



BATAVIA LOCAL SCHOOL DISTRICT

A. Jill Grubb
Superintendent
513-732-2343

Michael F. Ashmore
Treasurer
513-732-0337

To: Batavia Local School District Board of Education
From: Michael F. Ashmore, Treasurer *MFA*
Date: May 16, 2011
Subject: Five-Year Forecast – FY11 – May 2011

Ohio Revised Code, section 5705.391 requires that each school district submit to the Ohio Department of Education a Five-Year Forecast. This forecast should provide three years of historical data and five years of projected data, including enrollment projections. The initial forecast is submitted in October and a revised forecast is submitted in May. The purpose of this forecast is not just a planning tool for the district, but also a monitoring tool that the Ohio Department of Education can use to determine if districts are going to be in financial trouble in the future.

Attached, please find the following for our forecast that will be submitted to the Ohio Department of Education for May:

Page 1 - Five-Year Forecast – this is the actual forecast
Page 2 - Historical percentage increase for each line item on the forecast
Page 3 - Forecasted percentage increase for each line item on the forecast
Page 4 to 6 - Charts and Graphs
Page 7 to 16 - Assumptions
Page 17 - Attachment A

Once this document is Board approved we will submit it prior to the May 30, 2011 deadline to the Ohio Department of Education.

As we continue through the year we will monitor the progress of this forecast monthly in our Budget to Actual financial reports to make sure we are never more than 30 days away from making a necessary course correction. During that time we may update the forecast as we receive more data.

It is my recommendation that you approve the forecast as presented.

If you have any questions or suggestions for improvement, please don't hesitate to contact me.

Thanks.

Attachments

Batavia Local School District

Clermont

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2008, 2009 and 2010 Actual;
Forecasted Fiscal Years Ending June 30, 2011 Through 2015

	Actual				Forecasted				
	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Average Change	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015
Revenues									
1.010 General Property Tax (Real Estate)	\$5,489,867	\$5,776,222	\$5,802,481	2.8%	\$5,932,978	\$6,170,297	\$6,242,490	\$6,315,527	\$6,568,148
1.020 Tangible Personal Property Tax	697,289	307,300	34,263	-72.4%	16,145				
1.030 Income Tax									
1.035 Unrestricted State Grants-in-Aid	6,971,068	7,115,817	6,731,951	-1.7%	6,819,178	6,566,290	6,500,627	6,500,627	6,500,627
1.040 Restricted State Grants-in-Aid	241,293	130,319	29,256	-61.8%	29,472	29,472	29,472	29,472	29,472
1.045 Restricted Federal Grants-in-Aid - SFSF			445,203		487,811				
1.050 Property Tax Allocation	1,505,319	1,597,189	2,400,578	28.2%	1,907,993	1,700,000	1,600,000	1,400,000	1,400,000
1.060 All Other Revenues	1,238,336	1,500,970	1,362,320	6.0%	2,548,163	1,910,043	1,923,307	2,019,472	2,120,446
1.070 Total Revenues	16,143,172	16,427,817	16,806,052	2.0%	17,741,740	16,376,103	16,295,895	16,265,098	16,618,692
Other Financing Sources									
2.010 Proceeds from Sale of Notes									
2.020 State Emergency Loans and Advancements (Approved)									
2.040 Operating Transfers-In	37,767								
2.050 Advances-In									
2.060 All Other Financing Sources	674	82,635		6030.2%	2,052				
2.070 Total Other Financing Sources	38,441	82,635		7.5%	2,052				
2.080 Total Revenues and Other Financing Sources	16,181,613	16,510,452	16,806,052	1.9%	17,743,792	16,376,103	16,295,895	16,265,098	16,618,692
Expenditures									
3.010 Personal Services	9,369,994	9,820,574	9,407,114	0.3%	9,727,969	9,120,460	9,257,267	9,396,126	9,537,068
3.020 Employees' Retirement/Insurance Benefits	3,514,050	3,717,029	3,676,280	2.3%	3,616,180	3,283,366	3,332,616	3,382,605	3,433,345
3.030 Purchased Services	2,661,205	2,670,619	2,975,889	5.9%	3,481,650	3,277,255	3,310,027	3,343,128	3,376,559
3.040 Supplies and Materials	649,008	549,495	682,699	4.5%	485,594	437,035	441,405	445,819	450,277
3.050 Capital Outlay	281,200	155,916	92,901	-42.5%	104,147	93,732	94,670	455,616	92,016
3.060 Intergovernmental									
Debt Service:									
4.010 Principal-All (Historical Only)									
4.020 Principal-Notes									
4.030 Principal-State Loans									
4.040 Principal-State Advancements									
4.050 Principal-HB 264 Loans									
4.055 Principal-Other									
4.060 Interest and Fiscal Charges									
4.300 Other Objects	160,528	151,271	134,171	-8.5%	155,307	139,776	141,174	142,586	144,012
4.500 Total Expenditures	16,635,985	17,064,904	16,969,054	1.0%	17,570,847	16,351,624	16,577,160	17,165,881	17,033,277
Other Financing Uses									
5.010 Operating Transfers-Out	141,739	100,500	150,500	10.3%	153,179	24,483			
5.020 Advances-Out									
5.030 All Other Financing Uses									
5.040 Total Other Financing Uses	141,739	100,500	150,500	10.3%	153,179	24,483			
5.050 Total Expenditures and Other Financing Uses	16,777,724	17,165,404	17,119,554	1.0%	17,724,026	16,376,107	16,577,160	17,165,881	17,033,277
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	596,111-	654,952-	313,502-	-21.1%	19,766	5-	281,264-	900,783-	414,585-
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	2,390,619	1,794,508	1,139,556	-30.7%	826,054	845,820	845,815	564,551	336,232-
7.020 Cash Balance June 30	1,794,508	1,139,556	826,054	-32.0%	845,820	845,815	564,551	336,232-	750,817-
8.010 Estimated Encumbrances June 30	677,921	450,788	400,455	-22.3%	400,000	400,000	400,000	400,000	400,000
Reservation of Fund Balance									
9.010 Textbooks and Instructional Materials									
9.020 Capital Improvements									
9.030 Budget Reserve									
9.040 DPIA									
9.045 Fiscal Stabilization									
9.050 Debt Service									
9.060 Property Tax Advances									
9.070 Bus Purchases									
9.080 Subtotal									
10.010 Fund Balance June 30 for Certification of Appropriations	1,116,587	688,768	425,599	-38.3%	445,820	445,815	164,551	736,232-	1,150,817-
Revenue from Replacement/Renewal Levies									
11.010 Income Tax - Renewal									
11.020 Property Tax - Renewal or Replacement									
11.300 Cumulative Balance of Replacement/Renewal Levies									
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	1,116,587	688,768	425,599	-38.3%	445,820	445,815	164,551	736,232-	1,150,817-
Revenue from New Levies									
13.010 Income Tax - New									
13.020 Property Tax - New									
13.030 Cumulative Balance of New Levies									
14.010 Revenue from Future State Advancements									
15.010 Unreserved Fund Balance June 30	1,116,587	688,768	425,599	-38.3%	445,820	445,815	164,551	736,232-	1,150,817-
ADM Forecasts									
20.010 Kindergarten - October Count									
20.015 Grades 1-12 - October Count									
State Fiscal Stabilization Funds									
21.010 Personal Services SFSF									
21.020 Employees Retirement/Insurance Benefits SFSF									
21.030 Purchased Services SFSF									
21.040 Supplies and Materials SFSF									
21.050 Capital Outlay SFSF									
21.060 Total Expenditures - SFSF									

