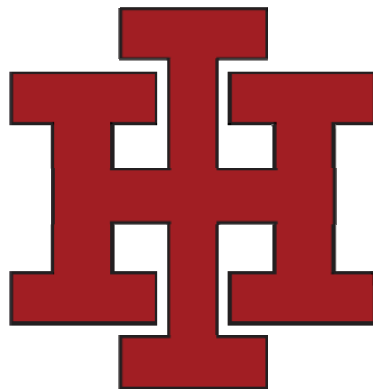


Indian Hill Exempted Village School District

# Five Year Forecast Financial Report

May, 2021

*Prepared by Mick Davis, Treasurer*



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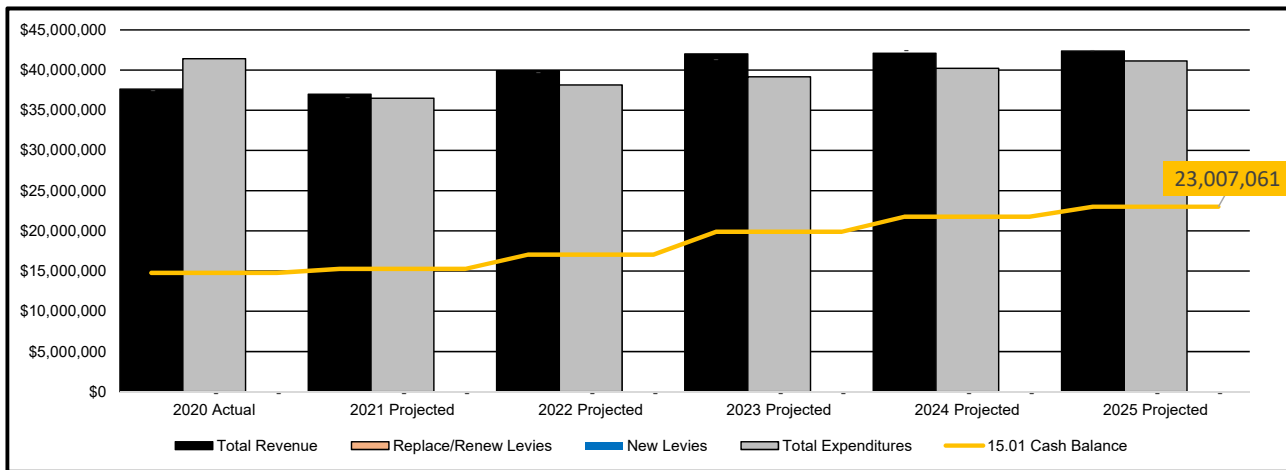
### Forecast Purpose/Objectives

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.

### Forecast Summary



Note: Cash balance includes any existing levy modeled as renewed during the forecast.  
Cash balance is not reduced for encumbrances.

#### Financial Forecast

	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Beginning Balance	14,779,869	15,276,675	17,055,532	19,904,532	21,765,634
+ Revenue	36,992,636	39,925,439	42,004,325	42,080,238	42,374,684
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(36,495,831)	(38,146,582)	(39,155,325)	(40,219,135)	(41,133,257)
= Revenue Surplus or Deficit	496,806	1,778,857	2,849,000	1,861,103	1,241,427
Ending Balance with renewal levies Note: Not Reduced for Encumbrances	15,276,675	17,055,532	19,904,532	21,765,634	23,007,061

#### Analysis Without Renewal Levies Included:

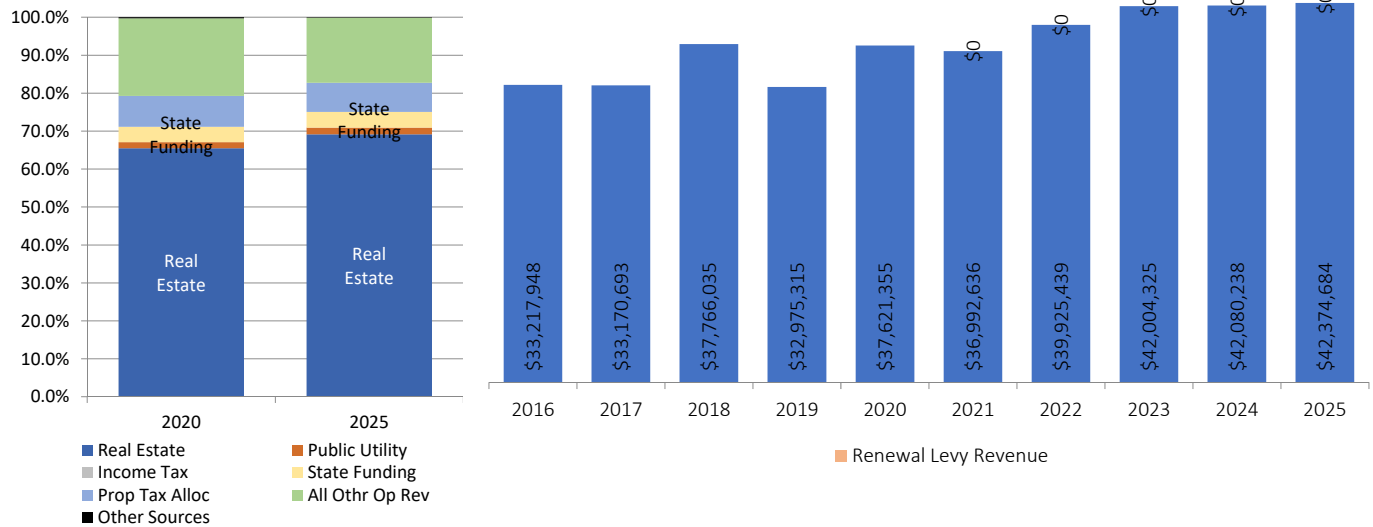
Revenue Surplus or Deficit w/o Levies	496,806	1,778,857	2,849,000	1,861,103	1,241,427
Ending Balance w/o Levies	15,276,675	17,055,532	19,904,532	21,765,634	23,007,061

In FY 2021 a revenue surplus is expected. This means that expenditures are expected to be less than revenue by -\$496,806 in FY 2021. By the last year of the forecast, FY 2025, the district is expected to have a revenue surplus where expenditures are projected to be less than revenue by -\$1,241,427

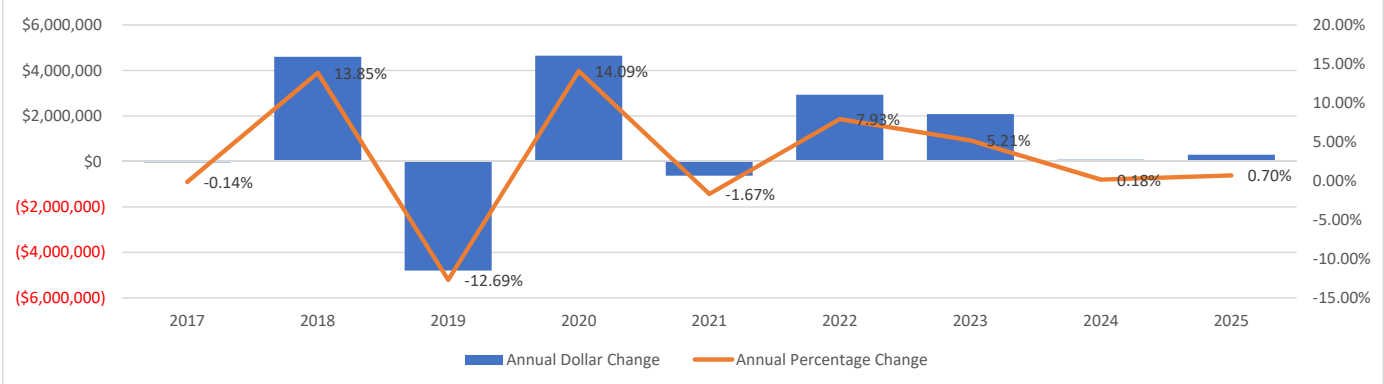
The district's cash balance is positive at year-end in FY 2021 and is projected to improve by FY 2025

## Revenue Sources and Forecast Year-Over-Year Projected Overview

Sources of Revenue Over Time



Year-Over-Year Dollar & Percentage Change



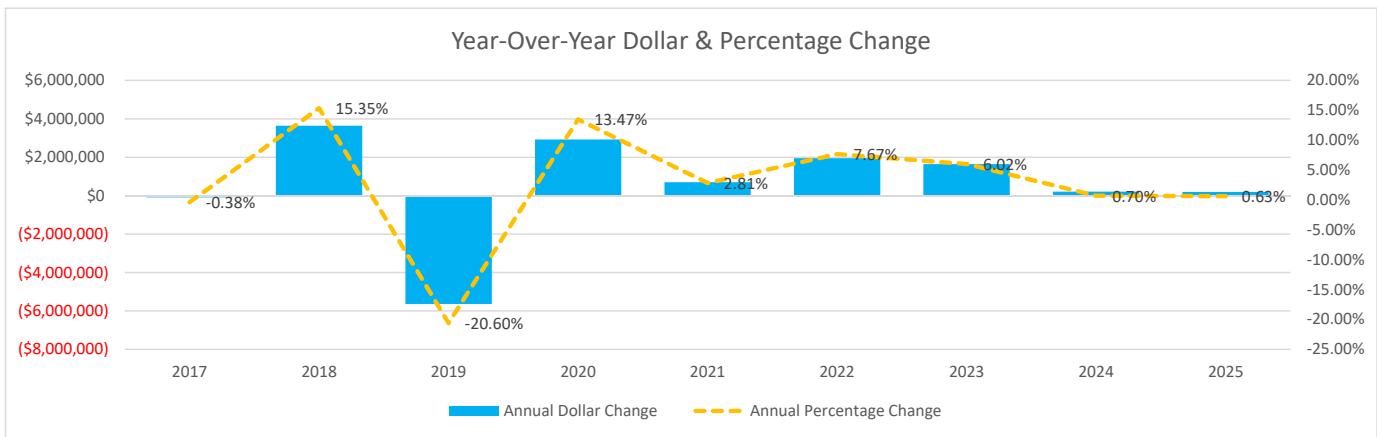
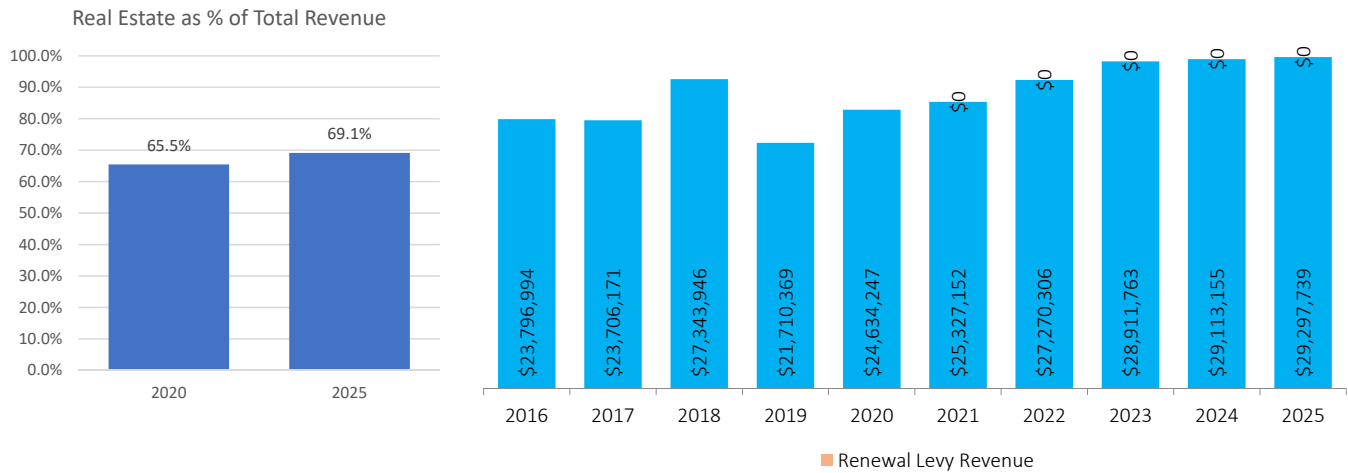
3-Year Historical Actual Average Annual Dollar Change Compared to 5-Year Projected

