

Miamisburg City School District

Five Year Forecast

FY 2014-15



Presented to the Community of Miamisburg

By: Tammy S. Emrick,
Treasurer/CFO

MIAMISBURG CITY SCHOOL DISTRICT - - MONTGOMERY COUNTY

IRN: 44396

Schedule of Revenues, Expenditures and Changes in Fund Balances

ACTUAL AND FORECASTED OPERATING FUND

	Actual				3yr Avg Change	Forecasted				
	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014			Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019
Revenues										
1.010 General Property Tax (Real Estate)	27,696,781	28,319,585	28,047,270	2.7%	28,055,000	27,876,680	27,870,800	28,158,950	28,415,760	
1.020 Tangible Personal Property Tax	1,017,315	1,075,697	1,154,673	5.1%	1,211,275	1,245,525	1,244,300	1,251,925	1,260,100	
1.030 Income Tax	0	0	0	0.0%	0	0	0	0	0	
1.035 Unrestricted State Grants-in-Aid	11,046,281	11,316,945	12,404,208	4.2%	13,933,200	14,588,475	15,276,500	15,998,950	16,454,085	
1.040 Restricted State Grants-in-Aid	161,800	181,535	439,587	51.0%	551,425	475,350	475,350	475,350	475,350	
1.045 Restricted Federal Grants-in-Aid - SFSF	531,264	54,876	0	-77.4%	0	0	0	0	0	
1.050 Property Tax Allocation	6,065,119	5,299,735	5,349,964	-6.2%	5,346,500	5,322,500	5,327,050	5,053,875	4,778,420	
1.060 All Other Revenues	3,536,085	1,139,954	1,983,466	51.6%	1,480,000	1,820,500	3,375,000	3,375,000	2,975,000	
1.070 Total Revenues	50,054,645	47,388,327	49,379,168	1.8%	50,577,400	51,329,031	53,569,000	54,314,051	54,358,716	
Other Financing Sources										
2.010 Proceeds from Sale of Notes	0	0	0	-100.0%	0	0	0	0	0	
2.020 State Emergency Loans and Advancements (Approved)	0	0	0	0.0%	0	0	0	0	0	
2.040 Operating Transfers-In	0	0	0	0.0%	0	0	0	0	0	
2.050 Advances-In	40,075	21,950	81,500	60.1%	15,000	40,000	40,000	40,000	40,000	
2.060 All Other Financing Sources	50,994	(5,465)	160,610	-1080.3%	135,500	10,000	10,000	10,000	10,000	
2.070 Total Other Financing Sources	91,069	16,485	242,110	396.7%	150,500	50,000	50,000	50,000	50,000	
2.080 Total Revenues and Other Financing Sources	50,145,714	47,404,812	49,621,278	0.1%	50,727,900	51,379,031	53,619,000	54,364,051	54,408,716	
Expenditures										
3.010 Personal Services	27,682,098	27,851,296	28,582,069	0.7%	29,651,255	30,320,325	31,008,465	31,689,015	32,385,341	
3.020 Employees' Retirement/Insurance Benefits	10,654,950	9,998,781	10,191,216	-1.0%	10,882,615	11,326,520	11,636,115	11,972,660	12,267,350	
3.030 Purchased Services	5,231,331	5,803,457	6,012,699	9.1%	7,198,963	7,673,500	8,253,705	8,749,025	9,256,820	
3.040 Supplies and Materials	1,079,856	1,094,510	1,108,224	5.5%	1,425,767	1,380,000	1,380,000	1,380,000	1,380,000	
3.050 Capital Outlay	0	0	0	0.0%	0	0	0	0	0	
3.060 Intergovernmental	0	0	0	0.0%	0	0	0	0	0	
Debt Service:										
4.010 Principal-All (Historical Only)	2,000,000	0	0	-100.0%	0	0	0	0	0	
4.020 Principal-Notes	0	0	0	0.0%	0	0	0	0	0	
4.030 Principal-State Loans	0	0	0	0.0%	0	0	0	0	0	
4.040 Principal-State Advancements	0	0	0	0.0%	0	0	0	0	0	
4.050 Principal-HB 264 Loans	0	0	0	0.0%	0	0	0	0	0	
4.055 Principal-Other	0	0	0	0.0%	0	0	0	0	0	
4.060 Interest and Fiscal Charges	30,000	0	0	-100.0%	0	0	0	0	0	
4.300 Other Objects	1,164,039	896,823	1,252,108	12.2%	1,333,700	1,373,725	1,401,200	1,429,225	1,457,825	
4.500 Total Expenditures	47,842,274	45,644,867	47,146,316	1.6%	50,492,300	52,074,070	53,679,485	55,219,925	56,747,336	
Other Financing Uses										
5.010 Operating Transfers-Out	528,516	526,075	532,828	8.0%	559,000	590,000	620,000	625,000	625,000	
5.020 Advances-Out	21,950	81,500	13,800	47.7%	40,000	40,000	40,000	40,000	40,000	
5.030 All Other Financing Uses	0	0	0	0.0%	0	0	0	0	0	
5.040 Total Other Financing Uses	550,466	607,575	546,628	5.9%	599,000	630,000	660,000	665,000	665,000	
5.050 Total Expenditures and Other Financing Uses	48,392,740	46,252,442	47,692,944	1.7%	51,091,300	52,704,070	54,339,485	55,884,925	57,412,336	
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	1,752,974	1,152,370	1,928,334	-8.1%	(363,400)	(1,325,039)	(720,485)	(1,520,874)	(3,003,620)	
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	5,089,417	6,842,391	7,994,761	155.4%	9,923,095	9,559,695	8,234,656	7,514,171	5,993,297	
7.020 Cash Balance June 30	6,842,391	7,994,761	9,923,095	25.1%	9,559,695	8,234,656	7,514,171	5,993,297	2,989,677	
8.010 Estimated Encumbrances June 30	767,568	963,963	686,580		700,000	600,000	600,000	600,000	600,000	
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	
9.045 Fiscal Stabilization	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	
10.010 Fund Balance June 30 for Certification of Appropriations	6,074,823	7,030,798	9,236,515		8,859,695	7,634,656	6,914,171	5,393,297	2,389,677	
Revenue 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	310,165	0	0	
11.300 Cumulative Balance of Replacement/Renewal Levies	0	0	0		0	0	310,165	310,165	0	
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	6,074,823	7,030,798	9,236,515		8,859,695	7,634,656	6,914,171	5,703,462	2,699,842	
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	6,074,823	7,030,798	9,236,515		8,859,695	7,634,656	6,914,171	5,703,462	2,699,842	

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INTRODUCTION

The School District

The District operates under a locally-elected board consisting of five members elected at-large for staggered four year terms. The legislative power of the District is vested in the Board of Education. The District currently operates fourteen public buildings, including one high school, one middle school (grades 6-8), seven K-5 elementaries, one preschool, one maintenance building, one transportation facility, the former middle school and the central office building. The district currently wrapped up a \$78.5 million construction project. The existing High School was renovated along with the addition of two new academic wings and a new auxiliary gymnasium. Completion was October 2012. A new elementary, Jane Chance Elementary, was completed in August 2010 and a new Middle School (Grades 6-7-8) was completed for occupancy in August 2011. The current Kinder elementary has been renovated, with a newly constructed academic wing and was ready for occupancy in August 2012. A new HVAC system at Bauer Elementary was installed, the playground/parking area at Mound was reconfigured and various security updates and wiring infrastructure updates were performed. The former middle school is currently being used for administrative offices.

Nature of the Forecast

The financial forecast presents, to the best of our knowledge and belief, the expected revenues, expenditures and operating balance of the General Fund, the State Fiscal Stabilization Fund and the Education Jobs Fund. Accordingly, the forecast reflects our judgment of the expected conditions and its expected course of action as of September 18, 2014, the date of this forecast. The assumptions disclosed herein are those that management believes are significant to the forecast. Differences between the forecasted and actual results will usually arise because events and circumstances frequently do not occur as expected, and those differences may be material.

History

The Miamisburg City School District has achieved decreases in staff costs in the past due to reduction in personnel and salary freezes. For FY 2013-14 and FY 2014-15 staff costs are anticipated to rise due to the awarding of base salary increases, after four years of base salary freezes and two years of step freezes.

