

Indian Hill Exempted Village School District

Five Year Forecast Financial Report

November, 2022

Prepared by Mick Davis, CFO/Treasurer

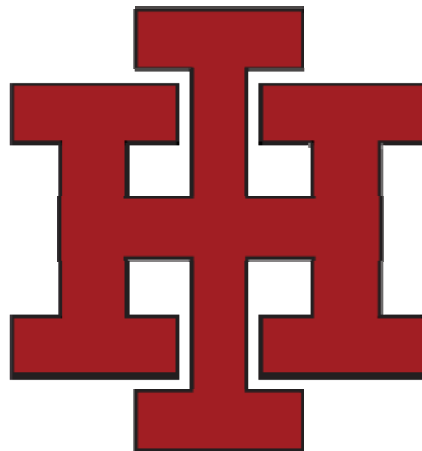


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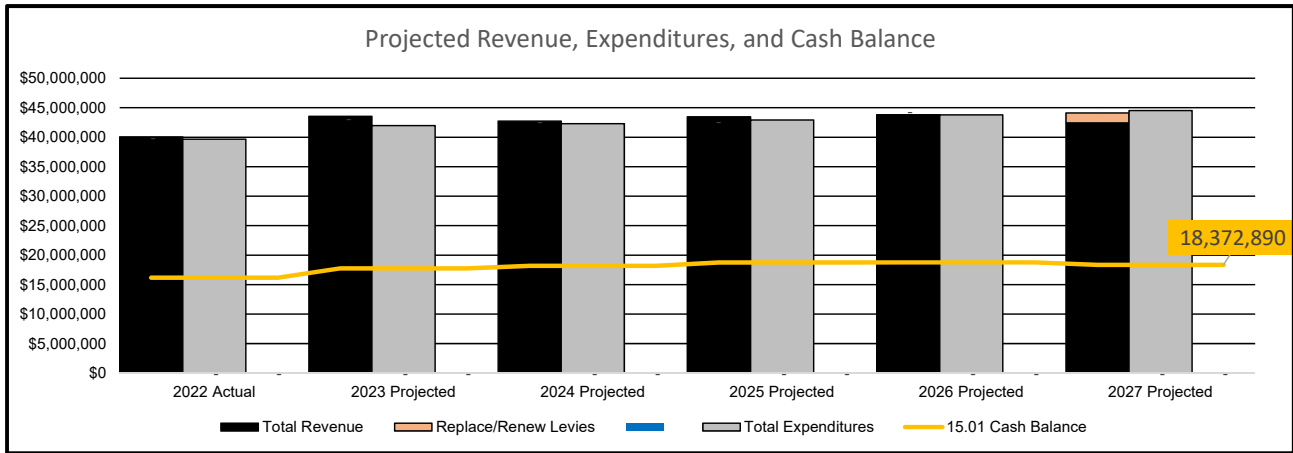
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Forecast Purpose/Objectives

Ohio Department of Education's purposes/objectives for the five-year forecast are:

1. To engage the local board of education and the community in the long range planning and discussions of financial issues facing the school district.
2. To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate."
3. To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems.

Forecast Methodology - This forecast is prepared based upon historical trends and current factors. This information is then extrapolated into estimates for subsequent years. The forecast variables can change multiple times throughout the fiscal year and while cash flow monitoring helps to identify unexpected variances, no process is guaranteed. The intent is to provide the district's financial trend over time and a roadmap for decisions aimed at encouraging financial sustainability and stability.



Note: Cash balance (Line 7.020) plus any existing levy modeled as renewed or new during the forecast.

Financial Forecast

	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
Beginning Balance (Line 7.010) Plus Renewal/New Levies Modeled	16,185,957	17,761,679	18,211,905	18,760,125	18,778,875
+ Revenue	43,544,741	42,742,032	43,464,142	43,807,830	42,439,446
+ Proposed Renew/Replacement Levies	-	-	-	-	1,683,787
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(41,969,019)	(42,291,806)	(42,915,921)	(43,789,080)	(44,529,218)
= Revenue Surplus or Deficit	1,575,722	450,226	548,220	18,750	(405,985)
Line 7.020 Ending Balance with renewal/new levies	17,761,679	18,211,905	18,760,125	18,778,875	18,372,890

Analysis Without Renewal Levies Included:

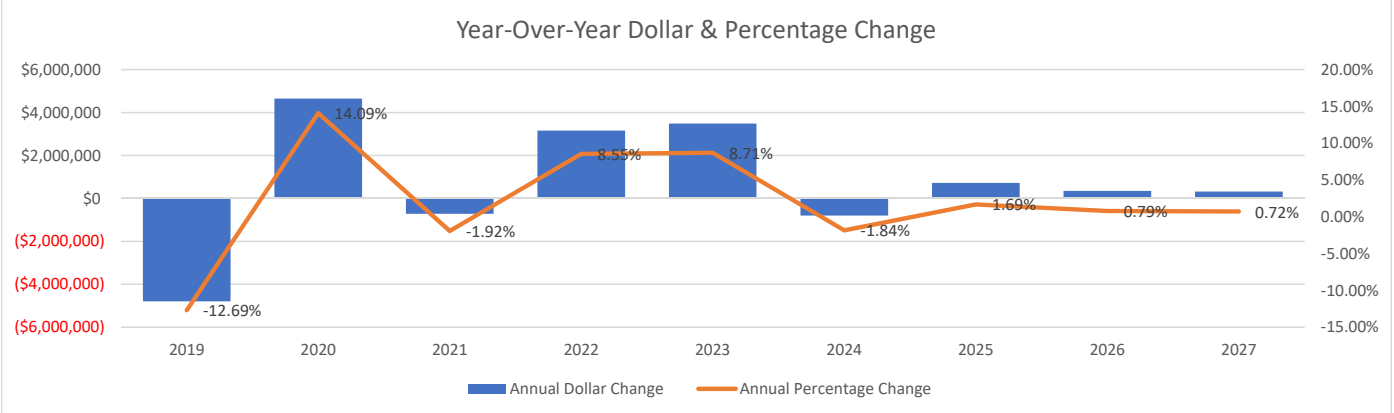
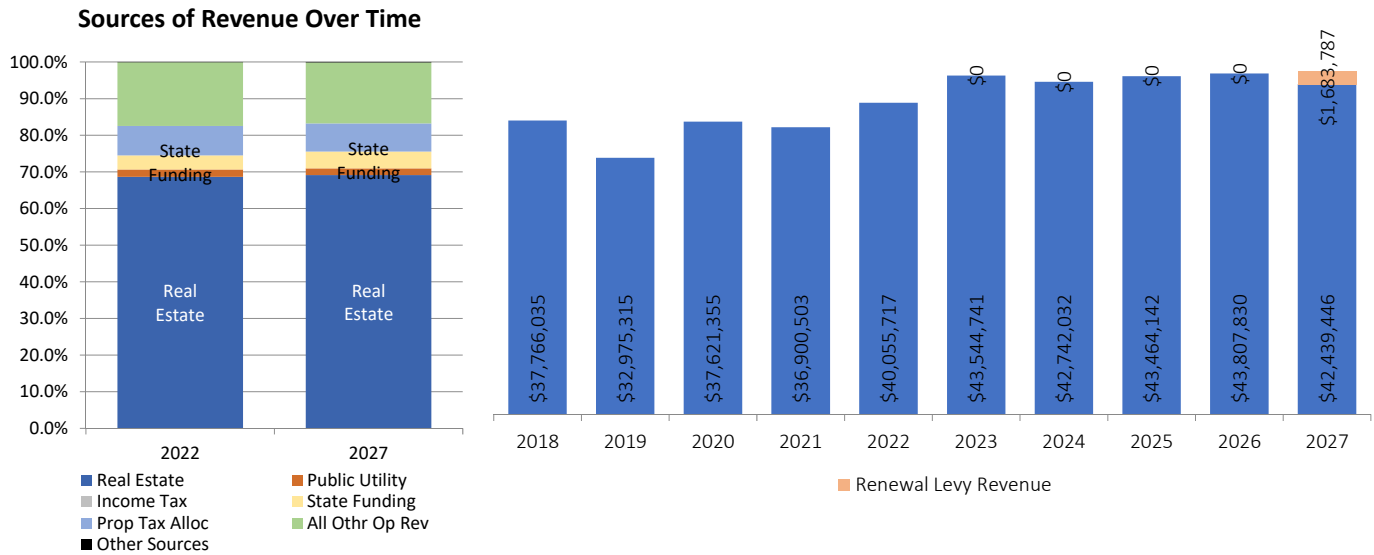
Revenue Surplus or Deficit w/o Levies	1,575,722	450,226	548,220	18,750	(2,089,772)
Ending Balance w/o Levies	17,761,679	18,211,905	18,760,125	18,778,875	16,689,103

In FY 2023 a revenue surplus is expected. This means that expenditures are expected to be less than revenue by -\$1,575,722 in FY 2023. By the last year of the forecast, FY 2027, the district is expected to have a revenue shortfall where expenditures are projected to be greater than revenue by \$2,089,772. The district would need to cut its FY 2027 projected expenses by 4.69% in order to balance its budget without additional revenue.

The district's cash balance is positive at year-end in FY 2023 and is projected to worsen by FY 2027. A worsening cash balance can erode the district's financial stability over time.

This forecast includes the Fair School Funding Plan (FSFP) adopted by Ohio starting in FY 2022. The district expects a combined impact of \$244,616 in FY 2023. This forecast includes a CFO adjusted trend calculation of the FSFP impact using current information. As information changes the estimates will be updated. The district is considered a formula district in FY 2023. A detailed state funding supplement to this forecast has been prepared and should be reviewed and considered part of the forecast assumptions.

