

## **BOTTOM LINE REVIEW**

What has changed since October 2015 to May 2016 forecast on page 3?

### **Revenue:**

1. General property tax revenue (line 1.01) is higher in FY2016 by about 1% or \$184,000 than the October 2015 forecast. Over the five-year forecast, the total increase is \$484,000 or 0.49% higher. Property values in 2016 increased slightly.
2. Income tax revenue (line 1.03) for FY2016 is an all-time high. The actual amount is \$716,000 higher than the October estimate. Future years have the revenue returning to expected amount. Over the five-year forecast, the total increase is \$816,400 or 2.44% higher. The Ohio Department of Taxation has not updated any information since 2013 on Bexley wages.
3. State revenue is set for FY16 and FY17 based on the current state budget. The May 2016 forecast is \$70,000 higher than October 2015 forecast. The increase is for preschool special education funding and special education transportation. Both of these items are outside the guarantee amount. October and May's projection both included a 5% projected reduction to state funds starts in FY18. The reduction reflects the phasing out of the guarantee funding in the next state budget. Over the five-year forecast, the total increase is \$334,000 or 1.71%.
4. Other income has increased with the May 2016 forecast. The increase comes from higher investment income due to short-term rates increasing. In addition, a small increase was received from the City of Bexley for income taxes in lieu of property taxes for new jobs at One Gateway. Over the five-year forecast, the total increase is \$365,000 or 17%.
5. Total Revenue – The May 2016 five-year forecast has a total revenue increase of \$1,975,000 or 1.17% increase from the October 2015 projections.

### **Expenditures:**

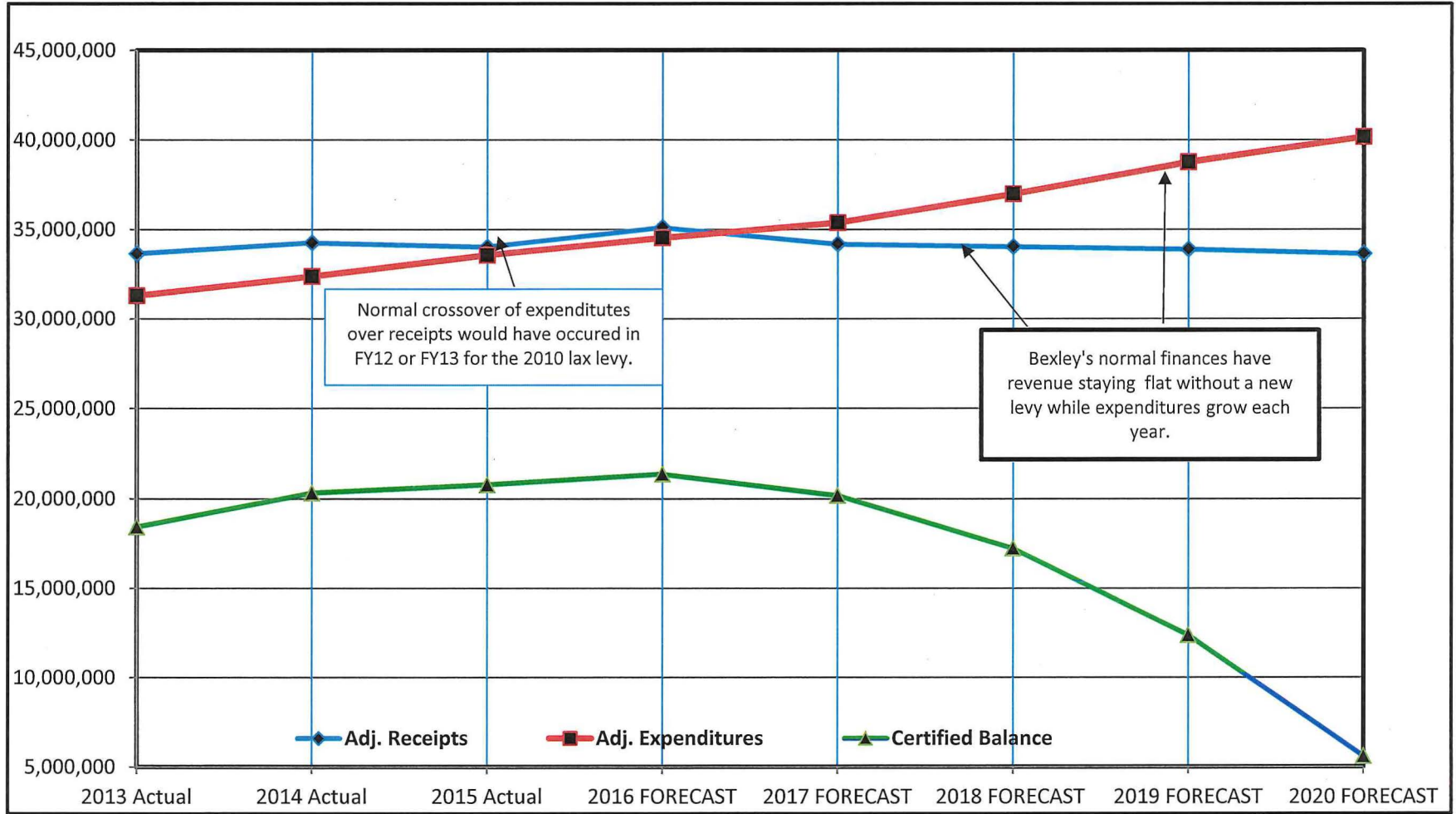
1. Salaries based on FY2016 numbers and staffing changes. FY17 (year after severance payout in FY16) reflects the savings of a record number of retiring teachers at the end of the FY15 which causes a small increase in FY17 salaries. Total projected salaries are only \$140,000 or 0.14% lower than the October 2016 forecast.
2. Retirement and fringe benefits are slightly lower in the May 2016 forecast. Most of the change comes from medical insurance increase of 9% for 18 months instead of the normal 12 months. The FY17 has medical insurance rate increase of 5% instead of the usual 10%. Over the five-year forecast, the total decrease is \$570,000 or 1.32% lower expenditures.

3. Purchase Services remain the same in both forecasts.
4. Supplies decreased in the May 2016 forecast for FY16. FY16 textbook purchases are lower than projected. Over the five-year forecast, the total decrease is \$220,000 or 3.1%.
5. Capital Outlay has an increase in FY2016 because of \$purchasing the copiers in FY16 instead of the projected FY17. Other small changes to the May forecast has the total increase in the May 2016 forecast of \$520,600 or 10.8%.
6. Transfers are lower by \$107,800. The May forecast reduces the normal transfer amount to food service fund due to increase sales in food service fund each year.
7. Total expenditures change from October 2015 to the current forecast are lower by \$442,700 or 0.24% over the five-year period.

**Bottom Line:**

1. The October 2015 forecast had the End of the Year Balance for June 30 certification (line 15.01) for FY20 at \$3,172,987. The May 2016 forecast has the FY20 EOY balance at \$5,591,545 or \$2,418,558 higher. The District is in great shape financially and should not have to look at a levy until 2019.

# BEXLEY SCHOOLS FIVE YEAR FORECAST May 2016



**Notes:**

Adjusted Revenue equals actual (or project) total revenues, minus June tax advance from current year plus June tax advances from previous year.  
 Adjusted Expenditures equals actual total expenditures, plus outstanding purchase orders for this year minus outstanding purchase orders last year.

**Review of Income Tax and State Foundation Revenue**  
**May 2016**

