

**MARGARETTA LOCAL SCHOOLS
FINANCIAL FORECAST ASSUMPTIONS
FOR THE PERIOD FISCAL YEAR 2010 - 2014
AS OF SEPTEMBER 21, 2009**

Revenue:

- 1 **Real Estate tax** revenue growth trended for New Construction, Tax Year 2009 Triennial Update and Tax Year 2012 Reappraisal In Fiscal Year 2010, the district will receive an increase in Real Estate Tax Revenue as a result of a substantial increase in CAUV approximately \$37,000 annually.
- 2 **Tangible Personal Property** declines as a result of HB 66 tax reform legislation, remaining revenue is from Public Utility Personal Property;
- 3 **Basic State Education funding** was affected by House Bill 1, the Budget bill, wherein the District received a 1% decrease in FY10 and a 2% decrease in FY11; the District receives Fiscal Stabilization funding from Federal Stimulus bill in FY10 and FY11.
- 4 **Property Tax Allocation** reflects the funding from the reimbursement of Commercial Activity Taxes as per current law under the provision of HB 66 enacted in June, 2005; FY2014 reflects first year of loss in reimbursement from "hold harmless" to "phase-out" periods, a loss of \$305,347 in FY14 per HB1.
- 5 **Other revenue** reflects the continued decline in investment income due to the reduction in yield and depletion of available funds to invest; the lease payments from North Point ESC begin to increase in FY10 from \$30,000 to \$40,000 and then to \$45,000 per year beginning FY11.

Expenditures:

- 1 **Personal Services** reflects reductions in force through attrition - 2 teaching positions, and 1 classified staff positions in FY10; in FY10 the non-bargaining personnel have taken a pay freeze, the Classified bargaining took a 0% increase on the base salary for FY09, and Certified bargaining unit personnel took a 0% increase on the base salary for FY10; Wages are estimated to return to a normal pattern of growth beginning in FY11 estimated to grow at a rate of 3%.
- 2 **Employees' Benefits** reflect reductions in staff insurance and retirement contributions resulting from a reduction in staffing levels and the replacement of an Assistant Principal via a contract with North Point ESC; Health Insurance premiums did not increase from FY09 rates, estimated rate increases for each year thereafter of 5%.
- 3 **Purchased Services** assumes the termination of the Assistant Principal Curriculum director and the addition of High School Assistant Principal for FY10; assumes the modular classroom lease will terminate at the end of FY10, a savings on the lease of \$51,000/yr plus utilities; estimates a leveling off of utilities due to the construction project in FY09 adding costs, a 4% increase in utilities each year after FY10; assumes a reduction in Special Education contract services to be absorbed by Title VI-B Stimulus funds for FY10 & FY11 estimated a total savings of \$110,000 over two years.

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- Expenditures:** 4 **Supplies and Materials** assumes modest increases in fuel costs each year; assumes a significant decrease in the purchase of textbooks and classroom supplies resulting from the district's austerity measures.
- continued** 5 **Capital Outlay** includes the purchase of one school bus per year, all other capital expenditures to be paid through the Permanent Improvement Levy Fund.
- 6 **Debt Service** represents the payment of debt incurred to construct an addition to the Elementary building.
- 7 **Other Financing Uses** include the transfer of General Operating Funds into the Federal and State Grant Funds to cover short falls in those funding sources year to year, as well as transfers to the Food Services Fund to support operating deficits in the fund.
- 8 **Federal Fiscal Stabilization Funds** are accounted for in the forecast for FY10 & FY11, the funds are being used to pay the salary and benefits of five Elementary teaching positions.