Revenue Sources and Forecast Year-Over-Year Projected Overview



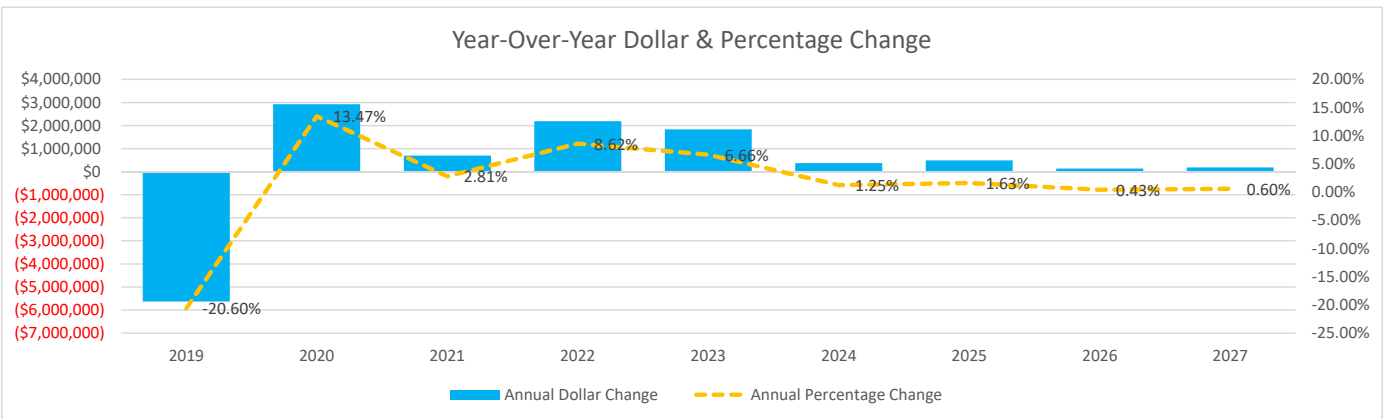
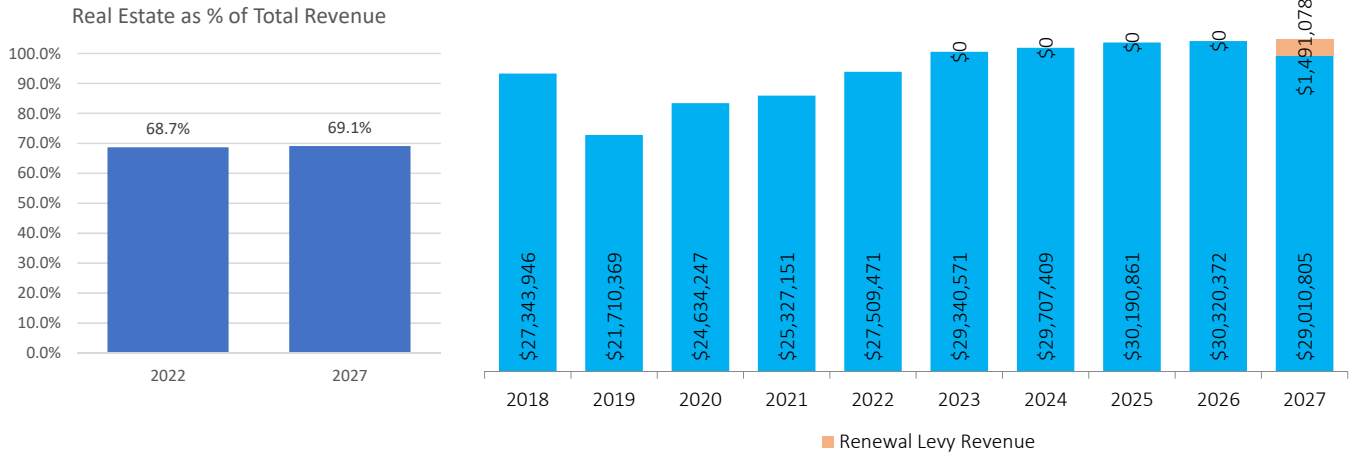
5-Year Historical Actual Average Annual Dollar Change Compared to 5-year Projected

	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	Total revenue increased 3.72% or \$1,377,005 annually during the past 5-Year period and is projected to increase 1.87% or \$813,503 annually through FY2027. All Othr Op Rev has the most projected average annual variance compared to the historical average at -\$431,660
Real Estate	760,660	598,483	(\$162,178)	
Public Utility	\$69,459	\$3,649	(\$65,811)	
Income Tax	\$0	\$0	\$0	
State Funding	(\$3,415)	93,781	\$97,196	
Prop Tax Alloc	\$40,219	\$38,985	(\$1,234)	
All Othr Op Rev	\$505,676	\$74,016	(\$431,660)	
Other Sources	\$4,406	\$4,590	\$184	
Total Average Annual Change	1,377,005	813,503	(\$563,502)	
	3.72%	1.87%	-1.85%	

Note: Expenditure average annual change is projected to be > \$972,627 On an annual average basis, expenditures are projected to grow faster than revenue.

1.010 - General Property Tax (Real Estate)

Revenue collected from taxes levied by a school district by the assessed valuation of real property using effective tax rates for class I (residential/agricultural) and class II (business).



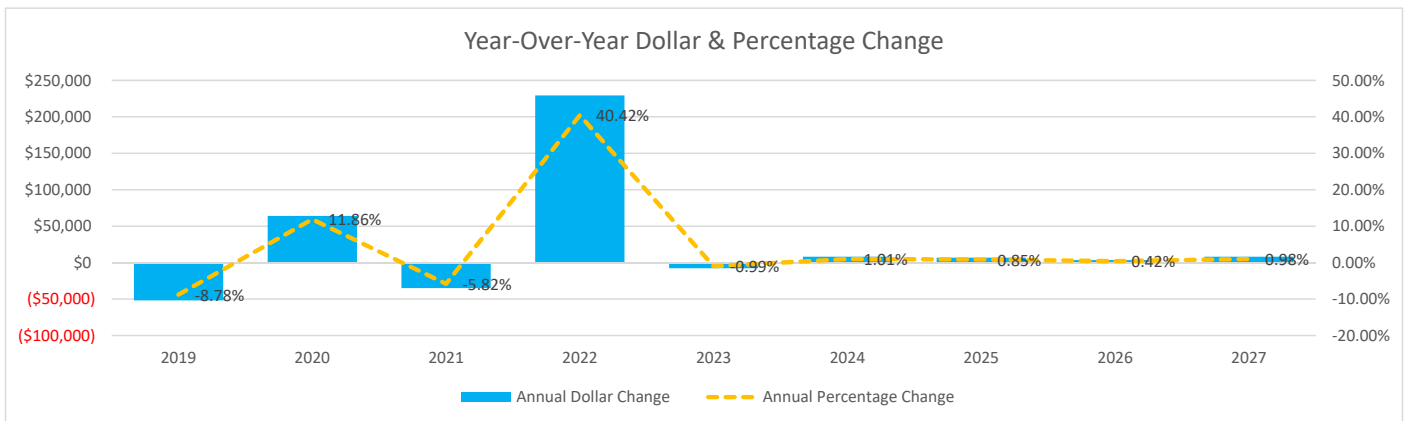
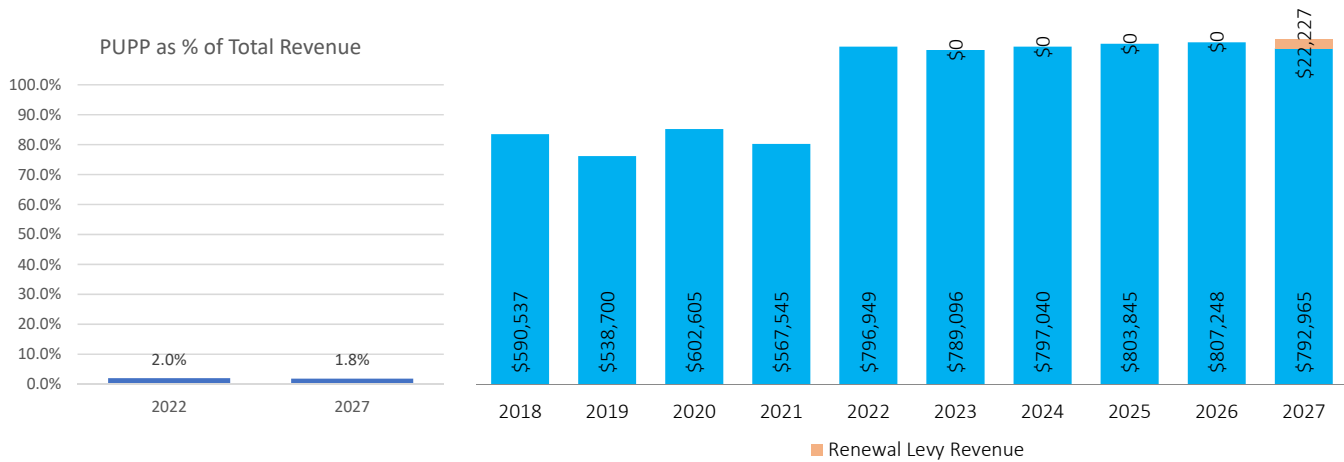
Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2021	1,363,512,020	10,858,070	23.99	-	22.49	-	100.7%
2022	1,371,992,020	8,480,000	24.00	0.02	22.51	0.02	99.1%
2023	1,506,892,020	134,900,000	22.41	(1.59)	22.22	(0.30)	99.1%
2024	1,511,115,260	4,223,240	22.45	0.04	22.24	0.02	99.1%
2025	1,516,310,260	5,195,000	22.46	0.02	22.26	0.02	99.1%
2026	1,534,610,260	18,300,000	22.37	(0.10)	22.15	(0.12)	99.1%

Real estate property tax revenue accounts for 68.68% of total revenue. Class I or residential/agricultural taxes make up approximately 89.79% of the real estate property tax revenue. The Class I tax rate is 24. mills in tax year 2022. The district is modeling the renewal of real estate property taxes levies through 2024. The projections reflect an average gross collection rate of 99.1% annually through tax year 2026. The revenue changed at an average annual historical rate of 3.01% and is projected to change at an average annual rate of 1.99% through FY 2027.

*Projected % trends include renewal levies

1.020 - Public Utility Personal Property

Revenue generated from public utility personal property valuations multiplied by the district's full voted tax rate.



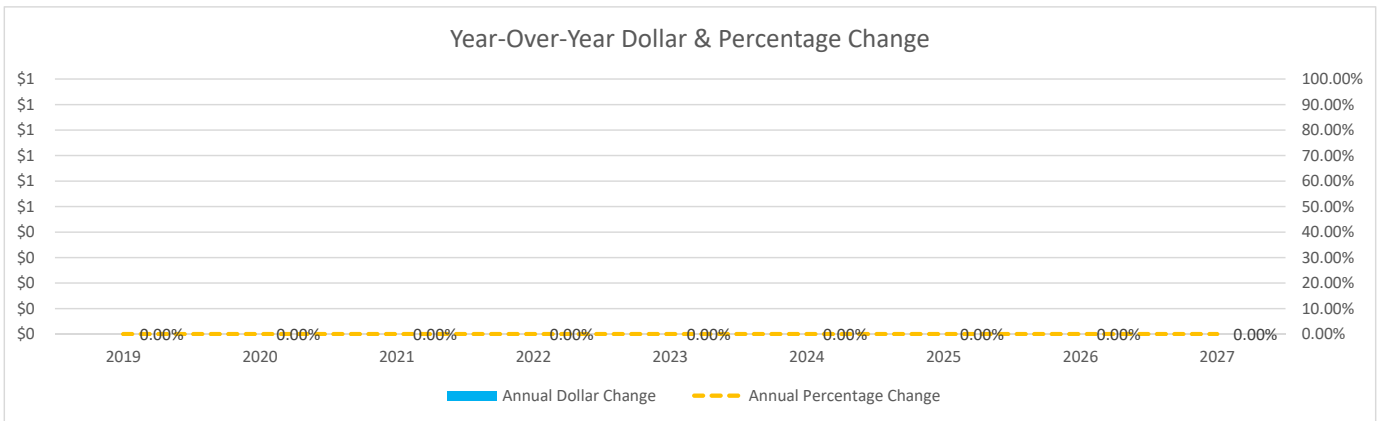
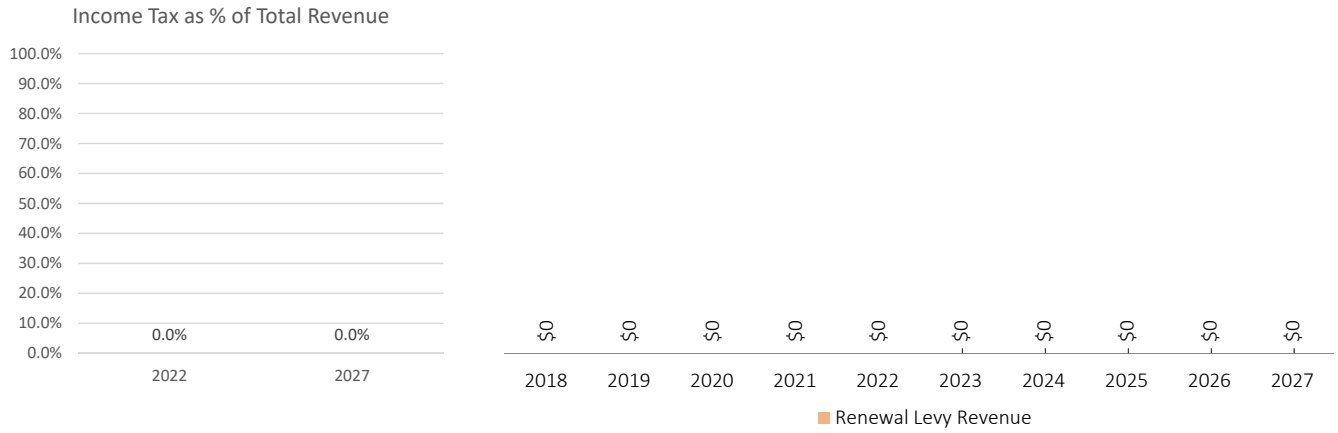
Values and Tax Rates					Gross Collection Rate Including Delinquencies	
Tax Year	Valuation	Value Change	Full Voted Rate	Change		
2021	17,345,760	1,177,730	45.38	2.46	100.0%	
2022	17,420,760	75,000	45.38	-	100.0%	
2023	17,670,760	250,000	45.38	-	100.0%	
2024	17,745,760	75,000	45.38	-	100.0%	
2025	17,820,760	75,000	45.38	-	100.0%	
2026	18,070,760	250,000	45.38	-	100.0%	

