



Tax Budget
Fiscal Year 2018

Presented for Approval: January 10, 2017

HAMILTON COUNTY, OHIO

Office of the Board of Education Indian Hill EVSD

January 10 ,

2017

To the County Auditor:

The Board of Education of said School District, hereby submits its' annual budget for the year commencing July 1, 2017 for consideration of the County Budget Commission.

President of the Board

Previous Five Year Forecast		Indian Hill Exempted Vill							
Date: 11/3/2016		Schedule Of Revenue, Expenditures And Changes In Fund Balances Actual and Forecasted Operating Fund							
		5	6	7	8	9	10	11	12
		ACTUAL			FORECASTED				
		Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Revenue:									
1.010 - General Property Tax (Real Estate)		23,004,627	22,987,562	23,796,994	23,776,670	24,181,374	24,456,120	24,543,482	24,631,278
1.020 - Tangible Personal Property Tax		510,905	503,322	532,842	532,842	550,916	568,604	577,214	585,872
1.030 - Income Tax		-	-	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid		1,201,234	1,283,508	1,350,118	1,451,404	1,504,570	1,560,787	1,618,334	1,678,018
1.040 - Restricted Grants-in-Aid		-	356,367	171,449	171,678	171,683	171,695	171,701	171,707
1.045 - Restricted Federal Grants-in-Aid - SPSP		-	-	-	-	-	-	-	-
1.050 - Property Tax Allocation		2,895,479	2,913,942	2,964,142	3,010,977	3,056,639	3,094,355	3,105,197	3,116,093
1.060 - All Other Operating Revenues		3,968,113	4,094,058	4,364,876	4,472,713	4,526,967	4,577,089	4,627,867	4,679,313
1.070 - Total Revenue		31,580,358	32,138,759	33,180,421	33,424,284	34,000,149	34,428,729	34,643,795	34,862,281
Other Financing Sources:									
2.010 - Proceeds from Sale of Notes		-	-	-	-	-	-	-	-
2.020 - State Emergency Loans and Advancements		-	-	-	-	-	-	-	-
2.040 - Operating Transfers-In		-	-	-	-	-	-	-	-
2.050 - Advances-In		-	-	-	-	-	-	-	-
2.060 - All Other Financing Sources		63,158	1,959	37,527	15,000	15,000	15,000	15,000	15,000
2.070 - Total Other Financing Sources		63,158	1,959	37,527	15,000	15,000	15,000	15,000	15,000
2.080 - Total Revenues and Other Financing Sources		31,643,516	32,140,718	33,217,948	33,439,284	34,015,149	34,443,729	34,658,795	34,877,281
Expenditures:									
3.010 - Personnel Services		17,474,811	19,975,072	19,296,004	20,019,604	20,580,153	21,156,397	21,579,525	22,011,116
3.020 - Employees' Retirement/Insurance Benefits		6,165,531	6,606,266	7,108,026	6,813,253	6,902,769	7,081,404	7,288,461	7,583,644
3.030 - Purchased Services		4,491,873	4,259,274	3,954,882	4,044,930	4,136,670	4,210,073	4,283,960	4,359,153
3.040 - Supplies and Materials		1,113,840	1,131,576	1,336,682	1,282,218	1,302,862	1,323,361	1,344,099	1,364,647
3.050 - Capital Outlay		195,205	5,148,826	1,476,727	1,682,560	5,267,900	1,570,000	1,400,000	1,425,000
3.060 - Intergovernmental		-	-	-	-	-	-	-	-
Debt Service:									
4.010 - Principal-All Years		-	-	-	-	-	-	-	-
4.020 - Principal - Notes		-	-	-	-	-	-	-	-
4.030 - Principal - State Loans		-	-	-	-	-	-	-	-
4.040 - Principal - State Advances		-	-	-	-	-	-	-	-
4.050 - Principal - HB264 Loan		-	-	-	-	-	-	-	-
4.055 - Principal - Other		-	-	-	-	-	-	-	-
4.060 - Interest and Fiscal Charges		-	-	-	-	-	-	-	-
4.300 - Other Objects		487,970	461,333	457,226	479,424	490,028	494,473	497,462	501,668
4.500 - Total Expenditures		29,929,230	37,582,347	33,629,547	34,321,990	38,680,382	35,835,708	36,393,508	37,245,228
Other Financing Uses									
5.010 - Operating Transfers-Out		-	-	-	-	-	-	-	-
5.020 - Advances-Out		-	-	-	-	-	-	-	-
5.030 - All Other Financing Uses		-	-	5,500,000	-	-	-	-	-
5.040 - Total Other Financing Uses		-	-	5,500,000	-	-	-	-	-
5.050 - Total Expenditures and Other Financing Uses		29,929,230	37,582,347	39,129,547	34,321,990	38,680,382	35,835,708	36,393,508	37,245,228
Excess of Rev & Other Financing Uses Over (Under)									
6.010 - Expenditures and Other Financing Uses		1,714,286	(5,441,629)	(5,911,599)	(882,706)	(4,665,232)	(1,391,979)	(1,734,712)	(2,367,947)
Cash Balance July 1 - Excluding Proposed Renewal/ Replacement and New Levies		30,686,475	32,400,761	26,959,132	21,047,533	20,164,827	15,499,595	14,107,616	12,372,904
7.020 - Cash Balance June 30		32,400,761	26,959,132	21,047,533	20,164,827	15,499,595	14,107,616	12,372,904	10,004,956
8.010 - Estimated Encumbrances June 30		4,706,362	1,036,395	-	-	-	-	-	-
Reservations of Fund Balance:									
9.010 - Textbooks and Instructional Materials		-	-	-	-	-	-	-	-
9.020 - Capital Improvements		-	-	-	-	-	-	-	-
9.030 - Budget Reserve		-	-	-	-	-	-	-	-
9.040 - DPJA		-	-	-	-	-	-	-	-
9.050 - Debt Service		-	-	-	-	-	-	-	-
9.060 - Property Tax Advances		-	-	-	-	-	-	-	-
9.070 - Bus Purchases		-	-	-	-	-	-	-	-
9.080 - Subtotal		-	-	-	-	-	-	-	-
Fund Balance June 30 for Certification									
10.010 - of Appropriations		27,694,399	25,922,737	21,047,533	20,164,827	15,499,595	14,107,616	12,372,904	10,004,956
Rev from Replacement/Renewal Levies									
11.010 - Income Tax - Renewal		-	-	-	-	-	-	-	-
11.020 - Property Tax - Renewal or Replacement		-	-	-	-	-	-	-	-
11.030 - Cumulative Balance of Replacement/Renewal Levies		-	-	-	-	-	-	-	-
Fund Balance June 30 for Certification									
12.010 - of Contracts, Salary and Other Obligations		27,694,399	25,922,737	21,047,533	20,164,827	15,499,595	14,107,616	12,372,904	10,004,956
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		27,694,399	25,922,737	21,047,533	20,164,827	15,499,595	14,107,616	12,372,904	10,004,956
ADM Forecasts									
20.010 - Kindergarten - October Count		-	-	-	132	130	130	130	130
20.015 - Grades 1-12 - October Count		-	-	-	1,860	1,879	1,915	1,935	1,953
20.020 - Kindergarten - February County		-	-	-	-	-	-	-	-
20.025 - Grades 1-12 - February Count		-	-	-	-	-	-	-	-

