

GALION CITY SCHOOL DISTRICT
Schedule Of Revenue, Expenditures and Changes In Fund Balances
Actual and Forecasted Operating Fund

	Fiscal Year 2010	ACTUAL Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	FORECASTED Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
Revenue:								
1.010 - General Property Tax (Real Estate)	\$4,266,138	\$4,277,066	\$4,115,775	\$4,162,655	\$4,037,849	\$4,233,580	\$4,245,519	\$4,268,431
1.020 - Tangible Personal Property Tax	\$136,912	\$123,176	\$118,613	\$119,238	\$118,046	\$116,866	\$115,697	\$114,540
1.030 - Income Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1.035 - Unrestricted Grants-in-Aid	\$9,126,672	\$9,048,367	\$9,404,985	\$9,398,302	\$9,213,354	\$9,213,354	\$9,213,354	\$9,213,354
1.040 - Restricted Grants-in-Aid	\$7,100	\$946,138	\$7,152	\$7,152	\$7,152	\$7,152	\$7,152	\$7,152
1.045 - Restricted Federal Grants-in-Aid - SFSF	\$0	\$0	\$286,172	\$0	\$0	\$0	\$0	\$0
1.050 - Property Tax Allocation	\$1,852,056	\$1,851,027	\$1,343,590	\$1,030,094	\$1,032,674	\$1,035,013	\$1,037,622	\$1,042,857
1.060 - All Other Operating Revenues	\$1,160,885	\$530,344	\$613,607	\$649,307	\$699,307	\$699,307	\$699,307	\$699,307
1.070 - Total Revenue	\$16,549,763	\$16,776,118	\$15,889,894	\$15,366,748	\$15,108,381	\$15,305,271	\$15,318,651	\$15,345,640
Other Financing Sources:								
2.050 - Advances-In	\$172,000	\$174,900	\$321,800	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000
2.060 - All Other Financing Sources	\$89,931	\$50,302	\$8,647	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
2.070 - Total Other Financing Sources	\$261,931	\$225,202	\$330,447	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
2.080 - Total Revenues and Other Financing Sources	\$16,811,694	\$17,001,320	\$16,220,341	\$15,491,748	\$15,233,381	\$15,430,271	\$15,443,651	\$15,470,640
Expenditures:								
3.010 - Personnel Services	\$9,529,072	\$9,615,842	\$8,924,516	\$8,124,156	\$8,050,669	\$8,211,682	\$8,375,916	\$8,543,434
3.020 - Employees' Retirement/Insurance Benefits	\$3,261,640	\$3,303,277	\$3,358,677	\$3,222,301	\$3,100,398	\$3,126,916	\$3,153,966	\$3,171,556
3.030 - Purchased Services	\$2,824,177	\$3,048,365	\$3,339,987	\$3,583,029	\$3,833,841	\$4,102,210	\$4,389,365	\$4,686,730
3.040 - Supplies and Materials	\$467,388	\$461,951	\$440,721	\$461,775	\$473,320	\$486,336	\$500,926	\$515,954
3.050 - Capital Outlay	\$49,380	\$109,488	\$8,834	\$10,159	\$114,667	\$10,667	\$125,667	\$11,200
3.060 - Intergovernmental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service:								
4.300 - Other Objects	\$240,481	\$260,229	\$232,866	\$396,366	\$396,366	\$396,366	\$396,366	\$396,366
4.500 - Total Expenditures	\$16,372,138	\$16,799,152	\$16,305,601	\$15,797,787	\$15,969,260	\$16,334,178	\$16,942,205	\$17,325,241
Other Financing Uses								
5.010 - Operating Transfers-Out	\$179,555	\$174,635	\$140,793	\$245,432	\$170,000	\$172,600	\$175,252	\$175,252
5.020 - Advances-Out	\$259,200	\$176,000	\$246,500	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000
5.030 - All Other Financing Uses	\$0	\$500	\$0	\$0	\$0	\$0	\$0	\$0
5.040 - Total Other Financing Uses	\$438,755	\$351,135	\$387,293	\$365,432	\$290,000	\$292,600	\$295,252	\$295,252
5.050 - Total Expenditures and Other Financing Uses	\$16,810,893	\$17,150,287	\$16,692,894	\$16,163,219	\$16,259,260	\$16,626,778	\$17,237,457	\$17,620,493
Excess of Rev & Other Financing Uses Over (Under)								
6.010 - Expenditures and Other Financing Uses	\$801	(\$148,967)	(\$472,553)	(\$671,471)	(\$1,025,879)	(\$1,196,506)	(\$1,793,807)	(\$2,149,852)
Cash Balance July 1 - Excluding Proposed Renewal/								
7.010 - Replacement and New Levies	\$1,837,779	\$1,838,580	\$1,689,613	\$1,217,060	\$545,589	(\$480,290)	(\$1,676,796)	(\$3,470,603)
7.020 - Cash Balance June 30	\$1,838,580	\$1,689,613	\$1,217,060	\$545,589	(\$480,290)	(\$1,676,796)	(\$3,470,603)	(\$5,620,455)
Fund Balance June 30 for Certification								
10.010 - of Appropriations	\$1,838,580	\$1,689,613	\$1,217,060	\$545,589	(\$480,290)	(\$1,676,796)	(\$3,470,603)	(\$5,620,455)
Fund Balance June 30 for Certification								
12.010 - of Contracts, Salary and Other Obligations	\$1,838,580	\$1,689,613	\$1,217,060	\$545,589	(\$480,290)	(\$1,676,796)	(\$3,470,603)	(\$5,620,455)
13.020 - Property Tax - New								
13.030 - Cumulative Balance of New Levies				\$532,369	\$1,065,751	\$1,067,781	\$1,069,813	\$1,074,953
	\$0	\$0	\$0	\$532,369	\$1,598,120	\$2,665,901	\$3,735,714	\$4,810,667
15.010 - Unreserved Fund Balance June 30	\$1,838,580	\$1,689,613	\$1,217,060	\$1,077,958	\$1,117,830	\$989,105	\$265,111	(\$809,788)