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REVENUES

Line 1.010 - General Property Taxes (Real Estate): The Miamisburg City School District lies in Montgomery County. Property values are established each year by the County Auditor based on new construction and applicable reappraisals or updates. Every six years the County Auditor reappraises properties in the county.

The last finalized reappraisal was in calendar year 2008 with collections beginning in calendar year 2009. Every three years after the reappraisal, the County Auditor updates values based on sales records. This update took place in calendar year 2011 for tax collections in calendar year 2012. The county is due for a reappraisal in calendar 2014 and it is expected that property values in the District will decrease overall by 3.1%.

The Miamisburg City School District is different from most of the other school districts in the State of Ohio because a new highway interchange has been constructed in the district. A Cooperative Agreement (otherwise known as the Austin Road TIF) by the Montgomery County Transportation Improvement District, Miami Township (Montgomery County), Miamisburg City, Springboro City and the District cover the land around this interchange. This agreement allows our district to share in revenues otherwise lost when property tax abatements are granted. Revenue was first received in FY 2009 with 75% being recorded in the Permanent Improvement Fund (which by law is not shown in this forecast) and 25% being recorded in the General Fund. An amendment to the original agreement which was entered into on July 8, 2008 called for an advance payment of \$2.25 million to be used solely for capital improvements. In return, the district agreed to increase the indebtedness cap within the TID. The agreement also was contingent upon the refinancing of the Long Farm Property but stated that in no event later than December 31, 2008 the district would receive the advance payment. Due to economic downturn and economic conditions, the timeline was not met. Only \$250,000 was received on June 25, 2009. As the district's needs changed during the next two years, an amendment was adopted by all the parties in the Austin Road TIF to release the district from the requirement that 75% of TIF funds be used for permanent improvements and 25% for general operating expenses. The TIF payment of \$2 million plus interest was received on September 6, 2011. This payment was placed in the General Fund and it is the current Board of Education's and administration's intent to place future payments in the General Fund. More information is shown under 1.06 All Other Revenues.

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The district's estimates for assessed property valuation (excluding tax exempt property) are as follows:

Tax Year				
2002	\$742,337,610	Actual	13.25%	Reappraisal Year
2003	\$761,542,720	Actual	2.59%	
2004	\$776,065,360	Actual	1.91%	
2005	\$870,106,280	Actual	12.12%	Update Year
2006	\$886,872,260	Actual	1.93%	
2007	\$898,978,000	Actual	1.36%	
2008	\$916,767,900	Actual	1.98%	Reappraisal Year
2009	\$906,108,510	Actual	-1.16%	
2010	\$902,604,270	Actual	-0.39%	
2011	\$849,646,210	Actual	-5.87%	Update Year
2012	\$837,952,880	Actual	-1.38%	
2013	\$833,258,450	Actual	-0.56%	
2014	\$807,212,560	Actual	-3.13%	Reappraisal Year
2015	\$809,768,326	Estimated	0.32%	
2016	\$812,328,558	Estimated	0.32%	
2017	\$814,901,590	Estimated	0.32%	Update Year
2018	\$814,901,590	Estimated	0.00%	

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On May 4, 2010 voters of the district approved a \$6,775,000 million 3 year emergency levy, which was renewed in November 2012 for 5 years at the same dollar amount. The district also passed a \$7,225,000 million 5 year substitute emergency levy on February 2, 2010, which is on the November 2014 ballot for renewal. The substitute levy replaced a current emergency levy and will provide for growth in tax collections as new construction comes on the tax duplicate. The district began collection of both levies January 1, 2011.

Property Taxes project an increase of \$7,730 for FY 2015 and show a decrease of \$272,315 or -.96 % for FY 2014. The FY 2012 tax collections included several one-time large refunds due to tax exemptions and abatements being granted and board of revisions cases being settled, which as a result decreased current collections. While FY 2013 also included the same type of refunds, the amount was not as much as the previous year. The District is making a concentrated effort to resolve any outstanding board of revision cases.

Actuals

<u>Fiscal Year</u>	<u>Percentage growth in collections</u>
FY 2011-12	6.68%
FY 2012-13	2.25%
FY 2013-14	(.96)%

Estimated

<u>Fiscal Year</u>	<u>Percentage growth in collections</u>
FY 2014-15	.03%
FY 2015-16	(.64)%
FY 2016-17	(.02)%
FY 2017-18	1.03%
FY 2018-19	.91%

The 2013 total effective tax rate of 46.73 mills includes 4.22 inside, 17.09 outside continuing operating, 8.33 emergency, 8.18 substitute emergency, 5.62 bond, and 3.29 permanent improvement mills. Listed below is the total effective millage for tax year 2013 for the surrounding school districts. Miamisburg City School District is 13 out of 30 districts.

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2013 Property Tax Effective Millage Rates

<u>School District</u>	<u>Total Effective Millage</u>
1. OAKWOOD CSD	67.95
2. KETTERING CSD	54.36
3. HUBER HEIGHTS CSD	50.97
4. TROTWOOD-MADISON CSD	49.92
5. NORTHMONT CSD	49.71
6. DAYTON CSD	49.13
7. MIDDLETOWN CSD	49.08
8. LITTLE MIAMI LSD	48.34
9. CENTERVILLE CSD	48.28
10. VANDALIA-BUTLER CSD	47.22
11. MAD RIVER LSD	47.07
12. NORTHRIDGE LSD (MONTGOMERY CO.)	46.89
13. MIAMISBURG CSD	46.73
14. MONROE LSD	45.80
15. WEST CARROLLTON CSD	45.15
16. BEAVERCREEK CSD	44.59
17. LAKOTA LSD (BUTLER CO.)	44.01
18. LEBANON CSD	40.77
19. WAYNE LSD	40.62
20. SUGARCREEK LSD	39.91
21. SPRINGBORO COMMUNITY SD	38.45
22. BROOKVILLE LSD	37.92
23. XENIA COMMUNITY CSD*	36.60
24. HAMILTON CSD	35.64
25. FRANKLIN CSD	33.47
26. FAIRBORN CSD*	32.10
27. VALLEY VIEW LSD*	31.24
28. CARLISLE LSD*	31.03
29. JEFFERSON LSD (MONTGOMERY CO.)	30.68
30. TROY CSD*	26.29

*These school districts also have an income tax on residents ranging from ½% to 1 ½%

Line 1.020 - Tangible Personal Property Tax : The Business Inventory Tangible Tax Assessment Rate was modified with HB 283, adopted in 1999 and again with HB 95, adopted in June 2003. The provision of HB 95 accelerates the rate at which the inventory tax is phased out. The assessed valuation rate of the inventory component of personal property taxes was reduced with HB 283 by 1% per year beginning January 1, 2002 tax year and now with the passage of HB 95 will be reduced 2% per year beginning January 1, 2005 with full phase out in 2015. The provisions of these two laws reduced the assessment rate from 25% to 0% over the 14 year period.

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HB 66, which is the House's version of the biennium budget bill for FY 2006 and 2007, proposed tax reform. This legislation, which was put into law on July 1, 2005, eliminated all three components of the Tangible Personal Property (TPP) tax: machinery and equipment, inventory, and furniture and fixtures (elimination of furniture and fixtures was not included in the governor's proposal). It also phased out the TPP completely over five years. For five years there will be full replacement of lost school district revenue in part through the school funding formula and the remainder through direct payments from the state. The Miamisburg City School District will receive direct payments, as well as payments through the school funding formula. Originally, after five years, the direct payments from the state were to be phased out through 2018, but legislation delayed the direct payment phase out by two years. H.B. 66 legislation in June 2011 once again accelerated the phase out of the reimbursement. The phase out will now be no more than 2.0% of the District's 2010 general fund local tax and state revenue. Original legislation also accelerated the phase-out of the \$10,000 exemption replacement payments (ends by 2010 instead of 2013 as under former law - fewer total dollars for school districts) and it eliminated the 10% Rollback on Commercial Real Property. The district is projected to receive reimbursements which will be shown under line 1.050, Property Tax Allocation, per the guidelines from the Ohio Department of Education. In FY 2014, the beginning of a new biennium, legislation maintained the current level of direct payments.

