

Dear Community Members:

We are entering the final month of the school year, and it is going to fly! To help you keep up with all of the school events, please make sure you visit the calendar on our district homepage www.eastwoodschoools.org.

I have several items for you with a number of attachments. I am going to send all but the 5 Year Forecast attachment in a second email. Sometimes the attachments will throw this email into a SPAM folder. When you open the 5 Year Forecast, you will most likely need to increase the size so you can read the font. The state form we have is not easy to read whatsoever. Scanning it into a PDF makes it less so,

There are several announcement type items up front and a detailed Financial Update at the end.

Before getting into things too much, I would like to thank all of the parents and community members who worked to make After Prom a safe and fun way for students to enjoy Prom Night. There is little that is more nerve-wracking for administrators than Prom Night. You pray that everyone makes good choices, and that your phone does not ring overnight. We also want to thank all of the First Responders who helped with the mock accident. All of these efforts are geared towards one end, and that is making sure kids have a safe and fun evening. Well Done to all involved!

EASTWOOD BAND EARNS EXCELLENT RATING AT STATE COMPETITION!

On Saturday April 25, the High School Concert Band performed at the OMEA State Large Group Band Adjudicated Event held at Findlay HS. **We congratulate them on their performance as they received an "Excellent" II rating!** They had a terrific performance as their hard work and practice was rewarded. Thanks to all those who showed up to support the band!!

Well done!

UPCOMING AWARDS PROGRAMS

This week we have two very important academic awards programs for our students. On Tuesday we have the National Junior Honor Society inductions at the Middle School at 7:00 PM. We follow that up with the High School Academic Awards night on Thursday at 7:30 PM in the HS Auditorium. We are extremely proud of the academic achievements of our students, and we always look forward to recognizing their work!

DISTRICT ARTS SHOW

The District Arts Show will begin on Thursday May 14th, and it will run through Sunday May 17th. This show features works by students in all grade levels and is held in the HS Gym. Here are the hours:

Thursday May 14th – Opening Reception – 5:00-7:30 PM

Friday May 15th – During school hours until 5:00

Sunday May 17th – 1:30-4:00 – Please visit before or after the Spring Choir Concerts!

UPCOMING FINAL CONCERTS!

The Middle and High School music programs will wrap up their performance season in the next couple of weeks. The All Bands Concert will take place on Tuesday May 12th at 7:30 in the HS Gym. This is always a huge night that wraps up with all of the students playing a number together. The Choir Concerts will be held on Sunday May 17th with the MS Concert starting at 2:30 and the HS Concert beginning at 4:30. We strongly encourage those attending the concerts to stop by the District Arts Show which will be across the hall in the HS Gym.

UPCOMING CAMP INFORMATION

If your child has any interest in attending sports camps, there are frequently forms in the offices of each building.

NATIONAL WING T CAMP – Eastwood Football is proud to host the annual National Wing T Camp June 13-15.

EASTWOOD VOLLEYBALL SKILLS CAMP – The Eastwood Volleyball program will host a skills camp from July 16-18.

PACESETTER SOCCER CLUB CAMPS – There are two upcoming soccer camps that will be hosted by the Pacesetter Soccer Club in Sylvania. Information will be in the attachments.

FINANCIAL UPDATE

At the April Board of Education meeting we adopted the latest 5 Year Forecast. A copy of the current forecast is attached to this email for your review. The 5 Year Forecast is used to broadly predict the district's financial position looking ahead. Frankly, it is very difficult to predict what things will look like in five years simply because there are many unknowns. We tend to use trend percentages going into the latter years to estimate both revenues and expenses. We try to be somewhat conservative, because the last thing anyone wants is to come up short of expectations dramatically. Often times you will see us use predictions on the lower end for revenues and the upper end for expenses.

There are several pieces of information that are very important in this particular forecast, and I am going to highlight them by line number for you. For those of you who simply want the bottom line, you can see it if you go all the way out to Fiscal Year 2019 and look at line 15.01 which is the Unreserved Fund Balance June 30. Our current 5 Year Projection shows that on June 30, 2019 we will have a fund balance of \$5,566,835. We often call this our "carryover balance". That number is very good news.

