

OLENTANGY LOCAL SCHOOL DISTRICT - - DELAWARE COUNTY

**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED**

**JUNE 30, 2005, 2006, AND 2007 ACTUAL;
FORECASTED FISCAL YEARS ENDING JUNE 30, 2008 THROUGH 2012**

	Actual			Forecasted				
	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012
Revenue:								
1.010 General Property Tax (Real Estate)	47,415,275	62,831,897	67,801,398	71,302,448	74,914,689	78,277,045	81,721,406	85,730,254
1.020 Tangible Personal Property Tax	8,813,268	10,190,995	9,860,344	7,467,667	5,813,054	4,489,364	4,489,364	4,489,364
1.030 Income Tax	0	0	0	0	0	0	0	0
1.035 Unrestricted Grants-in-Aid	6,717,805	6,141,534	6,592,875	6,190,648	7,399,283	12,797,048	17,948,730	22,547,621
1.040 Restricted Grants-in-Aid	50,502	52,260	111,791	50,311	58,959	73,801	86,282	95,882
1.050 Property Tax Allocation	6,952,500	8,322,253	9,703,575	11,532,569	12,939,987	13,050,889	12,773,589	12,568,367
1.060 All Other Revenues	6,517,152	8,574,597	10,469,731	11,392,595	11,531,840	11,724,008	11,920,213	12,170,537
1.070 Total Revenues	76,466,502	96,113,536	104,539,714	107,936,238	112,657,812	120,412,156	128,939,583	137,602,025
Other Financing Sources:								
2.010 Proceeds from Sale of Notes	10,000,000	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	29,118	57,047	87,158	70,000	1,765,000	25,000	25,000	25,000
2.060 All Other Financing Sources	17,771	90,319	94,279	7,500	8,000	8,000	8,000	8,000
2.070 Total Other Financing Sources	10,046,889	147,366	181,437	77,500	1,773,000	33,000	33,000	33,000
2.080 Total Revenues and Other Financing Sources	86,513,391	96,260,902	104,721,151	108,013,738	114,430,812	120,445,156	128,972,583	137,635,025
Expenditures:								
3.010 Personal Services	48,735,703	53,235,201	60,349,777	70,154,402	79,659,850	88,657,182	98,029,159	108,367,647
3.020 Employees' Retirement/Insurance Benefits	16,032,448	16,827,295	18,658,365	22,696,642	26,358,370	30,215,478	34,396,963	39,331,708
3.030 Purchased Services	6,098,561	6,531,696	6,934,004	8,393,406	10,055,311	11,376,110	12,878,408	14,588,318
3.040 Supplies and Materials	3,857,553	3,473,455	3,375,564	5,451,588	5,614,274	6,170,496	6,181,068	7,832,205
3.050 Capital Outlay	258,193	143,595	243,561	175,868	597,544	516,578	525,776	535,249
3.060 Intergovernmental	0	0	0	0	0	0	0	0
Debt Service:								
4.010 Principal-All (History Only)	0	3,333,333	3,333,333					
4.020 Principal-Notes				3,333,334	0	0	0	0
4.030 Principal-State Loans				0	0	0	0	0
4.040 Principal-State Advancements				0	0	0	0	0
4.050 Principal-HB 264 Loans				0	0	0	0	0
4.055 Principal-Other				0	0	0	0	0
