



Five-Year Forecast Update

For Fiscal Years 2011-2015

May 2011

Monroe Local School District

500 Yankee Road
Monroe, Ohio 45050

Kelley Thorpe, Treasurer

MONROE LOCAL SCHOOLS
Five-Year Forecast For Fiscal Years 2011-2015; May 2011

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Elizabeth J. Lolli, Ph.D., Superintendent

Kelley Thorpe, Treasurer

May 23, 2011

To the Members of the Board of Education:

The May Update of the Five-Year Financial Forecast for Monroe Local Schools for the period ending June 30, 2015, is respectfully submitted for your approval. This report outlines the status of the district's finances for the future and conforms to the reporting requirements established by the Ohio Department of Education and the Ohio Auditor of State.

The Five-Year Forecast is intended to be a fluid and adaptable document. Changes over time are expected with fluctuations in the economy. Therefore, this Forecast should not be used as an "absolute" projection of Monroe's future financial condition. The Forecast is designed to outline in broad terms the general financial condition of the organization. It is intended to be a general guide to indicate trends or patterns that should be monitored over the next several years. It is also intended to establish financial targets of how we would like to perform financially, and changes that may be necessary to stay within budgetary benchmarks. The Forecast covers only the General Fund and is a useful document, but only represents about 80% the organization's financial transactions.

As with all future projections, the financial forecast tends to be less accurate the farther out in the time. With changes in state funding, local property taxes, and academic programming, the first year of a forecast tends to be more reliable and accurate than the fifth year. The Forecast as submitted includes actions or decisions specifically taken by the Board of Education, as well as initiatives and programs planned for future implementation.

Respectfully,

Kelley Thorpe
Treasurer

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Monroe OH 45050
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220 Yankee Road
Monroe OH 45050
513-539-8471
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Monroe Jr. High
210 Yankee Road
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513-539-8101
513-539-8474

Monroe Elementary
230 Yankee Road
Monroe OH 45050
513-539-8101
513-539-8151

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225 Macready Ave
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513-360-0700
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**MONROE LOCAL SCHOOL DISTRICT
BUTLER COUNTY**

**Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2011**

Executive Summary of the Five-Year Forecast

The Five Year Forecast financial projection is required by Section 5705.391 of the Ohio Revised Code to provide a method for Monroe Local School District Board of Education, the Ohio Department of Education, and the Ohio Auditor of State to identify whether the school district may be facing financial difficulty over the next five years. The Auditor of State's Office and the Department of Education have designed the format of this projection. Responsibility for the preparation of the projection and the accuracy of reasonableness of the assumptions on which these projections are based rests with the Monroe Local School District administration and the Monroe Board of Education.

Nature and Limitations of the Forecast

The financial forecast presents, to the best knowledge and belief of the Monroe Local School District Board of Education, the expected revenues, expenditures, and operating balance of the general and emergency levy funds. Accordingly, the forecast reflects the Board's judgment of the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecast. Differences between the forecasted and actual results will usually arise because events and circumstances frequently do not occur as expected, and those differences may be material.

Operating Results

The Forecast of the General Fund shows the cash position holding relatively unchanged from the previous year for 2010-2011. However, a significant decrease in 2012 is projected to occur due to changes in state funding. You will also want to note that in 2013 the district will need additional revenue if state funding losses are not replaced. It is also important to note that changes in tax laws and state funding could affect this Forecast in the later years of the projection.

May Update

An increase in the ending balance is now projected for 2012 as a result of budget cuts and anticipated additional open enrollment revenues.

Operating Revenues

Total operating revenues, excluding other financing sources, for the 2010-11 fiscal year are projected to reach over \$18.6 million, representing a minor increase over 2009-10 and a 4% increase over the last three years average. The major sources of revenue continue to be local property taxes.

May Update

Total operating revenues for 2010-11 should be on target at \$18.6 million.

**MONROE LOCAL SCHOOL DISTRICT
BUTLER COUNTY**

**Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2011**

Operating Expenditures

Total operating expenditures, excluding debt and other uses, for the 2010-11 fiscal year are projected to reach \$18.5 million. This represents less than a 1% increase over 2009-10 and an average increase of 2.4% over the past three years.

The major sources of operating expenditures are personnel costs for faculty and staff wages and fringe benefits, supplies and materials for program and instructional needs, contracted and professional services, building utilities, and capital costs for equipment and technology.

