

Ripley-Union-Lewis-Huntington School District

Brown County

Schedule of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Years Ended June 30, 2012, 2013 and 2014 Actual;

Forecasted Fiscal Years Ending June 30, 2015 Through 2019

	Actual				Forecasted				
	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Average Change	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019
Revenues									
1.010 General Property Tax (Real Estate)	\$1,985,871	\$2,005,312	\$2,065,955	2.0%	\$2,065,955	\$2,096,944	\$2,117,914	\$2,128,503	\$2,128,503
1.020 Tangible Personal Property Tax									
1.030 Income Tax									
1.035 Unrestricted State Grants-in-Aid	6,627,584	6,737,957	6,408,220	-1.6%	6,408,220	6,408,220	6,408,220	6,408,220	6,408,220
1.040 Restricted State Grants-in-Aid	56,250	53,702	497,947	411.4%	497,947	497,947	497,947	497,947	497,947
1.045 Restricted Federal Grants-in-Aid - SFSF	357,827	37,576		-94.7%					
1.050 Property Tax Allocation	279,976	284,992	286,894	1.2%	286,893	286,893	286,893	286,893	286,893
1.060 All Other Revenues	419,951	513,948	529,297	12.7%	513,890	529,515	529,515	529,515	529,515
1.070 Total Revenues	9,727,459	9,633,487	9,788,313	0.3%	9,772,905	9,819,519	9,840,489	9,851,078	9,851,078
Other Financing Sources									
2.050 Advances-In	331,789	409,470	391,409	9.5%	150,845	200,000	200,000	200,000	200,000
2.060 All Other Financing Sources	25,768	66,874	48,095	65.7%	35,003	25,003	25,003	25,003	25,003
2.070 Total Other Financing Sources	357,557	476,344	439,504	12.7%	185,848	225,003	225,003	225,003	225,003
2.080 Total Revenues and Other Financing Sources	10,085,016	10,109,831	10,227,817	0.7%	9,958,753	10,044,522	10,065,492	10,076,081	10,076,081
Expenditures									
3.010 Personal Services	5,204,849	4,811,747	4,477,802	-7.2%	5,059,688	5,156,175	5,289,886	5,481,962	5,616,596
3.020 Employees' Retirement/Insurance Benefits	1,921,413	1,874,941	1,764,695	-4.1%	1,747,490	1,758,438	1,801,126	1,849,233	1,885,367
3.030 Purchased Services	1,938,392	1,996,882	2,034,014	2.4%	2,126,313	2,211,202	2,273,561	2,273,561	2,273,561
3.040 Supplies and Materials	324,588	357,487	292,292	-4.1%	335,776	384,934	415,019	315,019	315,019
3.050 Capital Outlay	33,998	119,049	60,984	100.7%	110,984	135,984	143,984	84,109	84,109
Debt Service:									
4.020 Principal-Notes	29,000	30,000	32,000	5.1%	33,000	34,000	36,000	38,000	39,000
4.060 Interest and Fiscal Charges	22,593	21,263	19,850	-6.3%	18,359	16,740	15,037	13,198	11,257
4.300 Other Objects	153,004	154,721	151,300	-0.5%	157,300	158,300	159,300	159,300	159,300
4.500 Total Expenditures	9,627,837	9,366,090	8,832,937	-4.2%	9,588,910	9,855,773	10,133,913	10,214,382	10,384,209
Other Financing Uses									
5.010 Operating Transfers-Out			8,764		27,303	30,000	35,000	35,000	35,000
5.020 Advances-Out	319,398	300,604	463,867	24.2%	200,000	200,000	200,000	200,000	200,000
5.030 All Other Financing Uses					7,789				
5.040 Total Other Financing Uses	319,398	300,604	472,631	25.7%	235,092	230,000	235,000	235,000	235,000
5.050 Total Expenditures and Other Financing Uses	9,947,235	9,666,694	9,305,568	-3.3%	9,824,002	10,085,773	10,368,913	10,449,382	10,619,209
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	137,781	443,137	922,249	164.9%	134,751	41,251-	303,421-	373,301-	543,128-
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	1,291,114	1,428,895	1,872,032	20.8%	2,794,281	2,929,032	2,887,781	2,584,360	2,211,059
7.020 Cash Balance June 30	1,428,895	1,872,032	2,794,281	40.1%	2,929,032	2,887,781	2,584,360	2,211,059	1,667,931
8.010 Estimated Encumbrances June 30	368,874	137,576	188,108	-13.0%	200,000	200,000	200,000	200,000	200,000
10.010 Fund Balance June 30 for Certification of	1,060,021	1,734,456	2,606,173	56.9%	2,729,032	2,687,781	2,384,360	2,011,059	1,467,931
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	1,060,021	1,734,456	2,606,173	56.9%	2,729,032	2,687,781	2,384,360	2,011,059	1,467,931
15.010 Unreserved Fund Balance June 30	1,060,021	1,734,456	2,606,173	56.9%	2,729,032	2,687,781	2,384,360	2,011,059	1,467,931

