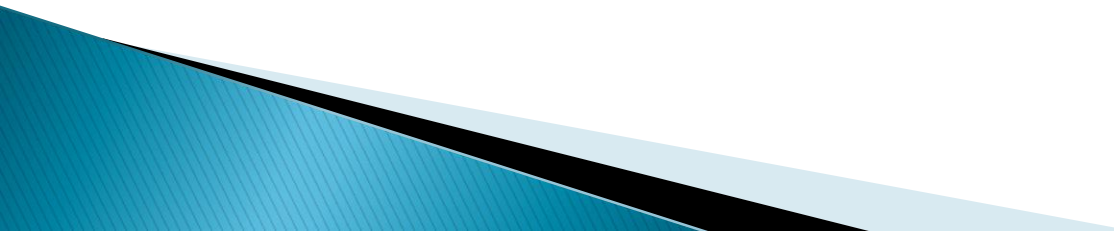


# Financial Work Session

5/13/10

# Financial Review Agenda

1. Five-Year Forecast Overview
  2. Revenues
    - Shortfalls and projections
  3. Expenditures
    - Cost increases
    - Where is there flexibility to reduce
  4. Summary
    - Expenditures increasing faster than revenues
    - New revenue sources
    - Cost-saving measures
- 

- **Five-Year Forecast Overview**

- Revenues decreasing, costs increasing
- Cash balance being depleted

- **Revenue** – shortfalls, where are they coming from?

1. **Real Estate Tax** collection increases stagnant.

- Property values decreasing, not much new construction = we get same amount of money.


2. **Personal Property Tax** elimination – permanent loss of over (\$400,000).

- Currently being subsidized by State, but due to the phase-out of the subsidy, full losses will start being realized in 2013–14.

3. **Income Tax** – decreases of up to 30%, at least until economy turns around.

4. **State Funding** decreasing – 99%, 98%, then ??.

- Federal Stabilization Funds (SFSF) only guaranteed for two years: 09–10 and 10–11.
  - SFSF currently pays for Gifted and Orchestra

- **Expenditures** – cost increases and where is there flexibility?
    1. **Salaries: \$4,632,172.** Annual personnel costs aside from regular salaries:
      - Step increase approx. 1.9% – \$58,000
      - Each 1% raise costs approx. \$45,000
      - Subs – \$105,000
      - Supplementals – \$175,000
      - Extra work/OT – \$53,000
    2. **Retirement/Benefits: \$1,621,182.** When salaries increase, fringes increase at +17% of the pay increase for retirement, medicare and worker's comp.
      - STRS/SERS – \$708,000
      - Health Insurance – \$681,000
        - FY11 increase projected to be near 15%; will cost over \$100,000
      - Dental, Vision, Life Insurances – \$84,000
      - Medicare – \$61,000
      - Flex-Savings Account – \$40,000
      - Tuition Reimbursement – \$15,000
      - Worker's Comp – \$23,000
      - Unemployment – \$4,000
- 

### ***3. Purchased Services: \$635,000.***

- Professional services – \$31,000
  - AESOP, Progress Book, Tech Support, InfOhio, GAAP Conversion, Public School Works (online training), Security Systems
- Legal Services – \$21,000
- Utilities/Water/Trash – \$190,000
- Copiers – \$30,600
- Postage – \$9,400
- Public Relations – \$7,000
- Prof Dev/Travel – \$25,000
- Open Enrollment (Out) – \$55,000
- Community Schools – \$94,000
- Alternative Learning – \$110,000
- Spec Ed Excess Costs – \$22,000
- Post-Secondary – \$35,000
- Transportation in lieu of – \$6,500
- Not much flexibility in this area

### ***4. Supplies: \$194,006.***

- Supplies/Teaching Aids/Software – \$80,000
- Textbooks – \$30,000
- Library books/supplies – \$8,000
- Maint/Custodial – \$35,000
- Bus fuel/supplies – \$40,000

Almost 40% spent on maint/custodial and transportation.

**5. Equipment: \$19,796.** Per annual building needs. Tech budget of \$20,000 per building currently taken out of Permanent Improvement Fund.

