

Huron City School District
Budget Overview
FY 2008

	Budget FY 2008	Actual FY 2007	Dollar Change	Percent Change
Beginning Cash Balance	3,436,566	1,485,963	1,950,603	131.269%
<u>Revenues</u>				
<u>From Local Sources</u>				
Real Estate Taxes	9,442,173	9,257,032	185,141	2.000%
Personal Property Taxes	851,725	1,449,971	(598,246)	-41.259%
Proceeds-Sale of Notes				
Other	435,000	472,536	(37,536)	-7.944%
<u>From State Sources</u>				
State Support	2,442,275	2,530,567	(88,292)	-3.489%
Rollback and Homestead	1,132,329	1,252,866	(120,537)	-9.621%
Personal Property Tax Reimbursement	810,014	415,311	394,703	95.038%
<u>Other Financing Sources</u>				
Sale of Notes		-		
Emergency Fund		-		
Other		-		
Total Revenues	15,113,516	15,378,283	(264,767)	-1.722%
Non-Operating	428,711	26,712		
Total Revenues plus Beginning Cash	18,978,793	16,890,958	2,087,835	12.361%
<u>Expenditures</u>				
Salaries and Wages	7,183,943	6,669,635	514,308	7.711%
Fringe Benefits	3,293,602	2,846,928	446,674	15.690%
Purchased Services	1,950,000	1,712,376	237,624	13.877%
Materials, Supplies, Texts	731,931	588,195	143,736	24.437%
Capital Outlay	225,000	163,046	61,954	37.998%
Repayment of Debt	-	415,003	(415,003)	
Interest Expense	-	2,750	(2,750)	
Other	697,715	626,428	71,287	11.380%
Total Expenditures	14,082,191	13,024,361	1,057,830	8.122%
Non-Operating	20,000	430,032		
Current Year Contribution (Loss)	1,011,325	1,923,890	(912,565)	-47.433%
Ending Cash Balance	4,876,602	3,436,565	1,440,037	41.903%
Reserve for Contingencies	1,000,000	1,000,000		
Cash Balance After Reserve	3,876,602	2,436,565		

	<u>2008 Budget</u>	<u>Actual 2007</u>	<u>Increase/ Decrease</u>	<u>% Change</u>
<u>Real Estate Taxes</u>	\$ 9,442,173	\$ 9,257,032	\$ 185,141	2.000%

We anticipate a 2% growth in Real Estate Tax collections this year. The typical growth rate is usually just under 3%. The Governor's budget change to widen the Homestead Exemption will not impact this line item until next year.

	<u>2008 Budget</u>	<u>Actual 2007</u>	<u>Increase/ Decrease</u>	<u>% Change</u>
<u>Personal Property Taxes</u>	\$ 851,725	\$ 1,449,971	\$(598,246)	-41.259%

The large decline in Personal Property Taxes is the result of House Bill 66 which is phasing out most Personal Property Taxes. Part of these revenues will be made up by the Personal Property Tax Reimbursement, The amounts in both of these areas were determined by a series of formulas designed by the Ohio Department of Taxation.

	<u>2008 Budget</u>	<u>Actual 2007</u>	<u>Increase/ Decrease</u>	<u>% Change</u>
<u>Other</u>	\$ 435,000	\$ 472,536	\$ (37,536)	-7.944%

Other income consists of student fees, rental income for use of school facilities, kindergarten fees, investment income and miscellaneous receipts. The decline is a result of the loss of rental income from the Huron Athletic Boosters bingo games. The largest part, about \$190,000, comes from investment revenues which are heavily dependent on rate fluctuation.

	<u>2008 Budget</u>	<u>Actual 2007</u>	<u>Increase/ Decrease</u>	<u>% Change</u>
<u>State Support</u>	\$ 2,442,276	\$ 2,530,567	\$ (88,291)	-3.489%

Huron City Schools is on a guarantee from the State of Ohio. While that means we can expect no additional basic aid revenue we are guaranteed no less than the previous year. The decline is a result of an expected change in the Transportation formula and a different mix of special needs students. Special needs students receive various weights that can increase basic funding. The more severe the handicap the greater the weight. We are expecting a possible decline in special need students and a shift in weights. This will account for the possible decline.