Line 1.035 & Line 1.040 - Unrestricted and Restricted Grants-in-Aid:

Unrestricted Grants-in-Aid (Line 1.035) accounts for the majority of the state funds received for general operating purposes. Prior to FY09, the District received this funding from the SF-3, a document which calculates per pupil funds and categorical funding for programs like vocational education and special education. However, with the passage of the state budget (HB1) on July 1, 2009, a different school funding formula was implemented.

Beginning with the state biennium budget cycle of July 1, 2009 through June 30, 2011, Ohio schools were funded based on an evidence based model (EBM). This model linked educational research on academic achievement and successful outcomes with funding components to achieve results. The goal was to have schools no longer reliant upon property tax for state funding. The EBM was scheduled to be phased-in over 10 years with full implementation scheduled for FY 19. Rather than relying on the familiar per pupil base cost amount from the foundation funding formula, the EBM provided funding for a series of education components. While funding levels for each of these components were determined individually, funding was based on calculations that related to either the formula ADM in the district or the number of "organizational units" that the district had at that point in time.

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For FY2010 and FY2011, the District received all school funding using the PASS (Pathway to Student Success) form. Beginning with the biennium budget cycle of July 1, 2011 through June 30, 2013, districts were slated to be funded on yet another different formula. FY 2012 was funded through a “bridge” formula with the latest formula to be created and implemented beginning in FY 2013. This funding formula was put on hold until FY 2014, which is the beginning of a new biennium state budget cycle. The latest funding formula went into effect July 1, 2014 and has the following components;

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
Opportunity Grant	\$12,112,090	\$12,228,045
Targeted Assistance	506,180	642,968
LEP Addtl Funding	37,929	38,308
Economically Disadvantaged Aid	378,860	383,085
K3 Literacy Funding	205,341	279,228
Gifted Identification and Units	260,686	263,293
Career-Tech Addtl Funding (exempted from cap)	149,001	150,437
Transportation	1,698,639	1,691,541
Special Ed Funding (exempted from cap)	1,933,532	1,951,930
Effect of Cap	-5,422,018	-4,523,269
	<u>\$11,860,240</u>	<u>\$13,105,566</u>

Guarantees for school districts remain in place at 100% of prior year funding and a new cap which limits the amount of funding increases a district can receive are part of the current budget bill. This cap limits increases to 6.25% in FY 2014 and 10.5% in FY 2015. *Without that cap Miamisburg Schools would have received an additional \$9.9 million over two years.*

These payments are received twice per month and are largely driven by student enrollment and the District’s wealth in terms of income per capita and valuation per pupil.

Even though future increases or reductions of state monies after FY 2015 are uncertain at best, the district has projected a 5% increase from FY 2016 through FY 2018 and a 3% increase in FY 2019 due to the assumption that the state imposed cap will be incrementally lifted.

Beginning with FY 2013 this category also includes the new flow of casino revenue money. This amount is projected at \$50 per student for FY 2014 and beyond, which equates to around \$280,000 for the District.

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The following table illustrates the amount of state funding received and its importance to the District. The even-numbered fiscal years are the beginning of the State's biennial budget.

Fiscal Year	Unrestricted	Percentage Increase	Restricted	Percentage Increase	Total Funding	Percentage Increase
2011	\$10,974,396	-4.34%	\$1,088,203	245.82%	\$12,062,599	0.82%
2012	\$11,046,281	0.66%	\$693,064	-36.31%	\$11,739,345	-2.68%
2013	\$11,316,945	2.45%	\$236,411	-65.89%	\$11,553,356	-1.58%
2014	\$12,404,208	9.61%	\$439,587	85.94%	\$12,843,795	11.17%
2015	\$13,933,200	12.33%	\$551,425	25.44%	\$14,484,625	12.78%
2016	\$14,588,475	4.70%	\$475,350	-13.80%	\$15,063,825	4.00%
2017	\$15,276,500	4.72%	\$475,350	0.00%	\$15,751,850	4.57%
2018	\$15,998,950	4.73%	\$475,350	0.00%	\$16,474,300	4.59%
2019	\$16,454,085	2.84%	\$475,350	0.00%	\$16,929,435	2.76%

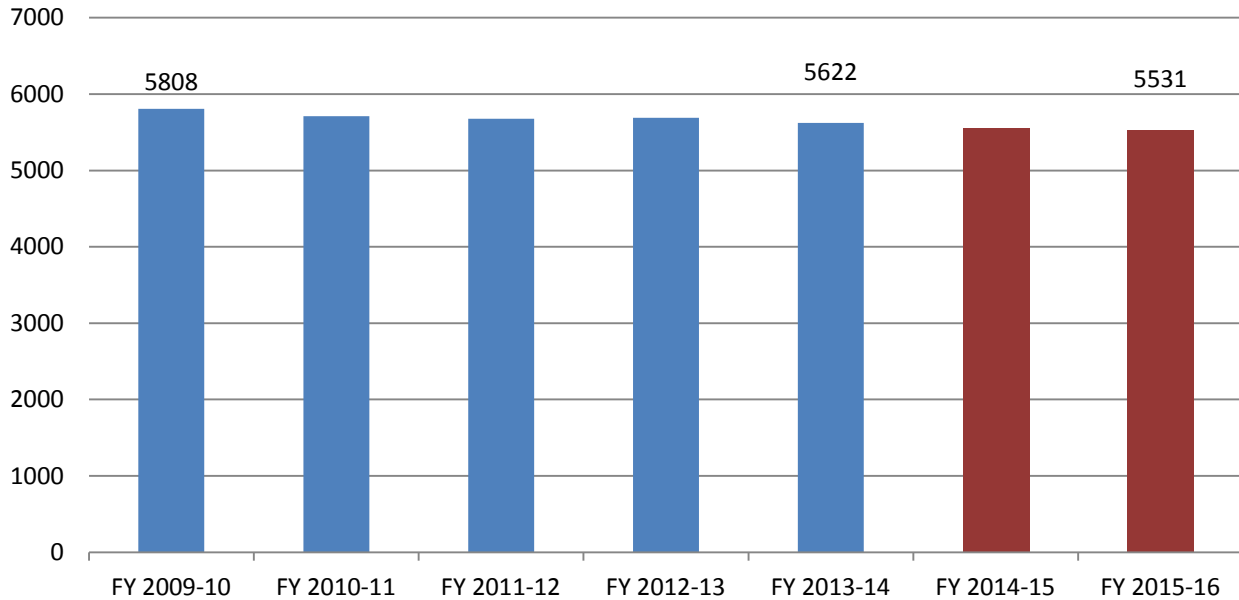
Restricted Grants-in-Aid (Line 1.040) accounts for the revenues received from the state that have some type of restricted use. Poverty Based Assistance funding was eliminated beginning in FY 2010. Career technical education funding is the only *state* restricted funding the District received from FY10 through FY 2013. Beginning with the new funding formula in FY 2014 the District received around \$243,707 of Economically Disadvantaged Aid and in FY 2015 is projected to receive \$271,485. This category currently includes catastrophic aid and career tech funding in addition to economically disadvantaged aid.

Restricted Grants-in-Aid SFSF (Line 1.045) Restricted funding in FY 2010 and FY 2011 includes State Fiscal Stabilization monies (SFSF). FY 2012 and FY 2013 includes Education Jobs monies (Ed Jobs). This funding is accounted for in a separate fund and is part of the stimulus funding authorized by the federal government. The SFSF funding will be eliminated in FY 2012 and in FY 2013 Education Jobs money will be eliminated.

The following chart illustrates the District's historical changes in enrollment (head count). Enrollment has been trending lower due to lower kindergarten class sizes the past several years. This information was obtained from the EMIS enrollment reports.

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Historic vs. Projected Enrollment



Line 1.050 - Property Tax Allocation: Homestead and Rollback include the original 10% property tax rollback enacted in 1971, for all real property owners. In 1979, an additional 2.5% rollback was enacted for owner occupied homes. Homeowners 65 years old or permanently disabled may be eligible for the homestead exemption based on income class. The homestead exemption was put into effect in 1976. The 2.5% rollback and the homestead exemption are not automatic and must be applied for through the County Auditor's office. The tax credits are reimbursed to the School District through the State of Ohio and are calculated by applying the appropriate percentages to residential and commercial property tax collections.

