

Ripley-Union-Lewis-Huntington Five Year Forecast for Fiscal Year 2014

District Type: Local

IRN: 046078

County: Brown

Date Submitted: 5/23/2014 Date Processed: 6/4/2014

Line	Actual			Forecasted				
	2011	2012	2013	2014	2015	2016	2017	2018
1.010 General Property (Real Estate)	1,932,121	1,985,871	2,005,312	2,065,955	2,068,021	2,099,041	2,120,032	2,130,632
1.035 Unrestricted Grants-in-Aid	6,506,874	6,627,584	6,737,957	6,395,498	6,395,498	6,395,498	6,395,498	6,395,498
1.040 Restricted Grants-in-Aid	53,702	56,250	53,702	480,396	480,396	480,396	480,396	480,396
1.045 Restricted Federal Grants-in-Aid - SFSF	556,475	357,827	37,576					
1.050 Property Tax Allocation	369,297	279,976	284,992	284,862	289,527	293,866	296,804	298,288
1.060 All Other Operating Revenue	445,771	419,951	513,948	479,087	479,087	479,087	479,087	479,087
1.070 Total Revenue	9,864,240	9,727,459	9,633,487	9,705,798	9,712,529	9,747,888	9,771,817	9,783,901
2.050 Advances-In	273,871	331,789	409,470	381,051	300,000	300,000	300,000	300,000
2.060 All Other Financial Sources	8,830	25,768	66,874	49,117	37,117	32,117	30,117	28,117
2.070 Total Other Financing Sources	282,701	357,557	476,344	430,168	337,117	332,117	330,117	328,117
2.080 Total Revenues and Other Financing Sources	<u>10,146,941</u>	<u>10,085,016</u>	<u>10,109,831</u>	<u>10,135,966</u>	<u>10,049,646</u>	<u>10,080,005</u>	<u>10,101,934</u>	<u>10,112,018</u>
3.010 Personnel Services	5,312,744	5,204,849	4,811,747	5,001,038	5,148,384	5,226,177	5,298,274	5,353,014
3.020 Employees' Retirement/Insurance Benefits	1,924,471	1,921,413	1,874,941	1,754,987	1,863,632	1,866,574	1,938,610	2,011,575
3.030 Purchased Services	1,809,908	1,938,392	1,996,882	1,973,752	2,102,335	2,191,333	2,258,340	2,170,476
3.040 Supplies and Materials	352,857	324,588	357,487	343,258	353,700	365,199	377,874	391,873
3.050 Capital Outlay	57,221	33,998	119,049	62,734	112,734	112,734	112,734	82,734
4.020 Debt Service: Principal-Notes	28,000	29,000	30,000	32,000	33,000	34,000	36,000	38,000
4.060 Debt Service: Interest and Fiscal Charges	23,795	22,593	21,263	19,850	18,359	16,739	15,037	13,198
4.300 Other Objects	161,697	153,004	154,721	147,152	147,152	147,152	147,152	147,152
4.500 Total Expenditures	9,670,693	9,627,837	9,366,090	9,334,771	9,779,296	9,959,908	10,184,021	10,208,022
5.010 Operational Transfers - Out				14,226				
5.020 Advances - Out	273,170	319,398	300,604	313,023	300,000	300,000	300,000	300,000
5.040 Total Other Financing Uses	273,170	319,398	300,604	327,249	300,000	300,000	300,000	300,000
5.050 Total Expenditure and Other Financing Uses	<u>9,943,863</u>	<u>9,947,235</u>	<u>9,666,694</u>	<u>9,662,020</u>	<u>10,079,296</u>	<u>10,259,908</u>	<u>10,484,021</u>	<u>10,508,022</u>
6.010 Excess Rev & Oth Financing Sources over(under) Exp & Oth Financing	<u>203,078</u>	<u>137,781</u>	<u>443,137</u>	<u>473,946</u>	<u>(29,650)</u>	<u>(179,903)</u>	<u>(382,087)</u>	<u>(396,004)</u>
7.010 Beginning Cash Balance	1,088,034	1,291,112	1,428,893	1,872,030	2,345,976	2,316,326	2,136,423	1,754,336
7.020 Ending Cash Balance	1,291,112	1,428,893	1,872,030	2,345,976	2,316,326	2,136,423	1,754,336	1,358,332
8.010 Outstanding Encumbrances	110,436	368,874	137,576	200,000	200,000	200,000	200,000	200,000
10.010 Fund Balance June 30 for Certification of Appropriations	1,180,676	1,060,019	1,734,454	2,145,976	2,116,326	1,936,423	1,554,336	1,158,332
12.010 Fund Bal June 30 for Cert of Contracts, Salary Sched, Oth Obligations	1,180,676	1,060,019	1,734,454	2,145,976	2,116,326	1,936,423	1,554,336	1,158,332
15.010 Unreserved Fund Balance June 30	<u>1,180,676</u>	<u>1,060,019</u>	<u>1,734,454</u>	<u>2,145,976</u>	<u>2,116,326</u>	<u>1,936,423</u>	<u>1,554,336</u>	<u>1,158,332</u>

Notes to the Five Year Forecast

Please visit the Ohio Department of Education website at
<ftp://ftp.ode.state.oh.us/geodoc/5-yrForecast/>

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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 under a 1% increase in collections between 2012 and 2013. 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). 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 funding from non-restricted (line 1.035) to restricted (line 1.040) due to the Economic Disadvantage funding formula. 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 and 2015, and for this reason we have flat lined the funding in fiscal years 2016, 2017, and 2018.

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 line stable through 2018 (line 1.060)

Other revenues also includes tuition payments, interest, rentals, donations, insurance claims, ROTC payments, Medicaid reimbursements, etc... Fiscal Year 2013-14 was increased to reflect additional Medicaid payments on the new nursing contract. The District has entered into another contract to have a Medicaid Audit performed, but there is no way of predicting if we see a similar return as we did in 2013-14 which totaled just over \$106,290. Therefore we have left this revenues in line 1.060 stable through 2018.

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 1.25% base increase in fiscal year 2014, a 1% base increase in fiscal year 2015, and a 1% base increase in fiscal year 2016. The certified staff signed a three year agreement that expires June 30, 2014. In that agreement, the certified staff steps were frozen until the 2014-15 fiscal year. Projections for 2015 through 2017 salaries include the estimated cost of the certified step-ups, plus in anticipation of the newly negotiated agreement, we have also included an estimated base increase of 1% to 1.25% keeping in line with those rates adopted by the classified staff.

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 went to partially self-funded thru the Brown County Insurance Consortium. For fiscal year 2014-15 it was voted to not have an increase due to balances. For the remainder of the forecast the District looked at past trends and has projected an increase of approximately 5.93% per year. 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. Workers' Compensation will remain the same for fiscal year 2015 based on the rates with Comp Management's retro plan.

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.

Based on past trends, and new programs and technology being added to the District, plus the expected 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 10 in 2015, 7 in 2016, and 5 in 2017. This will be a reduction from the District's foundation payment which is currently at \$395,178.

In order to provide services to the identified gift students with 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 2018.

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 2018 of \$9,667.

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 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 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)

We estimated an increase in technological infrastructure and equipment cost by the amount of \$50,000 through 2017, and \$20,000 in 2018 to utilize the added wireless connects to be installed throughout the District in 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. At this point, no increase was projected for inflation on other objects.

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 \$300,000 beyond.

Encumbrances (line 8.01)

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