	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	Total revenue increased 5.09% or \$1,483,554 annually during the past five years and is projected to increase 2.47% or \$950,666 annually through FY2025. All Othr Op Rev has the most projected average annual variance compared to the historical average at -\$1,167,923
Real Estate	\$309,359	\$932,698	\$623,340	
Public Utility	\$50,984	\$31,206	(\$19,778)	
Income Tax	\$0	\$0	\$0	
State Funding	(\$9,746)	\$43,240	\$52,986	
Prop Tax Alloc	\$17,822	\$38,278	\$20,456	
All Othr Op Rev	\$1,083,282	(\$84,641)	(\$1,167,923)	
Other Sources	\$31,853	(\$10,116)	(\$41,969)	
<b>Total Average Annual Change</b>	<b>\$1,483,554</b>	<b>\$950,666</b>	<b>(\$532,888)</b>	
	5.09%	2.47%	-2.62%	

Note: Expenditure average annual change is projected to be > (\$55,994) On an annual average basis, expenditures are projected to contract while revenue grows

### 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	
2019	1,248,278,170	6,851,190	22.59	-	20.74	-	98.9%
2020	1,352,653,950	104,375,780	21.50	(1.09)	20.00	(0.74)	99.0%
2021	1,355,378,200	2,724,250	24.00	2.50	22.48	2.48	99.0%
2022	1,360,858,200	5,480,000	24.02	0.02	22.50	0.02	99.0%
2023	1,387,258,200	26,400,000	23.78	(0.24)	22.20	(0.30)	99.0%
2024	1,390,481,440	3,223,240	23.82	0.05	22.22	0.02	99.0%

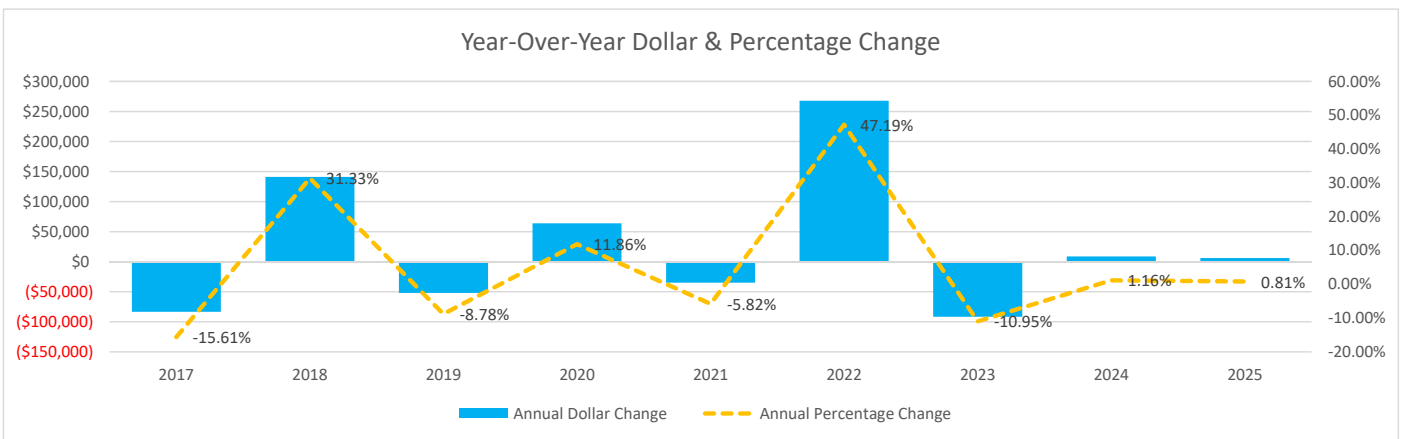
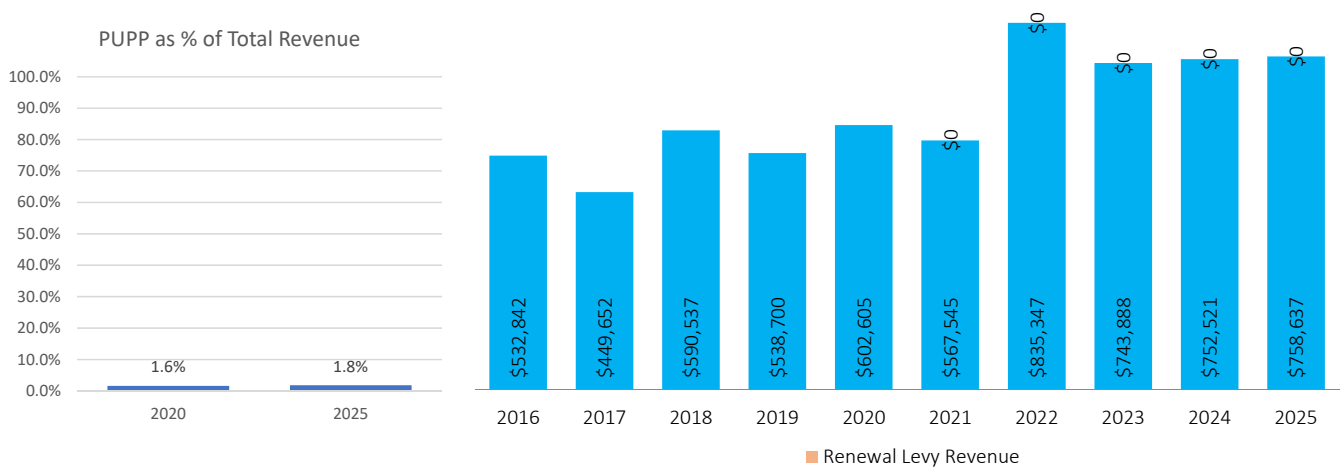
Real estate property tax revenue accounts for 65.48% of total revenue. Class I or residential/agricultural taxes make up approximately 89.68% of the real estate property tax revenue. The Class I tax rate is 21.5 mills in tax year 2020. The projections reflect an average gross collection rate of 99.0% annually through tax year 2024. The revenue changed at an average annual historical rate of 2.74% and is projected to change at an average annual rate of 3.57% through FY 2025.

The District passed an operational levy in May of 2021. This levy will add approximately \$3.3 million annually starting in fiscal year 2023. It will add approximately \$1.8 million in fiscal year 2022.

\*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.



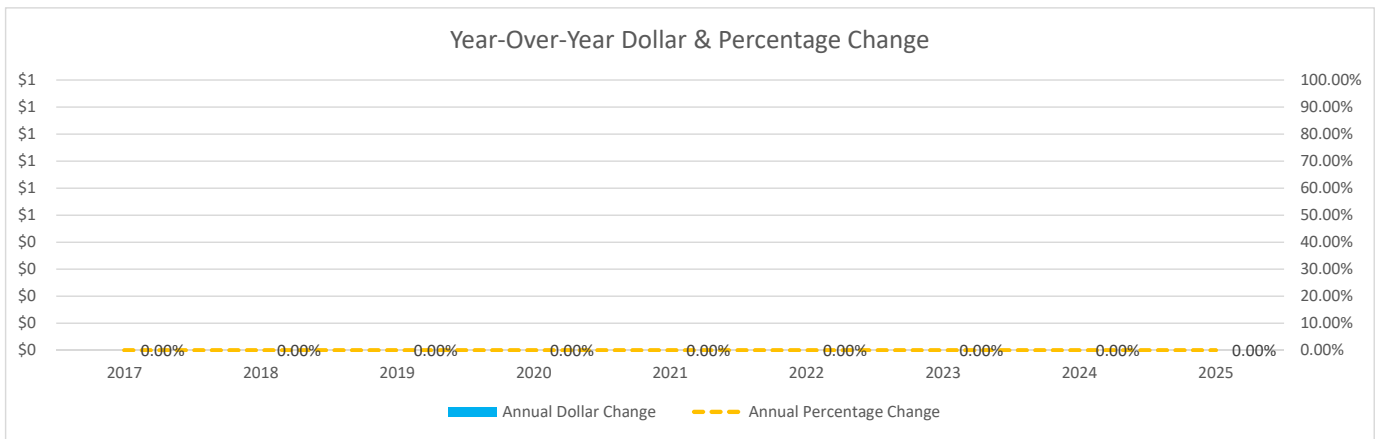
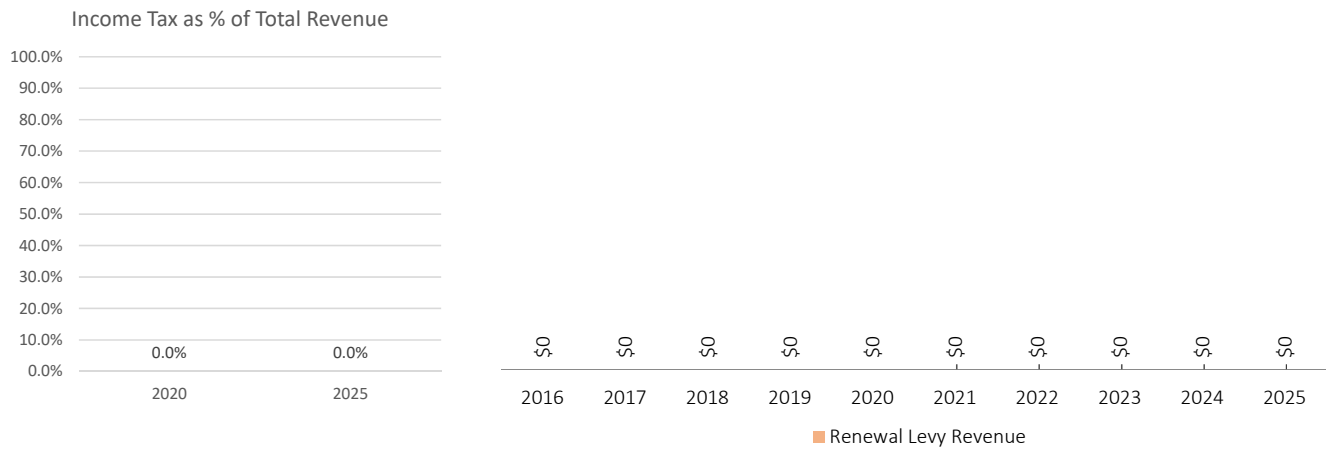
Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2019	15,049,600	2,175,360	42.92	-	100.0%
2020	16,168,030	1,118,430	42.92	-	100.0%
2021	16,343,030	175,000	45.38	2.46	100.0%
2022	16,418,030	75,000	45.38	-	100.0%
2023	16,668,030	250,000	45.38	-	100.0%
2024	16,743,030	75,000	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 1.60% of total district revenue. The property is taxed at the full voted tax rate which in tax year 2020 is 42.92 mills. The forecast is modeling an average gross collection rate of 100.00%. The revenue changed historically at an average annual dollar amount of \$50,984 and is projected to change at an average annual dollar amount of \$31,206 through FY 2025.

