

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 17 represents a decrease of \$800,000 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 13-17.

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 13-17.

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 13-17 the district anticipates only receiving between \$44,000 and \$52,000 each 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. However, the TPP reimbursement has been eliminated completed for SEL Schools (a loss of more than \$2.2 million per year). The district expects to receive \$5.6 million each year in homestead and rollback reimbursements from the State.

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. A significant reduction to staffing levels was made for FY 13 (a reduction of more than 40 employees).

Currently, all employees are under a wage freeze and all contracts expire on June 30, 2013.

For FY 14-16, a 2.5% increase each year has been utilized.

3.02 Benefits

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 2014-2017, 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 14-17 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 an increase in years 2014-2017.

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 2014-2017.

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 2014-2017.

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 represented the final payment of \$250,000 against a HB 264 project, which is why the amounts in FY 13-17 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 has placed a 5.9 mill continuing operating levy on the November 2012 ballot.