**6. Other: \$618,453 .**

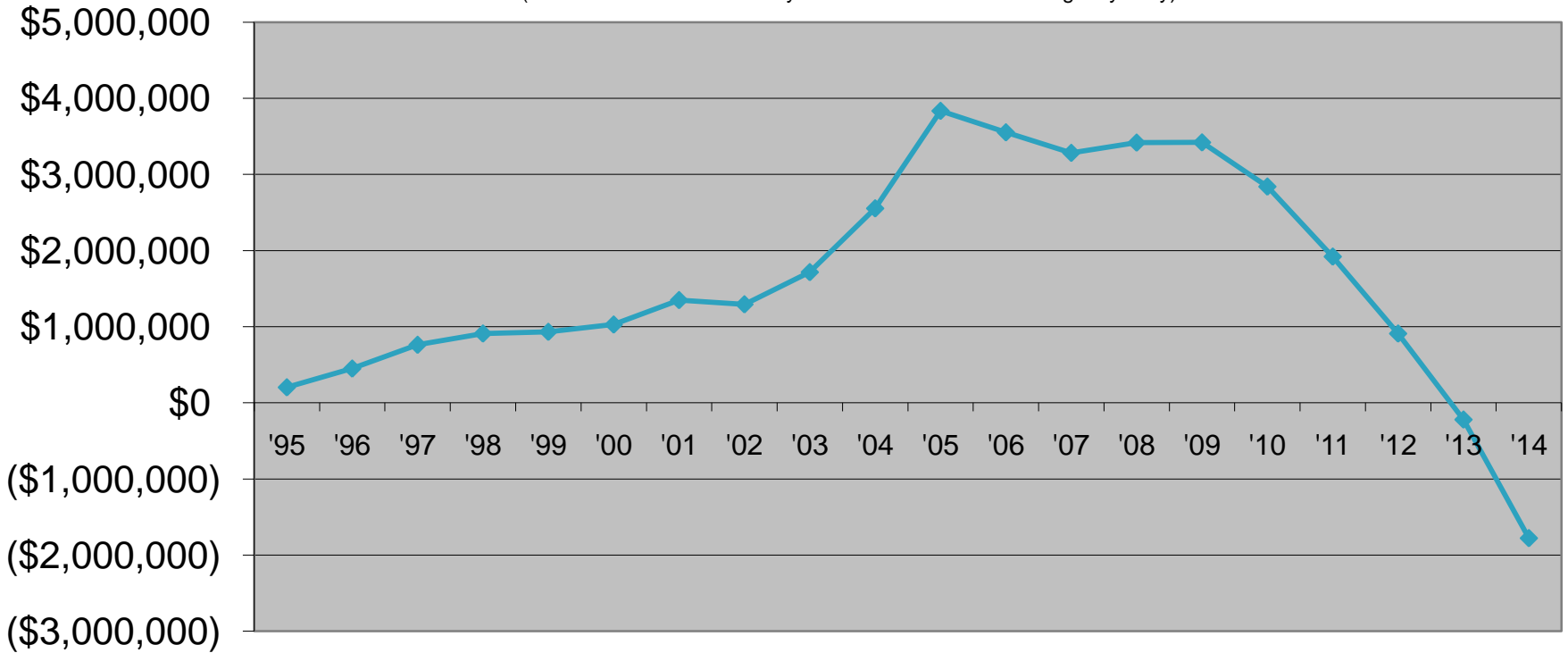
- Memberships – \$8,800
  - Audit – \$25,000
  - ESC special ed costs – \$470,000
  - County Auditor/Treas Fees – \$65,000
  - Bank Fees – \$6,000
  - Liability insurance – \$8,600
  - Lease/Debt Payments – \$35,250
- 
- Assuming everything remains constant, expenditures will increase around 4% a year and revenues should increase very little, if at all. This could result in losses of \$1 million per year! Current cash balance of \$2.8 million would be depleted at end of 2012–13 year.
    - We need to look at all cost-saving measures
    - Investigate new revenue sources

**Yellow Springs Schools**  
**5-Year Forecast Summary**  
**May 13, 2010**

	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>
Beginning Cash Balance	\$3,552,903	\$3,283,132	\$3,417,631	\$3,420,408	\$2,840,448	\$1,920,726	\$909,796	(\$220,123)
Total Receipts	6,991,073	7,257,214	7,535,362	7,222,650	7,260,938	7,423,844	7,624,849	7,537,434
Total Expenditures	7,260,844	7,122,715	7,532,585	7,802,609	8,180,660	8,434,774	8,754,768	9,094,663
<b>Ending Cash Balance</b>	<b>\$3,283,132</b>	<b>\$3,417,631</b>	<b>\$3,420,408</b>	<b>\$2,840,448</b>	<b>\$1,920,726</b>	<b>\$909,796</b>	<b>(\$220,123)</b>	<b>(\$1,777,352)</b>
Revenue Over/(Under) Expenses	(\$269,771)	\$134,499	\$2,777	(\$579,959)	(\$919,722)	(\$1,010,930)	(\$1,129,919)	(\$1,557,229)
Revenue Increases		3.81%	3.83%	-4.15%	0.53%	2.24%	2.71%	-1.15%
Expenditure Increases		-1.90%	5.75%	3.58%	4.85%	3.11%	3.79%	3.88%

