

**CONNEAUT AREA CITY SCHOOLS  
FORECASTED ASSUMPTIONS  
May 20, 2009**

**REVENUES**

Property Taxes – 1.01, 1.02

Revenue estimates are based upon historical patterns to some extent, including updates (2005/2011) and re-appraisals (2002/2008). However, information from our county auditor indicates that re-appraisal real estate valuations will only increase approximately 6% in 2008 instead of the historical 19-20%. It should be noted that public utility personal property collections, while they are a part of the real estate settlement, have been recorded as personal property revenue. TPP phase out is taken into account in lines 1.02 and 1.05. The district will receive some TPP through 2011 due to the longer phase out period for the district's telephone company valuations. **MAY: The total property valuation increased from \$198,516,371 in 2007 to \$205,882,290 in 2008 which was an overall increase of 3.7%; however, ag/res valuations increased 6.9%. Excess real estate delinquencies amounted to approximately \$70,000.**

Unrestricted Grants in Aid (State Foundation) – 1.035

Per pupil aid was estimated at \$5,841 for 2010; \$5,952, 2011; \$6,065, 2012; and \$6,180, 2013—a 1.9% increase each year. It is believed that the current ODE estimated ADM of 2148.47 that is being used to calculate 2009 is inflated. Thus, we're using an ADM of 2078--70 less. We have projected a decline in enrollment of 60 students per year for each succeeding year. Revenue has been calculated with the following areas of funding: Formula Aid, \$7,451,001; Parity Aid \$1,492,305; Special Education, \$771,685; Speech, \$21,181; Training and Experience, \$22,001; Gifted Aid, \$37,106; Transportation, \$453,399; Charge-Off Supplement, \$944,862; Pre-School, \$181,252; and Special Education Transportation, \$30,716. **MAY: The ADM is 2085.82 which is an actual decrease of 62.65 from 2008. The result is shown in the following areas of funding: Formula Aid, \$7,496,237; Parity Aid \$1,416,943; Special Education, \$788,120; Speech, \$21,118; Training and Experience, \$1,428; Gifted Aid, \$0; Transportation, \$453,399; Charge-Off Supplement, \$959,554; Pre-School, \$165,547; and Special Education Transportation, \$30,716. With regard to funding for next year, no reliable estimates are available at this time.**

Restricted Grants in Aid – 1.04

Based upon a decrease in enrollment from the current SF-3 Poverty Based Assistance is projected to be \$738,209 and Career Tech is \$20,463. The PBA funding will be used to cover the salaries and benefits for all-day kindergarten teachers and for intervention

services. Bus reimbursement is estimated to be approximately \$7,600. **MAY: PBA funding was cut to \$569,028 and Career Tech is \$18,232. As a result of the PBA reduction, intervention services were only minimally provided. Bus reimbursement amounted to \$23,671 and those dollars, combined with permanent improvement dollars, were used to purchase three (3) new buses.**

#### Property Tax Allocation – 1.05

In addition to the Homestead and Rollback payments, this line includes approximately \$207,000 for HB66 personal tangible tax replacement revenue in 2009, \$589,000 in 2010, \$582,000 in 2011, \$563,000 in 2012, and \$442,000 in 2013.

#### Other Revenues – 1.06

Because of a variance in historical data, a percent of increase was not applied. Amounts for FY 2009 were considered individually as follows: SF-14 tuitions, \$8,000; open enrollment, \$171,077; interest, \$120,000; rental of school facilities, \$2,000; other local, \$2,000; other taxes, \$800; pay to participate (2008 fee doubled in 2009), \$60,000; and a general fee for all students was instituted for the 2009 school year and is expected to generate approximately \$20,000. **MAY: Major areas of change included open enrollment, \$219,342; interest, \$65,500; and pay to participate, \$43,600. Unexpected “one-time only” revenue included a damaged bus insurance settlement, \$8,158; a series of donations, \$1,321; and a 2004/2005 MRDD settlement, \$42,503. For 2010, the general fee for all students and the middle school pay-to-participate fee will be discontinued.**

#### Other Financing Sources – 2.04, 2.05, and 2.06

Two transfers have been made into general fund. A lock fund at Conneaut Middle School was closed and a balance that had remained in the Unclaimed Funds account for five years together amounted to \$5,927.

Advances made in June, 2008 and returned in July amounted to \$31,268.

To date the following refunds of prior year expenditures have been received: substitute reimbursement, \$2,104; summer camp reimbursement, \$3,201; motor fuel refund, \$658; and copier payment refund, \$2,733. **MAY: Additional revenue was received from the sale of three old buses for \$5,191 and prior year refunds from Wireless Generation for \$281 and Drug Free Workplace for \$1,313.**

## **EXPENDITURES**

### Personal Services – 3.01

The classified negotiated agreement specifies a 1% pay increase in FY 2009. As of this date negotiations with certified are pending. Effective step increases cost the district 1.97%. Salaries for FY 2009 were calculated based upon current contracts as follows: certified wages, \$6,420,934; classified wages, \$1,900,750; administration, \$524,916; overtime, subs, etc., \$773,367; and supplementals, \$160,143. 2009 reductions included the elimination of four teaching positions—elementary music and one section each of kindergarten, first grade, and fifth grade—and one administrative position. Saturday school was moved to midweek to cut custodial costs. Middle school drama and vocal and instrumental supplemental contracts were eliminated. Third shift custodian positions were reduced from 12-month to 10-month positions and one six hour high school custodial position was eliminated. An attempt will be made to reduce overtime by 50%. Due to a three week span between the final August and first September pays, there will be 25 pays in fiscal year 2009 instead of the normal 26 pays. Summer wage pay-offs for four possible retirees are included in the wage calculations. Years 2010-2013 do include projected 2% wage increases. **MAY: The following specific areas were overestimated by these dollar amounts: one unfilled teaching position, \$31,530; certified substitutes, \$54,500; severances, \$32,000; retiree pay-offs, \$17,450; classified salaries, \$59,000; classified subs, \$17,000; and overtime, \$10,000.**

