Big Walnut Local Schools

The following paragraphs explain the revenue and expense categories detailed on the five-year forecast line by line to enhance the readers understanding of financial activity.

Line 1.010 General Property Tax

Property taxes consist of real estate, public utility real and personal property tax, as well as tangible personal property taxes. General property taxes are levied upon land and buildings, real estate or real property. The county treasurer must place a value on this property, collect the taxes and distribute the funds to each local government subdivision. The distributions of these funds are made through semi-annual settlements payments primarily forwarded in August and February. However, funding may be received earlier upon request referred to as an advance. Advances may be requested from the Delaware County Auditor as the tax is collected to meet cash flow needs. When the settlements are distributed to the School District deductions are withheld from tax collection for county auditor and treasurer fees, advertising delinquent taxes, election expenses, and other fees for the assessment, administration and collection of the respective taxes.

State law allows for certain reductions in the form of rollback and homestead exemption for real estate taxes and exempts from taxation the $10,000 of tangible personal property. The State reimburses the School District for all revenues lost due to these exemptions. The amount of the reimbursement is included in the forecasted amount in line 1.050 Property Tax Allocation.

The property tax revenues for the School District are generated from several levies. The type of levies, the year approved, last year of collection and the full tax rate are as follows:

Purpose	Date of Vote	Expires	Voted Rate	Effective Rate
Inside Millage	00/00/00	Continuing	04.60	04.60
Operating Expense	00/00/76	Continuing	13.90	08.99
Operating Expense	02/05/85	Continuing	10.00	06.47
Bond $16,500,000	11/07/89	2014	08.90	01.68
Bond $1,500,000	11/05/91	2015	00.68	00.18
Bond $13,000,000	11/02/04	2031	01.66	00.95
Emergency $750,000	05/02/06	2010	01.25	01.15
Bond $30,000,000	11/04/08	2035	02.90	01.90
Emergency $4,900,000	11/02/10	2014	07.50	07.46
Total Voted Millage:			51.39	
Effective Millage:				33.38

The amount shown in the revenue section of the forecast represents gross property tax revenues. The projected amount is based on a careful analysis of property valuations from 2002 through the current period to identify historical trends. These historical trends are then used to predict future increases of the tax collections. It was noted that valuations and subsequent tax collections increased every three years during the year of a triennial updates and reappraisals by 18.35% due to inflation. Other increases in valuation are then attributable to new construction and have been averaging 3.66% over the last decade. It is important to note that both inflation and new construction have fallen off since 2008. As a result, new construction is expected to continue slowly increasing about 1.25% annually. Due to current economic conditions resulting in a reduction to housing values the Delaware County Auditor scheduled 0% inflationary adjustments for the 2008 triennial update for the entire county while the reappraisal updates in 2011 resulted in a -4.03% decline in property valuations. The 2012 rates and values will not be available until mid December 2012. It is expected that recovery from the recession will take years so no inflationary adjustment is anticipated in 2014 but 2% inflation is projected for 2017.

The additional revenue noted for real estate taxes reflects an increase in collection for 2011 at the direct result of passage of the 2010 Emergency Levy that generated $2,450,000 fiscal year 2011 with full collection of $4,900,000 in 2012. Since real estate taxes are collected in arrears full collection of the Emergency Levy was realized in Fiscal 2012. The district opted to allow the 2006 $750,000 Emergency Levy to expire in 2010 which contributes to the decline noted in this category.

It is important to note that the 2010 Emergency Levy will expire in 2014 pushing the district back to voters for replacement of this lost revenue stream. Even though the tax assessment period expires in 2014 the district will still receive revenue since these taxes are collected one year in arrears. Consider for example, that the 2014 expired levy is last assessed for the 2nd Half (i.e. June 2014 – December 2014) but is not collected until August 2015 which falls in the 2016 fiscal year. The exact amount and timing of a replacement levy would require active monitoring and adjustment closer to the expiration of the revenue stream. The passage of a replacement levy combined with management of the escalation of expenditures is necessary to eliminate the projected structural deficit in 2016.

Line 1.020 <u>Tangible Personal Property Tax</u>

Tangible personal property tax revenues are generated from taxes levied on furniture, fixtures, machines, equipment, supplies and inventory used in business. Beginning in Fiscal 2006 this tax was subject to reduction of 25% per year until completely eliminated in Fiscal 2009 when it is replaced with the Commercial Activities Tax (CAT). The State reimbursed School Districts for this loss through 2012 under the accelerated phase out under Governor Kasich.

