

# ANTHONY WAYNE LOCAL SCHOOLS~048207

## FINANCIAL FORECAST ASSUMPTIONS – MAY 2018

### REVENUES

#### 1.0 General Property Tax –

The district continues to see an increase in new construction...a noticeable number of new homes being built through the community as well as commercial and industrial development. It is hopeful we will continue to see increases in Real Estate revenue as well in our district valuation. Current valuation is \$905,516,050 which is up \$19,873,660 from last year.

The Anthony Wayne Board of Education was successful on the November 2013 ballot for a 4.9 mills new operating levy. Collections began in January 2014 and will generate roughly \$4 million annually. Our 2003 Emergency levy was renewed in November 2012. The renewal is for 10 years. Property Values are established each year by the Lucas County Auditor based on new construction and complete reappraisal or updated values, which occur every three (3) years. Lucas County will go through a reappraisal in 2018.

We are estimating a 3.0% growth annually in years 2018-2022, which is a spike in 2019 and 2020 from the revaluation.

**Public Utility Personal Property (PUPP) Tax** will also be included in this line item. This line item is based on local collections...collections should remain constant with slight adjustments for refunds, BOC decisions and delinquent taxes. A 2% increase is estimated.

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Real Estate	\$24,212,329	\$24,618,267	\$25,371,559	\$26,653,722	\$28,276,934	\$29,433,460	\$30,195,787	\$30,977,858
PUPP	\$1,299,194	\$1,342,740	\$1,371,915	\$1,441,638	\$1,471,047	\$1,501,057	\$1,531,678	\$1,562,925
<b>Total</b>	<b>\$25,511,523</b>	<b>\$25,961,007</b>	<b>\$26,743,474</b>	<b>\$28,095,360</b>	<b>\$29,747,981</b>	<b>\$30,934,517</b>	<b>\$31,727,465</b>	<b>\$32,540,783</b>

1.020 **Tangible Personal Property Tax** – Tangible Personal Property Tax was eliminated.

1.035 **Unrestricted Grants-In-Aid** – This figure is composed of the receipts from the State Foundation Program. The FY2017-18 and 2018-19 biennium budget is reflected in the forecast. This includes \$164,668 for preschool and \$73,073 for special education transportation. It also includes roughly \$70,000 in those years for the graduation rate and 3rd grade reading bonuses. Casino revenues were received (\$21.00 per pupil) in FY13 and that amount was projected to increase to \$51.00 per pupil in FY 2014, however casino revenues are not warranting that continued increase pattern. We are using \$224,000.00 (\$50.00 per pupil) as our estimate through-out the remainder of the forecast.

The new biennium is for FY 2017-18 and 2018-19, therefore State Aid is flat lined throughout the remaining years of the forecast.

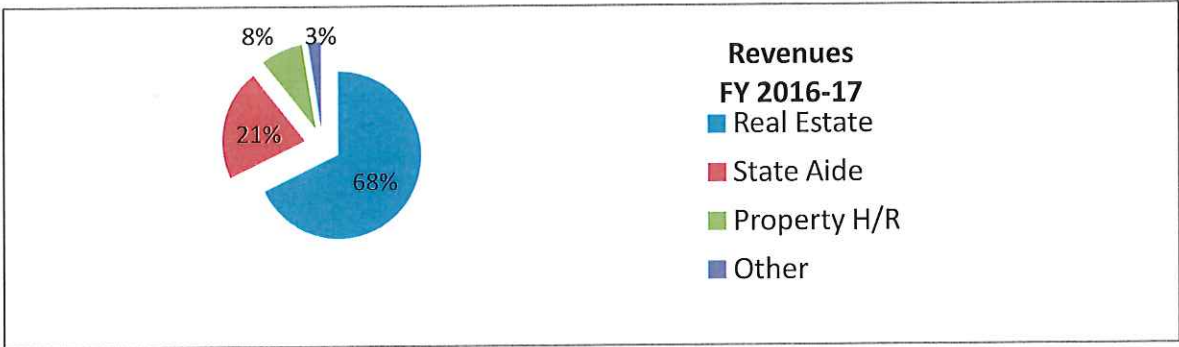
1.040 **Restricted Grants-In-Aid** - FY 2018-2028 includes \$17,121 for Career Tech Education funding, per the biennium budget.

