

Olmsted Falls City School District

Cuyahoga County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2007, 2008 and 2009 Actual;
Forecasted Fiscal Years Ending June 30, 2010 Through 2014

	Actual				Forecasted				
	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Average Change	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014
Revenues									
1.010 General Property Tax (Real Estate)	\$17,427,145	\$17,635,146	\$18,407,261	2.8%	\$17,411,516	\$17,411,516	\$17,411,516	\$17,411,516	\$17,411,516
1.020 Tangible Personal Property Tax	802,453	749,216	427,638	-24.8%	428,750	428,750	428,750	428,750	428,750
1.030 Income Tax									
1.035 Unrestricted State Grants-in-Aid	11,861,136	12,146,519	12,353,655	2.1%	11,471,016	12,187,335	12,187,335	12,187,335	12,187,335
1.040 Restricted State Grants-in-Aid	155,416	112,858	112,468	-13.9%	115,416	115,416	115,416	115,416	115,416
1.045 Restricted Federal Grants-in-Aid - SFSF					716,319				
1.050 Property Tax Allocation	1,859,850	2,160,607	2,244,073	10.0%	2,448,051	2,448,051	2,448,051	2,448,051	2,448,051
1.060 All Other Revenues	1,722,638	1,144,067	872,240	-28.7%	686,058	686,058	686,058	686,058	686,058
1.070 Total Revenues	33,828,638	33,948,413	34,417,335	0.9%	33,277,126	33,277,126	33,277,126	33,277,126	33,277,126
Other Financing Sources									
2.010 Proceeds from Sale of Notes			1,333,000		1,183,000	1,033,000	883,000	733,000	583,000
2.020 State Emergency Loans and Advancements (Approved)									
2.040 Operating Transfers-In					415,000				
2.050 Advances-In	99,152	518,459	1,978,236	352.2%	250,000	250,000	250,000	250,000	250,000
2.060 All Other Financing Sources	3,725	6,843		-8.1%					
2.070 Total Other Financing Sources	102,877	525,302	3,311,236	470.5%	1,848,000	1,283,000	1,133,000	983,000	833,000
2.080 Total Revenues and Other Financing Sources	33,931,515	34,473,715	37,728,571	5.5%	35,125,126	34,560,126	34,410,126	34,260,126	34,110,126
Expenditures									
3.010 Personal Services	20,063,396	21,052,989	22,424,984	5.7%	21,816,137	22,353,756	22,942,220	23,318,463	23,686,607
3.020 Employees' Retirement/Insurance Benefits	7,109,035	7,291,630	8,121,187	7.0%	7,979,897	8,284,684	8,860,942	9,498,155	10,203,410
3.030 Purchased Services	3,412,704	3,632,198	3,483,623	1.2%	3,412,362	3,662,276	3,845,390	4,037,659	4,239,542
3.040 Supplies and Materials	1,299,466	1,467,877	1,219,008	-2.0%	1,100,650	1,154,583	1,461,212	1,520,672	1,583,106
3.050 Capital Outlay	365,107	846,570	493,685	45.1%	500,000	500,000	500,000	500,000	500,000
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	95,503	60,502	1,542,495	1206.4%	1,393,503	1,243,503	1,033,000	883,000	733,000
4.055 Principal-Other									
4.060 Interest and Fiscal Charges	17,467	12,960	61,590	174.7%	47,210	61,001	51,650	44,150	30,000
4.300 Other Objects	499,833	536,906	539,355	3.9%	446,876	469,220	492,681	517,315	543,181
4.500 Total Expenditures	32,862,511	34,901,632	37,885,927	7.4%	36,696,635	37,729,023	39,187,095	40,319,414	41,518,846
Other Financing Uses									
5.010 Operating Transfers-Out			10,832						
5.020 Advances-Out	106,470	523,683	2,213,066	357.2%	250,000	250,000	250,000	250,000	250,000
5.030 All Other Financing Uses									
5.040 Total Other Financing Uses	106,470	523,683	2,223,898	358.3%	250,000	250,000	250,000	250,000	250,000
5.050 Total Expenditures and Other Financing Uses	32,968,981	35,425,315	40,109,825	10.3%	36,946,635	37,979,023	39,437,095	40,569,414	41,768,846
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	962,534	951,600-	2,381,254	-24.3%	1,821,509-	3,418,897-	5,026,969-	6,309,288-	7,658,720-
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	7,893,381	8,855,915	7,904,315	0.7%	5,523,061	3,701,552	282,655	4,744,314-	11,053,602-
7.020 Cash Balance June 30	8,855,915	7,904,315	5,523,061	-20.4%	3,701,552	282,655	4,744,314-	11,053,602-	18,712,322-
8.010 Estimated Encumbrances June 30	1,108,956	834,283	943,762	-5.8%	800,000	800,000	800,000	800,000	800,000
Reservation of Fund Balance									
9.010 Textbooks and Instructional Materials									
9.020 Capital Improvements									
9.030 Budget Reserve									
9.040 DPIA									
9.045 Fiscal Stabilization									
9.050 Debt Service									
9.060 Property Tax Advancements									
9.070 Bus Purchases									
9.080 Subtotal									
10.010 Fund Balance June 30 for Certification of Appropriations	7,746,959	7,070,032	4,579,299	-22.0%	2,901,552	517,345-	5,544,314-	11,853,602-	19,512,322-
Revenue from Replacement/Renewal Levies									
11.010 Income Tax - Renewal									
11.020 Property Tax - Renewal or Replacement									
11.300 Cumulative Balance of Replacement/Renewal Levies									
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	7,746,959	7,070,032	4,579,299	-22.0%	2,901,552	517,345-	5,544,314-	11,853,602-	19,512,322-
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	7,746,959	7,070,032	4,579,299	-22.0%	2,901,552	517,345-	5,544,314-	11,853,602-	19,512,322-
ADM Forecasts									
20.010 Kindergarten - October Count	113	127	118	2.7%	133	133	133	133	133
20.015 Grades 1-12 - October Count	3,224	3,285	3,384	2.5%	3,468	3,468	3,468	3,468	3,468
State Fiscal Stabilization Funds									
21.010 Personal Services SFSF					\$522,913				
21.020 Employees Retirement/Insurance Benefits SFSF					\$193,406				
21.030 Purchased Services SFSF									
21.040 Supplies and Materials SFSF									
21.050 Capital Outlay SFSF									
21.060 Total Expenditures - SFSF					716,319				