4.060 Interest and Fiscal Charges	137,250	228,750	137,250	45,750	0	0	0	0
4.300 Other Objects	3,774,090	4,007,264	4,437,491	6,465,917	6,893,591	7,289,550	7,791,899	8,235,900
4.500 Total Expenditures	78,893,798	87,780,589	97,469,345	116,716,907	129,178,940	144,225,395	159,803,272	178,891,026
Other Financing Uses								
5.010 Operating Transfers-Out	0	0	0	0	0	0	0	0
5.020 Advances-Out	57,047	95,006	0	1,765,000	25,000	25,000	25,000	25,000
5.030 All Other Financing Uses	0	0	-500	0	0	0	0	0
5.040 Total Other Financing Uses	57,047	95,006	-500	1,765,000	25,000	25,000	25,000	25,000
5.050 Total Expenditures and Other Financing Uses	78,950,845	87,875,595	97,468,845	118,481,907	129,203,940	144,250,395	159,828,272	178,916,026
6.010 Excess of Rev & Other Financing Sources over (under) Expenditures and Other Financing Uses	7,562,546	8,385,307	7,252,306	-10,468,169	-14,773,128	-23,805,239	-30,855,689	-41,281,001
Cash Balance July 1 - Excl Proposed Renewal/ Replacement and New Levies	1,181,284	8,743,830	17,129,137	24,381,443	13,913,274	-859,854	-24,665,093	-55,520,782
7.020 Cash Balance June 30	8,743,830	17,129,137	24,381,443	13,913,274	-859,854	-24,665,093	-55,520,782	-96,801,783
8.010 Estimated Encumbrances June 30	1,181,284	1,084,443	1,200,000	1,200,000	1,200,000	1,200,000	1,300,000	1,300,000
Reservation of Fund Balance								
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 Advances	0	0	0	0	0	0	0	0
9.070 Bus Purchases	0	0	0	0	0	0	0	0
9.080 Subtotal	0	0	0	0	0	0	0	0
Fund Balance June 30 for Certification of Appropriations	7,562,546	16,044,694	23,181,443	12,713,274	-2,059,854	-25,865,093	-56,820,782	-98,101,783
Rev from Replacement/Renewal Levies								
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
Fund Balance June 30 for Certification of Contracts, Salary and Other Obligations	7,562,546	16,044,694	23,181,443	12,713,274	-2,059,854	-25,865,093	-56,820,782	-98,101,783
Revenue from New Levies								
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
15.010 Unreserved Fund Balance June 30	7,562,546	16,044,694	23,181,443	12,713,274	-2,059,854	-25,865,093	-56,820,782	-98,101,783
Staff: Certified	653	723	809	891	965	1,031	1,094	1,169
Classified	378	393	478	523	546	565	583	604
Administrators	52	53	59	68	75	78	81	82
ADM Forecasts Pupil/Teacher Ratio	14.48	14.75	14.78	14.54	14.44	14.46	14.46	14.32
20.010 Classroom Count	9,453	10,667	11,958	12,951	13,939	14,912	15,823	16,739
20.015 Grades 1-12 - October Count				12,327	13,259	14,218	15,116	16,017
20.02 Kindergarten - February Count				0	0	0	0	0
20.025 Grades 1-12 - February Count				12,327	13,259	14,218	15,116	16,017

