

HILLSBORO CITY SCHOOL DISTRICT
FIVE YEAR FORECAST ASSUMPTION
UPDATE FY25 -FY29 Submitted November 2024

INTRODUCTION

Every year the Ohio Department of Education requires the submission of a five-year forecast of revenue and expenditures for the general operating fund. This forecast is an update of what is known today and the prediction of what may happen in the future.

REVENUE ASSUMPTION:

1.010

General Property Tax (Real Estate)

General Property Real Estate Tax was \$7,649,689. for FY 24, accounting for 24% of the district's total revenue. Property tax revenue estimates are based on historical growth patterns, including scheduled updates and reappraisals, and information provided for the upcoming fiscal year from the county auditor. FY25 to FY29 I have shown an increase for each of these years for new construction and reappraisals.

1.020 Tangible Personal Property Tax

Tangible Personal Property Taxes were assessed against inventory and equipment owned by businesses. House Bill 66, the budget bill of 2005, phases out the tangible personal property tax as shown in 1.02. No further TPP.

1.030 Income Tax

This is a one percent tax on income. This tax for FY 24 is \$3,992,234. accounting for 13% of the district's total revenue. I am projecting that for FY 25 through FY29 the income tax will remain at the same level. The trend will be monitored to determine if changes in this line should be increased, decreased, or stabilized in future years.

1.035 Unrestricted Grants in Aid

The State funding for schools is based on several factors all of which are subject to deliberation and approval by the Ohio General Assembly. This line is 55% of the district revenue. With the passage of the new biennial budget in June of 2023 this will cover two years of revenue for K – 12 education. It has been the trend that Hillsboro City School has received increases in the past, but the district is taking a conservative approach to this line item and flat lining the revenue from FY 25 – FY 29.

The casino revenue falls in this category. The casino revenue is disbursed in two payments, one in July and again in January. The catastrophic reimbursement is included in this line item; in FY 2024 the amount was \$108,557.38.

1.040 Restricted Grants in Aid

This line includes Career Technical Education weighted funding, Economic Disadvantaged funding, Gifted, English Learners, and Student Wellness funding received from the state. In FY24 the District received \$1,455,591 in restricted grant aid. Restricted grant aid for FY 25 is projected to be \$2,451,600. The increase over last year and going forward is because increased amount of the DPIA funding. This line for FY 24 includes the additional amount of \$122,540.63 for the Science of Reading Professional Development required under House Bill 33 This line from FY 25-FY29 will be watched to see if the state reduces our funding since, the district transferred the FFA program to Great Oaks Vocational School.

1.045 Restricted Federal Grants-in-Aid (SFSF & Ed Jobs)

1.050 Property Tax Allocation

The homestead and rollback reimbursements are tax credits by the State of Ohio granted to owners of real estate property. This makes up 3% of the district's revenue. All property owners get a 10% reduction on their property taxes. This reduction is reimbursed to the school district by the state. If the property owner occupies the property, then an additional 2.5% reduction in property taxes is paid by the state to the school district. The district received \$891,455. in FY24. Projected funding is approximately 11 percent of line one on the forecasted real estate collections for the year.

1.060 All Other Revenues

This line includes open enrollment, summer school tuition, and preschool tuition, interest on investments, rentals, donations, Medicaid reimbursement, and misc. receipts. This makes up 5% of the district's revenue. This line will be watched carefully for possible modifications in FY25 – FY29.

2.010 Proceeds from Sale of Notes: No notes being sold.

2.020 State Emergency Loans and Advancements (Approved): No loans requested.

2.040 Transfers in

This category is for the lease purchase loans that we have. The money is transferred to the bond fund for the semi-annual payments for the bus garage, the High School Gym expansion, and the High School Auditorium.

2.050 Advance in: No advances.

2.060 All other Financing Sources

Non-real property sale & Refund of prior year expenditure.

EXPENDITURE ASSUMPTION

3.010 Personal Services

Schools are service oriented entities where salaries and benefits represent the bulk of school district expenditures. The amounts for salaries and fringe benefits are based on the existing negotiated agreement and Board approved salary schedules. The district has two different unions. The OAPSE contract for classified employees expires June 30, 2025. The HEA contract expires June 30, 2025. Each of these contracts contains a 9 percent increase in wages for the first year of the contract and no increases in the last two years of the contract except for step increases. The forecast shows an increase in expenses to this line for FY24 salaries that were paid out of the ESSER funds that now are back to the General Fund.

