

UPDATED

Avon Lake City Schools – 5 Year Forecast

The five year forecast for the Avon Lake City Schools is an estimate of the most probable financial position, result of operation and changes in our financial situation for the future. "Most probable" means that the assumptions have been evaluated by the District Treasurer, District Superintendent and reviewed by the Board of Education. This forecast is based on the management's judgment of the most likely set of conditions and most likely course of action.

The five year forecast is derived through a combination of history, future district projected growth, course options, fiscal and physical constraints all play a part. The five year forecast is also based on the assumption of future events which are based on present circumstances and information currently available, including both internal and external data. Other factors that affect the 5 year forecast (favorably or unfavorably) are changes in law, state funding, and general economic conditions. **With major State positions being up for election this year, this is an especially volatile year.**

Please note that this forecast is based upon school funding as it is written in current law.

The following assumptions have been included into our five year forecast.

Forecast Assumptions for October 2010

Revenue

Real Estate

FY06– FY10 Avon Lake City Schools averaged 7.69% increase. With the present economy, I'm being VERY conservative with an average of .75% increase over the next five years. The decrease in FY12, FY13, FY14 and FY15 (upper portion of the forecast) is due to the renewal of one Emergency Levy (must be renewed in Calendar 2011. We cannot include the revenue in this line item until it is officially renewed. The revenue is found on the bottom portion of the forecast. (Line 11.02 and 11.03)

Personal Property - H.B. 66 is eliminated Machinery & Equipment, Furniture & Fixtures. Reimbursement from the State began in May 2006 and appears in Property Tax Allocation. Telephone valuation loss from Pers. Property will begin in TY 07 and continue to decrease until TY 2011. The drop in FY12, FY13, FY14 and FY15 is due to the Renewal of an Emergency Levies. We cannot include the revenue in this line item until it is officially renewed. The revenue is found on the bottom portion of the forecast. (Line 11.02and 11.03)

Unrestricted Grants in Aid (School Foundation/State Revenue) This category I've held the School Foundation money fairly constant (based on the PASS). In 2011 Electric DeReg will be re-evaluated to see if it should continue after 2016 when it is slated to end. No news yet.

FY11	\$1,993,779
FY12	\$2,099,631
FY13	\$2,115,616
FY14	\$2,221,721
FY15	\$2,177,787

Restricted Grants In Aid are dollars to be used strictly for buses and Career Tech. FY11 – FY15 reflect some growth in the Career Tech portion. We also include the money received from the State for the purchase of buses. The money is receipted into 2 areas – regular transportation and special ed. transportation

Property Tax Allocation is projected to grow with our property tax revenues. A decrease is projected in FY 2010 due to the triennial update/re-appraisal. The drop inFY12, FY13, FY14, and FY15 is due to the Renewal of an Emergency Levies. We cannot include the revenue in this line item until it is officially renewed. The revenue is found on the bottom portion of the forecast. (Line 11.02and 11.03)

Other Revenues is expected to be stable because of the interest rate environment and cash balance available for investing. Pay to Participate Revenue is indicated at the top of the 5 yr. Forecast.

Expenditures

Salaries & Wages are projected at:

	Salaries	Staff/Cert.	Staff/Class.
FY11	2%(1% by Prem.Hol.)	3.5 #	2 aides + 2 hr. bus driver
FY12	1%	6 ** & ***	2 aides + 2 Maint./custodial
FY13	3%	2 ***	2 aides
FY14	3%	2 ***	2 aides
FY15	3%	4***	2 aides + 1 Bus Driver

is the extra period at the high school

** If all All Day Kdg. is implemented

*** This would help us keep our Elementary classes to 25 or less.

These positions will be determined as needed, but growing enrollment would indicate that these needs are very possible.

If the guidelines for IDEA or No Child Left Behind changes, our obligations could change in this area.

Benefits are calculated with the indicated raises and additional staff. I've used the following percentages for Health Insurance.

FY11	0%
FY12	0%
FY13	5%
FY14	5%
FY15	5%

Purchased Services have been projected with a 4% inflation factor for FY11 – FY15. I've added \$30,000 for utilities in FY012 for the anticipated additional classrooms. For natural gas we have taken a 3 year average and kept the \$ amount the same as FY10. Electric for FY11 was calculated by taking a 3 year average and applying a 10% increase. Also in looking at Scott's Technology Spending Plan, adjustments have been made accordingly.

Supplies & Materials have a 4% inflation factor. Textbook adoptions are a major part of this line item. We have consulted textbook companies for current prices and have used our growing enrollment numbers to arrive at the expense projections for textbooks. We've also included \$100,000 for additional books, "small" needs and additional or replacement books. \$20,000 was added for our A+ Computer Repair Class. A 10% increase in diesel fuel due to the changing diesel prices has also been included for FY11 and continuing. Also in looking at Scott's Technology Spending Plan, adjustments have been made.

Equipment was also calculated with a 4% inflation factor for our budget. FY11-FY12 we have included \$30,000 for additional ActiviBoards for our additional classrooms. This was taken out in FY13 because classrooms should be completed. FY11-FY15 figures have been adjusted according to the Technology Spending Plan.

Other Objects includes property, fleet, liability insurance, and legal. We do have an increase built into FY11 and FY12 for County Auditor Fees.

Other Financing Uses – this includes our H.B. 264 interest payments. FY12 will be our last payment of \$4,620.00.