The public utility personal property tax revenue is generated from the personal property values, additions, and depreciation reported by the utility companies. This category currently makes up 1.99% of total district revenue. The property is taxed at the full voted tax rate which in tax year 2022 is 45.38 mills. The forecast is modeling an average gross collection rate of 100.00%. The revenue changed historically at an average annual dollar amount of \$69,459 and is projected to change at an average annual dollar amount of \$3,649 through FY 2027.

*Projected % trends include renewal levies

1.030 - No Income Tax

Revenue collected from income tax earmarked specifically to support schools with a voter approved tax by residents of the school district; separate from federal, state and municipal income taxes.

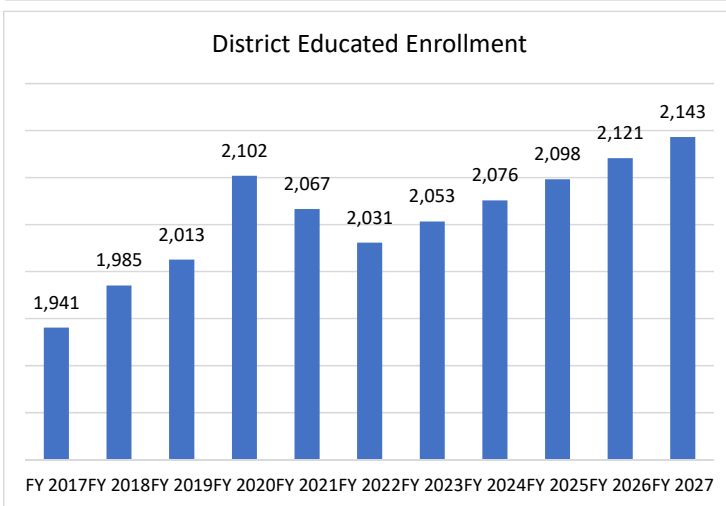
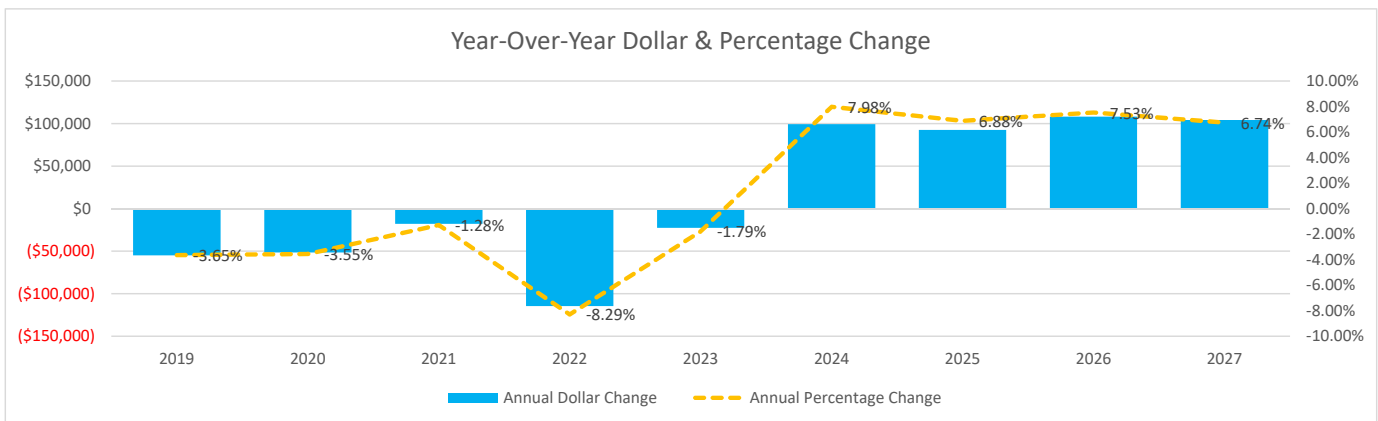
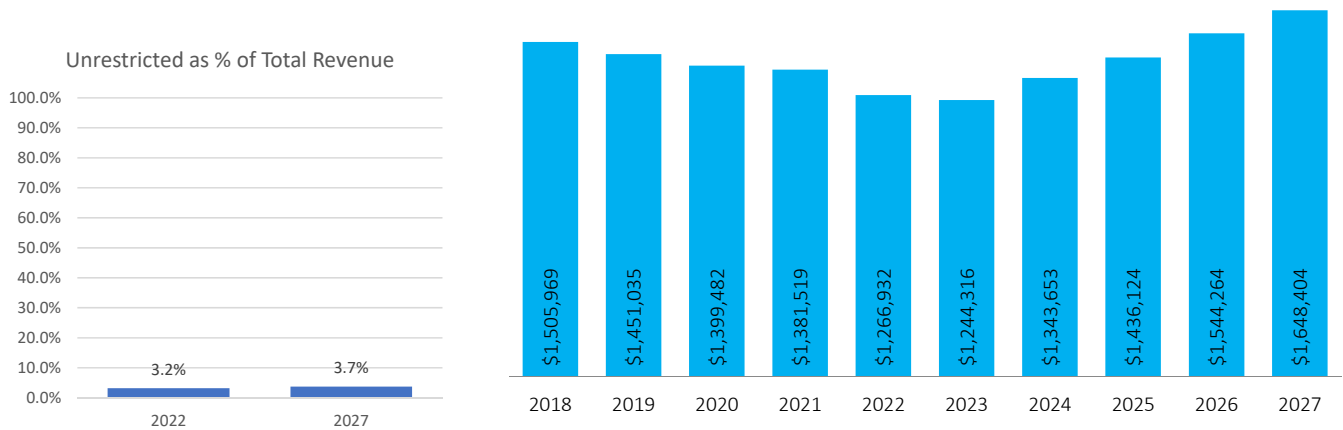


The district does not have an income tax levy.

**Projected % trends include renewal levies*

1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



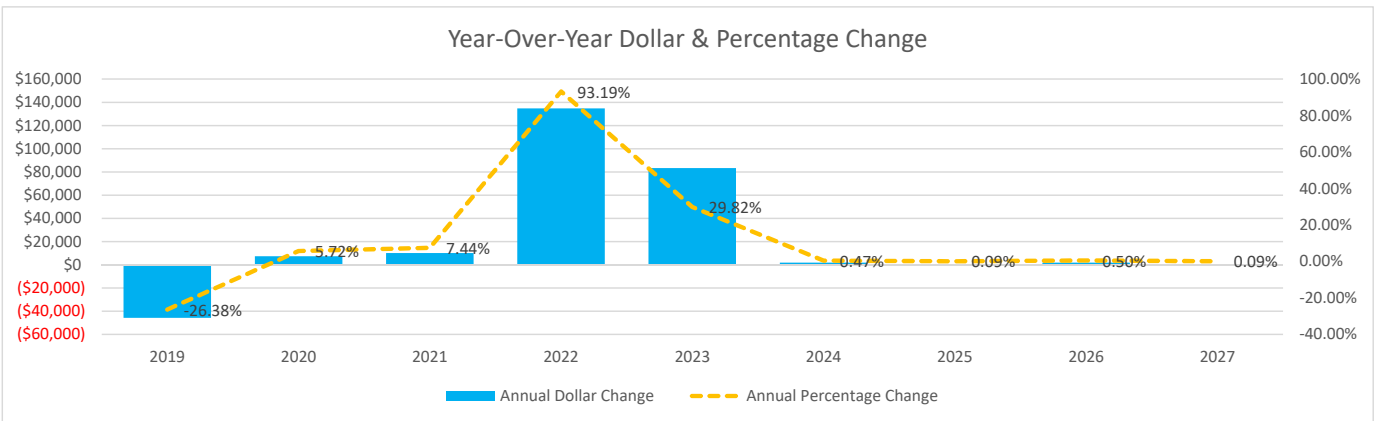
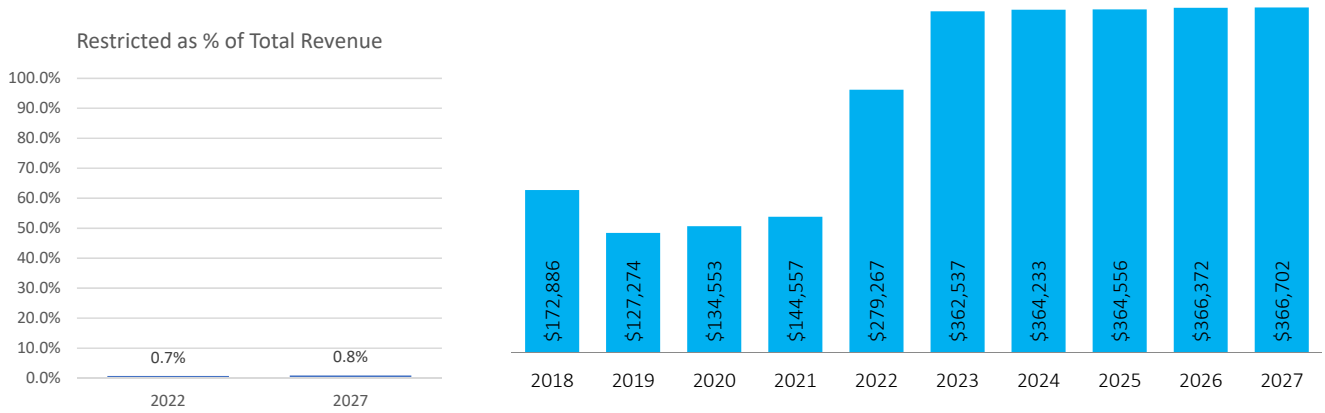
Beginning in FY 2022 Ohio adopted the Fair School Funding Plan (FSFP). Funding is driven by a base cost methodology that incorporates the four components identified as necessary to the education process. The Base Cost is currently calculated for two years using a statewide average from historical actual data.

