

**TRIMBLE LOCAL SCHOOL DISTRICT - - ATHENS COUNTY**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES FOR THE FISCAL YEARS ENDED**  
**JUNE 30, 2006, 2007, AND 2008 ACTUAL;**  
**FORECASTED FISCAL YEARS ENDING JUNE 30, 2009 THROUGH 2013**

	Actual			Forecasted				
	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenue:</b>								
1.010 General Property Tax (Real Estate)	533,068	562,918	565,373	620,900	652,588	658,630	673,914	685,560
1.020 Tangible Personal Property Tax	147,868	117,121	102,847	87,641	77,327	77,327	77,327	77,327
1.030 Income Tax	13,923	411	672	0	0	0	0	0
1.035 Unrestricted Grants-in-Aid	5,955,127	5,879,056	5,913,221	5,992,868	5,993,974	5,995,005	5,996,041	6,077,066
1.040 Restricted Grants-in-Aid	558,198	698,980	676,467	699,293	697,127	699,438	701,759	705,163
1.050 Property Tax Allocation	100,509	126,344	152,131	139,719	161,221	129,790	131,017	133,285
1.060 All Other Revenues	612,872	640,657	633,680	596,193	608,037	620,163	632,571	645,261
<b>1.070 Total Revenues</b>	<b>7,921,565</b>	<b>8,025,487</b>	<b>8,044,391</b>	<b>8,136,614</b>	<b>8,190,275</b>	<b>8,180,354</b>	<b>8,212,630</b>	<b>8,323,663</b>
<b>Other Financing Sources:</b>								
2.010 Proceeds from Sale of Notes	0	0	0	0	0	0	0	0
2.020 State Emergency Loans and Advancements	0	0	0	0	0	0	0	0
2.040 Operating Transfers-In.	0	0	0	0	0	0	0	0
2.050 Advances-In	1,805	0	5,102	0	0	0	0	0
2.060 All Other Financing Sources	571	3,000	537	22,310	0	0	0	0
2.070 Total Other Financing Sources	2,376	3,000	5,639	22,310	0	0	0	0
<b>2.080 Total Revenues and Other Financing Sources</b>	<b>7,923,941</b>	<b>8,028,487</b>	<b>8,050,030</b>	<b>8,158,924</b>	<b>8,190,275</b>	<b>8,180,354</b>	<b>8,212,630</b>	<b>8,323,663</b>
<b>Expenditures:</b>								
3.010 Personal Services	4,356,075	4,594,180	4,538,125	4,680,584	4,755,413	4,957,955	5,169,123	5,389,284
3.020 Employees' Retirement/Insurance Benefits	1,916,288	1,824,741	1,919,946	1,912,375	2,115,418	2,280,359	2,459,809	2,655,134
3.030 Purchased Services	923,891	1,041,683	899,757	1,033,680	1,093,680	1,156,878	1,223,434	1,293,515
3.040 Supplies and Materials	237,058	231,357	231,260	231,260	231,260	231,260	231,260	231,260
3.050 Capital Outlay	18,283	29,331	89,137	13,290	13,290	13,290	13,290	13,290
3.060 Intergovernmental	0	0	0	0	0	0	0	0
Debt Service:								
4.010 Principal-All (History Only)	0	0	0	0	0	0	0	0
4.020 Principal-Notes	0	0	0	0	0	0	0	0
4.030 Principal-State Loans	0	0	0	0	0	0	0	0
4.040 Principal-State Advancements	0	0	0	0	0	0	0	0
4.050 Principal-HB 264 Loans	0	0	0	0	0	0	0	0
4.055 Principal-Other	0	0	0	0	0	0	0	0
4.060 Interest and Fiscal Charges	0	0	0	0	0	0	0	0
4.300 Other Objects	310,380	215,311	239,520	250,190	254,211	261,838	269,693	277,784
