

WINTON WOODS CITY SCHOOL DISTRICT  
FISCAL YEAR 2019  
FIVE-YEAR FORECAST ASSUMPTIONS

The forecast is legally adopted by the Board of Education in October and is intended to assist Board members, administration, and interested parties in assessing the fiscal ramifications and consequences of decision-making, or lack thereof, for the District. No number or assumption in this forecast should be considered an absolute because the information relied upon to develop the numbers is in a constant state of change. For example, State budgets are adopted on a two-year cycle, no reasonable assurance can be given that a five-year forecast projection of State funding will bear any resemblance to reality. Therefore, financial forecast documents must be viewed and interpreted as dynamic documents. It is inevitable that no forecast number will be exactly right – but the trend may certainly be relied upon. This forecast will continue to change as events occur and decisions are made.

The Winton Woods City School District is located approximately 15 miles north of Cincinnati, Ohio. It serves an area of 13.2 square miles encompassing the City of Forest Park, Village of Greenhills and a small portion of Springfield Township. The total District population has increased from 27,070 in 1980 to 28,906, latest information available, in 2009.

During the 2017-2018 school year, the District had 3,926 students enrolled in 4 grade level schools serving grades K-6, 1 middle school serving grades 7-8 and 1 high school serving grades 9-12. The District had been experiencing declining enrollment until the 2011-2012 school year in which enrollment began to stabilize. The District also operates a variety of other facilities, including a central administration building, bus garage, maintenance building and several sports fields.

The District provides a full range of programs and services for its students. These include elementary and secondary course offerings at the general, vocational and college preparatory levels. A broad range of co-curricular and extra-curricular activities to complement the students' curricular programs are also offered.

The last tax levy was passed in November of 2009. The residents of the District approved a \$4.2 million ten year emergency levy. Collections of this levy began in January of 2010.

The following is a detailed description of the assumptions made in developing the current Five-Year Plan.

## **Revenues**

### **Line 1.01 General Property Taxes**

Real Estate revenue is based on the most current tax duplicate information received from the Hamilton County Auditor. Property values are established each year by the County Auditor based on new construction and updated values. The Hamilton County Auditor completed the updated reappraisal in 2018 which will be collected in calendar 2019.

Based on the latest information available from the Hamilton County Auditor, the current total property values for collection year 2019 are \$457,788,390; \$339,341,350 for residential and agricultural, \$97,445,170 commercial and industrial and \$21,001,870 public utility personal.

WINTON WOODS CITY SCHOOL DISTRICT  
FISCAL YEAR 2019  
FIVE-YEAR FORECAST ASSUMPTIONS

Due to HB 920, passed in 1976, we do not receive additional revenue on voted millage if property values increase. HB 920 effectively reduces the millage to provide the same amount of revenue as when the millage was passed. In a period of declining property values just the opposite is true. The District will receive the same revenue thus increasing the effective rate. However, the effective rate may never exceed the voted millage. The District does have inside millage of 4.65 mills that is permitted to grow (decline) if the property values increase (decrease). Due to a stable total valuation real estate collections have been held constant.

The Hamilton County Auditor determined that prepaid real estate taxes were up by approximately five percent (5.0%) in calendar year 2018, due to changes in the federal tax code. This resulted in a prepayment increase of approximately \$450,000.00 for fiscal year 2018. The estimated real estate tax collections for fiscal year 2019 have been adjusted to reflect this prepayment which is not anticipated to carry over to future collection years.

Line 1.02 Tangible Personal Property Taxes

Tangible Personal Property Tax (TPP) and Public Utility Personal Property (PUPP) will phase out completely and thus eliminate tangible personal property taxes. The District had a tangible personal property tax base of \$30 million before the phase out began. Tangible property includes business equipment, inventories, and fixtures. The state has phased this tax base out completely. The District's final reimbursement was \$184,683 received in FY16 on a total loss of \$2.3 million. The reimbursement is posted to the Property Tax Allocation line. The reimbursement was completely phased out beginning fiscal year 2017.

Line 1.03 Income Tax

The District does not have an Income Tax.

Line 1.035 Unrestricted Grants-in-Aid

State support for fiscal years 2018 – 2022 has been projected on the most recent information available. The state funding formula changed in FY2014. In FY19 it is estimated that the district will receive \$19.9 million. This includes funding for special education transportation and preschool units. Based upon projections released by the Ohio Department of Education, the District will receive additional state funding in the amount of \$600,000 for FY2020 and \$600,000 for FY21 providing the district's enrollment does not decline.

Based upon the current funding formula Winton Woods will not receive the calculated allocation until FY2021 due to the fact that the current cap on growth from fiscal year to fiscal year is estimated at three percent (3.0%) per year based upon the State's current budget.

Line 1.04 Restricted Grants-in-Aid

This line item represents the amount of special education catastrophic reimbursement, career and technology education and miscellaneous receipts and reimbursements. This category is forecasted based upon an average of historical trends.

WINTON WOODS CITY SCHOOL DISTRICT  
FISCAL YEAR 2019  
FIVE-YEAR FORECAST ASSUMPTIONS

Line 1.05 Property Tax Allocations

Property Tax Allocation is estimated based on projected Real Estate collections. The funding for this category is received from the 10% tax bill rollback and the 2.5% homestead exemption if applicable. This is the reimbursement received from the State for homestead and rollback. The hold harmless for the Tangible Personal Property Tax payments also is received in this category. The current reimbursement is phased out for FY17.