For Indian Hill Exempted Village School District, the calculated Base Cost total is \$14,943,492 in FY 2023. The state's share of the calculated Base Cost total is \$742,399 or \$362 per pupil.

For reference: CF63 The FSFP change to district educated enrollment could be lower than the district's historical formula funded enrollment but also potentially reduces tuition cost. In FY 2021, the district had approximately \$319,763 in possible tuition cost reductions. These reductions will be reflected in the purchased services expenditure note.

1.040 & 1.045 - Restricted Grants-in-Aid

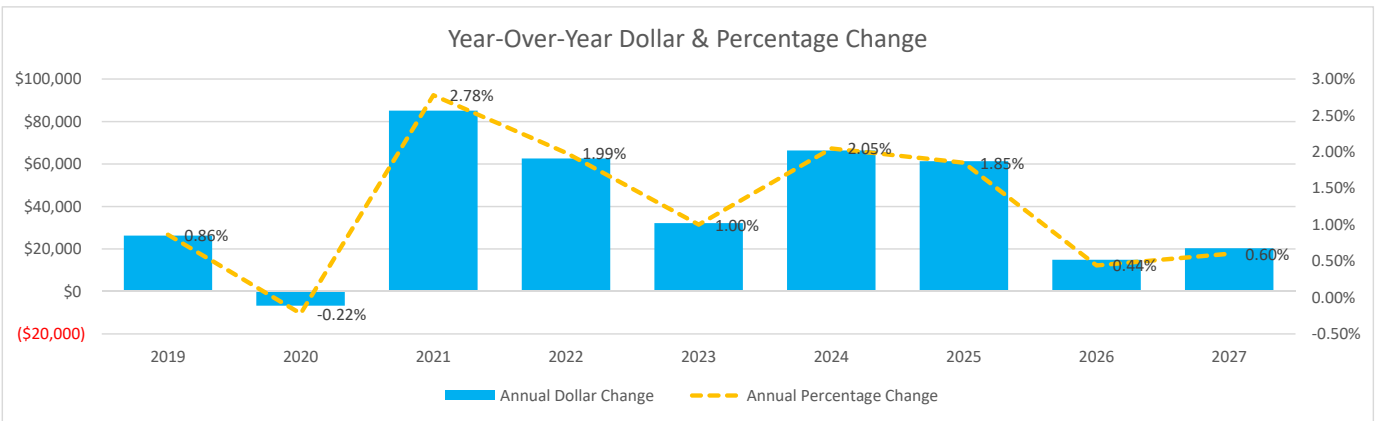
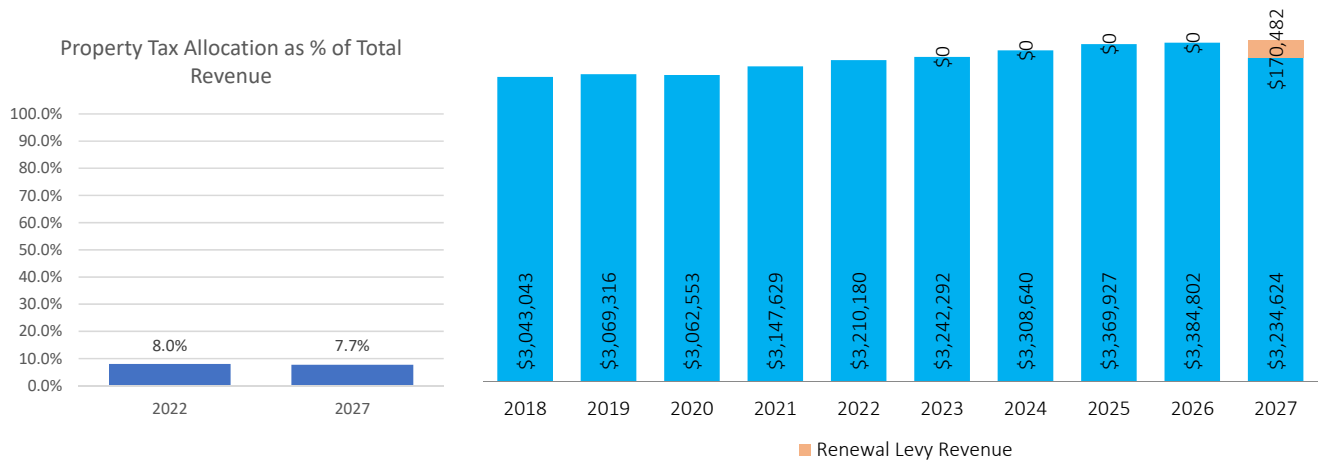
Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



Restricted aid is the portion of state per pupil funding that must be classified as restricted use. Historically the district's restricted state aid changed annually on average by \$50,664 and is projected to change annually on average by \$17,487. Restricted funds represent 0.70% of total revenue. Starting in FY 2022 the district's Success & Wellness funding is considered restricted, the state's share of this funding is recorded as restricted is \$26,715. This funding has implications on general fund expenditures in that certain spending now occurring in a fund external to the general fund could shift to the general fund. The expenditures in this forecast are adjusted to reflect this change.

1.050 - Property Tax Allocation

Includes funds received for Tangible Personal Property Tax Reimbursement, Electric Deregulation, Homestead and Rollback.

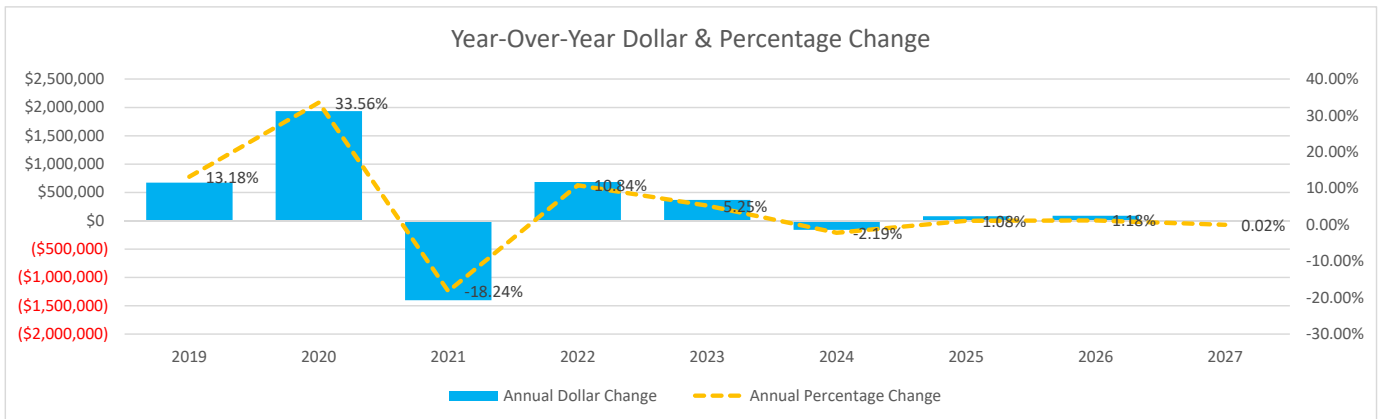
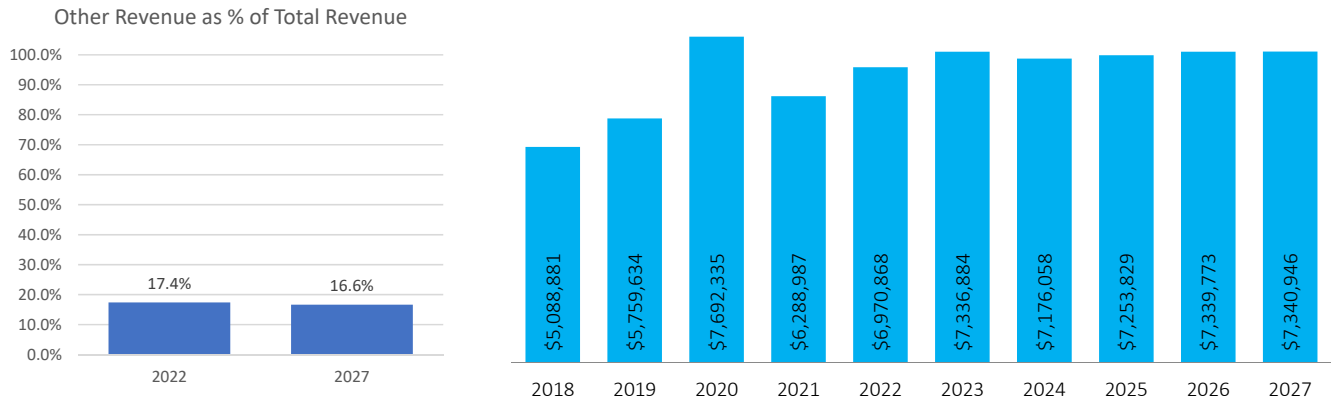


Property tax allocation primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In FY 2023, approximately 10.6% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 0.4% will be reimbursed in the form of qualifying homestead exemption credits.

