

HAMILTON COUNTY, OHIO

Office of the Board of Education Forest Hills Local School District January 3 , 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

Forest Hills Local School District								
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		20,053,636.31	18,954,779.53	39,008,415.84	20,950,019.48	19,410,609.38	40,360,628.85	39,904,799.00
1120 Tangible Personal Property Tax		962,363.01	1,030,106.99	1,992,470.00	962,363.01	1,030,106.99	1,992,470.00	1,992,470.00
Total Taxes		21,015,999.32	19,984,886.52	41,000,885.84	21,912,382	20,440,716	42,353,099	41,897,269.00
3131-3133 Property Tax Allocation - RE		2,845,331.38	2,853,843.00	5,699,174.38	2,853,843.00	2,864,348.00	5,718,191.00	5,707,686.00
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		2,845,331.38	2,853,843.00	5,699,174.38	2,853,843.00	2,864,348.00	5,718,191.00	5,707,686.00
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		5,896,565.51	4,808,893.82	10,705,459.33	5,645,223.18	4,808,893.82	10,454,117.00	10,454,117.00
Total Income Taxes & T.I.F. Revenue		5,896,565.51	4,808,893.82	10,705,459.33	5,645,223.18	4,808,893.82	10,454,117.00	10,454,117.00
3000 Receipts from State Sources								
3190 Unrestricted Grants-In-Aid		9,764,000.00	9,764,000.00	19,528,000.00	9,764,000.00	9,764,000.00	19,528,000.00	19,528,000.00
3134 State Electric Dereg Reimbursement		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Restricted Grants-In-Aid		50,000.00	50,000.00	100,000.00	50,000.00	50,000.00	100,000.00	100,000.00
Other State Sources		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total State Resources		9,814,000.00	9,814,000.00	19,628,000.00	9,814,000.00	9,814,000.00	19,628,000.00	19,628,000.00
Receipts from Local Sources								
All Other Revenue		1,288,516.00	1,288,516.00	2,577,032.00	1,288,516.00	1,288,516.00	2,577,032.00	2,577,032.00
Receipts from Other Financing Sources								
Other Financing Sources		125,000.00	125,000.00	250,000.00	125,000.00	125,000.00	250,000.00	250,000.00
Total Revenue and Other Funding Sources		40,985,412.21	38,875,139.34	79,860,551.55	41,638,964.67	39,341,474.19	80,980,438.85	80,514,104.00
								Should balance to the total revenue/receipts from the five-year forecast.
								80,514,104.00

Forest Hills Local School District

Hamilton County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For Fiscal Years Ended June 30, 2015, 2016 and 2017 Actual;
Forecasted Fiscal Years Ending June 30, 2018 Through 2022

