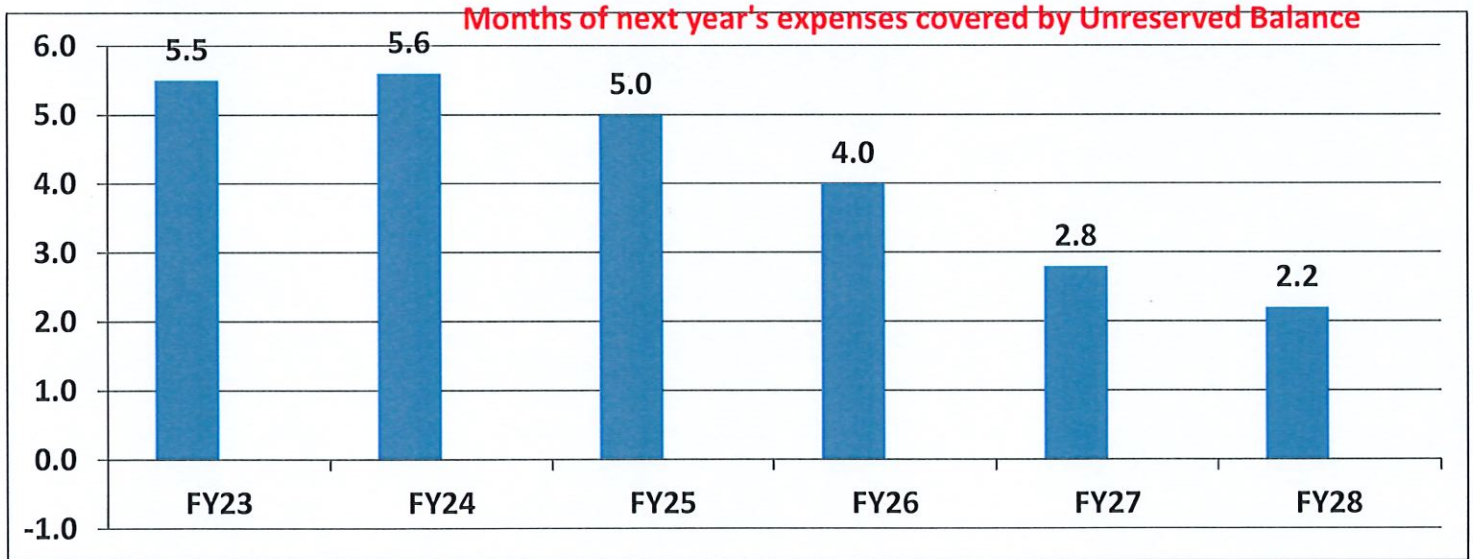
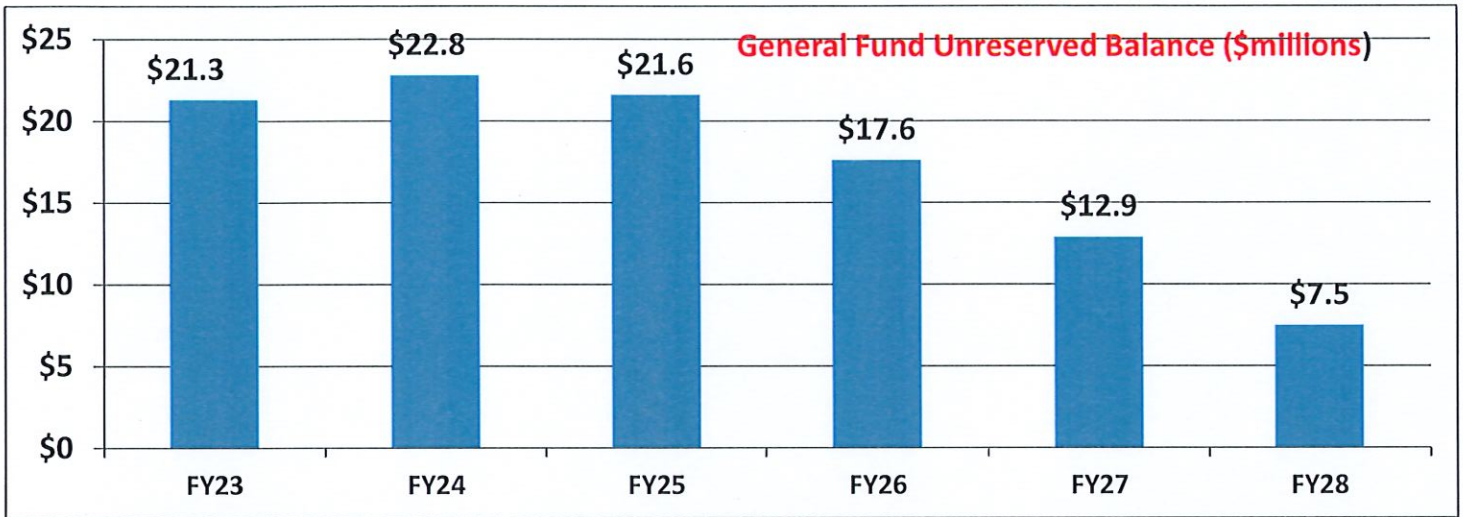