**Projected % trends include renewal levies*

1.060 - All Other Operating Revenues

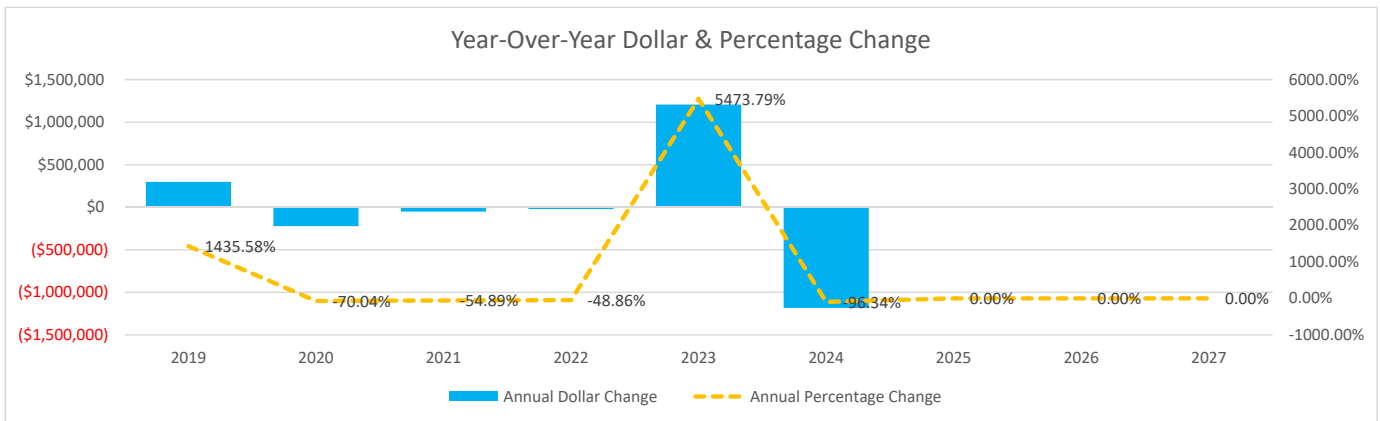
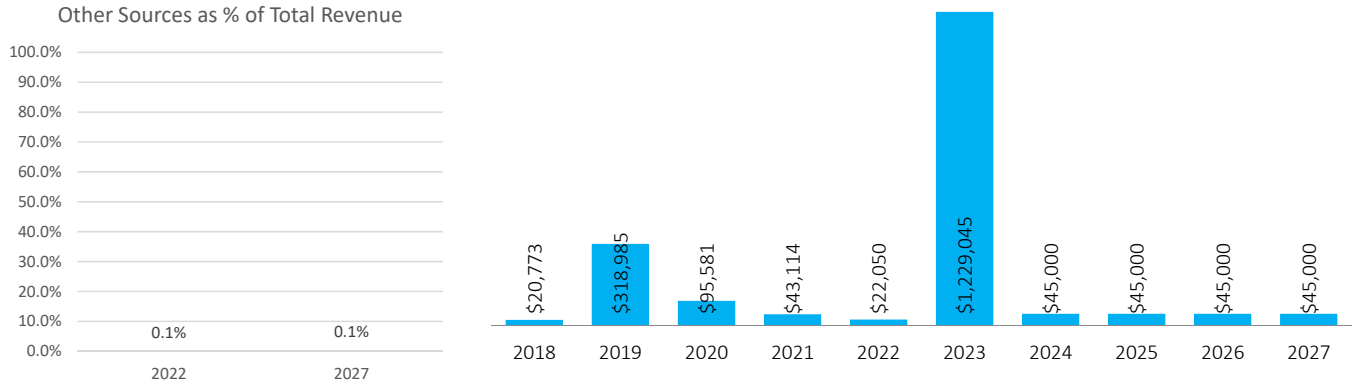
Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.



Other revenue includes tuition received by the district for non-resident students educated by the district. It also includes interest income, payments in lieu of taxes, and miscellaneous revenue. The historical average annual change was \$505,676. The projected average annual change is \$74,016 through FY 2027.

2.070 - Total Other Financing Sources

Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.

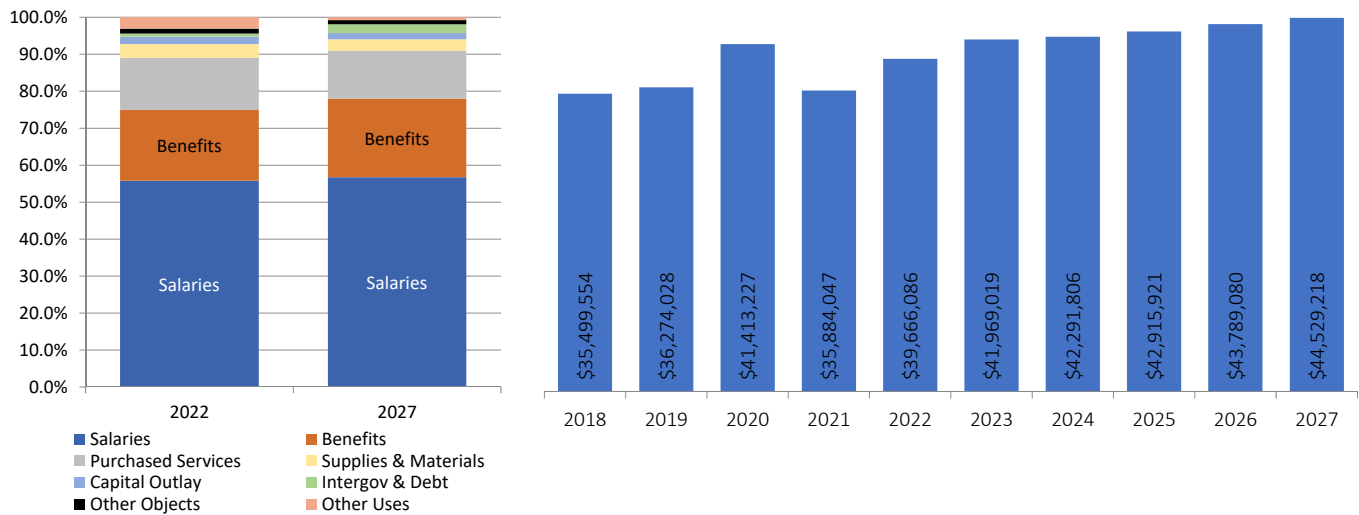


	FORECASTED					
	2022	2023	2024	2025	2026	2027
Transfers In	-	-	-	-	-	-
Advances In	18,605	1,214,045	30,000	30,000	30,000	30,000
All Other Financing Sources	3,445	15,000	15,000	15,000	15,000	15,000

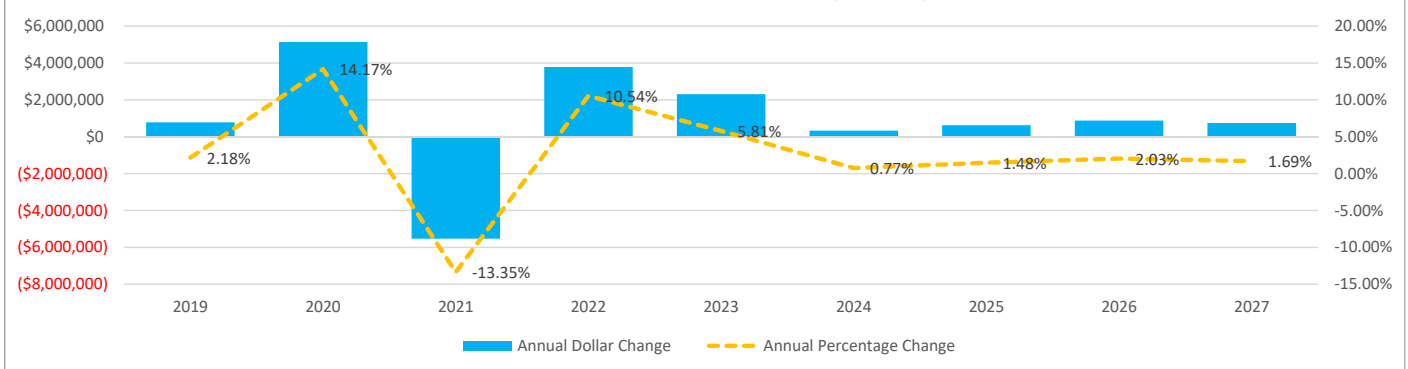
Other sources includes revenue that is generally classified as non-operating. Return advances-in are the most common revenue source. In FY 2022 the district received \$18,605 as advances-in and is projecting advances of \$1,214,045 in FY 2023. The district also receives other financing sources such as refund of prior year expenditures in this category. The district is projecting that all other financing sources will be \$15,000 in FY 2023 and average \$15,000 annually through FY 2027.

Expenditure Categories and Forecast Year-Over-Year Projected Overview

Expenditure Categories Over Time



Year-Over-Year Dollar & Percentage Change



5-Year Historical Actual Average Annual Dollar Change Compared to 5-Year Projected

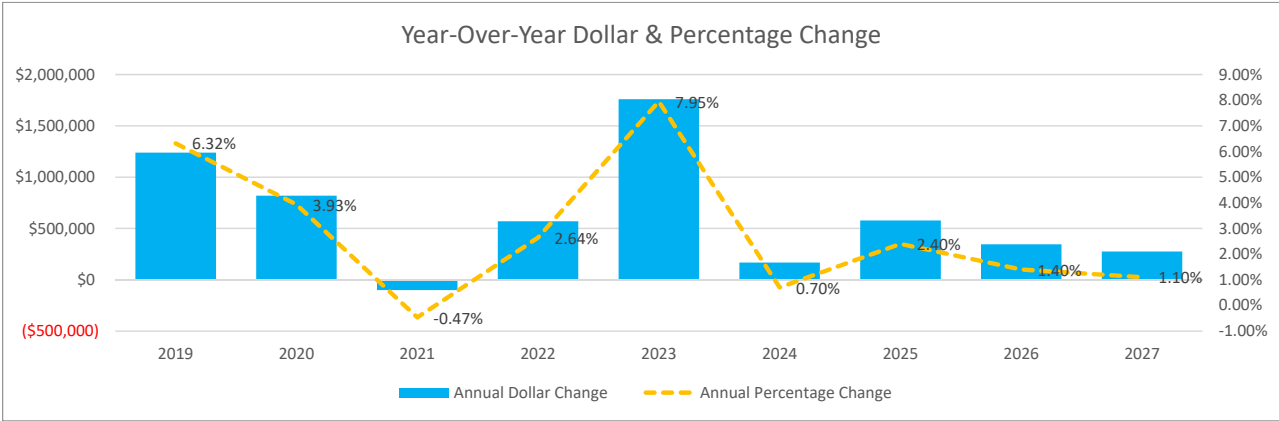
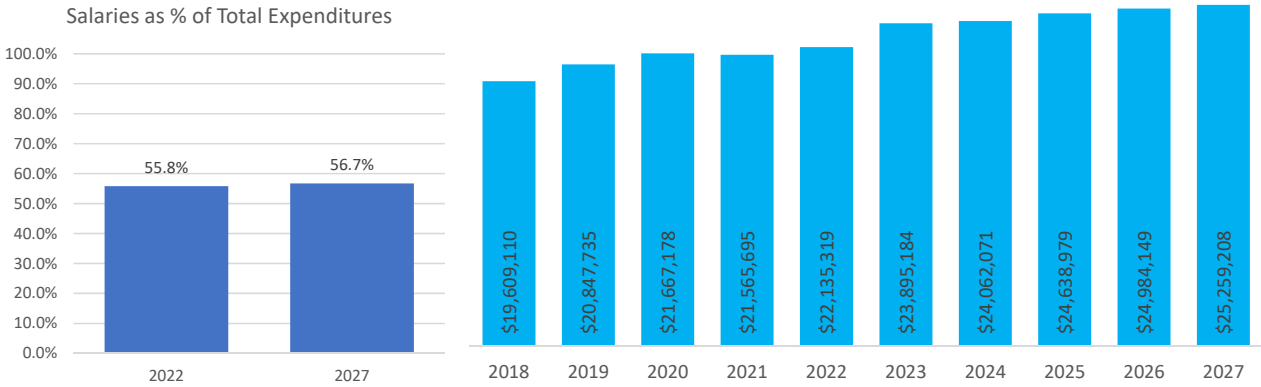
	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	Total expenditures increased 2.68% or \$1,010,368 annually during the past 5-Year period and is projected to increase 2.45% or \$972,627 annually through FY2027. Other Uses has the largest projected average annual variance compared to the historical average at -\$417,053.
Salaries	439,248	624,778	\$185,530	
Benefits	\$153,004	\$374,003	\$220,999	
Purchased Services	\$151,841	\$38,615	(\$113,227)	
Supplies & Materials	\$37,355	(\$20,730)	(\$58,085)	
Capital Outlay	(\$84,130)	(\$5,630)	\$78,500	
Intergov & Debt	\$67,819	\$142,901	\$75,081	
Other Objects	\$2,987	(\$6,501)	(\$9,487)	
Other Uses	\$242,244	(\$174,809)	(\$417,053)	
Total Average Annual Change	\$1,010,368	\$972,627	(\$37,741)	
	2.68%	2.45%	-0.22%	

Note: Revenue average annual change is projected to be > \$813,503

On an annual average basis, revenues are projected to grow slower than expenditures.