See accompanying summary of significant forecast assumptions and accounting policies

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

REVENUES

Tax (line 1.010)

Ripley-Union-Lewis-Huntington School District receives all of its real estate taxes from Brown County residents. Brown County is scheduled for a tri-annual reappraisal update in 2015. Collections from the update will occur during 2016.

The District noticed just over a 2% increase in collections between 2012 and 2014, this is likely due to a couple of factors. First, over the past few years there has been a slight decrease in the amount of delinquencies across the County which has provided some additional revenue. Second, Brown County did notice a large increase in the values placed on farmland during the past full reappraisal, but these values were offset by an average of a 10% valuation decrease in residential and commercial property. The net effect of these values calculated to be less than a 1% increase in tax revenues to the school district. We are predicting the economy to see a slight improvement over the next 3-4 years, and for this reason we have estimated only slight increases of .5% to 1.5% property tax revenue growth from 2016 through 2018 (line 1.01).

The District does not have any renewal or replacement levies included in this forecast. The District had a 2.6 mill levy on the May 2014 ballot for Permanent Improvement which was defeated.

State Revenues (lines 1.035; 1.040; 1.050)

State Funding for the District through H.B. 59 biennium budget is not expected to change through 2015; however, the District did see a shift in FY 2013-14 funding from non-restricted (line 1.035) to restricted (line 1.040) due to the Economic Disadvantage funding formula. The Fiscal Year 2014-15 figures are based on FY09's Bridge Formula calculation. They used a total enrollment of 1022 students (line 1.035). Added to the state funding calculation beginning in 2015 was an estimate for payouts to schools for casino money based on 2013-14 collections of \$51,723.

Again, State funding increases are only approved in the State Budget for fiscal 2014-15, and have no clear indication how the funding model will be changed or impacted in the 2016-17 biennium budget, for this reason we have flat lined the funding in fiscal years 2016 through 2019.

Homestead and Rollback collections have averaged 14% of total real estate collections in the District, and we therefore have calculated homestead and rollback taxes at 14% of the expected real estate collections each year of the forecast (line 1.050)

All Other Revenues (line 1.060)

While the District has seen moderate increases and decreases in the number of open enrollment revenues from students entering the District over the past 2-3 years, the net change has been

minimal, and we have no guarantee this will change, so we have left this revenue stable through 2019.

Other revenues also includes tuition payments, interest, rentals, donations, insurance claims, ROTC payments, Medicaid reimbursements, etc... The District has entered into another contract to have a Medicaid Audit performed, but there is no way of predicting if we will see a similar return as we did in 2013-14 which totaled just over \$106,290. We do expect to see a reduction in ROTC reimbursements during the first half of the 2014-15 school year of approximately \$14,000 due to the retirement of one of the two Marine Instructors who will likely not be replaced until the start of the second semester beginning January 2015. Therefore we have shown that reduction in the fiscal year 2015 projection, but left these revenues in line 1.060 consistent with the prior year actuals through 2019.

Advances In, Transfers In, and Other Sources (lines 2.040; 2.050; 2.060)

Advances-in vary with the state and federal grant activity that we have, and are merely a return of monies fronted those funds until the District receives sufficient program cash request to repay the original advances to those special funds.

EXPENDITURES

Salaries (line 3.01)

Salaries are based on existing negotiated agreements. The current contract with the classified staff does not expire until June 30, 2016. Classified negotiated a 1% base increase in fiscal year 2015, and a 1% base increase in fiscal year 2016. The certified staff in May signed a new three year agreement that expires June 30, 2017, in which was negotiated a 1.25% base increase in fiscal year 2015, and a 1% base increase in both fiscal years 2016 and 2017. Additionally, in the prior certified agreement, the certified staff steps which were frozen until the 2014-15 fiscal year, were guaranteed to receive those steps back at the beginning of fiscal year 2015. Projections for 2015 through 2019 salaries include the estimated cost of the step-ups, and the annual negotiated base increase for the classified and certified staff as per the agreements discussed above.