9/1/17

	Actual				Average Change	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
Revenues										
1.010 General Property Tax (Real Estate)	41,619,662	41,748,076	40,657,244	-1.2%	\$41,580,663	\$41,897,269	\$42,044,345	\$42,428,169	\$42,729,757	
1.020 Tangible Personal Property Tax										
1.030 Income Tax										
1.035 Unrestricted State Grants-in-Aid	19,321,312	19,552,400	19,422,116	0.3%	19,628,000	19,628,000	19,628,000	19,628,000	19,628,000	
1.040 Restricted State Grants-in-Aid										
1.045 Restricted Fed. Grants-in-Aid										
1.050 Property Tax Allocation	6,111,650	6,028,813	5,625,501	-4.0%	5,662,456	5,707,686	5,728,696	5,783,528	5,826,612	
1.060 All Other Revenues	9,391,567	9,348,391	12,183,646	14.9%	12,580,117	13,281,149	12,930,078	13,209,134	13,382,490	
1.070 Total Revenues	76,444,191	76,677,681	77,888,506	0.9%	79,451,236	80,514,104	80,331,119	81,048,831	81,566,859	
Other Financing Sources										
2.010 Proceeds from Sale of Notes										
2.020 State Emergency Loans and Advancements (Approved)										
2.040 Operating Transfers-In										
2.050 Advances-In										
2.060 All Other Financing Sources	160,847	214,270	428,972	66.7%	252,000	252,000	252,000	252,000	252,000	
2.070 Total Other Financing Sources	160,847	214,270	428,972	66.7%	252,000	252,000	252,000	252,000	252,000	
2.080 Total Revenues and Other Financing Sources	76,605,038	76,891,950	78,317,478	1.1%	79,703,236	80,766,104	80,583,119	81,300,831	81,818,859	
Expenditures										
3.010 Personal Services	43,813,645	45,747,633	46,874,019	3.4%	49,797,731	52,155,707	54,413,823	56,901,341	59,446,255	
3.020 Employees' Retirement/Insurance Benefits	15,683,792	15,982,878	15,901,602	0.7%	16,972,815	17,874,328	18,688,359	19,518,821	20,392,989	
3.030 Purchased Services	7,776,606	7,645,253	8,297,828	3.4%	9,695,980	9,686,202	9,647,716	10,221,368	10,407,197	
3.040 Supplies and Materials	2,984,184	2,107,247	2,709,373	-0.4%	3,019,516	2,290,828	2,198,561	2,793,531	2,822,064	
3.050 Capital Outlay	1,130,499	1,602,230	1,526,263	18.5%	5,838,174	1,373,037	1,641,314	1,622,679	1,535,733	
3.060 Intergovernmental										
Debt Service:										
4.010 Principal-All (Historical Only)										
4.020 Principal-Notes										
4.030 Principal-State Loans										
4.040 Principal-State Advancements										
4.050 Principal-HB 264 Loans										
4.055 Principal-Other										
4.060 Interest and Fiscal Charges										
4.300 Other Objects	990,783	992,295	1,326,274	16.9%	1,036,490	1,044,020	1,051,927	1,060,228	1,068,945	
4.500 Total Expenditures	72,379,509	74,077,536	76,635,358	2.9%	86,360,706	84,424,122	87,641,700	92,117,968	95,673,183	
Other Financing Uses										
5.010 Operating Transfers-Out	1,050,047	413,040	293,769	-44.8%	400,000	400,000	400,000	400,000	400,000	
5.020 Advances-Out										
5.030 All Other Financing Uses	1,105	6,398	1,993	205.1%	2,500	2,500	2,500	2,500	2,500	
5.040 Total Other Financing Uses	1,051,152	419,439	295,762	-44.8%	402,500	402,500	402,500	402,500	402,500	
5.050 Total Expenditures and Other Financing Uses	73,430,661	74,496,975	76,931,120	2.4%	86,763,206	84,826,622	88,044,200	92,520,468	96,075,683	
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	3,174,377	2,394,975	1,386,358	-33.3%	7,059,970-	4,060,518-	7,461,081-	11,219,637-	14,256,824-	
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	13,011,486	16,185,863	18,580,839	19.6%	19,967,197	12,907,227	8,846,709	1,385,628	9,834,009-	
7.020 Cash Balance June 30	16,185,863	18,580,839	19,967,197	11.1%	12,907,227	8,846,709	1,385,628	9,834,009-	24,090,833-	
8.010 Estimated Encumbrances June 30	658,524	614,460	2,413,847	143.1%						
Reservation of Fund Balance										
9.010 Textbooks and Instructional Materials										
9.020 Capital Improvements										
9.030 Budget Reserve	717,988	717,988	717,988	0.0%	717,988	717,988	717,988	717,988	717,988	
9.080 Subtotal	717,988	717,988	717,988	0.0%	717,988	717,988	717,988	717,988	717,988	
10.010 Fund Balance June 30 for Certification of	14,809,351	17,248,391	16,835,363	7.0%	12,189,240	8,128,722	667,641	10,551,996-	24,808,820-	
Revenue from Replacement/Renewal Levies										
11.010 Income Tax - Renewal										
11.020 Property Tax - Renewal or Replacement										
11.300 Cumulative Balance of Replacement/Renewal Levies										
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	14,809,351	17,248,391	16,835,363	7.0%	12,189,240	8,128,722	667,641	10,551,996-	24,808,820-	
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	14,809,351	17,248,391	16,835,363	7.0%	12,189,240	8,128,722	667,641	10,551,996-	24,808,820-	
ADM Forecasts										
20.010 Kindergarten - October Count	447.00	425.00	426.00	-2.3%	425.00	425.00	425.00	425.00	425.00	
20.015 Grades 1-12 - October Count	6,972.00	6,882.00	6,777.00	-1.4%	6,836.00	6,701.00	6,610.00	6,600.00	6,533.00	