3.010 - Personnel Services

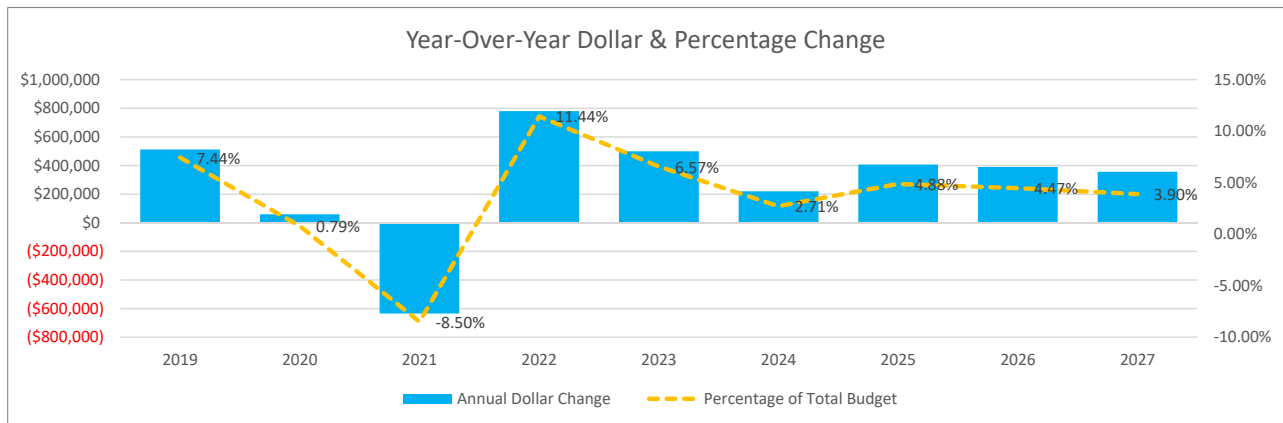
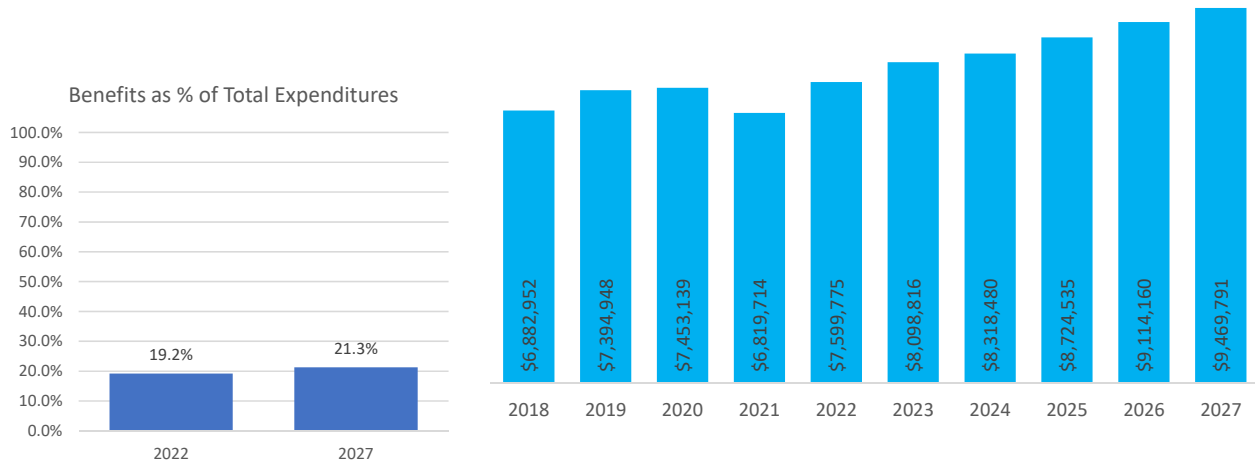
Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.



Salaries represent 55.80% of total expenditures and increased at a historical average annual rate of 2.08% or \$439,248. This category of expenditure is projected to grow at an annual average rate of 2.54% or \$624,778 through FY 2027. The projected average annual rate of change is 0.47% more than the five year historical annual average.

3.020 - Employees' Benefits

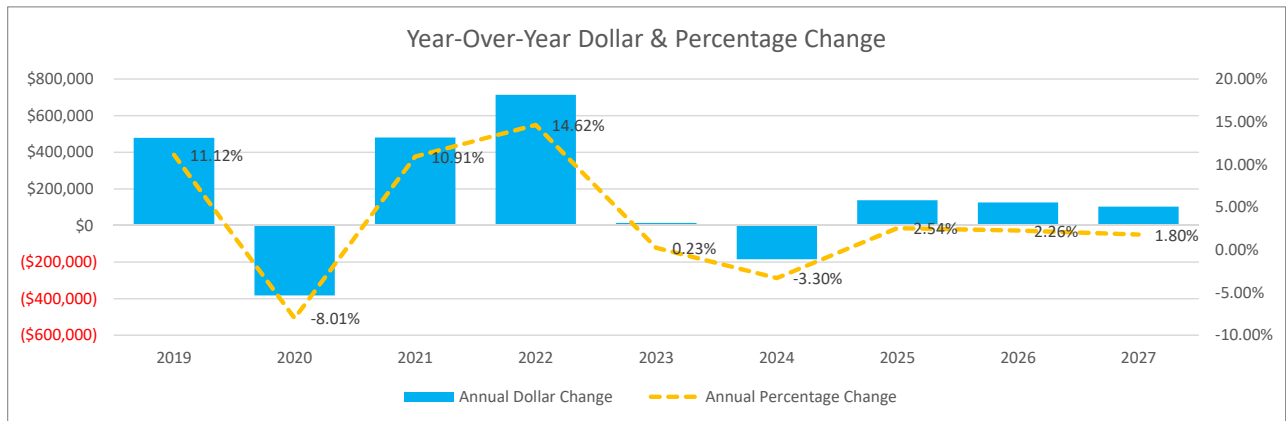
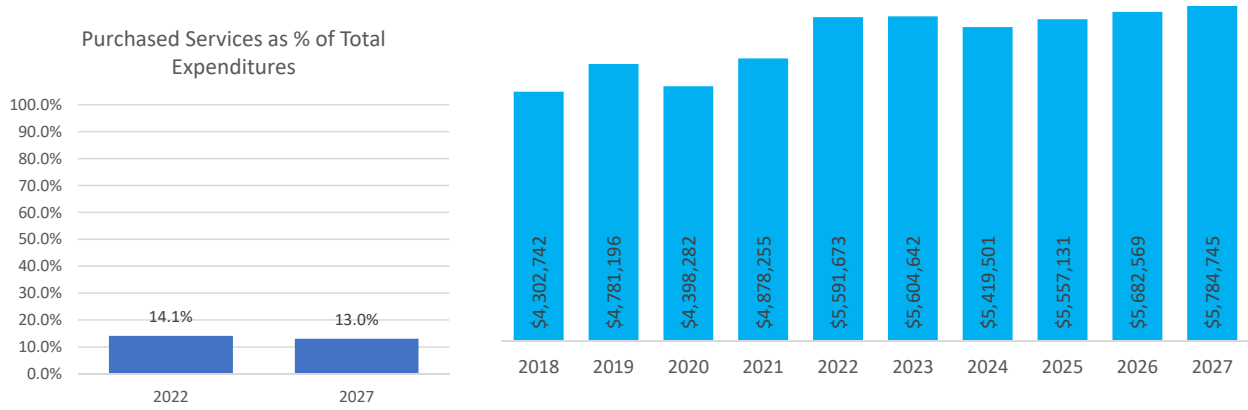
Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.



Benefits represent 19.16% of total expenditures and increased at a historical average annual rate of 2.12%. This category of expenditure is projected to grow at an annual average rate of 4.28% through FY 2027. The projected average annual rate of change is 2.16% more than the five year historical annual average.

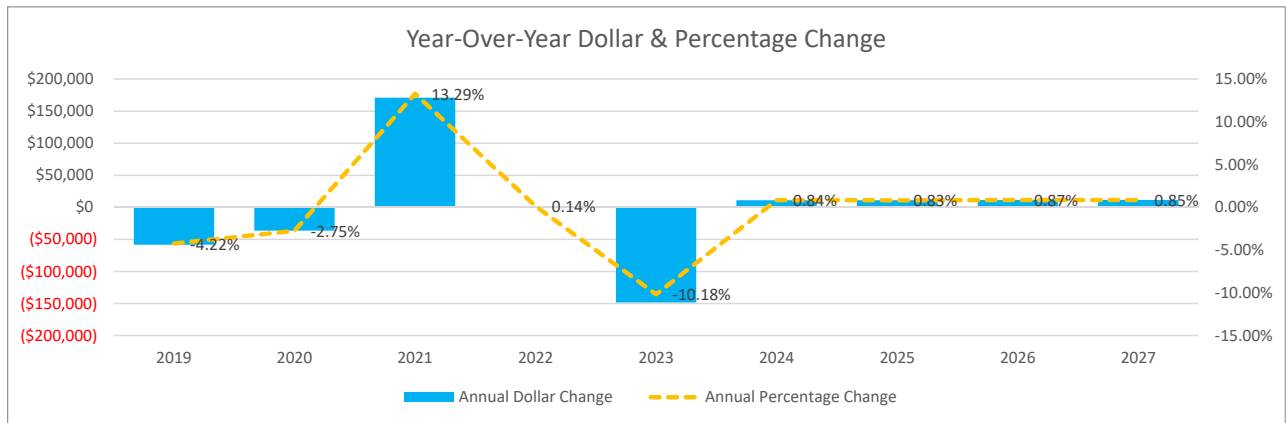
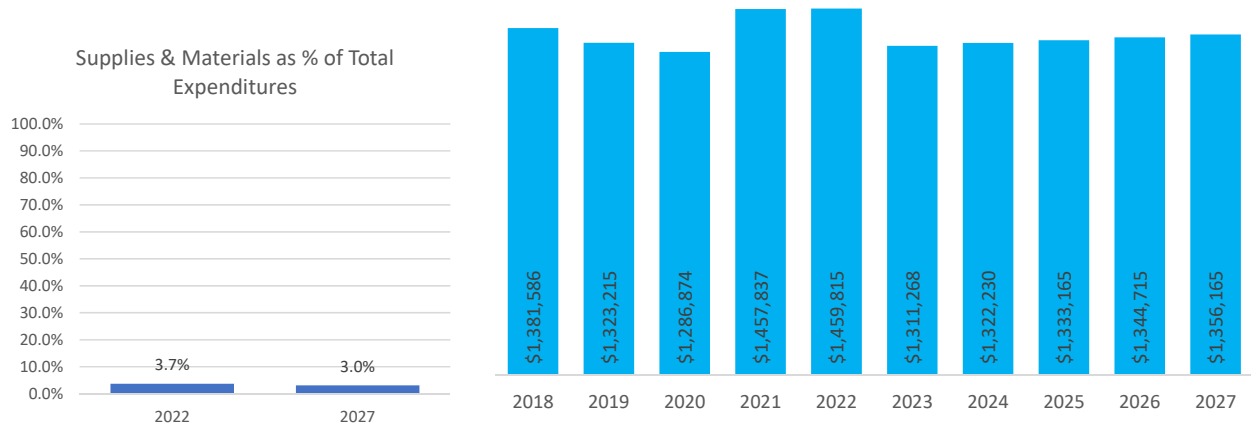
3.030 - Purchased Services

Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, expenses for tuition paid to other districts, utilities costs and other services which the school district may purchase.



