

# Five-Year Forecast and Assumptions

For the Fiscal Years Ended June 30, 2010, 2011 and 2012 Actual; Forecasted Fiscal Years Ending June 30, 2013 Through 2017

	Actual			Average Change	Forecasted				
	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012		Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
<b>Revenues</b>									
1.010 General Property Tax (Real Estate)	\$12,509,044	\$12,354,089	\$12,626,209	0.5%	\$12,748,723	\$12,445,982	\$12,445,982	\$12,632,672	\$12,819,361
1.020 Tangible Personal Property Tax	60,778	25,147	534	-78.3%					
1.035 Unrestricted State Grants-in-Aid	13,303,684	12,847,708	13,281,849	0.0%	13,371,013	13,627,001	13,921,222	13,921,222	13,921,222
1.040 Restricted State Grants-in-Aid	201,984	203,499	203,499	0.4%	203,499	203,499	203,499	203,499	203,499
1.045 Restricted Federal Grants-in-Aid - SFSF	903,719	1,359,127	516,897	-5.8%					
1.050 Property Tax Allocation	2,685,055	2,713,593	2,138,652	-10.1%	1,870,282	1,859,744	1,859,744	1,887,640	1,915,536
1.060 All Other Revenues	341,822	376,919	355,904	2.3%	294,310	601,759	550,000	550,000	550,000
1.070 <b>Total Revenues</b>	<b>30,006,086</b>	<b>29,880,082</b>	<b>29,123,544</b>	<b>-1.5%</b>	<b>28,487,827</b>	<b>28,737,985</b>	<b>28,980,447</b>	<b>29,195,033</b>	<b>29,409,618</b>
<b>Other Financing Sources</b>									
2.040 Operating Transfers-In									
2.050 Advances-In	48,305	42,081	40,526	-8.3%	55,709	45,000	45,000	45,000	45,000
2.060 All Other Financing Sources		136,532	19,034		29,915	25,000	20,000	20,000	20,000
2.070 <b>Total Other Financing Sources</b>	<b>48,305</b>	<b>178,613</b>	<b>59,560</b>	<b>101.6%</b>	<b>85,624</b>	<b>70,000</b>	<b>65,000</b>	<b>65,000</b>	<b>65,000</b>
2.080 <b>Total Revenues and Other Financing Sources</b>	<b>30,054,391</b>	<b>30,058,695</b>	<b>29,183,104</b>	<b>-1.4%</b>	<b>28,573,451</b>	<b>28,807,985</b>	<b>29,045,447</b>	<b>29,260,033</b>	<b>29,474,618</b>
<b>Expenditures</b>									
3.010 Personal Services	18,247,609	18,341,947	17,614,799	-1.7%	17,222,597	17,059,915	17,503,472	17,958,563	18,425,485
3.020 Employees' Retirement/Insurance Benefits	6,334,941	6,996,401	7,268,745	7.2%	6,234,094	6,498,656	7,353,732	7,881,681	8,457,032
3.030 Purchased Services	3,958,052	3,723,409	4,233,368	3.9%	4,182,344	4,005,891	4,136,009	4,218,729	4,303,103
3.040 Supplies and Materials	791,899	852,769	855,160	4.0%	753,072	666,133	679,456	693,045	706,906
3.050 Capital Outlay	808,755	773,067	330,328	-30.8%	529,358	437,945	546,704	557,638	568,791
3.060 Intergovernmental									
4.300 Other Objects	410,669	393,771	416,588	0.8%	436,613	440,979	445,389	449,843	454,341