	<u>2008 Budget</u>	<u>Actual 2007</u>	<u>Increase/ Decrease</u>	<u>% Change</u>
<u>Rollback and Homestead</u>	\$ 1,132,329	\$ 1,252,866	\$(120,537)	-9.621%

These revenues are based on a formula that the State of Ohio uses to reimburse lost tax revenue due to legislative action. It will adjust itself based on how much Real and Personal Property Tax is actually collected.

	<u>2008 Budget</u>	<u>Actual 2007</u>	<u>Increase/ Decrease</u>	<u>% Change</u>
<u>Personal Property Tax Reimbursement</u>	\$ 810,814	\$ 415,311	\$ 395,503	95.231%

These are monies that come directly from the State to reimburse us for lost revenues due to HB 66. These monies are based on a formula from the State Department of Taxation. You should note that the reimbursement is less than the amount of lost Personal Property Tax Revenue.

	<u>2008 Budget</u>	<u>Actual 2007</u>	<u>Increase/ Decrease</u>	<u>% Change</u>
<u>Total Revenues</u>	\$ 1,943,143	\$ 1,668,177	\$ 274,966	16.483%

We expect our total revenues to be down slightly. The principal reason is that House Bill 66 eliminated Personal Property Taxes but failed to reimburse an amount equal to the losses. This problem will become significantly more exacerbated in FY 2012 when the reimbursement begins to be eliminated.

	2008 Budget	Actual 2007	Increase/ Decrease	% Change
Salaries and Wages	\$ 7,183,843	\$ 6,689,635	\$ 494,208	7.388%

The following changes are expected in FY 2008

Teachers	<i>Teacher Salary increases averaged 4.97%</i>			
Classified	<i>Classified Salary increases are expected to be 4.31%</i>			
Administrators	<i>Administrator Increases are expected to be 2.29%</i>			
	<i>In addition, a part time administrative position was added for \$25,000</i>			
Other Employees	<i>Other employees increases will be 3%</i>			
Supplemental	<i>Increase of 3% on Supplemental Positions</i>			

Other factors influencing Salary Changes:

- Addition of Supplemental Positions for Girl's Soccer for \$7,400*
- Addition of a Supplemental Position for Girl's Golf for \$3,708*
- Addition of six Intervention Supplemental Positions for \$3,000*
- Increase of \$60,000 for one time only severance payments for new retirees in FY 2007*

	2008 Budget	Actual 2007	Increase/ Decrease	% Change
Fringe Benefits	\$ 3,298,814	\$ 2,846,928	\$ 451,886	15.873%

The following changes are expected in FY 2008

- Increase in Medical Insurance Costs of 8%*
- Increase in Rx Insurance Costs of 15%*
- Increase in STRS/SERS Contribution of \$70,000*
- Increase in Other Insurance costs of 6%*

	2008 Budget	Actual 2007	Increase/ Decrease	% Change
Purchased Services	\$ 1,950,000	\$ 1,712,376	\$ 237,624	13.877%

The following changes are expected in FY 2008

- Significant increase in energy costs particularly Natural Gas.*
- In FY 07 we had mild temperatures, lower energy costs*
- 3% increase in costs from EHOESC Services*
- 1.5% increase in computer services costs*
- 7% increase in repair costs*

In addition, we have budgeted for a possible increase in Special Education costs. While this is very speculative at this time, given we expect a decline in Special Needs population, it is an uncontrollable cost. One or two new special needs students could easily have a negative impact on the budget.

	2008 Budget	Actual 2007	Increase/ Decrease	% Change
Materials, Supplies, Texts	\$ 731,931	\$ 588,195	\$ 143,736	24.437%

The major reason for this significant increase is the purchase of new English textbooks for all grades in the school district. This cost is expected to be \$135,000. The district uses a five year rotation schedule for textbooks. This area tends to be on a "roller coaster" type cycle because of the differing costs of textbooks.

	<u>2008 Budget</u>	<u>Actual 2007</u>	<u>Increase/ Decrease</u>	<u>% Change</u>
<u>Capital Outlay</u>	\$ 225,000	\$ 163,046	\$ 61,954	37.998%

The increase is the result of a decision to begin facility upgrades and educational equipment upgrades. Part of the increase is the addition of more Smart Boards throughout the District along with adding new computer labs at McCormick and the High School. Teacher computers at McCormick are also to be replaced.

