

OLENTANGY LOCAL SCHOOL DISTRICT - - DELAWARE COUNTY

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

**JUNE 30, 2004, 2005, AND 2006 ACTUAL;
FORECASTED FISCAL YEARS ENDING JUNE 30, 2007 THROUGH 2011**

	Actual			Forecasted				
	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011
Revenue:								
1.010 General Property Tax (Real Estate)	35,569,419	47,415,275	62,831,897	67,785,948	71,954,354	76,845,461	81,537,116	85,728,396
1.020 Tangible Personal Property Tax	7,646,938	8,813,268	10,190,995	9,011,735	7,076,859	5,549,325	4,327,298	4,327,298
1.030 Income Tax	0	0	0	0	0	0	0	0
1.035 Unrestricted Grants-in-Aid	4,695,360	6,717,805	6,141,534	6,443,942	6,443,942	6,443,942	7,120,106	7,728,006
1.040 Restricted Grants-in-Aid	45,262	50,502	52,260	96,158	49,827	49,189	52,746	53,311
1.050 Property Tax Allocation	5,262,615	6,952,500	8,322,253	10,169,223	11,933,477	13,761,730	14,991,607	14,958,437
1.060 All Other Revenues	5,655,249	6,517,152	8,574,597	9,105,763	9,548,885	9,749,411	9,954,149	10,163,186
1.070 Total Revenues	58,874,843	76,466,502	96,113,536	102,612,769	107,007,343	112,399,056	117,983,022	122,958,634
Other Financing Sources:								
2.010 Proceeds from Sale of Notes	0	10,000,000	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	118,216	29,118	57,047	95,006	25,000	25,000	25,000	25,000
2.060 All Other Financing Sources	9,782	17,771	90,319	86,431	7,500	8,000	8,500	9,000
2.070 Total Other Financing Sources	127,998	10,046,889	147,366	181,437	32,500	33,000	33,500	34,000
2.080 Total Revenues and Other Financing Sources	59,002,841	86,513,391	96,260,902	102,794,206	107,039,843	112,432,056	118,016,522	122,992,634
Expenditures:								
3.010 Personal Services	40,714,839	48,735,703	53,235,201	60,705,203	70,164,616	78,737,840	87,156,496	94,933,712
3.020 Employees' Retirement/Insurance Benefits	13,547,729	16,032,448	16,827,295	17,963,764	22,608,736	26,627,767	30,862,725	35,138,276
3.030 Purchased Services	5,821,742	6,098,561	6,531,696	7,274,272	8,745,947	10,862,223	12,139,456	13,470,399
3.040 Supplies and Materials	3,899,384	3,857,553	3,473,455	3,731,253	5,527,070	6,115,219	7,697,373	8,446,738
3.050 Capital Outlay	1,067,216	258,193	143,595	232,211	171,143	181,412	192,297	203,834
3.060 Intergovernmental	0	0	0	0	0	0	0	0
Debt Service:								
4.010 Principal-All (History Only)	0	0	3,333,333					
4.020 Principal-Notes				3,333,333	3,333,334	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	0	137,250	228,750	137,250	45,750	0	0	0
4.300 Other Objects	3,410,240	3,774,090	4,007,264	4,669,238	5,244,693	5,952,562	6,636,846	7,201,175
4.500 Total Expenditures	68,461,150	78,893,798	87,780,589	98,046,524	115,841,288	128,477,023	144,685,192	159,394,134
Other Financing Uses								
5.010 Operating Transfers-Out	0	0	0	0	0	0	0	0
5.020 Advances-Out	29,118	57,047	95,006	25,000	25,000	25,000	25,000	25,000
5.030 All Other Financing Uses	9,173	0	0	0	0	0	0	0
5.040 Total Other Financing Uses	38,291	57,047	95,006	25,000	25,000	25,000	25,000	25,000
5.050 Total Expenditures and Other Financing Uses	68,499,441	78,950,845	87,875,595	98,071,524	115,866,288	128,502,023	144,710,192	159,419,134
6.010 Excess of Rev & Other Financing Sources over (under) Expenditures and Other Financing Uses	-9,496,600	7,562,546	8,385,307	4,722,682	-8,826,445	-16,069,967	-26,693,670	-36,426,500
Cash Balance July 1 - Excl Proposed Renewal/Replacement and New Levies	10,677,882	1,181,282	8,743,828	17,129,135	21,851,817	13,025,372	-3,044,595	-29,738,265
7.020 Cash Balance June 30	1,181,282	8,743,828	17,129,135	21,851,817	13,025,372	-3,044,595	-29,738,265	-66,164,765
8.010 Estimated Encumbrances June 30	1,167,721	1,181,284	1,084,443	1,200,000	1,200,000	1,200,000	1,200,000	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	13,561	7,562,544	16,044,692	20,651,817	11,825,372	-4,244,595	-30,938,265	-67,464,765
Rev from Replacement/Renewal Levies								
11.010 Income Tax - Renewal				0	0	0	0	0
11.020 Property Tax - Renewal or Replacement				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	13,561	7,562,544	16,044,692	20,651,817	11,825,372	-4,244,595	-30,938,265	-67,464,765
Revenue from New Levies								
13.010 Income Tax - New				0	0	0	0	0
13.020 Property Tax - New				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								
15.010 Unreserved Fund Balance June 30	13,561	7,562,544	16,044,692	20,651,817	11,825,372	-4,244,595	-30,938,265	-67,464,765
Staff:								
Certified	577	653	723	809	903	979	1,047	1,113
Classified	341	378	393	478	523	546	565	583
Administrators	48	52	53	59	67	74	77	77
ADM Forecasts Pupil/Teacher	14.77	14.48	14.75	14.78	14.29	14.17	14.13	14.08
20.010 Classroom Count	8,520	9,453	10,667	11,958	12,907	13,870	14,794	15,668
20.015 Grades 1-12 - October Count				11,055	11,982	12,918	13,815	14,661
20.02 Kindergarten - February Count				0	0	0	0	0
20.025 Grades 1-12 - February Count				11,055	11,982	12,918	13,815	14,661