See accompanying summary of significant forecast assumptions and accounting policies

Five Year Plan Assumptions For Fiscal Years Ending June 30, 2018 Through 2022

Forecast Variables:

Non Controllable Forecast Variables:

- State Funding
- Student Enrollment
- Educational Needs of Students
- Property Valuations (# of new homes/ new business development, property appraisals/valuations, delinquencies)
- Economy / Inflation
- Judicial Actions
- Legislative (state and federal mandates) Actions
- Other (insurance costs, utility costs, fuel costs, natural disasters, etc...)

Controllable Forecast Variables:

- Staffing Levels / Student – Teacher Ratios (some legislative restrictions)
- Salaries / Negotiated Agreements (some legislative restrictions)
- Program Offerings (some legislative restrictions)
- Transportation Services (some legislative restrictions)
- Discretionary Spending (approximately 5-7% of budget)

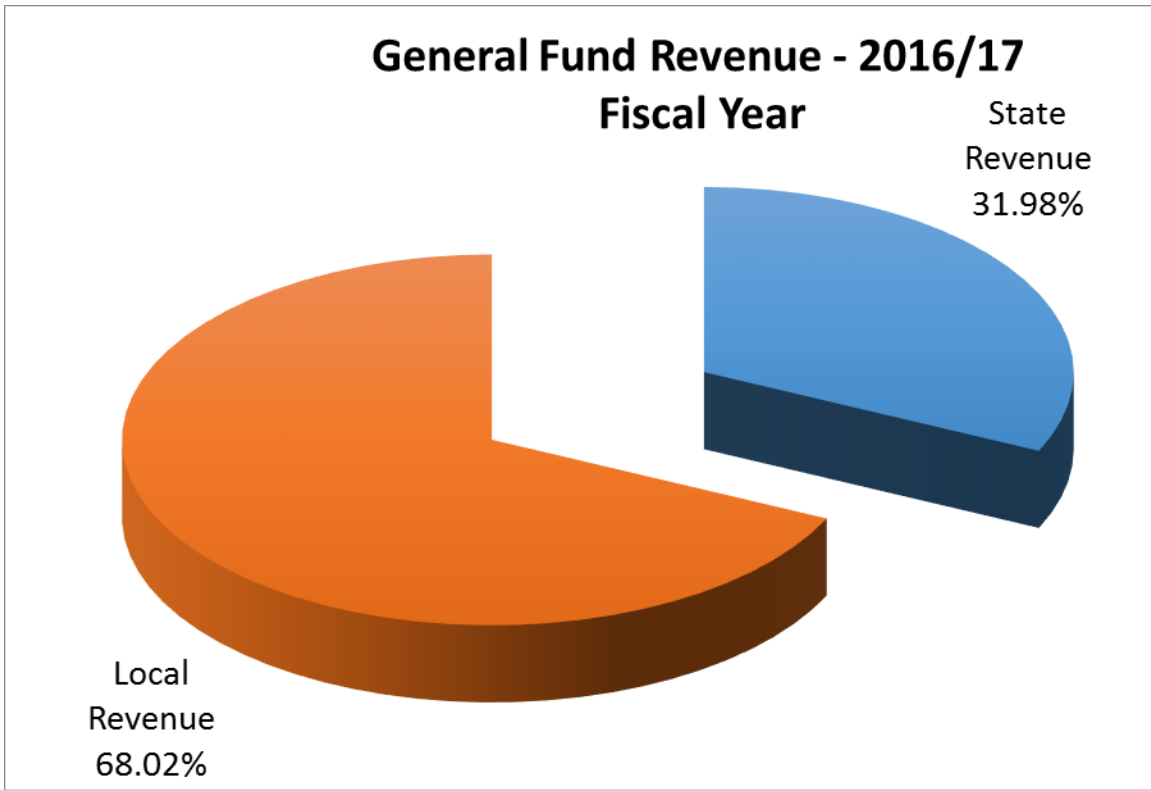
Revenue Assumptions:

General Revenue Assumptions:

- Revenue forecasts are made based on the best information available at this time and assumptions about changes that may occur over time to base data. The forecasted changes to the base data have less reliability in the later years of the projection.
- The state revenue assumptions are based upon information communicated from the Ohio of Budget and Management, Legislative Service Commission, Ohio School Boards Association, Ohio Department of Education, Ohio Association of School Business Officials and the Buckeye Association of School Administrators.
- For the forecast, we have not projected any significant change to the economy over its current condition. The state of the economy has a direct impact on state and local tax collections, as well as many other areas (new construction, sale prices of existing homes, job market, fuel prices, interest rates, etc...) that impacts many areas of district finances.
- Enrollment is projected to remain stable during the forecasted years.
- We approach all state funding forecasting with uncertainty. State funding is projected to remain flat in each year of the forecast.
- We believe the assumptions listed below are reasonable and provide a solid basis for the district's financial forecast.

Property Taxes:

The district received 68.02% (66.73% in FY16) of its FY17 operating dollars from local sources.



Property tax revenue estimates are based upon the most current tax duplicate information received from the Hamilton County Auditor, historical growth patterns, and scheduled updates and reappraisals. We assume that Board of Revisions actions will not create a net change to this forecast.

Current and historical information on building permits is consistently updated and evaluated and is used in the estimation of property value changes. The number of building permits steadily declined (with the exception of 2004-2006 when a couple of small housing developments were finalized) from a high of 588 in 1984. We project no significant growth in the district as there are very few undeveloped residential parcels.

For FY18 (through FY22), we used our own projections, as to the amount of property taxes to be collected in lieu of using the county auditor's certificate. Historically, the county auditor's estimates and certification have been extremely conservative (97%-98%) and do not provide as clear of a picture of potential district revenue.

Residential /Agriculture (line 1.01):

In tax year 2015 collectible in 2016, we experienced a net decrease in the duplicate of \$1,035,480 (\$1,542,090 increase in new construction, \$2,883,800 decrease due to Board of Revisions tax appeals, \$306,230 increase due to reappraisal). The tax appeal number represents the seventh consecutive year of significant tax appeal case increases.

In tax year 2016 collectible in 2017, we experienced a net decrease in the duplicate of \$24,263,660 (\$24,130,050 decrease as parcels were re-classified as TIF parcels, \$943,610 decrease due to Board of Revisions tax appeals, \$810,000 increase due to reappraisal).

The average increase (due to new construction) in the duplicate over the last five years is \$2,324,138. A \$2,500,000 increase is projected for each forecasted tax year.

We track all areas in the district where new residential construction is either planned or under construction. A small number of new homes are estimated. We will continue to monitor these developments and update our projections as needed.

Residential /Agriculture tax revenue is projected to remain relatively flat for all years of the forecast.

Tax Year 2017 - Residential / Agriculture estimated reappraisal % - 6.0%.

Commercial / Industrial (line 1.01):

In tax year 2015 collectible in 2016, we experienced a net decrease in the duplicate of \$2,455,930 (\$609,680 decrease in new construction, \$1,729,710 decrease due to Board of Revisions tax appeals, \$116,540 decrease due to Reappraisal).