May Update

Total operating expenditures for 2010-11 should be approximately \$18.2 million which is slightly less than the original estimate of \$18.5 million.

State Budget

Every two years, Ohio adopts a two-year budget that funds all state operations including public education. Ohio schools have struggled in recent years as issues of equity and adequacy are addressed at the state level through a variety of legislative initiatives. As a result, school districts have experienced dramatic changes in funding from both state and local tax sources.

The State of Ohio recently changed the way schools are funded with the implementation of the Ohio Evidence Based Model (OEBM). This model allocates funds to schools based on more factors than just the number of students. Under this funding model, Monroe continues to be on the guarantee for 2010-11. It is important to note that school funding is a major campaign point in the upcoming election. School funding could drastically be affected by changes in political power in Ohio. Current estimates from Columbus have advised school districts to plan for state funding to decrease up to 10% in 2011-2012.

The Ed Jobs program should provide approximately \$287,040 through 2012. A portion of these funds have been allocated for this fiscal year; while the remainder has been allocated for Fiscal Year 2012. The purpose of these funds is to help district maintain teacher jobs.

May Update

The new biennial update for 2011 is still undergoing changes in the State Senate at this time. The OEBM has been discarded for the upcoming budget. A new formula will be developed over the next year. This could have additional repercussions on funding. This update includes funding from the ODE based on the most recent calculations released to districts and accounts for an 8% loss in foundation funding due to the loss of stimulus funds.

The Ed Jobs program is still included with part of the funds being expended in 2011 and the remaining in 2012.

**MONROE LOCAL SCHOOL DISTRICT
BUTLER COUNTY**

**Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2011**

Stimulus Funding

Ohio's current budget is based on receiving stimulus funds from the federal government. The Ohio Department of Education is using the stimulus monies as part of the normal foundation funding payments. Federal regulations require that these funds be tracked separately; despite being considered general fund monies. Lines 1.045 and 21.010-21.060 delineate those funds for tracking purposes.

May Update

All stimulus funds are completely expended as of June 30, 2011. There are no additional stimulus funds included for years 2012-2015.

The Forecast on the next page is required to be submitted to the Ohio Department of Education. Information about each line item can be found in the next section of this forecast.

MONROE LOCAL SCHOOL DISTRICT - - BUTLER COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
ACTUAL AND FORECASTED OPERATING FUND