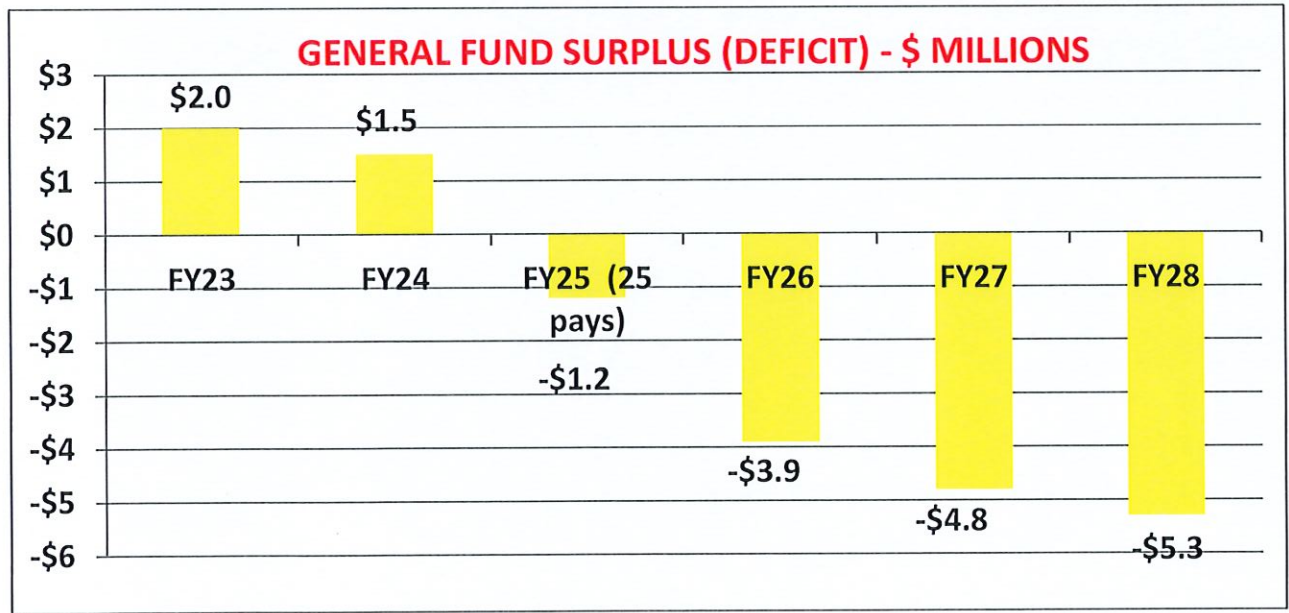
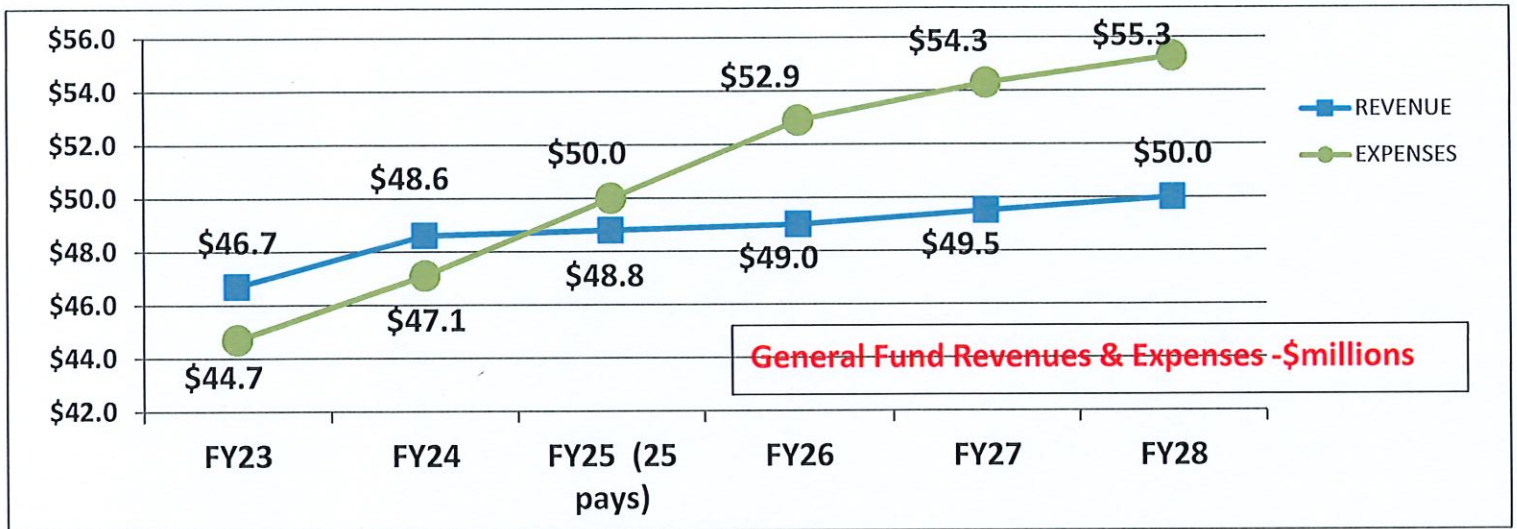