Not forecasted is an unknown future amount of revenue to be received from the contstruction of an AEP electric transmission sub-station that began in April 2012.

Revenue is not forecast at this time because public utilities are not taxed until complete and used in business. According to AEP, the sub-station is projected to be complete in the summer of 2014. Accordingly, the sub-station will not be assessed until January 2015 which is then billed for collection in 2016. Since public utility value is allocated unlike the general personal property it is much harder to determine an estimated value to be received with so little information at this time. Making revenue projection even more difficult is the fact that Sub-stations are part of a distribution system where the district share of revenue is based on number of miles of transmission line within district boundaries.

Line 1.030 Income Taxes

The School District currently receives revenue from the three quarters of one percent continuing income tax levy (i.e. 00.75%) effective January 1, 1995.

The income tax revenue is administered and collected by the Ohio Department of Taxation and remitted to the District quarterly in July, October, January and April less a 1.5% administrative fee and income tax refunds. Although historical trends reveal annual increases recent year's unemployment numbers have resulted in a reductions to actual collections. The income tax collection in 2011 is unusually high due to a lottery winner living in community that paid approximately $932,000 of estimated school district income taxes in December 2010. This is expected to be a one-time isolated occurrence and is not projected going forward. The income tax has become an essential source of revenue to provide for operations but the recession beginning in 2008 has drastically reduced collections. Further increases are projected at a much slower rate of 1/2% annually beginning in 2014.

Line 1.035 Unrestricted Grants In Aid

Unrestricted Grants In Aid is state funding for schools referred to as Ohio's School Foundation Payment System. As part of the biennial budget process, Governor John Kasich proposed a temporary funding system for schools referred to as The Bridge Formula until a permanent funding methodology is developed by the Governor' team.

School funding is considered a partnership between the state and local community. In order to receive state funding schools must levy a minimum of 20 mils of property taxes. The millage rate is applied to the assessed property values which can vary from district to district. Districts with lower property values receive more state aid than districts of a similar size with higher assessed property values. During the last decade Big Walnut property values have increased substantially from $374,236,208 in 1999 to $640,284,090 in 2011. This increase in property values has shifted the funding burden to the local community. This trend is expected to continue as Big Walnut property values grow faster than the enrollment of students resulting in the district receiving no formula funding. Given that state funding levels to Big Walnut are expected to continue to fall no formula funding is expected; however, the district will receive a hold harmless payment referred to as the "Transitional Aid Guarantee". The Transitional Aid Guarantee is intended to prevent a loss of funding to the district. However, H.B. 1 began reducing the guarantee payment by 1% in Fiscal 2010 and 2% in Fiscal 2011. Consequently, with Big Walnut being 100% funded by the Transitional Aid Guarantee and not formula funding all money coming from the state is based on a reduced amount of prior year state funding. Governor John Kasich, biennial executive budget proposal for 2012-2014 further reduces state funding under the Bridge Formula. The Bridge Formula is a temporary funding allocation intended to distribute state funding to schools by minimizing the loss of state funding especially for those districts heavily reliant on state aide until a permanent formula can be developed. The projected state aid revenue is reflected as calculated under the Bridge Formula by the State of Ohio, Office of Budget Management using the Bridge Formula. Future years reflect 98% guarantee in FY12 and FY13 that is further reduced to 97% FY14, 95% FY15, 95% FY16, 98% FY17 in anticipation of the continued phase out of the guaranteed funding down to 95% levels. The Governor is to introduce a new funding model in March for FY14. The new formula is not likely to increase funding, the elimination of the guarantee is unlikely and the district will be guarantee not formula funded for the foreseeable future. Funding projections increases also reflect casino revenue at $21 per pupil in FY13 and $71 per pupil in future years

Line 1.040 Restricted Grants In Aid

Restricted Grants In Aid primarily consist of Career Technical funding for our Vocational-Agricultural and Family Consumer Sciences programs. These amounts are calculated based upon program participation and other variables such as weighted averages within the formula. This category is expected to remain steady at this time.