OLENTANGY LOCAL SCHOOLS

NOTES AND ASSUMPTIONS RELATED TO 5-YEAR FINANCIAL FORECAST – MAY 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 the board adopted plan of 900 new building permits in fiscal years 2007 through 2011. This plan was adopted October, 2006.
- The District used the Development Committee’s “Revised Projection Enrollment” dated October, 2006 (summary of Dejong and Associates Report) for enrollment projections to determine staffing requirements. The following student enrollment projections were used:

<u>Grades</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
K-5	6,485	6,981	7,415	7,808	8,209
6-8	2,667	2,828	3,039	3,269	3,531
9-12	2,806	3,098	3,416	3,717	3,928
Total	11,958	12,907	13,870	14,794	15,668

- The District expects to open one new elementary in fiscal year 2007, two new elementaries in fiscal year 2008 and one in 2010. *Fiscal year 2009 will have no elementary and 2011 will have no schools opened.*
- The District expects to open one middle school in fiscal year 2008 and one high school in fiscal year 2009.

REVENUE

REAL ESTATE

The voters of the District passed a 10.5 mill operating levy in March of 2004. The collection of this new levy began in calendar year 2005. Approximately 51% of the collections will be received in fiscal year 2005 and 49% of the collections will be received in fiscal year 2006 (if historical trends continue).

In addition to the new operating levy, 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.

Collection year 2006 is a reappraisal year (occurs every 3 years) for Delaware/Franklin County. During these years county auditors update the values of buildings/houses. The assumed percentages based on current economy, future plans and historic trends are listed below:

	Projected Collection Year 2007	Projected Collection Year 2008	Projected Collection Year 2009	Projected Collection Year 2010	Projected Collection Year 2011
Residential					
Inflation/reappraisal	0%	12%	0%	0%	12%
Construction growth	6%	6%	5%	5%	5%
Commercial					
Inflation/reappraisal	0%	6%	0%	0%	8%
Construction growth	8%	5%	6%	6%	5%

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 reappraisal change in the other tax years is mostly due to land valuation changes due to new developments (i.e. land is subdivided by a developer into many plots for a subdivision, individual plots are valued more than a large plot, thus the County increases land value).

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

	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011
Real Estate Tax Revenue	\$ 67,785,948	\$ 71,954,354	\$ 76,845,461	\$ 81,537,116	\$ 85,728,396

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 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011
Personal Property Utility Tax	\$ 4,811,735	\$ 4,376,859	\$ 4,324,325	\$ 4,327,298	\$ 4,327,298
Tangible Personal Property Tax	\$ 4,200,000	\$ 2,700,000	\$ 1,225,000	\$ 0	\$ 0
Total Tax	\$ 9,011,735	\$ 7,076,859	\$ 5,549,325	\$ 4,327,298	\$ 4,327,298

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 is being eliminated over the next two years (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 2006 is 3.52% and fiscal year 2007 is 1.76%. The cost of doing business factor is completely eliminated in fiscal year 2008.

