

# Ripley-Union-Lewis-Huntington S.D.

Brown

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2013, 2014 and 2015 Actual;  
Forecasted Fiscal Years Ending June 30, 2016 Through 2020

	Actual				Average Change	Forecasted				
	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016		Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	
<b>Revenues</b>										
1.010 General Property Tax (Real Estate)	\$2,005,312	\$2,065,955	\$2,056,004	1.3%	\$2,079,442	\$2,084,641	\$2,049,852	\$2,111,348	\$2,111,348	
1.020 Tangible Personal Property Tax			975		488	488	488	488	488	
1.035 Unrestricted State Grants-in-Aid	6,737,957	6,408,220	6,209,885	-4.0%	7,025,661	7,025,661	7,025,661	7,025,661	7,025,661	
1.040 Restricted State Grants-in-Aid	53,702	497,947	863,731	450.3%	392,351	358,601	358,601	358,601	358,601	
1.050 Property Tax Allocation	284,992	286,894	291,614	1.2%	298,165	298,911	299,599	308,587	308,587	
1.060 All Other Revenues	513,948	529,297	676,502	15.4%	616,968	704,730	638,908	631,879	632,463	
1.070 <b>Total Revenues</b>	<b>9,595,911</b>	<b>9,788,313</b>	<b>10,098,711</b>	<b>2.6%</b>	<b>10,413,075</b>	<b>10,473,032</b>	<b>10,373,109</b>	<b>10,436,564</b>	<b>10,437,148</b>	
<b>Other Financing Sources</b>										
2.040 Operating Transfers-In			6,178							
2.050 Advances-In	409,470	391,409	150,486	-33.0%	180,199	160,198	150,000	150,000	150,000	
2.060 All Other Financing Sources	66,874	48,095	37,068	-25.5%	29,137					
2.070 <b>Total Other Financing Sources</b>	<b>476,344</b>	<b>439,504</b>	<b>193,732</b>	<b>-31.8%</b>	<b>209,336</b>	<b>160,198</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	
2.080 <b>Total Revenues and Other Financing Sources</b>	<b>10,072,255</b>	<b>10,227,817</b>	<b>10,292,443</b>	<b>1.1%</b>	<b>10,622,411</b>	<b>10,633,230</b>	<b>10,523,109</b>	<b>10,586,564</b>	<b>10,587,148</b>	
<b>Expenditures</b>										
3.010 Personal Services	4,766,395	4,477,802	4,692,330	-0.6%	4,940,008	5,067,671	5,188,083	5,308,641	5,432,334	
3.020 Employees' Retirement/Insurance Benefits	1,881,948	1,764,695	1,774,511	-2.8%	1,994,198	2,076,152	2,113,405	2,208,364	2,305,213	
3.030 Purchased Services	1,996,882	2,034,014	2,118,111	3.0%	2,251,551	2,214,390	2,234,714	2,256,741	2,279,253	
3.040 Supplies and Materials	357,487	292,292	295,697	-8.5%	315,375	323,717	332,336	341,244	350,020	
3.050 Capital Outlay	119,049	60,984	81,647	-7.4%	288,942	227,514	167,014	80,789	80,789	
<b>Debt Service:</b>										
4.020 Principal-Notes	30,000	32,000	33,000	4.9%	34,000	36,000	38,000	39,000	41,000	
4.060 Interest and Fiscal Charges	21,263	19,850	18,359	-7.1%	16,740	15,373	13,496	11,515	9,430	
4.300 Other Objects	154,721	151,300	148,291	-2.1%	152,961	153,553	153,852	153,852	153,852	
4.500 <b>Total Expenditures</b>	<b>9,327,745</b>	<b>8,832,937</b>	<b>9,161,946</b>	<b>-0.8%</b>	<b>9,993,775</b>	<b>10,114,370</b>	<b>10,240,900</b>	<b>10,400,146</b>	<b>10,651,891</b>	
<b>Other Financing Uses</b>										
5.010 Operating Transfers-Out		8,764	27,411			70,000	70,000	70,000	70,000	
5.020 Advances-Out	263,028	463,867	180,199	7.6%	180,199	160,198	150,000	150,000	150,000	
5.030 All Other Financing Uses		7,433			70					
5.040 <b>Total Other Financing Uses</b>	<b>263,028</b>	<b>472,631</b>	<b>215,043</b>	<b>12.6%</b>	<b>180,269</b>	<b>230,198</b>	<b>220,000</b>	<b>220,000</b>	<b>220,000</b>	
5.050 <b>Total Expenditures and Other Financing Uses</b>	<b>9,590,773</b>	<b>9,305,568</b>	<b>9,376,989</b>	<b>-1.1%</b>	<b>10,174,044</b>	<b>10,344,568</b>	<b>10,460,900</b>	<b>10,620,146</b>	<b>10,871,891</b>	
6.010 <b>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>	<b>481,482</b>	<b>922,249</b>	<b>915,454</b>	<b>45.4%</b>	<b>448,367</b>	<b>288,662</b>	<b>62,209</b>	<b>33,582-</b>	<b>284,743-</b>	
7.010 <b>Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies</b>	<b>1,390,551</b>	<b>1,872,033</b>	<b>2,794,282</b>	<b>41.9%</b>	<b>3,709,736</b>	<b>4,158,103</b>	<b>4,446,765</b>	<b>4,508,974</b>	<b>4,475,392</b>	
7.020 <b>Cash Balance June 30</b>	<b>1,872,033</b>	<b>2,794,282</b>	<b>3,709,736</b>	<b>41.0%</b>	<b>4,158,103</b>	<b>4,446,765</b>	<b>4,508,974</b>	<b>4,475,392</b>	<b>4,190,649</b>	
8.010 <b>Estimated Encumbrances June 30</b>	<b>137,576</b>	<b>188,108</b>	<b>373,269</b>	<b>67.6%</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	
10.010 <b>Fund Balance June 30 for Certification of Appropriations</b>	<b>1,734,457</b>	<b>2,606,174</b>	<b>3,336,467</b>	<b>39.1%</b>	<b>3,958,103</b>	<b>4,246,765</b>	<b>4,308,974</b>	<b>4,275,392</b>	<b>3,990,649</b>	
12.010 <b>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</b>	<b>1,734,457</b>	<b>2,606,174</b>	<b>3,336,467</b>	<b>39.1%</b>	<b>3,958,103</b>	<b>4,246,765</b>	<b>4,308,974</b>	<b>4,275,392</b>	<b>3,990,649</b>	
15.010 <b>Unreserved Fund Balance June 30</b>	<b>1,734,457</b>	<b>2,606,174</b>	<b>3,336,467</b>	<b>39.1%</b>	<b>3,958,103</b>	<b>4,246,765</b>	<b>4,308,974</b>	<b>4,275,392</b>	<b>3,990,649</b>	

