



Tax Budget
Fiscal Year 2019

Presented for Approval: January 9, 2018

HAMILTON COUNTY, OHIO

Office of the Board of Education Indian Hill EVSD

January 9 ,

2018

To the County Auditor:

The Board of Education of said School District, hereby submits its' annual budget for the year commencing July 1, 2018 for consideration of the County Budget Commission.

President of the Board

**Indian Hill Exempted Village Schools
Schedule Of Revenue, Expenditures and Changes In Fund Balances
Actual and Forecasted Operating Fund**

	ACTUAL			FORECASTED				
	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
Revenue:								
1.010 - General Property Tax (Real Estate)	22,987,562	23,796,994	23,706,170	24,294,448	24,439,524	24,540,893	24,715,148	24,882,252
1.020 - Public Utility Personal Property	503,322	532,842	449,652	479,186	487,560	494,874	502,297	508,566
1.030 - Income Tax	-	-	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	1,283,508	1,350,118	1,406,651	1,468,592	1,428,140	1,429,959	1,431,534	1,433,902
1.040 - Restricted Grants-in-Aid	356,367	171,449	156,623	171,413	171,444	171,450	171,455	171,463
1.045 - Restricted Federal Grants-in-Aid - SFSF	-	-	-	-	-	-	-	-
1.050 - Property Tax Allocation	2,913,942	2,964,142	3,009,086	3,059,065	3,089,979	3,102,695	3,124,435	3,146,098
1.060 - All Other Operating Revenues	4,094,058	4,364,876	4,442,488	4,496,742	4,546,864	4,597,642	4,649,088	4,661,275
1.070 - Total Revenue	32,138,759	33,180,421	33,170,670	33,969,446	34,163,511	34,337,512	34,593,957	34,803,556
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	-	-	-	2,826	-	-	-	-
2.060 - All Other Financing Sources	1,959	37,527	21	20,000	15,000	15,000	15,000	15,000
2.070 - Total Other Financing Sources	1,959	37,527	21	22,826	15,000	15,000	15,000	15,000
2.080 - Total Revenues and Other Financing Sources	32,140,718	33,217,948	33,170,691	33,992,272	34,178,511	34,352,512	34,608,957	34,818,556
Expenditures:								
3.010 - Personnel Services	19,975,072	19,296,004	19,939,079	20,010,739	20,985,600	21,300,384	21,619,890	21,944,188
3.020 - Employees' Retirement/Insurance Benefits	6,606,266	7,108,026	6,834,753	7,029,685	7,334,862	7,567,029	7,809,373	8,062,460
3.030 - Purchased Services	4,259,274	3,954,882	4,832,466	4,116,750	4,188,980	4,261,498	4,334,379	4,387,503
3.040 - Supplies and Materials	1,131,576	1,336,682	1,273,041	1,300,930	1,320,085	1,339,715	1,363,589	1,385,087
3.050 - Capital Outlay	5,148,826	1,476,727	1,208,802	3,517,186	2,350,106	1,500,000	1,500,000	1,500,000
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	461,333	457,226	523,279	527,279	532,379	537,379	539,529	542,529
4.500 - Total Expenditures	37,582,347	33,629,547	34,611,420	36,502,568	36,712,011	36,506,004	37,166,759	37,821,767
Other Financing Uses								
5.010 - Operating Transfers-Out	-	-	-	-	-	-	-	-
5.020 - Advances-Out	-	-	2,826	-	-	-	-	-
5.030 - All Other Financing Uses	-	5,500,000	-	-	-	-	-	-
5.040 - Total Other Financing Uses	-	5,500,000	2,826	-	-	-	-	-
5.050 - Total Expenditures and Other Financing Uses	37,582,347	39,129,547	34,614,246	36,502,568	36,712,011	36,506,004	37,166,759	37,821,767
Excess of Rev & Other Financing Uses Over (Under)								
6.010 - Expenditures and Other Financing Uses	(5,441,629)	(5,911,599)	(1,443,555)	(2,510,296)	(2,533,500)	(2,153,492)	(2,557,802)	(3,003,211)
Cash Balance July 1 - Excluding Proposed Renewal/ 7.010 - Replacement and New Levies	32,400,761	26,959,132	21,047,533	19,603,978	17,093,682	14,560,182	12,406,690	9,848,888
7.020 - Cash Balance June 30	26,959,132	21,047,533	19,603,978	17,093,682	14,560,182	12,406,690	9,848,888	6,845,677
8.010 - Estimated Encumbrances June 30	1,036,395	-	-	-	-	-	-	-
Reservations of Fund Balance:								
9.010 - Textbooks and Instructional Materials	-	-	-	-	-	-	-	-
9.020 - Capital Improvements	-	-	-	-	-	-	-	-
9.030 - Budget Reserve	-	-	-	-	-	-	-	-
9.040 - DPIA	-	-	-	-	-	-	-	-
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	25,922,737	21,047,533	19,603,978	17,093,682	14,560,182	12,406,690	9,848,888	6,845,677
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	25,922,737	21,047,533	19,603,978	17,093,682	14,560,182	12,406,690	9,848,888	6,845,677
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	25,922,737	21,047,533	19,603,978	17,093,682	14,560,182	12,406,690	9,848,888	6,845,677
ADM Forecasts								
20.010 - Kindergarten	-	-	-	139	138	141	144	143
20.015 - Grades 1-12	-	-	-	1,895	1,923	1,951	1,974	2,017