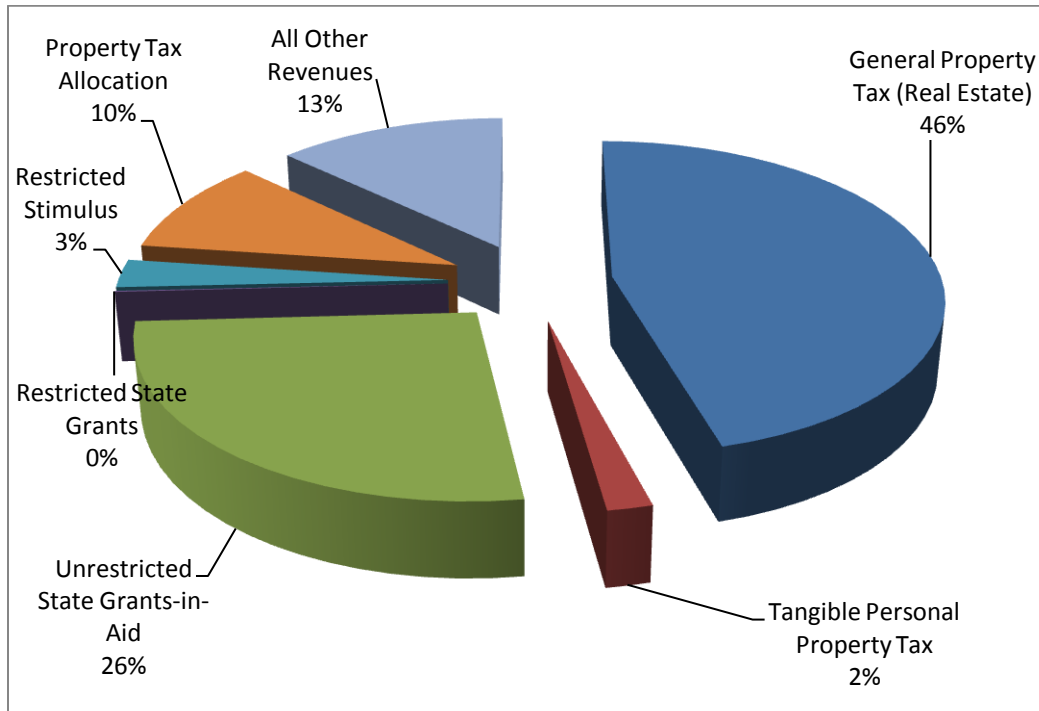
	Actual			Forecasted				
	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015
Revenue:								
1.010 General Property Tax (Real Estate)	8,629,789	9,483,756	8,250,811	8,570,563	9,421,218	9,782,856	9,932,354	10,067,284
1.020 Tangible Personal Property Tax	861,528	702,465	96,399	356,723	108,044	106,952	107,487	107,482
1.030 Income Tax	0	0	0	0	0	0	0	0
1.035 Unrestricted Grants-in-Aid	4,153,760	5,329,112	5,182,551	4,946,069	4,714,023	4,731,978	4,728,933	4,744,572
1.040 Restricted Grants-in-Aid	15,387	34,593	326,013	518,160	146,911	36,766	36,638	36,638
1.050 Property Tax Allocation	1,651,716	960,908	2,415,746	1,851,485	1,443,459	1,101,828	1,062,183	1,003,208
1.060 All Other Revenues	1,569,303	1,810,499	1,944,389	2,428,389	2,944,389	2,959,389	2,874,389	2,839,389
1.070 Total Revenues	16,881,483	18,321,333	18,215,909	18,671,389	18,778,044	18,719,769	18,741,984	18,798,573
Other Financing Sources:								
2.010 Proceeds from Sale of Notes	0	0	0	1,000,000	0	0	0	0
2.020 State Emergency Loans and Advancements	0	0	0	0	0	0	0	0
2.040 Operating Transfers-In	0	0	5,052,352	0	0	0	0	0
2.050 Advances-In	0	0	0	0	0	0	0	0
2.060 All Other Financing Sources	249	1,504	0	0	0	0	0	0
2.070 Total Other Financing Sources	249	1,504	5,052,352	1,000,000	0	0	0	0
2.080 Total Revenues and Other Financing Sources	16,881,732	18,322,837	23,268,261	19,671,389	18,778,044	18,719,769	18,741,984	18,798,573
Expenditures:								
3.010 Personal Services	9,059,233	9,562,536	9,764,979	9,995,591	9,469,334	9,643,346	9,894,958	10,019,949
3.020 Employees' Retirement/Insurance Benefits	2,708,193	2,926,594	3,064,192	3,286,501	3,098,480	3,408,630	3,673,542	3,908,782
3.030 Purchased Services	4,068,683	3,592,315	3,910,000	3,762,090	3,275,898	3,325,898	3,375,898	3,425,898
3.040 Supplies and Materials	641,165	752,648	598,230	676,177	707,939	747,097	787,039	827,780
3.050 Capital Outlay	206,354	370,139	201,604	167,652	172,652	177,832	198,167	224,112
3.060 Intergovernmental	0	0	0	0	0	0	0	0
Debt Service:								
4.010 Principal-All (History Only)	0	0	0	0	0	0	0	0
4.020 Principal-Notes	0	0	0	0	0	0	0	0
4.030 Principal-State Loans	0	0	0	0	0	0	0	0
4.040 Principal-State Advancements	0	0	0	0	0	0	0	0
4.050 Principal-HB 264 Loans	0	0	0	0	0	0	0	0
4.055 Principal-Other	0	0	0	0	0	0	0	0
4.060 Interest and Fiscal Charges	0	0	0	0	0	0	0	0
4.300 Other Objects	347,521	347,964	326,683	333,217	300,217	306,221	312,345	318,592
4.500 Total Expenditures	17,031,149	17,552,196	17,865,688	18,221,228	17,024,520	17,609,024	18,241,949	18,725,114