Starting July 2, 2007, the Homestead Exemption is now available to **all** Ohio homeowners, **regardless of income**, who are either age 65 or older or permanently and totally disabled. These changes are the result of House Bill 119, which was signed into law by the Governor on June 30, 2007.

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Previously, eligibility for the Homestead Exemption was restricted through income tests that disqualified most senior citizens. For example, during the 2006 tax year, any senior citizen or disabled Ohioans with household income of more than \$26,200 per year could not qualify for the savings. Because of these changes, the number of households eligible for the Homestead Exemption grew. This Homestead Exemption started with tax bills payable in 2008. For real property, bills paid in 2008 cover the 2007 tax year. For manufactured or mobile homes, bills paid in 2008 cover the 2008 tax year.

The latest legislation, effective November 2013, returns the Homestead exemption to a “means test” qualifier and completely eliminates the 10% and 2 ½% Rollback replacement payments to property taxpayers, for new property tax levies.

When property tax collections go up normally this reimbursement goes up too. If large amounts of delinquencies are collected it will affect the relationship between these two taxes because Homestead and Rollback is paid by the state based on the tax duplicate for that time period. The timing of the homeowner payment is not a factor in the state payment. On May 2, 2010 voters of the district approved a \$6,775,000 million 3 year emergency levy (which was renewed in November 2012 for 5 years), therefore, the Homestead & Rollback reimbursement increased. The district began collection of this additional reimbursement January 1, 2011.

Actuals

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Homestead & Rollback</u>	<u>Homestead & Rollback as a % of Property Tax</u>
FY 2011-12	\$27,696,781	\$3,367,922	12.16%
FY 2012-13	\$28,319,585	\$3,420,284	12.08%
FY 2013-14	\$28,047,270	\$3,470,514	12.37%

Estimated

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Homestead & Rollback</u>	<u>Homestead & Rollback as a % of Property Tax</u>
FY 2014-15	\$28,055,000	\$3,467,050	12.36%
FY 2015-16	\$27,876,680	\$3,443,050	12.35%
FY 2016-17	\$27,870,800	\$3,447,600	12.37%
FY 2017-18	\$28,469,115	\$3,484,590	12.24%
FY 2018-19	\$28,725,925	\$3,519,300	12.25%

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This category shows a decrease of \$3,464 for FY 2015 due to a slight decrease in the Homestead & Rollback reimbursement. Direct payments for the Tangible Personal Property reimbursement will be made in November and May of each year. As described in note 1.02 beginning with FY 2012, the state budget bill called for an accelerated phase out of these reimbursements for FY 2012 and FY 2013.

The following table details the components of this category;

	FY	FY	%	FY	%	3-year
	2011-12	2012-13	Change	2013-14	Change	Change
Homestead & Rollback	\$3,367,922	\$3,420,284	1.55%	\$3,470,514	1.47%	1.51%
Tangible Personal Property	\$2,697,198	\$1,879,450	-30.32%	\$1,879,450	0.00%	- 16.52%
TOTALS	\$6,065,120	\$5,299,734	-12.62%	\$5,349,964	0.95%	-6.08%

	FY	%	FY	%	FY	%
	2014-15	Change	2015-16	Change	2016-17	Change
Homestead & Rollback	\$3,467,050	-0.10%	\$3,443,050	-0.69%	\$3,447,600	0.13%
Tangible Personal Property	\$1,879,450	0.00%	\$1,879,450	0.00%	\$1,879,450	0.00%
TOTALS	\$5,346,500	-0.06%	\$5,322,500	-0.45%	\$5,327,050	0.09%

	FY	%	FY	%	FY	%
	2017-18	Change	2018-19	Change	2019-20	Change
Homestead & Rollback	\$3,484,590	1.07%	\$3,519,300	1.00%	\$3,519,300	0.00%
Tangible Personal Property	\$1,569,285	-16.50%	\$1,259,120	-19.76%	\$1,259,120	0.00%
TOTALS	\$5,053,875	-5.13%	\$4,778,420	-5.45%	\$4,778,420	0.00%

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Line 1.060 - All Other Revenue: This line item serves as a miscellaneous revenue category. The primary revenue streams are interest earnings, tuition, class fees, and revenue in lieu of taxes.

	FY	FY	%	FY	%	3-year
	2011-12	2012-13	Change	2013-14	Change	Change
Tuition	\$400,742	\$452,020	12.80%	\$436,464	-3.44%	4.36%
Transportation	\$75,650	\$61,940	-18.12%	\$40,365	-34.83%	-26.95%
Interest	\$70,987	\$61,516	-13.34%	\$70,658	14.86%	-0.23%
Rental of Property	\$4,305	\$114,539	2560.60%	\$108,056	-5.66%	401.00%
TIF revenues	\$2,272,657	\$0	-100.00%	\$687,944		-44.98%
Secondary Academy Reimbursement	\$147,899	\$32,999		\$37,676	14.17%	
Enterprise Zone Income Tax Sharing	\$189,706	\$177,396	-6.49%	\$210,332	18.57%	5.30%
CAFS Reimbursement	\$100,486	\$132,692	32.05%	\$310,759	134.20%	75.86%
Parochial Administration	\$0	\$77,008		\$37,808		
All other revenue	\$273,654	\$29,844	-89.09%	\$14,544	-51.27%	-76.95%
Virtual Card program Rebates				\$28,860		
TOTALS	\$3,536,086	\$1,139,954	-67.76%	\$1,983,466	74.00%	-25.11%

	FY	%	FY	%	FY	%
	2014-15	Change	2015-16	Change	2016-17	Change
Tuition	\$420,000	-3.77%	\$400,000	-4.76%	\$400,000	0.00%
Transportation	\$45,000	11.48%	\$45,000	0.00%	\$45,000	0.00%
Interest	\$80,000	13.22%	\$55,000	-31.25%	\$55,000	0.00%
Rental of Property	\$70,000	-35.22%	\$5,000	-92.86%	\$5,000	0.00%
TIF revenues	\$350,000	-49.12%	\$850,000	142.86%	\$2,400,000	182.35%
Secondary Academy Reimbursement	\$55,000	45.98%	\$0	-100.00%	\$0	
Enterprise Zone Income Tax Sharing	\$200,000	-4.91%	\$200,000	0.00%	\$200,000	0.00%
CAFS Reimbursement	\$150,000	-51.73%	\$150,000	0.00%	\$155,000	3.33%
Parochial Administration	\$40,000	5.80%	\$50,000	25.00%	\$50,000	0.00%
All other revenue	\$40,000	175.03%	\$35,500	-11.25%	\$35,000	-1.41%
Virtual Card program Rebates	\$30,000	3.95%	\$30,000	0.00%	\$30,000	0.00%
TOTALS	\$1,480,000	-25.38%	\$1,820,500	23.01%	\$3,375,000	85.39%

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	FY	%	FY	%	FY	%
	2017-18	Change	2018-19	Change	2018-19	Change
Tuition	\$400,000	0.00%	\$400,000	0.00%	\$400,000	0.00%
Transportation	\$45,000	0.00%	\$45,000	0.00%	\$45,000	0.00%
Interest	\$55,000	0.00%	\$55,000	0.00%	\$55,000	0.00%
Rental of Property	\$5,000	0.00%	\$5,000	0.00%	\$5,000	0.00%
TIF revenues	\$2,400,000	0.00%	\$2,000,000	-16.67%	\$2,000,000	0.00%
Secondary Academy Reimbursement	\$0		\$0		\$0	
Enterprise Zone Income Tax Sharing	\$200,000	0.00%	\$200,000	0.00%	\$200,000	0.00%
CAFS Reimbursement	\$155,000	0.00%	\$155,000	0.00%	\$155,000	0.00%
Parochial Administration	\$50,000	0.00%	\$50,000	0.00%	\$50,000	0.00%
All other revenue	\$35,000	0.00%	\$35,000	0.00%	\$35,000	0.00%
Virtual Card program Rebates	\$30,000	0.00%	\$30,000	0.00%	\$30,000	0.00%
TOTALS	\$3,375,000	0.00%	\$2,975,000	-11.85%	\$2,975,000	0.00%

In FY 2014 the district implemented a program called “virtual card payment system” in which payments to vendors are made through a credit card rebate program. It is estimated at this time that rebates will continue to generate an additional \$30,000 for the district.

