

ANTHONY WAYNE LOCAL SCHOOLS~048207 FINANCIAL FORECAST ASSUMPTIONS – November 2020

REVENUES

1.0 General Property Tax –

The district continues to see 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 increased to \$1,134,871,190 this year which is up \$91,147,300 from last year. Property values are established each year by the Lucas County Auditor based on new construction and complete reappraisal (2018) or updated values, which occur every three (3) years.

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 was for 10 years. We will seek renewal in November 2022 at the latest.

Due to the elimination of S.A.L.T. for tax year 2018, real estate was down in FY 2019 due to \$1,255,810 being prepaid in FY 2018. This revenue (most) came back to the district in FY 2020.

Fallen Timbers Mall TIF will reduce roughly \$225,000 in FY 2025, per the compensation agreement. This is on our radar and hopefully will be offset through new construction.

We are estimating a 2% growth annually in years 2021-2025.

Public Utility Personal Property (PUPP) PUPP Tax is included in this line item. This line item is based on local collections. The district did receive \$1.2M in Nexus pipeline revenue in March 2020. Currently, Nexus is appealing the State Tax Commissioners decision to reduce their values to the State Board of Tax Appeals. To determine the amount of revenue the district will receive moving forward is a challenge, however, we are going to look at the worst case scenario and estimate their request of a 52% reduction at this time. A 4% increase is estimated for other existing PUPP revenue.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Real Estate	\$26,653,722	\$26,360,233	\$27,606,418	\$28,169,589	\$28,744,249	\$29,330,631	\$29,928,976	\$30,539,527
PUPP	\$1,441,638	\$1,578,160	\$1,704,760	\$1,775,848	\$1,849,901	\$1,927,042	\$2,007,400	\$2,091,108
NEXUS			\$1,205,130	\$2,210,000	\$2,210,000	\$2,210,000	\$2,210,000	\$2,210,000
Total	\$28,095,360	\$27,938,393	\$30,516,308	\$32,155,437	\$32,804,150	\$33,467,673	\$34,146,376	\$34,840,635

- 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 2020-21 biennium budget is reflected in the forecast. Also included is \$173,538 for preschool and \$41,097 for special education transportation, \$43,400 enrollment growth funding. It also reflects the reduction in funding **due to the Governor’s budget cut in May 2020. FY 20 shows the funding reduction of \$778,514 and that is carried out in the forecast for FY 21-25. Although ESSER and CRF funds were received, those are federal dollars, short term and with some restrictions.**
 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 reducing revenue item due to COVID 19 and using a 40% reduction for FY 21. Then estimating about a \$30,000 increase annually before reaching FY 20 revenue by FY 24.**
- 1.040 **Restricted Grants-In-Aid** - FY 2021 - 2025 has no allocation, due to new 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. 1.15% 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

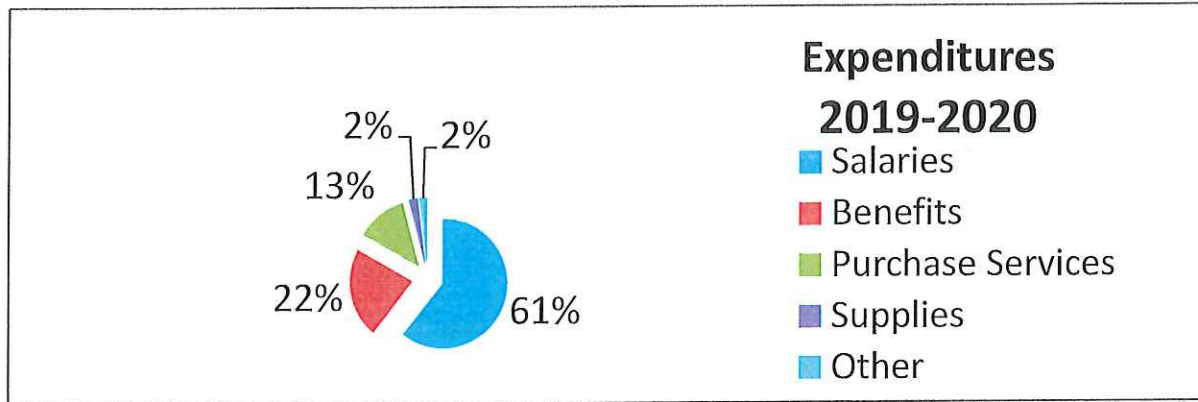
	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18-25
Tangible PP	\$3,199,721.00	\$1,660,752.00	\$1,652,284.00	\$1,638,674.00	\$920,023.00	\$174,152.00	0.00%

- 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. NOTE: forecast includes BWC dividends in FY 2020 for \$111,551 and FY 2021 for \$94,626.
- 2.060 **All Other Financing Sources** – This is primarily refunds of prior year expenditures and advances. This amount is reduced slightly in FY 2021-2025 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. FY 19 and FY 20 include a 2.25% increase and steps and FY 21 a 1.75% increase and steps. FY 22, 23, 24 and 25 are estimated at 2.0%, as contracts will be open for negotiations.
FY 2019-20 personnel services were reduced due to the close of school in March 2020. Although salaries continued, the cost of substitutes saved the district \$300,000.00 and a portion psychology personnel was paid through SWSF.
- 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 roughly a 6% increase in FY19 for medical and vision insurance, then a .4% in FY20; this is attributed to a reduction in usage with COVID. FY21 includes a 1.50% increase and 2.5% each year thereafter is estimated at this time. .
FY 2019-20 employee benefits were reduced due to the reduction in personnel services, therefore saving \$72,000.00
- 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. A 1% increase is estimated for FY 21 - 25 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 2021-2025 are flat-lined at \$920,000.
- 3.050 **Capital Outlay** – This category includes the purchase of new and replacement equipment for the district. In effort to offset the loss of revenue in TPP, we reduced general fund expenditures (and made out of PI fund). There is no estimate in FY 21 - 25 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 30th 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	2018	2019	2020	2021	2022	2023	2024	2025
Beginning Balance	\$6,364,581	\$6,507,327	\$5,214,823	\$5,090,342	\$5,327,453	\$5,218,584	\$4,955,178	\$4,534,022
Revenues	\$41,329,145	\$41,514,556	\$43,451,333	\$44,773,389	\$45,294,752	\$46,025,983	\$46,772,832	\$47,505,679
Expenditures	\$41,186,399	\$42,807,060	\$43,575,814	\$44,536,278	\$45,403,621	\$46,289,389	\$47,193,988	\$48,117,829
Revenue Surplus or Deficit Spend	\$142,746	-\$1,292,504	-\$124,481	\$237,111	-\$108,869	-\$263,406	-\$421,156	-\$612,150
Cash Balance	\$6,507,327	\$5,214,823	\$5,090,342	\$5,327,453	\$5,218,584	\$4,955,178	\$4,534,022	\$3,921,872
True Cash Days	57.67	44.46	42.64	43.66	41.95	39.07	35.07	29.75

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.