**Indian Hill Exempted Village School District
Five-Year Forecast
Fiscal Years Ending June 30, 2017 Through 2021**

Notice: All estimates are conservative and do not guarantee what will happen in estimated years.

REVENUE ASSUMPTIONS

Property Taxes – Line 1.01

Property tax revenue estimates are based on valuation data, scheduled updates and reappraisals combined with input from the Hamilton County Auditor. Twelve years ago, residential valuation made up 84% of the District's property tax valuation. That valuation is nearly 88% in 2017. Commercial property makes up most of the rest of the value with 10% of the total valuation.

Historical data shows that overall residential property valuation tends to decrease slightly in non-reappraisal years. I have modeled growth in current valuation based on this historical trend. Hamilton County is scheduled for re-appraisal for tax year 2017 which would begin collection in calendar year 2018. I have modeled a 6% growth for the re-appraisal year. Statewide trends would indicate that almost all residential property valuations will increase in their most recent cycles reversing the trend of the last seven years. I have modeled a modest .5% growth to property valuation for new residential construction. While new construction has recently increased, I tend to take a conservative approach to forecasting future growth as the new construction market is still very unstable and the District has very little land available for new builds. Indian Hill EVSD has no voted operational levies at this time. Current cash reserves make it unlikely that any operational levies will be placed in front of the District's voters during this five-year forecast cycle.

Public Utility Property Tax – Line 1.02

The valuation of Public Utility Property within the district has remained stable over the prior years and should remain stable.

