

MINSTER LOCAL SCHOOLS
5 YEAR FORECAST NOTES
JUNE 3, 2010

OCTOBER SUBMISSION

1. REAL ESTATE: Assumes 1%-2% new construction each year. FY2011 Auglaize County goes through triennial update at which time market values of homes are analyzed and compared to the housing market, sales ratios, and the economic status within given demographics. The taxes for calendar year 2010 will be certified in December 2009.
2. PERSONAL/TANGIBLE: FY2009 was the final year of collection of TPP taxes. The remaining amounts are for public utility personal property taxes.
3. INCOME TAX: Amounts reduced average of 35% this year from prior year due to the downturn in the economy. The Dept of Tax has stated that state wide the decline in withholding has stabilized and should see a slight increase in withholdings in the 4th quarter. For FY2011, a 1% increase over 2010 is projected and is the last year of the current tax at .5%. Collections will continue into FY2012 and FY2013 but at declining rates. The forecast does not allow to show an income tax revenue line item without the levy passing.
4. UNRESTRICTED STATE AIDE: FY2010, the SF-3 is now the PASS form (Pathway for Student Success). Funding is at the guarantee level of last year. FY2009, we were funded on the formula—increasing our state revenue due to decreases in valuation with the phase out of the TPP. To help stabilize the funding for this fiscal year, the state has received federal funding—SFSF (state foundation stabilization fund). The amount received to help fund at the guarantee level of last year is \$151,854 but is considered restricted as we must spend within federal guidelines and report monthly and quarterly on how and when it is expended. We will be using the money to pay the fees to our A-site (WOCO), utilities and risk insurance. The forecast submitted on-line will show disclosure information on how it is spent. Going forward, the PASS form for FY2011 is based on current enrollment for FY2010 as of October 2, 2009 along with the same amount of state stabilization funding as restricted. FY2012 through FY2014, the PASS funding is based on projected enrollments, the FY2011 ODE simulation amount and ½ of the annual state stabilization money. Until the first PASS payment is available, these projections will change.
5. RESTRICTED STATE AIDE: Includes the SFSF funds from state aide, career tech dollars (\$31,000), and catastrophic special ed costs. Catastrophic special education reimbursements are estimated at ½ of FY2009 due to cuts within ODE. In the past, this also included bus purchase reimbursement and gifted supplement grant to identify gifted students both which have been eliminated from the budget.
6. PROPERTY TAX ALLOCATION: This represents homestead, 10% rollback and 2% rollback on real property taxes paid by the state as well as TPP replacement dollars. The TPP replacement will remain to be fully funded until FY2014 at which time it is reduced to 52%. However, currently, we are not being held harmless. When adding TPP taxes, state aide and the TPP replacement for FY2007, FY2008 and FY2009, we appear to be made whole. But based on the PASS state simulation and the amount of TPP replacement we received in August 2009 (3/7 of total annual), we will receive \$500,000 less than we did in years FY2007 thru FY2009. The tax department has indicated that the October payment will be adjusted—the calculation in the past for the year direct payments was based on the July #2 state foundation amount and adjusted the following fiscal year for actual foundation after the October count. With the new PASS formula,

August reimbursement was based on the calculation done in previous years. The October direct payment will be recalculated and is received at the end of October.

7. ALL OTHER REVENUE: Includes interest, class fees, open enrollment in (3 this year), rentals, and miscellaneous sources of income.
8. OPERATING TRANSFERS IN: FY2010, we are not to include this amount which represents the amount set-aside for classroom materials, supplies and textbooks. The amount required is established by ODE each year and can be offset in future years if overspent in previous years. If shown, this year would be \$3022.
9. PERSONAL SERVICES: Includes salary increases of 2.85%, 0%, 1%, 2%, and 2% for years 2010 through FY2014 with average step increases of 1% to 1.3%. Includes additional 3rd grade position in FY2010 and additional teacher and aide for all day every day kindergarten in FY2011 and beyond. Does not include any replacement teachers for any attrition that might occur—assumes no retirees.
10. EMPLOYEES' RETIREMENT AND BENEFITS: Includes 15.5% on new salaries for 14% STRS/SERS employer's share and 1.45% for medicare employer's share. Includes an 8% increase for 6 months in FY2010 on top of the 5% increase in health insurance from FY2009 (6 months) with estimated 10% each year. This includes employees paying 7.5% in health insurance beginning January 2010. Actual additional insurance for new employees in FY2010 and assumed insurance for new employees in FY2011.
11. PURCHASED SERVICES: Includes utilities, repairs, and excess costs for special education and other services provided by the County ESC. Level billing for natural gas costs are down \$20,000 and we have a \$17,000 true up credit from FY2009. Excess costs will be offset this year due to receiving the additional ARRA IDEA Part B grant. We will expend ½ (\$81,000) in FY2010 and ½ in FY2011. FY2012 increases due to the end of the 2 year grant period.
12. SUPPLIES AND MATERIALS: Decrease in FY2010 due to no purchase of textbooks. Assumes ½ purchase of language arts textbooks in FY2011 and ½ in FY2012 (\$55,000). All other purchases for classrooms decreased by \$10 per student (\$10,000).
13. CAPITAL OUTLAY: Minimal purchases based on non-repairable computer. Also includes the lease on the school van beginning in FY2009.
14. OTHER OBJECTS: Includes fees for tax settlements, legal fees and audit costs. There is no audit in FY2010 for FY2009. However, there will be an annual audit for FY2010 and FY2011 due to the additional federal funding we are receiving. In FY2011, we will be audited for FY2009 and FY2010 and in FY2012 for FY2011. After that, we will revert to a 2 year audit cycle if we stay below the \$500,000 expenditure of federal grants.
15. OPERATING TRANSFERS OUT: In the past, this was the amount required to be set aside for textbooks and classroom supplies as well as \$7,000 per month in FY2008 and FY2009 for termination benefits. At this time, those transfers have been suspended until we are notified of planned retirements.