3.040 - Supplies & Materials

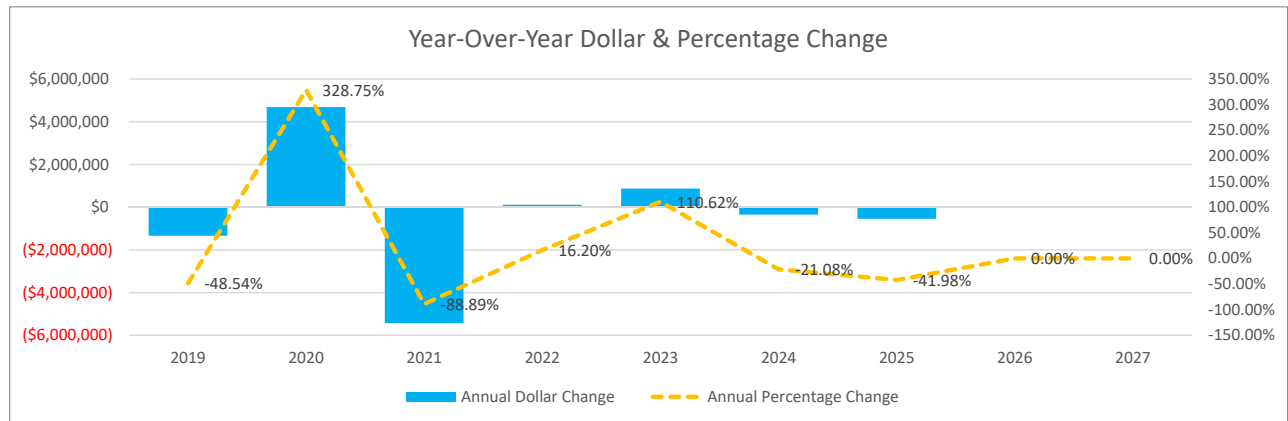
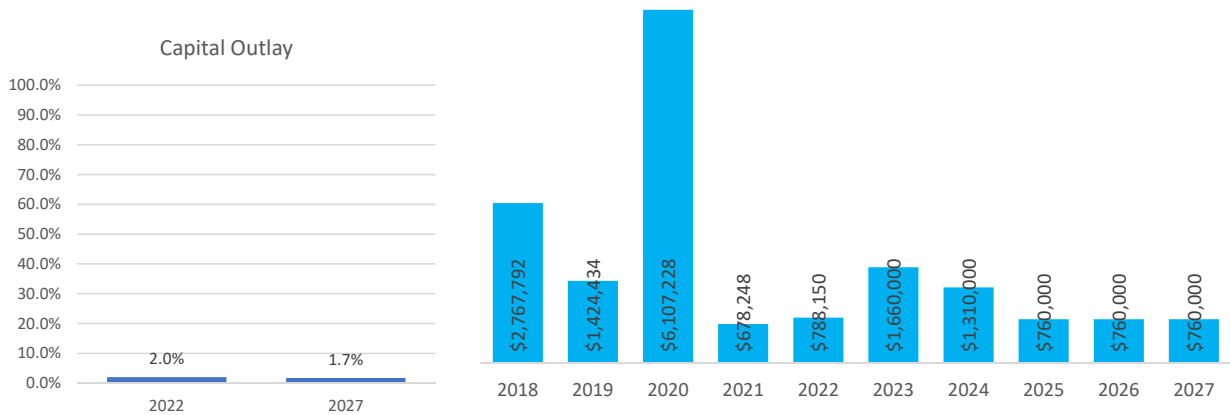
Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



Supplies & Materials represent 3.68% of total expenditures and increased at a historical average annual rate of 2.70%. This category of expenditure is projected to decrease at an annual average rate of -1.55% through FY 2027. The projected average annual rate of change is -4.26% less than the five year historical annual average.

3.050 - Capital Outlay

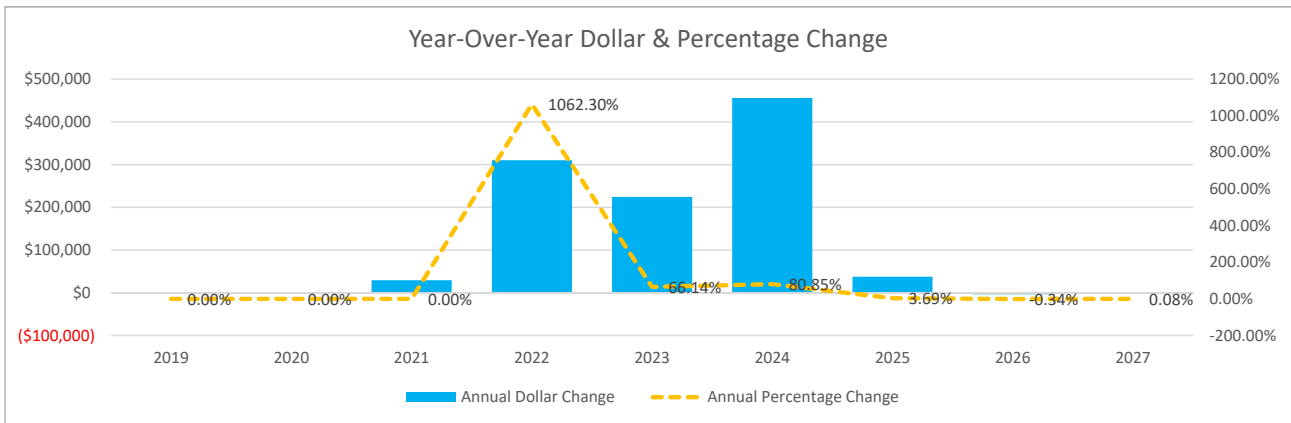
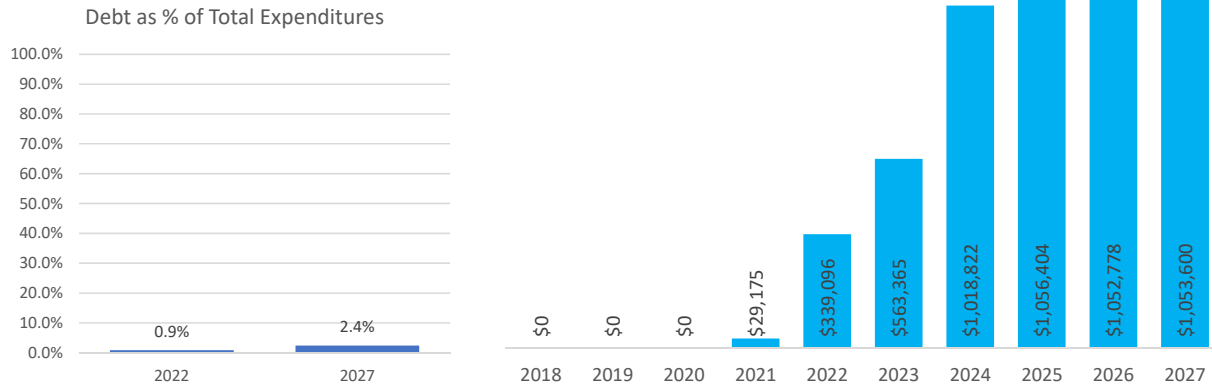
This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



Capital Outlay represent 1.99% of total expenditures and decreased at a historical average annual amount of -\$84,130. This category of expenditure is projected to decrease at an annual average rate of -\$5,630 through FY 2027. The projected average annual change is more than the five year historical annual average.

3.060-4.060 - Intergovernmental & Debt

These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.

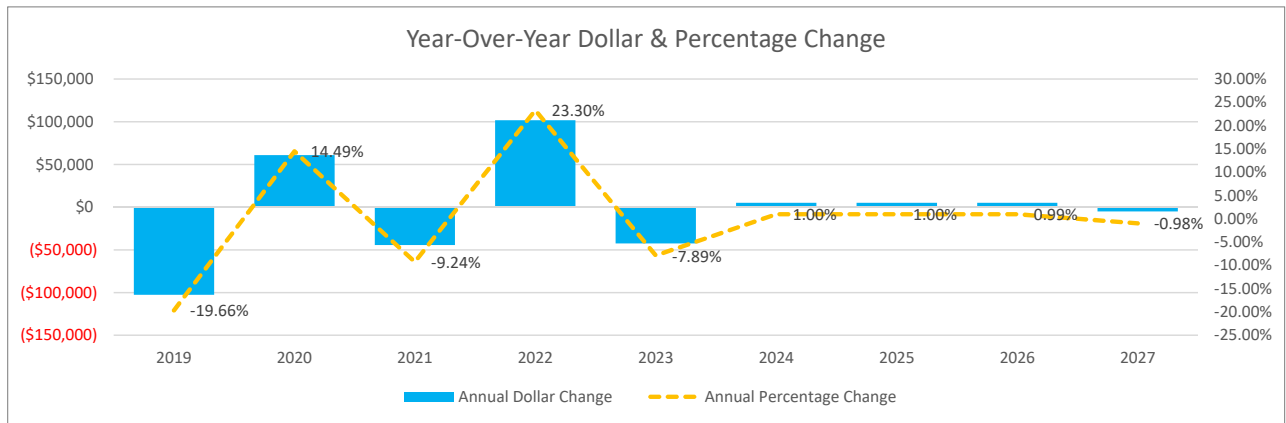
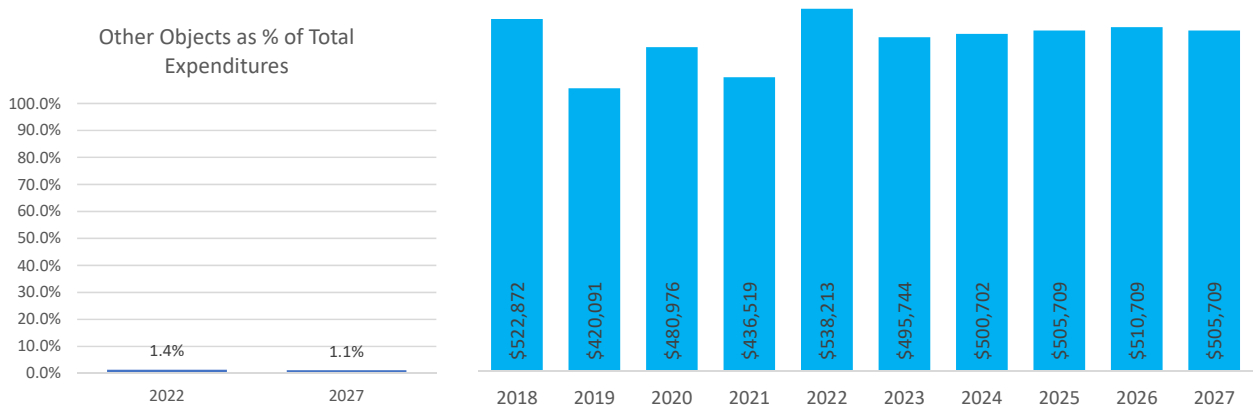


The Intergovernmental/Debt expenditure category details general fund debt issued by the District.