Other Financing Uses								
5.010 Operating Transfers-Out	0	639,939	5,554,202	783,750	1,067,500	1,635,000	1,635,000	1,635,000
5.020 Advances-Out	0	0	18,887	0	0	0	0	0
5.030 All Other Financing Uses	0	0	0	1,000,011	0	0	0	0
5.040 Total Other Financing Uses	0	639,939	5,573,089	1,783,761	1,067,500	1,635,000	1,635,000	1,635,000
5.050 Total Expenditures and Other Financing Uses	17,031,149	18,192,135	23,438,777	20,004,989	18,092,020	19,244,024	19,876,949	20,360,114
Excess of Rev & Other Financing Sources over (under) Expenditures and Other Financing Uses	-149,417	130,702	-170,516	-333,600	686,024	-524,255	-1,134,965	-1,561,541
6.010 Cash Balance July 1 - Excl Proposed Renewal/ Replacement and New Levies	772,004	622,587	753,289	582,773	249,173	935,197	410,942	-724,023
7.020 Cash Balance June 30	622,587	753,289	582,773	249,173	935,197	410,942	-724,023	-2,285,564
8.010 Estimated Encumbrances June 30	216,626	202,472	348,588	175,000	150,000	150,000	150,000	150,000
Reservation of Fund Balance								
9.010 Textbooks and Instructional Materials	0	0	0	0	0	0	0	0
9.020 Capital Improvements	0	0	0	0	0	0	0	0
9.030 Budget Reserve	100,000	-100,000	0	0	0	0	0	0
9.040 DPIA	0	0	0	0	0	0	0	0
9.050 Debt Service	0	0	0	0	0	0	0	0
9.060 Property Tax Advances	0	0	0	0	0	0	0	0
9.070 Bus Purchases	0	0	0	0	0	0	0	0
9.080 Subtotal	100,000	-100,000	0	0	0	0	0	0
Fund Balance June 30 for Certification								
10.010 of Appropriations	305,961	650,817	234,185	74,173	785,197	260,942	-874,023	-2,435,564
Rev from Replacement/Renewal Levies								
11.010 Income Tax - Renewal	0	0	0	0	0	0	0	0
11.020 Property Tax - Renewal or Replacement	0	0	0	0	0	0	0	0
11.030 Cumulative Balance of Replacement/Renewal Levies	0	0	0	0	0	0	0	0
Fund Balance June 30 for Certification								
12.011 of Contracts, Salary and Other Obligations	305,961	650,817	234,185	74,173	785,197	260,942	-874,023	-2,435,564
Revenue from New Levies								
13.010 Income Tax - New	0	0	0	0	0	0	0	0
13.020 Property Tax - New	0	0	0	0	0	0	0	0
13.030 Cumulative Balance of New Levies	0	0	0	0	0	0	0	0
14.010 Revenue from Future State Advancements								
15.010 Unreserved Fund Balance June 30	305,961	650,817	234,185	74,173	785,197	260,942	-874,023	-2,435,564
ADM Forecasts								
20.010 Kindergarten - October Count				188	188	190	190	190
20.015 Grades 1-12 - October Count				2,065	2,066	2,080	2,090	2,100
20.02 Kindergarten - February Count				188	188	190	190	190
20.025				2,065	2,066	2,080	2,090	2,100

