

## ASSUMPTIONS FOR THE 5-YEAR FORECAST

### REVENUES

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

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.

For FY 12-16 with regard to Real Estate Taxes, we are reflecting exactly what we received during fiscal year 2011.

For FY 12, we are reflecting 1/2 of what we received in FY 11 for Tangible Personal Property Taxes. For FY 13, we are reflecting 1/4 of what we received in FY 11. For FY 14-16, we have no expectation of receiving any funds.

#### 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 12-16. Our expectation of revenue in FY 12 is \$6,587,000 with no increase or decrease anticipated in future years.

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

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 a 2.5% step increase to teachers, the increase to other staff members pursuant to the memorandum of understanding approved by the BOE for FY 13 and the removal of the Education Jobs funding.

For FY 14-16, the salary amount is reflective of a 2.5% step increase to all staff.

### **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 our staff and includes a 9% increase plus moving approximately \$625,000 in expenses into the Health Insurance Reserve Fund.

For FY 14, the benefit amount is reflective of a 9% increase to the amount in FY 13 before moving the \$625,000 of expenses into the HIRF.

For FY 15 & 16, the benefit amount is reflective of a 9% increase over FY 14.

### **3.03 Purchased Services**

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

FY 13 reflects a reduction of \$525,000 from FY 12 and that is a result of \$525,000 of projected expenditures being moved into the JCU Reserve Fund (\$225K) and the Stadium Reserve Fund (\$300K).

FY 14-16 reflects an estimate based on FY 11 actual expenditures without an increase.

### **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 an increase for year 2013-2016.

### **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.

**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.