Unrestricted Grants-in-Aid (state foundation) – Line 1.035

This line of the forecast is always the most difficult to predict as the mechanisms that drive funding are constantly in motion. Funding is no longer based on an October count as it is now based on a real-time student count. The model is still primarily driven by property tax valuation per pupil but some other features were added to the biennium budget to help with some funding inequities. Indian Hill EVSD is currently capped meaning that based on the formula, the District receives less than to which it is entitled. This formula funding cap is why I predict that line 1.035 will continue to rise over the forecast. However, the State has forecasted less than anticipated revenues so the cap may not increase at the rate it has over the last several years. For fiscal year 2017, the District will receive approximately \$168,000 less than what the calculated funding would allow.

IMPORTANT NOTE: Years three through five of line 1.035 of this forecast are based on the current formula. The funding formula could be substantially modified or completely changed as the next budget bill is proposed. Any increase in funding over years three through five would also assume that the state legislators would continue to add funds to school funding.

Restricted Grants-in-Aid (SFSF & Career Tech) – Line 1.04

Restricted aid consists mainly of payments from the state for Economic Disadvantaged and Career Tech funding. The District receives very little of each. The bulk of this line consists of catastrophic aid which allows funds to be granted to the District for students who have needs that exceed a cap which is set by the state.

Property Tax Allocation (Homestead & Rollback) – Line 1.05

The property tax allocation is calculated as a fixed percentage of real property tax receipts. The growth or decline parallels the anticipated growth or decline in real property taxes. This form of funding has been eliminated for all newly voted levies which means all new levies will be fully funded by local dollars. Existing levies that are renewed will continue to receive this funding from the state.

All Other Revenues – Line 1.06

Nearly 95% of this line consists of receipts from the Sycamore Township TIF. Other receipts of this type may include open enrollment in the district, interest on investment and class fees. I have increased the TIF revenue by 2% in 2017 and by 1% for each year from 2018-2021. However, these revenues could potentially be significantly reduced if there were a challenge to property valuation.

EXPENDITURE ASSUMPTIONS

Personnel Services and Retirement/Benefits – Lines 3.01 & 3.02

I have used a 3.75% increase in overall salaries in fiscal year 2017. Based on calculations, I anticipate this number being closer 2.8% for the year but made the decision to use the higher number for two reasons. First, the prior forecast used a 5% factor to increase salaries. Second, using three months actual and one month estimate for FY17 and comparing that to FY16, it showed the district at a 4% increase. Factors such as timing of payments to staff that are retiring or resigning or when the new payroll cycle begins can affect the expense for a fiscal year. I assume that over the course of the year, this line item will move closer to the predicted 2.8% and if that is the case, I will adjust in May. For FY18 and FY19 which are governed by the current collective bargaining agreement for certified staff, I calculated that personnel services would grow by the estimated 2.8% each year. For years FY20 and FY21 which fall outside of the CBA, I estimated 2.0% which would account for natural step increases.

For FY17, I calculated a decrease of 5.5% for fringe benefits. While salaries increased, which would in turn, increase retirement and Medicare, there were significant decreases to two main areas of fringe benefits. In FY16, the District paid out \$234,000 in severance payments. For FY17, I anticipate this number decreasing by nearly \$200,000. A very bright area for the forecast is a decrease in health insurance which has occurred two years in a row. Current national trends indicate average annual increases of double digit percentages. I have predicted another decrease for calendar year 2018 of 3% and then a trend toward single digit percentage increases after that.

Purchased Services – Line 3.03

Purchased services decreased by 7.15% in FY16 over the prior year. I have anticipated that this number will begin to increase moving forward. I have increased the number at an average of approximately 2% annually over the next five years.

Supplies – Line 3.04

Supplies increased over 18% in FY16. I expect this number to return slightly toward the FY15 number. After FY17, I have factored a 1.5% annual growth percentage for the remaining forecast.

Capital Outlay – Line 3.05

The District uses a capital outlay planning tool to analyze capital needs and to plan future projects. There is anticipation that the Board of Education will approve a large plan to improve the locker room facilities and other immediate areas of the high school. I have appropriated \$4.1 million for this project. The remaining funds account for many other capital needs including technology, ongoing roof projects, buses and many other items.

Other Objects – Line 4.3

Other objects include expenditures for county auditor/treasurer fees, dues, audit fees and others. The largest portion of this line item are county auditor fees for collection of property taxes.

Revenue Over/Under Expenditures – Line 6.01

This line is the true gauge of a school district's financial health. When this line is negative, it indicates expenses are outpacing revenue and depleting a district's cash balance. FY15 began a cycle of negative years on this line. This led to a decrease of the district's cash balance (line 7.02). Each year of the five-year forecast predicts a deficit. A large deficit is shown in FY18 because of the District's continuing need for capital improvement. Deficits ranging from 2 - 8% of revenue exist in the other four years of the forecast. In order to balance the budget, the District will have to increase revenue, decrease expenses or a combination of both.