OLENTANGY LOCAL SCHOOLS

NOTES AND ASSUMPTIONS RELATED TO 5-YEAR FINANCIAL FORECAST – OCTOBER 2007

GENERAL

- For planning purposes the number of students is essential, along with the timing of opening new schools.
 - For the estimation of student population, the District used most recent enrollment projections as presented by the Development Committee. This plan was adopted October, 2007.
- The District used the Development Committee’s “Revised Projection Enrollment” dated October, 2007 (summary of Dejong and Associates Report) for enrollment projections to determine staffing requirements. The following student enrollment projections were used:

<u>Grades</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
K-5	7,054	7,614	8,138	8,670	9,076
6-8	2,836	2,993	3,150	3,362	3,642
9-12	3,039	3,340	3,652	3,797	4,026
Total	<u>12,929</u>	<u>13,947</u>	<u>14,920</u>	<u>15,829</u>	<u>16,744</u>

- The District expects to open two new elementary schools in fiscal year 2008, one new elementary in fiscal year 2010, 2011 and 2012. **Fiscal year 2009 will have no elementary.**
- The District expects to open one middle school in fiscal year 2008 and 2012 as well as one high school in fiscal year 2009.

REVENUE

REAL ESTATE

The District has made assumptions of new construction growth and reappraisal/inflation for future years. These estimates were based on County Auditor projections, along with the expected increase in building permits.

The Board and its finance/audit committee have been researching and discussing various levy types since January, 2007. The Board and its committee have concluded that the best levy type at this time is an operating levy. The District expects to ask voters for an operating levy on March 4, 2008. Through excellent fiscal management the District was able to make the March 2004 operating issue last four years when the promise to our voters was three years. The District will determine the millage amount in the month of November, 2007.

CY 2008 is the triennial update, which means market value for all real property is updated through studies of property transactions occurring since the last physical appraisal. Collection year (CY) 2011 is a sexennial appraisal, which means all real properties (land and building) will be visually inspected and market values adjusted accordingly by an appraiser. The assumed percentages based on conversations with the Delaware County Auditor, current economy, future plans and historic trends are listed below:

	Projected Collection Year 2008	Projected Collection Year 2009	Projected Collection Year 2010	Projected Collection Year 2011	Projected Collection Year 2012
Residential					
Inflation/reappraisal	0%	0%	0%	0%	6%
Construction growth	5%	4%	4%	4%	4%
Commercial					
Inflation/reappraisal	0%	6%	0%	0%	8%
Construction growth	5%	5%	5%	5%	5%

Based on the above discussion the real estate tax revenue is as follows:

	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012
Real Estate Tax Revenue	\$ 71,302,448	\$ 74,914,689	\$ 78,277,045	\$ 81,721,406	\$ 85,730,254

PERSONAL PROPERTY TAXES

House Bill 66 phases out tangible personal property tax (PPT) on general businesses (i.e. taxes paid on machinery/equipment, inventory, and furniture/fixtures). The tax on general businesses will be eliminated by calendar year 2009. The State of Ohio has implemented a commercial activity tax (CAT) to replace the personal property tax. However, the CAT will be collected by the State and not by the County (which collected PPT for the school districts based on their voter approved millage). School districts have no control over the CAT.

Personal property tax is phased out by reducing the assessment rate on the property each year. However, at the same time, House Bill 66 replaces the revenue lost due to phasing out the personal property tax. In the first five years, calendar years 2007-10, districts are reimbursed “fully” for lost revenue (based on calendar year 2004 PPT values) by the State (using the CAT); however in the following seven years the reimbursements get phased out until the school district receives no money.

For growing districts, such as Olentangy, the district is not being “fully” reimbursed because the District is NOT receiving the normal amount of tax growth the District receives each year for new PPT eligible items (i.e. new equipment, machinery or fixtures).

Based on the above discussion the tangible personal property tax revenue is as follows:

	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012
Personal Property Utility Tax	\$ 4,767,667	\$ 4,588,054	\$ 4,489,364	\$ 4,489,364	\$ 4,489,364
Tangible Personal Property Tax	\$ 2,700,000	\$ 1,225,000	\$ 0	\$ 0	\$ 0
Total Tax	\$ 7,467,667	\$ 5,813,054	\$ 4,489,364	\$ 4,489,364	\$ 4,489,364

As the tangible personal property tax balances decrease each year, the reimbursement balances from the state increase (as mentioned above). The reimbursement amounts are recorded in “Property Tax Allocation”.

Personal property utility tax (PPUT) is the tangible personal property used in the operations of a public utility company. The District expects no growth in PPUT beyond fiscal year 2007.

UNRESTRICTED GRANTS IN AID

House Bill 66 also impacted the state funding formula. Two changes affected Olentangy greatly. First, the cost of doing business factor was eliminated by fiscal year 2007 (this was a factor that increased the per pupil reimbursement amount for various counties throughout the state in which average expenditures are higher than the base county – Delaware County’s “increase factor” was 5.28%). The factor in fiscal year 2007 was 1.76%. The cost of doing business factor is completely eliminated in fiscal year 2008.