\*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.

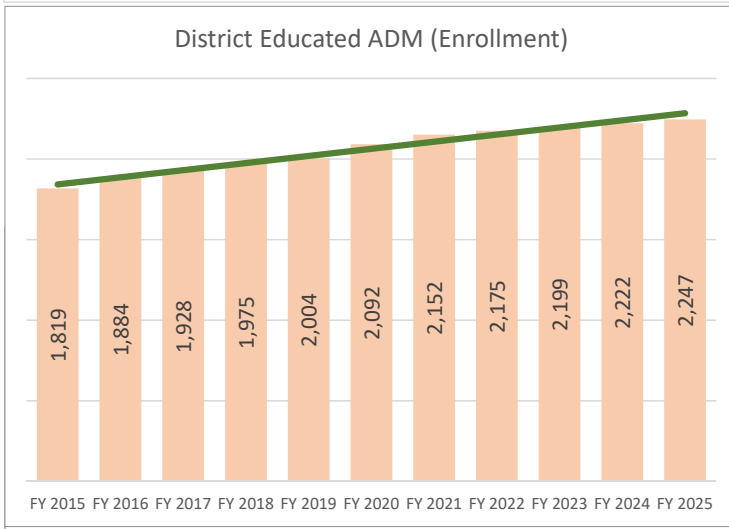
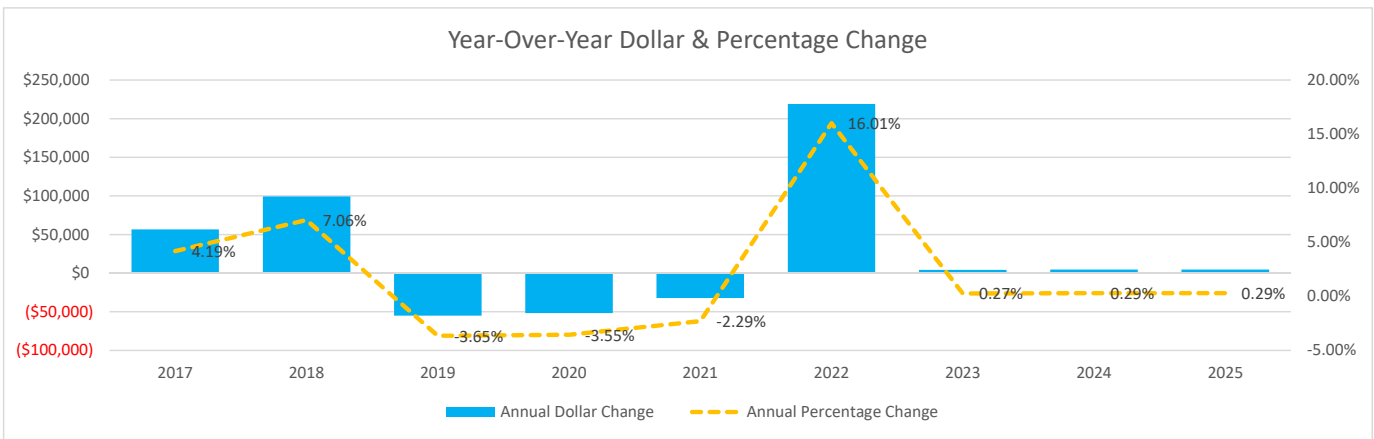
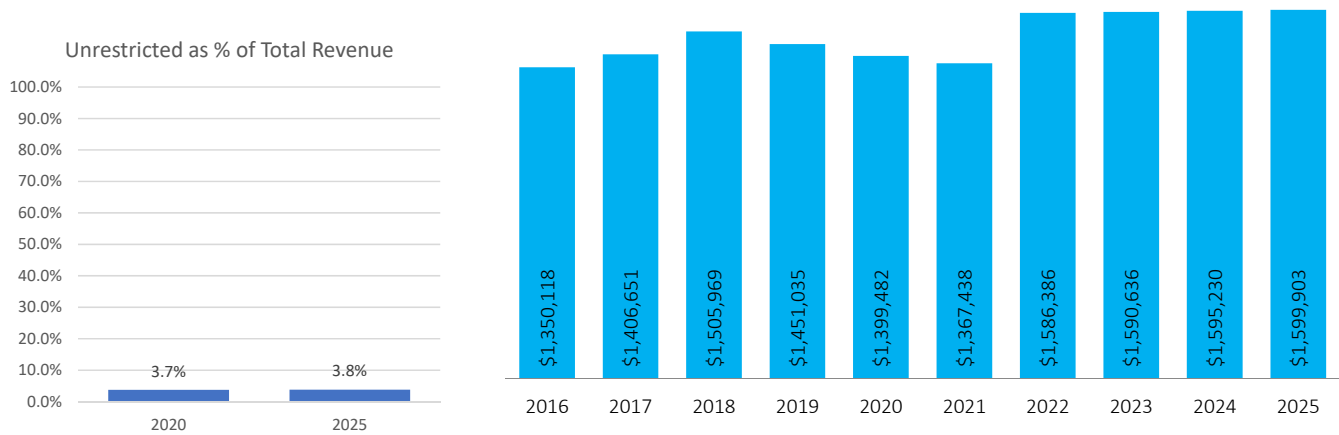


The district does not have an income tax levy.

\*Projected % trends include renewal levies

### 1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.

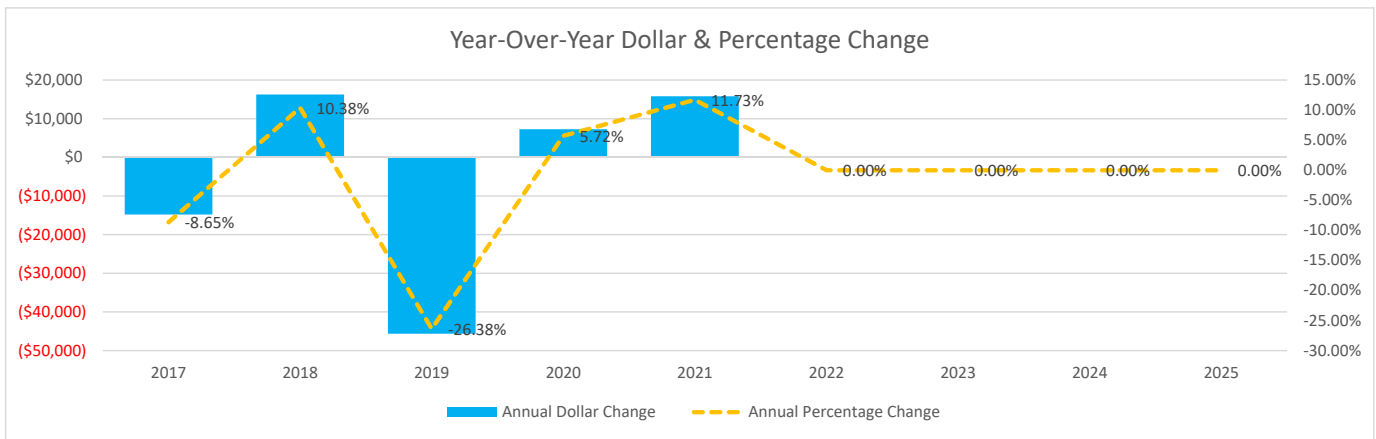
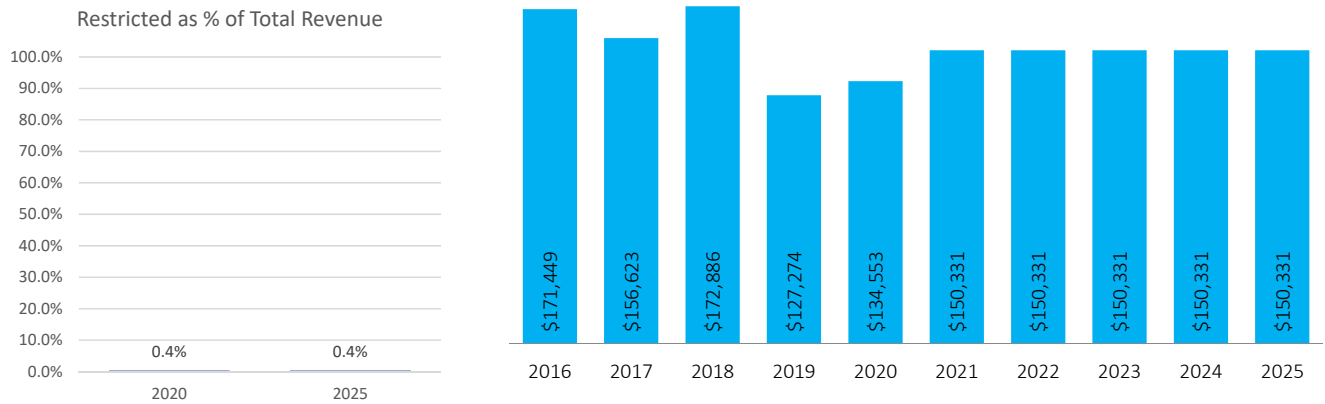


The FY 2019 per pupil and foundation revenue amount is the base aid amount used in FY 2021. In addition to its FY 2021 base funding amount of \$1,297,188 the district calculated FY 2021 categorical funding such as spec. ed., preschool, casino of \$127,122. Projected amounts less than the FY 2019 base indicate state budget cuts and other assumed change. For fiscal year 2022 - 2025, the district is projecting an average annual increase of 4.22%. Note: Wellness funding is not included in these calculations.