3.020 Employee's Retirement/Insurance Benefits

This line item includes the districts share of State Teachers Retirement System (STRS), School Employee Retirement System (SERS), Medicare, Workers Compensation, Unemployment, SERS Surcharge, tuition reimbursement and Insurances. This category is based on the personal service category. Retirement amounts are directly connected to the amount paid in salaries. As salaries increase due to steps, the retirement amounts will increase as well. Over the past several years school districts have found Insurance premiums have been steadily increasing, which is also increasing this line. In January 2025, the district health insurance rates increased by 10% due to the number of claims that the district is experiencing. Healthcare provided by the South-Central Ohio Insurance Consortium beginning January 1, 2019. The district offers one plan for H.S.A. This line of expense represents 46 percent of personal service.

3.030 Purchased Services

The purchase service expenditures are based on historical patterns along with careful attention to utility costs. This category is 11% of our operating budget. Some of the budget items in this area include utilities (natural gas, electric, water, sewer, phone, and garbage), computer purchased services, tuition, related services for Hopewell expenditures (speech, occupational therapy, psychological services, PT, etc.)community school, attorney fees, postsecondary expenses, and Hillsboro City School District students open enrolling to other Districts. For FY25 to FY29 I have based the expenses on past history.

3.040 Supplies and Materials

This category reflects expenses for instructional supplies, material, textbooks, fuel, maintenance items, and all other supplies. This line in FY 25 will include \$122,540.63 that is required for the Science of Reading material. The district has flat lined the amount for FY26 through FY29.

3.050 Capital Outlay

This line includes all new and replacement equipment for the district. This area is governed by House Bill 412 and Senate Bill 345 requirements mandating purchases toward capital improvements and maintenance (set aside). This line is flat lined in FY25-FY29.

3.060 Intergovernmental: Nothing to report.

4.010 Principal-All (Historical Only): No Historical information to report on.

4.020 Principal Notes: Nothing to report.

4.030 Principal-State Loans: No state loans.

4.040 Principal-State Advancements: No state advancements.

4.050 Principal-HB 264 loans: No project under HB 264.

4.055 Principal-Other: This is to pay for the extending of the High School gym, Transportation garage, and the school auditorium. The auditorium will be paid off after FY 27 decreasing this expense by \$700,000.

4.060 Interest and Fiscal Charges: Interest on the High School gym, Transportation garage, and the school auditorium.

4.030 Other Objects

This line item includes Auditor and Treasurer Fees from the Highland County Auditor, Ohio Department of Taxation Auditor fees, State Auditor fee's, dues/memberships, bank fees, and the main expense is the Southern Ohio Educational Service Center fees.

5.010 Operating Transfer Out

The transfers-out category is intended for internal accounting transactions from one fund to another to move cash balances. The forecasted amount consists of cash transfers from the general fund to the 035 Termination Benefit Fund (severance fund), 002 (bond retirement fund) for the payment of the additional space added to the High School gym when the building was constructed, and to pay the High School Auditorium Note. The district makes transfers with plans for funding future capital projects. The Bond Retirement and Termination Benefit Funds receive part of this transferred amount.

5.020 Advances-Out

Advances-out is an internal accounting transaction from one fund to another to move cash balances but to expect the money back in return. This is primarily used at year end to assure no negative balances in the Federal grants.

5.030 All Other Financing Uses: None

8.010 Estimated Encumbrances

The district projects a carryover for encumbrances.

CLOSING REMARKS:

The district is working hard to maintain the current budget, being proactive, and taking aggressive action in looking for ways to reduce expenses. Local revenues are generated from the collection of real estate tax which are forecasted to show increases for new construction for this forecast. Income tax has been up and down over the past three years, but flat-lining for FY25 – FY29 because of the economy. Capital projects and technology will be a significant expense for the district in forecasted years, and we will be monitoring them for efficiency.

HILLSBORO CITY SCHOOL DISTRICT

HIGHLAND

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2022, 2023 and 2024 Actual;
Forecasted Fiscal Years Ending June 30, 2025 Through 2029