Indian Hill EVSD								
2017	2018	TAX BUDGET						

	2017	Calendar Year	TOTAL	2018	Calendar Year	TOTAL	TOTAL
General Fund Revenue Summary	1/1/2017	7/1/2017	CALENDAR YEAR	1/1/2018	7/1/2018	CALENDAR YEAR	FISCAL YEAR
	6/30/2017	12/31/2017	2017	6/30/2018	12/31/2018	2018	2017/2018
	(2)	(3)		(4)	(5)		
1100 Receipts from Property Taxes							
1110 General Property Tax	13,009,236.00	11,472,977.00	24,482,213.00	13,267,313.00	11,550,000.00	24,817,313.00	24,740,290.00
Total Taxes	13,009,236.00	11,472,977.00	24,482,213.00	13,267,313.00	11,550,000.00	24,817,313.00	24,740,290.00
3131-3133 Property Tax Allocation - RE	1,512,165.00	1,512,165.00	3,024,330.00	1,544,474.00	1,525,000.00	3,069,474.00	3,056,639.00
3135 State Tangible PP Reimbursement			0.00			0.00	0.00
Total Tax Reimbursement from State Sources	1,512,165.00	1,512,165.00	3,024,330.00	1,544,474.00	1,525,000.00	3,069,474.00	3,056,639.00
Receipts from Income Taxes & T.I.F.							
Income Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tax Increment Financing Receipts	2,000,000.00	2,000,000.00	4,000,000.00	2,000,000.00	2,000,000.00	4,000,000.00	4,000,000.00
Total Income Taxes & T.I.F. Revenue	2,000,000.00	2,000,000.00	4,000,000.00	2,000,000.00	2,000,000.00	4,000,000.00	4,000,000.00
3000 Receipts from State Sources							
3190 Unrestricted Grants-In-Aid	722,061.00	765,000.00	1,487,061.00	739,570.00	780,000.00	1,519,570.00	1,504,570.00
3134 State Electric Dereg Reimbursement	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Restricted Grants-In-Aid			0.00			0.00	0.00
Other State Sources (Casino Revenue)	221,000.00	50,000.00	271,000.00	221,000.00	50,000.00	271,000.00	271,000.00
Total State Resources	943,061.00	815,000.00	1,758,061.00	960,570.00	830,000.00	1,790,570.00	1,775,570.00
Receipts from Local Sources							
All Other Revenue	219,320.00	215,000.00	434,320.00	217,650.00	212,000.00	429,650.00	432,650.00
Receipts from Other Financing Sources							
Other Financing Sources	5,000.00	5,000.00	10,000.00	5,000.00	5,000.00	10,000.00	10,000.00
Total Revenue and Other Funding Sources	17,688,782.00	16,020,142.00	33,708,924.00	17,995,007.00	16,122,000.00	34,117,007.00	34,015,149.00
			Should balance to the total revenue/receipts from the five-year forecast.				34,015,149.00

Indian Hill EVSD
SCHEDULE OF PROJECTED REVENUE AND EXPENDITURES
BOND RETIREMENT FUND

	2017	Calendar Year	TOTAL	2018	Calendar Year	TOTAL	TOTAL
	1/1/2017	7/1/2017	CALENDAR YEAR	1/1/2018	7/1/2018	CALENDAR YEAR	FISCAL YEAR
BOND RETIREMENT REVENUE	6/30/2017	12/31/2017	2017	6/30/2018	12/31/2018	2018	2017/2018
(1)	(2)	(3)		(4)	(5)		
REVENUES							
1000 Receipts from Local Sources							
1100 Taxes							
1110 General Property Tax	1,750,000.00	1,620,000.00	3,370,000.00	1,750,000.00	1,620,000.00	3,370,000.00	3,370,000.00
Total Taxes	1,750,000.00	1,620,000.00	3,370,000.00	1,750,000.00	1,620,000.00	3,370,000.00	3,370,000.00
3131-3133 Property Tax Allocation			0.00			0.00	0.00
3135 State Tangible Reimbursement	208,000.00	208,000.00	416,000.00	208,000.00	208,000.00	416,000.00	416,000.00
Total Tax Reimbursement from State Sources	208,000.00	208,000.00	416,000.00	208,000.00	208,000.00	416,000.00	416,000.00
1130 Income Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1190 Other Receipts (Local Taxes)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Income and Local Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Taxes	1,958,000.00	1,828,000.00	3,786,000.00	1,958,000.00	1,828,000.00	3,786,000.00	3,786,000.00
1200-1800 Other Receipts-Local Sources	0.00		0.00	0.00		0.00	0.00
1880 Tax Increment Financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1910 Prem. & Acc. Int. on Bonds & Notes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1920 Sale of Bonds- Refunding	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1940 Proceeds from Sale of Notes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total of Other Revenue Sources	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Receipts from Local Sources	1,958,000.00	1,828,000.00	3,786,000.00	1,958,000.00	1,828,000.00	3,786,000.00	3,786,000.00
2000 Receipts from Intermediate Sources	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3000 Receipts from State Sources	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3190 Other Unrestricted	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue from State Sources	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4000 Revenue from Federal Sources			0.00			0.00	0.00
5000 Other Revenue Sources			0.00			0.00	0.00
Total Revenue	1,958,000.00	1,828,000.00	3,786,000.00	1,958,000.00	1,828,000.00	3,786,000.00	3,786,000.00