# Yellow Springs Schools Ending Cash Balance

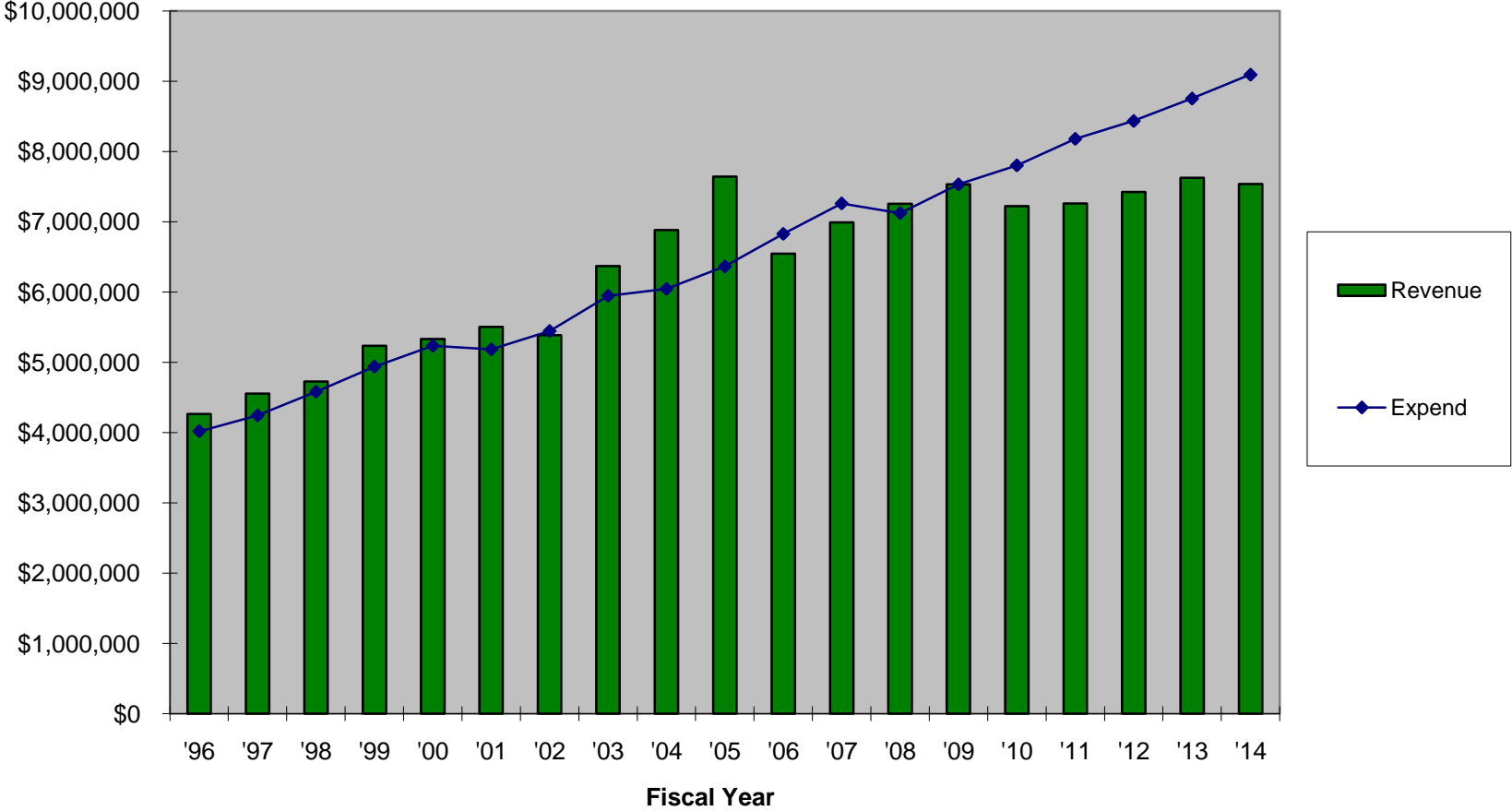
('03-04 & '04-05: New money from Income Tax and Emergency Levy)



**Fiscal Year**

# Yellow Springs Schools General Fund Revenue vs. Expenses

('03-04 & '04-05: New money from Income Tax and Emergency Levy)



# Salaries/Fringes as Percent of Revenue

Good Fiscal Practice: < 85%