Beginning in FY 2016 it is projected that the District will begin to realize revenue from the Austin Road TIF in the amount of \$500,000, which will consist of base payments and arrearage payments. In FY 2017 this amount is projected to be \$2 million, FY 2018 is also projected to be \$2 million and FY 19 is projected to be \$1.6 million. Future amounts, assume the arrearage will be caught up and payments will consist of the base payment and a “kicker” of 25%. In the original agreement the District agreed to be last in line for payment of revenues and in exchange will receive a 25% additional payment after all parties are in a cumulative surplus position based on total revenue, less CAP debt and base school payments.

The District is also a party to the Dayton Mall TIF and currently receives annual payments of around \$350,000.

In addition to the two TIF’s the District has a long standing enterprise zone income tax sharing agreement with the City of Springboro which generates around \$200,000 annually.

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Line 1.070 - Total Operational Revenue: This projection shows total revenues increasing by \$1,198,232 or 2.43% for FY 2015 and then increasing 1.49% in FY 2016 and by 4.36% in FY 2017 due to increased state funding and Austin Road TIF payments.

<u>Actuals</u>		
<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Percentage growth/ (decrease)</u>
FY 2010-11	\$46,955,980	
FY 2011-12	\$50,054,645	6.60%
FY 2012-13	\$47,388,327	-5.33%
FY 2013-14	\$49,379,168	4.20%
<u>Estimated</u>		
<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Percentage growth/ (decrease)</u>
FY 2014-15	\$50,577,400	2.43%
FY 2015-16	\$51,329,031	1.49%
FY 2016-17	\$53,569,000	4.36%
FY 2017-18	\$54,314,051	1.39%
FY 2018-19	\$54,358,716	0.08%

Line 2.050 - Advances In (Return of Advances Out) : Advances In are advances of monies within the general fund between special cost centers or to another fund that has a specific purpose. By law a school district is permitted, upon board action, to advance monies from the general fund to any other fund on the district's books. Advances are internal accounting transactions which are temporary in nature and must be paid back to the original fund.

Line 2.060 - All Other Financing Sources: These amounts are various non-operating revenue accounts such as refund of prior year expenditures, sale of assets, and receipts from insurance claims. It is anticipated that that this category will level out in future years.

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EXPENDITURES

Line 3.010 - Personal Services: This line item accounts for all salaries and wages paid by the District in the General Fund. The District recognizes the following classifications of employees:

- Miamisburg Classroom Teachers Association (MCTA);
- Teamsters Local Union No. 957 – Custodial, Maintenance, Food Service, Transportation, Computer Techs, Monitors, Interpreters and Library & Classroom Aides;
- Non-Bargaining Unit Employees; and
- Administrators.

Current negotiated agreements between the District & MCTA and the District & Teamsters Local Union No. 957 will expire June 30, 2015.

Step Increases:

Step increases are the result of employees' advancement on their respective salary schedules in terms of longevity. In addition, teachers may move from one educational level to another as a result of the completion of additional college educational requirements. The individual staff members percentage increase for FY 2011, depending on the teacher's placement, ranged anywhere from a 5.6% increase at the bottom of the salary schedule to a 1.40% increase at the top of the schedule. The increase in total cost for salary schedule movement in any given year is normally 2.35% of salaries or almost \$435,000 since not all teachers receive step increases. All staff agreed to step freezes in FY 2012, 2013, FY 2014 and FY 2015. This step freeze will generate approximately \$700,000 (including benefits) worth of general fund savings each year.

Staffing Changes:

In FY 2011 positions were eliminated in an effort to reduce expenditures for an approximate cost savings of \$2.4 million. Even though the district realized a savings of \$2.4 million, that amount was offset due to increasing costs such as step increases.

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Negotiated Increases:

Currently, the District is operating under a two year contract with the Miamisburg Classroom Teachers Association. This contract provides for a base salary increase of 3% for FY 2013-14 and a base salary increase of 2% for FY 2014-15. Step increases are frozen for both years. Prior to this negotiated agreement, the base salary was frozen for four years and step freezes were frozen for two years.

The District is also operating under a two year contract with the Teamsters Local Union No. 957, which expires on June 30, 2015. This contract provides for a base salary increase of 3% for FY 2013-14 and a base salary increase of 2% for FY 2014-15. Prior to this contract, the most recent labor contract with the Teamsters Local Union No. 957 expired on June 30, 2013. That contract did not provide for a base salary increase, nor step increases.

FY12, as well as FY 13 reflects the base salary freeze and the step freeze for all staff. FY 13 includes additional staff needed for the reopening of Kinder Elementary and for special education. FY 14 includes a 3% base salary increase, FY 15 includes a 2% base salary increase and FY 16 through FY 18 includes the equivalent of a 2% base salary increase. FY 12 and FY 13 include the SFSF and Ed Jobs salary amounts which are being absorbed back into the general fund beginning in FY 13.

Standard benchmarks indicate that the ratio of salary & fringe benefits should be no more than 80%. A ratio between 80% and 85% indicate a need to watch those two areas closely and a ratio more than 85% indicate that most of the revenue is being spent on personnel costs. Because the District purchases equipment from the Permanent Improvement Funds, this ratio will tend to be higher than other districts.

The following chart indicates the District's compliance to that benchmark;

	Actual FY 2010-11	Actual FY 2011-12	Actual FY 2012-13	Actual FY 2013-14
Salary & Fringe Benefits	\$38,499,818	\$38,337,048	\$37,850,077	\$38,773,285
Total Operating Revenue	\$46,955,980	\$50,054,645	\$47,388,327	\$49,379,168
Salary & Fringe Benefits as a % of Operating Revenue	81.99%	76.59%	79.87%	78.52%

	Projected FY 2014-15	Projected FY 2015-16	Projected FY 2016-17	Projected FY 2017-18
Salary & Fringe Benefits	\$40,533,870	\$41,646,845	\$42,644,580	\$43,661,675
Total Operating Revenue	\$50,577,400	\$51,329,031	\$53,569,000	\$53,314,051
Salary & Fringe Benefits as a % of Operating Revenue	80.14%	81.14%	79.61%	81.90%

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	FY	FY	%	FY	%	3-year
	2011-12	2012-13	Change	2013-14	Change	Change
Certificated Salaries & Wages	\$19,882,134	\$20,430,778	2.76%	\$20,810,059	1.86%	2.31%
Classified Salaries & Wages	\$5,840,415	\$5,983,634	2.45%	\$6,196,298	3.56%	3.01%
Overtime	\$102,252	\$116,585	14.02%	\$107,637	-7.68%	2.60%
Substitutes	\$873,029	\$831,159	-4.80%	\$936,588	12.68%	3.58%
Supplementals	\$432,411	\$443,532	2.57%	\$531,487	19.83%	10.87%
TOTALS	\$27,130,241	\$27,805,688	2.49%	\$28,582,500	2.79%	2.64%
PBA/SFSF	\$158,467		-100.00%			-100.00%
Ed Jobs	\$393,390	\$45,608				
TOTALS	\$27,682,098	\$27,851,296	.61%	\$28,582,069	2.62%	1.61%

	FY	%	FY	%	FY	%
	2014-15	Change	2015-16	Change	2016-17	Change
Certificated Salaries & Wages	\$21,633,130	3.96%	\$22,027,181	1.82%	\$22,499,128	2.14%
Classified Salaries & Wages	\$6,330,120	2.15%	\$6,569,068	3.77%	\$6,748,372	2.73%
Overtime	\$118,400	10.00%	\$124,919	5.51%	\$131,584	5.34%
Substitutes	\$934,450	-0.23%	\$952,232	1.90%	\$970,418	1.91%
Supplementals	\$635,155	19.51%	\$646,925	1.85%	\$658,963	1.86%
TOTALS	\$29,651,255	3.74%	\$30,320,325	2.26%	\$31,008,465	2.27%

	FY	%	FY	%	FY	%
	2017-18	Change	2018-19	Change	2019-20	Change
Certificated Salaries & Wages	\$22,958,723	2.04%	\$23,460,113	2.18%	\$23,929,315	2.00%
Classified Salaries & Wages	\$6,931,626	2.72%	\$7,088,037	2.26%	\$7,229,798	2.00%
Overtime	\$138,398	5.18%	\$145,359	5.03%	\$148,266	2.00%
Substitutes	\$989,003	1.92%	\$1,007,995	1.92%	\$1,028,155	2.00%
Supplementals	\$671,265	1.87%	\$683,837	1.87%	\$697,514	2.00%
TOTALS	\$31,689,015	2.19%	\$32,385,341	2.20%	\$33,033,048	2.00%

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Line 3.020 - Employees' Retirement/Insurance Benefits: This line item accounts for all retirement and insurance benefits received by our employees, which includes STRS/SERS retirement contributions, medicare, health insurance, life insurance, workers' compensation, uniform allowance and unemployment.