### Benefits – 3.02

Calculations for FY 2009 are based upon appropriations as follows: retirement, \$1,353,649; Board paid retirement, \$28,510; SERS surcharge, \$38,335; medicare, \$110,415; medical insurance, \$2,161,224; life insurance, \$15,815; dental insurance, \$118,475; vision insurance, \$17,986; and unemployment, \$2,362. An 8% increase in insurance premium rates became effective in 2009 and a 10% increase is anticipated for 2010 and after. Retirement is calculated at 14%. Sheakley has projected BWC premiums for 2009 at \$154,000 and for 2009 at \$153,000. In recent years a surplus in a BWC agency fund has covered the cost of the premiums but that source of funding will be depleted in 2009 with the payment of that year's premium. Approximately \$21,000 of general fund dollars will need to be added to the agency fund dollars to cover the 2009 premium. In 2010, approximately \$109,000 in general fund dollars will be needed to cover the premium. **MAY: No notable changes.**

### Purchased Services – 3.03

Purchased services for FY 2009 are based upon actual appropriations as follows: miscellaneous, \$17,840; repairs, \$56,156; OT/PT services, \$153,739; mileage/meeting, \$25,210; tuition, \$206,755; open enrollment, \$238,193; community school, \$278,729;

physicals/drug testing/licensing, \$8,400; data processing, \$47,000; legal, \$68,467; sign language interpreters, \$35,791; county board contract, \$120,850; tech, \$14,119; insurance (building and fleet), \$63,139; Xerox, \$94,799; snowplowing, \$22,500; board service fund, \$6,024; phone, \$44,501; postage, \$13,786; electricity, \$607,277; water/sewer, \$22,848; gas, \$11,126; and PBA tutors \$53,100. An 8% increase has been projected for succeeding years. **MAY: Areas of significant change include OT/PT services, \$11,300; tuition, (\$71,700); open enrollment, \$11,900; community school, \$28,670; Xerox, (\$15,000); electricity, \$66,000; and due to reduction in funding, PBA tutors (\$48,000).**

#### Supplies/Materials – 3.04

Supplies for FY 2009 are based upon actual appropriations in the following areas: general/instructional/paper, \$68,350; textbooks, \$39,800; testing supplies, \$3,447; office supplies, \$10,178; nurse, \$2,272; computer, \$11,375; library, \$45,888; maintenance, \$97,805; transportation, \$54,015; and diesel fuel, \$150,000. A 4% increase has been projected for succeeding years. **MAY: Decreases in projected expenditures include instructional materials, (\$15,000); textbooks, (\$22,500) and gas/diesel, (\$36,500). The custodial supply expenditure increased by approximately \$10,000.**

#### Capital Outlay – 3.05

Figures are based upon actual appropriations for FY 2009: vocational equipment, \$5,223; other equipment, \$12,479; technology, \$13,571; and bus purchase (using reimbursement and insurance payment funds), \$28,821. **MAY: A used bucket truck for the maintenance department was purchased for \$4,835.**

#### Other Objects – 4.30

Figures are based upon actual appropriations for FY 2009 as follows: county board deduction, \$103,736; professional dues, \$3,341; state audit fees, \$47,485; county auditor charges, \$107,891; bank charges, \$342; liability insurance, \$6,150; and assessment for 911, \$1,161. A 3% increase has been projected for succeeding years. **MAY: The major area of change included an approximate \$11,000 decrease in audit costs. 2009 was the first year for the use of independent auditors for the fiscal year 2008 audit.**

#### Other Financing Uses – 5.01

A refund of a prior year receipt amounted to \$1,972. **MAY: Transfers in the amounts of \$7,941 and \$1,057 were made to the Uniform Supply Fund to reimburse the high school and middle school for loss of revenue due to fee waivers that were issued.**

Encumbrances – 8.01

Encumbrances are estimated to be approximately \$65,000 each year.

Textbooks and Instructional Materials – 9.01

The reserve is \$577,233.

Poverty Based Assistance – 9.04

\$268,000 in funding received prior to June 30 will need to be reserved to cover July and August wages and benefits. **MAY: Because of funding cuts, only \$86,400 will be available for July and August payroll and benefits.**

**MAY: In recognition of a pending deficit in fiscal year 2011, the Board of Education has approved the following reduction package for the 2009-2010 school year: there will be no busing for grades 9-12 and no summer busing to special programs or the ACJVS. The Middle School, Gateway Elementary, and Lakeshore Primary will be placed on a common start time to allow for one bus run twice a day rather than two runs twice a day. Pre-school special needs students will be placed on regular bus runs. The following positions will be eliminated: 10 paraprofessionals, 1 clerical, 2.5 custodial, .5 maintenance, 1 transportation, and 11 certified. The following positions will be reduced in hours: 5 clerical, 2 custodial, and 18 transportation. Five positions will be realigned with additional minutes. Two administrative positions will be reassigned. It is estimated that this package will save the district approximately \$800,000. Because there will be such a large employee/position change due to the bid/bump process, those dollars have not been calculated in the individual line items of the forecast itself. However, the actual dollars will be included in the October submission.**

Board Approved: May 20, 2009