### 1.040 & 1.045 - Restricted Grants-in-Aid

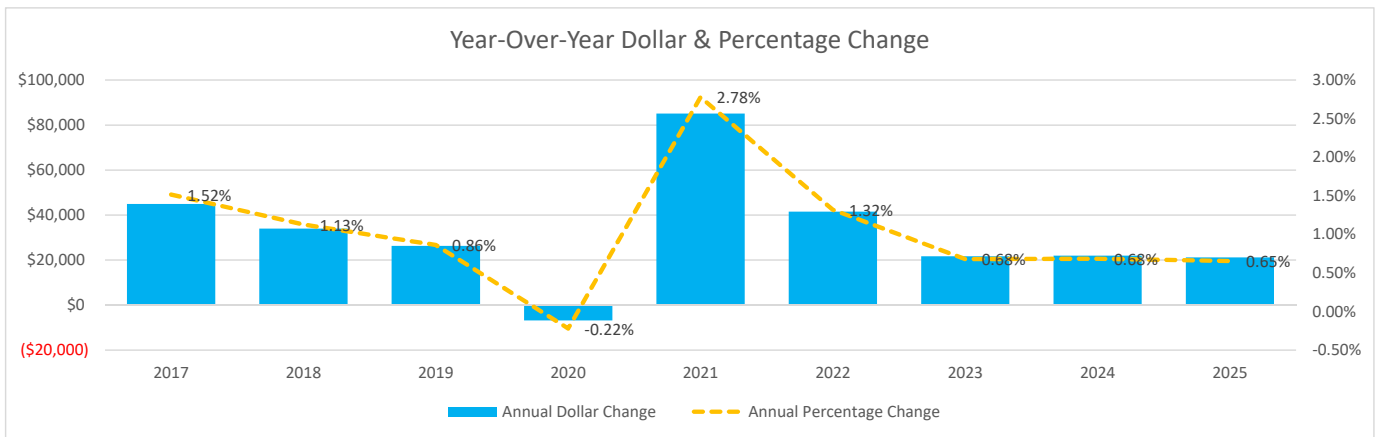
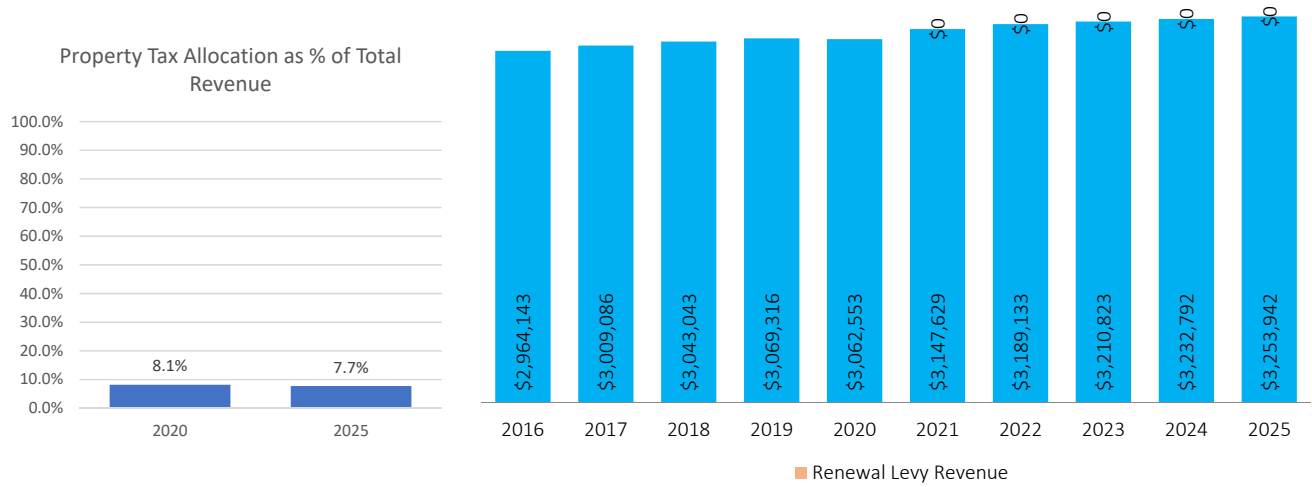
Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



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 -\$7,357 and is projected to change annually on average by \$3,156. Restricted funds represent 0.36% of total revenue.

### 1.050 - Property Tax Allocation

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

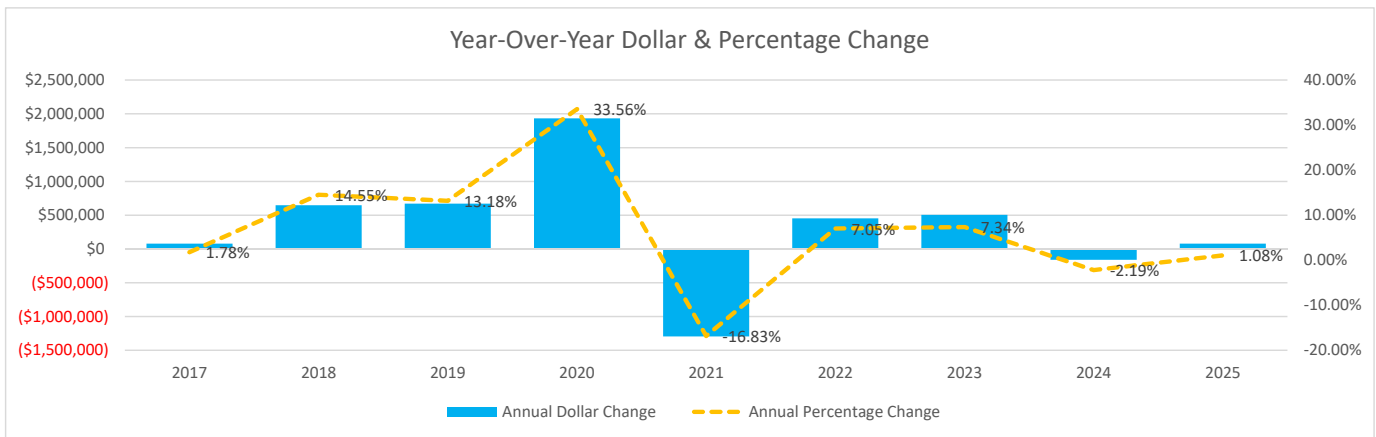
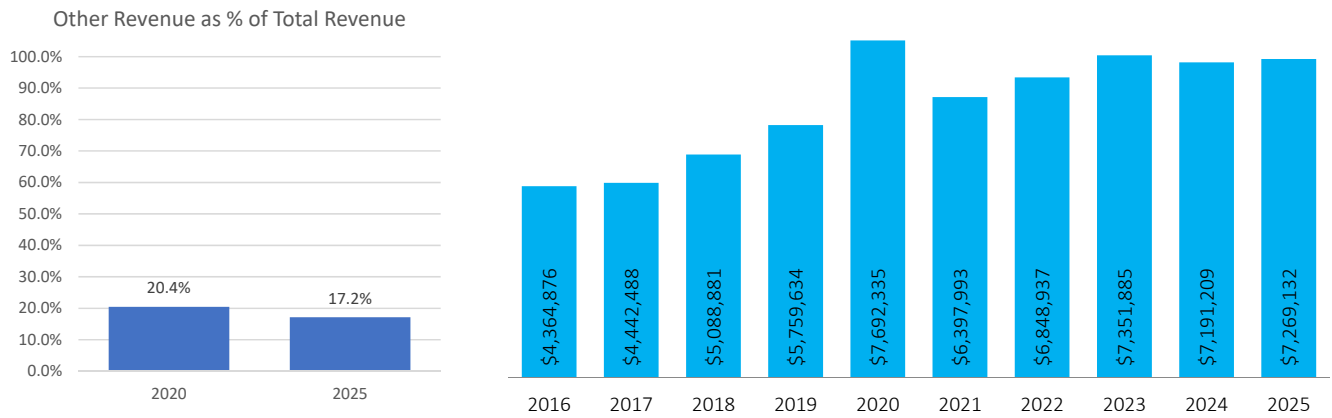


Property tax allocation primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In FY 2021, approximately 11.6% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 0.5% 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.

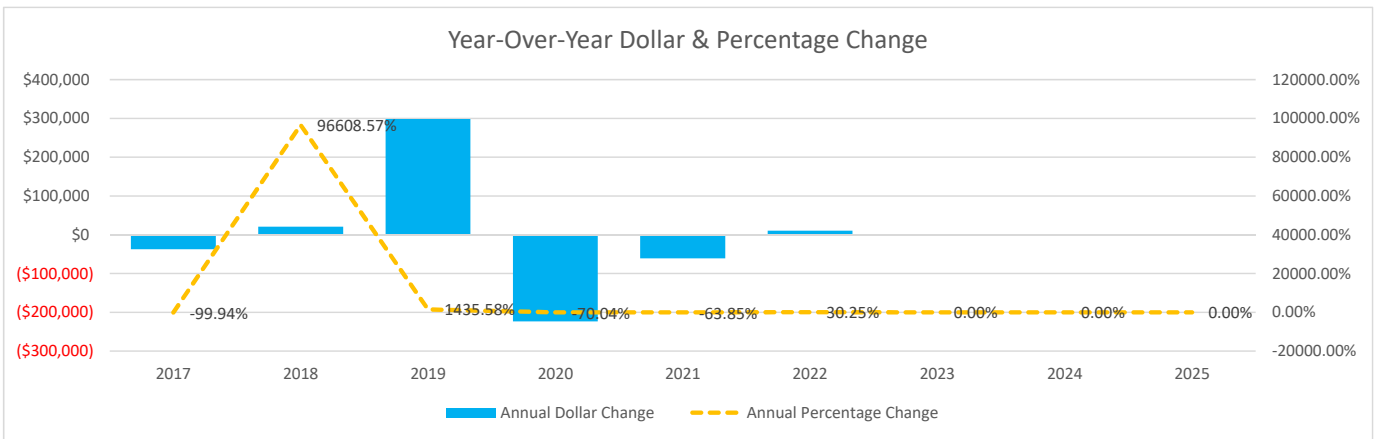
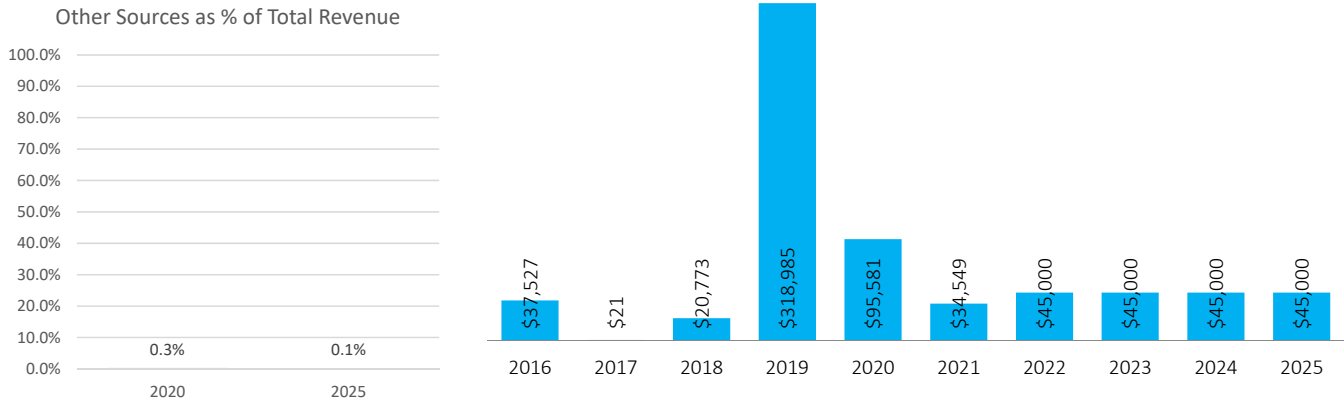


Other revenue includes tuition received by the district for non-resident students educated by the district. It also includes interest income, payments in lieu of taxes, and miscellaneous revenue. The historical average annual change was \$1,083,282. The projected average annual change is -\$84,641 through FY 2025.

