

Groveport Madison Local Schools

May 2009

Franklin

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2006, 2007 and 2008 Actual;
Forecasted Fiscal Years Ending June 30, 2009 Through 2013

	Actual				Forecasted				
	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Average Change	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013
Revenues									
1.010 General Property Tax (Real Estate)	\$19,201,581	\$20,102,974	\$20,637,654	3.7%	\$22,430,257	\$24,030,257	\$25,630,257	\$25,630,257	\$21,780,257
1.020 Tangible Personal Property Tax	4,978,101	4,191,719	3,816,376	-12.4%	2,041,665	1,575,125	1,360,202		
1.030 Income Tax									
1.035 Unrestricted Grants-in-Aid	23,727,513	24,592,740	23,729,164	0.1%	26,342,907	26,350,000	26,650,000	26,950,000	27,250,000
1.040 Restricted Grants-in-Aid	247,994	1,006,936	2,881,055	246.1%	3,653,876	3,700,000	3,700,000	3,700,000	3,700,000
1.050 Property Tax Allocation	2,327,017	3,540,736	4,720,776	42.7%	4,557,821	4,557,821	3,674,264	3,790,000	3,790,000
1.060 All Other Revenues	704,933	842,827	954,526	16.4%	955,000	950,000	950,000	950,000	950,000
1.070 Total Revenues	51,187,139	54,277,932	56,739,551	5.3%	59,981,526	61,163,203	61,964,723	61,020,257	57,470,257
Other Financing Sources									
2.010 Proceeds from Sale of Notes									
2.020 State Emergency Loans and Advancements (Approved)									
2.040 Operating Transfers-In			167,131		165,463	157,000	157,000	150,000	
2.050 Advances-In	17,472				297,296				
2.060 All Other Financing Sources	7,416	498,510	157,698	3276.9%	158,000	150,000	150,000	150,000	150,000
2.070 Total Other Financing Sources	24,888	498,510	324,829	934.1%	620,759	307,000	307,000	300,000	150,000
2.080 Total Revenues and Other Financing Sources	51,212,027	54,776,442	57,064,380	5.6%	60,602,285	61,470,203	62,271,723	61,320,257	57,620,257
Expenditures									
3.010 Personal Services	28,733,755	28,820,719	28,182,517	-1.0%	28,500,000	28,500,000	29,355,000	30,235,650	31,142,720
3.020 Employees' Retirement/Insurance Benefits	9,485,618	9,682,152	9,519,419	0.2%	10,127,463	10,165,603	11,248,858	12,000,000	12,800,000
3.030 Purchased Services	11,667,165	14,406,781	16,289,352	18.3%	16,800,000	17,200,000	17,600,000	18,000,000	18,400,000
3.040 Supplies and Materials	1,113,016	1,092,270	1,280,553	7.7%	1,344,580	1,371,472	1,398,901	1,426,879	1,455,417
3.050 Capital Outlay	166,499	54,535	28,094	-57.9%	25,000	25,000	25,000	25,000	25,000
3.060 Intergovernmental									
Debt Service:									
4.010 Principal-All (Historical Only)									
4.020 Principal-Notes									
4.030 Principal-State Loans									
4.040 Principal-State Advancements									
4.050 Principal-HB 264 Loans	120,000	125,000	135,000	6.1%	140,000	140,000	145,000	145,000	
4.055 Principal-Other									