1.050 **Property Tax Allocation** – This category contains the 10% & 2.5% rollback and homestead exemptions of property taxes reimbursed to the district by the State of Ohio. 2.00% is estimated as an annual increase. With the last biennium budget, TPP reimbursement was phased out over FY16 (\$913,000) and FY17 (\$174,152) and eliminated for this biennium budget. Because of this, the district will see a loss of revenue in FY 2017-18 of \$174,152....(\$870,760 over the life of the forecast).

	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18-22
Tangible PP	\$3,199,721.00	\$1,660,752.00	\$1,652,284.00	\$1,638,674.00	\$920,023.00	\$174,152.00	0.00%

1.060 **All Other Revenues** – This figure is a combination of a number of things including tuition and excess cost billed to other districts, investment earnings (which continues to be minimal), fuel reimbursement, and other miscellaneous revenues. The estimate is flat-lined based on the average of the last 3 years collections.

2.060 **All Other Financing Sources** – This is primarily refunds of prior year expenditures and advances. This amount is reduced slightly in FY 2018-2022 being less federal dollars are being received.



**EXPENDITURES**

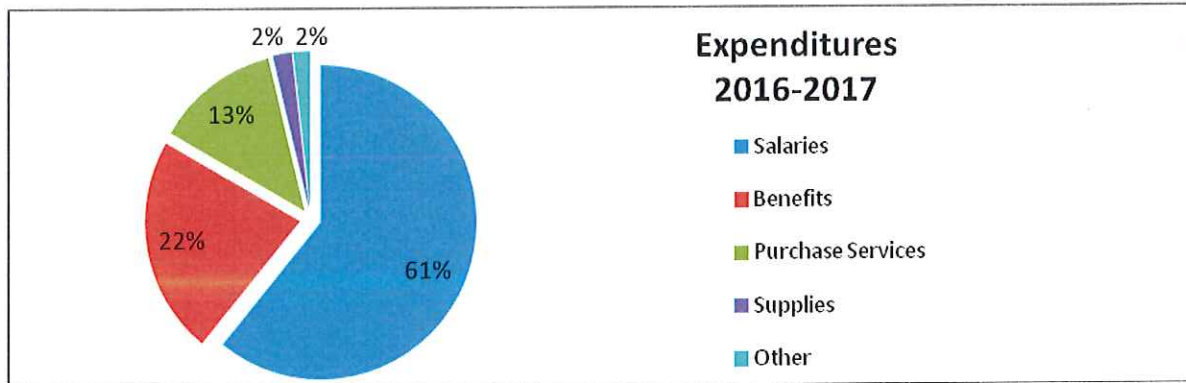
3.010 **Personnel Services** – These figures are based on salaries paid to all staff including certified, classified, supplementals, administrators, substitutes, tutors,



etc. These figures are based on the current negotiated agreement with our teaching and non-teaching unions. FY16 and FY17 included a 2.5% increase and steps and FY18 includes a 1.75% increase and steps (negotiated) for AWEA and OAPSE members. Both Union contracts expire on June 30, 2018. We were able to reach 3 year agreements with both effective July 1, 2018 - June 30, 2021. FY 19 and FY 20 include a 2.25% increase and steps and FY 21 a 1.75% increase and steps. FY 22 is estimated at 2%, as contracts will be open for negotiations.

