

## FY15 FIVE YEAR FORECAST- OCTOBER 2014 SUBMISSION

FY15 - October 2014 submission  
IRN 133280

County: Cuyahoga

**Washington Park Community School**  
**Statement of Receipt, Disbursements, and Changes in Fund Cash Balances**  
**For the Fiscal Years Ended June 30, 2012 through 2014, Actual and**  
**the Fiscal Years Ending June 30, 2015 through 2019, Forecasted**

Submitted: 10/25/2014

	Actual			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
<b><u>Operating Receipts</u></b>								
State Foundation Payments (3110, 3211)	\$1,665,638	\$1,678,675	\$1,666,427.00	\$1,690,548.00	\$1,685,854.00	\$1,685,854.00	\$1,685,854.00	\$1,685,854.00
Charges for Services (1500)	7,879	5,051	\$3,855.00	\$3,855.00	\$3,855.00	\$3,855.00	\$3,855.00	\$3,855.00
Fees (1600, 1700)	0	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other (1830, 1840, 1850, 1860, 1870, 1890)	736	1,005	\$17,920.00	\$17,920.00	\$17,920.00	\$0.00	\$0.00	\$0.00
<b>Total Operating Receipts</b>	<b>1,674,253</b>	<b>1,684,731</b>	<b>\$1,688,202.00</b>	<b>\$1,712,323.00</b>	<b>\$1,707,629.00</b>	<b>\$1,689,709.00</b>	<b>\$1,689,709.00</b>	<b>\$1,689,709.00</b>
<b><u>Operating Disbursements</u></b>								
100 Salaries and Wages	1,139,341	1,092,269	\$1,048,656.00	\$1,048,649.00	\$1,139,341.00	\$1,139,341.00	\$1,139,341.00	\$1,139,341.00
200 Employee Retirement and Insurance Benefits	347,280	323,428	322,151	\$347,280.00	\$347,280.00	\$347,280.00	\$347,280.00	\$347,280.00
400 Purchas Services	307,124	380,945	\$263,846.00	\$307,124.00	\$307,124.00	\$307,124.00	\$307,124.00	\$307,124.00
500 Supplies and Materials	189,090	161,880	\$192,252.00	\$189,192.00	\$189,192.00	\$189,192.00	189,192	189,192
600 Capital Outlay -New	0	0	\$461,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
700 Capital Outlay - Replacement	0	0	\$0.00	\$60,000.00	\$60,000.00	\$60,000.00	\$10,000.00	\$10,000.00
800 Other	57,514	65383	\$57,448.00	\$57,514.00	\$57,514.00	\$57,514.00	\$57,514.00	\$57,514.00
<b>Total Operating Disbursements</b>	<b>2,040,349</b>	<b>2,023,905</b>	<b>\$2,345,353.00</b>	<b>\$2,009,759.00</b>	<b>\$2,100,451.00</b>	<b>\$2,100,451.00</b>	<b>\$2,050,451.00</b>	<b>\$2,050,451.00</b>
<b>Excess of Operating Receipts Over (Under)</b>								
<b>Operating Disbursements</b>	<b>(366,096)</b>	<b>(339,182)</b>	<b>-\$657,151.00</b>	<b>-\$297,436.00</b>	<b>-\$392,822.00</b>	<b>-\$410,742.00</b>	<b>-\$360,742.00</b>	<b>-\$360,742.00</b>
	<b>(366,096)</b>	<b>(339,174)</b>	<b>-\$657,151.00</b>	<b>-\$297,436.00</b>	<b>-\$392,822.00</b>	<b>-\$410,742.00</b>	<b>-\$360,742.00</b>	<b>-\$360,742.00</b>
<b><u>Nonoperating Receipts/(Disbursements)</u></b>								
Federal Grants (all 4000 except fund 532)	\$422,049.00	\$434,641.00	\$423,710.00	\$422,049.00	\$422,049.00	\$422,049.00	\$422,049.00	\$422,049.00
Federal Fiscal Stabilization Funds (SFSF)	0	xxxxxx	0	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx