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

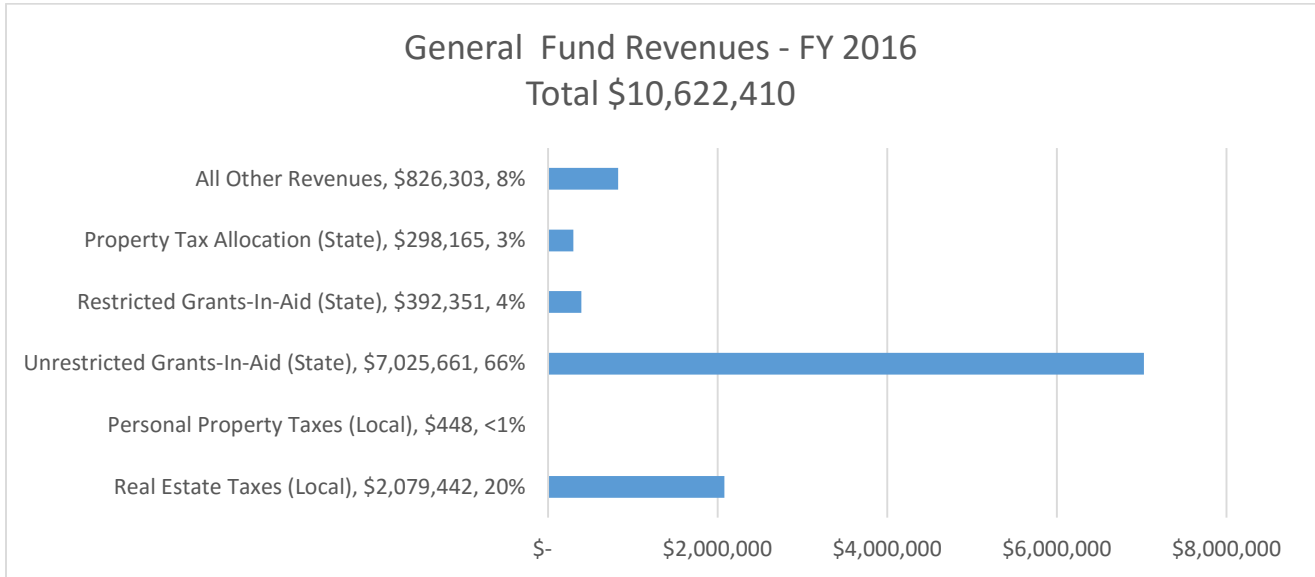
**RIPLEY-UNION-LEWIS-HUNTINGTON SCHOOL DISTRICT  
NOTES TO THE FIVE-YEAR FORECAST**