<b>4.500 Total Expenditures</b>	<b>7,761,975</b>	<b>7,936,603</b>	<b>7,917,745</b>	<b>8,121,378</b>	<b>8,463,273</b>	<b>8,901,579</b>	<b>9,366,608</b>	<b>9,860,268</b>
<b>Other Financing Uses</b>								
5.010 Operating Transfers-Out	51,550	18,012	13,800	5,000	5,000	5,000	5,000	5,000
5.020 Advances-Out	0	6,667	0	0	0	0	0	0
5.030 All Other Financing Uses	0	49,808	0	0	0	0	0	0
5.040 Total Other Financing Uses	51,550	74,487	13,800	5,000	5,000	5,000	5,000	5,000
<b>5.050 Total Expenditures and Other Financing Uses</b>	<b>7,813,525</b>	<b>8,011,090</b>	<b>7,931,545</b>	<b>8,126,378</b>	<b>8,468,273</b>	<b>8,906,579</b>	<b>9,371,608</b>	<b>9,865,268</b>
6.010 Excess of Rev & Other Financing Sources over (under) Expenditures and Other Financing Uses	110,416	17,397	118,485	32,546	-277,998	-726,225	-1,158,978	-1,541,605
7.010 Cash Balance July 1 - Excl Proposed Renewal/ Replacement and New Levies	62,877	173,293	190,690	309,175	341,721	63,723	-662,502	-1,821,480
<b>7.020 Cash Balance June 30</b>	<b>173,293</b>	<b>190,690</b>	<b>309,175</b>	<b>341,721</b>	<b>63,723</b>	<b>-662,502</b>	<b>-1,821,480</b>	<b>-3,363,085</b>
8.010 Estimated Encumbrances June 30	7,304	3,175	19,170	10,000	10,000	10,000	10,000	10,000
<b>Reservation of Fund Balance</b>								
9.010 Textbooks and Instructional Materials	0	0	0	0	0	0	0	0
9.020 Capital Improvements	0	0	0	0	0	0	0	0
9.030 Budget Reserve	0	0	0	0	0	0	0	0
9.040 DPIA	0	0	0	0	0	0	0	0
9.050 Debt Service	0	0	0	0	0	0	0	0
9.060 Property Tax Advancements	0	0	0	0	0	0	0	0
9.070 Bus Purchases	17,691	51,493	0	0	0	0	0	0
9.080 Subtotal	17,691	51,493	0	0	0	0	0	0
10.010 Fund Balance June 30 for Certification of Appropriations	148,298	136,022	290,005	331,721	53,723	-672,502	-1,831,480	-3,373,085
<b>Rev from Replacement/Renewal Levies</b>								
11.010 Income Tax - Renewal	0	0	0	0	0	0	0	0
11.020 Property Tax - Renewal or Replacement	0	0	0	0	0	0	0	0
11.030 Cumulative Balance of Replacement/Renewal Levies	0	0	0	0	0	0	0	0
12.011 Fund Balance June 30 for Certification of Contracts, Salary and Other Obligations	148,298	136,022	290,005	331,721	53,723	-672,502	-1,831,480	-3,373,085
<b>Revenue from New Levies</b>								
13.010 Income Tax - New	0	0	0	0	0	0	0	0
13.020 Property Tax - New	0	0	0	0	0	0	0	0
13.030 Cumulative Balance of New Levies	0	0	0	0	0	0	0	0
14.010 Revenue from Future State Advancements	0	0	0	0	0	0	0	0
<b>15.010 Unreserved Fund Balance June 30</b>	<b>148,298</b>	<b>136,022</b>	<b>290,005</b>	<b>331,721</b>	<b>53,723</b>	<b>-672,502</b>	<b>-1,831,480</b>	<b>-3,373,085</b>
<b>ADM Forecasts</b>								
20.010 Kindergarten - October Count				80	70	75	75	75
20.015 Grades 1-12 - October Count				790	750	780	780	780
20.02 Kindergarten - February Count				70	75	60	60	60
20.025 Grades 1-12 - February Count				750	780	650	650	650