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	Actual			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
Ed Jobs	96,659	0	0	0	xxxxxx	xxxxxx	xxxxxx	
State Grants (3200, except 3211)	\$2,144.00	\$2,543.00	\$2,447.00	\$2,144.00	\$2,144.00	\$2,144.00	\$2,144.00	\$2,144.00
Donations (1820)	\$4,624.00	\$415.00	\$1,626.00	\$415.00	\$415.00	\$415.00	\$415.00	\$415.00
Interest Income (1400)	\$643.00	\$141.00	\$151.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00
Debt Proceeds (1900)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Debt Principal Retirement	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interest and Fiscal Charges	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Transfers - In	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Transfers - Out	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Nonoperating Revenues/(Expenses)</b>	<b>\$526,119.00</b>	<b>\$437,740.00</b>	<b>\$427,934.00</b>	<b>\$424,758.00</b>	<b>\$424,758.00</b>	<b>\$424,758.00</b>	<b>\$424,758.00</b>	<b>\$424,758.00</b>
<b>Excess of Operating and Nonoperating Receipts Over/(Under) Operating and Nonoperating Disbursements</b>	<b>\$193,714.00</b>	<b>\$162,295.00</b>	<b>-\$229,217.00</b>	<b>\$127,322.00</b>	<b>\$31,936.00</b>	<b>\$14,016.00</b>	<b>\$64,016.00</b>	<b>\$64,016.00</b>
<b>Fund Cash Balance Beginning of Fiscal Year</b>	<b>\$934,078.00</b>	<b>\$1,180,556.00</b>	<b>\$1,279,114.00</b>	<b>\$1,049,897.00</b>	<b>\$1,177,219.00</b>	<b>\$1,209,155.00</b>	<b>\$1,223,171.00</b>	<b>\$1,287,187.00</b>
<b>Fund Cash Balance End of Fiscal Year</b>	<b>\$1,127,792.00</b>	<b>\$1,279,114.00</b>	<b>\$1,049,897.00</b>	<b>\$1,177,219.00</b>	<b>\$1,209,155.00</b>	<b>\$1,223,171.00</b>	<b>\$1,287,187.00</b>	<b>\$1,351,203.00</b>
<b><u>Disclosure Items for State Fiscal Stabilization Funds</u></b>								
Personal Services SFSF			xxxxxxxx	xxxxxxxx	xxxxxxxx	xxxxxxxx	xxxxxxxx	xxxxxxxx
Employees Retirement/Insurance Benefits SFSF			xxxxxxxx	xxxxxxxx	xxxxxxxx	xxxxxxxx	xxxxxxxx	xxxxxxxx
Purchased Services SFSF			xxxxxxxx	xxxxxxxx	xxxxxxxx	xxxxxxxx	xxxxxxxx	xxxxxxxx
Supplies and Materials SFSF			xxxxxxxx	xxxxxxxx	xxxxxxxx	xxxxxxxx	xxxxxxxx	xxxxxxxx
Capital Outlay SFSF			xxxxxxxx	xxxxxxxx	xxxxxxxx	xxxxxxxx	xxxxxxxx	xxxxxxxx
<b>Total Expenditures - SDFSF</b>	<b>\$0</b>	<b>\$0</b>	xxxxxxxx	xxxxxxxx	xxxxxxxx	xxxxxxxx	xxxxxxxx	xxxxxxxx

## **ASSUMPTIONS**

The five-year forecast is a document with some usefulness. While there are too many variables that impact to ever forecast accurately the financial future five years beyond, the document's useful purpose can be to engage the board of education in long range planning and discussions of financial issues facing the school.

The five-year forecast presented assumes the continued operation of the Washington Park Community School maintaining the same number of students within the existing grades.

## **REVENUES**

Revenues for community schools are a function of state foundation payments and some limited federal entitlement grants for disadvantaged and special education students. FY15 foundation payments are based on the projections on the ODE website. Projected state funding estimates after FY15 were based on the community school FY 14 receipts, and this is the amount held over the life of the forecast. This creates a conservative estimate of revenue, as the figure many times changes during the course of the year.

State funding for schools is based on a complex formula for traditional LEAs, but for community schools it is simply per pupil funding amount with special added funding for such items as special education and economic disadvantage. In order to get additional funding for economic disadvantage, students must be eligible for free or reduced lunch. In order for students to count for special education funding, they must have current I.E.P.'s on file and it must match the handicapping condition reported in the web based system. I.E.P.'s must have been completed and the appropriate 210 program code entered to be eligible for special education weighted funding. There are six categories of special education weight: category 1 speech only (.2892), category 2 learning disabled (.3691), category 3 severe behavior handicapped (1.7695), category 4 other health handicapped (2.3646), category 5 multi-handicapped (3.1129) and category 6 deaf-blind, autism, traumatic brain injury (4.7342).

Another income is investment income. We anticipate our cash available for investing will be available for the immediate future, and the interest payments are increasing slightly. We have done only conservative investments that will probably keep very modest interest. Due to recent economic instability, the projection does not add to the investment income over the life of this projection. The other income also includes sale of assets, donations, the lease with the village, and miscellaneous.