**Nature of the Forecast**

This financial forecast is somewhat like a painting of the future based upon a snapshot of today. That snapshot, however, will be adjusted and the further into the future the forecast extends, the more likely it is that the projections will deviate from actual experience. A variety of events will ultimately impact the latter years of the forecast, such as state budgets (adopted every two years), tax levies (new/renewal/ replacement), salary increases, or businesses moving in or out of the district. The five-year forecast is viewed as a key management tool, and intended to engage the local board of education and the community in long range planning and discussions of financial issues facing the school district. It is also intended to provide a method for the Ohio Department of Education and Ohio Auditor of State to identify schools districts with potential financial problems.

The assumptions described below are those that are material to the forecast. Differences between forecasted and actual results usually occur because events and circumstances frequently do not occur as expected, and those differences may be significant.

**REVENUES**



**Property Taxes (Lines 1.010 and 1.020)**

Property tax revenues for the General Fund are generated from 29.90 gross operating mills, which consist of 4.60 inside mills and 25.30 outside mills. The outside millage consists of various operating levies, all for a continuing period of years. The effective tax rate and valuation per classification for tax year 2014 (calendar year 2015 collections) are as follows:

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Property Class	Value	Effective Tax Rate
Residential Real Estate	\$57,397,700	24.88 mills
Agricultural Real Estate	\$25,937,910	24.88 mills
Commercial/Industrial Real Estate	\$13,289,640	28.24 mills
Public Utility Personal Property	\$7,924,550	25.00 mills
<b>Total Valuation</b>	<b>\$104,549,800</b>	

Ohio Law provides for a reduction of the effective tax rate for agricultural/residential and commercial/industrial real estate to offset increased values resulting from reappraisal of property. Likewise, effective tax rates may be increased to offset decreased values resulting from reappraisal. Reduction factors are applied to outside millage so that each levy yields approximately the same amount of revenue as the preceding year, excluding new construction. Increases in value from new construction will increase the revenues generated by the levies. State law prohibits the reduction factors from reducing the effective millage below 20.00 mills.

General Property Tax – Real Estate (Line 1.010) includes all real estate property taxes, including residential, agricultural, and commercial/industrial real estate. Brown County went through a triennial update in tax year 2015 (calendar year 2016 collections) and a revaluation is scheduled to occur in tax year 2018 (calendar year 2019 collections). Projections for all tax years assume a 0.25% increase in value resulting from new construction. The forecast projects no increase in value in tax year 2015 resulting from the scheduled triennial update and projects a 3% increase in tax year 2018 resulting from the revaluation.

Tangible Personal Property Tax (Line 1.020) includes business tangible personal property taxes and public utility personal property taxes. Business tangible personal property taxes were phased out as a result of House Bill 66 passed in June of 2005. Business tangible values were reduced by 25% each year starting in fiscal year 2007, until fully eliminated in fiscal year 2010, with the exception of telephone company property, which was phased out over a longer period and was fully eliminated in fiscal year 2012. However, HB 66 created a reimbursement mechanism for lost TPP taxes to schools, it also provided for the eventual elimination of those payments. School districts were to have their payments gradually reduced beginning in FY 2012, with payments falling to zero in FY 2019. Currently the District is receiving only about \$488 annually in reimbursement payments.