TRIMBLE LOCAL SCHOOL DISTRICT  
GLOUSTER, OHIO  
ATHENS COUNTY

Summary of Significant Forecast Assumptions

**REVENUES:**

Property Taxes

Property Tax revenue estimates are normally based on historical growth patterns, including scheduled updates and reappraisals. Historically, the district realized approximately 20% increases due to reappraisals. However, 2008 was a re-appraisal year and based on preliminary abstracts received by the County Auditor, the increase will only be approximately 11%. The property tax collections are based on historical collection levels @ 95 percent. For years in which there is not a triennial update or reappraisal, the district is using approximately a 1% increase in tax revenue.

The decrease in Personal Property Taxes is due to the phase out of personal tangible taxes as per legislation. The district has lost approximately \$60,000 due to this phase out. There is also the possibility in the near future that the mining company that generates most of the tax revenue in this category, will close. There is no concrete date set at this point.

Income Tax

The district's voters did not renew the income tax levy that had expired, therefore the amount of \$4,519 that was received in FY00 was the final payment the district should have received. However, the district continues to receive delinquent taxes due to an Ohio Department of Taxation Amnesty Program. In FY06 the district received \$13,923 in delinquent collections, \$411 for FY07 and 672 in FY08.

Unrestricted Grants/State Foundation

Foundation levels are projected using the most current adopted State Budget per pupil amount of \$5,565 for FY08 and \$5,732 for FY09 (represents a 3% increase). Since it is uncertain what the State budget is going to be for FY09 and beyond, the district is using a 2.2% increase for foundation level per pupil.

**Pupil counts for FY09 are being used based on the preliminary October head count. The district enrollment decreased by approximately 45 students from FY06 to FY07. From FY07 to FY08 the district enrollment decreased by 14 students. For FY09 we are projecting another drop of approximately 14 students. This has caused a significant drop in state funding and has caused the district to be on the guarantee. Counts are reduced based on historical averages throughout the forecast. The district's enrollment has steadily been declining. Even though the state**

**increase for basic aid increased, the district realized zero dollar increase due to the decline in enrollment. The district is currently on the guarantee.**

**The districts revenues will increase by less than 1% on average over the five year forecast, compared to 4% increases in expenditures.**

**We also continue to receive cuts in federal funding, which means the district general fund had to pick up \$131,662 additional expenditures for FY08.**

This line item also includes \$213,738 in charge off dollars, \$105,425 for two pre-school units (this line item will probably be reduced in order for the state to stay within its appropriation), \$31,392, for special education transportation and -\$95,338.55 in other adjustments (special education students that cannot be served in our district), and -\$100,175 for community Schools for FY09. For FY09 the “other adjustments” deduction has been reduced by approximately \$40,000 due to the fact that the district is now educating some of the students that were previously being educated in other districts.

This forecast uses the state SF3 for purposes of parity aid and poverty based assistance aid for FY09 as well as for add-on building block funding.

#### Restricted Grants

This line item had previously included the annual school bus subsidy in the amount of approximately \$8,000. However, due to the memo received from Governor Strickland on budget cuts, this is one line item that will not be funded for FY09. We are uncertain as to whether these dollars will even continue to flow beyond FY09, therefore no revenue is projected in this category. Poverty Based Assistance funds (formerly DPIA) in the amount of \$584,878 for FY09. Each year thereafter, Poverty Based Assistance is flat-lined.

#### Property Tax Allocation

The property tax allocation or commonly known as, Homestead and Rollback, is calculated as a fixed percentage of property tax receipts. The growth in this revenue parallels the anticipated growth in property taxes.

There is also a phase out of state reimbursement each year for the Personal Tangible Exemption based on 2001 values with the last Fiscal Year being impacted of 2013.

#### Other Revenue

This category includes revenue such as county board preschool unit in the amount of \$93,000, investment income, open enrollment (\$160,496 FY09) and other miscellaneous income. Miscellaneous income includes Manufactured Home Taxes in the amount of

\$36,000. This line item will look inflated starting in FY06 due to the district changing it's coding of open enrollment at gross rather than net. The corresponding expenditure will be inflated in the purchased services note.

There was a decrease of approximately \$36,617 in this line item. The district received two grants in FY06 that were not received in FY07.

For FY07, there was a \$49,000 decrease due to an error in reporting open enrollment students from FY06. There is also a decrease of \$62,000 for FY09 due to an error in reporting of open enrollment students from FY08. The forecast reflects the accurate count of open enrollment revenue for FY09 as per preliminary EMIS counts.

### Other Financing Sources

The district borrowed \$379,000 from the State Solvency Fund in order to cover the projected deficit in FY03. No loan was required for FY04 and none was needed for FY05 due to the fact that the district has eliminated over \$1,000,000 in expenditures over the last three years. The district was released from fiscal emergency in June of 2005.

There is a \$22,310 increase in this line item for FY09 due to the districts participation in Safety Council and Severity/Frequency Rebates in workers compensation premiums.

