CITY SCHOOL DISTRICT
Cuyahoga County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2010, 2011, 2012
Forecasted Fiscal Year Ending June 30, 2013 through 2017

		Actual				Forecasted				
		Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Average Change	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
	Revenues									
1.010	General Property Tax (Real Estate)	32,763,260	35,447,918	37,588,914	7.1%	38,453,117	38,342,392	38,321,384	38,307,661	38,296,152
1.020	Tangible Personal Property	1,322,039	1,379,465	1,330,026	0.4%	2,079	0	0	0	0
1.030	Income Tax	0	0	0	0.0%	0	0	0	0	0
1.035	Unrestricted State Grants-in-Aid	17,857,292	17,340,403	17,677,516	-0.5%	17,634,554	17,634,554	17,634,554	17,634,554	17,634,554
1.040	Restricted State Grants-in-Aid	428,368	337,608	365,791	-6.4%	365,791	365,791	365,791	365,791	365,791
1.045	Restricted Fed. SFSF Fd. 532 FY10&11/Ed Jobs Fd.504 FY12	1,194,985	1,451,760	734,951	-13.9%	204,037	0	0	0	0
1.050	Property Tax Allocation	6,833,459	7,301,962	5,945,374	-5.9%	4,781,258	4,752,017	4,748,551	4,746,391	4,744,666
1.060	All Other Revenues	5,294,621	4,255,480	4,968,964	-1.4%	4,967,851	4,968,485	4,970,376	4,973,424	4,977,540
1.070	*Total Revenues*	65,694,024	67,514,596	68,611,536	2.2%	66,408,687	66,063,239	66,040,656	66,027,821	66,018,703
	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	0	600,000	0.0%	600,000	0	0	0	0
2.050	Advances-In	1,987,700	3,019,700	2,096,100	10.7%	2,595,000	1,900,000	1,900,000	1,900,000	1,900,000
2.060	All Other Financing Sources	0	0	0	0.0%	25,000	25,000	25,000	25,000	25,000
2.070	*Total Other Financing Sources*	1,987,700	3,019,700	2,696,100	20.6%	3,220,000	1,925,000	1,925,000	1,925,000	1,925,000
2.080	*Total Revenues and Other Financing Sources*	67,681,724	70,534,296	71,307,636	2.7%	69,628,687	67,988,239	67,965,656	67,952,821	67,943,703
	Expenditures									
3.010	Personal Services	$43,370,116	$41,644,031	$42,042,691	-1.5%	$41,075,687	$41,261,929	$42,434,718	$43,576,884	$44,213,405
3.020	Employees' Retirement/Insurance Benefits	13,454,208	13,885,517	13,927,163	1.8%	$14,074,915	14,720,286	15,617,079	16,583,867	17,463,287
3.030	Purchased Services	8,468,116	9,060,131	8,818,746	2.2%	$9,550,000	9,786,553	10,414,267	10,787,677	11,175,339
3.040	Supplies and Materials	1,195,790	1,044,012	1,163,165	-0.6%	1,488,165	1,532,810	1,578,794	1,626,158	1,674,943
3.050	Capital Outlay	136,320	181,639	302,757	50.0%	302,757	308,812	314,989	321,288	327,714
3.060	Intergovernmental	-	-	-	0.0%	-	-	-	-	-
	Debt Service:									
4.010	Principal-All (Historical Only)	-	-	-	0.0%	-	-	-	-	-
4.020	Principal-Notes	-	-	-	0.0%	-	-	-	-	-
4.030	Principal-State Loans	-	-	-	0.0%	-	-	-	-	-
4.040	Principal-State Advancements	-	-	-	0.0%	-	-	-	-	-
4.050	Principal-HB 264 Loans	-	-	-	0.0%	-	-	-	-	-
4.055	Principal-Other	-	-	-	0.0%	-	-	-	-	-
4.060	Interest and Fiscal Charges	-	-	-	0.0%	-	-	-	-	-
4.300	Other Objects	812,024	912,188	1,017,678	11.9%	$1,031,764	1,046,107	1,060,715	1,075,593	1,090,748
4.500	*Total Expenditures*	$67,436,574	66,727,518	67,272,200	-0.1%	67,523,288	68,656,497	71,420,561	73,971,467	75,945,436
	Other Financing Uses									
5.010	Operating Transfers-Out	35,000	20,000	20,000	-21.4%	$20,000	20,000	20,000	20,000	20,000
5.020	Advances-Out	3,019,700	1,892,000	2,595,000	-0.1%	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000
5.030	All Other Financing Uses	-	-	-	0.0%	-	-	-	-	-
5.040	*Total Other Financing Uses*	3,054,700	1,912,000	2,615,000	-0.3%	1,920,000	1,920,000	1,920,000	1,920,000	1,920,000
5.050	*Total Expenditures and Other Financing Uses*	70,491,274	68,639,518	69,887,200	-0.4%	69,443,288	70,576,497	73,340,561	75,891,467	77,865,436
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	(2,809,550)	1,894,778	1,420,436	-96.2%	185,399	(2,588,258)	(5,374,906)	(7,938,647)	(9,921,733)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	15,956,983	13,147,433	15,042,211	-1.6%	16,462,647	16,648,046	14,059,789	8,684,883	746,236
7.020	*Cash Balance June 30*	13,147,433	15,042,211	16,462,647	11.9%	16,648,046	14,059,789	8,684,883	746,236	(9,175,496)
8.010	*Estimated Encumbrances June 30*	262,409	429,376	306,687	17.5%	300,000	300,000	300,000	300,000	300,000
	Reservation of Fund Balance									
9.010	Textbooks and Instructional Materials	-	-	-	0.0%	-	-	-	-	-
9.020	Capital Improvements	-	-	-	0.0%	-	-	-	-	-
9.030	Budget Reserve	-	-	-	0.0%	-	-	-	-	-
9.040	DPIA	-	-	-	0.0%	-	-	-	-	-
9.045	Fiscal Stabilization	-	-	-	0.0%	-	-	-	-	-
9.050	Debt Service	-	-	-	0.0%	-	-	-	-	-
9.060	Property Tax Advances	-	-	-	0.0%	-	-	-	-	-
9.070	Bus Purchases	-	-	-	0.0%	-	-	-	-	-
9.080	*Subtotal*	-	-	-	0.0%	-	-	-	-	-
10.010	*Fund Balance June 30 for Certification of Appropriations*	12,885,024	14,612,835	16,155,960	12.0%	16,348,046	13,759,789	8,384,883	446,236	(9,475,496)
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal	-	-		0.0%	-	-	-	-	-
11.020	Property Tax - Renewal or Replacement	-	-		0.0%	-	-	-	-	-
11.300	Cumulative Balance of Replacement/Renewal Levies	-	-		0.0%	-	-	-	-	-
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	12,885,024	14,612,835	16,155,960	12.0%	16,348,046	13,759,789	8,384,883	446,236	(9,475,496)