Line 1.045 Restricted Federal Grants-In-Aid – SFSF

Restricted Federal Grants-In-Aid - SFSF represents federal stimulus dollars awarded to the State of Ohio to stabilize the state budget from FY10 through FY12. To account for these federal dollars the state established State Fiscal Stabilization Funds (SFSF). The purpose of the SFSF is to minimize budget reductions to education and other essential state supported services. The State of Ohio's allocation from the Federal government is $1.79 billion of which 82% is being used to support state funding to elementary, secondary and public higher education from FY10 – FY12. SFSF can be used for current operating expenses including paying salaries of administrators, teachers, and support staff; purchasing textbooks, computers, and other equipment. The district is using the SFSF to pay for electricity consumption throughout the district. It is important to note that this category is new as a result of the recession and is not expected to continue as a source of revenue.

Additionally, in August 2010 an extension of the Federal stimulus program has resulted in Ohio receiving approximately $361 million in funding from the $10 billion that the federal government is providing to save education jobs across the nation. The purpose of these funds is to provide educational support for students. Funds may not be used for administrative purposes related to the operation of the Superintendent's Office, the board of education or for other support purposes like fiscal or human resource services. Big Walnut has elected to use these funds over the two year period of availability to re-hire three part-time secretary aides at the elementary schools, one Industrial Arts teacher at the High School for FY11 and FY12.

Line 1.050 Property Tax Allocation

State law grants local property tax relief in the form of a 10% rollback on real estate taxes, a 2 ½ % Homestead Exemption on owner occupied homes, a Homestead exemption, personal property exemption and an additional homestead exemption for elderly or disabled residence. The State reimburses the School District for the loss of real property taxes as a result of the above tax relief commonly referred to as Rollback/Homestead reimbursements. It is commonly accepted that the same proportional relations between real estate tax receipts and property tax allocations revenues will exist throughout the balance of this forecast.

Property Tax Allocation is a state reimbursement; as such, it is also considered State Funding although it flows outside of the basic funding formula. Governor Kasich surprised schools by accelerating the phase out of the Tangible Personal Property Tax (TPP) reimbursement that was not slated for elimination until 2019 under Governor Strickland. These TPP reimbursements losses amount to a $735,496 reduction of revenue in Fiscal 2012 with the balance of $261,655 eliminated from reimbursement in Fiscal 2013.

Line 1.060 Other Revenue

All other revenue consists of tuition paid by other Districts, open enrollment tuition, and classroom materials fees, parking fees, interest on investments, miscellaneous receipts reimbursements and refunds of previous expenditures. The revenue source has grown by 27% annually since 2003; however, beginning in 2008 it has been decreasing by 12.00% annual average. Fiscal 2011 reflect an increase over the previous year as result of the receipt of bond interest in the amount $110,884 rebated twice a year by the Federal Government for the Build America Bonds. The Build American Bonds represent a federal stimulus initiative designed to encourage construction by offering incentives that reduce the cost of carrying debt. The construction of the new Middle School was partially financed with these Build America Bonds. The district will receive 35% of the semi-annual interest due and paid on the bonds as an interest rebate gradually declining until the debt is repaid. Other than reductions in interest earned as bond proceeds are exhausted and no longer available for investment no changes of significance are anticipated during the next five years in this revenue category.

Line 2.040 <u>Operating Transfers-In</u>

Operating Transfers-In represent the permanent movement (i.e. transfer) of monies between funds. Per Ohio Revised Code Section 5705.10 the District passed a resolution requiring the Treasurer to transfer interest earnings on the proceeds of the Securities from USAS Fund 004 (Building Fund) to USAS Fund 001 (General Fund) as determined by the Treasurer from time to time. Future transfers may occur; however, the objective is to minimize the amount and frequency of the transfers from the Building Fund to the General Fund until the construction projects are complete in order to provide for any project cost overruns resulting from change orders and such as the first priority.

Line 2.050 <u>Operating Advances In</u>

Advances in represent amounts loaned to other funds in the current or prior fiscal year. Advances are granted on an as needed basis with board approval from the General Fund on a temporary basis.

Line 2.060 <u>Other Financing Sources</u>

Other financing sources include miscellaneous activities that generate an increase to the General Fund. These activities include such items as the sale of assets.