## **EXPENDITURES:**

### Personnel Services

**CERTIFIED PERSONNEL** - The amounts for salaries include a 1.40% annual incremental step increase costing approximately \$63,534. There was a wage freeze in effect for FY04. The negotiated raise for certified staff for FY05 was 5.10% and was based on the county average running one year behind. The cost for raises for FY06 was 3.52% and in FY07 2.34% (Alexander took a wage freeze for FY06). For FY08 a 3% raise was negotiated, for FY09 a 2.9% raise is projected, FY10 a 2.67% raise is projected, and FY11, FY12 and FY13 a 3% raise is projected. The above raises are projected using county averages running one year in arrears. The cost of the above raises are projected at; FY08 = \$94,476; FY09 = \$88,499; FY10 = 84,038; FY11 = \$95,934, FY12 = \$100,020 and FY13 = \$104,280. **The current contract for this bargaining unit expires at the end of FY08, therefore, negotiations will have an effect on these projections.**

**NON-CERTIFIED PERSONNEL** – The negotiated raise for FY05 for non-certified personnel was 7.32% = to \$55,337; FY06, 4.88% = \$28,201; FY07, 3% = \$16,512; FY08, 3% = \$18,605; FY09, 3% = \$16,490; projected increase for FY10, FY11, FY12

and FY13 are 3% which equates to \$17,007, \$17,279, \$18,015 and \$18,782. **The current contract for this bargaining unit, expires at the end of FY09, therefore, negotiations may have an effect on these projections for FY10, FY11, FY12 and FY13.**

Historically, the negotiated raises for both certified and non-certified, staff have been approximately 3%, however, the district will determine what needs to be implemented during contract negotiations in order to maintain a balanced budget.

OTHER - Projected severance payouts are included throughout the five year forecast based on eligibility of employees. There were 6 staff members who retired at a cost of \$50,184 in FY07. There were 5 staff members who retired in FY08, of which have already incurred costs for the district, of approximately \$50,000. For FY09 there have been 4 staff members who have already retired at a cost of \$25,000 and an additional 7 who are projected to retire.

The district implemented Part D of its four step plan to reduce expenditures. This resulted in a reduction of \$155,662 in personnel costs for FY06. There were also reductions in the amount of \$42,324 for additional personnel savings.

Part D reductions included elimination of one elementary teacher, two special education teachers, Drug Free Coordinator, and a transportation supervisor. **However, the Drug Free Coordinator sued the district in the Supreme Court and was awarded back pay in the amount of \$68,000+ . This has impacted the district forecast from previously reported.**

The district eliminated transporting students to a county wide alternative school and in its place are housing an SBH unit in the High School. Therefore there is an increase in the amount of \$36,717 for an SBH teacher which started in FY07.

The district has also eliminated one kindergarten, one 1<sup>st</sup> grade, three bus routes, ½ time district office, and one clerical positions starting in FY09.

There was a net reduction in salaries of approximately \$140,286 for replacement of staff who retired/resigned in FY09.

#### Retirements/Insurance Benefits

The early retirement buyout plan was eliminated from the certified contract through negotiations; therefore this cost is eliminated in this line item. The final payment was made in FY04 in the amount of \$54,881. Prior to that, the district spent \$193,891 on an average, over the last three years for these buyouts.

The district has taken large hits on insurance premium increases over the past few years. FY04 was a 27% increase at a cost of \$320,000. The health care premiums increase for FY05 was 20%, at a cost of 237,495. The increase for FY06 was 15% for a cost of \$163,815. The increase for FY07 and FY08 is only 2%, due to excellent claims

experience. There will be no increase in health insurance for FY09, voted on by the district consortium in May. FY10 through FY13 the increase is projected at 10% due to a leveling off of increases nationwide.

The new Certified and Non-Certified contracts included a co-pay on health insurance premiums in the amount of \$90/month per employee for FY05. Therefore, a savings of \$47,520 for certified staff and \$18,600 for non-certified staff was realized. In FY06 the co-payments will increase and each year thereafter for both certified and non-certified employees based on the county average premium paid.

The non-certified dental plan was changed to match the certified plan at a cost to the district in the amount of \$13,044 for FY05. There will be an 8% increase in dental premiums starting in FY09 at a cost of approximately \$4,500.

In FY09, the district has eliminated \$23,828 for the benefit portion of the staff reductions listed under personnel.

There is an additional increase of \$11,508 for the judgement awarded by the Supreme Court (see salary note).

An insurance holiday was taken in June 2005 as a result of a motion passed by our Health Insurance Consortium. This resulted in an \$88,000 reduction for FY05 and the corresponding increase in FY06. The Consortium also voted to take two premium holidays for FY07, resulting in savings of \$190,428. In FY08 the district was able to take a one month premium holiday, resulting in a savings of \$90,438. There will also be a one month premium holiday for FY09, for a savings of approximately \$90,000.