**MONROE LOCAL SCHOOL DISTRICT
BUTLER COUNTY**

**Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2010**

Revenue and Other Financing Sources

Significant sources of revenues include general property tax, tangible personal property tax, unrestricted grants in aid, and all other revenue as shown in the following graph:



General and Tangible Personal Property Taxes:

Property taxes consist of real property, public utility real and personal property, and tangible personal property taxes. Property values are established each year by the Butler County Auditor and are based on new construction, updated appraisal values, and commercial and industrial business growth during the triennial appraisal years. 2009 was not a triennial update year, yet the Butler County Auditor conducted an off-year appraisal of residential property and lowered values significantly.

Property tax revenue estimates are based on historical valuation growth patterns and are used by the Butler County Auditor to determine tax revenue distributions in fiscal year 2011 through 2015. While historical valuations had been growing in years past, the last two years have seen decreases in property values. As a result, I have maintained a relatively static growth rate for property values, despite the passage of the substitute levy last year.

**MONROE LOCAL SCHOOL DISTRICT
BUTLER COUNTY**

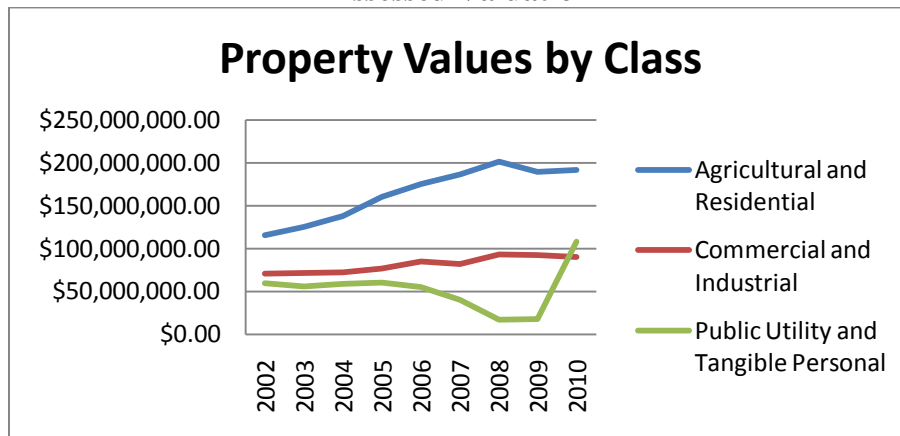
**Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2010**

2005	297,255,890 (actual)
2006	314,990,805 (actual)
2007	308,233,386 (actual)
2008	311,869,120 (actual)
2009	299,399,640 (actual)
2010	390,173,390 (actual)
2011	400,526,097 (estimated)
2012	410,649,907 (estimated)
2013	423,696,783 (estimated)

The following table and graph show the growth patterns of all taxes assessed by the County Auditor on behalf of the District and has been updated with 2010 values.

Tax Year	Agricultural and Residential	Commercial and Industrial	Public Utility and Tangible Personal	Total Value	Percent Change
2002	\$115,235,030	\$70,678,330	\$59,654,702	\$245,568,062	
2003	125,006,500	71,482,730	55,690,149	252,179,379	2.69%
2004	138,011,720	72,168,070	59,092,414	269,272,204	6.78%
2005	160,280,060	76,469,050	60,506,780	297,255,890	10.39%
2006	175,446,090	84,614,460	54,930,255	314,990,805	5.97%
2007	186,126,100	81,781,920	40,325,366	308,233,386	-2.15%
2008	201,474,220	93,429,210	16,965,690	311,869,120	1.18%
2009	189,470,710	92,427,660	17,501,270	299,399,640	-4.20%
2010	\$191,716,790	\$90,166,320	\$108,290,280	\$390,173,390	23.26%

Assessed Valuation



**MONROE LOCAL SCHOOL DISTRICT
BUTLER COUNTY**

**Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2010**

General Property Tax- (Real Estate) (Line 1.010)

General property tax revenue used to be the fastest growing assessed tax valuation. Projected valuation is expected to increase at a rate of 3-5% annually due to the substitute levy. The increase in real estate values is attributed primarily to new development and related new construction in the City of Monroe.

Commercial Industrial real estate has started to taper off with very little growth. The Butler County Auditor, Roger Reynolds, held a series of town hall meetings this fall where it was announced that the county plans to reduce commercial and industrial real estate values during next year's triennial update.

May Update

Commercial Industrial values were lower than last year, however, residential and agricultural values were higher. This is mainly due to changes in agricultural taxing rules. I do not expect much of an upward trend in these values. I do expect comm/ind values to further decrease next year.

Tangible Personal Property Tax (Line 1.020)

As part of the Tangible Personal Property Tax (TPP), reforms in HB 66 this tax will begin a four year phase-out starting in tax year 2006 and ending with no tax due in 2010. This phase-out applies to most businesses and includes furniture and fixtures, machinery and equipment, and inventory. The TPP is now completely phased-out and the only remaining items included in this line are public utilities.

This forecast does include an increase in projected public utility revenues as a result of the new Rockies Express pipeline project that was recently completed.

May Update

The October Forecast included funds from Rockies Express to be included in the general fund for the entire five years of the forecast. This update continues to include these revenues, but also adds the movement out of these funds into permanent improvement. Other TPP revenues, other than utilities, are completely phased-out and continue to be so for this update.

Unrestricted Grants-in-Aid (Line 1.035)

HB1, Ohio's current budget bill, implemented dramatic changes in school funding. The Ohio Evidence Based Model (OEBM) is used to allocate funds to school districts; although it is not currently fully funded. The allocation is a complicated formula that allocates some items based on the number of students and other items on the number of recognized operational units. The state also multiplies this allocation times an Education Challenge Factor (ECF). Monroe's ECF is 98%.