STRS/SERS retirement contributions

The School District contributes 14% on wages paid to each employee to the State Teachers Retirement System and to the School Employees Retirement System. The retirement contributions are deducted from the School Foundation payments received from the State of Ohio. The amount deducted changes every January for STRS and every July for SERS based upon salary estimates and actual payments in the prior year.

The School Employees Retirement System also collects a surcharge for members earning under \$35,800 per year. By current legislation, the annual surcharge to the School District is capped at 2% of the total pay for all the members of the retirement system in the School District. In fiscal year 2014, the School District paid the capped amount of \$140,552, of which \$106,539 is for general fund.

Beginning with FY 2011 the SERS payment will increase due to a catch up amount of almost \$100,000 each year for six years. This catch up is required due to SERS changing how yearly estimates are paid.

Medicare

Medicare tax is paid by all employees hired after April 1, 1986. The School District is required to match the 1.45% payment made by these employees. Medicare taxes are expected to increase at a higher percentage than salaries as employees hired prior to April 1, 1986 leave employment and new employees are hired.

Insurance (Medical, Dental & Life)

Insurances remain to be a concern for District employees with the increasing cost of health care. Also, medical & dental increased in FY 2012 due to a catch up payment. FY 12 and FY 13 include the SFSE and Ed Jobs benefit amounts which are being absorbed back into the general fund beginning in FY 13.

The District gives each employee a defined dollar amount (which is negotiated) every calendar year to use for the purchase of medical and dental insurance. The District provides two plans; the traditional PPO plan or a High Deductible Health Savings Account. The amount above and beyond the board allowance is paid by the employee. For the HSA accounts, if the premium is lower than the board defined contribution the remainder is put into their HSA accounts as "seeding" monies which is theirs to use for medical expenses.

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The district has a High Deductible plan in conjunction with the Health Savings Accounts. Effective January 1, 2013 the medical deductibles are \$3,000 for single and \$6,000 for family. Beginning January 1, 2007, employees who are not considered full time have their defined benefit contribution prorated based on hours worked.

Since the board defined contribution had not been increased since CY 2009, the employee absorbed the full impact of any insurance premium increase. (10% for CY 2012 and 25.50% for CY 2011). CY 2014 board defined contribution levels will increase by 5% and CY 2015 board defined contribution levels will increase by 2 1/2%.

Board Defined Contributions for Medical & Dental							
	<u>CY 2009</u>	<u>CY 2010</u>	<u>CY 2011</u>	<u>CY 2012</u>	<u>CY 2013</u>	<u>CY 2014</u>	<u>CY 2015</u>
Family	\$12,930.00	\$12,930.00	\$12,930.00	\$12,930.00	\$12,930.00	\$13,576.00	\$13,915.00
Single	\$8,167.00	\$8,167.00	\$8,167.00	\$8,167.00	\$8,167.00	\$8,575.00	\$8,790.00

HSA Seeding amounts							
	<u>CY 2009</u>	<u>CY 2010</u>	<u>CY 2011</u>	<u>CY 2012</u>	<u>CY 2013</u>	<u>CY 2014</u>	<u>CY 2015</u>
Family	\$2,533.44	\$3,195.24	\$717.12	\$0.00	\$0.00	\$0.00	\$0.00
Single	\$1,576.00	\$2,000.00	\$1,570.48	\$708.88	\$640.96	\$614.56	\$599.64

Employee PPO premium cost							
	<u>CY 2009</u>	<u>CY 2010</u>	<u>CY 2011</u>	<u>CY 2012</u>	<u>CY 2013</u>	<u>CY 2014</u>	<u>CY 2015</u>
Family	\$1,328.76	\$1,260.84	\$4,856.52	\$6,635.28	\$6,475.68	\$7,354.56	\$7,958.96
Single	\$761.60	\$0.00	\$1,216.40	\$2,082.48	\$2,003.28	\$2,473.68	\$2,658.60

Employee HSA premium cost							
	<u>CY 2009</u>	<u>CY 2010</u>	<u>CY 2011</u>	<u>CY 2012</u>	<u>CY 2013</u>	<u>CY 2014</u>	<u>CY 2015</u>
Family				\$1,007.04	\$1,143.84	\$1,128.48	\$1,390.32
Single							TBD

Currently the District has a fully funded health program, a fully funded dental program, and a fully funded life insurance program all which are through Anthem. 100% of the life insurance premiums are paid for by the District.

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Workers Compensation

Workers Compensation payments are based on claims history and the amount of salary paid annually. Premiums for CY 2013 are based on total payroll dollars and claims from CY 2008 through CY 2011; hence there is a two year lag in payment of premiums. The BWC Board of Directors approved a one time refund of 56% of annual premiums for the most recent policy period (CY 2011), which for the District equals \$122,993.22. This amount is reflected in FY 2014 as a refund of expenditure, which is considered a receipt. BWC is undergoing computer upgrades which will allow for prospective billing instead of the current billing process. This is anticipated to lower costs to the district in the form of rate reductions of approximately 4%.

All Benefits

Fringe Benefits are projected to increase in FY 2014 and then increase steadily in future years, mostly due to increased costs associated with health care reform.

	FY	FY	%	FY	%	3-year
	2011-12	2012-13	Change	2013-14	Change	Change
STRS	\$3,068,829	\$3,177,922	3.55%	\$3,256,269	2.47%	3.01%
SERS	\$1,321,747	\$1,330,706	0.68%	\$1,403,376	5.46%	3.04%
Uniform Allowance	\$1,350	\$1,350	0.00%	\$900	-33.33%	-18.35%
Tuition Reimb	\$23,278	\$0	100.00%	\$0		100.00%
Medical & Dental	\$5,441,304	\$4,816,073	-11.49%	\$4,793,475	-0.47%	-6.14%
Medical in lieu of		\$60,186		\$125,063	107.79%	#DIV/0!
Life	\$28,926	\$24,569	-15.06%	\$27,444	11.70%	-2.60%
Medicare	\$361,916	\$368,622	1.85%	\$383,027	3.91%	2.88%
Workers Comp	\$192,385	\$166,823	-13.29%	\$172,228	3.24%	-5.38%
Wellness Incentives/Cell Phone Reimb	\$1,080	\$0	100.00%	\$15,120		274.17%
Unemployment	\$28,644	\$38,935	35.93%	\$14,313	-63.24%	-29.31%
TOTALS	\$10,469,459	\$9,985,186	-4.63%	\$10,191,215	2.06%	-1.34%
PBA/SFSF	\$51,944	\$0	100.00%			
Ed Jobs	\$133,547	\$13,594	-89.82%			
TOTALS	\$10,654,950	\$9,998,780	-6.16%	\$10,191,215	1.92%	-2.20%

