

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 September 30, 2011. 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:**

FY2012 General Property and Tangible Personal Property Tax Revenue estimates are based on expectations as of September 30, 2011. On February 2, 2010 an 8.7 operating levy was passed that is expected to generate additional annual tax revenues amounting to approximately \$4,742,114 annually in FY2012 and thereafter.

Tangible Personal Property Tax Revenues are phasing out and the Ohio Department of Education has been reimbursing Olmsted Falls City School District. However, it is anticipated that Olmsted Falls City School District will receive \$604,103 in FY2012. This is approximately a \$600,000 reduction when compared to previous projections. Nothing will 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 amount expected to be received in FY2012 and beyond.

### **Restricted State Grants-In-Aid (Career Tech):**

In FY2012 \$119,497 is expected to be received in Restricted Federal Grants-In-Aid in the form of Career Tech. FY2013 and beyond have been projected at \$115,000.

### **Restricted Federal Grants-In-Aid:**

In FY2012 \$589,567 is expected to be received in the form of Restricted Federal Grants-In-Aid ~ Educational Jobs Funding. As of September 30, 2011 there is no definitive indication Grants-In-Aid ~ Educational Jobs Funding will be received in FY2013; consequently, this forecast does not include a projection for this source of revenue in FY2013 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 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.

**Personal Services:**

FY2012 personal services, which are salaries and wages, were projected based on bargaining agreements. FY2013 personal services were projected based on expected salaries that will be paid. Each year beyond FY2013 has been increased approximately 2.5% to provide for step increases, etc. Additionally, this forecast includes 1 new teaching position in FY2013.

**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. FY2012 health benefits were projected based on expected costs. FY2013 health benefits including health insurance, life, dental, and vision benefits were increased by approximately 7% and FY2014 through FY2016 were increased by approximately 10%.

**Purchased Services:**

FY2012 purchased services were projected based on actual amounts expected to be paid. Beginning in FY2012, out-of-district tuition and transportation, in the amount of \$250,000 annually was added to the purchased services category to provide for increasing special education costs that were previously paid from expiring stimulus funding. Also modest increases in overall purchased services have been projected in this forecast.

**Supplies and Materials:**

FY2012 supplies and materials were projected based on actual amounts expected to be paid. FY2012 and beyond were increased in the amount of \$250,000 for the purchase of textbooks. FY2012 and beyond have been increased in moderate amounts for supplies other than textbooks.

**Capital Outlay:**

FY2012 capital outlay was projected based on actual amounts expected to be paid. FY2013 and beyond were projected based on management's estimates of necessary capital outlay expenditures.

**Other Objects:**

FY2012 other objects were projected based on actual amounts expected to be paid. FY2013 and beyond were projected by increasing each year in the amount of 5%.