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

Dear Readers:

This forecast presents a conservative estimate of the Olmsted Falls City School District's General Fund cash receipts, cash disbursements, and cash fund balances for the fiscal years forecasted. It is based on assumptions that were developed as of October 3, 2009. The significant assumptions included within this forecast are explained below.

Differences between this forecast and actual results are expected to occur because circumstances typically change. These differences may have a material impact on this forecast.

Readers are encouraged to read the following assumptions and develop their own conclusions about the impacts they have on this forecast.

Sincerely,

Mark S. Hullman, CPA, MBA
TREASURER

ASSUMPTIONS:**General Property and Tangible Personal Property Tax Revenues:**

FY2010 General Property and Tangible Personal Property Tax Revenue estimates are based on information available as of October 3, 2009. FY2010 and beyond General Property Tax Revenues have been projected using lower figures than were received in FY2009 because the State of Ohio and the United States of America are currently in a unique and unfamiliar financial state. Additionally, a 3 year update of real estate appraisals will be conducted by county auditors in calendar year 2009 and the new updated appraisals will become effective on January 1, 2010.

The real estate market and the state of the economy are uncertain and no one knows how these uncertainties may impact property tax collections. Many requests for reductions in values of individual homes in the Olmsted Falls City School District have been submitted to the Cuyahoga County Board of Revision. The financial effects of these requests for reductions in values are unknown at this time. Additionally, in previous years, the District benefited from additional Tax Revenue that resulted from new construction in the housing sector. Because of the slowdown in our nation's economy, the number of new housing starts has been greatly reduced. Consequently, additional Tax Revenue from new construction is not anticipated.