4.060 Interest and Fiscal Charges	44,378	38,436	32,131	-14.9%	25,463	17,000	12,000	5,000	
4.300 Other Objects	1,555,704	1,676,534	1,940,773	11.8%	2,037,812	2,050,800	2,100,500	2,150,000	2,220,000
4.500 Total Expenditures	52,886,135	55,896,427	57,407,839	4.2%	59,000,318	59,469,875	61,885,259	63,987,529	66,043,137
Other Financing Uses									
5.010 Operating Transfers-Out			179,355		165,463	157,000	157,000	150,000	
5.020 Advances-Out	2,190		297,296						
5.030 All Other Financing Uses									
5.040 Total Other Financing Uses	2,190		476,651		165,463	157,000	157,000	150,000	
5.050 Total Expenditures and Other Financing Uses	52,888,325	55,896,427	57,884,490	4.6%	59,165,781	59,626,875	62,042,259	64,137,529	66,043,137
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	1,676,298-	1,119,985-	820,110-	-30.0%	1,436,504	1,843,328	229,464	2,817,272-	8,422,880-
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	8,721,430	7,045,132	5,925,147	-17.6%	5,105,037	6,541,541	8,384,869	8,614,333	5,797,061
7.020 Cash Balance June 30	7,045,132	5,925,147	5,105,037	-14.9%	6,541,541	8,384,869	8,614,333	5,797,061	2,625,818-
8.010 Estimated Encumbrances June 30	301,732	218,854	71,289	-47.4%	100,000	100,000	100,000	100,000	100,000
Reservation of Fund Balance									
9.010 Textbooks and Instructional Materials									
9.020 Capital Improvements									
9.030 Budget Reserve									
9.040 DPIA									
9.050 Debt Service									
9.060 Property Tax Advances	5,800,000	5,500,000	5,500,000	-2.6%	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
9.070 Bus Purchases									
9.080 Subtotal	5,800,000	5,500,000	5,500,000	-2.6%	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
10.010 Fund Balance June 30 for Certification of Appropriations	943,400	206,293	466,252-	-202.1%	941,541	2,784,869	3,014,333	197,061	8,225,818-
Revenue from Replacement/Renewal Levies									
11.010 Income Tax - Renewal									
11.020 Property Tax - Renewal or Replacement									3,850,000
11.300 Cumulative Balance of Replacement/Renewal Levies									3,850,000
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	943,400	206,293	466,252-	-202.1%	941,541	2,784,869	3,014,333	197,061	4,375,818-
Revenue from New Levies									
13.010 Income Tax - New									
13.020 Property Tax - New									
13.030 Cumulative Balance of New Levies									
14.010 Revenue from Future State Advancements									
15.010 Unreserved Fund Balance June 30	943,400	206,293	466,252-	-202.1%	941,541	2,784,869	3,014,333	197,061	4,375,818-
ADM Forecasts									
20.010 Kindergarten - October Count					552	550	550	550	550
20.015 Grades 1-12 - October Count					6300	6300	6300	6300	6300
20.02 Kindergarten - February Count					560	560	560	560	560
20.025 Grades 1-12 - February Count					6340	6340	6340	6340	6340