**Unrestricted Grants-in-Aid (Line 1.035) and Restricted Grants-in-Aid (Line 1.040)**

Unrestricted Grants-in-Aid and Restricted Grants-in-Aid represent revenues projected to be received primarily from the State under the foundation program.

Projections for fiscal year 2016 and 2017 are based on the recently-enacted HB64, the state’s biennial budget, and are projected based on enrollment figures from fiscal year 2015. Projections are likely to fluctuate based on enrollment changes throughout the 2015-2016

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and 2016-2017 school years.

The HB64 funding formula for fiscal years 2016 and 2017 is similar to the funding formula from fiscal years 2014 and 2015 (HB59). The funding formula utilizes a method to measure a district's wealth and capacity to raise local revenue. The wealth measure is called the State Share Index (SSI). There are three (3) components of the SSI:

1. Valuation Index that measures the district's average property value per pupil for tax year 2012, 2013, and 2014 compared to the statewide average valuation per pupil;
2. Median Income Index that uses tax year 2013 median income compared to statewide median income that is used to measure the ability of a district's residents to pay property taxes;
3. Wealth Index which uses 60% of the Valuation Index and 40% of the Median Income Index to compute the overall district Wealth Index.

The three components taken together form the State Share Index (SSI) which equalizes state funding based on wealth. In prior funding formulas, the primary equalization was based on tax valuation per pupil. The SSI, or one or more of the other three indexes, are applied in determining need on the twelve separate components that constitute state aid in fiscal years 2016 and 2017. The twelve components of the funding model are as follows:

1. Opportunity Grant – Per pupil amount of \$5,900 in FY16 and \$6,000 in FY17 multiplied by the SSI
2. Targeted Assistance – Funding provided to districts that do not raise much revenue beyond the local share of the foundation formula. Targeted Assistance targets school districts that are below a certain threshold of wealth in the state.
3. K-3 Literacy – Funding targeted to students in grades kindergarten through three to provide early additional educational investment.
4. Economic Disadvantaged – Funding to address poverty and its effects on educational outcomes. Funding amount is based on a per-pupil amount of \$272 equalized by the poverty index of the district. The poverty index is based on the district's poverty percentage relative to the statewide poverty percentage.
5. Limited English Proficiency – Funding provided to help districts provide additional educational services to student for whom English is not the native language.
6. Gifted Education – Funding for identification and service provision to gifted students. Funding is based on the enrollment of the district and is comprised of identification, coordinator, and teacher components.
7. Transportation – Funding to support transportation of students and is based on a formula with daily ridership and miles as the primary inputs.
8. Special Education – Funding for students with special needs and is based on additional per student funding amounts for six categories of disabilities equalized by the SSI.
9. Career Technical Education – Funding to support career technical programs and is based on additional per student funding amounts for five categories of programs equalized by the SSI.

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- 10. Capacity Aid – Funding to provide supplemental funds to districts that raise less than the median amount of revenue from 1 mill of local property taxes.
- 11. Graduation Bonus – Performance bonus funding based on graduation rates in the previous year.
- 12. Third Grade Reading Bonus – Performance bonus funding based on 3<sup>rd</sup> grade reading test results in the previous year.

The twelve components together comprise the total state funding formula amount for the school district. Projections by component for fiscal year 2016 are as follows:

<u>HB64 Funding Component</u>	<u>FY2016</u>
Opportunity Grant	\$ 3,725,800
Targeted Assistance	1,087,968
K-3 Literacy	68,492
Economic Disadvantaged	290,733
Limited English Proficiency	-
Gifted Education	55,317
Transportation	501,192
Special Education	680,348
Career Technical Education	48,304
Capacity Aid	742,418
Graduation Bonus	14,491
3rd Grade Reading Bonus	10,881
Total State Funding - HB64 Formula	<u>\$ 7,225,944</u>

Funding amounts for all categories above are unrestricted with the exception of Economic Disadvantaged and Career Technical Funding which are restricted as to use and are presented in Line 1.040.