As a result of the above discussion, projecting Tax Revenue based on lower expectations seems to be reasonable. Tangible Personal Property Tax Revenues have been projected consistently because the Ohio Department of Education is expected to reimburse Olmsted Falls City School District for anticipated decreases as Tangible Personal Property Taxes phase out.

Unrestricted Grants-In-Aid (Foundation):

Unrestricted Grants-In-Aid are remitted by the Ohio Department of Education. For purposes of this forecast, these revenues have been projected consistently with projected FY 2009 foundation revenues, however, in FY2010 \$716,319 of this source of revenue is anticipated to be received in the form of Restricted Federal Grants-In-Aid ~ SFSF.

Property Tax Allocation:

Property Tax Allocation revenues are remitted by the State of Ohio based on percentages of property taxes. FY2010 property tax allocation revenues are based on information available as of October 3, 2009. FY2011 and beyond Property Tax Allocation projections are estimated to be approximately 12 ½ percent of total tax collections.

All Other Operating Revenue:

This category includes revenue from interest on investments, rent from District-owned property, and other locally generated income. The decreases in FY2010 and beyond primarily result from anticipated decreases in cash fund balances available for investment and decreasing interest rates.

Personal Services:

FY 2010 personal services were projected based on bargaining agreements. Each year beyond FY 2010 has been increased approximately 1.75% to provide for step increases, etc.

Because Olmsted Falls City School District is at the end of a levy cycle, expenditures are now exceeding revenues. Given the current educational funding environment in Ohio, the generally followed solution to this situation is to ask voters to pass new Tax Revenue levies. On November 4, 2008 and February 3, 2009 voters overwhelmingly voted against tax levies. The Olmsted Falls City School District Board of Education has placed a 6.4 mill operating levy on the November 3, 2009 ballot. If voters approve this levy it will generate \$3,488,451 annually. When expenditures begin to exceed revenues, which typically occurs at the end of a levy cycle, and voters decline to provide additional Tax Revenues, the administration only has one option; *reduce expenditures*. Consequently the District has implemented an Educational Reduction Plan, which in part, includes a Reduction in Force of certified staff members which took effect at the beginning of FY 2010. Starting in FY 2010 certain retiring teachers were not replaced and certain teaching positions were eliminated. These measures will undoubtedly have a negative effect on Olmsted Falls City School District's educational system but they are necessary in order to balance the revenue shortfall.

Employees' Retirement/Insurance

This category primarily includes employer's portions of retirement, employer's portion of health benefits, employer's portion of medicare, unemployment benefits, and workers' compensation.

All retirement/insurance costs were projected based on actual amounts expected to be paid. FY2010 health benefits were projected based on expected costs. Health benefits for FY 2011 were projected to be fifteen (15) percent more than FY2010. FY2012 and beyond were projected by increasing each year in the amount of twelve (12) percent. Life, dental, and vision benefits were projected by increasing costs each year in amounts of 5 percent, 10 percent and 10 percent, respectively. This category of expenditures decreases starting in FY 2010 due to the cost reduction plan discussed above in the Personal Services category.

Purchased Services:

FY 2010 purchased services were projected based on actual amounts expected to be paid. FY 2010 was decreased due to implementation of the cost reduction plan which includes elimination of high school busing, elimination of other busing non-necessities, and elimination of certain subcontract positions.

Supplies and Materials:

FY 2010 supplies and materials were projected based on actual amounts expected to be paid. FY 2010 was decreased due to implementation of the cost reduction plan which includes elimination of textbook purchases and reductions in all supplies accounts.

Capital Outlay:

FY 2010 capital outlay was projected based on actual amounts expected to be paid. FY 2011 and beyond were projected based on management's estimates of necessary capital outlay expenditures.

Other Objects:

FY2010 other objects were projected based on actual amounts expected to be paid. FY2011 and beyond were projected by increasing each year in the amount of five (5) percent.

Deficit Fund Balances:

Forecasted deficit fund balances beginning in FY 2011 will be mitigated by passing a new levy on the November 3, 2009 ballot or implementing additional expenditure reductions.