See accompanying summary of significant forecast assumptions and accounting policies

Includes: General fund, Emergency Levy fund, DPIA fund, Textbook fund and any portion of Debt Service fund related to General fund debt

Batavia Local School District

Clermont

Summary Forecasted Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ending June 30, 2011 Through 2015

	Historical Annual Average Change	Forecasted					Average Annual Change
		Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	
Revenues							
General Property Tax (Real Estate)	2.8%	\$5,932,978	\$6,170,297	\$6,242,490	\$6,315,527	\$6,568,148	2.6%
Tangible Personal Property Tax	-72.4%	16,145					-25.0%
Income Tax	0.0%						0.0%
Unrestricted State Grants-in-Aid	-1.7%	6,819,178	6,566,290	6,500,627	6,500,627	6,500,627	-1.2%
Restricted State Grants-in-Aid	-61.8%	29,472	29,472	29,472	29,472	29,472	0.0%
Restricted Federal Grants-in-Aid- SFSF	0.0%	487,811					-25.0%
Property Tax Allocation	28.2%	1,907,993	1,700,000	1,600,000	1,400,000	1,400,000	-7.3%
All Other Revenues	6.0%	2,548,163	1,910,043	1,923,307	2,019,472	2,120,446	-3.6%
Total Revenues	2.0%	17,741,740	16,376,103	16,295,895	16,265,098	16,618,692	-1.6%
Other Financing Sources							
Proceeds from Sale of Notes	0.0%						0.0%
State Emergency Loans and Advancements (Approved)	0.0%						0.0%
Operating Transfers-In	0.0%						0.0%
Advances-In	0.0%						0.0%
All Other Financing Sources	6030.2%	2,052					-25.0%
Total Other Financing Sources	7.5%	2,052					-25.0%
Total Revenues and Other Financing Sources	1.9%	17,743,792	16,376,103	16,295,895	16,265,098	16,618,692	-
Expenditures							
Personal Services	0.3%	9,727,969	9,120,460	9,257,267	9,396,126	9,537,068	-0.4%
Employees' Retirement/Insurance Benefits	2.3%	3,616,180	3,283,366	3,332,616	3,382,605	3,433,345	-1.2%
Purchased Services	5.9%	3,481,650	3,277,255	3,310,027	3,343,128	3,376,559	-0.7%
Supplies and Materials	4.5%	485,594	437,035	441,405	445,819	450,277	-1.8%
Capital Outlay	-42.5%	104,147	93,732	94,670	455,616	92,016	73.1%
Intergovernmental	0.0%						0.0%
Debt Service:							
Principal-All (Historical Only)	0.0%						0.0%
Principal-Notes	0.0%						0.0%
Principal-State Loans	0.0%						0.0%
Principal-State Advancements	0.0%						0.0%
Principal-HB 264 Loans	0.0%						0.0%
Principal-Other	0.0%						0.0%
Interest and Fiscal Charges	0.0%						0.0%
Other Objects	-8.5%	155,307	139,776	141,174	142,586	144,012	-1.7%
Total Expenditures	1.0%	17,570,847	16,351,624	16,577,160	17,165,881	17,033,277	-0.7%
Other Financing Uses							
Operating Transfers-Out	10.3%	153,179	24,483				6120.3%
Advances-Out	0.0%						0.0%
All Other Financing Uses	0.0%						0.0%
Total Other Financing Uses	10.3%	153,179	24,483				6120.3%
Total Expenditures and Other Financing Uses	1.0%	17,724,026	16,376,107	16,577,160	17,165,881	17,033,277	167,881
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	-21.1%	19,766	-5-	281,264-	900,783-	414,585-	15,128
Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	-30.7%	826,054	845,820	845,815	564,551	336,232-	-47.6%
Cash Balance June 30	-32.0%	845,820	845,815	564,551	336,232-	750,817-	-17.4%
Estimated Encumbrances June 30	-22.3%	400,000	400,000	400,000	400,000	400,000	0.0%
Reservation of Fund Balance							
Textbooks and Instructional Materials	0.0%						0.0%
Capital Improvements	0.0%						0.0%
Budget Reserve	0.0%						0.0%
DPIA	0.0%						0.0%
Fiscal Stabilization							0.0%
Debt Service	0.0%						0.0%
Property Tax Advancements	0.0%						0.0%
Bus Purchases	0.0%						0.0%
Subtotal	0.0%						0.0%
Fund Balance June 30 for Certification of	-38.3%	445,820	445,815	164,551	736,232-	1,150,817-	-138.5%
Revenue from Replacement/Renewal Levies							
Income Tax - Renewal	0.0%						0.0%
Property Tax - Renewal or Replacement	0.0%						0.0%
Cumulative Balance of Replacement/Renewal Levies	0.0%						0.0%
Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	-38.3%	445,820	445,815	164,551	736,232-	1,150,817-	-138.5%
Revenue from New Levies							
Income Tax - New	0.0%						0.0%
Property Tax - New	0.0%						0.0%
Cumulative Balance of New Levies	0.0%						0.0%
Revenue from Future State Advancements	0.0%						0.0%
Unreserved Fund Balance June 30	-38.3%	445,820	445,815	164,551	736,232-	1,150,817-	-138.5%
ADM Forecasts							
Kindergarten - October Count	0.0%						0.0%
Grades 1-12 - October Count	0.0%						0.0%
State Fiscal Stabilization Funds							
Personal Services SFSF	0.000						0.0%
Employees Retirement/Insurance Benefits SFSF	0.0%						0.0%
Purchased Services SFSF	0.0%						0.0%
Supplies and Materials SFSF	0.0%						0.0%
Capital Outlay SFSF	0.0%						0.0%
Total Expenditures - SFSF							0.0%