4.500 <b>Total Expenditures</b>	<b>30,551,925</b>	<b>31,081,364</b>	<b>30,718,988</b>	<b>0.3%</b>	<b>29,358,078</b>	<b>29,109,519</b>	<b>30,664,762</b>	<b>31,759,499</b>	<b>32,915,658</b>
<b>Other Financing Uses</b>									
5.010 Operating Transfers-Out			28,893						
5.020 Advances-Out	42,081	40,526	55,709	16.9%	43,638	40,000	40,000	40,000	40,000
5.030 All Other Financing Uses									
5.040 <b>Total Other Financing Uses</b>	<b>42,081</b>	<b>40,526</b>	<b>84,602</b>	<b>52.5%</b>	<b>43,638</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>
5.050 <b>Total Expenditures and Other Financing Uses</b>	<b>30,594,006</b>	<b>31,121,890</b>	<b>30,803,590</b>	<b>0.4%</b>	<b>29,401,716</b>	<b>29,149,519</b>	<b>30,704,762</b>	<b>31,799,499</b>	<b>32,955,658</b>
6.010 <b>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>	<b>539,615-</b>	<b>1,063,195-</b>	<b>1,620,486-</b>	<b>74.7%</b>	<b>828,265-</b>	<b>341,534-</b>	<b>1,659,315-</b>	<b>2,539,466-</b>	<b>3,481,040-</b>
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	8,025,283	7,485,668	6,422,473	-10.5%	4,801,987	3,973,722	3,632,188	1,972,873	566,593-
7.020 <b>Cash Balance June 30</b>	<b>7,485,668</b>	<b>6,422,473</b>	<b>4,801,987</b>	<b>-19.7%</b>	<b>3,973,722</b>	<b>3,632,188</b>	<b>1,972,873</b>	<b>566,593-</b>	<b>4,047,633-</b>
8.010 <b>Estimated Encumbrances June 30</b>	<b>702,409</b>	<b>420,521</b>	<b>631,280</b>	<b>5.0%</b>					
<b>Reservation of Fund Balance</b>									
9.030 Budget Reserve	95,898	95,898	95,898						
9.080 <b>Subtotal</b>	<b>95,898</b>	<b>95,898</b>	<b>95,898</b>						
10.010 <b>Fund Balance June 30 for Certification of Appropriations</b>	<b>6,687,361</b>	<b>5,906,054</b>	<b>4,074,809</b>	<b>-21.3%</b>	<b>3,973,722</b>	<b>3,632,188</b>	<b>1,972,873</b>	<b>566,593-</b>	<b>4,047,633-</b>
<b>Revenue from New Levies</b>									
13.020 Property Tax - New						1,529,330	3,058,660	3,058,660	3,058,660
13.030 <b>Cumulative Balance of New Levies</b>						<b>1,529,330</b>	<b>4,587,990</b>	<b>7,646,650</b>	<b>10,705,310</b>
15.010 <b>Unreserved Fund Balance June 30</b>	<b>6,687,361</b>	<b>5,906,054</b>	<b>4,074,809</b>	<b>-21.3%</b>	<b>3,973,722</b>	<b>5,161,518</b>	<b>6,560,863</b>	<b>7,080,057</b>	<b>6,657,677</b>
<b>ADM Forecasts</b>									
20.010 Kindergarten - October Count	257	228	202	-11.3%	233				
20.015 Grades 1-12 - October Count	3,349	3,407	3,345	0.0%	3,301				
<b>State Fiscal Stabilization Funds</b>									
21.010 Personal Services SFSF	\$783,538	\$1,074,119	\$180,766	-23.0%					
21.030 Purchased Services SFSF	\$22,683	\$24,539		-45.9%					
21.060 <b>Total Expenditures - SFSF</b>	<b>806,221</b>	<b>1,098,658</b>	<b>180,766</b>	<b>-23.6%</b>					