Indian Hill Exempted Village School District
Five-Year Forecast
Fiscal Years Ending June 30, 2018 Through 2022

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. Estimated cash reserves make it possible that an operational levy 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 prior years. There was a significant drop of over 15% in fiscal year 2017. Upon investigation of the decline, it was discovered that the County Auditor has no information regarding public utility property. This is handled by the state and the Auditor's office said they would be willing to contact them but have had little success getting information in the past. I anticipate no further declines.

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. In my prior forecast, I felt that since the district is capped, there would be future gains to line 1.035. However, proposed changes to the funding formula, specifically to transportation have changed my thoughts on this. These changes will move Indian Hill from capped district to a guarantee district in year three of the forecast.

IMPORTANT NOTE: Years three, four and 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 future budget bills are enacted. 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. This has been estimated at an average of 1% growth per year over the forecast. 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

In October, the method used for calculating salaries was based on early estimates (2.8%) and the prior treasurer's estimates (5.0%) for FY17. The increase estimated for October's forecast was 3.75%. Looking at ten months of actuals, it appears to be approximately 3.25%. For FY18 and FY19 which are governed by the current collective bargaining agreement for certified staff, I calculated that personnel services would grow by an estimated 5.2% over those years. I manually calculated increases as our staff appears now. There will be turn over, column step moves and other adjustments that will affect the salary over time. For years FY20 and FY21 which fall outside of the CBA, I estimated 1.5% which would account for natural step increases.

The benefits that are tied to salary were manually calculated using the estimated salary for each fiscal year. Other benefits were estimated using historical data and inflationary increases. Health and Dental were each calculated at 5% per year. This rate is very high based on recent history for the district. At 5%, the District still trends below national averages. The consortium and the district have been very fortunate to have several years of negative to very small annual changes to the plans. This trend could reverse.

Purchased Services – Line 3.03

Purchased services has been difficult to predict. Historically, it varies both by category of purchased service and in totality. Last fiscal year, large payments were made in June for summer work. My goal is to improve timing of payments in this line item so year over year can become more consistent and trends can be developed. Purchasing will also be improved by using the purchase order system as intended. The assumption for FY18 is that the overall cost of purchased service will revert back to average. In addition to this, there will be large savings in this area as legal services should decrease significantly. This line will also be aided by decreases to bus services through payment in lieu of transportation efforts.

Supplies & Materials– Line 3.04

Supplies & Materials trends near average in most years. I have assumed this trend will be stable and added an average of 1.7% per year for inflation.