See accompanying summary of significant forecast assumptions and accounting policies

Includes: General fund, Emergency Levy fund, DPIA fund, Textbook fund and any portion of Debt Service fund related to General fund debt

Batavia Local School District

Clermont

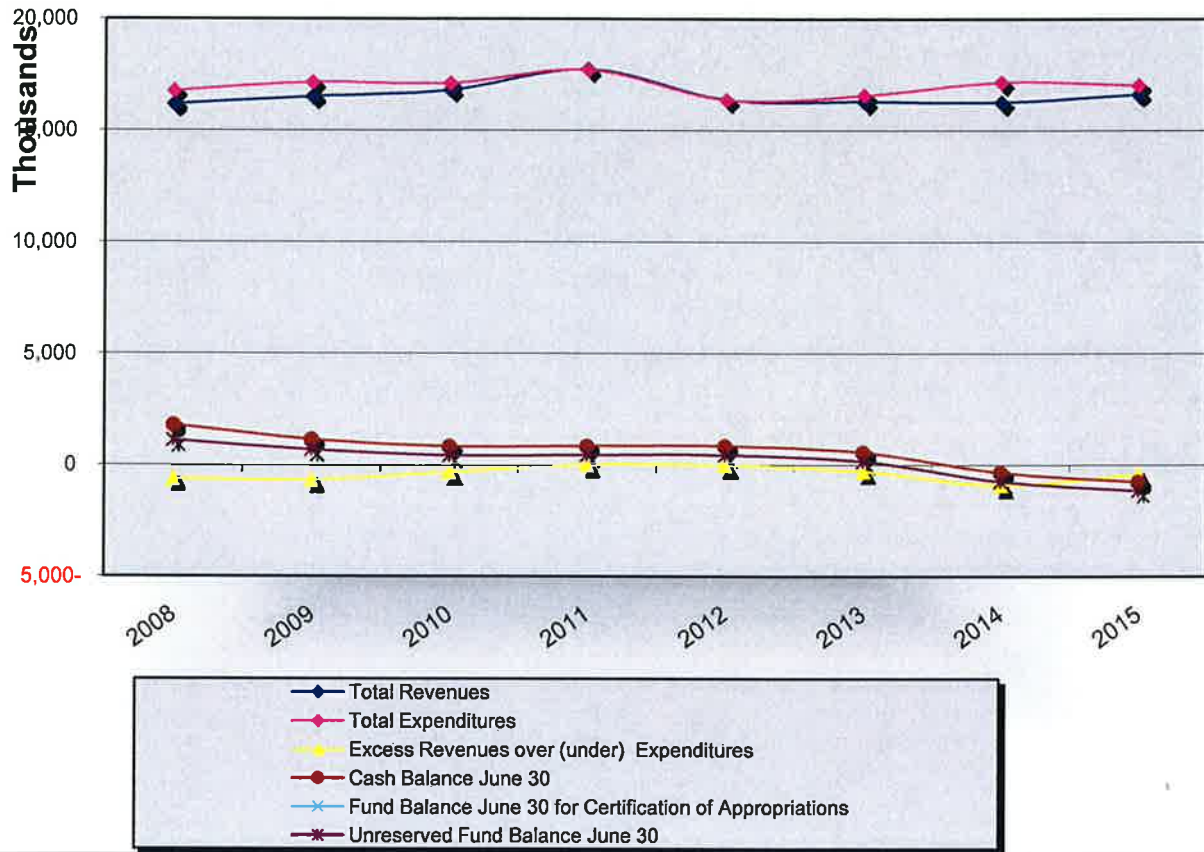
Schedule of Percentage Changes of Revenues, Expenditures and Changes in Fund Balances For the Forecasted Fiscal Years Ending June 30, 2011 Through 2015