LAKEWOOD CITY SCHOOL DISTRICT
Cuyahoga County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2010, 2011, 2012
Forecasted Fiscal Year Ending June 30, 2013 through 2017

		Actual				Forecasted				
		Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Average Change	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
	Revenue from New Levies									
13.010	Income Tax - New				0.0%	-	-	-	-	-
13.020	Property Tax - New				0.0%	-	-	-	-	-
13.030	Cumulative Balance of New Levies	-	-	-	0.0%	-	-	-	-	-
14.010	Revenue from Future State Advancements	-			0.0%	-	-	-	-	-
15.010	*Unreserved Fund Balance June 30*	12,885,024	14,612,835	16,155,960	12.0%	16,348,046	13,759,789	8,384,883	446,236	(9,475,496)
	ADM Forecasts									
20.010	Kindergarten - October Count	-	-	-	0.0%	-	-	-	-	-
20.015	Grades 1-12 - October Count	-	-	-	0.0%	-	-	-	-	-
	State Fiscal Stabilization Funds									
21.010	Personal Services SFSF	66,680	29,446	-	-77.9%	-	-	-	-	-
21.020	Employees Retirement/Insurance Benefits SFSF	22,026	13,317	-	-69.8%	-	-	-	-	-
21.030	Purchased Services SFSF	1,106,279	1,408,997	-	-36.3%	-	-	-	-	-
21.040	Supplies and Materials SFSF	-	-	-	0.0%	-	-	-	-	-
21.050	Capital Outlay SFSF	-	-	-	0.0%	-	-	-	-	-
21.060	*Total Expenditures - SFSF*	1,194,985	1,451,760	-	-39.3%	-	-	-	-	-

Includes: General fund, Emergency Levy fund, portion of Debt Service fund related to General fund debt
SFSF Fund 532 for FY10&11 and Education Jobs Fund 504 for FY12

Lakewood City School District – Cuyahoga County
Notes to the Five Year Forecast
General Fund Only
October 31, 2012

Introduction to the Five Year Forecast

All school districts in Ohio are required to file a five (5) year financial forecast by October 31, and May 31, in each fiscal year (FY). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Preparing this forecast is not an easy task especially when considering the State of Ohio does not prepare its own forecasts longer than two years at a time.

The state economy is emerging from a record-making recession; the effects of the recession on the national, state and our local economy created a state deficit which required the State of Ohio to make nearly $8 Billion in reductions in the FY12-FY13 state biennium budget which translated into funding reductions for nearly every school district in Ohio.

While state funding for schools for the first two years of the state budget which includes FY13 is somewhat predictable using the new BRIDGE formula, the outlying years two through five of the forecast (FY14 through FY17) could see funding reductions and downward adjustments unknown at this time. Readers of this forecast are reminded that this period of time contains two future state biennium budgets.

The BRIDGE formula for State basic aid funding will be in effect for FY13. The State of Ohio has indicated a new funding model will be in place for FY14. The details of any subsequent state education funding model for FY14 and beyond are unknown. State foundation funding represents approximately 28% of our General Fund revenue and is very significant to the district

Forecast Risks and Uncertainty:

1) Lakewood City Schools is going through a complete reappraisal in the 2012 tax year to be collected in FY13. A reappraisal update will occur in tax year 2015 for collection in FY16. Real estate values are predicted to decrease for the reappraisal in 2012. Lakewood City Schools is expecting a reduction of approximately -3.6% in residential value and a -4% reduction in commercial/industrial value based on current sales trends. The district is projecting no increase or decrease in property values for the 2015 reappraisal update, however, we are projecting declining values due to ongoing Board of Revision and Board of Tax Appeal activity.

2) The State Budget represents nearly 35% of district revenues. It is clearly the area where the largest risk could come to revenue. It appears that FY13 is stable for now, and the one-time federal SFSF and Ed Jobs money has been eliminated. The risk comes in FY14 and beyond if the state economy flattens and more reductions would be made. Compounding the issue for our forecast will be the estimates built on two State Biennium Budgets.

3) The state budget eliminated tangible personal property (TPP) fixed rate reimbursement to the district after FY12. This was an area of uncertainty that was cleared up by abruptly eliminating the funding source to the district. This represents a reduction in revenues of $2,829,055 annually to the district.

4) There are many provisions in the state budget bill, HB153, and proposed legislation such as HB136 that would increase the districts exposure to EdChoice Vouchers, Special Education and Autism vouchers and several other favorable community school provisions. These all could expose the district to new expenditures that are not currently in the forecast. We are closely monitoring any new legislative proposals that could adversely affect the district.