**MONROE LOCAL SCHOOL DISTRICT
BUTLER COUNTY**

**Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2010**

The OEBM for FY10 places Monroe on a guarantee. Given the current economic situation in Ohio, I have assumed for the purpose of this forecast that Monroe will remain on the guarantee for FY12 at 90% of FY11 values and 85% in FY13. I have assumed in 2014 that the OEBM phase-in will take its next mandated step and Monroe will go off of the guaranteed.

May Update

The Ohio Department of Education has stated that the OEBM will be discontinued after this fiscal year. A new formula will be developed over the next year. The foundation funding for FY12 and FY13 included in this update are based on spreadsheets released by the ODE. However, the upcoming biennial budget bill is still undergoing changes in the Senate and has not yet been approved. This line item could be subject to change before the new fiscal year begins on July 1, 2011.

Restricted Grants-in-Aid (Line 1.040)

This line item is designate for restricted state funding grants. Revenue from these grants is negligible and only accounted for \$50,594 in 2010-11.

May Update

No changes to this line.

Restricted Federal Grants-in-Aid – SFSF (Line 1.045)

This line item details the portion of the state foundation funding that is being paid through stimulus funds. It includes all stimulus funds and ED Jobs monies allocated to Monroe.

May Update

No changes to this line. All SFSF funds will be expended by the end of this fiscal year. Only part of the ED Job monies and the Race to the Top funds remain in this line for years 2012-2015.

Property Tax Allocation (Line 1.050)

State law grants tax relief in the form of a 10% reduction in Real Property Tax bills. In addition, a two and one half percent (2-1/2%) rollback is granted on residential property taxes. Tax relief is also granted to qualified elderly and disabled homeowners based on their income. The State reimburses the school district for the loss of Real Property taxes due to Homestead and Rollback reductions.

This line item also includes Personal Property reimbursements from the state. This reimbursement is scheduled to be phased out beginning in 2010 and replaced with the Commercial Activity Tax – albeit at a reduced rate. It is unclear, at this point, what the effect of the CAT tax will be on school districts.

**MONROE LOCAL SCHOOL DISTRICT
BUTLER COUNTY**

**Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2010**

May Update

The reimbursement schedule for tangible property tax reimbursement has been modified with the proposed budget bill. Monroe's reimbursement will end in 2012. The CAT tax is no longer being used to reimburse school districts.

All Other Revenues (Line 1.060)

Currently open enrollment has a significant impact on this revenue category. It currently constitutes 3% of the total revenues to be received by the District in FY11. Due to increase residential enrollment, the number of open enrollment students has been decreasing over the last few years.

Open enrollment for FY11 is expected to provide approximately \$530,000; a decrease of 7% from FY10. If open enrollment is allowed to decrease with increased Monroe enrollment, these funds will need to be replaced if Monroe is to continue the same level of academic programming. For the purpose of this forecast, I have assumed that open enrollment will continue to decrease at the same rate.

May Update

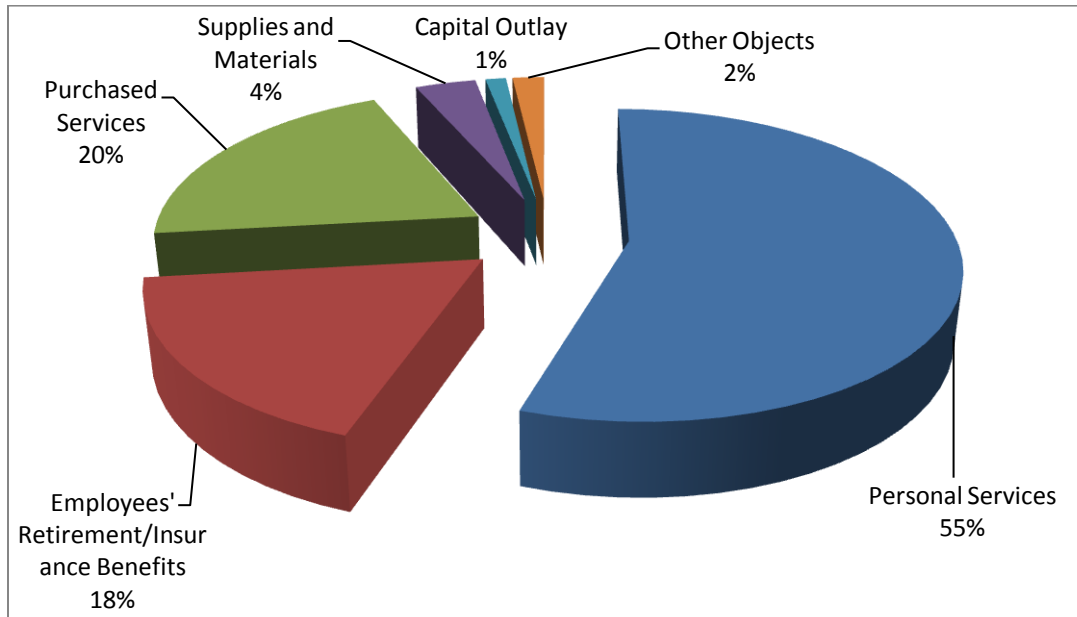
Increases in open enrollment for years 2012-2015 have been included in this update as a result of the recent Board decision to allow open enrollment in grades 1-8.

