

## ASSUMPTIONS FOR THE 5-YEAR FORECAST

### REVENUES

#### 1.010 & **Property Tax (Real & Personal Property)** 1.020

This particular revenue category is the largest for the South Euclid-Lyndhurst City School District. Historically, the yearly increase (excluding a levy passage) has been minimal. For long-range planning purposes, we are not utilizing a yearly increase for this revenue category.

FY 13 - FY 16 represents a decrease of \$636,000 from what was received in FY 12 as a result of a lower assessed value and a declining in collections from 95% to 92%.

For all intents and purposes, Tangible Personal Property Tax is no longer. The forecast reflects no expectation in FY 13-16.

#### 1.035 **Unrestricted Grants-In-Aid (All 3100's except 3130)**

The State funding for schools is based on several factors all of which are subject to deliberations and approval of the Ohio General Assembly.

With regard to State Foundation Funding, the district expects no change in our funding level in FY 13-16.

#### 1.040 **Restricted Grants-In-Aid (all 3200's)**

This particular category accounts for State reimbursements in the area of a bus purchase allowance, the Special Education Category 3 and State money for Career/Tech and Adult Education. For FY 12-16 the district is not anticipating to receive any revenue from this source.

#### 1.045 **Restricted Federal Grants-In-Aid - SFSF (4220)**

For fiscal year 2012, the amount of \$346,000 is the Educational Jobs Funding revenue that the district expects to receive and later spend in the same year.

#### 1.050 **Property Tax Allocation (3130)**

This particular revenue category is for the Homestead and Rollback reimbursement and the Tangible Personal Property (TPP) tax loss reimbursement from the State. Although there is no increase or decrease decrease expected in the Homestead and Rollback reimbursement (\$4,767,000 per year). Under the State Budget for FY 12-13, the district expects to see a reduction in its' TPP reimbursement of \$1.1 million in FY 12 and a complete reduction in FY 13 (a total loss of \$3.3 million in the two year period).

#### 1.060 **All Other Revenue (Except Other Financing Sources)**

This particular revenue category encompasses other local revenues and interest earnings. The District is not recognizing any significant yearly increase to this source.

#### 2.01 - **Other Financing Sources** 2.08

This section is for the return of advances from other funds from the previous fiscal year (cash flow purposes).

## **EXPENDITURES**

### **3.01 Personal Services**

The amounts for salaries are based on existing negotiated agreements and the staffing needs for any given year.

For FY 12, salaries are reflective of staffing levels necessary and reflects the inclusion of \$346,000 of Education Jobs funding.

For FY 13, the salary amount is reflective of the reduction of approximately 45 staff members. For FY 14-16, a 2.5% increase each year has been utilized.

### **3.02 Benefits**

For FY 12, the benefit amount is reflective of our staff and includes a 10% increase to all health care accounts (hospitalization, RX, dental and vision).

For FY 13, the benefit amount is reflective of the reduction to staff and includes a 9% increase to account for the expected increase to Health Insurance plans of about 13% each year.

In years 2014-2016, a 9% increase has been utilized.

### **3.03 Purchased Services**

This particular expenditure category varies from year to year depending on the needs of the district.

FY 14-16 reflects a minimal increase over the previous year.

### **3.04 Supplies & Materials**

This particular expenditure category varies from year to year depending on the needs of the district. For the purpose of the 5-year forecast, the district is not reflecting a minimal increase in years 2014-2016.

### **3.05 Capital Outlay**

In this district capital purchases are made when there is a critical need or when funds are available. For the purpose of the 5-year forecast, the district is not reflecting an increase for year 2013-2016.

### **4.3 Other Objects**

Other objects are used to account for such things as County Auditor fees, memberships, judgements, etc. For the purpose of the 5-year forecast, the district is not reflecting an increase for year 2013-2016.

### **Other Financing Uses**

This, like other financing sources, is unique to each school district. The amounts reflected in the Forecasted years are based on plans and expectations established by the Board of Education. FY 12 represents the final payment of \$250,000 against a HB 264 project, which is why the amounts in FY 13-16 are less.

**Encumbrances**

Encumbrances are reflected for the forecasted years at a 2% reduction.

**Set Asides**

For the purposes of the set-asides, the South Euclid-Lyndhurst City School District has taken the necessary steps to ensure that it is compliance with HB 412 and that minimum set-asides have been established.

**Additional Notation:**

Administrators and Support Staff personnel agreed to a wage freeze through June 30, 2013. Negotiations with teachers yielded reductions in salaries and benefits through June 30, 2013. Contract negotiations with Administrators, teachers and support staff will begin in the spring of 2013.

The Board of Education is expected to place a 5.9 mill continuing operating levy on the November 2012 ballot.