GALION CITY SCHOOL DISTRICT
UPDATED FIVE YEAR FORECAST ASSUMPTIONS
JULY 1, 2012 THROUGH JUNE 30, 2017

Line 1.010 General Property Tax – Real Estate

Real estate tax revenue stayed stable over the first two actual years of the forecast. Actual collections for fiscal year 2012, however, were \$175,000 less than projections. Delinquent taxes had a significant effect on collections. Minimal real estate valuation and collection increases are projected throughout the forecast.

Line 1.020 Tangible Personal Property Tax

Revenues are reduced throughout the forecast based upon legislation related to the taxation of personal property. The State of Ohio will make a “hold harmless” payment to the school district to recover a portion of the lost revenue from these changes. These payments are included in Line 1.050 Property Tax Allocation. Revenues are updated for actual collections in fiscal year 2012.

Line 1.035 Unrestricted Grants-In-Aid

The State of Ohio is currently using a Bridge Foundation Funding formula for state funding to school districts. Funding is based upon a number of factors, one of which is the residential student count. Fiscal year 2013 has been updated based upon ODE simulation factors. Student count was projected in May to decrease by 3% in fiscal year 2013. While that is not what numbers indicate at this time, until the State of Ohio publishes current data, the previous forecast remains. The current state formula has a guarantee threshold which state funding will not fall below. For FY 2014 through FY 2016 we projected that this guarantee threshold would be essentially equal to the prior year funding. Once data is published by the State of Ohio adjustments will be made to reflect differences if they exist.

Line 1.040 Restricted Grants-In-Aid

Career-technical education funding makes up the amount on this line. This information is on the Bridge Report for ODE. Until current year data is available from the State of Ohio the forecast remains the same. Once updated information is available the forecast will be adjusted as necessary.