Additionally, starting in fiscal year 2007, the State began to include tax incremental financing districts (TIF) real estate valuations in the calculation of the chargeback (the amount of expenses the State believes the districts should be responsible for paying). Previously, these TIF areas were not included in the calculation – the valuation of TIFs in the Olentangy Local School District is approximately, \$178,564,000 in calendar year 2006. Any new agreements will be applied to the total valuation used by the State to determine our foundation or State funding.

HB119 (the current biennial budget passed in June 2007) includes a “bottom line” guarantee where HB66 had eliminated all guarantees.

The District is currently expecting to come off the “guarantee” and become a “formula” district beginning in FY09. *This is the most volatile area of the forecast.* Because housing starts are significantly down while our enrollment is still explosive the District is on a bubble as to whether or not we come off the guarantee. Although housing starts are down the yield from those homes are greater which explains why our enrollment is still so explosive. The District is receives more State funds if we are off the guarantee.

Districts also receive transportation money from the State. In past years the State used a complex formula determining the allocation amount which included a factor for number of students and miles. However, starting in fiscal year 2008, the formula changed to a simple increase of 1% over the prior year. Thus, growing and large area districts, such as Olentangy, only receive a 1% increase.

	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012
State					
Basic Aid Allocations	\$ 4,309,648	\$ 5,480,658	\$ 10,840,053	\$ 15,952,593	\$ 20,511,561
Transportation Alloc.	\$ 1,881,005	\$ 1,918,625	\$ 1,956,995	\$ 1,996,137	\$ 2,036,060
Total	\$ 6,190,648	\$ 7,399,283	\$ 12,797,048	\$ 17,948,730	\$ 22,547,621

STATE RESTRICTED GRANTS IN AID

Special state funding programs are included in the category. The District receives money from the state to assist in bus purchases. In fiscal year 2003, the District received approximately \$96,000; however, in fiscal year 2004 this amount was decreased by the State of Ohio to approximately \$41,000.

	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012
State					
Restricted Grants	\$ 50,311	\$ 58,959	\$ 73,801	\$ 86,282	\$ 95,882

Approximately \$41,000 of the balances each year relate to the bus purchase program. The remaining amount consists of smaller state restricted programs such as career tech funding. Some growth is seen due to the District coming off the guarantee in FY09.

PROPERTY TAX ALLOCATION

A majority of these funds are reimbursements from the State for tax credits given owner occupied residences known as homestead/rollback equaling 12.5% of the gross property taxes charged to residential taxpayers and up to 10% for commercial and industrial taxpayers. These amounts will increase and decrease with property valuation fluctuations.

Additionally, the State reimbursement for the phasing out of tangible personal property taxes (PPT) is included in this category. See discussion of these reimbursements in the “Personal Property Tax” section.

See discussion of new levy and construction growth in the Real Estate section.

The State is phasing-out the \$10,000 personal property exemption reimbursements paid to Districts since 1986. The District received \$245,930 in fiscal year 2003. This will become the baseline amount for the phase out beginning in fiscal year 2004.

	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012
PPT reimbursements	\$ 2,662,092	\$ 3,605,600	\$ 3,409,658	\$ 2,773,318	\$ 2,141,290
Other	\$ 8,870,477	\$ 9,334,387	\$ 9,641,231	\$ 10,000,271	\$ 10,427,077
Total	\$ 11,532,569	\$ 12,939,987	\$ 13,050,889	\$ 12,773,589	\$ 12,568,367

ALL OTHER REVENUE

Included in this category are various items such as investment income, facility rentals, pay-to-participate fees, tuition, donations, income tax sharing agreements and other items. The majority of this revenue is from income tax sharing agreements with the City of Westerville and the City of Columbus. These two entities abated several businesses and due to the size of the abatements are required to share income tax revenue with the District. This portion of all other revenue is expected to increase approximately 5% per year based on historical trends. The District must watch this revenue source closely as the economic outlook is not as positive as previous years.