11-15-23



(\$1 million = effect of one payroll; 1 less in FY25)



# WEST CARROLLTON CITY SCHOOLS

MONTGOMERY

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2021, 2022 and 2023 Actual;  
Forecasted Fiscal Years Ending June 30, 2024 Through 2028

	Actual			Forecasted				
	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
<b>Revenues</b>								
1.010 General Property Tax (Real Estate)	\$18,334,778	\$19,696,760	\$18,959,209	\$18,340,000	\$18,600,000	\$18,720,000	\$18,870,000	\$19,000,000
1.020 Tangible Personal Property Tax	796,527	822,121	868,838	970,000	1,040,000	1,040,000	1,040,000	1,040,000
1.030 Income Tax								
1.035 Unrestricted State Grants-in-Aid	19,569,078	19,460,900	19,609,087	21,499,000	21,890,000	22,340,000	22,790,000	23,240,000
1.040 Restricted State Grants-in-Aid	1,112,022	1,950,669	2,179,131	2,475,000	2,475,000	2,475,000	2,475,000	2,475,000
1.045 Restricted Federal Grants-in-Aid - SFSF								
1.050 State Share of Local Property Taxes	2,208,644	2,164,284	2,147,383	2,120,000	2,120,000	2,120,000	2,120,000	2,120,000
1.060 All Other Revenues	3,112,319	2,081,281	2,786,496	2,920,000	2,620,000	2,320,000	2,220,000	2,120,000
1.070 <b>Total Revenues</b>	<b>45,133,368</b>	<b>46,176,015</b>	<b>46,550,144</b>	<b>48,324,000</b>	<b>48,745,000</b>	<b>49,015,000</b>	<b>49,515,000</b>	<b>49,995,000</b>
<b>Other Financing Sources</b>								
2.010 Proceeds from Sale of Notes								
2.020 State Emergency Loans and Advancements (Approved)								
2.040 Operating Transfers-In								
2.050 Advances-In	555,000							
2.060 All Other Financing Sources	281,843	150,936	212,861	235,000	10,000	10,000	10,000	10,000
2.070 <b>Total Other Financing Sources</b>	<b>836,843</b>	<b>150,936</b>	<b>212,861</b>	<b>235,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
2.080 <b>Total Revenues and Other Financing Sources</b>	<b>45,970,211</b>	<b>46,326,951</b>	<b>46,763,005</b>	<b>48,559,000</b>	<b>48,755,000</b>	<b>49,025,000</b>	<b>49,525,000</b>	<b>50,005,000</b>
<b>Expenditures</b>								
3.010 Personal Services	23,878,902	24,804,163	24,825,923	26,604,086	28,198,168	30,072,673	30,564,330	31,064,509
3.020 Employees' Retirement/Insurance Benefits	9,934,634	10,073,618	10,157,691	11,166,638	12,090,596	13,072,915	13,713,889	14,399,197
3.030 Purchased Services	4,425,809	3,596,520	4,431,733	4,401,606	4,604,666	4,748,143	4,848,091	4,859,570
3.040 Supplies and Materials	1,234,785	2,160,602	2,187,662	1,761,950	1,864,100	1,899,255	1,899,414	1,674,578
3.050 Capital Outlay	127,339	180,547	430,025	256,644	246,644	246,644	246,644	246,644
3.060 Intergovernmental								
Debt Service:								
4.010 Principal-All (Historical Only)								
4.020 Principal-Notes								
4.030 Principal-State Loans								
4.040 Principal-State Advancements								
4.050 Principal-HB 264 Loans	140,000	140,000	140,000	140,000	140,000			
4.055 Principal-Other								
4.060 Interest and Fiscal Charges	1,803	1,466	995	600	100			
4.300 Other Objects	2,425,671	2,994,447	2,572,364	2,752,600	2,834,613	2,919,088	3,006,096	3,095,716
4.500 <b>Total Expenditures</b>	<b>42,168,943</b>	<b>43,951,363</b>	<b>44,746,393</b>	<b>47,084,124</b>	<b>49,978,887</b>	<b>52,958,718</b>	<b>54,278,464</b>	<b>55,340,214</b>