Line 3.010 <u>Personal Services</u>

Personal services expenditures represent the salaries and wages paid to certified staff (i.e. teachers) and classified staff (i.e. non-teaching), supplemental contracts (i.e. coaches and advisors), substitutes, board members' compensation. All employees receive their compensation on a semi-monthly basis each 15th and 30th of the month. The growth in this category for 2012 reflects the fulfillment of our commitment to restore instructional programs with 18 staff re-employed upon the passage of the November 2010 $4,900,000 emergency levy. To restore programs the district must reemploy the necessary staff required to deliver educational services.

The certified and classified staff increases are expected to fluctuate in direct proportion with what was agreed upon in the most current negotiated agreement between the Big Walnut Education Association (Teachers), the Big Walnut Professional Support Staff Association (Secretaries & Aides) effective, and the OAPSE.AFSCME Local 4/AFL-CIO and Its' Local #524 (Maintenance, Custodial, Bus Drivers, Mechanics, and Mail Carrier) and the Big Walnut Local School Board.

As union employees, these staff are paid according to an established salary scheduled that rewards length of service (steps) and education (columns) with specific increases. The district's salary obligation increases in direct proportion to the required step and column salary increases.

SUMMARY OF NEGOTIATED AGREEMENTS

Big Walnut Education Association (Teachers)

- Effective July 1, 2012 – June 30, 2014
- Base Salary Increase of 1.5% FY13 and 1.5% FY14
- Continuation of Annual Step Increases
- Annual Stipend Payment of $500
- Insurance Plan Design Changes With Higher Deductibles & Co-Insurance

Big Walnut Professional Support Staff Association (Secretaries & Aides)

- Effective July 1, 2012 – June 30, 2014
- Base Salary Increase of 1.5% FY13 and 1.75% FY14
- Increase to Insurance Opt Out from $1200 to $1500
- Educational Assistants receive additional .30 cents per step
- Elimination of Board contribution to FSA $500 - $800 / per member
- Elimination of Financial Job Classification Pay Column as of 1/1/13
- Annual Stipend Payment of $200
- Insurance Plan Design Changes With Higher Deductibles & Co-Insurance

OAPSE.AFSCME Local 4/AFL-CIO and Its' Local #524
(Maintenance, Custodial, Bus Drivers, Mechanics, and Mail Carrier)

- Effective July 1, 2012 – June 30, 2015
- Base Salary Increase of 2.5% FY13, 2.5% FY14 and 2.8% FY15
- Elimination of Board Contribution to FSA $250 single & $600 family
- Reduction to Insurance Opt Out from $1200 - $600
- Insurance Plan Design Changes With Higher Deductibles & Co-Insurance

Readers of the forecast may request a copy under the public records act for any negotiated agreement including the salary schedule for review by contacting the district Treasurer.

In order to make the levy last the five years promised to voters the board and administration are tasked with mirroring the flat revenue projections with flat expenditures. Projected personnel expenditures in FY13 and FY14 are reflective of the current negotiated salary schedules for all units. Beginning in FY15 with negotiated outcomes for all units undetermined projected base salary increases vary by bargaining unit from 0% to 2% totaling approximately ½ million dollars. The District's forecast reflects total compensation for both salary and benefits. Therefore, salary increases were awarded in direct response to insurance plan design changes that reduce the District's group health premiums resulting in a near budget neutral situation. Significant efforts have been demonstrated by all staff to help the District minimize the escalation of group health care premiums with plan design changes.

Line 3.020 Employees' Retirement/Insurance Benefits

Employees' retirement and insurance benefits include employer contributions to the State pension systems, health care, Medicare, workers' compensation and any other benefits arising from the negotiated agreements. The School District is required to provide severance pay upon retirement to certified and classified employees. Employees may elect to be paid in cash for one-fourth of the value of their accrued but unused sick leave credit. Payment is based upon the employee's per diem rate of pay at the time of separation and shall be made only once to any employee.

Per STRS Ohio, "members pay 10% of their salary to STRS Ohio and employers pay 14% of total payroll in lieu of paying into Social Security. Health care costs are based on the coverage terms of the existing health insurance contracts, the number of employees participating in the program, single versus family cover, the monthly premiums, and anticipated increases during the forecast period. Health care costs continue to escalate at an alarming rate with projections of 14% annually growth of this expenditure category. Big Walnut employees currently share 15% of the monthly premium and collaborate with management to research plan modifications that will result in smaller premium increases below the trend renewal rates of 12 -15%. In consideration of insurance plan design changes outline below that places more fiscal responsibility on the employee in the form of higher deductibles and co-insurance the FY13 renewal is expected to be around 4% then potentially at 12% in FY14 with future years projected at 14% percentage after the plan normalizes under the new design. Since total compensation for employees includes both salary and benefits the collaborative management of the escalation in insurance premiums has been allowed the District to return the savings to staff in the form of base and step increases.