TIF payments are also included in this category and make up approximately \$4,700,000 of the total. The TIF district includes Bank One (Chase), the Polaris Mall and most of the commercial porperty along the Polaris corridor. The District does not expect any growth in property valuation relating to the TIF district until fiscal year 2008 when the first phase of Bank One’s (Chase) abatement is completed. No growth is assumed because any new commercial development growth is expected to be offset by a decrease in valuation caused by various businesses filing with the County to decrease their respective valuations.

The District will begin receiving a guaranteed payment from Citicorp in the amount of \$453,000 per year beginning in FY-08 as part of a 15-year CRA agreement.

	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012
TIF Tax Revenue	\$ 4,700,000	\$ 4,700,000	\$ 4,700,000	\$ 4,700,000	\$ 4,700,000
Other Revenue	\$ 6,692,595	\$ 6,831,840	\$ 7,024,008	\$ 7,220,213	\$ 7,470,537
Total All Other Revenue	\$ 11,392,595	\$ 11,531,840	\$ 11,724,008	\$ 11,920,213	\$ 12,170,537

OTHER FINANCING SOURCES

Included in this category are operating transfers, advances in and sales of notes. No growth is expected in transfers and advances during the five years. \$1,740,000 is included in FY09 due to the Bond Fund repaying an advance made from the General Fund to the Bond Fund as a result of the District waiting until March, 2008 to place the bond issue on the ballot. The District had design/site fees that had to be completed prior to passing the bond issue. These funds will be repaid by the Bond Fund once the issue passes.

	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012
Total	\$ 77,500	\$ 1,773,000	\$ 33,000	\$ 33,000	\$ 33,000

EXPENDITURES

PERSONAL SERVICES

The expenditures reflect pay increases approved by the Board of Education for all union and non-union members averaging 2.25% in fiscal year 2008; and estimates for wage increases through fiscal year 2012. Any increases above 2% can only occur if other financial incentives are gained in favor of the forecasts ending balance. In addition to wage increases a majority of employees receive step increases (based on years of experience). Step increases are expected to average 3% a year for the district.

In addition to annual raise and step increases, certified staff can increase their salaries by increasing their education (ie. Bachelors degree to Masters degree, etc.). The District expects these costs to increase over \$450,000 a year. This cost will continue over the years as the number of employees continues to grow.

The District estimates future staffing needs on student enrollment projections and the opening of schools. (see assumptions relating to growth at “General Assumptions” section).

	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012
Base Wages	\$ 60,349,777	\$ 70,154,402	\$ 79,659,850	\$ 88,657,182	\$ 98,029,159
Pay Increases	\$ 1,357,870	\$ 1,929,246	\$ 2,190,646	\$ 2,438,072	\$ 1,976,485
Steps(experience)	\$ 1,810,493	\$ 2,104,632	\$ 2,389,796	\$ 2,659,715	\$ 2,940,875
Advancement in Education	\$ 450,000	\$ 475,000	\$ 500,000	\$ 525,000	\$ 550,000
New Staffing	\$ 6,161,262	\$ 4,971,570	\$ 3,891,890	\$ 3,724,189	\$ 4,846,128
Other	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
	\$ 70,154,402	\$ 79,659,850	\$ 88,657,182	\$ 98,029,159	\$ 108,367,647

o Pupil/Teacher ratio is as follows:

Grade	2008			2009			2010			2011			2012		
	Cert Staff	Enrollment	Ratio	Cert Staff	Enrollment	Ratio	Cert Staff	Enrollment	Ratio	Cert Staff	Enrollment	Ratio	Cert Staff	Enrollment	Ratio
K-5	468	7,054	15/1	500	7,614	15/1	538	8,138	15/1	577	8,670	15/1	601	9,076	15/1
6-8	213	2,836	13/1	223	2,993	13/1	233	3,150	14/1	245	3,362	14/1	276	3,642	13/1
9-12	210	3,039	14/1	242	3,340	14/1	260	3,652	14/1	271	3,797	14/1	284	4,026	14/1
Total	891	12,929	15/1	965	13,947	14/1	1031	14,920	14/1	1093	15,829	14/1	1161	16,744	14/1

Classroom/Teacher Ratio for hiring purposes is based on 24:1 at the MS/HS level and 21:1 at the Elementary level.