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	FY	%	FY	%	FY	%
	2014-15	Change	2015-16	Change	2016-17	Change
STRS	\$3,401,695	4.47%	\$3,500,000	2.89%	\$3,615,000	3.29%
SERS	\$1,441,625	2.73%	\$1,482,890	2.86%	\$1,446,000	-2.49%
Uniform Allowance	\$1,350	50.00%	\$1,350	0.00%	\$1,350	0.00%
Tuition Reimb	\$0		\$0		\$0	
Medical & Dental	\$5,130,850	7.04%	\$5,455,850	6.33%	\$5,681,115	4.13%
Medical in lieu of	\$199,700	59.68%	\$179,405	10.16%	\$180,000	0.33%
Life	\$30,120	9.75%	\$31,025	3.00%	\$31,650	2.01%
Medicare	\$400,275	4.50%	\$415,000	3.68%	\$425,000	2.41%
Workers Comp	\$245,000	42.25%	\$245,000	0.00%	\$240,000	-2.04%
Wellness Incentives/Cell Phone Reimb	\$1,000	-99.42%	\$1,000	0.00%	\$1,000	0.00%
Unemployment	\$31,000	116.59%	\$15,000	51.61%	\$15,000	0.00%
TOTALS	\$10,882,615	6.78%	\$11,326,520	4.08%	\$11,636,115	2.73%

	FY	%	FY	%	FY	%
	2017-18	Change	2018-19	Change	2019-20	Change
STRS	\$3,735,000	3.32%	\$3,720,650	-0.38%	\$3,806,225	2.30%
SERS	\$1,500,000	3.73%	\$1,530,000	2.00%	\$1,560,600	2.00%
Uniform Allowance	\$1,350	0.00%	\$1,350	0.00%	\$1,350	0.00%
Tuition Reimb	\$0		\$0		\$0	0.00%
Medical & Dental	\$5,822,810	2.49%	\$6,070,850	4.26%	\$6,220,850	2.47%
Medical in lieu of	\$185,000	2.78%	\$195,000	5.41%	\$205,000	5.13%
Life	\$32,500	2.69%	\$33,500	3.08%	\$34,500	2.99%
Medicare	\$435,000	2.35%	\$445,000	2.30%	\$455,000	2.25%
Workers Comp	\$245,000	2.08%	\$250,000	2.04%	\$260,000	4.00%
Wellness Incentives/Cell Phone Reimb	\$1,000	0.00%	\$1,000	0.00%	\$1,000	0.00%
Unemployment	\$15,000	0.00%	\$20,000	33.33%	\$20,000	0.00%
TOTALS	\$11,972,660	2.89%	\$12,267,350	2.46%	\$12,564,525	2.42%

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Line 3.030 - Purchased Services: This line item includes consultants, legal services, utilities, rentals, data processing contracts, trash collection, repairs and maintenance, property insurance, mileage reimbursement, meeting expenses, and tuition. Overall purchased services are projected to rise by 19.73% and then increase in future years by an average of 6.49%.

	FY	FY	%	FY	%	3-year
	2011-12	2012-13	Change	2013-14	Change	Change
Professional & Technical Services	\$483,100	\$628,379	30.07%	\$598,784	-4.71%	11.33%
Property Services	\$523,885	\$570,971	8.99%	\$779,312	36.49%	21.97%
Travel Mileage/Meeting Expenses	\$64,995	\$83,100	27.86%	\$86,951	4.63%	15.66%
Communications	\$65,115	\$64,835	-0.43%	\$66,619	2.75%	1.15%
Utilities	\$1,373,276	\$1,293,884	-5.78%	\$1,060,787	-18.02%	-12.11%
Contracted Craft or Trade	\$24,109	\$27,917	15.79%	\$26,220	-6.08%	4.29%
Tuition	\$2,628,746	\$3,057,201	16.30%	\$3,345,907	9.44%	12.82%
Pupil Transportation Services	\$15,731	\$26,169	66.35%	\$32,746	25.13%	44.28%
Other Purchased Services	\$52,374	\$51,000	-2.62%	\$15,374	-69.85%	-45.82%
TOTALS	\$5,231,331	\$5,803,456	10.94%	\$6,012,700	3.61%	7.21%

	FY	%	FY	%	FY	%
	2014-15	Change	2015-16	Change	2016-17	Change
Professional & Technical Services	\$903,627	50.91%	\$950,000	5.13%	\$978,500	3.00%
Property Services	\$913,729	17.25%	\$950,000	3.97%	\$995,000	4.74%
Travel Mileage/Meeting Expenses	\$124,375	43.04%	\$110,000	-11.56%	\$113,300	3.00%
Communications	\$89,215	33.92%	\$90,000	0.88%	\$94,500	5.00%
Utilities	\$1,431,075	34.91%	\$1,680,000	17.39%	\$1,910,000	13.69%
Contracted Craft or Trade	\$28,375	8.22%	\$28,500	0.44%	\$29,355	3.00%
Tuition	\$3,631,500	8.54%	\$3,800,000	4.64%	\$4,066,000	7.00%
Pupil Transportation Services	\$46,068	40.68%	\$35,000	-24.03%	\$36,050	3.00%
Other Purchased Services	\$31,000	101.64%	\$30,000	-3.23%	\$31,000	3.33%
TOTALS	\$7,198,964	19.73%	\$7,673,500	6.59%	\$8,253,705	7.56%

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	FY	%	FY	%	FY	%
	2017-18	Change	2018-19	Change	2019-20	Change
Professional & Technical Services	\$1,000,000	2.20%	\$1,030,000	3.00%	\$1,060,900	3.00%
Property Services	\$1,070,000	7.54%	\$1,102,100	3.00%	\$1,135,163	3.00%
Travel Mileage/Meeting Expenses	\$113,300	0.00%	\$116,699	3.00%	\$120,200	3.00%
Communications	\$99,225	5.00%	\$102,202	3.00%	\$105,268	3.00%
Utilities	\$2,168,100	13.51%	\$2,478,396	14.31%	\$2,822,893	13.90%
Contracted Craft or Trade	\$30,250	3.05%	\$31,158	3.00%	\$32,092	3.00%
Tuition	\$4,200,000	3.30%	\$4,326,001	3.00%	\$4,455,781	3.00%
Pupil Transportation Services	\$37,150	3.05%	\$38,265	3.00%	\$39,412	3.00%
Other Purchased Services	\$31,000	0.00%	\$32,000	3.23%	\$32,000	0.00%
TOTALS	\$8,749,025	6.00%	\$9,256,820	5.80%	\$9,803,710	5.91%

Line 3.040 - Supplies and Materials: This line item includes all consumable supplies that are purchased to operate the District. Specific examples include office supplies, instructional supplies, and vehicle fuel. After years of decreasing expenses, this budget increased in FY 2013 and in FY 2014. Beginning in FY 2014 this category will increase again and remain flat in future years.

	FY	FY	%	FY	%	3-year
	2011-12	2012-13	Change	2013-14	Change	Change
General Supplies	\$307,370	\$326,853	6.34%	\$302,717	-7.38%	-0.76%
Textbooks	\$16,846	\$23,651	40.40%	\$29,223	23.56%	31.71%
Newspapers, Periodicals, Films	\$25,657	\$46,001	79.29%	\$22,620	-50.83%	-6.10%
Operation, Maintenance Repair to Plant	\$200,803	\$172,785	-13.95%	\$161,199	-6.71%	-
Operation, Maintenance Repair to Motor	\$529,180	\$525,220	-0.75%	\$592,465	12.80%	5.81%
TOTALS	\$1,079,856	\$1,094,510	1.36%	\$1,108,224	1.25%	1.30%

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	FY	%	FY	%	FY	%
	2014-15	Change	2015-16	Change	2016-17	Change
General Supplies	\$420,720	38.98%	\$400,000	-4.92%	\$400,000	0.00%
Electronic Inst Material	\$90,804	210.60%	\$85,000	-6.35%	\$85,000	0.00%
Electronic Media	\$47,317	109.18%	\$45,000	-4.90%	\$45,000	0.00%
Operation, Maintenance Repair to Plant	\$201,645	25.09%	\$200,000	-0.82%	\$200,000	0.00%
Operation, Maintenance Repair to Motor	\$665,281	12.29%	\$650,000	-2.30%	\$650,000	0.00%
TOTALS	\$1,425,767	28.65%	\$1,380,000	-3.21%	\$1,380,000	0.00%