It should be noted that our Federal receipts were lower than in previous years and lower than the forecasted amount for any successive year. This should not be considered a trend in that larger amounts than normal came in after the June 1 deadline. Since the forecast is not an accrual accounting for present receipts but is simply a snapshot in time, this should not be considered a subject for alarm.

The state legislature has an opportunity to change the funding formula every other year over this forecast. Thus, the forecast becomes less predictable as it moves into the future. However, the forecast serves a purpose in focusing the organization's attention on funding. Any changes made at the state level either in funding or its stance on community schools in particular could have a significant effect on this forecast.

One funding change that has occurred recently is funding based completely on daily enrollment. In the past, the count of students was only taken twice a year. Now we are required to report our enrollment to the DA site daily. This creates another management issue as well as an expense. Since EMIS is a contracted service for the district, this reporting is done by purchased service agreement. This is an added daily expense, as work is done hourly, and increased tasks add to expense.

Given the uncertainty of future state budgets as well as state and federal mandates, projections are sometimes difficult and with some limitations on usefulness. The key is to recognize how these conditions relate to current operations. Planning ahead allows districts to engage minimize the impact of funding on the school and its students.

## EXPENDITURES

In all previous forecasts, increases were built into expenditures. This year, such increases were not calculated. Rather another "actual" expenditure from another fiscal year was chosen as the projection number. This is because our expenditures in all areas can be largely controlled by us. As is not the case in traditional LEAs, we are not burdened with contractual obligations to staff. This allows our organization to be more responsive than traditional schools. This responsiveness makes a five year forecast less accurate than is the case when a district is bound by fixed costs, but it allows us to maneuver as needed to adjust to budgetary needs.

Since we do not have a salary "schedule," and we may decrease our number of employees as needed, we are mindful of this forecast and can adjust our overall salary costs accordingly. For FY15, the salary costs were held at the FY14 level. Salary is difficult to predict, because our school pays various bonuses and payments in lieu of which are part of the salary package. Moreover, when teachers take leaves, usually maternity leaves, we no longer pay them a salary as they are paid by the third party provider under short-term disability. Many times we do not hire a substitute, but we simply move other staff members around to cover the opening. This is quite different than most LEAs, and it makes estimating salary a difficult situation, as we are never sure how this will impact us from year to year. Benefits were about the same FY14, despite the increase in STRS payments, due to the freezing of our medical expenses and staff fluctuations. Purchased service costs will probably increase this year as we are required to account for STRS payments for qualified vendors working in the building. This caused an increase in our projected purchased service payments for the psychologist. Moreover, increased complexities and requirements at the state level will cause some increase in EMIS, payroll, and other financial services. The cost of materials is always difficult to predict. This is particularly true as online testing increases the requirement for more computers and better technology. The median figure from FY12 will be the constant over the life of this forecast, since, again this is an expenditure that is easier for us to control; however, the majority of our supplies are food purchases to allow us to run our breakfast and lunch program and are largely an offset of non-operating revenues.

A significant capital expenditure budget was added to allow for needed repairs this year and in successive years after the purchase of the building. We are anticipating extensive needed masonry work and have already resurfaced the parking lot. The purchase of the building in FY14 caused a deficit in spending for that year, which has never been our practice.

**PROFESSIONAL DILIGENCE NOTICE AND DISCLAIMER:**

Reasonable professional diligence and care is exercised in the preparation of this forecast document. It is a public record pursuant to Ohio law and public dissemination is required by State law. Multiple and varied sources and methods are used to develop the forecast data. Various assumptions and other extrapolations are employed in developing the data that may or may not be timely, accurate, complete, or correctly interpreted. All forecast data is subject to change or correction at any time without notice. If any notice is subsequently provided, such notice may be limited to the filing of a revised forecast within the parameters of the statutory filing schedule. The forecast document is designed solely to provide a general indication of the possible future financial position of the school district. The legitimacy or accuracy of any specific assumption, number, or the forecast in total—while deemed reliable—cannot be guaranteed. In many cases, a relatively small change in one forecast number will have the effect of materially changing the forecast data and trends, positive or negative. Therefore, professional discretion, diligence, caution, and care are required when using and interpreting forecast information. The current fiscal year data used does not necessarily reflect all school appropriations, budgets, or other data maintained by the district. Questions regarding this data are encouraged, if needed. The contact person is Beth Hargreaves, Treasurer of Washington Park Community School.

Respectfully submitted,

Dr. Beth A. Hargreaves