	Historical Annual Average Change	Forecasted								
		Fiscal Year 2011	Fiscal Year 2012	Percent Change	Fiscal Year 2013	Percent Change	Fiscal Year 2014	Percent Change	Fiscal Year 2015	Percent Change
Revenues										
General Property Tax (Real Estate)	2.8%	\$5,932,978	\$6,170,297	4.0%	\$6,242,490	1.2%	\$6,315,527	1.2%	\$6,568,148	4.0%
Tangible Personal Property Tax	-72.4%	16,145		-100.0%		0.0%		0.0%		0.0%
Income Tax	0.0%			0.0%		0.0%		0.0%		0.0%
Unrestricted State Grants-in-Aid	-1.7%	6,819,178	6,566,290	-3.7%	6,500,627	-1.0%	6,500,627	0.0%	6,500,627	0.0%
Restricted State Grants-in-Aid	-61.8%	29,472	29,472	0.0%	29,472	0.0%	29,472	0.0%	29,472	0.0%
Restricted Federal Grants-in-Aid - SFSF	0.0%	487,811		-100.0%		0.0%		0.0%		0.0%
Property Tax Allocation	28.2%	1,907,993	1,700,000	-10.9%	1,600,000	-5.9%	1,400,000	-12.5%	1,400,000	0.0%
All Other Revenues	6.0%	2,548,163	1,910,043	-25.0%	1,823,307	-0.7%	2,019,472	5.0%	2,120,446	5.0%
Total Revenues	2.0%	17,741,740	16,376,103	-7.7%	16,295,895	-0.5%	16,265,098	-0.2%	16,618,692	2.2%
Other Financing Sources										
Proceeds from Sale of Notes	0.0%			0.0%		0.0%		0.0%		0.0%
State Emergency Loans and Advancements (Approved)	0.0%			0.0%		0.0%		0.0%		0.0%
Operating Transfers-In	0.0%			0.0%		0.0%		0.0%		0.0%
Advances-In	0.0%			0.0%		0.0%		0.0%		0.0%
All Other Financing Sources	6030.2%	2,052		-100.0%		0.0%		0.0%		0.0%
Total Other Financing Sources	7.5%	2,052		-100.0%		0.0%		0.0%		0.0%
Total Revenues and Other Financing Sources	1.9%	17,743,792	16,376,103	-7.7%	16,295,895	-0.5%	16,265,098	-0.2%	16,618,692	2.2%
Expenditures										
Personal Services	0.3%	9,727,969	9,120,460	-6.2%	9,257,267	1.5%	9,396,126	1.5%	9,537,068	1.5%
Employees' Retirement/Insurance Benefits	2.3%	3,616,180	3,283,366	-9.2%	3,332,616	1.5%	3,382,605	1.5%	3,433,345	1.5%
Purchased Services	5.9%	3,481,650	3,277,255	-5.9%	3,310,027	1.0%	3,343,128	1.0%	3,376,559	1.0%
Supplies and Materials	4.5%	485,594	437,035	-10.0%	441,405	1.0%	445,819	1.0%	450,277	1.0%
Capital Outlay	-42.5%	104,147	93,732	-10.0%	94,670	1.0%	455,616	381.3%	92,016	-79.8%
Intergovernmental	0.0%			0.0%		0.0%		0.0%		0.0%
Debt Service:				0.0%		0.0%		0.0%		0.0%
Principal-All (Historical Only)	0.0%			0.0%		0.0%		0.0%		0.0%
Principal-Notes	0.0%			0.0%		0.0%		0.0%		0.0%
Principal-State Loans	0.0%			0.0%		0.0%		0.0%		0.0%
Principal-State Advancements	0.0%			0.0%		0.0%		0.0%		0.0%
Principal-HB 264 Loans	0.0%			0.0%		0.0%		0.0%		0.0%
Principal-Other	0.0%			0.0%		0.0%		0.0%		0.0%
Interest and Fiscal Charges	0.0%			0.0%		0.0%		0.0%		0.0%
Other Objects	-8.5%	155,307	139,776	-10.0%	141,174	1.0%	142,586	1.0%	144,012	1.0%
Total Expenditures	1.0%	17,570,847	16,351,624	-6.9%	16,577,160	1.4%	17,165,881	3.6%	17,033,277	-0.8%
Other Financing Uses										
Operating Transfers-Out	10.3%	153,179	24,483	-84.0%		-100.0%		0.0%		0.0%
Advances-Out	0.0%			0.0%		0.0%		0.0%		0.0%
All Other Financing Uses	0.0%			0.0%		0.0%		0.0%		0.0%
Total Other Financing Uses	10.3%	153,179	24,483	-84.0%		-100.0%		0.0%		0.0%
Total Expenditures and Other Financing Uses	1.0%	17,724,026	16,376,107	-7.6%	16,577,160	1.2%	17,165,881	3.6%	17,033,277	-0.8%
<i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</i>	<i>-21.1%</i>	<i>19,766</i>	<i>5-</i>	<i>-100.0%</i>	<i>281,264-</i>	<i>#####</i>	<i>900,783-</i>	<i>220.3%</i>	<i>414,585-</i>	<i>-54.0%</i>
Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	-30.7%	826,054	845,820	2.4%	845,815	0.0%	564,551	-33.3%	336,232-	-159.6%
Cash Balance June 30	-32.0%	845,820	845,815	0.0%	564,551	-33.3%	336,232-	-159.6%	750,817-	123.3%
Estimated Encumbrances June 30	-22.3%	400,000	400,000	0.0%	400,000	0.0%	400,000	0.0%	400,000	0.0%
Reservation of Fund Balance										
Textbooks and Instructional Materials	0.0%			0.0%		0.0%		0.0%		0.0%
Capital Improvements	0.0%			0.0%		0.0%		0.0%		0.0%
Budget Reserve	0.0%			0.0%		0.0%		0.0%		0.0%
DPIA	0.0%			0.0%		0.0%		0.0%		0.0%
Fiscal Stabilization	0.0%			0.0%		0.0%		0.0%		0.0%
Debt Service	0.0%			0.0%		0.0%		0.0%		0.0%
Property Tax Advances	0.0%			0.0%		0.0%		0.0%		0.0%
Bus Purchases	0.0%			0.0%		0.0%		0.0%		0.0%
Subtotal	0.0%			0.0%		0.0%		0.0%		0.0%
Fund Balance June 30 for Certification of	-38.3%	445,820	445,815	0.0%	164,551	-63.1%	736,232-	-547.4%	1,150,817-	56.3%
Revenue from Replacement/Renewal Levies										
Income Tax - Renewal	0.0%			0.0%		0.0%		0.0%		0.0%
Property Tax - Renewal or Replacement	0.0%			0.0%		0.0%		0.0%		0.0%
Cumulative Balance of Replacement/Renewal Levies	0.0%			0.0%		0.0%		0.0%		0.0%
<i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>	<i>-38.3%</i>	<i>445,820</i>	<i>445,815</i>	<i>0.0%</i>	<i>164,551</i>	<i>-63.1%</i>	<i>736,232-</i>	<i>-547.4%</i>	<i>1,150,817-</i>	<i>56.3%</i>
Revenue from New Levies										
Income Tax - New	0.0%			0.0%		0.0%		0.0%		0.0%
Property Tax - New	0.0%			0.0%		0.0%		0.0%		0.0%
Cumulative Balance of New Levies	0.0%			0.0%		0.0%		0.0%		0.0%
Revenue from Future State Advancements	0.0%			0.0%		0.0%		0.0%		0.0%
Unreserved Fund Balance June 30	-38.3%	445,820	445,815	0.0%	164,551	-63.1%	736,232-	-547.4%	1,150,817-	56.3%
ADM Forecasts										
Kindergarten - October Count	0.0%			0.0%		0.0%		0.0%		0.0%
Grades 1-12 - October Count	0.0%			0.0%		0.0%		0.0%		0.0%
State Fiscal Stabilization Funds										
Personal Services SFSF	0.0%			0.0%		0.0%		0.0%		0.0%
Employees Retirement/Insurance Benefits SFSF	0.0%			0.0%		0.0%		0.0%		0.0%
Purchased Services SFSF	0.0%			0.0%		0.0%		0.0%		0.0%
Supplies and Materials SFSF	0.0%			0.0%		0.0%		0.0%		0.0%
Capital Outlay SFSF	0.0%			0.0%		0.0%		0.0%		0.0%
Total Expenditures - SFSF	0.0%			0.0%		0.0%		0.0%		0.0%

