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 August 16, 2012. 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:
FY2013 General Property and Tangible Personal Property Tax Revenue estimates are based on expectations as of August 16, 2012.

No tangible personal property tax revenues other than small delinquencies are expected to be received in FY2013 and beyond. (See Property Tax Allocation below)

Unrestricted State Grants-In-Aid (Foundation):
Unrestricted State Grants-In-Aid are remitted by the Ohio Department of Education. This line includes foundation funding. For purposes of this forecast, these revenues have been projected based on the amounts expected to be received in FY2013 and beyond.

Restricted State Grants-In-Aid (Career Tech):
FY2013 Career Tech revenues have been projected at $115,000 for FY2013 and beyond.

Restricted Federal Grants-In-Aid:
In FY2013 $121,564 is expected to be received in the form of Restricted Federal Grants-In-Aid ~ Educational Jobs Funding. As of August 16, 2012 there is no definitive indication Grants-In-Aid ~ Educational Jobs Funding will be received beyond the amount projected in FY2013. Consequently, this forecast does not include a projection for this source of revenue in FY2014 and beyond.

Property Tax Allocation:
Property Tax Allocation revenues consist of Homestead and Rollbacks and Tangible Personal Property Tax Reimbursements, however, Tangible Personal Property Tax Reimbursements will essentially cease after FY2012. Homestead and Rollbacks are remitted by the State of Ohio based on percentages of property taxes and are estimated to be approximately 11% of total real estate tax collections.

All Other Operating Revenue:
This category includes revenue from interest on investments, rent from District-owned property, and other locally generated income. FY2013 and beyond projections in this category are our best guesses as of August 16, 2012.

Personal Services:

Personal services, which are salaries and wages, were projected based on amounts that are expected to be paid to employees. This forecast projects four teachers will retire at the end of FY2013, FY2014, FY2015, and FY2016 resulting in $120,000 reductions in expenditures each subsequent year.

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.

Retirement and other fringe benefits costs were projected based on actual amounts expected to be paid in each fiscal year forecasted. FY2013 health benefits were projected based on expected costs. Amounts projected to be paid for health benefits including health insurance, life, dental, and vision benefits for FY2014 and beyond were increased by approximately 10%.

Purchased Services:

FY2013 purchased services were projected based on actual amounts expected to be paid. Modest increases in overall purchased services have been projected in this forecast.

Supplies and Materials:

Supplies and materials for FY2013 and beyond were projected based on actual amounts expected to be paid. FY2013 and beyond include projections in the amount of $250,000 for the purchase of textbooks. FY2013 and beyond have been increased in moderate amounts for supplies other than textbooks.

Capital Outlay:

Capital outlay expenditures, for FY2013 and beyond, were eliminated because these costs will be paid from the fund that accounts for the 2.8 mill permanent improvement levy that was passed by voters on November 8, 2011. Permanent Improvement Levy collections began in January 2012.

Other Objects:

FY2013 other objects were projected based on actual amounts expected to be paid. FY2014 and beyond were projected by increasing each year in the amount of 5%.

Olmsted Falls City School District

Cuyahoga County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2010, 2011 and 2012 Actual
Forecasted Fiscal Years Ending June 30, 2013 Through 2017