Year	Debt Amount	Debt as % of Total Expenditures	Annual Dollar Change	Annual Percentage Change
2018	\$0	0.0%	\$0	0.00%
2019	\$0	0.0%	\$0	0.00%
2020	\$0	0.0%	\$0	0.00%
2021	\$29,175	0.0%	\$29,175	0.00%
2022	\$339,096	0.9%	\$339,096	1062.30%
2023	\$563,365	2.4%	\$563,365	66.14%
2024	\$1,018,822	~65.0%	\$1,018,822	80.85%
2025	\$1,056,404	~66.0%	\$1,056,404	3.69%
2026	\$1,052,778	~66.0%	\$1,052,778	-0.34%
2027	\$1,053,600	~66.0%	\$1,053,600	0.08%

4.300 - Other Objects

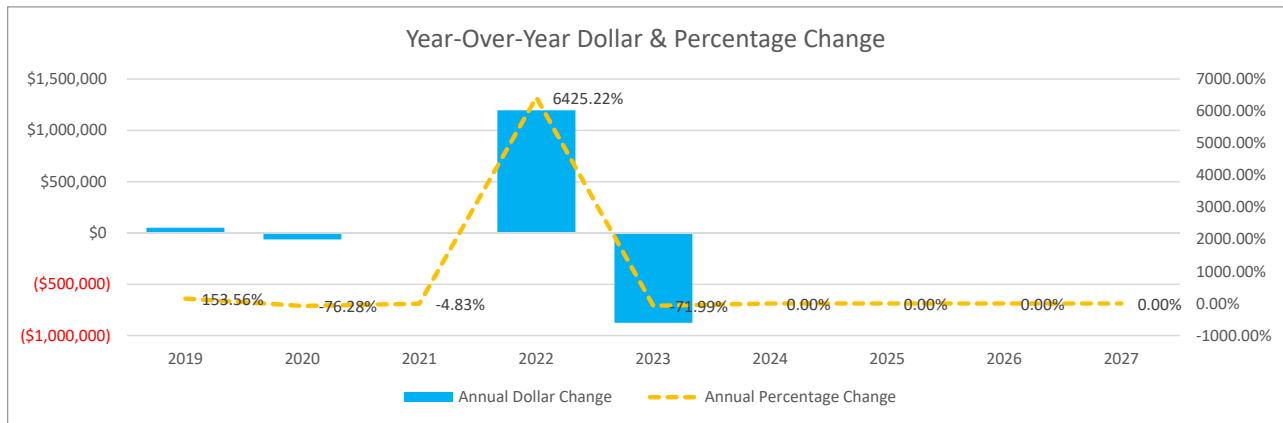
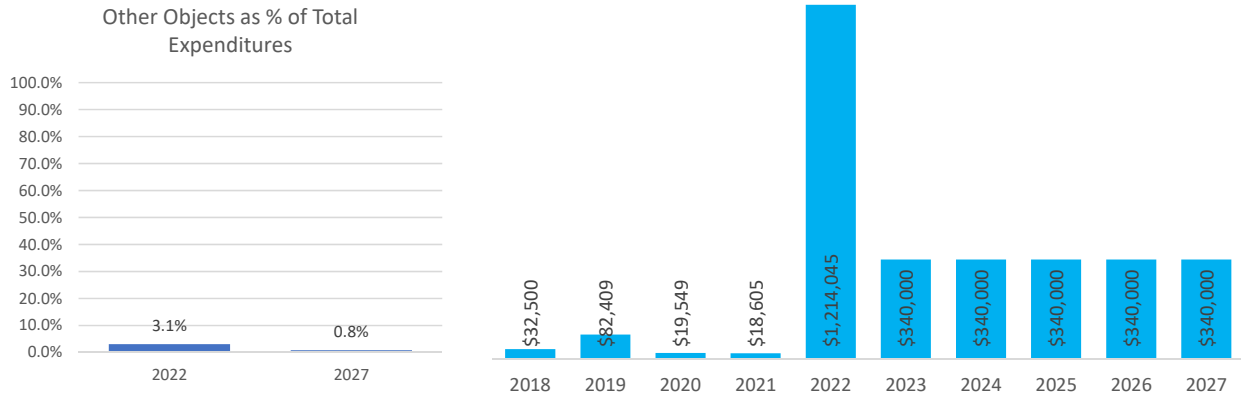
Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



Other Objects represent 1.36% of total expenditures and increased at a historical average annual rate of 0.62%. This category of expenditure is projected to decrease at an annual average rate of -1.29% through FY 2027. The projected average annual rate of change is -1.91% less than the five year historical annual average.

5.040 - Total Other Financing Uses

Operating transfers-out, advances out to other funds, and all other general fund financing uses.



	FORECASTED					
	2022	2023	2024	2025	2026	2027
Transfers Out	-	310,000	310,000	310,000	310,000	310,000
Advances Out	1,214,045	30,000	30,000	30,000	30,000	30,000
Other Financing Uses	-	-	-	-	-	-

Other uses includes expenditures that are generally classified as non-operating. It is typically in the form of advances-out which are then repaid into the general fund from the other district funds. In FY 2022 the district had advances-out and has advances-out forecasted through FY 2027. The district can also move general funds permanently to other funds and as the schedule above presents, the district has transfers forecasted through FY 2027. The table above presents the district's planned advances and transfers. The district can also have other uses of funds which is reflected in the table above.

Indian Hill Exempted Village School District

Five Year Forecast

November,2022

Fiscal Year:	Actual			FORECASTED				
	2020	2021	2022	2023	2024	2025	2026	2027
Revenue:								
1.010 - General Property Tax (Real Estate)	24,634,247	25,327,151	27,509,471	29,340,571	29,707,409	30,190,861	30,320,372	29,010,805
1.020 - Public Utility Personal Property	602,605	567,545	796,949	789,096	797,040	803,845	807,248	792,965
1.030 - Income Tax	-	-	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	1,399,482	1,381,519	1,266,932	1,244,316	1,343,653	1,436,124	1,544,264	1,648,404
1.040 - Restricted Grants-in-Aid	134,553	144,557	279,267	362,537	364,233	364,556	366,372	366,702
1.050 - Property Tax Allocation	3,062,553	3,147,629	3,210,180	3,242,292	3,308,640	3,369,927	3,384,802	3,234,624
1.060 - All Other Operating Revenues	7,692,335	6,288,987	6,970,868	7,336,884	7,176,058	7,253,829	7,339,773	7,340,946
1.070 - Total Revenue	37,525,775	36,857,389	40,033,667	42,315,696	42,697,033	43,419,142	43,762,831	42,394,446
Other Financing Sources:								
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-	-	-
2.050 - Advances-In	78,412	19,549	18,605	1,214,045	30,000	30,000	30,000	30,000
2.060 - All Other Financing Sources	17,169	23,566	3,445	15,000	15,000	15,000	15,000	15,000
2.070 - Total Other Financing Sources	95,581	43,114	22,050	1,229,045	45,000	45,000	45,000	45,000
2.080 - Total Rev & Other Sources	37,621,355	36,900,503	40,055,717	43,544,741	42,742,032	43,464,142	43,807,830	42,439,446
Expenditures:								
3.010 - Personnel Services	21,667,178	21,565,695	22,135,319	23,895,184	24,062,071	24,638,979	24,984,149	25,259,208
3.020 - Employee Benefits	7,453,139	6,819,714	7,599,775	8,098,816	8,318,480	8,724,535	9,114,160	9,469,791
3.030 - Purchased Services	4,398,282	4,878,255	5,591,673	5,604,642	5,419,501	5,557,131	5,682,569	5,784,745
3.040 - Supplies and Materials	1,286,874	1,457,837	1,459,815	1,311,268	1,322,230	1,333,165	1,344,715	1,356,165
3.050 - Capital Outlay	6,107,228	678,248	788,150	1,660,000	1,310,000	760,000	760,000	760,000
Intergovernmental & Debt Service	-	29,175	339,096	563,365	1,018,822	1,056,404	1,052,778	1,053,600
4.300 - Other Objects	480,976	436,519	538,213	495,744	500,702	505,709	510,709	505,709
4.500 - Total Expenditures	41,393,678	35,865,442	38,452,041	41,629,019	41,951,806	42,575,921	43,449,080	44,189,219
Other Financing Uses								
5.010 - Operating Transfers-Out	-	-	-	310,000	310,000	310,000	310,000	310,000
5.020 - Advances-Out	19,549	18,605	1,214,045	30,000	30,000	30,000	30,000	30,000
5.030 - All Other Financing Uses	-	-	-	-	-	-	-	-
5.040 - Total Other Financing Uses	19,549	18,605	1,214,045	340,000	340,000	340,000	340,000	340,000
5.050 - Total Exp and Other Financing Uses	41,413,227	35,884,047	39,666,086	41,969,019	42,291,806	42,915,921	43,789,080	44,529,218
6.010 - Excess of Rev Over/(Under) Exp	(3,791,871)	1,016,456	389,632	1,575,722	450,226	548,220	18,750	(2,089,772)
7.010 - Cash Balance July 1 (No Levies)	18,571,741	14,779,869	15,796,325	16,185,957	17,761,679	18,211,905	18,760,125	18,778,875
7.020 - Cash Balance June 30 (No Levies)	14,779,869	15,796,325	16,185,957	17,761,679	18,211,905	18,760,125	18,778,875	16,689,103
				Reservations				
8.010 - Estimated Encumbrances June 30	-	-	500,000	500,000	500,000	500,000	500,000	500,000
9.080 - Reservations Subtotal	-	-	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	14,779,869	15,796,325	15,685,957	17,261,679	17,711,905	18,260,125	18,278,875	16,189,103
Rev from Replacement/Renewal Levies								
11.010 & 11.020 - Renewal Levies	-	-	-	-	-	-	-	1,683,787
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-	-	1,683,787
12.010 - Fund Bal June 30 for Cert of Obligations	14,779,869	15,796,325	15,685,957	17,261,679	17,711,905	18,260,125	18,278,875	17,872,890
Revenue from New Levies								
13.010 & 13.020 - New Levies	-	-	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	14,779,869	15,796,325	15,685,957	17,261,679	17,711,905	18,260,125	18,278,875	17,872,890