Note the certified staff includes specials such as librarians, physical education, art, music, foreign language, etc which decreases the actual classroom to teacher ratio.

BENEFITS

Benefits include the following:

- Employer pension payments to STRS/SERS equals 14% of payroll. Participation in STRS/SERS is governed by Ohio Revised Code (ORC). The rate of 14% is also governed by ORC. The District has no control over this cost. SERS surcharge increases dramatically during the next three years (change by SERS) due to the minimum compensation amount increases from \$14,500 (in fiscal year 2004) to \$35,800 (in fiscal year 2006). This surcharge means that any employee salary less than the surcharge amount will be charged by SERS to the District as if the employee was paid the surcharge amount. There is a maximum amount a year based on total payroll. This is expected to increase the District’s payment by at least \$100,000 per year. The SERS surcharge is dictated by the SERS board. The District has no control over these costs.

- Medical insurance premiums increased by 7.2% in FY08. Future increases are expected to be 12% per year. The Board does not anticipate receiving any premium holidays in the near future. A premium holiday is where the Board and employee do not have to make a premium payment for a specific period.
- The Treasurer and Director of Human Resources is currently investigating the feasibility of leaving the health care consortium and going self funded in its medical and dental insurance plans. Any savings which may be realized by this move have not been incorporated into the forecast as it is still in the research stages and the savings are not known at this time.
- Medicare contributions continue to be 1.45% of payroll for all employees hired after April 1, 1986.

A. STRS/SERS is 14% of wages/salaries.

	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012
Base	\$ 8,448,969	\$ 9,821,617	\$ 11,152,379	\$ 12,412,005	\$ 13,724,081
Contract Increases	190,102	270,094	306,690	341,330	276,708
Step Increases	253,469	294,648	334,571	372,360	411,723
Adv. In Education	63,000	66,500	70,000	73,500	77,000
New Staffing	862,577	696,020	544,865	521,386	678,458
Other	3,500	3,500	3,500	3,500	3,500
Total	\$ 9,821,617	\$ 11,152,379	\$ 12,412,005	\$ 13,724,081	\$ 15,171,470

B. Health Insurance

	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012
Base Cost w/increase	\$ 8,910,378	\$ 11,359,746	\$ 13,836,547	\$ 16,368,716	\$ 19,167,179
New Staff	1,232,252	994,314	778,378	744,837	969,226
Total	\$ 10,142,630	\$ 12,354,060	\$ 14,614,925	\$ 17,113,553	\$ 20,136,405

- C. The remaining amounts in each year are made up of medicare premiums, workers compensation premiums (reduction due to going self funded), unemployment premiums, tuition reimbursement, board paid annuities and severance payments.

	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012
Medicare	\$ 1,017,239	\$ 1,155,068	\$ 1,285,529	\$ 1,421,423	\$ 1,571,331
Workers Comp	393,182	125,000	125,000	125,000	125,000
Other	1,321,974	1,571,863	1,778,019	2,012,906	2,327,502
Total	\$ 2,732,395	\$ 2,851,931	\$ 3,188,548	\$ 3,559,329	\$ 4,023,833

The district is currently looking into options to reduce costs such as going self funded with workers' compensation by January 2008. A savings of \$200,000 is included in the forecast for BWC self funding.

PURCHASED SERVICES

Purchased services are expected to increase an average of 11% year. This includes increases of:

- Utilities between 12%-13% in fiscal years 2008 through 2012.
- Community school costs, post education costs, similar costs 10% year
- Various other costs increasing by 2.5% a year such as printing/binding.