3New Medical Plan Design January 1, 2013

Medical Benefit Summary	**Medical**
Network Deductible	**$200/$400**
Network Coinsurance	**90%**
Network Coinsurance Out-of-Pocket Maximum	**$600/$1200**
Total Network Out-of-Pocket Maximum *	**$800/$1600**
Network Office Visit Co-Payment (Primary/Specialist)	**$15/$25**
Urgent Care Co-Payment	**$50**
Emergency Room Co-Payment	**$125**
Prescription Drug Benefit Summary	**Rx Drugs**
Prescription Drug Retail Co-Payment	**$10/$15/$20**
Prescription Drug Mail Order Co-Payment	**$20/$30/$40**

The School District currently participates in State Pool for workers' compensation and achieves group savings of 30% most years. The School District pays a rate billed by the State Worker's Compensation system based on the group rate and the actual salaries for the premium period. Although this expense represents salary driven fringe benefits they have not decreased in proportion to the decreases in salaries.

This is a result, of increases to the workers' compensation premium, unemployment compensation from layoffs, an increase to the SERS surcharge, negotiated benefits that permit a payment in lieu of enrolling in medical insurance.

Line 3.030 Purchased Services

Purchased Services expenditures include all property services for utilities, trash hauling, maintenance, custodial, insurance, rentals. Purchase Services also include legal services, staff professional development, tuition, contract services and transportation. Fiscal 2012 is increasing dramatically as a result of the expiration of $348,000 in SFSF stimulus monies that were used to pay all the district's electric bills but are no longer available. The district has also contracted with the Educational Service Center of Central Ohio for payment of all substitutes ($330,000) resulting in a reclassification of the expenditure from salaries to purchase services.

Beginning in 2013 services increased due to opening of the Intermediate School with future increases of approximately 6% based on historical trends adjusted for the main fluctuations in FY13 outlined below.

Additional Increases In FY13

- $32K IS Utilities (trash hauling, electric, water/sewer & natural gas)
- $17.5K On-line course
- $96K Subs & Tutors paid by ESC
- $82K Tuition Out (community schools, autism, foster care, etc.)
- $133K Special Education services no longer being paid by ARRA
- $40K Maintenance & upkeep to grounds

Line 3.04 Supplies and Materials

Expenditures for supplies and materials include general office supplies, instructional supplies, textbooks, custodial and maintenance supplies. Historically, supplies and material expenditures offer the District the most discretionary control. With the restoration of instructional programs in FY12 the district increased the supply budgets by $130,000 to provide the necessary materials for Art, Music, PE, Spanish, Family and Consumer Science in addition to advanced courses at the High School. Fiscal 13 supplies are higher due to the opening of another school building to educate grades 5 and 6 known as the Intermediate School. After years of purchasing only the essential supplies supplies must be restored and refreshed to accommodate the new Intermediate School and other neglected unaddressed areas of need as outlined below.

Supplies & Materials

- Inflationary increases of 3.5% annually
- $45K related to IS books, software & supplies
- $13K technology parts & supplies

- $7K Intermediate School custodial supplies
- $21K maintenance parts & supplies
- $8K transportation parts & tires

Line 3.05 Capital Outlay

Capital Outlay represents expenditures for the acquisition of, or additions to, fixed assets. These expenditures include land, buildings, improvements to property and grounds, construction of buildings; additions to buildings; remodeling of buildings; initial and additional equipment, furnishings and vehicles.

Under the current recession creating declining revenues, the School District is unable to provide sufficient resources for ongoing permanent improvements. The forecast reflects the purchase of a minimum of two school buses a year from 2012 through 2014. Beginning in fiscal 2015 the purchase of three buses a year is necessary to keep the average age of the fleet around ten (10) years old. The district is developing a capital projects budget to replenish and refresh other assets such roofing, asphalt, computers, desks and chairs. Our financial inability to address capital projects creates great concern for the future of our school. The coincidental benefit of the recession is reduced cost of construction that is resulting in new school construction projects coming in under budget; therefore, remaining construction proceeds are likely to be earmarked for other district permanent improvements which will temporarily preserve and replace the expenditures for capital assets from the General Fund.