	Actual				Average Change	Forecasted				
	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025		Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	
Revenues										
1.010	General Property Tax (Real Estate)	\$7,068,166	\$7,422,667	\$7,649,689	4.0%	\$7,700,000	\$8,600,000	\$8,860,000	\$9,125,000	\$9,400,000
1.020	Tangible Personal Property Tax									
1.030	Income Tax	3,526,742	3,960,822	3,992,234	6.6%	3,850,000	3,850,000	3,850,000	3,850,000	3,850,000
1.035	Unrestricted State Grants-in-Aid	14,622,444	14,337,038	16,011,476	4.9%	15,075,089	15,100,000	15,100,000	15,100,000	15,100,000
1.040	Restricted State Grants-in-Aid	1,034,039	1,205,260	1,455,591	18.7%	2,451,600	2,450,000	2,450,000	2,450,000	2,450,000
1.045	Restricted Federal Grants-in-Aid - SFSF									
1.050	State Share of Local Property Taxes	1,230,858	880,654	891,455	-13.6%	847,000	946,000	974,600	1,003,750	1,034,000
1.060	All Other Revenues	1,188,750	1,082,554	1,813,511	29.3%	1,512,325	1,300,000	1,300,000	1,300,000	1,300,000
1.070	Total Revenues	28,670,999	28,888,995	31,813,956	5.4%	31,436,014	32,246,000	32,534,600	32,828,750	33,134,000
Other Financing Sources										
2.010	Proceeds from Sale of Notes									
2.020	State Emergency Loans and Advancements (Approved)									
2.040	Operating Transfers-In	676,730	762,560	767,500	6.7%	800,000	600,000	600,000	55,000	55,000
2.050	Advances-In									
2.060	All Other Financing Sources	233	367	38	-16.1%	100	1,500	1,500	1,500	1,500
2.070	Total Other Financing Sources	676,963	762,927	767,538	6.7%	800,100	601,500	601,500	56,500	56,500
2.080	Total Revenues and Other Financing Sources	29,347,962	29,651,922	32,581,494	5.5%	32,236,114	32,847,500	33,136,100	32,885,250	33,190,500
Expenditures										
3.010	Personal Services	14,793,031	15,534,180	16,297,384	5.0%	17,497,805	19,775,000	20,736,750	21,801,940	22,892,034
3.020	Employees' Retirement/Insurance Benefits	7,180,772	6,617,327	7,418,453	2.1%	8,200,286	9,096,500	9,538,905	10,028,892	10,530,336
3.030	Purchased Services	3,907,234	2,898,936	3,297,633	-6.0%	3,573,110	3,500,000	3,500,000	3,500,000	3,500,000
3.040	Supplies and Materials	895,317	798,998	1,003,176	7.4%	1,525,530	1,400,000	1,400,000	1,400,000	1,400,000
3.050	Capital Outlay	44,896	107,717	213,092	118.9%	182,000	182,000	182,000	182,000	182,000
3.060	Intergovernmental									
Debt Service:										
4.010	Principal-All (Historical Only)	724,000	741,000		-48.8%					
4.020	Principal-Notes									
4.030	Principal-State Loans									
4.040	Principal-State Advancements									
4.050	Principal-HB 264 Loans									
4.055	Principal-Other			752,000		752,000	780,000	798,000	49,871	49,871
4.060	Interest and Fiscal Charges	90,094	76,353	62,292	-16.8%	35,000	34,500	19,410	4,808	4,808
4.300	Other Objects	391,375	381,442	389,645	-0.2%	402,082	400,000	400,000	400,000	400,000
4.500	Total Expenditures	28,026,719	27,155,953	29,433,675	2.6%	32,167,813	35,168,000	36,575,065	37,367,511	38,959,049
Other Financing Uses										
5.010	Operating Transfers-Out	815,722	815,722	815,657	0.0%	813,210	814,500	817,410	55,000	55,000
5.020	Advances-Out									
5.030	All Other Financing Uses									
5.040	Total Other Financing Uses	815,722	815,722	815,657	0.0%	813,210	814,500	817,410	55,000	55,000
5.050	Total Expenditures and Other Financing Uses	28,842,441	27,971,675	30,249,332	2.6%	32,981,023	35,982,500	37,392,475	37,422,511	39,014,049
6.010	Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	505,521	1,680,247	2,332,162	135.6%	744,909-	3,135,000-	4,256,375-	4,537,261-	5,823,549-
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	6,849,163	7,354,684	9,034,931	15.1%	11,367,093	10,622,184	7,487,184	3,230,809	1,306,452-
7.020	Cash Balance June 30	7,354,684	9,034,931	11,367,093	24.3%	10,622,184	7,487,184	3,230,809	1,306,452-	7,130,001-
8.010	Estimated Encumbrances June 30	270,770	275,887	175,117	-17.3%	240,000	240,000	240,000	240,000	240,000
Reservation of Fund Balance										
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 Advances									
9.070	Bus Purchases									
9.080	Subtotal									
10.010	Fund Balance June 30 for Certification of Appropriations	7,083,914	8,759,044	11,191,976	25.7%	10,382,184	7,247,184	2,990,809	1,546,452-	7,370,001-
Revenue from Replacement/Renewal Levies										
11.010	Income Tax - Renewal									
11.020	Property Tax - Renewal or Replacement									
11.300	Cumulative Balance of Replacement/Renewal Levies									
12.010	Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	7,083,914	8,759,044	11,191,976	25.7%	10,382,184	7,247,184	2,990,809	1,546,452-	7,370,001-
Revenue from New Levies										
13.010	Income Tax - New									
13.020	Property Tax - New									
13.030	Cumulative Balance of New Levies									
14.010	Revenue from Future State Advancements									
15.010	Unreserved Fund Balance June 30	7,083,914	8,759,044	11,191,976	25.7%	10,382,184	7,247,184	2,990,809	1,546,452-	7,370,001-
ADM Forecasts										