		Actual				Forecasted				
		Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Average Change	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
	Revenues									
1.010	General Property Tax (Real Estate)	$18,019,506	$20,060,109	$21,923,990	10.3%	$21,901,505	$21,901,505	$21,901,505	$21,901,505	$21,901,505
1.020	Tangible Personal Property Tax	161,317	63,070	21,049	-63.8%					
1.030	Income Tax									
1.035	Unrestricted State Grants-in-Aid	10,607,799	10,196,223	10,538,739	-0.3%	10,695,603	10,695,603	10,695,603	10,695,603	10,695,603
1.040	Restricted State Grants-in-Aid	118,607	119,497	119,497	0.4%	115,000	115,000	115,000	115,000	115,000
1.045	Restricted Federal Grants-in-Aid - SFSF	710,005	861,943	483,828	-11.2%	121,564				
1.050	Property Tax Allocation	3,486,114	3,816,906	3,423,310	-0.4%	2,760,458	2,760,458	2,760,458	2,760,458	2,760,458
1.060	All Other Revenues	655,320	847,197	892,811	17.3%	425,950	425,950	425,950	425,950	425,950
1.070	*Total Revenues*	33,758,668	35,964,945	37,403,224	5.3%	36,020,080	35,898,516	35,898,516	35,898,516	35,898,516
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	1,183,000	1,000,000	850,000	-15.2%	700,000	550,000	400,000	250,000	100,000
2.020	State Emergency Loans and Advancements (Approved)									
2.040	Operating Transfers-In	419,058								
2.050	Advances-In	274,698	270,514	214,169	-11.2%	1,444,017	1,000,000	250,000	250,000	250,000
2.060	All Other Financing Sources									
2.070	*Total Other Financing Sources*	1,876,756	1,270,514	1,064,169	-24.3%	2,144,017	1,550,000	650,000	500,000	350,000
2.080	*Total Revenues and Other Financing Sources*	35,635,424	37,235,459	38,467,393	3.9%	38,164,097	37,448,516	36,548,516	36,398,516	36,248,516
	Expenditures									
3.010	Personal Services	21,562,574	21,711,279	21,473,916	-0.2%	21,468,033	21,664,131	21,906,169	22,139,271	22,404,378
3.020	Employees' Retirement/Insurance Benefits	7,220,119	7,768,322	7,638,925	3.0%	7,924,847	8,253,970	8,726,535	9,165,063	9,651,004
3.030	Purchased Services	3,201,849	3,775,463	4,221,223	14.9%	4,543,459	4,750,632	4,968,164	5,196,572	5,436,401
3.040	Supplies and Materials	862,439	907,401	1,047,118	10.3%	1,256,160	1,305,968	1,358,267	1,413,180	1,470,839
3.050	Capital Outlay	85,320	469,002	331,457	210.2%					
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	1,393,503	1,243,503	1,000,000	-15.2%	850,000	700,000	550,000	400,000	250,000
4.055	Principal-Other									
4.060	Interest and Fiscal Charges	47,210	24,328	17,500	-38.3%	15,000	12,500	10,000	7,500	5,000
4.300	Other Objects	570,514	712,411	784,902	17.5%	824,147	865,354	908,622	954,053	1,001,756
4.500	*Total Expenditures*	34,943,528	36,611,709	36,515,041	2.3%	36,881,646	37,552,555	38,427,757	39,275,639	40,219,378
	Other Financing Uses									
5.010	Operating Transfers-Out			700,000		600,000	600,000	600,000	600,000	600,000
5.020	Advances-Out	270,514	214,169	1,444,017	276.7%	1,000,000	250,000	250,000	250,000	250,000
5.030	All Other Financing Uses									
5.040	*Total Other Financing Uses*	270,514	214,169	2,144,017	440.1%	1,600,000	850,000	850,000	850,000	850,000
5.050	*Total Expenditures and Other Financing Uses*	35,214,042	36,825,878	38,659,058	4.8%	38,481,646	38,402,555	39,277,757	40,125,639	41,069,378
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	421,382	409,581	191,665-	-74.8%	317,549-	954,039-	2,729,241-	3,727,123-	4,820,862-
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	5,523,061	5,944,443	6,354,024	7.3%	6,162,359	5,844,810	4,890,771	2,161,530	1,565,593-
7.020	*Cash Balance June 30*	5,944,443	6,354,024	6,162,359	1.9%	5,844,810	4,890,771	2,161,530	1,565,593-	6,386,455-
8.010	*Estimated Encumbrances June 30*	1,204,379	1,094,243	1,330,114	6.2%	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
	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 Advances									
9.070	Bus Purchases									
9.080	*Subtotal*									
10.010	*Fund Balance June 30 for Certification of Appropriations*	4,740,064	5,259,781	4,832,245	1.4%	4,844,810	3,890,771	1,161,530	2,565,593-	7,386,455-
	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*	4,740,064	5,259,781	4,832,245	1.4%	4,844,810	3,890,771	1,161,530	2,565,593-	7,386,455-
	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*	4,740,064	5,259,781	4,832,245	1.4%	4,844,810	3,890,771	1,161,530	2,565,593-	7,386,455-
	ADM Forecasts									
20.010	Kindergarten - October Count	266	225	220	-8.8%	240	240	240	240	240
20.015	Grades 1-12 - October Count	3,444	3,530	3,513	1.0%	3,529	3,529	3,529	3,529	3,529
	State Fiscal Stabilization Funds									
21.010	Personal Services SFSF	$476,843	$530,860	$553,155	7.8%	$79,096				
21.020	Employees Retirement/Insurance Benefits SFSF	$143,926	$173,778	$168,400	8.8%	$16,909				
21.030	Purchased Services SFSF	$13,175	$21,198		-19.6%					
21.040	Supplies and Materials SFSF									
21.050	Capital Outlay SFSF									
21.060	*Total Expenditures - SFSF*	633,944	725,836	721,555	7.0%	96,005				

October 2012

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