Additionally, starting in fiscal year 2007, the State will begin 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.

Once these changes occur, Olentangy will not receive basic aid funding money from the state. However, during the first two years of this change (fiscal year 2006 and 2007) the State guaranteed no school district will receive less than it received in fiscal year 2005. However, there is no mention in House Bill 66 of a “guarantee” after fiscal year 2007, thus the District had not projected basic aid funds after 2007. As part of HB119 (the current biennial budget in process) a total funding guarantee is being implemented. This budget bill must still go through the Senate, however, the District feels the Senate will agree with the House. Therefore, the district has put the total funding amount back in the forecast beginning in FY08.

The District is currently expecting to come off the “guarantee” and become a “formula” district beginning in FY10. This may change depending on student growth versus valuation growth. The District will continue to watch this closely in future years.

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 2006, the formula changed to a simple increase of 2% over the prior year. Thus, growing and large area districts, such as Olentangy, only receive a 2% increase even though the enrollment increase > 7% per year.

	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011
State					
Basic Aid Allocations	\$ 4,581,561	\$ 4,544,313	\$ 4,506,321	\$ 5,143,732	\$ 5,712,105
Transportation Alloc.	\$ 1,862,381	\$ 1,899,629	\$ 1,937,621	\$ 1,976,374	\$ 2,015,901
Total	\$ 6,443,942	\$ 6,443,942	\$ 6,443,942	\$ 7,120,106	\$ 7,728,006

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 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011
State					
Restricted Grants	\$ 96,158	\$ 49,827	\$ 49,189	\$ 52,746	\$ 53,311

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.

PROPERTY TAX ALLOCATION

The 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 grow along with new levies and new construction.

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 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011
PPT reimbursements	\$ 1,750,000	\$ 3,063,000	\$ 4,388,279	\$ 5,839,081	\$ 6,598,161
Other	\$ 8,419,223	\$ 8,870,477	\$ 9,373,451	\$ 9,152,526	\$ 8,360,276
Total	\$ 10,169,223	\$ 11,933,477	\$ 13,761,730	\$ 14,991,607	\$ 14,958,437

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 revenue is expected to increase approximately 5% a 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 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011
TIF Tax Revenue	\$ 4,700,000	\$ 4,700,000	\$ 4,700,000	\$ 4,700,000	\$ 4,700,000
Other Revenue	\$ 4,405,763	\$ 4,848,885	\$ 5,049,411	\$ 5,254,149	\$ 5,463,186
Total All Other Revenue	\$ 9,105,763	\$ 9,548,885	\$ 9,749,411	\$ 9,954,149	\$ 10,163,186

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.

	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011
Total	\$ 181,437	\$ 32,500	\$ 33,000	\$ 33,500	\$ 34,000

EXPENDITURES

PERSONAL SERVICES

The expenditures reflect pay increases approved by the Board of Education for all union and non-union members averaging 2.88% in fiscal year 2007; and estimates for wage increases through fiscal year 2009. 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 \$400,000 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 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011
Base Wages	\$ 53,235,201	\$ 60,705,203	\$ 70,164,616	\$ 78,737,840	\$ 87,156,496
Pay Increases	\$ 1,525,985	\$ 1,240,787	\$ 1,442,259	\$ 1,618,523	\$ 1,791,194
Steps(experience)	\$ 1,597,056	\$ 1,846,206	\$ 2,145,982	\$ 2,408,251	\$ 2,665,173
Advancement in Education	\$ 425,000	\$ 450,000	\$ 475,000	\$ 500,000	\$ 525,000
New Staffing	\$ 3,896,961	\$ 5,897,420	\$ 4,484,983	\$ 3,866,882	\$ 2,770,849
Other	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
	\$ 60,705,203	\$ 70,164,616	\$ 78,737,840	\$ 87,156,496	\$ 94,933,712

- Pupil/Teacher ratio is as follows:

Grade	2007			2008			2009			2010			2011		
	Cert Staff	Enrollment	Ratio	Cert Staff	Enrollment	Ratio	Cert Staff	Enrollment	Ratio	Cert Staff	Enrollment	Ratio	Cert Staff	Enrollment	Ratio
K-5	425	6,485	15/1	475	6,981	15/1	501	7,415	15/1	532	7,808	15/1	556	8,209	15/1
6-8	194	2,667	14/1	219	2,828	13/1	235	3,039	13/1	252	3,269	13/1	270	3,531	13/1
9-12	195	2,806	14/1	213	3,098	15/1	248	3,416	14/1	267	3,717	14/1	282	3,928	14/1
Total	814	11,958	15/1	907	12,907	14/1	984	13,870	14/1	1051	14,794	14/1	1108	15,668	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 etc which decreases the actual classroom to teacher size.