<b>Other Financing Uses</b>								
5.010 Operating Transfers-Out	50,000							
5.020 Advances-Out								
5.030 All Other Financing Uses		9,050	565	2,000	2,000	2,000	2,000	2,000
5.040 <b>Total Other Financing Uses</b>	<b>50,000</b>	<b>9,050</b>	<b>565</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>
5.050 <b>Total Expenditures and Other Financing Uses</b>	<b>42,218,943</b>	<b>43,960,413</b>	<b>44,746,958</b>	<b>47,086,124</b>	<b>49,980,887</b>	<b>52,960,718</b>	<b>54,280,464</b>	<b>55,342,214</b>
6.010 <b>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>	<b>3,751,268</b>	<b>2,366,538</b>	<b>2,016,047</b>	<b>1,472,876</b>	<b>1,225,887-</b>	<b>3,935,718-</b>	<b>4,755,464-</b>	<b>5,337,214-</b>
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	13,712,011	17,463,279	19,829,817	21,845,864	23,318,740	22,092,853	18,157,135	13,401,671
7.020 <b>Cash Balance June 30</b>	<b>17,463,279</b>	<b>19,829,817</b>	<b>21,845,864</b>	<b>23,318,740</b>	<b>22,092,853</b>	<b>18,157,135</b>	<b>13,401,671</b>	<b>8,064,457</b>
8.010 <b>Estimated Encumbrances June 30</b>	<b>1,151,628</b>	<b>1,051,012</b>	<b>515,408</b>	<b>515,408</b>	<b>515,408</b>	<b>515,408</b>	<b>515,408</b>	<b>515,408</b>
<b>Reservation of Fund Balance</b>								
9.010 Textbooks and Instructional Materials								
9.020 Capital Improvements								
9.030 Budget Reserve								
9.040 DPIA								
9.045 Fiscal Stabilization								
9.050 Debt Service								
9.060 Property Tax Advancements								
9.070 Bus Purchases								
9.080 <b>Subtotal</b>								
10.010 <b>Fund Balance June 30 for Certification of Appropriations</b>	<b>16,311,651</b>	<b>18,778,805</b>	<b>21,330,456</b>	<b>22,803,332</b>	<b>21,577,445</b>	<b>17,641,727</b>	<b>12,886,263</b>	<b>7,549,049</b>
<b>Revenue from Replacement/Renewal Levies</b>								
11.010 Income Tax - Renewal								
11.020 Property Tax - Renewal or Replacement								
11.300 <b>Cumulative Balance of Replacement/Renewal Levies</b>								
12.010 <b>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</b>	<b>16,311,651</b>	<b>18,778,805</b>	<b>21,330,456</b>	<b>22,803,332</b>	<b>21,577,445</b>	<b>17,641,727</b>	<b>12,886,263</b>	<b>7,549,049</b>
<b>Revenue from New Levies</b>								
13.010 Income Tax - New								
13.020 Property Tax - New								
13.030 <b>Cumulative Balance of New Levies</b>								
14.010 Revenue from Future State Advancements								
15.010 <b>Unreserved Fund Balance June 30</b>	<b>16,311,651</b>	<b>18,778,805</b>	<b>21,330,456</b>	<b>22,803,332</b>	<b>21,577,445</b>	<b>17,641,727</b>	<b>12,886,263</b>	<b>7,549,049</b>
<b>ADM Forecasts</b>								
20.010 Kindergarten - October Count	218	280	224	247	247	247	247	247
20.015 Grades 1-12 - October Count	3,118	2,939	2,978	2855	2825	2795	2765	2735
<b>State Fiscal Stabilization Funds</b>								
21.010 Personal Services SFSF								
21.020 Employees Retirement/Insurance Benefits SFSF								
21.030 Purchased Services SFSF								
21.040 Supplies and Materials SFSF								
21.050 Capital Outlay SFSF								
21.060 <b>Total Expenditures - SFSF</b>								

