

Treasurer's Annual Report For The Year Ended June 30, 2009



Michael Mowery, Treasurer

District Summary



- The school district continues to operate from a position of relative strength when compared with many districts in Ohio. We have extended the period between Operating Levies beyond the four year commitment made in 2004 and we now project positive cash balances through June 30, 2010.
- The Building Fund moneys approved in 2007 came at an excellent time with the construction bid climate allowing us to complete all the work within our budget. Excess funds have been available for other improvements, as well as paying off half of the stadium debt we assumed in 2004 as a result of the lead contamination on our old football field.
- The State's biennium budget reduces our funding slightly for 2009/10 and again in 2010/11. Unfortunately, the formulas used in determining funding for local school districts have worked against us. Through 2009 we have received the same State funding level since 2002/03.
- With the current financial models that exist for funding schools, we know that we will need to ask the community for additional funds. Our financial projections indicate our next levy will be needed soon. The Board and Administration have been reviewing different levy options as well as additional cuts in our budget to determine the best course of action. No decision has been made on the timing or amount of the next levy request.



The Financial Outlook for Kings Schools

- **The District is not in a financial crisis**, but school district funding realities will require that we pass a new operating levy in 2010 or face significant reductions in programs and services in order to balance the budget.
- Our tax base growth has limited potential for growth and property values are not expected to increase significantly in the next couple of years.
- Long term projections include the phase out of \$4.3 million in Tangible Personal Property Tax as mandated by the State of Ohio.
- Federal Stimulus moneys are included in our projections. The only additional moneys we are receiving are for Special Education. These are one time moneys that will be used to offset current costs and equipment needs. The State is using Stimulus funds as part of their funding of schools and this is a concern as this funding source will be gone within two years.

Frequently Asked Questions



Are we considering budget cuts/reductions?

Yes. We recognize the need to utilize the funds we have as efficiently as possible, so we have implemented a plan for 2009/10 that reduces General Fund spending by almost 2 million dollars over the next two years. Please see the summary on the last slide of this presentation.

What has the district been doing to control costs?

- Energy Conservation.*
- Review of staffing levels from custodians to teachers and administrators.*
- Managing funds we already have to extend time between levy requests. Since 2004, we have had fewer staff hires and lower raises than had been projected.*
- Most budget reductions made in 2004 have not been reinstated.*

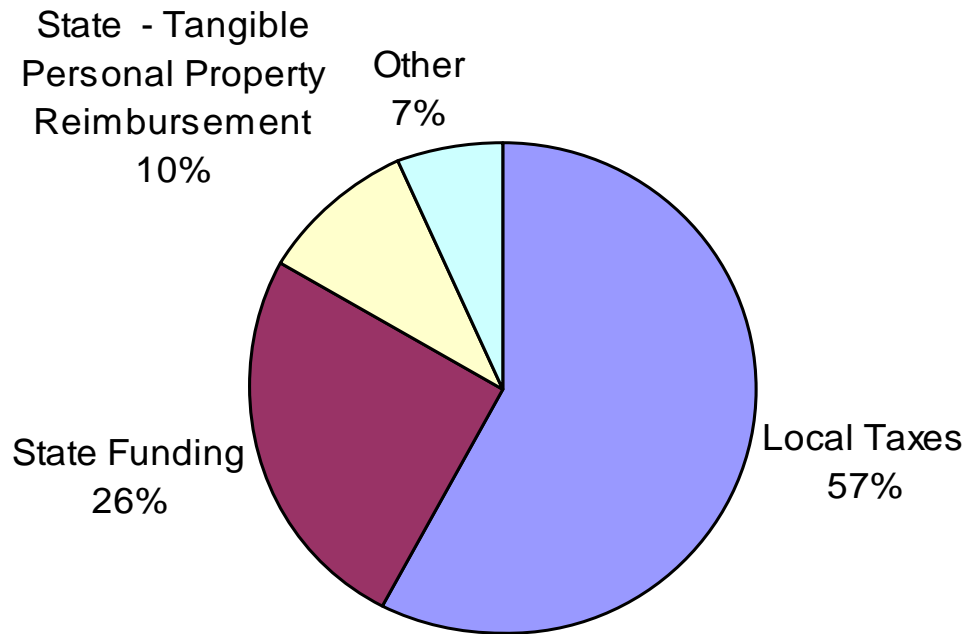
Why are we spending money on construction and permanent improvements if we may be facing operating budget shortfalls?