The district has incurred several major workers compensation claims causing double the premiums from previous years. Therefore there is a \$40,000 increase for premiums for FY06 and \$22,000 for FY07. In an effort to reduce Workers Compensation costs, the district has entered into the BWC Premium Discount Plan. For calendar year 09, the district should realize a 10% reduction in premiums. In addition, the district has joined a Safety Council, which will result in an additional 4% reduction in premiums.

### Purchased Services

Anticipated expenditures in these areas are based on a 5% increase for FY09 and 5% throughout the life of the forecast. There is an additional increase of \$35,000 due to 40% projected increase in natural gas costs.

Also included in this line item is the district nurse expense in the amount of \$50,000 that is contracted through the Department of Job and Family Services. This was a line item that approved through parity aid money from the inception. We will be picking up this expenditure through a grant in FY07, however, this expenditure will have to be once

again paid through the general fund, as the federal program from which it is currently being paid, is being reduced for FY08 and beyond.

Also included is the reduction of a guidance intern in the amount of approximately \$9,000. This line item is also increased over prior years, by \$30,000 due to the increase in community school students.

The district incurred an increase of approximately \$110,000 in FY06 due to an increase in attorney's fees. The district has terminated two employees who had appealed the decision. Both cases have already been settled in the districts favor.

There is also an increase of approximately \$231,855 in this line item starting in FY06 due to a change in the coding of open enrollment in gross as opposed to net.

### Supplies and Materials

The district normally spends only what is required by HB 412 set aside requirements. However, in the past two years the district has began to replace textbooks that have not been replaced for at least 10 years. The district purchased K-12 Math in FY04.

Also in this line item, are maintenance supplies, approximately \$58,000 and transportation in the amount of approximately \$93,000. Due to the increases in fuel costs, the district increased its fuel budget by approximately \$25,000.

Due to the uncertainty of state funding, the district may not be able to meet its set aside requirements for FY09 and beyond. This line item is one of the few places that a district can eliminate, however, a citation will inevitably be issued to the district due to not meeting its spending requirements.

### Capital Outlay

With the school bus subsidy being cut, the district will not be able to purchase a school bus for the remaining forecast period. The district was able to purchase a school bus in FY08 with state subsidies that have built up over the last six years along with a donation of \$20,000 from a deceased community member.

The district maintenance truck was replaced in FY05, as the old one caught on fire. This cost was \$24,000.

In an effort to enhance revenue for the district as well as be able to defer general fund dollars for roof leaks, aging food service equipment, bus replacement, textbook purchases, stadium renovation (due to safety issues), and technology equipment, the board may need to consider placing a permanent improvement levy on the ballot in the future.

The district had to purchase twelve computers in FY07 for the new SBH classroom in the amount of \$12,293.

#### Intergovernmental/Debt Service

In FY05 the district paid the final half of the \$379,000 that was borrowed in FY03. Therefore, no expenditures are projected in this line item.

#### Other

The majority of expenditures in this category consist of Educational Service Center contract in the amount of \$127,000, and county auditor and treasurer fees for collection of taxes. The district reduced its GAAP conversion fees for FY06 by approximately \$5,000. We also eliminated the alternative school fees in the amount of \$72,160 in FY07. For FY08 there is a reduction of \$7,000 for property, fleet and liability insurance.

**This line item also includes a payout settlement in lieu of a Supreme Court decision to re-instate the Drug Free Coordinator position, in the amount of \$3,400.**

There is a 3% inflationary increase throughout the life of this forecast.

#### Other Financing Uses/Advances and Transfers

Expenditures in this category include a \$5,000 transfer to the Athletic Fund due to not being able to support this program with projected revenues in FY09 and beyond. **The district had to transfer funds into the Food Service Program in prior years. However, we do not anticipate supplementing this program for FY09 and beyond due to approximately \$45,000 in savings from reductions in force.**

#### **SUMMARY:**

**The significant loss of students starting in FY07, an issue the district has no control over, has caused our district to be financially unstable again.**

**The district is currently on the guarantee due to our declining enrollment. However, the Office of Budget Management is projecting substantial budget shortfalls for the remainder of FY09. To avoid statewide fiscal crisis, Governor Strickland recently ordered state agencies to cut spending and there is an indication that this trend will continue, given the state of economy and upcoming elections.**

**The board will be faced with some type of reduction plan to prevent the district from entering into fiscal emergency for FY11 and beyond.**

**There is the possibility of replacing staff members who retire or resign, with new staff members at a lower salary. At this time, that savings is unknown. There is also a possibility of more reductions in staff either through attrition or elimination unless the district generates additional revenue or decreases expenditures through wage freezes.**