

WINTON WOODS CITY SCHOOL DISTRICT  
FISCAL YEAR 2021  
FIVE-YEAR FORECAST ASSUMPTIONS

The forecast is legally adopted by the Board of Education by the end of 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 2018-2019 school year, the District had 4,011 students enrolled in 4 grade level schools serving grades PK-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 2018. This was a continuing replacement levy, which replaced a \$4.2 million emergency levy which would have expired at the end of 2019. The District plans to submit to the voters a 6.95 mill operating levy at the November 2020 election to take effect January 1, 2021.

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 began collections in 2019. The reappraisal for 2021 has not been released to date.

Based on the latest information available from the Hamilton County Auditor, the current total property values for collection year 2020 are \$464,665,780; \$344,573,120 for residential and agricultural, \$96,905,050 commercial and industrial and \$23,187,610 public utility personal.

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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).

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 for fiscal year 2018. The real estate tax collections for fiscal year 2019 reflect this prepayment which is not anticipated to carry over to future collection years. Real estate taxes have been reduced by approximately \$500,000 due to anticipated increase in delinquencies due to current economic conditions during the COVID pandemic. However, due to a relatively stable total valuation, total real estate collections have been held constant for fiscal years 2021 through 2025.

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 2020 through 2025 has been projected on the most recent information available. The state funding formula is currently under committee study. The state funding was frozen at FY 2019 funding levels. The Governor enacted additional funding beginning in FY20 for student wellness and success. These funds will be accounted for in Fund 467. Winton Woods received \$750,000 for FY20 and will receive \$1,104,000 for FY21. However, these funds will not be included on the forecast for FY20 and FY21.

Due to the COVID-19 Pandemic the anticipated revenue from the state has been reduced for FY20 and FY21 by \$551,000. It is estimated that the district will receive \$19.8 million for FY21. This includes funding for special education transportation and preschool units. Estimated state funding for FY22 through FY25 has been held conservatively estimated due to the current economic conditions.

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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.

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 funding for the Tangible Personal Property Tax payments also is received in this category. The current reimbursement was 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.

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 Personnel Services

Staffing is based on the current levels with growth based on related annual enrollment increases or decreases. Personal services also include all staffing changes implemented over the last three (3) fiscal years as well as for FY21. Negotiated salary increases have been included in the forecast. Horizontal and vertical step advancements have been included and projected for FY21 through FY25.

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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 FY25. The second category includes health care insurances that are based on demographic enrollments and rates. Health insurance had 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, currently a seven percent (7.0%) average increase has been projected FY21 through FY25. Also included here are unemployment, worker's compensation and tuition reimbursement which were held constant. Unemployment has been increased due to increased claims during current economic crisis.

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, substitute teachers, 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 since FY18. 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 FY21, \$80,000 has been included for small equipment replacement needs. Two new buses have been projected to be purchased in FY22 and FY24.

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.

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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 FY21. The District will have a need to transfer funds to the Athletic Fund for FY21 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 affect the ending cash positions in any year.

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 New Levies

This line item represents revenues which will be generated from a proposed additional operating levy of 6.95 mills.

**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 ending cash balance indicates the timing the Board of Education needs to request of the citizens an additional tax levy. There is a proposed 6.95 mill permanent operating levy on the November 2020 ballot, with annual collections of \$3.2 million beginning January 1, 2021.

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.