For those of you who are interested in how we come to some of the conclusions and estimates, I am going to delve a little deeper into some of these by line item. We will start with the revenue numbers and move into the expenses.

REVENUE

1.010 – General Property Taxes – Over the course of the next four years, we are projecting a decline in annual revenue since this 5 Year Forecast does not factor in revenues from the current Emergency Levy that expires at the end of the current calendar year. There will be ½ of

that payment still in Fiscal Year 2016 which is why that amount decreases over the next two years before flattening out somewhat.

1.030 – Income Tax – We are projecting flat increases. We did see a spike last year, but we are expecting more normal collections moving forward.

1.035 – Unrestricted Grants-in-aid – In the Governor’s budget Eastwood is slated to lose roughly \$150,000 per year going forward and that guidance was used for this forecast. The House has suggested a plan that would keep our funding flat, however. We are still going with the Governor’s numbers until we gain more clarity.

1.060 – All Other Revenues – This amount is much higher this year mainly due to the fire settlement. In future years it will be higher than some of our historical numbers because of the \$675,000 we get from Home Depot.

EXPENSES

3.010 – Personal Services/Salaries – Eastwood will be making somewhat of a shift starting with the next fiscal year (2016). In the past we have hired between 4-6 teachers to serve our students with disabilities through the Wood County Educational Service Center. However, that consortium will not exist after this school year, so we will be bringing these new staff members onto our salary rolls. While the number of salaries will go up next year, we will also see a corresponding drop in line 4.300 called Other Objects which is where our current bill with the Wood County ESC is coded.

3.020 – Employee’s Retirement/Insurance Benefits – We typically see annual insurance rate increases of roughly 10%. However, just like in the above area, we will be adding employee benefit plans for those staff members we are now employing directly.

3.030 – Purchased Services – This line item includes most of the contracted services the district uses. This line includes utilities, our contract for internet services, property insurance, legal, and where we pay for students who take college courses. This line item has spiked this year because our contract with Rudolph Libbe to rebuild the Bus Garage was coded into this area. We do see increases in this line item moving forward.

3.040 – Supplies and Materials – You can see a huge decrease from last year to this one, and that is due to how we coded the actual replacement of the contents in the Bus Garage. We are now on more of a traditional budget number in this area. One issue that we are seeing is that textbook companies no longer sell you a textbook that you can use for 10+ years. Instead they are selling you more of a consumable text that students use every year under a 3 year type contract. While they “update” the text more frequently, you also have to pay for that. Whether or not you go to hard bound or online text content, they are finding ways to squeeze more money out of the district on a consistent basis. I am sure the shareholders of these companies like this approach, but I am not a big fan. We are seeing this mainly in our new math series.

3.050 – Capital Outlay – Now that we have made the large laptop purchases, we are in more of a maintenance period when it comes to annual tech purchases. We also will continue to buy two new busses per year instead of the four we did this year.

4.010 – These are new fund codes that will be used for the building project. This year we moved \$1,457,634 into a fund for part of our local share as required by the Ohio School Facilities

Commission. In the coming years we will be using this code center for any bond payments and any locally funded initiative – LFIs. We have set aside \$1.75 million to be used for site development, additional space in the building beyond what is in the project, and any other upgrades not covered by the project guidelines. That amount has been split over the next three fiscal years. As part of our site development, we have begun discussions about bringing a dedicated sewer line to the Eastwood campus. The line would only be used for Eastwood Schools and would not require anyone to tie in.

As a review, we will be paying \$1.275 million for 10 years to cover the bond payments, and our principle and interest payments together start in June of 2016 which falls near the end of the next fiscal year. By the end of 2025, there will be no debt in the district.

4.030 – Other Objects – After this year we will be shifting some personnel from the Wood County Educational Service Center to Eastwood. We will still partner with the ESC to provide needed services, but there will be some we handle on our own.

SUMMARY

If you have made it this far, congratulations! I know this information is heavy and not terribly exciting.

If we bring this back to line item 15.01, the fact that we will have a cash balance of roughly \$5.5 million in 2019 means that unless something catastrophic were to happen we will not need any new money until the early 2020s. Think about that...the 2020s. We should all be deeply grateful for the blessings we have as a community to not have to face the specter of do-or-die levies for some time.

Have a great week!!