5) On November 3, 2009 Ohio voters passed the Ohio casino ballot issue. This issue allowed for the opening of four (4) casinos one each in Cleveland, Toledo, Columbus and Cincinnati. The casinos in Cleveland and Toledo opened in spring 2012 generating $6,718,000 in revenue for the School District Fund as of June 30, 2012. The Columbus and Cincinnati casinos are slated to open in fall of 2012 and spring 2013 respectively. Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the total tax that will be paid into a student fund at the state level. These funds will be distributed to school districts in January and August each year beginning January 2013.

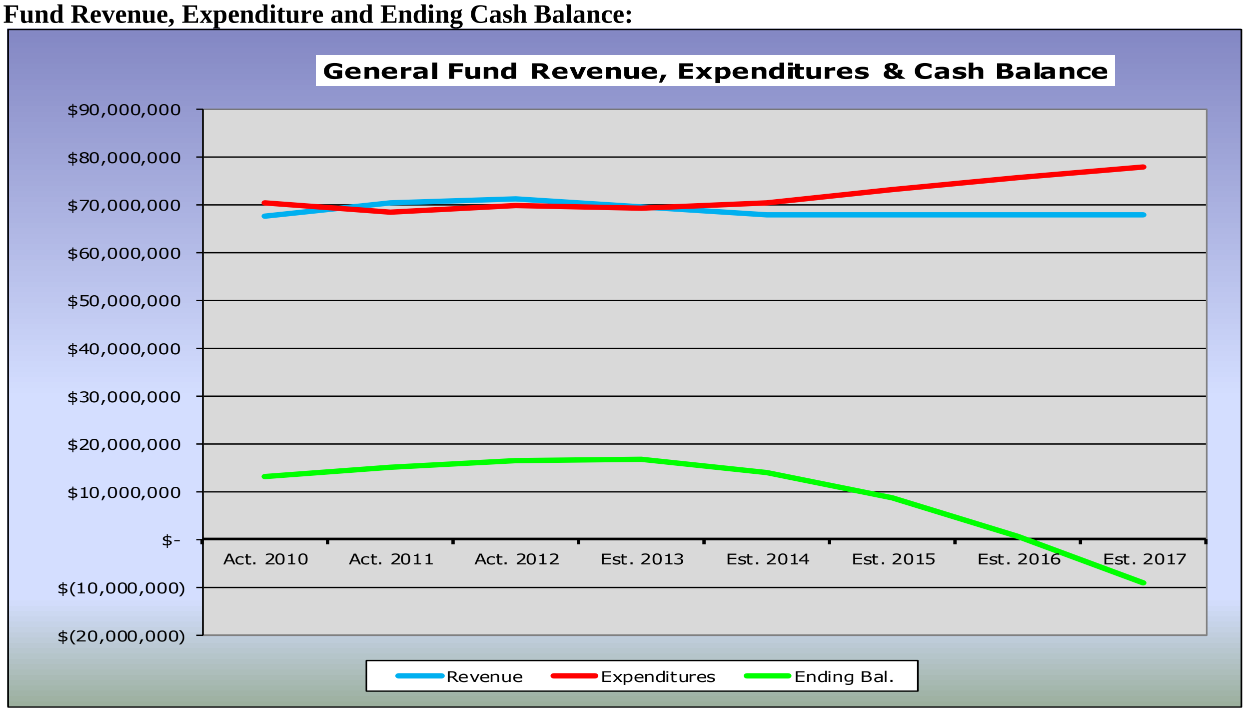
   Projections of $36 to $40 million in the School District Fund through December 2012 suggest the per pupil amount districts might expect to receive indicate a $20 - $25 range per pupil in FY13 with the possibility of increasing to more than $80 per pupil by FY15 based on ODT revenue assumptions of approximately $643 million in casino revenue once the full collection of all four (4) casinos is realized.

No official ODT guidance has been given as to the exact amount of these payments. It is a safe assumption that the district will receive casino revenue in FY13; however, the amount and funding beyond FY13 is uncertain. Due to the lack of guidance from the State, Lakewood City School District has not included casino revenue at this time. Once more guidance is given from the Ohio Department of Taxation the district will project these revenues accordingly.

6) Labor relations in the district have been very amicable with all parties working for the best interest of students and realizing the resource challenges the district faces. In the spring of 2012, the Board of Education entered mid-term contract negotiations with all three Lakewood City School labor associations in an attempt to address a looming deficit crisis. The result included a one year extension of the previously agreed upon FY13 base wage freeze into FY14. In addition, all staff will increase their medical insurance premium contribution from 10% of premium to 15% starting in FY13. The Board of Education recognizes these concessions to be a most significant contribution toward the on-going fiscal stability of the district. We believe as the district moves forward a strong working relationship will continue.