Additionally, in fiscal years 2008 through 2012 the district will incur utility costs for new elementary schools (excluding FY09); in fiscal year 2008 costs include the opening of a middle school; and fiscal year 2009 utility costs include the opening of a high school.

	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012
Purchased Services	\$ 7,626,393	\$ 9,319,311	\$ 11,163,380	\$ 12,629,514	\$ 14,297,112
Utilities for New Schools	\$ 767,013	\$ 736,000	\$ 212,730	\$ 248,894	\$ 291,206
	<u>\$ 8,393,406</u>	<u>\$ 10,055,311</u>	<u>\$ 11,376,110</u>	<u>\$ 12,878,408</u>	<u>\$ 14,588,318</u>

SUPPLIES AND MATERIALS

Overall supplies and materials are expected to increase 5% a year to keep up with growth and inflation. Each year a school opens there is an additional building budget and the opening year budget is larger than normal in order to help equip the school. Additionally, the District has a curriculum plan to revisit various subjects over the next five years with costs of implementing new textbooks. The District re-evaluates the curriculum plan annually.

Curriculum adoptions at Olentangy Local Schools take place on a rotating basis according the initial curriculum map adoption. During an adoption year, the following filters are used to determine the new adoption:

1. Student achievement data
2. State comparison district adoption data
3. Independent research on proposed adoption materials
4. Alignment to the Olentangy Curriculum Map

The adoption process is the responsibility of the Curriculum Dept. with the support and input from building chairpersons and teachers.

All projections in this packet are based on the current district adoption costs and projected using a 3% inflationary adjustment for each year beyond the current pricing. Included in all projections is a 10% shipping charge which also reflects the 3% annual inflationary increase.

District Enrollment Projections are based on the most recent enrollment projection adopted by the Board of Education.

Mathematics 2007-08 (\$1,314,530)

The mathematics projection increased from our last projection budget.

The worksheet includes all books currently adopted for mathematics at each level. Textbook cost were averaged for middle school and high school to determine a per textbook average with 10% shipping added to the final projection. The current elementary adoption is not a textbook based product so the

per student cost was determined by using the total building cost for the Everyday Math program and dividing it by the elementary building capacity of 650 resulting in a per student cost.

Science 2008-09 (\$866,628)

The science projection worksheets included in this packet show a reduction from the last Projected Curriculum Adoption Budget. Textbook cost were averaged for middle school and high school to determine a per textbook average with 10% shipping added to the final projection and an additional 3% inflationary adjustment to the current year pricing yielding a projected cost at middle school and high school of \$83.30 per textbook. The current elementary adoption included textbooks and building purchased science kits. The building cost for the current adoption include 75 books at grades 3, 4 and 5 and science teaching kits that align with the Olentangy curriculum maps. The total building cost includes the books, science kits, shipping and a 3% inflationary adjustment to the 2007 pricing.

Social Studies 2009-10 (\$1,063,738)

The social studies projection worksheets included in this packet show a reduction from the last Curriculum Adoption Projection Budget. Textbook averages were calculated for high school and middle school using the current adoption at 2007 costs, including shipping and an inflationary adjustment. In addition, building teacher resource materials were added as a building cost for middle school including shipping and an inflationary adjustment from 2007 pricing. The current elementary adoption is not textbook based, but includes a variety of material purchased by each building to support the Olentangy social studies curriculum map. To arrive at a per building cost, the following vendors' costs were added: Social Studies Alive, National Geographic Publishing, Newbridge, National Council of Economics Education, WCET, Ohio Adventure Heinemann and Amazon. Additionally, shipping was included along with an inflationary adjustment to the 2007 pricing. The summary includes the textbook cost at middle and high school plus the building cost at elementary and middle school.