A breakdown of Unrestricted Grants-in-Aid (Line 1.035), which includes the unrestricted components above is as follows:

<u>Unrestricted Grants-in-Aid (Line 1.035)</u>	<u>FY2016</u>
HB 64 Formula Funding	\$ 6,886,907
(Excluding Economic Disadvantaged and Career-Tech)	-
Preschool Special Education Funding	57,471
Special Education Transportation	32,463
Casino Revenues	48,820
Total Unrestricted Grants-in-Aid (Line 1.035)	<u>\$ 7,025,661</u>

Additional aid items contained within HB64 include preschool special education and special education transportation, which are not part of the HB64 formula. Casino Revenues are a result of the Ohio Casino ballot issued passed in 2009. A portion of gross casino tax revenues is distributed to school districts based on enrollment and is currently projected at approximately \$50 per student.

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<b>Restricted Grants-in-Aid (Line 1.040)</b>	<b>FY2016</b>
Economic Disadvantaged (HB64 Formula)	\$ 290,733
Career Technical Education (HB64 Formula)	48,304
Special Education Catastrophic Cost	19,564
One-time Security Grant (FY16 only)	33,750
<b>Total Restricted Grants-in-Aid (Line 1.040)</b>	<b>\$ 392,351</b>

Special Education Catastrophic Cost dollars are provided by the State for special education expenses exceeding cost thresholds for students within special education categories.

Given the instability of the state foundation program over the last five years, projections beyond the current biennial budget must be considered highly speculative. For purposes of this forecast, Unrestricted Grants-in-Aid (Line 1.035) and Restricted Grants-in-Aid (Line 1.040) were left unchanged for fiscal years 2018 through 2020.

**Property Tax Allocation (Line 1.050)**

Homestead & Rollback revenue is in the form of tax relief to local property taxpayers. The State grants a ten percent rollback on all agricultural and residential real estate taxes and a two and one-half percent rollback on owner-occupied single-family residences. The State also grants tax relief to qualified elderly and disabled homeowners based on income eligibility. The State reimburses the District for these reductions of property taxes. These revenues are projected at approximately 14% of real estate taxes annually.

**All Other Operating Revenue (Line 1.060)**

Projections for All Other Operating Revenues are as follows:

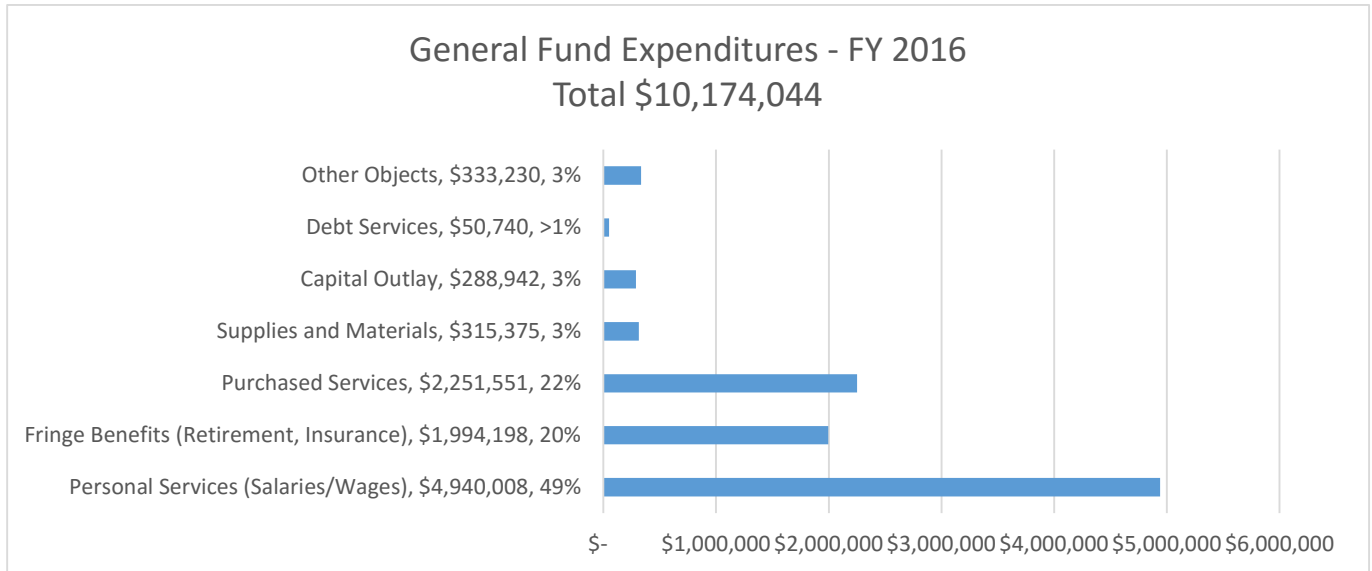
Category	2016	2017	2018	2019	2020
Tuition	14,462	14,462	14,462	14,462	14,462
Earnings on Investments	15,420	16,310	16,310	16,310	16,310
Open Enrollment	267,237	267,238	267,238	267,238	267,238
JROTC Reimbursements	56,107	56,668	57,802	58,378	58,962
Classroom Materials & Fees	26,905	21,595	21,595	21,595	21,595
E-Rate Reimbursement	47,043	177,202	110,246	102,640	102,640
Medicaid Reimbursement	124,653	115,000	115,000	115,000	115,000
Other Miscellaneous	65,141	36,255	36,255	36,255	36,255
<b>Total All Other Revenue</b>	<b>616,968</b>	<b>704,730</b>	<b>638,908</b>	<b>631,879</b>	<b>632,463</b>