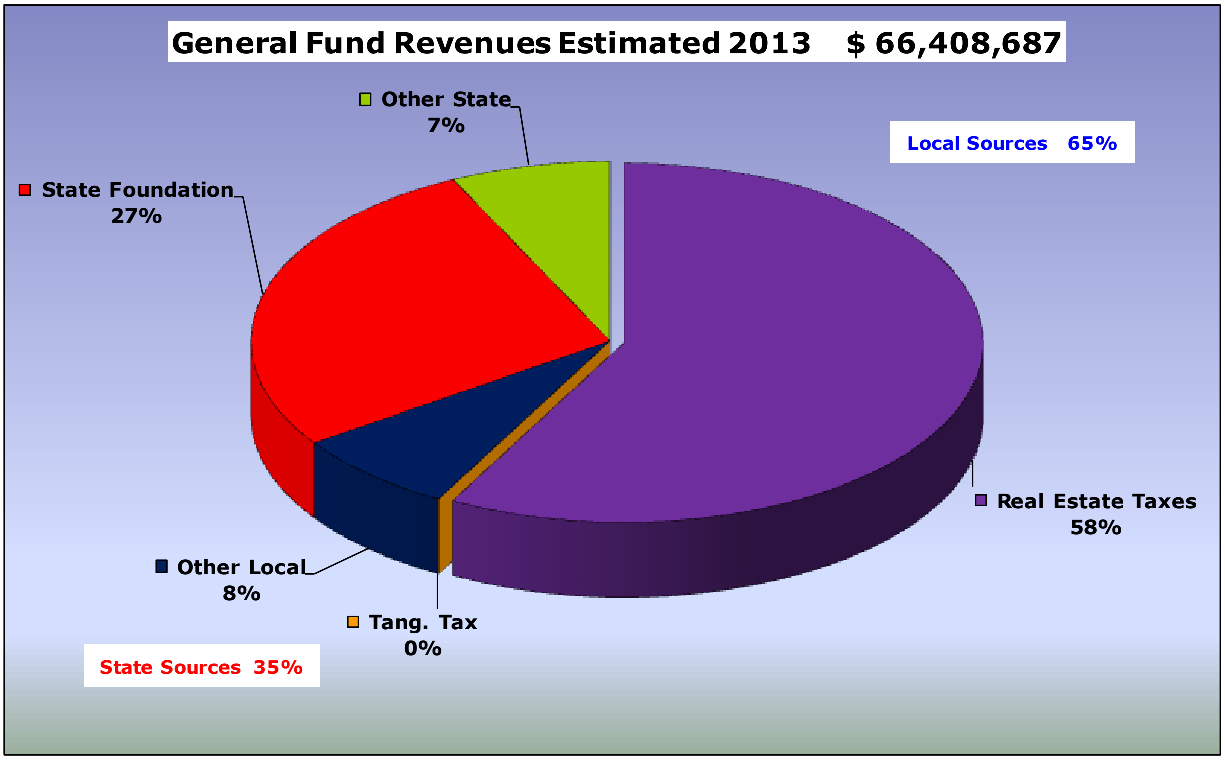
The major Lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information please feel free to contact Mr. Tim Penton, Treasurer/CFO of Lakewood City Schools at 216-529-4096.

General Fund Revenue, Expenditure and Ending Cash Balance:



Revenue Assumptions

Estimated General Fund Revenue for FY13



Real Estate Value Assumptions – Line # 1.010
Property Values are established each year by the County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. A reappraisal update of the district property value will occur in 2012 for collection in calendar year 2013. Total assessed value in tax year 2011 was $897,579,690. Residential/agricultural values are expected to decrease overall by -3.6% based on current sales and value trends. Commercial/industrial values are expected to decrease by -4%. We anticipate values will continue to be mostly steady for the period 2013 through 2017. In addition to the reappraisal reductions, Board of Revision (BOR) activity is expected to drop values by another $3,000,000 for calendar year 2012 values. Total values are expected to decrease to $861,023,229 for tax year 2012, collected in 2013. As a result calendar year tax collections are expected to fall $508,749 per year from current levels. HB920 will increase effective rates of older levies which will help mitigate the drop in values; however, the 6.9 mill levy passed in May 2010 is already at its fixed rate and cannot adjust upward. We will loose tax dollars on 6.9 mills and on 5.03 inside mills. Fiscal year 2012 was the first year in which the district received the full collection from the new 6.9 mill levy.

We are planning 0% change in values in the 2015 reappraisal update as signs are starting to show stabilization in the housing market and small businesses have been growing slightly.

Readers should be reminded that Tangible Personal Property (TPP) values were reduced to $-0- in 2011 as a result of HB 66 to be effective July 1, 2005. This began a systematic phase-out of this tax base statewide to be replaced by a Commercial Activities Tax (CAT) which revenue was to fully reimburse school districts for TPP losses through FY18 based on 2004 property values. HB153 effective July 1, 2011 eliminated $2,829,055 in TPP reimbursement for the district in FY12. These reimbursements were to fully compensate the district for the TPP taxes that were based on calendar year 2004 property values, through 2011 and then phase the reimbursement out through FY 2018.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Estimated TAX YEAR 2012 *Collect 2013*	Estimated TAX YEAR 2013 *Collect 2014*	Estimated TAX YEAR 2014 *Collect 2015*	Estimated TAX YEAR 2015 *Collect 2016*	Estimated TAX YEAR 2016 *Collect 2017*
Res./Ag.	$693,471,716	$691,271,716	$690,071,716	$689,371,716	$688,671,716
Comm./Ind.	154,293,274	152,893,274	151,493,274	150,093,274	148,693,274
Public Utility Pers. (PUPP)	13,258,240	13,758,240	14,258,240	14,758,240	15,258,240
Tangible Pers. Property (TPP)	-	-	-	-	-
Total Assessed Value	**$861,023,229**	**$857,923,229**	**$855,823,229**	**$854,223,229**	**$852,623,229**

ESTIMATED REAL ESTATE TAX (Line #1.010)

Source	FY13	FY14	FY15	FY16	FY17
Est. Property Taxes Including PUPP - Line #1.010	$38,453,117	$38,342,392	$38,321,384	$38,307,661	$38,296,152

The Cuyahoga County Auditor advised using 95% for a current collections rate. In general 52.75% of the new Res/Ag and Comm/Ind. expected to be collected in February tax settlements and 47.25% collected in August tax settlements. Public Utility tax settlements (PUPP taxes) are estimated to be received 50% in February and 50% in August settlement from the Cuyahoga County Auditor. As previously noted, TPP will cease to be collected after FY11.

Renewal and Replacement Levies – Line #11.02
The district uses continuing levies and has no levies that expire.

New Tax Levies – Line #13.030
No new levies are modeled in this forecast at this time; however, discussions and planning are underway with regard to a previously proposed operating levy scheduled for calendar year 2013.