Capital Outlay – Line 3.05

The District uses a capital outlay planning tool to analyze capital needs and to plan future projects. The high school locker rooms and choir area were renovated beginning at the end of fiscal year 2017 and completed in fiscal year 2018. This project will finalize at approximately \$2.1 million and these funds were generated from the general fund reserve. The remaining funds account for many other capital needs including technology, ongoing roof projects, buses and many other items. \$1 million has been set aside in fiscal year 2018 for renovation of the football locker room facility.

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. Deficits ranging from 6 - 9% of revenue exist in the five 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								
2018	2019	TAX BUDGET						
		2018	Calendar Year	TOTAL	2019	Calendar Year	TOTAL	TOTAL
General Fund Revenue Summary		1/1/2018	7/1/2018	CALENDAR YEAR	1/1/2019	7/1/2019	CALENDAR YEAR	FISCAL YEAR
		6/30/2018	12/31/2018	2018	6/30/2019	12/31/2019	2019	2018/2019
		(2)	(3)		(4)	(5)		
1100 Receipts from Property Taxes								
1110 General Property Tax		12,852,205.64	11,323,938.96	24,176,144.60	13,115,585.03	11,473,498.72	24,589,083.75	24,439,524.00
1122 Public Utility Personal Property Tax		259,222.42	241,965.25	501,187.67	245,594.75	262,851.92	508,446.67	487,560.00
Total Taxes		13,111,428.06	11,565,904.22	24,677,332.27	13,361,179.78	11,736,350.64	25,097,530.42	24,927,084.00
3131-3133 Property Tax Allocation - RE		1,526,205.10	1,541,715.96	3,067,921.06	1,548,263.04	1,532,752.18	3,081,015.21	3,089,979.00
3135 State Tangible PP Reimbursement		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Tax Reimbursement from State Sources		1,526,205.10	1,541,715.96	3,067,921.06	1,548,263.04	1,532,752.18	3,081,015.21	3,089,979.00
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	2,100,000.00	2,100,000.00	4,200,000.00	4,100,000.00
Total Income Taxes & T.I.F. Revenue		2,000,000.00	2,000,000.00	4,000,000.00	2,100,000.00	2,100,000.00	4,200,000.00	4,100,000.00
3000 Receipts from State Sources								
3190 Unrestricted Grants-In-Aid		689,533.36	707,599.26	1,397,132.62	720,540.75	758,564.34	1,479,105.09	1,428,140.00
3134 State Electric Dereg Reimbursement		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Restricted Grants-In-Aid		171,413.00	0.00	171,413.00	171,444.00	0.00	171,444.00	171,444.00
Other State Sources		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total State Resources		860,946.36	707,599.25	1,568,545.62	891,984.75	758,564.34	1,650,549.09	1,599,584.00
Receipts from Local Sources								
All Other Revenue		235,000.00	162,169.47	397,169.47	279,694.54	150,000.00	429,694.54	441,864.00
Receipts from Other Financing Sources								
Other Financing Sources		5,000.00	10,000.00	15,000.00	10,000.00	5,000.00	15,000.00	20,000.00
Total Revenue and Other Funding Sources		17,738,579.52	15,987,388.89	33,725,968.41	18,191,122.11	16,282,667.15	34,473,789.26	34,178,511.00
Should balance to the total revenue/receipts from the five-year forecast.								34,178,511.00