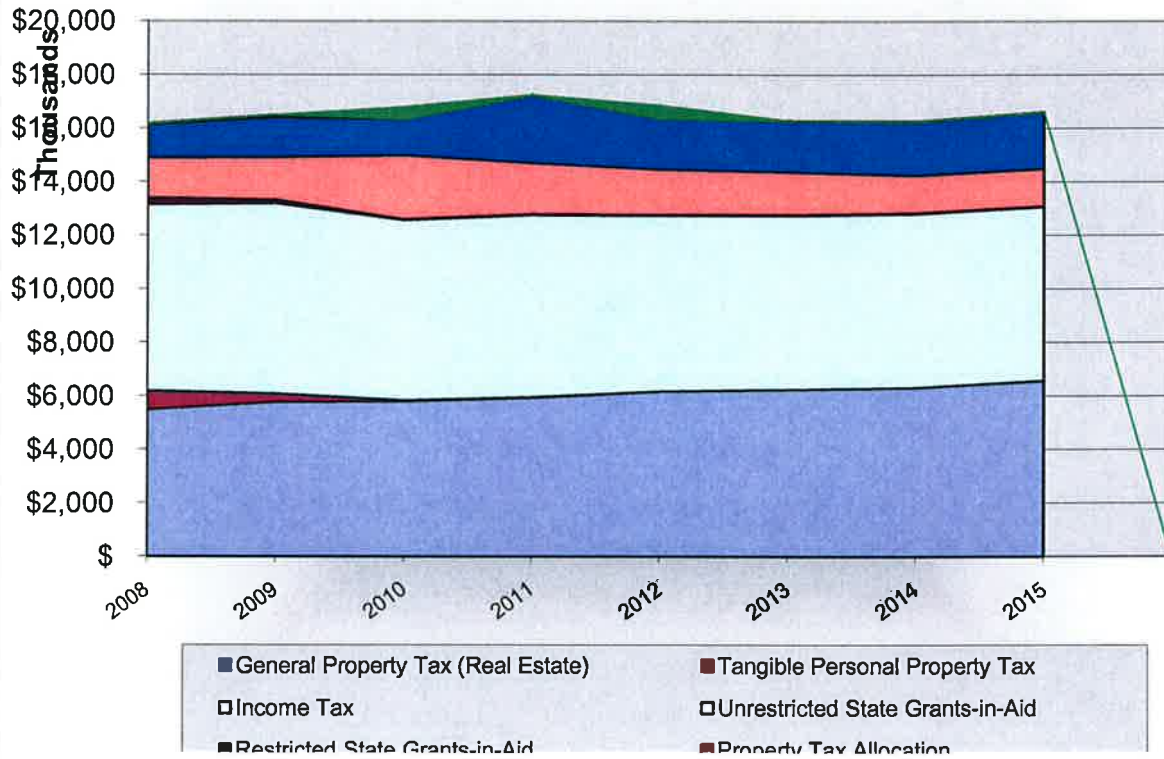
See accompanying summary of significant forecast assumptions and accounting policies

Includes: General fund, Emergency Levy fund, DPIA fund, Textbook fund and any portion of Debt Service fund related to General fund debt