See accompanying summary of significant forecast assumptions and accounting policies  
Includes: General fund, Emergency Levy fund, DPIA fund, Textbook fund and any portion of Debt Service fund related to General fund debt

**WEST CARROLLTON SCHOOL DISTRICT  
SUMMARY OF SIGNIFICANT FINANCIAL FORECAST ASSUMPTIONS  
NOVEMBER 15, 2023**

---

**INTRODUCTION**

This financial forecast and significant assumptions are required by Ohio Revised Code Section 5705.391 to provide a method for the Ohio Department of Education and the Ohio Auditor of State to identify school districts that may be facing financial difficulty over the next five years. The format was designed by those agencies; however, the accuracy and reasonableness of the forecast and assumptions rest with the district administration and Board of Education.

This financial forecast includes three years of historical data and five years of projected data in the district's General Fund. The current 2023-2024 fiscal year (FY24) is the first year of projected data.

**REVENUES**

**1.010 General Property Tax (Real Estate).**

The real estate taxes collected reflect the stability of the school district with little to no new construction and growth. As a land-locked and property-developed school district within a 10 square mile area, there is limited opportunity for increased real estate taxes, other than passage of operating levies. Property tax revenue estimates are based on historical valuation growth patterns provided by the Montgomery County Auditor and include the 2021 reappraisal, 2024 update, and 2027 reappraisal. The district's total property valuation increased by approximately 15% in the 2021 reappraisal, and the estimate is for the 2024 update to result in a 26% increase in residential values and a 19% increase in total property valuation.