	FY	%	FY	%	FY	%
	2017-18	Change	2018-19	Change	2019-20	Change
General Supplies	\$400,000	0.00%	\$400,000	0.00%	\$400,000	0.00%
Electronic Inst Material	\$85,000	0.00%	\$85,000	0.00%	\$85,000	0.00%
Electronic Media	\$45,000	0.00%	\$45,000	0.00%	\$45,000	0.00%
Operation, Maintenance Repair to Plant	\$200,000	0.00%	\$200,000	0.00%	\$200,000	0.00%
Operation, Maintenance Repair to Motor	\$650,000	0.00%	\$650,000	0.00%	\$650,000	0.00%
TOTALS	\$1,380,000	0.00%	\$1,380,000	0.00%	\$1,380,000	0.00%

Line 3.060 - Capital Outlay: This line item is for new and replacement equipment. Currently, the District practice is to purchase all capital outlay items using the permanent improvement revenues. There is no anticipated change in this process. With permanent improvement revenues, the School District is making a concerted effort to replace the bus fleet, upgrade computer equipment, and renovate existing facilities. With a fleet of 63 buses, purchasing 2 new buses a year would take 32 years to completely replace the entire fleet. Ideally, the District should purchase 6 new buses each year in order to turn over the fleet every ten years.

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Line 4.300 - Other Objects: This line item includes a number of miscellaneous expenditures not accounted for in the categories previously mentioned. In many instances, these expenditures are deducted from various revenue sources the District receives and are simply an accounting entry required in order to post revenues as a gross amount, as required by state law, instead of a net figure as it is received. Expenditures in this line item include county auditor and treasurer fees, county educational service center expenditures, dues, professional memberships, and audit costs. The District has forecasted this category to increase by 6.1% in FY 2015, increase by 3% in FY 2016, and then increase 2% in FY 2017 through FY 2019. However, as mentioned, the District has limited control over many of these costs.

Line 4.500 - Total Operational Expenditures: Operational Expenditures increased by 6.19% for FY 2012 due to repaying the \$2 million note which was for cash flow borrowing. In FY 2013 expenditures decreased by 4.59%, increased by 3.29% in FY 2014 and then projected to rise FY 2015 through FY 2019.

<u>Actuals</u>		
<u>Fiscal Year</u>	<u>Total Expenditures</u>	<u>Percentage growth/ (decrease)</u>
FY 2010-11	\$45,051,717	
FY 2011-12	\$47,842,274	6.19%
FY 2012-13	\$45,644,867	-4.59%
FY 2013-14	\$47,146,316	3.29%

<u>Estimated</u>		
<u>Fiscal Year</u>	<u>Total Expenditures</u>	<u>Percentage growth/ (decrease)</u>
FY 2014-15	\$50,492,300	7.10%
FY 2015-16	\$52,074,070	3.13%
FY 2016-17	\$53,679,485	3.08%
FY 2017-18	\$55,219,925	2.87%
FY 2018-19	\$56,747,336	2.77%

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Line 5.010 thru Line 5.030 - Other Financing Uses: These line items account for all advances and transfers out of the General Fund to other funds under the District's control. These decisions are typically made at the end of the month (in the case of transfers) and at the end of the fiscal year (in the case of advances). Transfers are not repaid to the General Fund; however, advances are eventually repaid, which results in a "wash" transaction.

Transfers Out

Operating transfers out are transfers of monies within the general fund between special cost centers or to another fund that has a specific purpose. By law a school district is permitted, upon board action, to transfer monies from the general fund to any other fund on the district's books. The District transfers monies to cover fee waivers, cover the unfunded portion of EMIS and beginning with FY 2011 to make payment of severance for retired and/or laid off staff members.

	FY	FY	%	FY	%	3-year
	2011-12	2012-13	Change	2013-14	Change	Change
Fee Waivers	\$68,516	\$57,075	-16.70%	\$58,974	3.33%	-7.22%
Mini Grants	\$0	\$4,000		\$3,853	-3.68%	
EMIS	\$160,000	\$165,000	3.13%	\$170,000	3.03%	3.08%
Termination Benefits	\$300,000	\$300,000	0.00%	\$300,000	0.00%	0.00%
TOTALS	\$528,516	\$526,075	-0.46%	\$532,827	1.28%	0.41%

	FY	%	FY	%	FY	%
	2014-15	Change	2015-16	Change	2016-17	Change
Fee Waivers	\$80,000	35.65%	\$80,000	0.00%	\$80,000	0.00%
Mini Grants	\$4,000	3.82%	\$5,000	25.00%	\$5,000	0.00%
EMIS	\$175,000	2.94%	\$180,000	2.86%	\$185,000	2.78%
Termination Benefits	\$300,000	0.00%	\$325,000	8.33%	\$350,000	7.69%
TOTALS	\$559,000	4.91%	\$590,000	5.55%	\$620,000	5.08%

	FY	%	FY	%	FY	%
	2017-18	Change	2018-19	Change	2019-20	Change
Fee Waivers	\$80,000	0.00%	\$80,000	0.00%	\$80,000	0.00%
Mini Grants	\$5,000	0.00%	\$5,000	0.00%	\$5,000	0.00%
EMIS	\$190,000	2.70%	\$190,000	0.00%	\$190,000	0.00%
Termination Benefits	\$350,000	0.00%	\$350,000	0.00%	\$350,000	0.00%
TOTALS	\$625,000	0.81%	\$625,000	0.00%	\$625,000	0.00%

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Line 6.010 - Excess of Revenues and Other Financing Sources over/ (under) Expenditures and Other Financing:

This indicates if the District spent more or less monies than what was received in the current fiscal year. For FY 2010, the District spent more than what was received (deficit spending). In FY 2011 through FY 2014 the district received more than it spent, however deficit spending is anticipated to occur again in FY 2015 through 2019.

Line 7.02 - Cash Balance June 30: The District's cash balance for June 30, 2014 was \$9,923,095 which reflects 55 days of operating cash based on total operating expenditures of \$47.1 million in FY 2014. The minimum target is 30 days worth of operating cash or in this case \$5.4 million. In FY 2015 the June 30 fund balance is anticipated to be \$9,559,695, which is 49 days of operating cash.

Line 8.010 - Encumbrances: Because the District operates on a cash basis monies must be reserved at year end to pay for items which have been ordered, but not yet received and paid for. This amount will show within the expenditures for the next fiscal year. The estimates are based on balances from previous years.

Line 9.010 - Reservation of Fund Balance: The five year forecast includes several funds in addition to the General Fund, which is the general operating fund of the District. For that reason, the ending fund balances of those other funds need to be separated out in order to present a true picture of the general fund.

Line 12.010 - Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other

Obligations: House Bill 412 requires that school districts certify that adequate revenues will be available to maintain all personnel, programs, and services, essential to the provision of an adequate educational program for a specified number of days.

Certification for contracts, salary schedules, and other financial obligations MAY anticipate the renewal or replacement of existing property tax levies and the approval to extend an existing income tax levy beyond its current expirations. This certification includes revenue from the renewal or replacement of current levies and must be positive in order to certify multi-year bargaining contracts.

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Line 21.060 - Total Expenditures – State Fiscal Stabilization Fund: The expenditures for the State Fiscal Stabilization Fund are for informational purposes only. These expenditures are reflected in lines 3.01 through 4.30.

SUMMARY

Currently, there are procedures in place to monitor expenditures in order to trim expenses as needed rather than in a large amount all at once. Revenues are also monitored extremely close with the implementation of the Public Finance Resources, Inc. five year forecast model. This model can produce “what if’s” and will also indicate timing and size of future levies.

* The Miamisburg Secondary Academy reimburses the District for salary and benefits costs. In prior years those reimbursements were shown as a reduction of expenditure in the salary category, which had a net effect of reducing expenditures. Beginning with FY 2011 the reimbursable expenditures for the Academy will be shown at gross on the District forecast and corresponding revenue will be recorded under line 1.060 – All Other Revenue. Beginning in FY 2012 Academy expenses and corresponding revenues will be posted in a separate fund which is not required to be presented on this forecast.