

***BERKSHIRE LOCAL SCHOOL DISTRICT ASSUMPTIONS***  
***Five Year Forecast – FY10 - FY14***

**REVENUES**

**1.010: Real Property Tax**

Real property tax is the largest source of revenue for the Berkshire Local School District. The district does not include delinquent taxes in the revenue forecast and the auditor certifies 98% of the collection on real property.

The district FY10 tax revenue is based on the auditor's certificate of resources. Calendar year 2011 is a reappraisal year and the anticipated increases in tax revenue will be collected in 2012. A 1% increase is projected for FY12 through FY14.

**1.020: Personal Property Tax**

HB 66 has eliminated the inventory tax on all new levies but will hold school district harmless of any revenue loss through 2010 with reductions phased in until 2017. Reimbursements for this tax are included with the Property Tax Allocation.

**1.030: Income Tax**

The District added ¼ % in 2008 along with a change from a traditional tax to an earned income tax. FY10 period to date shows an 8.7% decrease. Forecast reflects a 5% decrease over prior year figures. This line item will need to be revisited quarterly as it is an unpredictable revenue source due to the economy.

**1.035: Unrestricted Grants-in-Aid**

Unrestricted grants-in-aid represents funds received through the State Foundation statement settlements from the Ohio Department of Education.

The FY10 state foundation projections are based on updates from the Department of Education Foundation Settlement Report. FY11 estimates are based on the Foundation Simulation provided by the Department of Education.

**1.040: Restricted Grants-in-Aid**

Restricted Grants-in-Aid represents funding for special education excess cost reimbursement.

**1.045: Restricted Federal Grants-in-Aid**

Restricted Federal Grants-in-Aid represents funding for Budget Stabilization through the Federal Stimulus Monies.

**1.050: Property Tax Allocation**

The property tax allocation represents the Homestead and Rollback reimbursement and the Tangible Value Loss Replacement (TVLR). The State of Ohio has agreed to extend the “high point” on the TVLR tax for an additional two years with a phase out through year 2017.

**1.060: All Other Revenue**

This revenue line item includes all other local revenue and interest earnings. Due to the economy, the district does not anticipate significant increases in interest income.

**EXPENDITURES**

**3.010: Personal Services**

Forecasted salary and benefit amounts are based on current negotiated contracts and non-negotiated employees. The current negotiated contract for Classified Employees covers FY09 through FY11.

Personnel Services include substitutes, long term substitutes, certified extra classes, overtime costs and severance payouts. Salaries are calculated based upon step increases which are equivalent to a 1% – 3% increase in salary depending on where the teacher is on the salary schedule.

**3.020: Employees' Retirement/Insurance Benefits**

Benefits include: retirement, Medicare, workers compensation, life insurance, health and dental insurance, and health care waivers. Projected increases reflect increases in health insurance premiums and associated costs with step increases.

**3.030: Purchased Services**

Purchased services include contracted services, tuition costs to other districts and utilities. This expenditure shows increases over the next few years due to increases in utility costs and tuition to other districts.

**3.040: Supplies & Materials**

Supplies and materials are comprised primarily of textbooks, janitorial and transportation supplies. In FY10, a major textbook purchase was funded by the federal stimulus monies. Future year projections are based upon historical data.

**3.050: Capital Outlay**

For FY10, the remaining expenditures of the Burton Elementary project will be paid along with the replacement of a new bus.

**4.300: Other Objects**

Other objects include expenditures such as County Auditor and Treasurer fees and the County Educational Service Center costs.

**5.010: Transfers**

In FY10, \$395,000 is projected to be transferred to Fund 024 – Self Insurance and \$100,000 will be transferred to Fund 006 – Cafeteria Fund.

**5.020: Advances-Out**

Advances-Out are typically approved prior to the fiscal year end for state and federal funds and these advances are anticipated to be returned to the general fund within the same fiscal year.

**8.010: Encumbrances**

Encumbrances are projected not to change each fiscal year. The FY10 carryover encumbrance is based upon historical amounts.

**9.010: Budget Reserve**

The district has taken steps to set aside \$400,000 for purchase of textbooks and instructional materials and to set aside \$72,000 for bus purchase.

**NOTICE**

**The district's five-year forecast is based on the above assumptions known at this point in time. As with all forecasting models, operating fiscal results of each fiscal year will change if the original assumptions are modified. The five-year forecast includes only the General Fund.**