BENEFITS

Benefits include the following:

- Employer pension payments to STRS/SERS equals 14% of payroll. 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.
- Medical insurance costs are expected to increase 12% per year. However, reserves were such that in June of fiscal year 2006 and May of fiscal year 2007 the district's health insurance consortium voted to allow one premium holiday in the specific years listed. A premium holiday is where the Board and employee do not have to make a premium payment for a specific period.
- Medicare contributions continue to be 1.45% of payroll for all employees hired after April 1, 1986.
- The State Teachers Retirement System (STRS) is currently seeking legislative approval to increase the Board's contribution for certified staff retirement contributions an additional 2.5%. This increase is factored into the forecast beginning in FY08. Administration will follow this legislation closely and remove this additional projected contribution should it not be passed. The Board also expects The School Employees Retirement System (SERS) to follow suit and has included this increase as well.

	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011
New Staff Health Insurance	\$ 836,559	\$ 1,142,492	\$ 887,816	\$ 773,259	\$ 551,880
All Other Benefits	\$ 17,127,235	\$ 20,926,244	\$ 25,739,971	\$ 30,109,466	\$ 34,586,396
	\$ 17,963,764	\$ 22,068,736	\$ 26,627,787	\$ 30,882,725	\$ 35,138,276

PURCHASED SERVICES

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

- Utilities between 12%-13% in fiscal years 2007 through 2011.
- 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 2007 through 2011 the district will incur utility costs for new elementary schools (excluding FY09); in fiscal year 2008 costs are reflected for the opening of a middle school; and fiscal year 2009 utility costs include the opening of a high school.

	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011
Purchased Services	\$ 7,120,484	\$ 7,978,934	\$ 10,126,223	\$ 11,925,726	\$ 13,470,399
Utilities for New Schools	\$ 153,753	\$ 767,013	\$ 736,000	\$ 212,730	\$ 0
	<u>\$ 7,274,272</u>	<u>\$ 8,745,947</u>	<u>\$ 10,862,223</u>	<u>\$ 12,138,456</u>	<u>\$ 13,470,399</u>

Included in fiscal years 2009 and 2010 are permanent improvement repairs in the amount of \$416,400 and \$330,000 respectively. In fiscal years 2006-2008 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. Fiscal year 2007 reflects an increased BWC (Bureau of Workers Comp) cost due to falling off the group rating program. The district is currently looking into options to reduce those costs.

SUPPLIES AND MATERIALS

Overall supplies and materials are expected to increase 8% 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. Fiscal year 2011 reflects a language arts textbook adoption which is a more expensive adoption.

	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011
Supplies and materials	\$3,180,953	\$3,575,100	\$4,358,929	\$6,179,644	\$6,746,738
New school budgets	\$ 211,150	\$ 787,370	\$ 480,000	\$ 230,729	\$ 0
textbook adoptions	\$ 339,150	\$ 1,164,600	\$1,276,290	\$1,287,000	\$1,700,000
	<u>\$3,731,253</u>	<u>\$5,527,070</u>	<u>\$6,115,219</u>	<u>\$7,697,373</u>	<u>\$8,446,738</u>

CAPITAL OUTLAY

Capital outlay consists of any equipment type items the District purchases over \$2,000. Capital outlay is expected to increase approximately 6% a year.

	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011
Capital Outlay	\$232,211	\$171,143	\$181,412	\$192,297	\$203,834

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.

	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011
Debt Service	\$3,470,583	\$3,379,084	\$ -	\$ -	\$ -

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 6% along with additional services contracted with the ESC as the District's enrollment continues to grow.