The 5-year, 5.5-mill operating levy which passed in November 2016 was renewed for a continuing period of time on November 3, 2020. Therefore, the dollars from that renewal are no longer reflected on Line 11.02 (Property Tax – Renewal).

During non-update and non-reappraisal years, residential and agricultural real estate property is expected to remain constant, and commercial and industrial real estate property is expected to remain constant. The commercial and industrial real estate property estimates tend to fluctuate based on the timing of local business closings and new business openings.

**1.020 Tangible Personal Property Tax.**

The district's total tangible personal property tax valuation has decreased significantly over the past several years. These declines in Tangible Personal Property taxes and valuation were due to House Bill 66, per the following paragraph.

Signed by Governor Taft on June 30, 2005, House Bill 66 phased out the tax on the tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated by 2009, and the tax on telephone and telecommunications property was eliminated by 2011. The tax was phased out by reducing the assessment rate on the property each year. At the same time, the bill replaced the revenue lost due to phasing out the tax. In the first seven years, school districts were reimbursed fully for lost revenue. For FY12 and FY13, per Am. Sub. HB 153, we lost approximately half of this replacement revenue, which was \$2,975,000 in FY11. Our replacement revenue was totally phased out to \$0 in FY21. This replacement revenue was included in line 1.050 (State Share of Local Property Taxes).

**1.035 Unrestricted State Grants-in-Aid (State Foundation).**

In FY10 and FY11, school district funding was calculated through the Evidence-Based Model (EBM). For FY12 and FY13, a "Bridge Formula Calculation" was used. A new funding formula was in place for FY14 to FY19.

In FY20 and FY21, General Fund state foundation revenue was originally scheduled to be the same as FY19. However, on May 5, 2020, Governor Dewine announced that due to declining state tax revenues stemming from the COVID-19 pandemic, \$300 million in K-12 funding would be reduced for the final two months of FY20. This forecast reflects: a) our \$486,000 reduction for both FY 20 and FY21; and b) the FY21 \$267,000 increase (reinstatement) approved in early 2021.

A new funding formula has been in place since FY22, and the forecast assumes that the new funding formula will continued to be phased in. The FY24 funding estimates are based on our October 27, 2023 payment, and approximate 2% increases are used for FY25 and beyond.

The forecast excludes Fund 507 federal ESSER (Elementary & Secondary School Emergency Relief) dollars that the district is receiving and spending in FY21 to FY25.

**1.040 Restricted State Grants-in-Aid (Economic Disadvantaged Funding, Career Technical Funding, and Student Wellness and Success Funding).**

The largest component of this line is Economic Disadvantaged Funding (DPIA) that is received through the state funding formula. Other restricted state funding includes funds for high school vocational education/career technical classes, and Student Wellness and Success Funds beginning in FY22.

**1.050 State Share of Local Property Taxes (State Reimbursement for Rollback & Homestead).**

The rollback and homestead reimbursements are tax credits by the State of Ohio granted to owners of real estate property. A 10% reduction in the property taxes paid by the owner is paid by the state to the school district. Beginning in 2006, only residential properties receive the 10% reduction. If the property owner occupies the property, then an additional 2.5% reduction in the property taxes is paid by the state to the school district instead of the property owner. The 10% and 2.5% reductions are not applicable for additional levies or replacement levies passed on, or after, the November 2013 election.

**1.060 All Other Revenues.**

Other revenues include interest income, tuition received from other districts, Medicaid revenue, athletic pay-to-participate fees, trailer tax, and proceeds from rental of our facilities. Beginning in FY22, most of the tuition and open enrollment revenue will be reflected in Line 1.035 Unrestricted State Grants-in-Aid (State Foundation), as districts and community schools will be funded directly for the students they are educating.