Estimated Tangible Personal Tax – Line#1.020
The phase out of TPP taxes as noted earlier began in FY06. HB66 was adopted in June 2005 and the provisions of the legislation have estimated the tangible personal property tax would be eliminated after FY11. Any revenues received in FY12 and beyond are delinquent TPP taxes in Line 1.02. Beginning in FY13 Public Utility Personal Property (PUPP) taxes are receipted in Line 1.01 this will cause Line 1.02 to drop to $-0- and Line 1.01 will increase slightly to account for PUPP tax receipts which are settled with general property taxes. There is no effect on total revenues, just a change in accounts received in.

Income Tax – Line #1.03
The district currently does not assess an income tax

Other Local Revenues – Line #1.060
Revenues from all other sources are based on historical growth patterns. This revenue largely consists of rental income, open enrollment, tuition payments, Medicaid reimbursements, and investment income. Tuition is expected to remain stable due to the West Share Career-Technical District Program. Interest is expected to decline along with ending cash balances. All other revenue is expected to remain mostly stable during the forecast period.

Source	FY13	FY14	FY15	FY16	FY17
Tuition All sources	$2,982,680	$2,982,680	$2,982,680	$2,982,680	$2,982,680
Interest	98,385	88,547	79,692	71,723	64,551
Student Fees	76,362	77,126	77,897	78,676	79,463
Classroom Supply Fees	115,451	116,606	117,772	118,949	120,139
Building Rentals	282,499	285,324	288,177	291,059	293,970
LCA Staff Payroll	966,247	975,909	985,668	995,525	1,005,480
PILOT City of Lakewood	38,454	38,839	39,227	39,619	40,015
Medicaid & E-rate	279,840	274,243	268,758	263,383	258,115
Other Income	127,933	129,212	130,504	131,809	133,127
Total Line # 1.060	$4,967,851	$4,968,485	$4,970,376	$4,973,424	$4,977,540

State Taxes Reimbursement/Property Tax Allocation Line 1.050

a) Rollback and Homestead Reimbursement
These funds are reimbursements from Ohio for tax credits given owner occupied residences equaling 12.5% of the gross property taxes charged residential taxpayers and for homestead exemptions for low income homeowners. These amounts will grow along with new levies and new construction in Res/Ag property classifications. HB66 eliminated 10% rollback on Class II property (commercial and industrial), and HB119 has expanded the homestead exemption for seniors on the first $25K of value. As noted earlier this will cause local tax collections on the senior citizens to fall but the state reimbursements to increase with a net effect of $-0-.

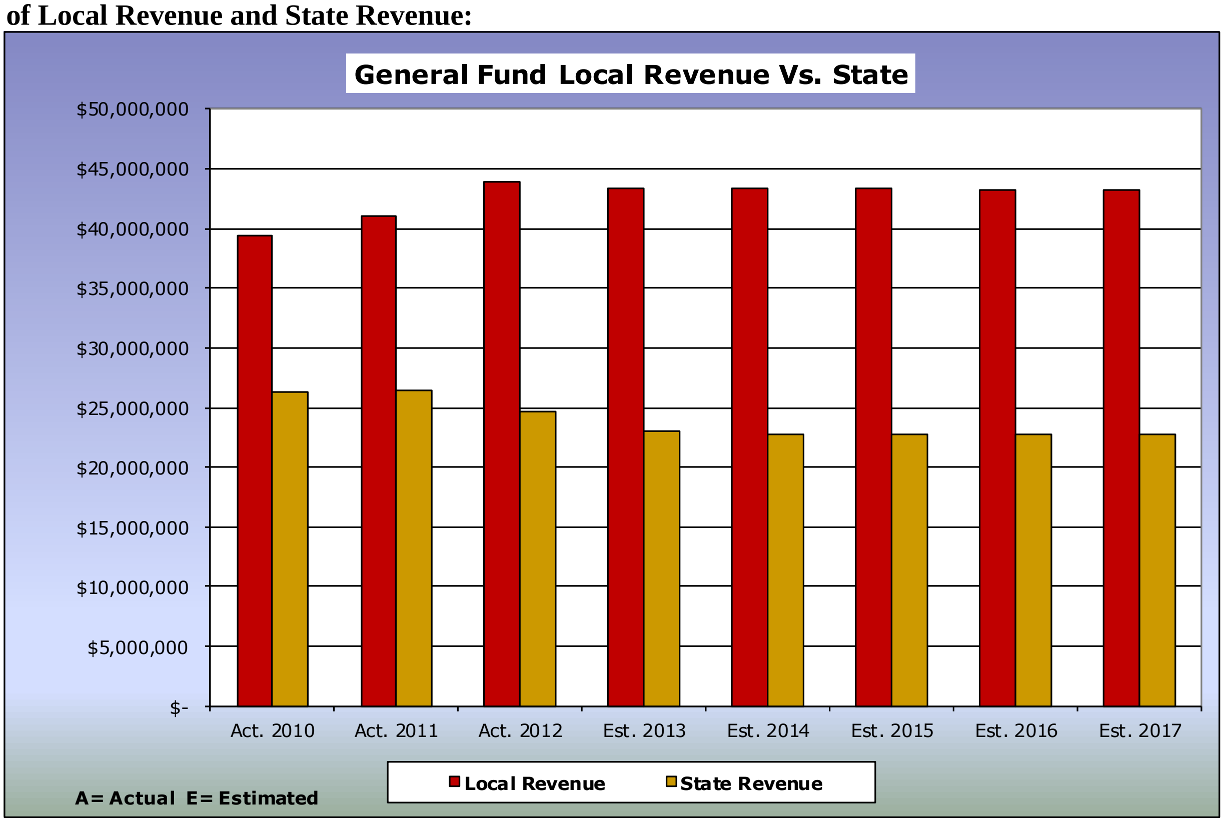
b) Tangible Personal Property Reimbursements – Fixed Rate
The district no longer receives any fixed rate reimbursement. HB153, the state budget, dramatically changed this revenue as Lakewood City Schools do not qualify as highly reliant. As a result the district lost $2,363,655 in TPP fixed rate and $465,400 in TPP fixed rate electric deregulation reimbursements for a total loss of $2,829,055 since FY11. This is equivalent to a 3.15 mill levy being cut each year. This was a major cut in State funding.

c) Tangible Personal Property Reimbursements – Fixed Sum
These amounts reflected the state's reimbursement for tangible personal property tax fixed sum reimbursements.