Tuition includes revenue received from other Districts for their student(s) attending Ripley-Union-Lewis-Huntington School District as a result of a court-ordered placement or foster care. Earnings on Investments include interest earned on the District's deposits and investments. In the past four to five years, interest rates have declined from the 5% range down to at 1% or less. This has had a detrimental effect on this revenue line item. The

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forecast assumes that interest rates remain relatively steady. The open enrollment revenue projection for fiscal year 2016 and beyond is based on 48 students attending schools within the District through open enrollment. E-rate reimbursement is based on the new service funding structure on a four-year cycle, and primarily being driven by three new 5 year service contracts with META (former SCOCA) for VoIP, Brand Band, and Internet Services, with the largest return being realized in FY17 based on FY16 Contract amounts. ROTC Reimbursements are impacted only by the salary increases in the Marine Instructor pay which are projected between 1-2% through the forecast. Manufactured Homes Tax, Classroom Materials and Fees, Medicaid Reimbursement, and Other Miscellaneous Revenues are not projected to change materially.

**EXPENDITURES**



**Personal Services (Line 3.01)**

The projections for Personal Services are as follows:

Category	2016	2017	2018	2019	2020
Certificated Salaries	\$ 3,270,824	\$ 3,367,613	\$ 3,470,872	\$ 3,556,305	\$ 3,648,227
Non-Certificated Salaries	702,044	696,053	705,994	714,090	728,388
Administrative Salaries	608,263	645,127	652,340	679,370	696,842
Supplementals	169,768	169,768	169,768	169,768	169,768
Substitutes and Other	189,109	189,110	189,109	189,109	189,109
<b>Total Personal Services</b>	<b>\$ 4,940,008</b>	<b>\$ 5,067,671</b>	<b>\$ 5,188,083</b>	<b>\$ 5,308,641</b>	<b>\$ 5,432,334</b>

Certificated salary projections are based on the agreement with the RULH Education Association, which runs from July 1, 2014 through June 30, 2017. The agreement provided a 1% Base increases for fiscal years 2016 and 2017. For fiscal years 2018 through 2020, the

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projected base remained unchanged. All projected years include 2.6% in incremental increases for advancement on the salary schedule by employees. Certificated salary projections for fiscal years 2016 and beyond assume current staffing levels.

Non-Certificated salary projections are based on current salary schedules for fiscal year 2016 which includes a 1% base increase. For fiscal years 2017 through 2020, base salaries for all classifications remains unchanged. All projected years include 2.6% in incremental increases for advancement on the salary schedule by employees. Non-Certificated salary projections for fiscal years 2016 and beyond assume no staffing changes from current levels.

Administrative salaries and all other personal services projections are based on the current salaries for fiscal year 2016 and 1% base increases in fiscal years 2017 per the last approved salary schedule. Base Salaries for fiscal years 2018 through 2020 remain unchanged. All projected years include 2.6% in incremental increases for advancement on the salary schedule by employees. Administrative salaries and all other personal services projections assume current staffing levels remain constant.

**Employees' Retirement/Insurance Benefits (Line 3.020)**

Projections for this line include employer costs for contributions to the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS), employer share of medicare, workers' compensation premiums, and health insurance premiums paid on behalf of employees.