**1.070 Total Revenues.**

The next five years will be a very uncertain time for all public school districts. The revenue projections are based on the current system in place today and based on what we know today.

## **EXPENDITURES**

### **3.010 Personal Services (Salaries).**

This line accounts for the salaries of the staff, excluding food service employees and employees whose costs are paid by grants. Negotiated agreements for the certified and classified staff are effective through FY 2025. The forecast accounts for payroll timing differences, as there are 26 payrolls in FY21, 27 in FY22, 26 in FY23 and FY24, 25 in FY25, and 26 in FY26 to FY28.

### **3.020 Employees' Retirement/Insurance Benefits.**

This line accounts for the fringe benefits (Board-paid contributions to employee retirement systems, medical, dental and life insurance premiums, Medicare, and workers compensation) of the staff. These benefits were calculated using the actual rates for employee retirement systems (14%) and Medicare (1.45%) as a percentage of the related salaries shown on the personal services line.

### **3.030 Purchased Services.**

For planning purposes, additional costs in this area are primarily from increased utility costs (natural gas, electric, water, sewer, phone, garbage), community school tuition (through FY'21), college credit plus tuition, special education tuition, professional services, property and vehicle insurance, equipment repairs and rentals, and postage. These purchased service budget items are generally considered the fixed cost items of operating the district.

Beginning in FY22, most of the tuition expenses will be eliminated under the new state funding formula, as districts and community schools will be funded directly for the students they are educating.

### **3.040 Supplies and Materials.**

The main budget items in this area include all textbook purchases, instructional supplies, transportation fuel and parts, and maintenance and custodial supplies.

### **3.050 Capital Outlay.**

Capital outlay includes all new and replacement equipment for the district. The main example of these items is technology equipment.

This is an area that is governed by the HB 412 and SB 345 requirements mandating purchases toward capital improvements and maintenance. The Permanent Improvement Fund (separate from the General Fund) meets this requirement, thus reducing the burden from the General Fund. The approximate annual revenue for the Permanent Improvement Fund is \$800,000. The permanent improvement levy was originally approved in 1996 for a period of 5 years, was renewed in 2001 for 5 years, and was renewed as a continuing levy on November 8, 2005.

### **4.050 Principal – HB264 Loans.**

This line represents debt payments from the General Fund for HB264 Energy Conservation notes. The first HB 264 project began in FY07, and the second project began in FY11.

### **4.060 Interest and Fiscal Charges.**

This line represents interest payments associated with the debt on line 4.050.

**4.300 Other Objects.**

The main budget items in this area include Montgomery County Educational Service Center charges, Montgomery County Auditor and Treasurer fees, election expenses, and the annual financial audit.

**5.050 Total Expenditures and Other Financing Uses.**

The changes in expenditures are primarily due to: 1) payroll timing differences (number of payrolls in the fiscal year); and 2) General Fund expenses being paid from temporary federal ESSER Fund 507, and then being moved back to the General Fund. In FY25, approximately \$2.3 million in expenditures will be moved from ESSER Fund 507 back to the General Fund.

**8.010 Encumbrances.**

Encumbrances are financial obligations the district has made to vendors but not paid in full (open purchase orders).

**RESERVATION OF FUND BALANCE**

**9.020 Capital Improvements**

On an annual basis, the capital improvements and maintenance set-aside requirements are expected to be met through Permanent Improvement Fund expenditures. Therefore, there are no estimated additional reservations required.

**9.030 Budget Reserve.**

The Board of Education has chosen not to maintain any budget reserve.

**UNRESERVED FUND BALANCE**

**15.010 Unreserved Fund Balance June 30.**

This is the bottom line for the district once all of the revenues, expenditures, debt payments, HB412 requirements, and encumbrances are accounted for. Every fiscal year must end with a positive unreserved fund balance.

As always, the forecast will need to be monitored closely. Any other deviations from the revenue projections or expenditure projections could impact our financial future, and we need to be aware that the decisions we make today will impact us in the future.

Ryan Slone, Treasurer