Line 1.050 Property Tax Allocation

The assumptions for this revenue mirror real estate tax revenue except that the State of Ohio “hold harmless” personal property tax payments are also included in this allocation. The significant reduction in property tax allocation results from the reductions in the state budget. This “hold harmless” payment of Tangible Personal Property tax decreased from 641,442 in FY 2012 to \$329,487 FY in 2013. It is projected at \$329,487 in FY 2014 through FY 2016 based upon current law.

Line 1.060 All Other Revenue

Revenue such as tuition, open enrollment, and e-rate rebates included in this category are reflected with minimal change from year to year. Interest income has decreased significantly due to the economy. School fees are also a portion of this line but not from every student as the law requires a waiver of school fees for students with free status under the federal breakfast and lunch programs. The One to One technology program that began in FY 2013 will generate an increase in fees that will level out once all students have acquired their devices. It is estimate that will take place FY 2014 and on. The state of Ohio has allowed Casino’s in designated areas of the state that will generate dollars for schools. Studies have indicated that schools will receive dollars on a per pupil basis. The estimate for Galion City Schools in FY 2013 is reflected on this line as \$35,000. An additional \$50,000, totaling \$85,000 each year has been reflected from FY 2014 through FY 2017. Because of the unknown about revenue in this area, it will be monitored closely and updated as necessary.

Line 2.050 Advances In

This line reflects return of advances from other funds. From time to time the General Fund advances monies to funds to avoid a negative cash balance in that fund. Advances are normally repaid during the same fiscal year. This line includes repayment of advances, which were advanced last year. Fiscal year 2012 has been updated to reflect actual activity.

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Line 2.07 All Other Financing Sources

This line is primarily made up of refunds of prior year expenditures. The significant increase in FY 2010 reflects an \$81,500 refund for natural gas expenditures. Because natural gas is paid on a budget basis, a “true-up” occurs in the next fiscal year. Usage less than budgeted and pricing below estimates resulted in this refund. Fiscal year 2011 also includes a \$38,000 refund for natural gas expenditures. Fiscal year 2012 did not reflect a positive “true-up” for natural gas expenditures. A minimal amount of revenue from other financing sources is expected through 2016.

Line 3.010 Personal Services

This line reflects salaries of employees. Reductions in staffing have been made over the past few years due to declining enrollment and inadequate finances. A significant reduction in force for FY 2012 resulted in a reduction of 24 staff members. Another reduction in staff was approved in May 2012 for fiscal year 2013 of 11 staff members, partially through attrition, as enrollment and revenues continue to decline. Staffing levels will continue to be reviewed throughout the remainder of the forecast based upon changes in enrollment and available revenue. Salaries for fiscal year 2013 are based upon results of negotiations. Salary increases for fiscal years 2013 – 2016 are projected at historical levels but can only actually be determined through negotiations with certified and classified unions. 2014 reflects a decrease in Personnel services reflecting a number of staff retiring at high end of pay scale and new hires expected at lower pay rates. 4 positions are also expected to be absorbed through attrition.

Line 3.020 Employees’ Retirement/Insurance Benefits

Retirement benefits are projected based upon the change in salaries. All employees agreed to contribute 10% toward all insurance premiums in this year’s negotiation. Health and dental went into effect October 1, 2012. In February 2013 Vision premiums are expected to increase. Staff contributions of 10% of Vision premiums will begin after the contract is signed. During fiscal year 2012 employee health insurance claims significantly exceeded premiums and available cash balance of the insurance consortium. This resulted in a premium increase of 5% in October 2011, 10% in January 2012 and 20% in June 2012. Additionally a monthly reserve payment of \$48,114 was made from May 2012 through August 2012, effecting FY 2012 and FY 2013 equally by \$109,800. In fiscal year 2013 health and dental insurance premiums took a 15% annual increase. At this time insurance claims continue to be difficult to predict and any change could have a significant negative impact on our ending cash balance. Beginning in fiscal year 2011, SERS required foundation payments to reflect current year salaries. Previously the payments were six months in arrears. The six-month arrearage is being repaid over the next six fiscal years. These payments are now included in the projection of retirement benefits.