**MONROE LOCAL SCHOOL DISTRICT
BUTLER COUNTY**

**Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2010**

Expenditures and Other Financing Uses

Significant sources of expenditures include personal services, employee retirement/insurance benefits, purchased services, supplies and materials, and capital outlay as shown in the following graph:



Personal Services (Line 3.010)

The amounts for salaries and benefits are based on the most recent negotiated agreement for all Monroe Education Association (MEA) members. This agreement did not include any increase on the base pay for FY11. Anticipated increases in staff will attribute to a substantial increase in expenditures due to the increases in student population growth. An overall increase of approximately 3% occurs as a result of the annual step increases built into the salary schedule. The current contract will expire June 30, 2011 and will need to be renegotiated at that time.

May Update

Negotiations have been completed with the MEA. This update includes the new salary index and steps each year. There are no negotiated increases on the base factored into this update. Budget cuts to personnel approved by the board in April are also included in this update.

Employees' Retirement/Insurance Benefits (Line 3.020)

Employee benefits are typically driven by the amounts presented as salaries for the year and average approximately 28% percent of the average annual payroll costs. The amounts for benefits are reflective of the activity in personal services because of retirement insurance and health insurance benefits. The district was recently notified by the Butler Health Insurance

**MONROE LOCAL SCHOOL DISTRICT
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**Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2010**

Program (BHP) that health insurance will be increased by 9.5% in 2011. Therefore, percentage increase for the 2012-2015 projected years is expected to increase approximately 12% to 15% annually. The recent contract negotiations included an incentive for employees to switch from the more expensive classic plan. Open enrollment for insurance is in November. We will not know until then how many employees will actually take advantage of the incentive. For the purpose of this forecast, it has been assumed that 90% of employees will switch plans.

May Update

The insurance incentive in the fall did not have the desired effect in savings. For this update, an increase of 10% has been projected for FY12. Fiscal years 2013-15 have been projected at 15% increase in premiums. There will be changes in the plan offerings by the Butler Health Plan beginning January 2011. We will not know how these changes will affect our costs until the fall open enrollment is complete.

Purchased Services (Line 3.030)

Purchased services are expected to be slightly less than FY10 due to renegotiation of the contracts for electricity, preventative maintenance, and busing. Transportation costs comprise 42% of the purchases services.

May Update

This update did not make any changes to the normal purchased services items. However, this update does include the movement of debt payments to the permanent improvement fund.

Supplies and Materials (Line 3.040)

With a currently stable student population this year, the supplies and materials line should remain fairly static with only a slight increase for FY11.

May Update

No significant changes to this line.

Capital Outlay (Line 3.050)

Purchases in capital outlay are necessary for current repair and maintenance of the current buildings. The major increases will include new instructional and office equipment as it becomes necessary. The district has planned extensive capital outlay purchases over the next several years as it becomes necessary to replace aging computers and a new cycle for replacement is implemented. This line item is expected to remain fairly static with only a slight increase planned for FY11.

May Update

No significant changes to this line.

**MONROE LOCAL SCHOOL DISTRICT
BUTLER COUNTY**

**Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2010**

Reserve Assumptions (Line 9.030)

The District will set aside those amounts required by H.B. 412 as it becomes necessary and available. This forecast does not include any budget reserve set-asides.

May Update

No significant changes to this line.