SCHEDULE OF PROJECTED REVENUE AND EXPENDITURES							
BOND RETIREMENT FUND							
	2017	Calendar Year	TOTAL	2018	Calendar Year	TOTAL	TOTAL
BOND RETIREMENT EXPENDITURES	1/1/2017	7/1/2017	CALENDAR YEAR	1/1/2018	7/1/2018	CALENDAR YEAR	FISCAL YEAR
(1)	6/30/2017	12/31/2017	2017	6/30/2018	12/31/2018	2018	2017/2018
(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
EXPENDITURES							
2000 Supporting Services - Fees	25,000.00	22,000.00	47,000.00	25,000.00	22,000.00	47,000.00	47,000.00
6000 Repayment of Debt Service							
6100 Repayment of Debt Principal		2,905,000.00	2,905,000.00		3,155,000.00	3,155,000.00	2,905,000.00
6100 Repayment of Debt Interest	379,343.75	379,343.75	758,687.50	308,368.75	308,368.75	616,737.50	687,712.50
6100 Debt Issuance Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Repayment of Debt Service	379,343.75	3,284,343.75	3,663,687.50	308,368.75	3,463,368.75	3,771,737.50	3,592,712.50
7000 Other Debt Service							
Other Debt Service	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00			0.00	0.00
			0.00			0.00	0.00
Total Other Debt Service	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Expenditures	404,343.75	3,306,343.75	3,710,687.50	333,368.75	3,485,368.75	3,818,737.50	3,639,712.50
Beginning Unencumbered Fund Balance	725,832.00	2,279,488.25	725,832.00	801,144.50	2,425,775.75	801,144.50	2,279,488.25
Ending Cash Balance	2,279,488.25	801,144.50	801,144.50	2,425,775.75	768,407.00	768,407.00	2,425,775.75

Indian Hill EVSD
Schedule of Bond Payments

PURPOSE OF BONDS AND NOTES	Authority for Levy Outside 10 Mill Limit*	Date of Issue	Date Due	Serial or Term	Rate of Interest	Principal and Interest Requirements			Principal and Interest Requirements		
						Fiscal Year			Calendar Year		
						Bonds and Notes Outstanding 7/1/2017	Principal & Interest Due 7/1/2017 6/30/2018	Amount Available from Other Sources 7/1/2017 6/30/2018	Bonds and Notes Outstanding 1/1/2018	Principal & Interest Due 1/1/2018 12/31/2018	Amount Available from Other Sources 1/1/2018 12/31/2018
Payable from bond ret. Fd. INSIDE 10 MILL LIMIT											
TOTAL INSIDE						\$0	\$0	\$0	\$0	\$0	\$0
OUTSIDE 10 MILL LIMIT											
School Construction		2016	6/1, 12/1			\$13,855,000	\$578,338		\$13,745,000	\$632,238	
School Construction		2005	6/1, 12/1			\$5,785,000	\$3,014,375		\$2,990,000	\$3,139,500	
TOTAL OUTSIDE						\$19,640,000	\$3,592,713	\$0	\$16,735,000	\$3,771,738	\$0

*If the levy is outside the 10 mill limit by vote, enter the words "by vote" and date of election. If outside the 10 mill limit without a vote, enter the reference to the statute under which the levy is exempt from the 10 mill limit.

Principal & Interest from Bond Detail	\$3,771,738
Total Debt Service from Schedule	\$3,771,738