Indian Hill EVSD							
SCHEDULE OF PROJECTED REVENUE AND EXPENDITURES - For Debt Activity Funded by Taxes							
BOND RETIREMENT FUND							
	2018	Calendar Year	TOTAL	2019	Calendar Year	TOTAL	TOTAL
	1/1/2018	7/1/2018	CALENDAR YEAR	1/1/2019	7/1/2019	CALENDAR YEAR	FISCAL YEAR
BOND RETIREMENT REVENUE (1)	6/30/2018	12/31/2018	2018	6/30/2019	12/31/2019	2019	2018/2019
(1)	(2)	(3)		(4)	(5)		
REVENUES							
1000 Receipts from Local Sources							
1100 Taxes							
1110 General Property Tax & PUPP	1,879,356.76	1,713,750.76	3,593,107.52	814,203.75	742,465.94	1,556,669.69	2,527,954.51
Total Taxes	1,879,356.76	1,713,750.76	3,593,107.52	814,203.75	742,465.94	1,556,669.69	2,527,954.51
3131-3133 Property Tax Allocation	220,142.86	220,142.86	440,285.73	95,334.27	95,334.27	190,668.53	315,477.13
3135 State Tangible Reimbursement			0.00			0.00	0.00
Total Tax Reimbursement from State Sources	220,142.86	220,142.86	440,285.73	95,334.27	95,334.27	190,668.53	315,477.13
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	2,099,499.62	1,933,893.62	4,033,393.25	909,538.01	837,800.20	1,747,338.22	2,843,431.64
1200-1800 Other Receipts-Local Sources	0.00	0.00	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	2,099,499.62	1,933,893.62	4,033,393.25	909,538.01	837,800.20	1,747,338.22	2,843,431.64
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	0.00	0.00	0.00	0.00
5000 Other Revenue Sources	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue	2,099,499.62	1,933,893.62	4,033,393.25	909,538.01	837,800.20	1,747,338.22	2,843,431.64

SCHEDULE OF PROJECTED REVENUE AND EXPENDITURES							
BOND RETIREMENT FUND							
	2018	Calendar Year	TOTAL	2019	Calendar Year	TOTAL	TOTAL
	1/1/2018	7/1/2018	CALENDAR YEAR	1/1/2019	7/1/2019	CALENDAR YEAR	FISCAL YEAR
BOND RETIREMENT EXPENDITURES (1)	6/30/2018	12/31/2018	2018	6/30/2019	12/31/2019	2019	2018/2019
(1)	(2)	(3)		(4)	(5)		
EXPENDITURES							
2000 Supporting Services - Fees			0.00			0.00	0.00
6000 Repayment of Debt Service							
6100 Repayment of Debt Principal	0.00	3,155,000.00	3,155,000.00		1,220,000.00	1,220,000.00	3,155,000.00
6100 Repayment of Debt Interest	308,368.75	308,368.75	616,737.50	231,968.75	231,968.75	463,937.50	540,337.50
6100 Debt Issuance Costs			0.00			0.00	0.00
Total Repayment of Debt Service	308,368.75	3,463,368.75	3,771,737.50	231,968.75	1,451,968.75	1,683,937.50	3,695,337.50
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
Total Other Debt Service	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Expenditures	308,368.75	3,463,368.75	3,771,737.50	231,968.75	1,451,968.75	1,683,937.50	3,695,337.50
Beginning Unencumbered Fund Balance	921,415.24	2,712,546.11	921,415.24	1,183,070.99	1,860,640.25	1,183,070.99	2,712,546.11
Ending Cash Balance	2,712,546.11	1,183,070.99	1,183,070.99	1,860,640.25	1,246,471.71	1,246,471.71	1,860,640.25

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 7/1/2018	Principal & Interest Due 7/1/2018 6/30/2019	Amount Available from Other Sources 7/1/2018 6/30/2019	Bonds and Notes Outstanding 1/1/2019	Principal & Interest Due 1/1/2019 12/31/2019	Amount Available from Other Sources 1/1/2019 12/31/2019
							0			0	
TOTAL INSIDE						\$0	\$0	\$0	\$0	\$0	
OUTSIDE 10 MILL LIMIT											
School Construction		2016	6/1, 12/1			13,745,000	630,588		13,580,000	1,683,938	
School Construction		2005	6/1, 12/1			2,990,000	3,064,750				
TOTAL OUTSIDE						\$16,735,000	\$3,695,338	\$0	\$13,580,000	\$1,683,938	

*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 **1,683,938**

Total From Above: \$1,683,938