

MINSTER LOCAL SCHOOLS
NOTES TO 5 YEAR FORECAST
JUNE 30, 2009

1. Real Estate: Average increase due to new construction rates. Tri-ennial update occurred in 2008 with an average increase in market values of 7.8%. This increase equates to approximately \$33,000 due to the inside millage. New construction on residential properties adds approximately \$55,000 per year given current building trends. CAUV values also increased 3 times what it was.
2. Personal Tangible: Reduction due to phase-out. In 2010, remaining collection is on PUPP values only as equipment, F&F, and inventory will no longer be valued in calendar year 2009.
3. Income Tax: .5% passed in November 2006 with collections beginning in April 2007. Full amount will not be realized until fiscal year 2009. the July 2008 settlement was \$130,000 causing the total first cycle to be much higher than estimated by the Department of Taxation. After 2009, estimate an average increase in income of 3% but offset due to the slow down of the economy. Will need to compare settlements with the first year to see how the market is affecting Minster Local.
4. Unrestricted Grants: increase in 2009 and thereafter due to receiving PT offset with declining valuation on the SF-3. ADM appears to be similar to FY08 despite the large class size of grades 1 and 3. Reduced future K enrollments to 64 per year. Minster is no longer on the guarantee but on the formula. Enrollment estimated to decline and valuation estimated to increase after triennial update in FY2012 but offset by the reduction in personal/tangible values. More of the CAT tax replacement dollars to come from the offset in the SF-3. Increase in per pupil aid for each year is at 2.2% based on historical data. However, depending on what the budget cuts are from the state, these amount will probably be reduced.
5. Restricted Grants: Restricted aid includes amount received for bus purchase (\$3000) and being considered as a budget cut, and career tech.
6. Property Tax Allocation: Includes homestead and rollbacks as well as direct payments of PT loss reimbursements. Amount of direct payments begins to decrease in FY2009 with a large portion being offset in the foundation and again in 2012 when the direct payment portion begins to be phased out. Any increase is due to the new homestead amounts given to residents 65 years of age and older—this is netted against any decrease in real estate taxes.
7. All Other Revenues: No change assumed in open enrollments. Other items include student fees and interest. Interest rates decreasing due to the current market.
8. Operating Transfers-In: Increase in FY09 is increased due to higher-set aside for textbooks and instructional materials established by the state.
9. Personal Services: Increase due to hiring lesser experienced teachers in place of 4 retirees and 2 mid year resignations. Includes a 3% in FY2009 and 2.85% increase each year thereafter on salaries with the actual step increases per year based on current staff levels. We also received Title I which allows for one teacher's salary to be offset from the general fund.
10. Employees' Retirement/Insurance Benefits: 15.5% increase on change in salaries as well as additional insurances (all currently selected family PPO plans).

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- Assumes a 10% increase each year in insurances and employees paying 6.5% in CY2009 and 7.5% in calendar year 2010 and thereafter.
11. Purchased Services: Increase in natural gas level billing, increase in legal fees due to negotiations, decrease in post-secondary option fees assessed in FY09 for FY08—decreased number of students in PESOP.
 12. Supplies and Materials: Increase due to purchase of math curriculum textbooks and kits district wide and a reading trial program for grades 5 & 6 as there was no set curriculum in the past for this. We will receive credit for that in FY2010 for making the purchase in FY2009. Average increase thereafter—next year language arts are on the replacement cycle.
 13. Capital Outlay: Decrease due the purchasing of a new bus in FY08.
 14. Other Objects: Fluctuations from year to year due to the 2 year audit cycle. We are being audited in FY09 for FY07 & FY08.
 15. Operating Transfers-Out: Increase due to establishing the 035 fund with the severance plan adopted in October 2007—transferring \$7000 per month during FY09. No transfer to 035 after 2009 as the fund will be re-evaluated at that time.