Total Expenditures, Revenues and Fund Balances

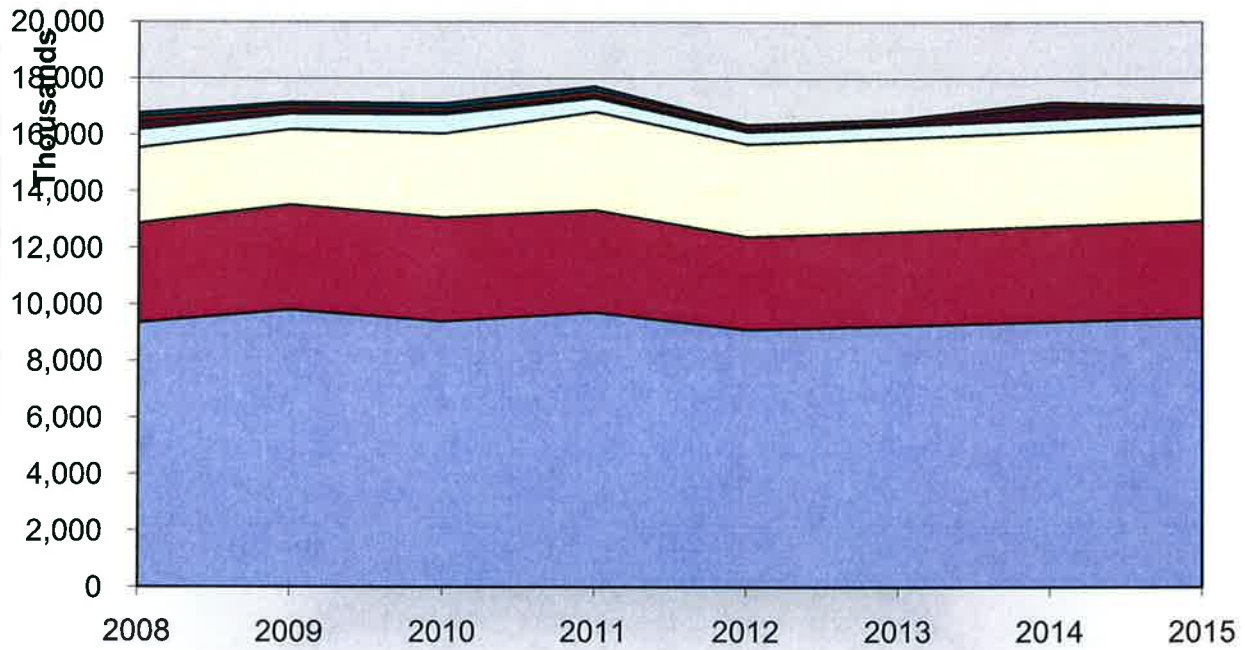


Revenues by Source



- Restricted State Grants-in-Aid
- Property Tax Allocation
- All Other Revenues
- Total Other Financing Sources
- Restricted Federal Grants-in-Aid - SFSF

Expenditures by Category



- Personal Services
- Employees' Retirement/Insurance Benefits
- Purchased Services
- Supplies and Materials
- Capital Outlay
- Intergovernmental
- Other Objects
- Total Other Financing Uses

Batavia Local School District
Five Year Forecast
Assumptions – May 2011
Date prepared or revised: 5/16/11

REVENUES

Property Taxes (Line 1.010)

Property taxes in Ohio are made up of inside and outside millage.

Ohio law allows local governments to share in taxes up to 1% of a property’s assessed value without a vote of the people. This is called inside millage and Batavia Local School District receives 4.30 mills in inside millage.

Outside Millage is approved by the voters of the district through an election. Batavia Local School District has the following Outside Millage:

Type of Levy	Length of Levy	When Approved	Amount of Millage
Current Expense	Continuing	11/5/68	4.30
Current Expense	Continuing	3/25/69	4.50
Current Expense	Continuing	11/4/69	4.30
Current Expense	Continuing	5/2/72	12.10
Current Expense	Continuing	11/8/88	5.70
Current Expense	Continuing	5/7/91	7.50
Bond Levy	28 Years	11/8/94	4.20
Current Expense	Continuing	3/2/04	6.90

Therefore, overall Batavia Local School District has the following millage levied:

Description	Approved Millage
Inside	4.30
Outside	45.30
Sub-Total	49.60
Bond Millage	4.20
Total	53.80

The following is the history of increases or decreases in property taxes received over the last several years:

FY01 to FY02 = (2.30%)
 FY02 to FY03 = 4.48 %
 FY03 to FY04 = 2.00%
 FY04 to FY05 = 15.30% (represent ½ of collection of 6.9 mill levy passed 3/2/04)

Five-Year Forecast

Assumptions

Page -2-

FY05 to FY06 =	34.80% (represents 1st full year collection of 6.9 mill levy passed 3/2/04)
FY06 to FY07 =	(1.00%)
FY07 to FY08 =	(.62%)
FY08 to FY09 =	5.22 %
FY09 to FY10 =	.45%

Therefore, overall, the average increase over the last nine years has been 6.48%, however, if you remove the 15.30% increase and the 34.80% increase due to a new levy we have only realized a 1.17% increase over that same time.

During Fiscal Year (FY) 2009 we collect taxes based upon the new valuations that were determined during the most recent reappraisal. The amount of the increases realized from this reappraisal is considerably less than in the past and amount to the following:

Residential Increase = 5.6%
Agricultural Decrease = -0.36%
Commercial Increase = 1.03%
Industrial Decrease = -11.52%

Total Increase = 2.41%

FY11 - As of the writing of these assumptions we have received 5,932,978 in Property Taxes so this is what is being used for the FY11 projection. We also realize that Duke is currently attempting to reduce their taxable valuation and if successful we may potentially owe back the following amounts that have been received from Duke. If we were in better financial times we would set this amount aside, but at this time we do not have the funds to do so.

February 2010 - 75,348
August 2010 - 75,348
February 2011 - 75,348

The above is based upon a 60% reduction in valuation.

FY12 - Based upon historical information and conservatism, we are projecting a 4% increase in Real Estate Taxes for this fiscal year due to the triennial update. It should also be noted that we anticipate collecting approximately 150,000 from Duke that may have to be repaid depending on the outcome of their appeal.

**Five Year Forecast
Assumptions
Page -3-**

- FY13 to FY14 - Based upon historical information and conservatism, we are projecting a 1.17% increase in Real Estate Taxes for these fiscal years. It should also be noted that we anticipate collecting approximately 150,000 annually from Duke that may have to be repaid depending on the outcome of their appeal.
- FY15 - Based upon historical information and conservatism, we are projecting a 4% increase in Real Estate Taxes for this fiscal year due to the reappraisal. It should also be noted that we anticipate collecting approximately 150,000 from Duke that may have to be repaid depending on the outcome of their appeal

Personal Property Taxes (Line 1.020)

Personal property consists of business tangible property taxes, which are taxes levied on business machinery, equipment and inventory, and public utility tangible taxes which are taxes levied on property and equipment of public utilities, such as power plants and phone companies.

House Bill 66 phases out the tax on the tangible personal property of general businesses, telephone and telecommunication companies, and railroads. The tax on general business and railroad property will be eliminated by 2009, and the tax on telephone and telecommunications property will be eliminated by 2011. The tax is phased out by reducing the assessment rate on the property each year. House Bill 66 also replaces the revenue lost due to phasing out the tax. In the first five years, school districts are reimbursed fully for lost revenue. In the following seven years, the reimbursements are phased out.

- FY11 - As of the writing of these assumptions we have received 16,145 so we are budgeting this number for this fiscal year.
- FY12 to FY15 - We are not forecasting any amounts for these years based upon recommendation of the Clermont County Auditor's Office

State Foundation – Unrestricted (Line 1.035)

- FY11 - The Ohio General Assembly approved HB1 for FY10 and FY11. We understood that we would receive a .75% increase for this year. As of the writing of these assumptions we are anticipating receiving 6,819,178 by fiscal year end so this is the number we are using as our projection for this year.