Summary of State Tax Reimbursement – Line #1.050

Source	FY13	FY14	FY15	FY16	FY17
Rollback and Homestead	4,781,258	4,752,017	4,748,551	4,746,391	4,744,666
TPP Reimbursement - Fixed Rate	0	0	0	0	0
TPP Reimbursement - Fixed Sum	0	0	0	0	0
Total Tax Reimb./Prop. Tax Allocations #1.050	$4,781,258	$4,752,017	$4,748,551	$4,746,391	$4,744,666

Comparison of Local Revenue and State Revenue:



State Foundation Revenue Estimates

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 is set as part of the State's biennial budget for FY13. These figures will not be known for sure until official student counts are reported for FY13. We have modeled state funding based on the October #1 ODE simulations of the BRIDGE Formula and the expectation of steady ADM (average daily membership) for FY13. We have held state funding flat for FY14 and beyond lacking data to suggest otherwise as noted earlier, yet another new funding formula is expected to be in place in FY14; the third funding formula in four years.

A) Unrestricted State Foundation Revenue BRIDGE Form – Line #1.035

Source	FY13	FY14	FY15	FY16	FY17
Basic Aid-Unrestricted	17,013,518	17,013,518	17,013,518	17,013,518	17,013,518
Additional Aid Items	621,036	621,036	621,036	621,036	621,036
Total Unrestricted State Aid Line # 1.035	$17,634,554	$17,634,554	$17,634,554	$17,634,554	$17,634,554

B) Restricted State Revenues – Line # 1.040

The only items currently in "restricted aid" are Catastrophic Special Ed and Career Technical. These amounts are generally stable and we have incorporated this amount into the restricted amount in Line # 1.04, which the state should continue into the future.

Source	FY13	FY14	FY15	FY16	FY17
Catastrophic Special Ed Aide	119,484	119,484	119,484	119,484	119,484
Career Tech - Restricted	246,307	246,307	246,307	246,307	246,307
Total Restricted State Revenues Line #1.040	$365,791	$365,791	$365,791	$365,791	$365,791

C) Restricted Federal Grants in Aid – line #1.045

The district expects to receive approximately $204,037 in Ed Jobs money in FY13. These funds will no longer be available after FY13.

Source	FY13	FY14	FY15	FY16	FY17
Restricted Federal Grants in Aid Line # 1	$204,037 {EdJobs}	$0	$0	$0	$0

SUMMARY OF STATE FOUNDATION REVENUES

Source	FY13	FY14	FY15	FY16	FY17
Unrestricted Line # 1.035	$17,634,554	$17,634,554	$17,634,554	$17,634,554	$17,634,554
Restricted Line # 1.040	365,791	365,791	365,791	365,791	365,791
Rest. Fed. Grants - SFSF & Ed Jobs Lin	204,037	0	0	0	0
Total State Foundation Revenue	$18,204,382	$18,000,345	$18,000,345	$18,000,345	$18,000,345

Short-Term Borrowing – Lines #2.010 & Line #2.020

There is no short term borrowing planned in this forecast at this time from any sources.

Transfers In / Return of Advances – Line #2.040 & Line #2.050

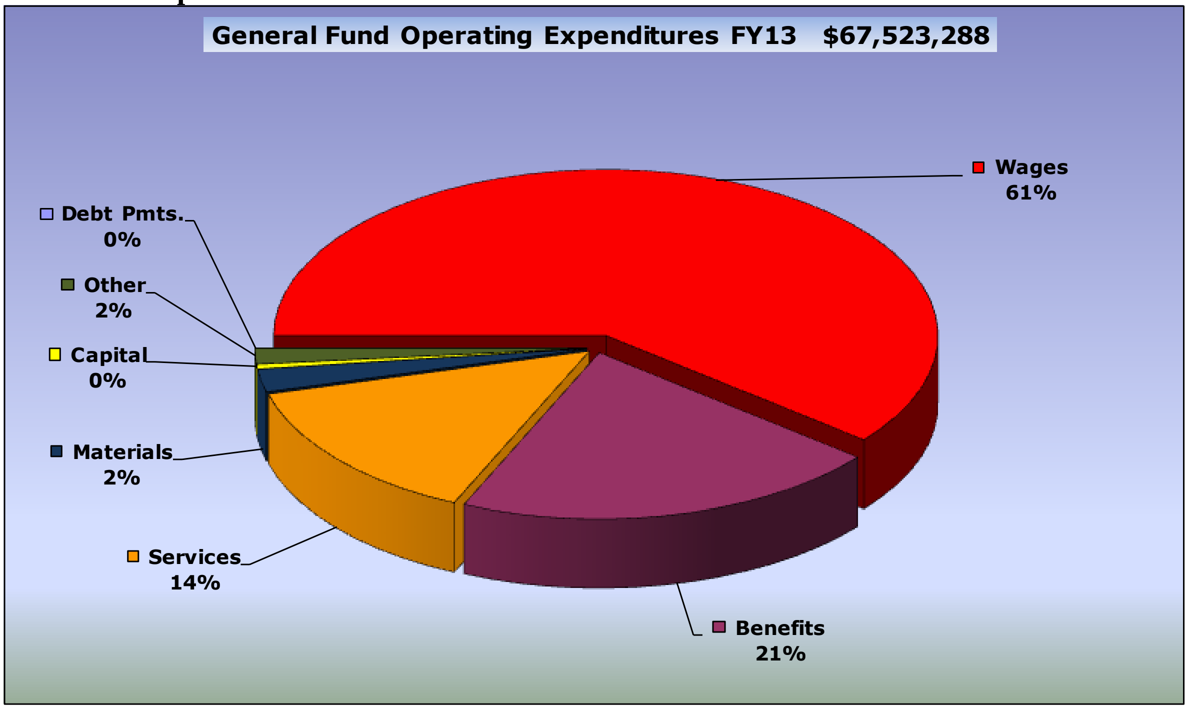
Returns of advances to other funds from the previous year comprise most of the historical revenue in this category