World Language 2010-11 (\$407,563)

The world language projection worksheets included in this packet reflects a reduction from the last Curriculum Adoption Projection Budget. The textbook cost is determined for high school and middle school by averaging the cost of textbook across world languages. Teacher resources purchased by the building are included as a building expense. All cost reflect a 10% shipping charge and an inflationary adjustment to the 2007 pricing

Language Arts 2011-2012 (\$1,489,080)

The language arts projection worksheets included in the packet reflects a reduction from the last Curriculum Adoption Budget Projection. Language Arts adoptions include resources for reading, writing and listening instruction in the district as outlined by the Olentangy Curriculum Map. The materials required to teach this map include textbooks that are purchased for each student at various levels as well as book room supplies including fiction and non-fiction books at a variety of reading levels that are shared by the building language arts staff. The textbook cost for each level was determined by averaging the cost of the current adoption at that level, including shipping and an inflationary adjustment from 2007 pricing. Additionally, 20% of a book room cost for the building was included to replace and update materials in the building bookroom, since the last large addition to bookrooms was made in 2004 during the last language arts adoption.

	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012
Supplies and materials	\$ 3,349,688	\$4,267,646	\$4,876,029	\$5,535,631	\$5,949,379
New school budgets	\$ 787,370	\$ 480,000	\$ 230,729	\$ 237,873	\$ 393,745
textbook adoptions	\$ 1,314,530	\$ 866,628	\$1,063,738	\$ 407,564	\$ 1,489,081
	<u>\$5,451,588</u>	<u>\$5,614,274</u>	<u>\$6,170,496</u>	<u>\$6,181,068</u>	<u>\$7,832,205</u>

CAPITAL OUTLAY

Capital outlay consists of any equipment type items the District purchases over \$2,000. Capital outlay is expected to increase approximately 3% a year.

Included in fiscal years 2009 through 2012 are permanent improvement repairs in the amount of \$416,400 in FY09 and \$330,000 in each year following. In fiscal year 2008 similar costs were included in the bond interest fund. These costs will be revisited in future years to see if any additional bond interest funds are available for expenditure. Items included in the additional amounts in FY09 – FY12 are over \$2,000 but last less than five years therefore not permitted to be placed in bond funds.

	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012
Capital Outlay	<u>\$175,868</u>	<u>\$597,544</u>	<u>\$516,578</u>	<u>\$525,776</u>	<u>\$535,249</u>

DEBT SERVICE PAYMENTS

These payments are directly related to the \$10,000,000 tax anticipation note the District issued in October 2004 as discussed during the 2004 levy campaign. The final payment will be made in October 2007.

	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012
Debt Service	<u>\$3,379,084</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER OBJECTS

The majority of expenses in this category relates to contracted services with the Delaware-Union Educational Services Center (ESC). The majority of these expenses relate to contract services needed for Special Education, Curriculum, and various other ESC costs. Additionally, the County Auditor fees for the collection of taxes are also included and as tax revenue increases so do collection fees. The expected increase each year is 3% along with additional services contracted with the ESC as the District's enrollment continues to grow.

Title IDEA-B (federal special education funding) has been but beginning in FY08. This will add an additional \$1,600,000 to the general fund for special education.

	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012
Current Services/Fees	\$ 6,170,616	\$ 6,659,894	\$ 7,100,398	\$ 7,508,237	\$ 8,025,656
Additional ESC Services	\$ 295,301	\$ 233,697	\$ 189,152	\$ 283,662	\$ 210,244
	<u>\$ 6,465,917</u>	<u>\$ 6,893,591</u>	<u>\$ 7,289,550</u>	<u>\$ 7,791,899</u>	<u>\$ 8,235,900</u>

ALL OTHER FINANCING USES

Included in this line are advances made typically at year-end to cover ending balances in state and federal grants where funds have been requested but not yet received. In FY08 \$1,740,000 is included as an advance to the Bond Fund as a result of the Board waiting until March, 2008 to place the bond issue on the ballot for voter approval. The advance to the Bond Fund is necessary to pay design/site fees due prior to the bond issue being passed. Once the issue is passed in March, 2008 the Bond Fund will return the advance. *See also Other Financing Uses for return of advanced funds.

	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012
Advances Out	\$ 1,765,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000