- The moneys we have received for the Building Program are not allowed to be used for operating expenses.*
- The moneys we receive from our Permanent Improvement Levy are primarily used for the purpose of funding most of our technology improvements and building maintenance and repairs.*

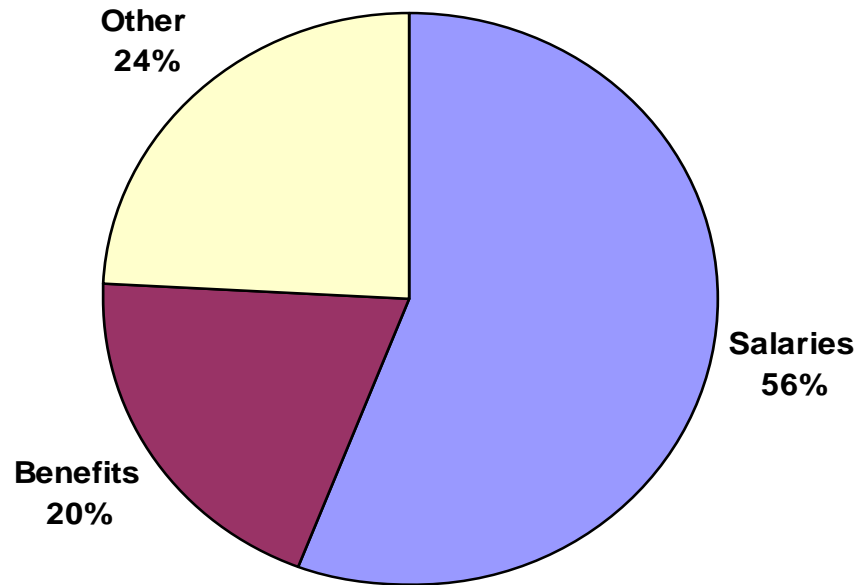
Has the District considered an Income tax levy?

Yes. The burden from an income tax is carried only by individuals living in the District. Our commercial tax base represents 25% of our total tax values so we would likely ask for a property tax.

Where Does the District's Money Come From?



How Does the District Spend Money?



Summary Report of Financial Activity for the Fiscal Year Ended June 30, 2009



General Fund Cash Balance July 1, 2008	\$11,177,559
Revenues:	
Local Taxes	20,717,170
State Sources	12,730,861
Other Local Sources	2,428,435
Total Revenues	\$35,876,466
Total Amount Available for Expenditure	\$47,054,025
Expenses:	
Instructional	\$21,015,729
Guidance, Health, Library, Office	7,071,624
Maintenance, Transportation	7,148,740
Extracurricular Activities	708,990
Advances, Debt, Misc.	996,444
Total Expenses	\$36,941,527
Cash Balance June 30, 2009	\$10,112,504
Open Purchase Orders June 30, 2009	\$ 431,980
Available Cash Balance June 30, 2009	\$ 9,680,524



Cost Savings Measures Being Implemented in 2009/10

- In an effort to control our costs with as minimal an impact on our instructional programs as possible, the District will be moving forward with the following cost saving measures:

	One Year Savings
Reinstate Coaching Positions	\$ (40,000)
Reduce Building/Departmental Budgets	300,000
Textbooks Purchased from Permanent Improvement Fund	250,000
Reduce two special education teachers	60,000
Eliminate JH Department Chairs	7,500
Eliminate Maintenance Position	60,000
Eliminate Custodial Position	40,000
Eliminate Projected Additional Teaching Staff	<u>180,000</u>
Total for 2009/10	\$ 857,500
Year 2	
Eliminate Projected Additional Teaching Staff	\$ 180,000
Carry over savings from year 1, plus 5%	<u>900,375</u>
Total for 2010/11	\$ 1,080,375
Total 2 years savings	\$ 1,937,875