All Other Financial Sources – Line #2.060 & Line #14.010

Source	FY13	FY14	FY15	FY16	FY17
Transfers In - Line 2.040	$600,000	$0	$0	$0	$0
Advance Returns - Line 2.050	2,595,000	1,900,000	1,900,000	1,900,000	1,900,000
Total Transfer & Advances In	$3,195,000	$1,900,000	$1,900,000	$1,900,000	$1,900,000

Expenditures Assumptions

Estimated General Fund Expenditures for FY13:



Wages – Line #3.010
The model reflects a base increase of 0% in FY13 and FY14 as negotiated. Included for planning purposes are 2% in FY15 and FY16 and 0% in FY17. Step and training pay increases of 1.5% are reflected based on current staffing levels. The future of administrator and teacher pay may be tied to the new Ohio Teacher Evaluation System (OTES) and Ohio Principal Evaluation System (OPES). We are not certain as to details of how these may relate to staff pay; however, we have assumed that these systems, while different than the current step based pay system, will cost the district some additional resources annually.

Staffing changes identified in the May 21, 2012 budget reduction recommendations by the Superintendent are included throughout this forecast. The changes for FY13 include the loss of twenty (20) positions in the areas of teaching and learning, library resource coordinators, support staff, and administration. These reductions follow on the losses of sixty-two (62) staff positions in FY11 and two (2) positions in FY12.

Source	FY13	FY14	FY15	FY16	FY17
Base Wages	$42,042,691	$41,075,687	$41,261,929	$42,434,718	$43,576,884
Increases/ Merit Based Pay	0	0	821,514	825,239	0
Steps & Training/Performance Based Pay	630,640	630,640	616,135	618,929	636,521
Staff Reductions	($1,597,644)	($444,398)	($264,860)	($302,002)	0
Total Wages Line 3.010	$41,075,687	$41,261,929	$42,434,718	$43,576,884	$44,213,405

Fringe Benefits Estimates Line 3.02
This area of the forecast captures all costs associated with benefits and retirement costs, which all except health insurance being directly related to the wages paid. The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System (STRS) or the School Employees Retirement System (SERS) as required by Ohio law.

A) STRS/SERS
As required by law the BOE pays 14% of all employee wages to STRS or SERS. In addition, SERS announced on April 5, 2010 that they are going to require districts to pay SERS on a current fiscal year basis and not 6 months in arrears which has been the case since 1987 when districts moved from calendar year to fiscal year. We have taken the 1/6 additional costs per year for 6 years catch up provision. This cost is $139,040 each year through FY16.

B) Insurance

Insurance benefit premiums increased 8.7% in FY13. Prior year increases included the following: 4.6% in FY09, 0.0% in FY10, 11.4% in FY11, and 11.9% in FY12. The spring 2012 forecast had projected a 14% increase for FY13. Mid-term contract bargaining in the spring of 2012 resulted in a 5% premium concession on the part of all employees. Staff will now contribute 15% of premium (increased from 10%) toward their health insurance benefits. The annual premium savings to the district of $325,000 is reflected in this forecast

A projected increase of 12% is included in FY14 and beyond, based upon the Suburban Health Consortium (SHC) using funding reserves to reduce the last two increases and the industry trend presently running between 10% - 16%.

C) Workers Compensation & Unemployment Compensation

The anticipated premium rate is expected to decrease to 1% due to the district's participation in the retrospective rating program for workers' compensation. Unemployment is expected to remain negligible.

D) Medicare

Medicare will continue to increase at the rate of increases in wages. Contributions are 1.45% for all new employees to the district on or after April 1, 1986. These amounts are growing at the general growth rate of wages.

Summary of Fringe Benefits – Line #3.020

Source	FY13	FY14	FY15	FY16	FY17
STRS/SERS	$6,310,064	$6,326,467	$6,492,520	$6,664,151	$6,625,646
Insurance's	$6,817,415	$7,431,385	$8,134,132	$8,901,490	$9,791,639
Workers Comp/Unemployment	$420,757	$422,619	$434,347	$445,769	$452,134
Medicare	$489,490	$502,626	$518,891	$535,268	$556,679
Other/Tuition	$37,189	$37,189	$37,189	$37,189	$37,189
Total Line 3.020	$14,074,915	$14,720,286	$15,617,079	$16,583,867	$17,463,287

Purchased Services – Line #3.030

An overall inflation of 3% is being estimated for this category of expenses. As part of the budget reduction plan the instructional technology lease/purchase budget was reduced by $158,000 for FY13 and $268,000 FY14. Utilities in FY13 have been restored to FY11 levels to compensate for FY12 having such a mild winter. This increase will carry through the forecast period.

Source	FY13	FY14	FY15	FY16	FY17
Base Services	$742,969	$765,258	$788,216	$811,862	$836,218
Professional Services	1,160,768	1,195,591	1,231,458	1,268,402	1,306,454
Repairs,Maintenance,Security	2,250,741	2,318,263	2,387,811	2,459,445	2,533,228
Community School, OE & Other Tuition	2,787,903	2,871,540	2,957,687	3,046,417	3,137,810
Transportation of Students	594,392	624,111	655,317	688,083	722,487
Utilities	2,171,228	2,279,789	2,393,779	2,513,468	2,639,141
Budget Reductions	($158,000)	($268,000)	$0	$0	$0
Total Line 3.030	$9,550,000	$9,786,553	$10,414,267	$10,787,677	$11,175,339

Supplies and Materials – Line #3.040

An overall inflation of 3% is being estimated for this category of expenses which include all consumable supplies that are purchased to operate the school district, such as textbooks, paper, cleaning supplies, tires and bus fuel.

