

Ripley-Union-Lewis-Huntington School District

Brown

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			Average Change	Forecasted				
	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014		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%	\$2,056,004	\$2,086,844	\$2,107,713	\$2,118,251	\$2,118,251
1.020 Tangible Personal Property Tax					592				
1.030 Income Tax									
1.035 Unrestricted State Grants-in-Aid	6,627,584	6,737,957	6,408,220	-1.6%	6,615,014	6,615,014	6,615,014	6,615,014	6,615,014
1.040 Restricted State Grants-in-Aid	56,250	53,702	497,947	411.4%	293,825	293,825	293,825	293,825	293,825
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%	291,614	291,614	291,614	291,614	291,614
1.060 All Other Revenues	419,951	513,948	529,297	12.7%	633,877	686,758	607,357	599,519	592,460
1.070 Total Revenues	9,727,459	9,633,487	9,788,313	0.3%	9,890,926	9,974,055	9,915,523	9,918,223	9,911,164
Other Financing Sources									
2.050 Advances-In	331,789	409,470	391,409	9.5%	156,664	200,000	200,000	150,000	150,000
2.060 All Other Financing Sources	25,768	66,874	48,095	65.7%	14,697	27,175	27,175	27,175	27,175
2.070 Total Other Financing Sources	357,557	476,344	439,504	12.7%	171,361	227,175	227,175	177,175	177,175
2.080 Total Revenues and Other Financing Sources	10,085,016	10,109,831	10,227,817	0.7%	10,062,287	10,201,230	10,142,698	10,095,398	10,088,339
Expenditures									
3.010 Personal Services	5,204,849	4,811,747	4,477,802	-7.2%	4,798,468	4,870,048	5,022,848	5,447,008	5,584,762
3.020 Employees' Retirement/Insurance Benefits	1,921,413	1,874,941	1,764,695	-4.1%	1,674,608	1,731,514	1,748,436	1,801,372	1,891,189
3.030 Purchased Services	1,938,392	1,996,882	2,034,014	2.4%	2,258,505	2,510,713	2,475,010	2,455,995	2,467,218
3.040 Supplies and Materials	324,588	357,487	292,292	-4.1%	371,291	391,220	407,152	412,849	412,849
3.050 Capital Outlay	33,998	119,049	60,984	100.7%	118,344	238,344	233,590	94,637	94,637
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	16,739	15,037	13,198	11,257
4.300 Other Objects	153,004	154,721	151,300	-0.5%	156,330	154,266	156,215	156,566	156,566
4.500 Total Expenditures	9,627,837	9,366,090	8,832,937	-4.2%	9,428,905	9,946,844	10,094,288	10,419,625	10,657,478
Other Financing Uses									
5.010 Operating Transfers-Out			8,764		77,411	80,000	100,000	80,000	50,000
5.020 Advances-Out	319,398	300,604	463,867	24.2%	200,000	200,000	200,000	150,000	150,000
5.030 All Other Financing Uses					7,789				
5.040 Total Other Financing Uses	319,398	300,604	472,631	25.7%	285,200	280,000	300,000	230,000	200,000
5.050 Total Expenditures and Other Financing Uses	9,947,235	9,666,694	9,305,568	-3.3%	9,714,105	10,226,844	10,394,288	10,649,625	10,857,478
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	137,781	443,137	922,249	164.9%	348,182	25,614-	251,590-	554,227-	769,139-
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	3,142,463	3,116,849	2,865,259	2,311,032
7.020 Cash Balance June 30	1,428,895	1,872,032	2,794,281	40.1%	3,142,463	3,116,849	2,865,259	2,311,032	1,541,893
8.010 Estimated Encumbrances June 30	368,874	137,576	188,108	-13.0%	200,000	200,000	200,000	200,000	200,000
Fund Balance June 30 for Certification of Appropriations									
10.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	1,060,021	1,734,456	2,606,173	56.9%	2,942,463	2,916,849	2,665,259	2,111,032	1,341,893
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%	2,942,463	2,916,849	2,665,259	2,111,032	1,341,893
15.010 Unreserved Fund Balance June 30	1,060,021	1,734,456	2,606,173	56.9%	2,942,463	2,916,849	2,665,259	2,111,032	1,341,893

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 schedule 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 be 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.

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. There is no clear indication how the funding model will be changed or impacted in the 2016-17 biennium budget, which as of the date of this filing the budget deliberations had moved back to the full senate finance committee, with a floor vote targeted for June 17th. For this reason we have flat lined the funding in fiscal years 2016 through 2019.

Homestead and Rollback collections have averaged 12-14% of total real estate collections in the District, and we therefore have calculated homestead and rollback taxes at 13% of the expected real estate collections each year of the forecast (line 1.050)

All Other Revenues (line 1.060)

While the District has saw 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. However, with the March 2015 foundation settlement, ODE adjusted open enrollment numbers to more accurately reflect the most recent snap-shot count, which resulted in the District showing an increase in open enrollment revenues of over \$82,000. Based on the minimal changes we have seen in recent open enrollment students entering the District, 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 therefore reduced that projection back to a prior four year average of just over \$47,000.

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.

During 2015, the District filed two property insurance claims, one for a 2012 lightning strike at the High School in the amount of \$23,484 and the second for an uncontrollable freezing and damaging of HVAC coils at the Elementary and High School in February 2015 in the amount of \$79,323. Both claims were approved for claim value reimbursement, with \$86,442 being received in 2015, and the balance of \$16,365 to be received in 2016 when the work to the HVAC units has been completed.

Regarding E-Rate reimbursements, we have not yet received settlement on amounts due from our SCOCA 2015 contracts, and have no assurance that we will before fiscal year end, but we did receive an unexpected \$11,304 from Time Warner on our fiber optic line to the middle school. The District recently signed new contracts with SCOCA for new VoIP and Broadband services which will result in an additional \$150,764 e-rate funding in 15-16, \$98,600 in 16-17, \$93,530 in 17-18, and \$85,922 in 18-19 over the 2015 reimbursement amounts.

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 Spooner'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).

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. In addition, the Board has approved to enter into a new VoIP and Broadband Contract with SCOCA, which include upgraded wiring for the high school. The annual cost of the VoIP service contract before e-rating is \$105,125 in 2015-16, \$37,850 in 16-17 and 17-

18, and \$20,677 in 18-19 and 19-20. The annual cost of the Broadband Service contract before e-rating will be \$93,195 for five years beginning in 2015-16. The current Internet Service contract with SCOCA including wireless has an annual cost before e-rating of \$26,027.

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 stabilization in the number of current students open enrolling with other schools/districts. The number of students open enrolling to other schools in 2015 dropped by approximately two, leaving the annual deduction at \$385,678.

Building repair and replacement services and equipment throughout the District has exceeded expectations, largely in part due to the freeze damage done at both the elementary and high school buildings, as well as replacement of water heaters at both buildings. These cost are projected to exceed \$146,000 in 2015, and remaining repairs in 2016 could add an additional \$65,000, with those cost stabilizing for the remainder of the forecast period.

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 passing 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 purchase one new bus each year beginning in 2016 through 2017 with an annual cost for each being approximately \$90,000.

Supplies and Materials (line 3.04)

Due to the continuing aging and deterioration of the District's transportation fleet and increase in 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)

Thanks in large part to the passage of the Permanent Improvement levy in November 2014, we have reduced our original estimated increase in technological infrastructure and equipment cost to the General Fund from earlier projections, adding just an additional \$30,000 in fiscal year 2016 for the purchase of Chromebooks and a charging cart.

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.