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

Lake Local School District  
11936 King Church Avenue NW  
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IRN #049866

## Five Year Forecast Assumptions May 2013

### Line 1.010

As a result of the 2012 county wide reappraisal, the Stark County Auditor certified a total valuation decrease of approximately 7% for our school district. This decrease affects half of FY13, with a full year's affect for FY14. During FY13, we experienced additional collections on delinquent real estate taxes of approximately \$160,000, with the majority due to the sale of a commercial property. The next county wide reappraisal will take place in 2015, which will affect half of FY16 and all of FY17. We are projecting an increase of approximately 3% during that reappraisal.

### Line 1.020

The Tangible Personal Property (TPP) tax was totally phased out by FY13. The TPP tax was replaced by the Commercial Activity Tax (CAT). Our school district is not projected to receive any revenue from the CAT.

### Line 1.035

This amount reflects state foundation payments, Medicaid aid and now casino revenue. The amount forecasted for FY13 has been updated to reflect our foundation adjusted for this year's enrollment. We did receive approximately \$74,000 in FY13 for casino revenue. As of now, we are projecting future casino revenue to be \$50 per pupil each fiscal year, using our current enrollment. The projections for FY14 and FY15 foundation are based on the Governor's original budget bill proposal, which is an additional \$217,000 in FY14 and an additional \$294,000 in FY15 for our district.

### Line 1.040

This amount reflects state payments for career-technical weighted funding. Based on information provided in the current budget bill proposal, we are projecting this amount to remain the same.

### Line 1.050

This line represents real estate homestead and rollback receipts received from the state. These receipts are directly related to real estate collections in line 1.010. In previous years, this line also included personal property tax replacement payments, which have now been completely phased out.

### Line 1.060

This line represents all other income such as tuition, interest, technology fees, rental receipts and all other miscellaneous income. These amounts are projected using historical averages. Beginning in FY14 and going forward, we are projecting the collection of Pay to Participate fees.

### Lines 2.050 and 2.060

These lines represent non-operating revenues such as advances and other financing sources. Other financing sources are refunds or rebates of prior year expenditures.

**Line 3.010**

The current contract with the certified staff expires June 2013, with the current contract with the classified staff expiring June 2014. A new negotiated agreement with the certified staff has been approved. For FY14 and going forward, salary projections are being made based on the new negotiated agreement. However, we are projecting a decrease in salary expenditures during FY13 and FY14 due to staffing cuts.

**Line 3.020**

These amounts reflect benefits for district employees, including retirement, health insurance, life insurance, Medicare and workers compensation. For forecasting purposes, benefits were broken into two categories: insurance and all other. We are projecting a decrease in benefits expenditures during FY13 and FY14 due to staffing cuts. For all other benefits, projections are being made based on the salary changes in the negotiated agreements. For insurance, the annual increase in premiums has ranged between 5% and 10% annually over the last five years. In addition, we have historically experienced premium holidays or free months of insurance premiums each fiscal year as follows: FY10 – 1; FY11 – 2; FY12 – 2; FY13 – 3. For FY14, we have been told the premium increase will be 4.5% with 2 premium holidays. Based on the new negotiated agreement, the district's premium increase will be offset by the additional contribution of staff at 5%, increasing their contribution from 10% to 15%. For FY15 going forward, we are projecting an increase in premiums of 10% with one premium holiday each fiscal year.

**Line 3.030**

These expenditures represent costs for purchased services, such as utilities, liability insurance, all adjustments to our foundation funding, and other contract services. For FY14, we are projecting a decrease in contract services as part of our district wide budget cuts. For FY14 and going forward, we are projecting utility savings as a result of our current HB264 project. Excluding these decreases, we are projecting all other purchased services to increase 2% each year based on inflation.

**Line 3.040**

These expenditures represent costs for supplies and materials district wide. For FY14, we are projecting a decrease in supplies and materials of approximately \$100,000 because of a revised transportation plan. Excluding this reduction, we are projecting all other supplies and materials to increase 2% each year based on inflation.

**Line 3.050**

These expenditures represent costs for all equipment and capital outlay for the entire district. For FY13, we have included an expenditure of approximately \$150,000 for our current HB264 project. For FY14, we are projecting a one-time decrease in technology equipment of \$100,000 as part of our district wide budget cuts. For FY14 and going forward, we are projecting total capital outlay to increase 2% each year based on inflation.

## Line 4.300

These amounts include all other expenditures, such as county and state auditor fees, membership dues, shipping and freight charges. We are projecting total other expenditures to increase 1% each year.

## Line 5.020

These amounts represent advances out. We are projecting approximately \$40,000 going forward.

## Line 9.030

The Budget Reserve reported through FY12 reflected a Workers Compensation refund received by the District in June 1998. This refund was restricted for use. The District plans to use this Budget Reserve during FY13 as part of our current HB264 project.

## Line 13.020

The District has filed a resolution submitting an additional tax levy in the amount of 7.95 mills for the purpose of current operating expenses for a continuing period of time to be on the ballot on November 5, 2013. The Stark County Auditor has certified the dollar amount of revenue that would be generated by the additional levy. This revenue would first be received in January 2014, for half of FY14.

Nicole Nichols

Treasurer

May 21, 2013