Source	FY13	FY14	FY15	FY16	FY17
Supplies	$1,163,165	$ 1,532,810	$ 1,578,794	$ 1,626,158	$ 1,674,943
Budget Increase	325,000	0	0	0	0
Total Line 3.040	$1,488,165	$1,532,810	$1,578,794	$1,626,158	$1,674,943

Equipment – Line # 3.050

Capital outlay expenditures are estimated based on recent historical patterns and are estimated to increase at an overall inflation rate of 2%.

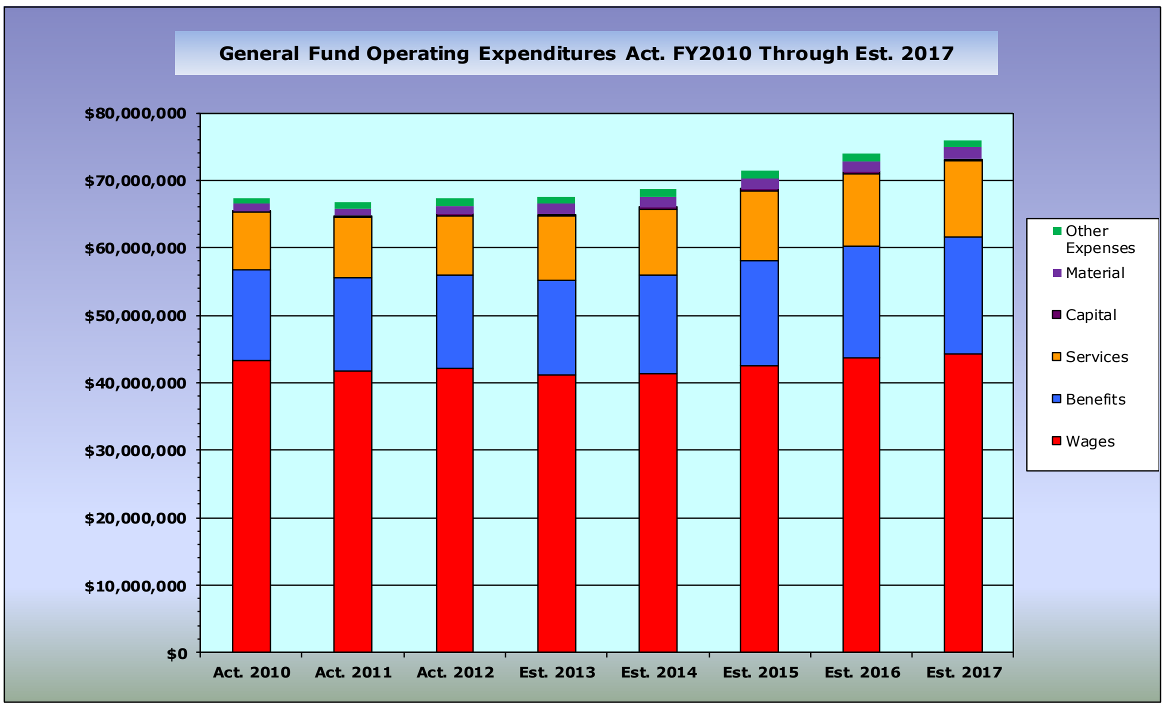
Source	FY13	FY14	FY15	FY16	FY17
Capital Outlay	$302,757	$308,812	$314,989	$321,288	$327,714
Budget Reductions	0	0	0	0	0
Total Line 3.050	$302,757	$308,812	$314,989	$321,288	$327,714

Other Expenses – Line #4.300

The category of Other Expenses consists primarily Auditor & Treasurer fees. Auditor and Treasurer Fees will increase anytime a new operating levy is collected. All other expenditures in this line assume a 3% inflation rate.

Source	FY13	FY14	FY15	FY16	FY17
County Auditor & Treasurer Fees	$830,455	$838,759	$847,147	$855,618	$864,174
Other expenses	201,309	207,348	213,568	219,975	226,574
Budget Reductions	0	0	0	0	0
Increased A&T Fees for New Levies	0	0	0	0	0
Total Line 4.300	$1,031,764	$1,046,107	$1,060,715	$1,075,593	$1,090,748

Total Expenditure Categories Actual FY10 through FY12 and Estimated FY13 through FY17



Transfers Out/Advances Out – Line# 5.010

This account group covers fund to fund transfer and end of year short term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. Advances are limited in impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund.

Source	FY13	FY14	FY15	FY16	FY17
Operating Transfers Out Line #5.010	$20,000	$20,000	$20,000	$20,000	$20,000
Advances Out Line #5.020	$1,900,000	$1,900,000	$1,900,000	$1,900,000	$1,900,000
Total	$1,920,000	$1,920,000	$1,920,000	$1,920,000	$1,920,000

Encumbrances –Line#8.010

These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered. Estimates are based on historic trends.

	FY13	FY14	FY15	FY16	FY17
Estimated Encumbrances	$ 300,000	$ 300,000	$ 300,000	$ 300,000	$ 300,000

Ending Unencumbered Cash Balance "The Bottom-line" – Line#15.010

This amount must not go below $-0- or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of $10,000, unless an alternative "412" certificate can be issued pursuant to HB153 effective September 30, 2011. The deficit noted in FY17 is 2 new state biennium budgets away and district management will prevent such a deficit from occurring.

	FY13	FY14	FY15	FY16	FY17
Ending Cash Balance	$ 16,348,046	$ 13,759,789	$ 8,384,883	$ 446,236	$ (9,475,496)

General fund ending cash balance excluding renewal