- 3.020 **Employees' Retirement/Insurance Benefits** – The retirement portion of this number is a derivative of the salary amounts above, (14%). The insurance (medical, dental, vision and life) benefit portion included a 3% increase in FY16 for medical and vision insurance, then a 0% in FY17 (Reached a two-year deal with both Paramount and VSP). FY18 includes a 3.25% increase and 1.50% each year thereafter is estimated at this time. We will be working on negotiating our renewal in spring 2018.
- 3.030 **Purchased Services** – This category represents such things as contracted equipment/building repairs, private contractors for special education services, Lucas County contracts, copier leases/rentals/maintenance agreements, property and fleet insurance, travel and meeting expense, all utility costs – phone, gas, electric, garbage, water & sewer, autism and Peterson scholarship, community school charge-off, CCP, etc. FY 2016-17 was increased due to error with another placement facility on non-resident students. This was corrected for FY 2018, A 1% increase is estimated for the remainder of the forecast.
- 3.040 **Supplies and Materials** – This category represents the supplies and materials used in the various classrooms, for meetings, printer cartridges, supplies needed for school buses, fuel for all the district vehicles, including school buses, janitorial supplies, media center supplies, etc. FY 2018-2020 are flat-lined at \$925,000 and the remainder of the forecast at \$950,000.00.
- 3.050 **Capital Outlay** – This category includes the purchase of new and replacement equipment for the district. In FY 12 (through FY14), we reduced this expenditure line to zero, using Permanent Improvement funds for these purchases. Beginning FY15, we increased this line item to roughly \$300,000 for technology purchases, upgrades and upkeep. In effort to offset the loss of revenue in TPP, we reduced general fund expenditures (made out of PI fund) in FY16 and FY17. There is no estimate in FY 18-22 due to revenue reductions as well. Purchases we will be allocated out of PI fund.
- 4.300 **Other Objects** – This category is composed of primarily the Auditor and Treasurer Fees that are deducted from every tax settlement we receive from each of the three county auditors that our district resides in, audit charges for annual audit and property taxes (farm). These figures are based on historical information as well as being a function of the property and tangible taxes collected.

5.40 **Other Uses** - This category is used to offset negative cash balances in grant accounts due to the time the funds are received. General funds are repaid when grant revenue is received, usually early July. Our grant allocations are much less; therefore the amount to advance at June 30<sup>th</sup> will reflect that as well.



True Cash Days	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
General Fund 5 Year Forecast	2015	2016	2017	2018	2019	2020	2021	2022
Beginning Balance	\$4,031,251	\$5,613,571	\$6,515,321	\$6,364,581	\$6,471,709	\$6,722,543	\$6,898,650	\$6,745,211
Revenues	\$38,514,246	\$39,115,846	\$39,399,690	\$41,032,344	\$42,586,308	\$43,837,382	\$44,696,184	\$45,576,700
Expenditures	\$36,931,926	\$38,214,096	\$39,550,430	\$40,925,216	\$42,335,474	\$43,661,275	\$44,849,623	\$45,544,828
Revenue Surplus or Deficit Spend	\$1,582,320	\$901,750	-\$150,740	\$107,128	\$250,834	\$176,107	-\$153,439	\$31,872
Cash Balance	\$5,613,571	\$6,515,321	\$6,364,581	\$6,471,709	\$6,722,543	\$6,898,650	\$6,745,211	\$6,777,083
True Cash Days	55.48	62.23	58.74	57.72	57.96	57.67	54.89	54.31

**Summation** –Trying to allocate resources to provide an excellent education to the children of the Anthony Wayne LSD is always a challenge when factoring in the unfunded mandates, such as technology requirements, evaluation system, third grade reading guarantee, college credit plus, scholarships, payment in lieu, etc, etc.....!

We continue to operate as efficiently as we can without affecting our educational programs and services provided.

**\*PLEASE NOTE:** meeting the statutory requirement for this forecasting period continues to be a **work-in-progress** and extremely challenging to provide a prudent and useful forecast for financial guidance than any other previously required submissions.