	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011
Current Services/Fees	\$ 4,247,700	\$ 4,949,392	\$ 5,559,375	\$ 6,309,715	\$ 7,035,057
Additional ESC Services	\$ 421,538	\$ 295,301	\$ 393,187	\$ 327,131	\$ 166,118
	\$ 4,669,238	\$ 5,244,693	\$ 5,952,562	\$ 6,636,846	\$ 7,201,175

REVENUE

Real Estate	After taking inflationary growth out of non-revaluation/update years collections came in \$185,000 higher than projected. Taking the growth out and adjusting new construction caused the original RE projection to decrease by approx. \$2,000,000.
TPP	Came in approx. \$980,000 higher than projected. The district does not project growth in this area because TPP is being phased out. This is a conservative projection.
Unrestricted Grants	Or "State Aid" is expected to come in on target in FY07. The House has kept most of the Governor's budget therefore after discussion with the finance committee we believe it is fiscally responsible to reinstate the guarantees into the five-year forecast. Note in FY2010 the district is currently expecting to come off the guarantees. This is based on current enrollment and valuation growth projections. I will watch this closely in future years.
Restricted Grants	We had a slight increase in this line due to a reimbursement for purchasing a handicapped bus. This does not happen each year therefore the projection is returned to historical trend.
Property Tax Allocation	We will receive this payment from the state by the end of May. I do not expect there to be much variance in this collection. This line includes Homestead/Rollback reimbursement and TPP reimbursement from the State.
All Other Revenue	This line is increased due to reclassifying TIF payments. TIF payments were originally in Other Financing Sources. However, these payments should be in the main funding section of the forecast. This does not change the expected income but simply reclassifies them. Also included in this line are income tax sharing payments received from the Cities of Columbus and Westerville. We typically receive these payments more towards the end of June. Depending on the economy this portion of All Other Revenue could see less of an increase than the 5% projected.
Other Financing Sources	Included in this line are operating transfers in. The return advances are receipted here when the District has to advance funds to cover federal/state funds.

EXPENDITURES

Personnel Services	Personnel services will come in under October projections. The main reason for this is that while the district hired the projected number of staff the education/experience level was under the M-3 level projected.
Benefits	Benefits correlate to personnel services. The district will also see about \$660,000 savings from a one-time premium holiday. Beginning in FY08 I have projected an increase in STRS/SERS retirement. This has not passed in legislation yet but there is such a strong possibility the increase was included in projections. This too will be monitored and removed if it does not pass. The requested retirement increase is 2.5% phased in over 5 years.
Purchased Services	Utilities make up the main portion of purchased services. Due to a warm winter and change in heating/cooling process the district has seen a savings. Increases are based on historical trends not the one-time savings.
Supplies/Materials	This line will remain within budget.
Capital Outlay	This line is used for those items that do not last 5 years or more. This will increase substantially once the district is finished with bond issues.
Debt Service	Tax Anticipation Note (TAN) repayment for cash flow borrowing.
Other Objects	Includes ESC costs as well as auditor/treasurer fees paid to the county auditor for collection of tax dollars. The district does see some savings in this area due to bringing more positions into our own payroll as well as cutting back on the number of new positions added.

Category	November 2006	May 2007	Change
Revenues			
Real Estate	\$ 69,511,679.00	\$ 67,785,948.00	\$ (1,725,731.00)
TPP	\$ 8,383,314.00	\$ 9,011,735.00	\$ 628,421.00
Unrestricted Aid	\$ 6,175,655.00	\$ 6,443,942.00	\$ 268,287.00
Restricted Aid	\$ 49,702.00	\$ 96,158.00	\$ 46,456.00
Property Tax Allocation	\$ 10,298,920.00	\$ 10,169,223.00	\$ (129,697.00)
All Other Revenue	\$ 3,795,755.00	\$ 9,105,763.00	\$ 5,310,008.00
Advances-In	\$ 95,006.00	\$ 95,006.00	\$ -
All Other Financing Sources	\$ 4,007,000.00	\$ 86,431.00	\$ (3,920,569.00)
	\$ 102,317,031.00	\$ 102,794,206.00	\$ 477,175.00
Expenditures			
Personnel Services	\$ 61,540,203.00	\$ 60,705,203.00	\$ (835,000.00)
Retirement/Insurance Benefits	\$ 18,898,730.00	\$ 17,963,764.00	\$ (934,966.00)
Purchased Services	\$ 7,554,990.00	\$ 7,274,272.00	\$ (280,718.00)
Supplies/Materials	\$ 3,981,253.00	\$ 3,731,253.00	\$ (250,000.00)
Capital Outlay	\$ 152,211.00	\$ 232,211.00	\$ 80,000.00
Debt Service	\$ 3,333,333.00	\$ 3,333,333.00	\$ -
Interest on Debt Service	\$ 137,250.00	\$ 137,250.00	\$ -
Other Objects	\$ 4,669,238.00	\$ 4,669,238.00	\$ -
	\$ 100,267,208.00	\$ 98,046,524.00	\$ (2,220,684.00)

SEE SHEET ONE FOR EXPLANATION