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

FY2009-2013 Five Year Forecast

Summarized below are the general assumptions underlying the Five Year Forecast for the Groveport Madison Local schools beginning for FY09.

I. Revenue Assumptions

A. PROPERTY TAX REVENUE

1. District Valuation

Current school district values and categories are as follows: \$532 M for Residential/ Agriculture; \$226 M Commercial/Industrial; \$35M in Public Utilities and \$61M in Tangible Personal Property. Tangible personal property taxes are scheduled to be eliminated by the new budget bill. Groveport Madison is to be held harmless for tangible personal property reductions through the forecast period.

2. Local Sources

The Franklin County Auditor currently assesses Real Estate (R-1), a residential property owner, 27.00 effective mils. A Commercial/ Industrial property owner, a (R-2) category property, is assessed at an effective rate of 34.88 mils.

3. Real Estate Value Assumptions.

A reappraisal of school district property values was conducted during the calendar year 2005. A tri-annual update in property values is due in calendar year 2008. It is anticipated that the update will be a 0% increase in value. Changes in property values will be reflected in the following calendar year.

Real Estate revenues are estimated to be collected at 96% of the annual gross amount. Estimating revenues at 96% allows for delinquency (non-payment of taxes) factor but still may exceed county auditor certification of funds available. In the Groveport Madison school district, approximately 48% of the (R-1), Residential/Agricultural and (R-2), Commercial/Industrial is collected in the 1st half tax settlements and 52% is collected in the 2nd half tax settlements.

4. Tangible Personal Property Assumptions

The district experienced a 30% gain in Personal Property revenue in 2004. The new budget bill HB 119, continues the phases out of the tangible personal property tax. The state will replace the lost revenue through the forecast period.

5. Significant Legislation or Litigation

House Bill 119 or the biennial budget bill for FY2008-2009, continues the modifications to the state funding formula initiated in the last budget bill which resulted in major changes including a new building blocks approach, replacement of Disadvantaged Pupil Impact Aid funding with a new Poverty Based Assistance program and inclusion of Intervention funds formerly paid by grants. HB119 increased the per pupil funding to \$5,565 in FY 2008 and to \$5,732 in FY 2009 (increases of 3% per year).

6. New, Replacement and/or Renewal Tax Levies

The revenue amounts noted on the 5-year forecast model do not include automatic passage of replacement or renewal levies in property tax amounts. When a replacement or renewal levy expires there will be a corresponding decline in estimated property tax revenues. New, replacement and renewal levies may be proposed in the 5-year forecast on the appropriate line for planning purposes on lines 11.02 and 13.02, whichever applies. Levies are cumulative on lines 11.03 and 13.03.

The District passed a 3 year renewal with an increase of the current emergency levy in May 2009. This levy will generate approximately \$7,700,000 per year which is an increase of \$3.200,000 per year.

7. Other Local Revenues

Miscellaneous amounts of local revenue are estimated based on past trends and anticipated activity in the coming year. The tuition rate charged other school districts for providing education classes to non-resident students is a large source of miscellaneous revenue. The tuition collected by the District will be contingent upon the number of children served from surrounding school districts and is subject to increases or decreases depending on the number of children that are enrolled. Investment income credited to the general fund is another source of miscellaneous income. All other local income streams are an insignificant amount of local funds and are expected to remain stable.

B. STATE REVENUES

1. State Foundation Revenue (SF-3)

The following are important criteria for estimating Revenue.

- The Per Pupil funding level figure for FY08 is \$5565 and \$5732 for FY09
- Special Education Weights continue to be phased in a 90% in FY2008-2009.
- The parity aid portion of the state foundation is funded at 100% in FY08 and beyond. The Groveport Madison Schools parity-aid for FY09 is calculated to be \$2,800,000.
- Net increases and decreases in the school foundation formula are estimated using the state's SF3 report and other special education reports. This line consists of the accounting of children being educated in other districts that

live in the Groveport Madison School District or children living in other districts being educated in the Groveport Madison School District. The funding is driven by EMIS reporting from the educating districts but the amount of the funding is determined by the district of residence. We are at the end of a 2 year budget for the state. With the current budget turmoil, we do not have any reliable information to base budget figures on for the 2010 or 2011 fiscal years. We will update these numbers as soon as the budget is approved at the state level.

2. Poverty Based Assistance (PBA)

Poverty Based Assistance reflects a formula that provides additional funding for districts that have a certain percentage of students whose families receive funds from the Ohio Works First program. Additional dollars for intervention were included with the FY2009 amount of \$3,569,000.

3. Rollback and Homestead Reimbursement.

Estimates of rollback and homestead reimbursement from the state for replacement, renewal or new levies are included in the total revenues on the appropriate line of the 5-year forecast.

4. Other State Revenues

These amounts are based on State allocations for restricted and non-restricted grants as part of the State's reimbursements for special allocations.

5. Return of Advances & Refund of Prior Year Expenditures

These are non-operating revenues that are the repayment of short-term loans to other funds over the previous fiscal year and reimbursements for expenses received for a previous fiscal year in the current fiscal year.