**Five Year Forecast
Assumptions
Page -4-**

- FY12 - The Ohio General Assembly has not approved a budget for this period, however, the Governor has submitted his recommendation. Although it is not exactly clear what ultimately will be approved we are assuming that we will lose 10% of our funding from what we received for State Foundation – Unrestricted and SFSF Funds in FY11, with SFSF funds being eliminated 100%. Based on this we would expect to receive 6,566,290 for this year. This also assumes that enrollment stays constant.
- FY13 - The Ohio General Assembly has not approved a budget for this period, however, the Governor has submitted his recommendation. Although it is not exactly clear what ultimately will be approved we assumed that we would lose 10% of our funding from what we received for State Foundation – Unrestricted and SFSF Funds in FY11, with SFSF fund being eliminated 100% for FY12 and we are further assuming a 1% reduction for this year from what was received in FY12. This also assumes that enrollment stays constant.
- FY14 to FY15 - The Ohio General Assembly has not approved a budget for this period so we have left the funding levels for this period the same as FY13. Additionally, it is assumed that our enrollment stays constant.

State Foundation – Restricted (Line 1.040)

- FY11 - This line item includes items such as Career Tech. reimbursement. The Ohio General Assembly approved HB1 for FY10 and FY11. As of the writing of these assumptions we expect to receive 29,472 so this is the number we have budgeted for this year.
- FY12 to FY13 - The Ohio General Assembly has not approved a budget for this period so we have left funding flat at what was projected in FY11. Additionally, it is assumed that our enrollment stays constant.
- FY14 to FY15 - The Ohio General Assembly has not approved a budget for this period so we have left funding flat at what was projected in FY12 and FY13. Additionally, it is assumed that our enrollment stays constant.

State Foundation – State Foundation Stabilization Funds (Line 1.045)

FY11 - This line item includes the Federal Stimulus monies that are being used to supplant regular State Foundation dollars that have been received in the past. These dollars will no longer be available in the next biennium. As of the writing of these assumptions we expect to receive 487,811 for this fiscal year and as a result this is the amount we are budgeting.

FY12, FY13, FY14
& FY15 - At this point there is no expectation that there will be any Federal Stimulus monies available for this period so nothing is budgeted.

Property Tax Allocation – Homestead and Rollback (Line 1.050)

This line item represents the amount of reduction on property owners property taxes that is reimbursed to the district from the state. There is a 10% and a 2.5% exemption, along with an exemption for elderly or mentally disabled homeowners based upon their income level. Starting in Fiscal Year 2007 the Homestead Exemption has been expanded to all persons 65 years of age and older, regardless of their financial status.

FY11 - As of the writing of these assumptions we expect to receive 1,907,993 for this line item so that is what we have budgeted.

FY12 - Based upon a projected amount of \$1,700,000 to account for the ultimate elimination of the state reimbursement for tangible personal property tax losses.

FY13 - Based upon a projected amount of \$1,600,000 to account for the ultimate elimination of the state reimbursement for tangible personal property tax losses.

FY14 - Based upon a projected amount of \$1,400,000 to account for the ultimate elimination of the state reimbursement for tangible personal property tax losses.

FY15 - Based upon a projected amount of \$1,400,000 to account for the ultimate elimination of the state reimbursement for tangible personal property tax losses.

It should also be noted that this line item includes an exemption for businesses with less than \$10,000 of personal property. Historically, this exemption has been reimbursed to

**Five Year Forecast
Assumptions
Page -6-**

the schools by the State, however, these are being phased out.

Other (Line 1.060)

This line item consists of several revenues sources that cannot be receipted in any of the other more specific line items. The revenue sources that make up the largest part of this line item is investment income, open enrollment, and TIF payments. Below is a schedule of the TIF payments we have received since they were approved:

				Fiscal		
	Date		Cumulative	Year	Fiscal	%
<u>Tax Period</u>	<u>Received</u>	<u>Amount</u>	<u>Totals</u>	<u>Totals</u>	<u>Year</u>	<u>Increase</u>
1st Half 2006	May-07	118,819.28	118,819.28	118,819.28	FY07	
2nd Half 2006	Nov-07	115,275.41	234,094.69			
1st Half 2007	May-08	265,166.83	499,261.52	380,442.24	FY08	220%
2nd Half 2007	Oct-08	241,357.94	740,619.46			
1st Half 2008	May-09	332,608.74	1,073,228.20	573,966.68	FY09	51%
2nd Half 2008	Sept-09	302,785.33	1,376,013.53	302,785.33	FY10	(52%)
1st Half 2009	July-10	359,412.32	1,735,425.85			
2nd Half 2009	Sept-10	332,014.20	2,067,440.05			
1st Half 2010	May-11	407,217.44	2,474,657.49	1,098,643.96	FY11	263%

FY11 - As of the writing of these assumptions we expect to receive 2,195,441 for this line item so this is the amount we have budgeted. This amount also includes 352,721.58 in Education Jobs Funds money.

FY12 - We have projected a 5% growth annually for this line item based in part upon the fact that we are seeing substantial growth in our TIF receipts. We realize that the large increases we have seen above will level out, however, we do believe as the real estate market improves we will continue to see growth in this line item. It should also be noted that approximately \$350,000 was removed to account for what was noted above under FY11. Additionally, we have added in 82,239 in Education Jobs Funds to be received this year. This will exhaust all our Education Jobs Funds so we will not receive any more in the future.

FY13 to FY15 - We have projected a 5% growth annually for this line item based in part upon the fact that we are seeing substantial growth in our TIF

receipts. We realize that the large increases we have seen above will level out, however, we do believe as the real estate market improves we will continue to see growth in this line item.

EXPENDITURES

Salaries (Line 3.010)

FY11 - As of the writing of these assumptions we expect to expend 9,727,969 for this line item so that is what we are budgeting for this year.

FY12 - We have agreed to a two year agreement with BPEA and OAPSE for FY12 and FY13 with the following changes to the contracts regarding salaries:

1. No salary increase for this year on the base. Staff will still move on the steps of the salary schedule and the columns of the salary schedule.