Benefits (line 3.02)

Benefits are based on existing negotiated agreements. The Board pays 90% of the health insurance cost. The 2014-15 health insurance remained with United Health Care, and are self-funded thru the Brown County Insurance Consortium. Although funding balances have shown slight increases, it was voted by the consortium members to increase rates by 7% beginning in November 2014 (fiscal year 2015) to insure funding to cover anticipated increases in medical cost and to cover the reported 4% increase in cost associated with the Affordable Care Act. Based on these facts, and looking at the past trends for the District we have projected an increase of approximately 3% for

2016 and 2% for 2017. The District will pay for the Retirement Incentive Plan for three retirees as adopted by the board which is estimated at \$63,474 for FY2014-15. Employer portion of STRS, SERS, and Medicare tax are projected to increase proportional to the step and base salary increases as adopted by the union agreements as presented in line 3.010. Based on the recent rates with Comp Management's retro plan, Workers' Compensation will remain the same for each projected fiscal year, except for 2015 due to an unanticipated Workers' Compensation rebate in the first half of fiscal year 2015 of just over \$19,000.

Purchased Services (line 3.03)

In fiscal year 2014-15, the services total reflects an increase in the special services contracts with Hopewell Contract (\$5,972) and a projected decrease in the Brown County ESC Contracts (\$10,739).

Beginning in 2014-15, the District will contract on an hourly as-need basis with the Southern Ohio Career and Technical Center for a tech person which is estimated in the first year to be \$10,000 and adding an additional \$500 each year thereafter.

The District has expanded its contract with the South Central Ohio Computer Association to add additional wireless connections throughout the buildings in preparation for the required computerized standard testing of students which is estimated at an additional \$7,600 per year over the fiscal year 2014 rate.

Based on past trends, and new programs and technology being added to the District, plus the current enrollment for the 2014-15 school year, the District has forecast a gradual decline in the number of current students open enrolling with other schools/districts. We are estimating the number of students lost each year, which cost the District approximately \$5,745 per student, to be 7 in 2016, and 5 in 2017. This will be a reduction from the District's foundation payment which in fiscal year 2014 was at \$395,178.

In order to provide services to the identified gift students within the Ripley-Union-Lewis-Huntington School District, the District is looking at partnering with the Brown County Education Service Center to provide a gifted program which is estimated at \$40,000 beginning in the 2015 school year, and adding an additional \$2,000 each year through 2019.

Based on past trends we have projected an additional 2.5% annual increase in annual Electric and Gas charges/rates which amounts to an average additional purchased service cost beginning 2015 and running through 2019 of \$9,145.

Despite the permanent improvement levy failing in the last election, the District still has an immediate need to update its bus fleet, with 5 of the 13 active busses being at or over 15 years of age and each nearing a total of 200,000 miles, which is the max life expectancy of a school bus.

Therefore the District is projecting to lease one new bus each year beginning in 2015 through 2017 with an annual lease payment for each being \$26,000.

Supplies and Materials (line 3.04)

Due to the continuing aging and deterioration of the District's transportation fleet and increase inflation of parts cost, the District is estimating a continuing average annual increase in bus parts and maintenance expenditures of 13%. In addition we are estimating an annual increase in fuel cost of 4% due to inflated prices for diesel fuel.

Capital Outlay (line 3.05)

We estimated an increase in technological infrastructure and equipment cost by the amount of \$50,000 in fiscal year 2015, \$25,000 in 2016, \$8,000 2017, and returning to a total of \$50,000 in 2018-19 to utilize the added wireless connects installed throughout the District during the summer of 2014.

Principal and Interest (lines 4.02 & 4.06)

The cost of the capital project financing through the OASBO pool will have to be paid each year until November 28, 2023.

Other Objects (line 4.30)

Auditor and Treasurer fees are included as well as Brown County ESC fees, the cost of position bonds, and the cost of liability insurance. We added an additional \$6,000 to the annual cost to cover the cost of a new IPA audit firm assigned by the Auditor of State whose hourly rate is higher than the past firm.

Advances and Transfers (line 5.01 & 5.02)

Anticipated expenditures in these areas are estimates only and will vary each year based on activities of federal and state grants. For fiscal years 2014-15 advances out are estimated to be \$200,000.

Encumbrances (line 8.01)

Encumbrances at June 30th are estimated to be \$200,000 for fiscal year 2014-15 and beyond.