	<u>2008 Budget</u>	<u>Actual 2007</u>	<u>Increase/ Decrease</u>	<u>% Change</u>
<u>Repayment of Debt</u>	\$ -	\$ 415,003	\$ (415,003)	
<u>Interest Expense</u>	\$ -	\$ 2,750	\$ (2,750)	

All loans as a result of Fiscal Emergency have been paid off. No new loans are anticipated.

	<u>2008 Budget</u>	<u>Actual 2007</u>	<u>Increase/ Decrease</u>	<u>% Change</u>
<u>Other</u>	\$ 697,715	\$ 626,428	\$ 71,287	11.380%

The major item in this category is the payment to the County Auditor and State of Ohio for collecting and distributing our tax money. Insurance is expected to be down. Also, we pay, as required by law, an administrative fee to the EHOESC which is up 3%. This area also is where we make payments to Charter Schools and for the Post Secondary program. Both are expected to be up slightly.

Huron City School District Five Year Forecast

Abbreviated Version

Updated 08-08-08

	2005-06 FY 06	2006-07 FY 07	2007-08 FY 08	2008-09 FY 09	2009-10 FY 10	2010-11 FY 11	2011-12 FY 12
Beginning Cash Balance	473,964	1,485,964	3,436,566	4,876,601	5,267,407	4,682,426	3,448,629
Real Estate Tax	7,529,403	9,257,032	9,442,173	9,536,594	9,631,960	9,728,280	10,020,128
Tangible Personal Property Tax(TPP)	1,565,561	1,449,971	851,725	553,765	0	0	0
State Reimbursement for Lost TPP	111,174	415,311	810,014	1,115,898	1,415,762	1,438,284	1,295,284
Other Local Income	334,418	472,536	435,000	443,822	465,120	474,128	402,280
State Support	2,587,422	2,530,567	2,442,275	2,471,354	2,453,954	2,461,641	2,433,698
Rollback and Homestead Exemption	927,253	1,252,866	1,132,329	1,109,940	1,059,516	1,070,111	1,102,214
Proceeds from Borrowing	0	0	0	0	0	0	0
Total Revenues	13,055,231	15,378,283	15,113,515	15,231,373	15,026,312	15,172,444	15,253,604
Other Financing Sources-Non Operating	101,598	26,712	428,711	20,000	20,000	20,000	20,000
Total Revenues Plus Beg. Cash	13,630,793	16,890,959	18,978,792	20,127,974	20,313,719	19,874,870	18,722,233
EXPENDITURES & PRIOR YEAR ENCUMBRANCES							
Salaries and Wages	6,283,153	6,669,635	7,183,943	7,558,205	7,885,049	8,160,421	8,508,051
Fringe Benefits	2,836,478	2,846,928	3,293,602	3,705,115	4,069,157	4,499,295	5,016,092
Purchased Services	1,492,988	1,712,376	1,950,000	1,998,750	2,048,719	2,099,937	2,152,435
Materials, Supplies & Texts	400,327	588,195	731,931	631,828	637,465	656,589	676,287
Capital Outlay	115,867	163,046	225,000	235,000	245,000	255,000	260,000
Repayment of Borrowings	428,058	417,753	0	0	0	0	0
Other	531,810	626,428	697,715	711,669	725,903	735,000	750,000
Total Expenditures	12,088,681	13,024,361	14,082,191	14,840,567	15,611,292	16,406,242	17,362,865
Transfers and Advances	56,148	430,032	20,000	20,000	20,000	20,000	20,000
Current Year Contribution (Loss)	910,402	1,923,890	1,011,324	370,806	(604,980)	(1,253,798)	(2,129,260)
Cash Balance Before Reserve	1,485,964	3,436,566	4,876,601	5,267,407	4,682,426	3,448,629	1,339,368
Reserve for Contingencies		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Cash Balance after Reserve		2,436,566	3,876,601	4,267,407	3,682,426	2,448,629	339,368
Enrollment	1,480	1,464	1,468	1,467	1,444	1,439	1,402
Staffing:							
Teachers	88.6	91.08	91.08	91.08	91.08	91.08	91.08
Administrators	8	8	8	9	9	9	9
Classified	39.12	40.21	40.21	40.21	40.21	40.21	40.21
Non-Union	4	4	4	4	4	4	4
Total Employees (General Fund)	139.72	143.29	143.29	144.29	144.29	144.29	144.29

The full Five Year Forecast is available on the Ohio Department of Education Website:

www.ode.state.oh.us