Beginning in fiscal year 2013, the District is eligible for a group rating for workers’ compensation costs. This will result in a significant decrease in workers’ compensation premium. Fiscal years 2012 and 2013 include significant unemployment costs related to staffing reductions.

Line 3.030 Purchased Services

The major components of this expenditure line are community school and open enrollment tuition, special education costs, utilities and property insurance. Increases in this line vary from 1% to 3% to reflect recent economic conditions. Community school and open enrollment cost increases are projected based upon historical trends for fiscal years 2012-2013. Fiscal year 2012 has been updated for an increase of approximately \$160,000 in open enrollment tuition paid as 30 more students than projected open enrolled to another public school district. New programs to be implemented by the District result in projecting a reversal of the increase of resident students attending community schools and electing open enrollment to other school districts in fiscal years 2014 through 2016.

A “true-up” with Energy USA has caused a negative impact in 2012 of \$46,217.46. A total of \$9,243.49 will be paid yearly with the last payment due October 2016. This line reflects that payment for five years.

Reductions in utility costs are projected based upon recently initiated conservation measures. In fiscal year 2011 a House Bill 264 energy conservation project was undertaken. We are currently experiencing

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reductions in energy costs due to this project and mild weather conditions. Beginning in fiscal year 2013 we will see decreased natural gas costs as we have contracted with a new vendor for natural gas purchases.

Line 3.040 Supplies and Materials

Inflationary increases of 1% to 2% throughout the forecast are the major change in this category. Transportation supply costs are estimated at a 5% increase to reflect the volatility of fuel prices. In fiscal year 2012 bus costs remain the same as we are operating one less regular bus route.

This category has been updated to reflect recent state legislation that no longer requires instructional materials and supply set aside.

Line 3.050 Capital Outlay

Fiscal year 2012 capital outlay is reduced from the prior year, as there is no bus purchases. This is a result of decreased student enrollment. We have estimated the purchase one bus in fiscal year 2014 and 2016.

We made significant purchases of instructional equipment over the past two years with Title I ARRA and Special Education ARRA grants so our needs are less than in the past.

Line 4.300 Other Objects

Educational service center fees, auditor fees and liability insurance comprise this expenditure line. They are higher in FY 2013 and beyond due to the Special Education Coordinator and Director of Curriculum being added to the list of services contracted for through and ESC.

Line 5.010 Operating Transfers Out

Operating transfers out are made to the severance fund. There were eight retirements for fiscal year 2012 and twelve for fiscal 2013. We are estimating eight retirements per year in fiscal years 2014 through 2016. Beginning in fiscal 2011, transfers are made to the bond retirement fund for debt repayment of House Bill 264 bonds.

Line 5.020 Advances Out

These are advances made to other funds throughout the year that are returned on line 2.050 advances in.

Line 13.02 Property Tax – New

The reduction in state funding contributes to expenditures exceeding revenues throughout this forecast. Our current fund balance will be expended before the end of fiscal year 2013 with the current revenue forecast.

Based upon the negative cash balance at the end of fiscal year 2013, the administration has been working with the Ohio Department of Education and will undergo a Performance Audit. The Ohio Department of Education estimates we will see their results in December 2012.

The Board of Education evaluated many issues when considering whether to put a levy on the ballot. It was decided to put a levy on the November 2012 ballot. This forecast includes the effect of a 6-mill levy if it were to pass in 2012 for collection in 2013. Passing of this levy could nearly resolve cash flow issues through fiscal year 2017 on line 13.02.

Updated October 23, 2012