Capital Outlay FY13 Highlights

- 5% inflationary increases annually
- One additional $80K school bus to achieve goal of three buses per year (necessary to keep fleet average age at 10 years)
- Other permanent improvement needs met by bond funds.
- Must determine how to provide for ongoing permanent improvements when considering levy types and amounts (curriculum & technology)

Line 4.30 Other Objects

Other object expenditures include a variety of dues and fees assessed to the District. These dues and fees include the Central Ohio Educational Service Center J40404 costs for supervisory and per pupil costs, liability insurance, county auditor/treasurers fees, department of taxation fees, election fees, bank service charges and professional organization membership fees. This category has increased an average of 10.00% annually which is also projected to continue going forward.

Lines 5.010 through 5.050 Other Financing Uses

Other Financing Uses are comprised of transfers which are a permanent movement of monies between funds, and advances which are a temporary movement of monies between funds. These are usually projected based on past history and knowledge of deficits in other funds. Note that advances and transfers both take Board of Education approval and are processed on an as needed basis.

Line 8.010 Encumbrances

Encumbrances represent purchase authorizations and contracts for goods or services that are pending vendor performance and subsequent payment of the invoice upon delivery of the goods or services at June 30th. Encumbrances on a budget basis of accounting are treated as the equivalent of expenditure at the time authorization is made in order to maintain compliance with spending restrictions established by Ohio law.

Line 9.010 – 9.080 Reservations of Fund Balance

The School District is required by State statute to annually set aside in the General Fund three percent of certain revenues for the purchase of textbooks and other instructional materials. An equal amount is also required to be reserved for the acquisition and construction of capital improvements. Amounts not spent by year end or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in the future years.

Line 11.010 – 11.030 Revenue from Replacement/Renewal Levies

This line item illustrates the effect of additional revenue collected from a replacement or renewal levy approved by voters when applicable.

Line 12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules, and Other Obligations

This line item illustrates the effect of levy replacement/renewal on the year end fund balance.

Line 13.010 – 13.030 Revenues From New Levies

This line item illustrates the effect of a proposed levy not yet approved by voters on the year end fund balance.

This projection is a very preliminary need of levy type and necessary mills as a committee would likely to be formed to determine the exact type, length and amount of any levy based on operating and instructional goals before submission to voters for consideration.

Keep in mind that the 2006 levy expired at the end of the calendar year 2010 with the last collection in August 2011 which falls under Fiscal 2012. The 2010 levy is set to expire at the end of calendar 2014 with its last collection in August 2015 which falls under Fiscal 2016. Replacement of this lost revenue stream will be necessary to maintain programs.

Line 14.010 Revenue from Future State Advances

This line item represents district borrowing from the state to provide for current operations by accessing the State Solvency Fund when placed in Fiscal Emergency.

Line 15.010 Unreserved Fund Balance June 30

This line represents Line 12.010 plus line 13.030 plus line 14.010.

Line 20.010 – 20.015 Average Daily Membership (ADM) Forecast

This line reflects the student enrollment as attendance is recorded each day during the first full week of October. The number of students enrolled for each day of the week becomes the basis for the number of students funded by the state for the entire year. The student enrollment count is also adjusted for students attending other schools. The number of enrolled students is referred to as the Average Daily Membership (i.e. ADM). Current year state funding is based on the prior year's ADM unless the district encounter growth of 2% at which time the current ADM will be used in the PASS formula.

Line 21.010 – 21.060 State Fiscal Stabilization Funds (SFSF)

Beginning in Fiscal 2010, districts are required to provide disclosure items to distinguish the use of SFSF funds by purpose from other School Foundation Funds. As a result, SFSF Funds are recorded in Fund 532 Education Stabilization Fund for reporting of the number of jobs created and or saved with these federal stimulus funds. Additionally, posting SFSF funds to a separate fund will allow the district to track revenue and expenditures in order to determine the impact in Fiscal 2012 should the stimulus dollars not be replaced by federal or state funding. This forecast projects the non-replacement of these dollars.