The District uses this accounting code to recognize TIF receipts from the nine properties in Kenwood currently under a TIF agreement. This TIF agreement reimburses the District all property taxes exempt from payment by the TIF. These funds are reimbursed by Sycamore Township. The approved May levy will add additional revenue to this line.

## 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.

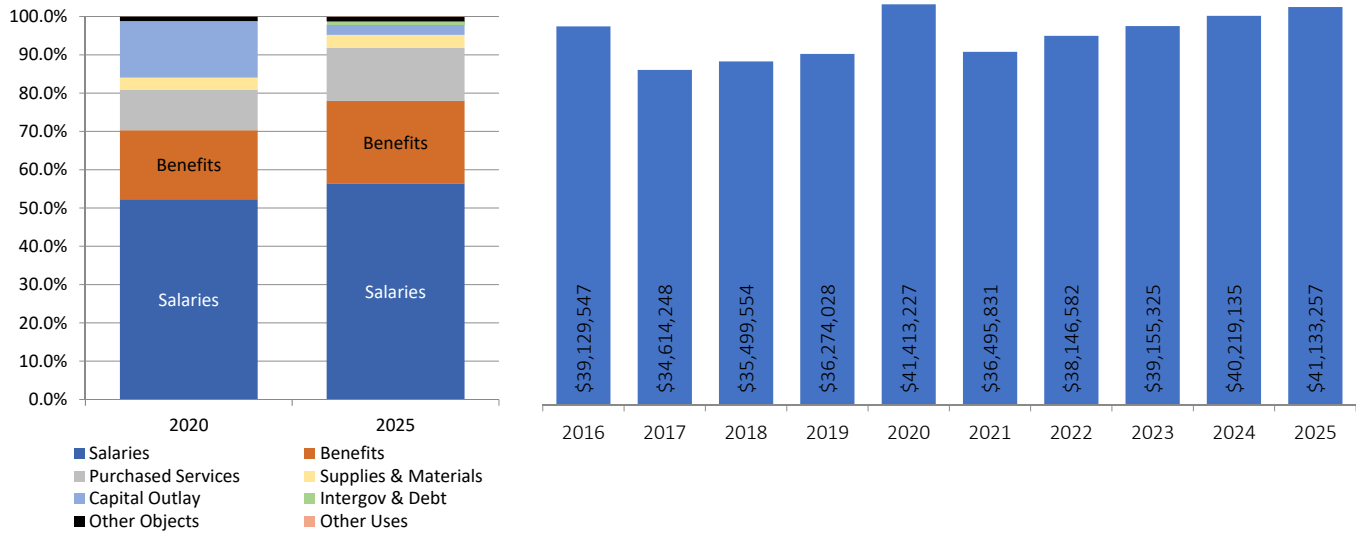


	2020	2021	FORECASTED			
			2022	2023	2024	2025
Transfers In	-	-	-	-	-	-
Advances In	78,412	19,549	30,000	30,000	30,000	30,000
All Other Financing Sources	17,169	15,000	15,000	15,000	15,000	15,000

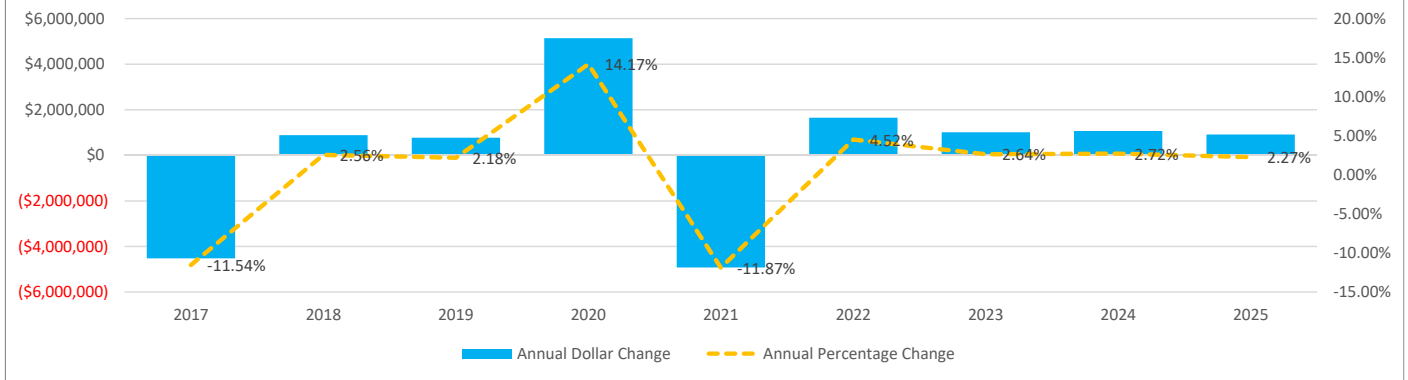
Other sources includes revenue that is generally classified as non-operating. It is typically in the form of advances-in which are the repayment of temporary loans made from the general fund to other district funds. In FY 2020 the district received \$78,412 as advances-in and is projecting advances of \$19,549 in FY 2021. 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 2021 and average \$15,000 annually through FY 2025.

## Expenditure Categories and Forecast Year-Over-Year Projected Overview

### Expenditure Categories Over Time



### Year-Over-Year Dollar & Percentage Change



3-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 6.30% or \$2,266,326 annually during the past five years and is projected to decrease -0.14% or -\$55,994 annually through FY2025. Capital Outlay has the largest projected average annual variance compared to the historical average at -\$2,634,254.
Salaries	\$576,033	\$310,553	(\$265,480)	
Benefits	\$206,128	\$279,415	\$73,287	
Purchased Services	(\$144,728)	\$264,895	\$409,623	
Supplies & Materials	\$4,612	\$15,592	\$10,980	
Capital Outlay	\$1,632,808	(\$1,001,446)	(\$2,634,254)	
Intergov & Debt	\$0	\$67,960	\$67,960	
Other Objects	(\$14,101)	\$4,947	\$19,047	
Other Uses	\$5,574	\$2,090	(\$3,484)	
<b>Total Average Annual Change</b>	<b>\$2,266,326</b>	<b>(\$55,994)</b>	<b>(\$2,322,320)</b>	
	<b>6.30%</b>	<b>-0.14%</b>	<b>-6.44%</b>	

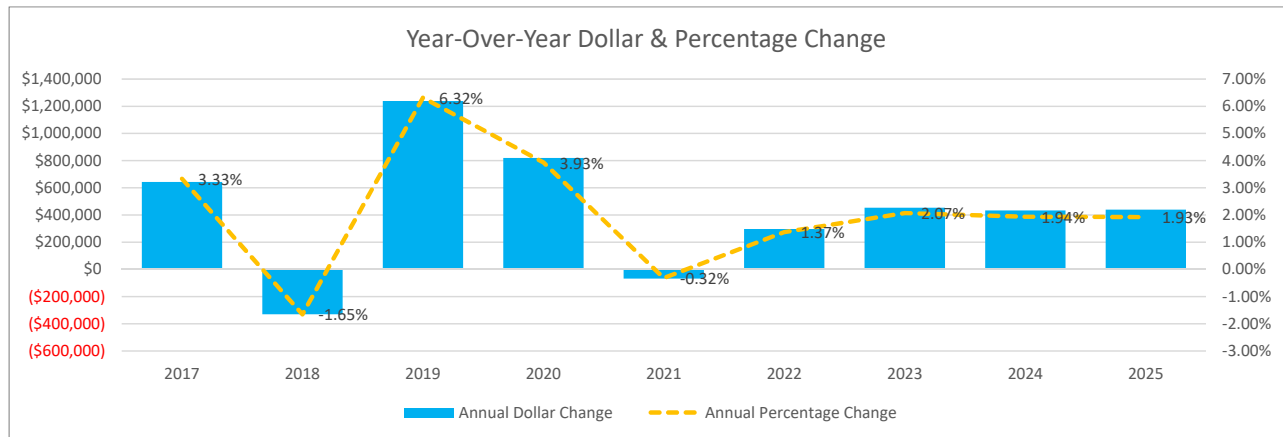
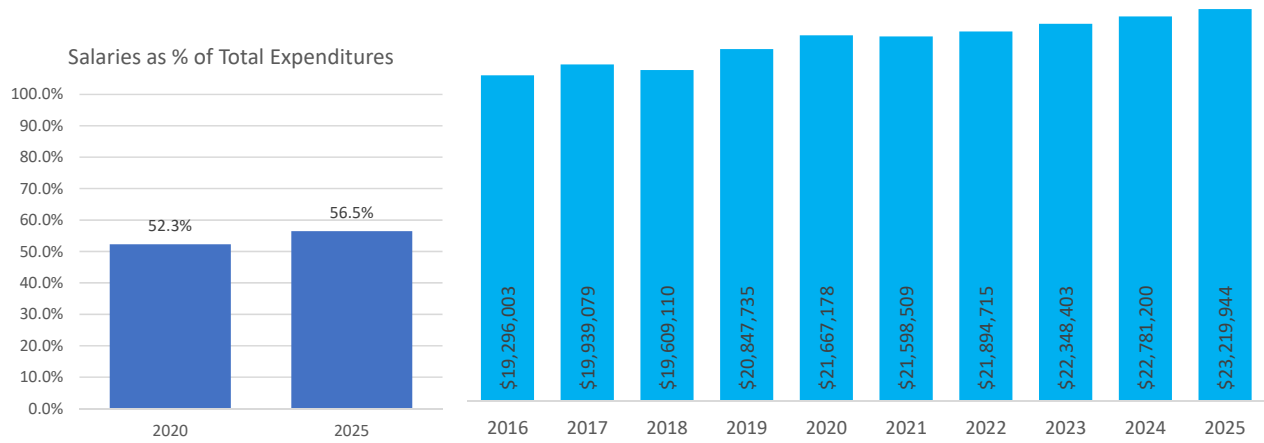
Note: Expenditure average annual change is projected

to be > (\$55,994)