Line 1.06 All Other Revenue

This includes investment earnings, tuition, local fees and other miscellaneous revenue. This category is not expected to have much growth. Investment earnings were held constant. Fluctuations here are predicated on cash balances as well as economic conditions. This category is forecasted based upon an average of historical trends. For fiscal year 2017 \$1.2 million was received for Medicaid reimbursement. This represented receipts for three prior years. The anticipated annual collection for future years is \$250,000.

Line 2.05 Advances

This is mainly a repayment of advances from the General Fund to State and Federal grant funds that require advances at year end to balance due to reimbursement rules. Winton Woods does not have any advances due to other funds.

**Expenditures**

Line 3.01 Personal Services

Staffing is based on the current levels with growth based on related annual enrollment increases or decreases. Personal services also includes all staffing changes implemented over the last three (3) fiscal year as well as for FY19. No salary increases have been included in the forecast. Horizontal and vertical step advancement has been included and projected for FY19 through FY23.

Line 3.02 Employees' Retirement/Insurance Benefits

Benefits are projected using two categories. The first category, retirement benefits and Medicare, is included at the current employer contribution level of 14% and 1.45% respectively of salaries through FY23. The second category includes health care insurances that are based on demographic enrollments and rates. Health insurance has been projected at an average of five percent (5.0%) for FY20 through FY23. Health insurance will have a significant increase for FY19 due to a premium holiday for the month of November in FY18 which resulted in a savings of approximately \$450,000 for FY18. The district also had some high claims in FY18 resulting in a nine percent (9.0%) increase beginning January 1, 2019. Future health care trends may result in a higher increase, which would negatively affect this forecast. Also included here are unemployment, worker's compensation and tuition reimbursement which were held constant.

WINTON WOODS CITY SCHOOL DISTRICT  
FISCAL YEAR 2019  
FIVE-YEAR FORECAST ASSUMPTIONS

Line 3.03 Purchased Services

Purchased Services projections are based on enrollment, tuition trends and inflation. The major items included in Purchased Services are utilities, professional meeting expenses, curriculum consultants, outside repairs, property and vehicle insurance, student transportation services and tuition for special education needs and Community Schools. Since the Bond Issue passed to construct new facilities, funding for major repairs has been held to a minimum in FY18 and FY19. Added in FY13 were custodial services and in FY15 substitute teaching services. Projections are increased at the average rate of two percent (2.0%).

Line 3.04 Supplies and Materials

The major items included in Supplies and Materials are paper, computer supplies, software, textbooks and library books. Fluctuations from year to year will result from major textbook adoptions.

Line 3.05 Capital Outlay

Capital Outlay projections are based on additional technology, building and equipment needs as the buildings and equipment age and need to be replaced. For FY19, \$200,000 has been included for improvements to the high school athletic facilities, \$200,000 for technology and \$260,000 for buses. No major purchases for capital outlay are anticipated beyond FY19.

Line 4.30 Other Objects

The major items included in Other Objects are county auditor and treasurer fees for collecting taxes, advertising for delinquent taxes and memberships.

Lines 5.XX Other Financing Uses

The Transfer line may include some contingency funds or transfer funds to make some provisions for unanticipated expenditures. Advances are necessary when a lag exists between the time money is expended and when grant money is received on a reimbursement basis. The District does not anticipate an advancement of funds for FY19. The District will have a need to transfer funds to the Athletic Fund for FY19 in the amount of \$20,000.

Line 8.01 Estimated Encumbrances

Encumbrances are legal financial obligations of the District that have not been expended at fiscal year end. Encumbrances are projected to remain at the same level for the projection period. Any increase in this line item would result in an offsetting decrease in the actual cash expenditures listed in lines 5.01 to 5.05 and would therefore not effect the ending cash positions in any year.

WINTON WOODS CITY SCHOOL DISTRICT  
FISCAL YEAR 2019  
FIVE-YEAR FORECAST ASSUMPTIONS

Line 9.03 Budget Reserve

This line item represents the amount required to be set aside for budget stabilization per House Bill 412. Senate Bill 345 eliminated the requirement for school districts to maintain a budget reserve.

Lines 13.XX Revenue from New Levies

This line item represents revenues which will be generated from a proposed additional levy. The Board of Education will set the amount and timing of any additional levy proposals. However, the district will have a \$4.2 million emergency levy expire in FY20 on December 31, 2019.

**Summary**

With the implementation of past cost reductions and additional state aid the District has been able to build a cash reserve. The District needs to make every effort to maintain this cash reserve. The reserve amount will indicate the timing the Board of Education will need to request of the citizens an additional and/or replacement tax levy. It is anticipated the next levy will be a replacement levy for FY20 in the amount of \$4.2 million.

This forecast is based on the above assumption and the information available on the day it was prepared. This forecast is subject to change as circumstances change or additional information becomes available.

Current fiscal year forecast data does not necessarily reflect current School District appropriations, budgets, certifications or other data maintained in the files of the School District, including the Office of the Treasurer of the Board of Education. Future forecast fiscal year data is compiled from public sources to the extent possible and reasonable. Historical data is based on fiscal year end data filed by the Treasurer of the Board of Education. Questions from the community and other users of this data are encouraged. The contact person is Randy Seymour, Treasurer, Board of Education.