Additionally, we have reduced our staffing through our reduction in force clause in each collective bargaining agreement. Please see "Attachment A" for the amounts that have been reduced relative to salary.

All the above information has been taken into consideration to create the budgeted number for this year.

FY13 - We have agreed to a two year agreement with BPEA and OAPSE for FY12 and FY13 with the following changes to the contracts regarding salaries:

1. No salary increase for this year on the base. Staff will still move on the steps of the salary schedule and the columns of the salary schedule.

This information has been taken into consideration to create the budgeted number for this year.

**Five Year Forecast
Assumptions
Page -8-**

FY14 and FY15 - We do not currently have negotiated agreements in place for this period so we have only budgeted a 1.5% increase to account for step increases.

Fringe Benefits (Line 3.020)

FY11 - As of the writing of these assumptions we expect to expend 3,616,180 for this line item and consequently we have budgeted this amount for this year.

FY12 - We have agreed to a two year agreement with BPEA and OAPSE for FY12 and FY13 with the following changes to the contracts regarding salaries:

1. Effective 9/1/11 employees will begin contributing 12% of the premium for health and dental insurance.....increase from 6% in FY11. Additionally, the PPO is being eliminated and there are several plan design changes. As a result, we are budgeting this line item to be 36% of Salaries.

Rates for this year are as follow:

	Single	Family
PPO	\$390.67	\$1,072.47

The following represents historical healthcare cost increases (based on a family plan):

Years	PPO	HMO
FY-04	1.27%	29.10%
FY-05	20.21%	6.29%
FY-06	2.17%	12.02%
FY-07	3.47%	11.71%
FY-08 (Self Funded)	12.78%	2.76%
FY-09 (Self Funded)	3.0%	4.9%
FY-10 (Self Funded)	1.58%	(8.4%)
FY-11 (Self Funded)	0%	0%
FY-12 (Self Funded)	7.7%	N/A

Purchased Services (Line 3.030)

The major expenditures in this line item are fuel and utility costs. Fortunately, fuel prices have stabilized over where they were a short time ago. Additionally, we have started purchasing our gas and electric from other more competitive suppliers so we expect to continue to realize savings in this area. However, a growing area for this line item has been the cost of our Special Education Services.

FY11 - As of the writing of these assumptions we expect to expend 3,381,650 for this line item and as a result this is what we have budgeted for this year.

FY12 - We have reduced this from last year by 4% and have subtracted the Purchased Service items that were part of the reductions that were made for FY12, as shown on "Attachment A".

FY13 to FY15 - We have added a 1% increase annually to allow for inflation.

Supplies and Materials (Line 3.040)

This line item consists of supplies and material used in the course of educating students. Ohio law requires that school districts expend 3% of their General Fund revenues (based upon a calculation) for supplies and instructional materials. Any of this 3% that is unspent must be set aside and carried forward to be spent the next year.

FY11 - As of the writing of these assumptions we expect to expend 485,594 for this line item and as a result this is what we have budgeted for this year.

FY12 - We have budgeted a 10% reduction in this line item from FY11 expenditures.

FY13 to FY15 - We have added a 1% increase to allow for inflation. Due to the current state of our forecast we will have to delay our Textbook Adoption Schedule.

Capital Outlay (Line 3.050)

FY11 - As of the writing of these assumptions we expect to expend 104,147 for this line item and as a result this is what we have budgeted for this year.

**Five-Year Forecast
Assumptions
Page -10-**

- FY12 - We have reduced this amount by 10% from what was expended for FY11.
- FY13 - We have added a 1% increase to allow for inflation.
- FY14 - We have added a 1% increase to allow for inflation and added \$360,000 to pay for the lump sum payment due for school bus purchases.
- FY15 - We have added a 1% increase to allow for inflation after removing the \$360,000 payment paid in FY14.

Other (Line 4.030)

- FY11 - As of the writing of these assumptions we expect to expend 155,307 for this line item and as a result this is what we have budgeted for this year.
- FY12 - We have reduced this amount by 10% from what was expended for FY11.
- FY13 to FY15 - We have added a 1% increase to allow for inflation.

Other Comments

This forecast should be considered a fluid document that will be reviewed each month by comparing this document to the actual financial statements. The purpose of this monthly review is to make sure the Board is never more than 30 days away from making a course correction in the forecast. Additionally, in January a mid-year review will be completed that will look at each line item in detail to see if any adjustments need to be made one-half of the way through the fiscal year.

Batavia Local School District was on the ballot for a 6.9 mill operating levy in May 2011 that was not successful. Currently the Board is considering if and when they will go back on the ballot. At the time of the writing of these assumptions a decision has not been made.

Batavia Local School District is still considered a lapsed district with the Ohio School Facilities Commission and will continue to have an opportunity to secure State funds for a building project if they are able to secure their local share from the voters.

ATTACHMENT A

Dept	Cut/RIF or Change	2010-11	2011-12
Admin	Not Fill Open Admin position	\$59,751.03	\$129,728.88
Custodial	Not fill Open Cust. position	\$17,509.64	\$43,800.61
RN	Reduce days to 199		\$5,160.79
Transportation	Bus 5th gr w 3rd & 4th		\$13,398.35
GF	TIF \$	\$67,697.00	\$61,442.80
GF	Homeless ARRA	\$8,000.00	\$0.00
GF	SpEd ARRA	\$140,000.00	\$0.00
GF	Title I ARRA	\$75,000.00	\$0.00
GF	Non-Transfer of funds	\$50,000.00	
Tech	Infrastructure changes		\$30,400.00
Food Service	Cust.Charge Back	\$36,736.53	\$36,736.53
Transportation	All Fieldtrips non GF\$		
GF	Athletics		\$150,000.00
GF	communication infrastructure		\$6,000.00
GF	Supplementals		\$46,306.00
GF	RIF Classified		\$195,577.76
GF	RIF Certified		\$396,207.33
Totals		\$454,694.20	\$1,114,759.05
Total 2010-10 and 2011-12			\$1,569,453.25