On an annual average basis, revenue are projected to contract while expenditures contracts

### 3.010 - Personnel Services

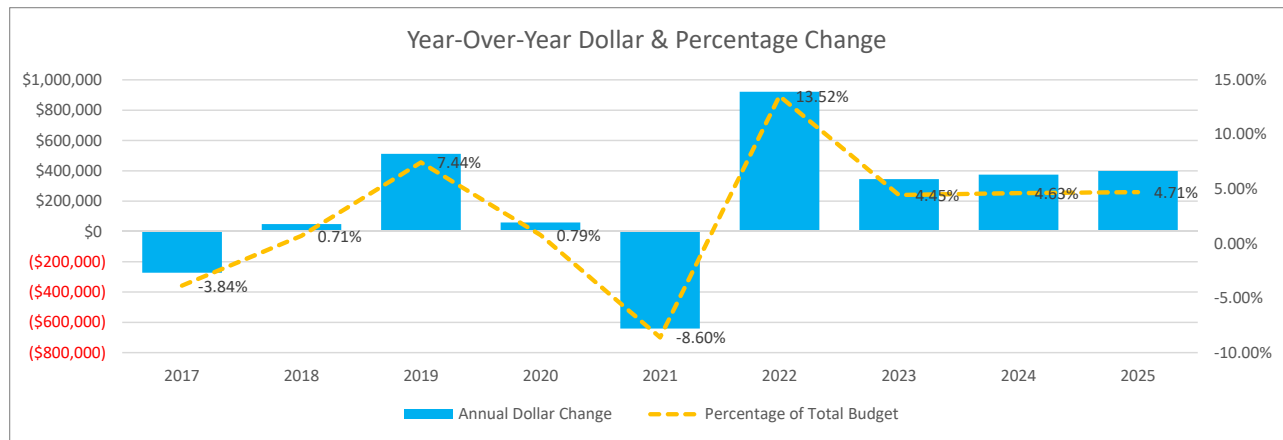
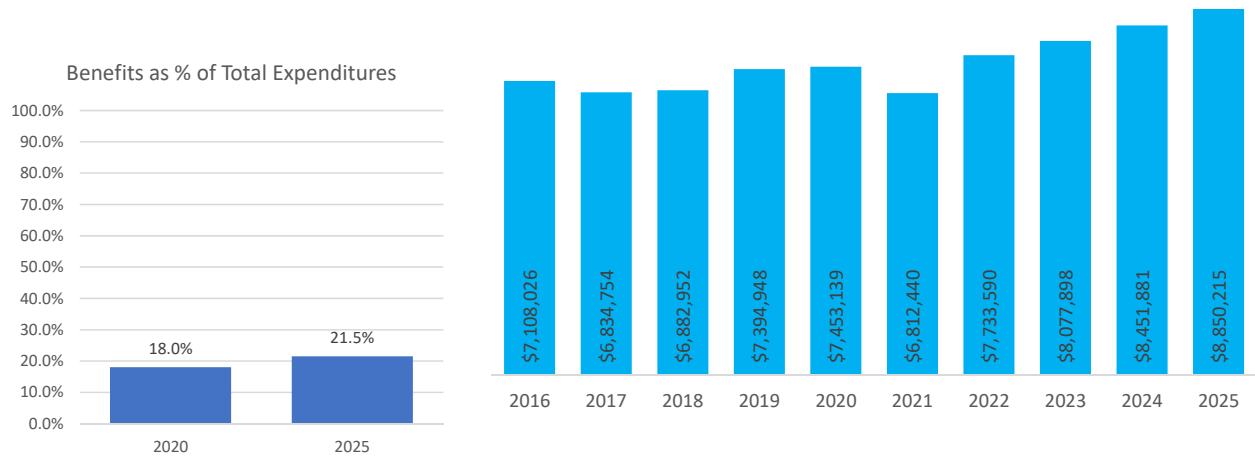
Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.



Salaries represent 52.32% of total expenditures and increased at a historical average annual rate of 2.86% or \$576,033. This category of expenditure is projected to grow at an average annual rate of 1.40% or \$310,553 through FY 2025. The projected average annual rate of change is -1.47% less than the five year historical annual average.

### 3.020 - Employees' Benefits

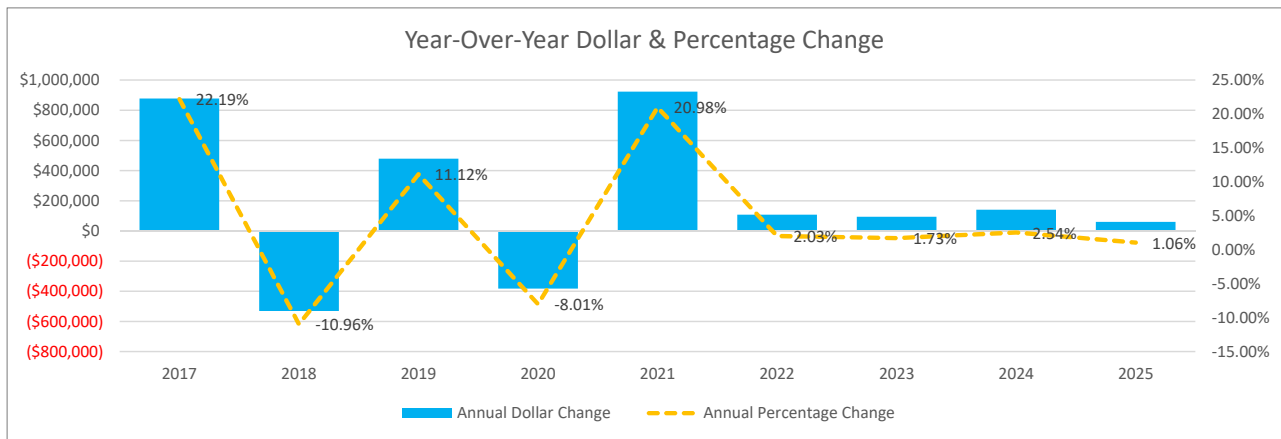
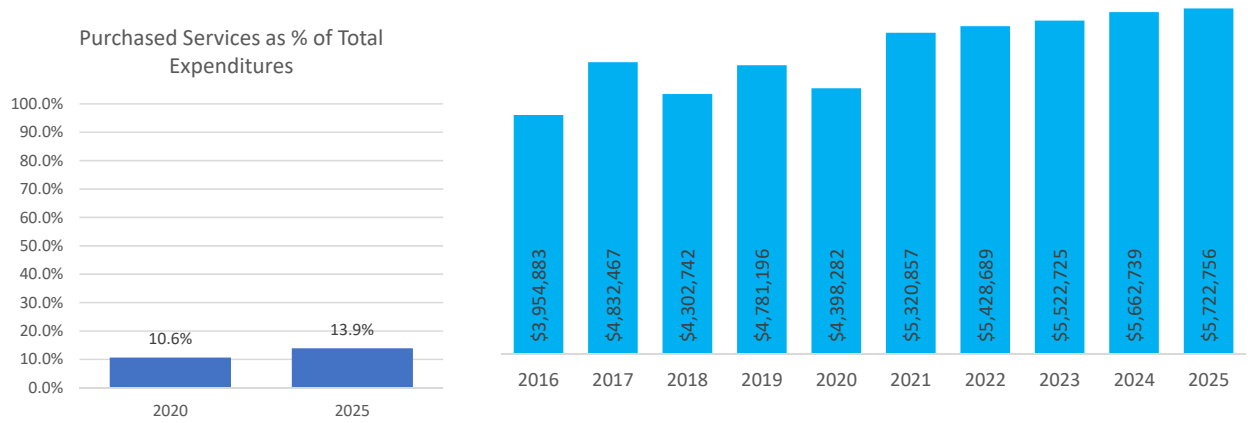
Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.



Benefits represent 18.00% of total expenditures and increased at a historical average annual rate of 2.98%. This category of expenditure is projected to grow at an annual average rate of 3.74% through FY 2025. The projected average annual rate of change is 0.77% 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.



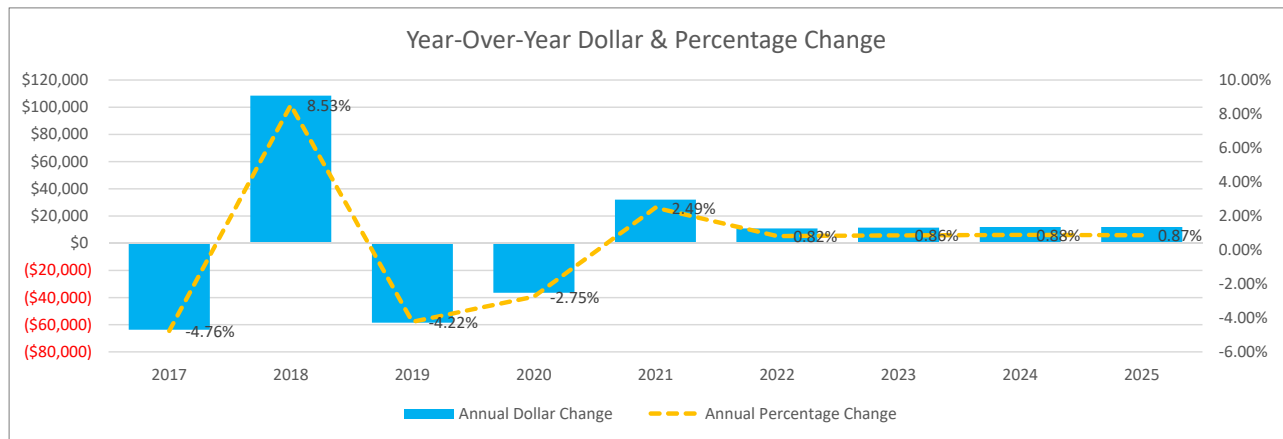
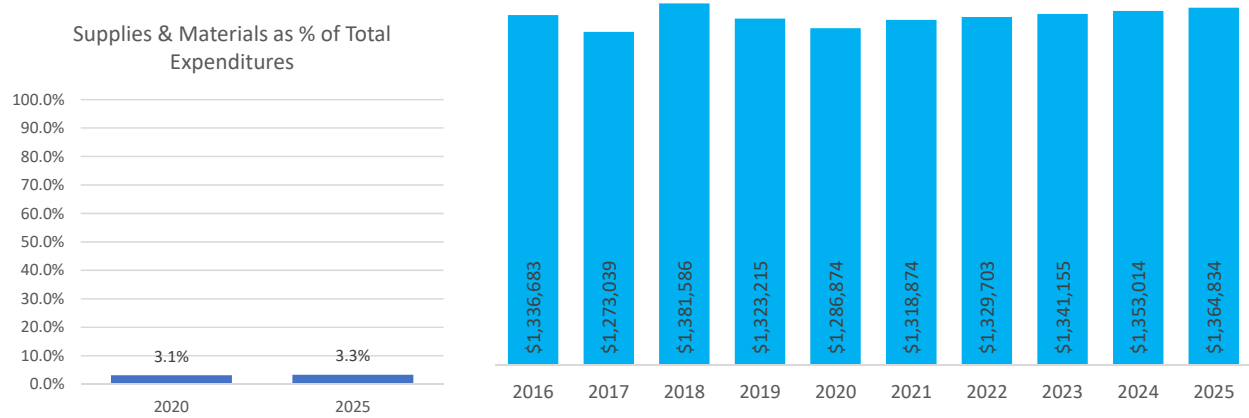
Purchased Services represent 10.62% of total expenditures and decreased at a historical average annual rate of -2.62%. This category of expenditure is projected to grow at an annual average rate of 5.67% through FY 2025. The projected average annual rate of change is 8.28% more than the five year historical annual average.

