

ANTHONY WAYNE LOCAL SCHOOLS~048207
FINANCIAL FORECAST ASSUMPTIONS – MAY 2017

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 \$885,642,390 which is up \$39,788,080 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 with generate roughly \$4 million annually. Our 2003 Emergency levy was renewed in November 2012. The renewal is for 10 years.

We are estimating a 2.5% growth annually in years 2017-2021.

1.020 Tangible Personal Property Tax – Due to HB 66, Tangible Personal Property Tax was eliminated at the local level.

Public Utility Personal Property (PUPP) Tax will remain the base for 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.

1.035 Unrestricted Grants-In-Aid – This figure is composed of the receipts from the State Foundation Program. The FY2015-16 and 2016-17 biennium budget is reflected in the forecast. This includes \$170,991 for preschool and \$83,615 for special education transportation. It also includes roughly \$77,000 in those two years for the graduation 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. We are using \$215,700.00 as our estimate through-out the remainder of the forecast.

The new biennium budget for FY 2017-18 and 2018-19 has not yet been approved, therefore State Aid is flat lined throughout the remaining years of the forecast.

1.040 Restricted Grants-In-Aid - FY 2017-2021 includes \$8,500 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 new biennium budget, TPP is phased out over FY16 (\$913,000) and FY17 (\$194,113). Because of this, the district will see a loss of revenue.

- 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 2017-2021 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 include a 2.5% increase and steps and FY18 includes a 1.75% increase and steps (negotiated) for AWEA and OAPSE members. FY16 (on top of increases) included 3 intervention specialists, a nurse, director of gifted services (shared), 5th grade math/science teacher (\$299,954). FY 17 had few retirements, therefore minimal attrition. A couple new positions due to administrative changes for 1 year period (FY 16-17). Both Union contracts expire on June 30, 2018. The Board was successful in negotiating 3 years contracts with both unions in June 2015.
- 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 - FY21 include a 2% each year. (We were faced with a 10% increase in medical insurance costs for FY 2014, which a good portion of that being the new taxes and Obama care employer cost, \$63.00 per insured participant, pcori fees, etc..)
- 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, community school charge-off, CCP, etc. For FY 2013, the Peterson and Autism Scholarship increased this line item as well as other special education contracted services. In addition, FY14 reflected a significant increase due to the change in funding of Educational Service Centers. FY17 -21 reflects slight increase due to special education services, increased cost in community schools and college credit plus programs. 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 2018-2021 are flat-lined for the remainder of the forecast at \$1,000,000.00. Building budgets for FY 2017 are still at the 20% reduction, however, the increase in expenditures is a reflection of expenses from levy dollars for testing assessment materials, curriculum adoptions and technology purchases. Also factors in increase cost of CCP textbook purchases, roughly \$50,000.00.
- 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 possibly FY17. We will estimate \$100,000 for the remaining years of the forecast, FY18 – FY21.
- 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 30th will reflect that as well.

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, post secondary option, scholarships, 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.