6. Borrowing

Line 4.050 of the forecast reflects expenditures for a HB264 project that is projected to save enough money to be at least revenue neutral by savings on utility usage. Utility savings are reflected in the purchase service area of the forecast line 3.030.

II. Expenditure Assumptions

1. Salary and Wages

Both the certified and classified labor contract were recently negotiated. Forecast model uses 1.5% general increases in the salary schedules for the FY 2009, 0.00% in 2010 & 1.5% for 2011, 2012 and 2013. An increase of 1.25% for movement on the negotiated salary schedules for experience and training is built into each year of the forecast for teaching staff and a comparable amount for classified step increases. We are currently waiting on the results of the Employee Severance Plan before we can finalize staff positions, position cuts,

etc. and the resulting budget implications of same. Those results will be known the first week of June 2009.

2. Inflation

Inflation is assumed to remain at a level consistent with that of recent years.

3. Fringe Benefit Estimates

Medical insurance costs. The board of education has a fully funded insurance program. The District expects its premium rates for all lines of benefits to increase by 7.8% in FY2010 and an average of ten (10%) percent for FY2011, 2012, and 2013. Based on usage and the medical economy in general, the District may experience fluctuations in its premium rates over the life of this forecast.

Worker's Compensation. The District currently is part of the Hunter Consulting Association group-rating plan for Worker's Compensation fees. The Hunter Consulting program is a cost-effective program available to all eligible boards of education in the State.

Medicare. Payroll taxes will continue to increase as older staff retires and new people are hired. Federal contributions require the board of education to contribute 1.45% of salary for all employees new to the District since April 1, 1986. Employees contribute a like amount for Medicare taxes.

Retirement Costs. Set by legislation and governed by the Ohio Revised Code. All certificated staff members (teachers and administrators) are required to be a part of and contribute 10% of their earnings to the State Teachers Retirement System (STRS). Non-teaching employees are required to be a part of the School Employees Retirement System (SERS) and contribute 10.0% of their annual earnings. The Groveport Madison Board of Education is required by law to pay into the retirement fund 14% of gross earnings of its employees to both STRS and SERS.

4. Purchased Services

Purchased services costs were \$14.4 million in FY07, \$16.3 million in FY08 and are forecasted at 15.5 million in FY09. Two major expenditures of purchased services are to cover the increased cost of tuition for open enrollment and community school students and for contracted Transportation of students. Property Insurance, Gas and electric, telephones, and other utility increases are also reflected in the projections. A rate of 2% is built-in for inflationary planning purposes.

5. Materials and Supplies

As a result of enacted legislation (SB345), all school districts in Ohio are required to allocate 3% of it's per pupil allocation to purchase Textbook and Instructional Materials and Supplies. A like percentage must be allocated to a Capital Improvement and Facilities Maintenance fund. The 3% requirement is maintained in succeeding years. The District has exceeded spending on the 3% set-aside requirements the past three fiscal years.

6. Other Expenses

This expense group accounts for auditor and treasurer fees, liability insurance and other miscellaneous expenses. Auditor and treasurer fees, the amount of money collected by the county, will increase any time there are increases in valuation, as well as when a new operating levy is collected. A rate of 1.2% is built-in for inflationary planning purposes for FY09 and 1% for succeeding years..

7. Non-Operating Expenses

Cash flow borrowing, short-term borrowing and interest on debt are considered non-operating expenses. Based on current projections the District does not anticipate the need to borrow to balance its General Operating budget. Cash advances to other funds at year-end are included in this category.

8. Tax Anticipation & Note Repayment

Borrowing has not been reflected in the five-year forecast.

9. Encumbrances

Outstanding purchase orders for supplies and materials that have not been received or are in-transit prior to June 30th or that have been received but not approved for payment in the fiscal year in which the goods or services were initially purchased are encumbrances.

10. Ending Unencumbered Cash Balance

This amount is the difference from the ending cash balance and the encumbered amount of the District's obligations.