In 2020, the District outsourced custodial services, achieving a large savings in both personnel and benefits. Payment of the vendor for these services represents the large year-over-year growth in this category.



### 3.040 - Supplies & Materials

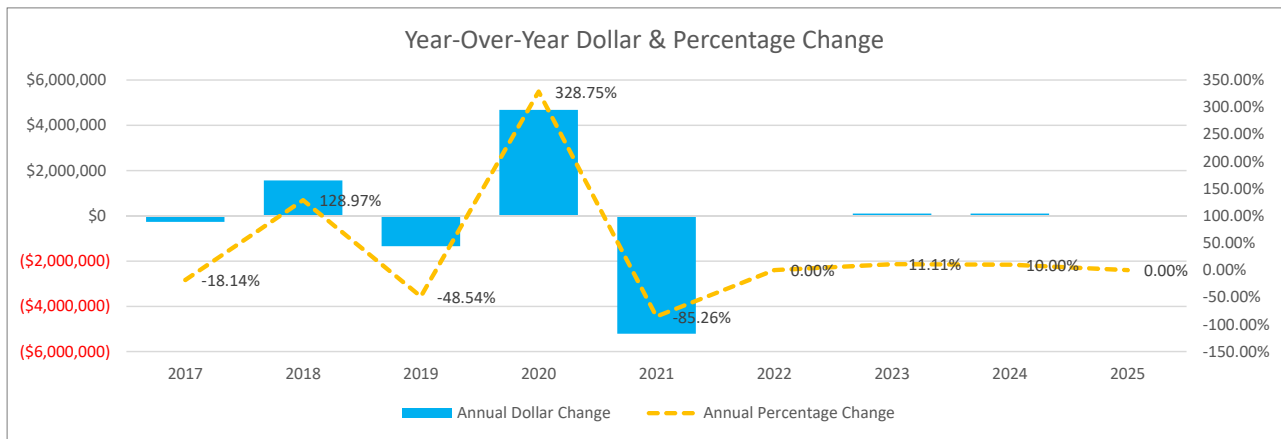
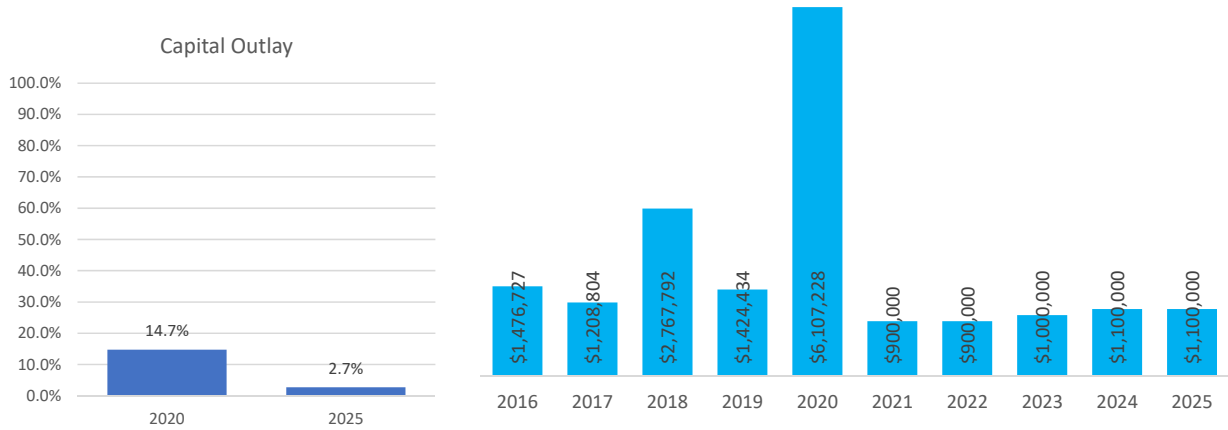
Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



Supplies & Materials represent 3.11% of total expenditures and increased at a historical average annual rate of 0.52%. This category of expenditure is projected to grow at an annual average rate of 1.19% through FY 2025. The projected average annual rate of change is 0.67% more 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.

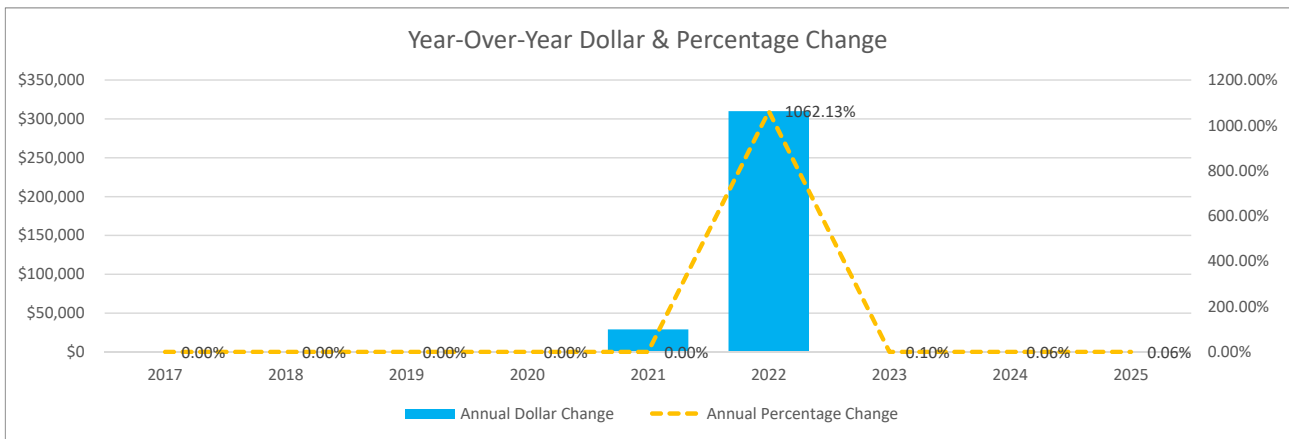
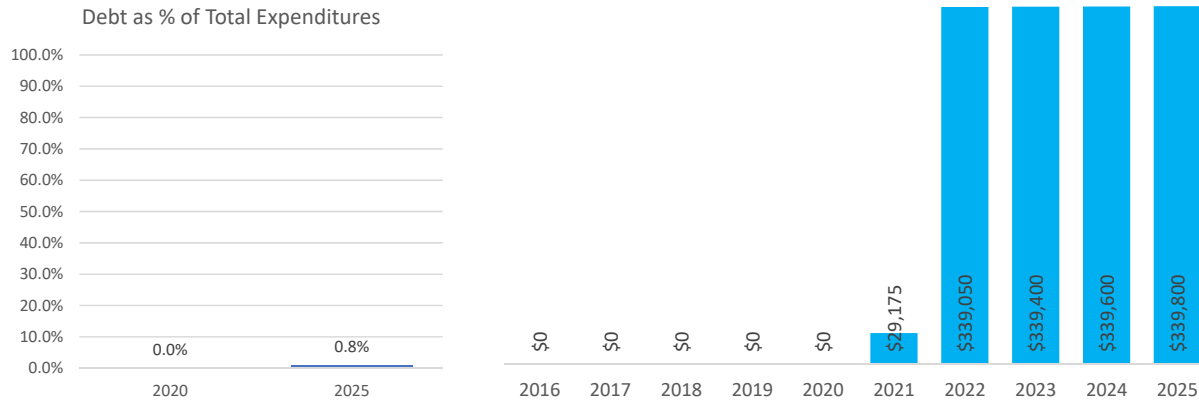


Capital Outlay represent 14.75% of total expenditures and increased at a historical average annual amount of \$1,632,808. This category of expenditure is projected to decrease at an annual average amount of -\$1,001,446 through FY 2025. The projected average annual change is less than the five year historical annual average.

In May 2021, the District's taxpayers passed a \$77 million construction project. In addition to replacing the District's aging middle school, the project will provide updates to security and infrastructure of all of the District's buildings. This will provide relief for the District's finances as the need for capital projects will subside substantially. Ongoing capital outlays will be for buses and technology.

### 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.

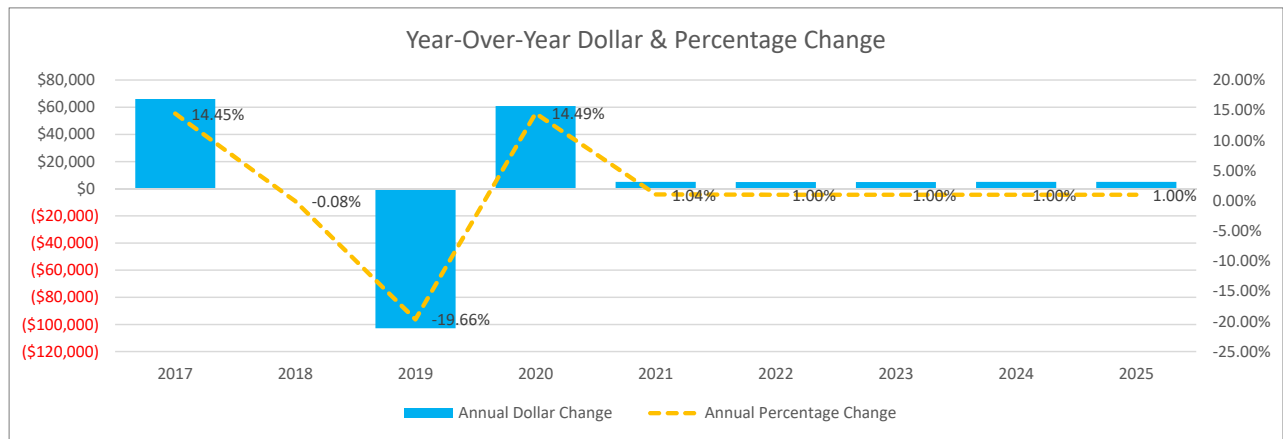
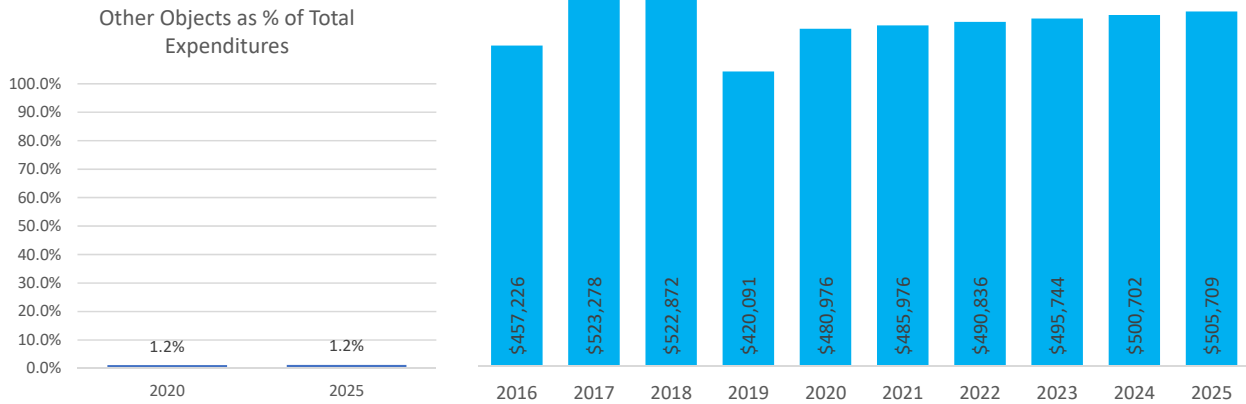


The Intergovernmental/Debt expenditure category details general fund debt issued by the District.