Projections for contributions to STRS and SERS, medicare, and workers' compensation premiums are tied to projected changes in personal services (Line 3.01).

The District provides insurance benefits to employees via participation in the Brown County Schools Insurance Consortium. Health insurance premiums increased by 7% for fiscal year 2015, but due to a reduction in claim activity only increased by 2% for fiscal year 2016. Fiscal years 2017-2020 projections are based on estimates of 4% annual increases. It should be noted that the national average trend in health insurance costs has hovered at or near annual rate of 8% which is much higher than the general rate of inflation and the District's revenue growth. With the federal governments' passage of the "cadillac tax" and a potential for annual inflationary increases in health insurance cost, a reduction in health insurance benefits or implementation of other cost-saving measures will likely be needed to reduce the increase in costs to the District.

**Purchased Services (Line 3.030)**

Purchased service expenditures include tuition costs for RULH resident students attending elsewhere, services contracted through the Brown County Educational Service Center and Hopewell, utilities, professional services, and other contracted services. Electrical Utility cost have been reduced by an estimated \$90,000 beginning with the FY17 year in anticipation of the annual energy project savings. The projection for 2016 is based on the current year budget, minus estimated year-end encumbrances. Projections for 2016-2020 reflected an overall estimated annual increase of 2% where deemed applicable and are detailed as follows:



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Category	2016	2017	2018	2019	2020
Open Enrollment - Outgoing	\$ 458,234	\$ 466,234	\$ 466,234	\$ 466,234	\$ 466,234
Community School Tuition	169,723	173,117	176,580	180,111	183,713
Post-Secondary Tuition	20,293	20,698	21,112	21,535	21,965
Other Tuition/Vocational Compate	76,261	77,749	79,267	80,815	82,393
Special Ed Services- Brown ESC	329,317	335,903	342,621	349,474	356,463
Special Education - Hopewell	30,912	31,530	32,161	32,804	33,460
Excess Cost (Special Ed)	99,306	99,306	99,306	99,306	99,306
Professional/Tech Services incl Legal	395,024	418,024	418,024	418,024	418,024
Property and Building Repair Services	155,241	155,243	155,241	155,241	155,243
Property Insurance	31,832	32,532	33,508	34,513	35,549
Communication/Internet/Other Tech	40,958	40,958	40,958	40,958	40,958
Utilities	377,449	294,754	299,993	306,624	313,421
Other Miscellaneous	67,001	68,341	69,708	71,102	72,524
<b>Total Purchased Services</b>	<b>\$ 2,251,551</b>	<b>\$ 2,214,390</b>	<b>\$ 2,234,713</b>	<b>\$ 2,256,741</b>	<b>\$ 2,279,253</b>

**Supplies and Materials (Line 3.040)**

This line includes purchases of textbooks and instructional materials, custodial and maintenance supplies, fuel purchases for bus transportation, and other miscellaneous supplies and materials. The projection for 2016 is based on the current year budget, minus estimated year-end encumbrances. Projections for 2017 and beyond are based on a 2% annual increases for all line items except bus parts and fuel. Based on past trends, we have projected a 6% and 3% annual increase in bus parts and fuel respectively for 2017 and beyond.

**Capital Outlay (Line 3.050)**

Capital outlay expenditures include items such as improvements to building property, purchase of school buses, equipment, computers, and other assets with an estimated useful life in excess of five years. For fiscal years 2016 through 2020, it is anticipated that District will be purchasing many of these items from the District's Permanent Improvement Fund. However, for fiscal year 2017, the District has budgeted \$75,500 additional capital outlay to pour concrete pads for the bleachers and walkways at the new softball field, to pay \$25,000 toward the paving of the back High School Parking lot, and \$45,000 toward the resurfacing of the High School track. Due to the immediate need, the District will continue to purchase one new bus in fiscal years 2017 and 2018 at an estimated cost of \$86,225 each.

**Other Objects (Line 4.300)**

Other objects include expenditures for property, fleet, and liability insurance, as well as all other expenditures which do not fall into one of the above categories. Due to their unpredictable and fluctuation nature, we did not project a change for these line items through the term of the forecast.

**Encumbrances** - Estimated encumbrances have been projected based on historical patterns.