In November of 2020, the District finalized a lease/purchase agreement with a principal value of \$3.7 million at an interest rate of 1.7% for twelve years. This program provides updates to lighting, HVAC, and plumbing throughout the District. Aspects of this project will create significant savings by replacing old equipment with new, efficient equipment. The program provided capital at a lower interest rate for a smaller period of payback than a bond.

### 4.300 - Other Objects

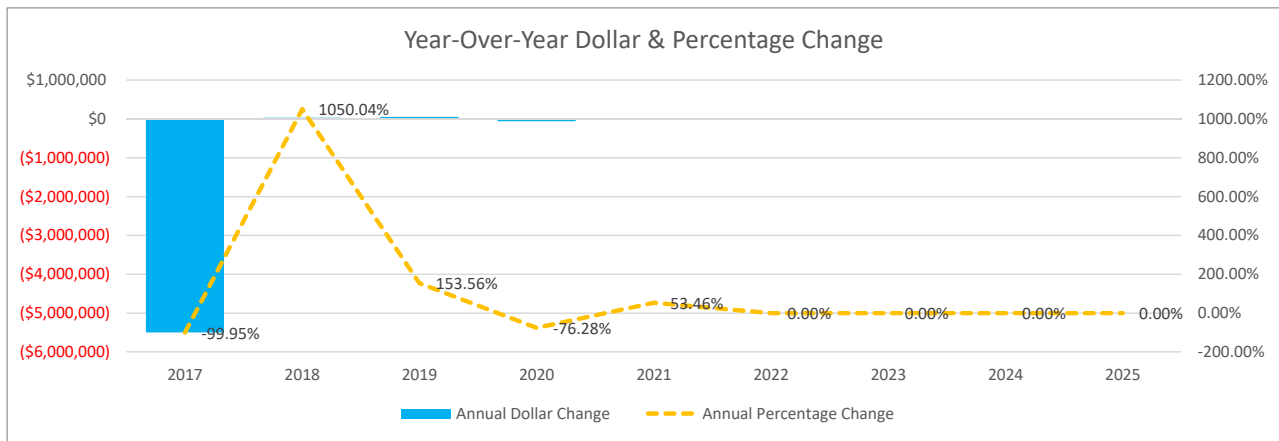
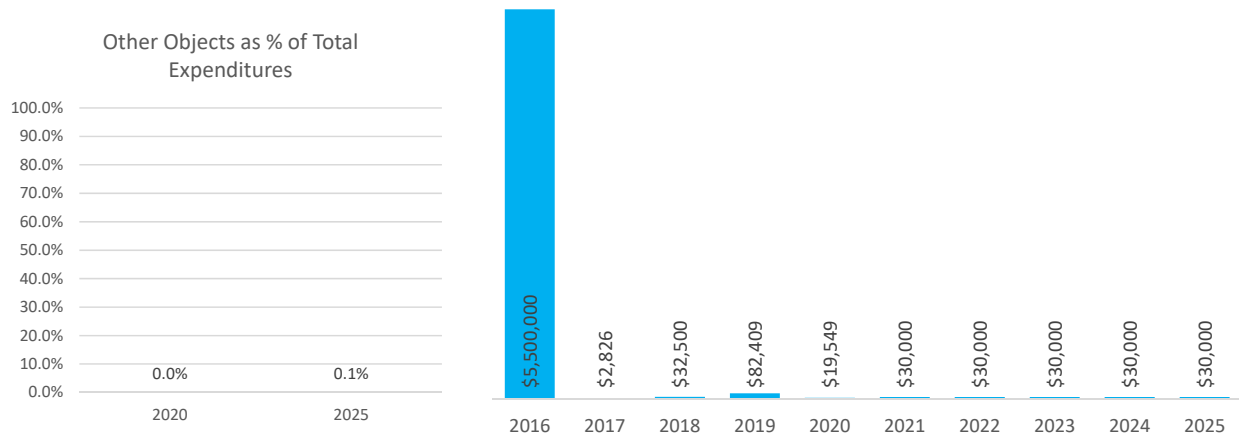
Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



Other Objects represent 1.16% of total expenditures and decreased at a historical average annual rate of -1.75%. This category of expenditure is projected to grow at an annual average rate of 1.01% through FY 2025. The projected average annual rate of change is 2.76% more 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.



	2020	FORECASTED				
		2021	2022	2023	2024	2025
Transfers Out	-	-	-	-	-	-
Advances Out	19,549	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 2020 the district had advances-out and has advances-out forecasted through FY 2025. The district can also move general funds permanently to other funds and as the schedule above presents, the district has no transfers forecasted through FY 2025. 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

Fiscal Year:	Actual	FORECASTED				
	2020	2021	2022	2023	2024	2025
<b>Revenue:</b>						
1.010 - General Property Tax (Real Estate)	24,634,247	25,327,152	27,270,306	28,911,763	29,113,155	29,297,739
1.020 - Public Utility Personal Property	602,605	567,545	835,347	743,888	752,521	758,637
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	1,399,482	1,367,438	1,586,386	1,590,636	1,595,230	1,599,903
1.040 - Restricted Grants-in-Aid	134,553	150,331	150,331	150,331	150,331	150,331
1.050 - Property Tax Allocation	3,062,553	3,147,629	3,189,133	3,210,823	3,232,792	3,253,942
1.060 - All Other Operating Revenues	7,692,335	6,397,993	6,848,937	7,351,885	7,191,209	7,269,132
<b>1.070 - Total Revenue</b>	<b>37,525,775</b>	<b>36,958,088</b>	<b>39,880,440</b>	<b>41,959,326</b>	<b>42,035,238</b>	<b>42,329,684</b>
<b>Other Financing Sources:</b>						
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	30,000	30,000	30,000	30,000
2.060 - All Other Financing Sources	17,169	15,000	15,000	15,000	15,000	15,000
2.070 - Total Other Financing Sources	95,581	34,549	45,000	45,000	45,000	45,000
<b>2.080 - Total Rev &amp; Other Sources</b>	<b>37,621,355</b>	<b>36,992,636</b>	<b>39,925,439</b>	<b>42,004,325</b>	<b>42,080,238</b>	<b>42,374,684</b>
<b>Expenditures:</b>						
3.010 - Personnel Services	21,667,178	21,598,509	21,894,715	22,348,403	22,781,200	23,219,944
3.020 - Employee Benefits	7,453,139	6,812,440	7,733,590	8,077,898	8,451,881	8,850,215
3.030 - Purchased Services	4,398,282	5,320,857	5,428,689	5,522,725	5,662,739	5,722,756
3.040 - Supplies and Materials	1,286,874	1,318,874	1,329,703	1,341,155	1,353,014	1,364,834
3.050 - Capital Outlay	6,107,228	900,000	900,000	1,000,000	1,100,000	1,100,000
Intergovernmental & Debt Service	-	29,175	339,050	339,400	339,600	339,800
4.300 - Other Objects	480,976	485,976	490,836	495,744	500,702	505,709
<b>4.500 - Total Expenditures</b>	<b>41,393,678</b>	<b>36,465,831</b>	<b>38,116,583</b>	<b>39,125,325</b>	<b>40,189,135</b>	<b>41,103,257</b>
<b>Other Financing Uses</b>						
5.010 - Operating Transfers-Out	-	-	-	-	-	-
5.020 - Advances-Out	19,549	30,000	30,000	30,000	30,000	30,000
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	19,549	30,000	30,000	30,000	30,000	30,000
<b>5.050 - Total Exp and Other Financing Uses</b>	<b>41,413,227</b>	<b>36,495,831</b>	<b>38,146,582</b>	<b>39,155,325</b>	<b>40,219,135</b>	<b>41,133,257</b>
<b>6.010 - Excess of Rev Over/(Under) Exp</b>	<b>(3,791,871)</b>	<b>496,806</b>	<b>1,778,857</b>	<b>2,849,000</b>	<b>1,861,103</b>	<b>1,241,427</b>
<b>7.010 - Cash Balance July 1 (No Levies)</b>	<b>18,571,741</b>	<b>14,779,869</b>	<b>15,276,675</b>	<b>17,055,532</b>	<b>19,904,532</b>	<b>21,765,634</b>
<b>7.020 - Cash Balance June 30 (No Levies)</b>	<b>14,779,869</b>	<b>15,276,675</b>	<b>17,055,532</b>	<b>19,904,532</b>	<b>21,765,634</b>	<b>23,007,061</b>
		Reservations				
8.010 - Estimated Encumbrances June 30	-	-	-	-	-	-
9.080 - Reservations Subtotal	-	-	-	-	-	-
<b>10.010 - Fund Bal June 30 for Cert of App</b>	<b>14,779,869</b>	<b>15,276,675</b>	<b>17,055,532</b>	<b>19,904,532</b>	<b>21,765,634</b>	<b>23,007,061</b>
<b>Rev from Replacement/Renewal Levies</b>						
11.010 & 11.020 - Renewal Levies	-	-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-
<b>12.010 - Fund Bal June 30 for Cert of Obligations</b>	<b>14,779,869</b>	<b>15,276,675</b>	<b>17,055,532</b>	<b>19,904,532</b>	<b>21,765,634</b>	<b>23,007,061</b>
<b>Revenue from New Levies</b>						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
<b>15.010 - Unreserved Fund Balance June 30</b>	<b>14,779,869</b>	<b>15,276,675</b>	<b>17,055,532</b>	<b>19,904,532</b>	<b>21,765,634</b>	<b>23,007,061</b>