In tax year 2016 collectible in 2017, we experienced a net increase in the duplicate of \$1,969,240 (\$1,793,230 increase in new construction, \$366,840 decrease due to Board of Revisions tax appeals, \$542,850 increase due to Reappraisal).

The average increase (due to new construction) in the duplicate over the last five years is \$527,760. An average of \$2,000,000 increase is projected for the next two years of the forecast.

We will adjust our projections, as more and better information is available regarding commercial property changes.

Commercial / Industrial tax revenue is projected to grow approximately 2-3% for all years of the forecast.

Tax Year 2017 - Commercial / Industrial estimated reappraisal % - 6.0%.

Reappraisal / Updates:

Tax year 2014 collectible in 2015 was a reappraisal year in Hamilton County. Ohio law requires that all real property in Hamilton County be revalued in 2014. This process – called property revaluation – is required once every three years in Ohio to insure the property values used for tax bills are close to the true market value. This review required only a review of comparable sales.

The previous review (2011) required the auditor's office and a private appraisal company to view and photograph the exterior of over 300,000 residential and business properties in the county.

Property Value Impact of Reappraisal:

Tax year 2014 collectible in 2015 - reappraisal year in Hamilton County:

Tax Year 2014 reappraisal numbers are listed below:

Residential / Agriculture - Anderson Township – 4.37% increase
Residential / Agriculture – Village of Newtown – 1.45% decrease

Commercial / Industrial - Anderson Township – .45% decrease
Commercial / Industrial – Village of Newtown – 3.32% decrease

Tax Year 2011 reappraisal numbers are listed below:

Residential / Agriculture - Anderson Township – 7.68% decrease
Residential / Agriculture – Village of Newtown – 8.99% decrease

Commercial / Industrial - Anderson Township – 2.23% decrease
Commercial / Industrial – Village of Newtown – 3.46% decrease

Property reappraisal information:

- A full (comprehensive) appraisal is done every six years, in which county appraisers physically go out to the properties to appraise them.
- The last comprehensive review was done in 2011. The next review will be in 2017.
- The timing of all appraisals is set by the state.
- Property owners receive notice in late December 2014 of the new appraised value. The first tax bills property owners receive in 2015 reflects the change. Owners had a chance to contest the new values starting in January 2015.
- All county property values are listed on the Hamilton County Auditor website (<http://www.hamiltoncountyauditor.org/>).

What impact (if any) does reappraisal have on the district?

When property values increase, many incorrectly believe the increased values lead to increased property taxes paid to the school district. Since the continuing operating levies passed by the district were fixed amount levies, the district does not receive additional revenue when values increase during a reappraisal. This is why House Bill 920 was passed in 1976. House Bill 920 freezes tax revenue to school districts based upon voted mills. Residents whose property values increase at a rate greater than the average increase will pay more property tax to the school district. Residents whose property values increase at a rate less than the average increase will pay less property tax to the school district.

Inside millage is an exception to the House Bill 920 rule. Inside millage (5.33 mills for Forest Hills School District) is the un-voted portion of the tax bills that's shared among the county and the township.

Due to the rollback of millage (House Bill 920), additional increases in real estate taxes for the forecasted years are due to new construction.

Reappraisals and updates often bring about a large number of tax appeals, although usually somewhat less in an update year. Board of Revisions hearings held for tax appeals are closely monitored and changes in property values resulting from the hearings are used in the estimates for both residential/agriculture and commercial / industrial tax values.

State Foundation (line 1.035):

State revenue assumptions are based upon information communicated from the Ohio of Budget and Management, Legislative Service Commission, Ohio School Boards Association, Ohio Department of

Education, Ohio Association of School Business Officials and the Buckeye Association of School Administrators.

House Bill 49, the biennial budget bill for FY18 and FY19 became effective once signed by governor on June 30, 2017.

Summarized Financial Highlights of the budget bill:

- Opportunity Grant per-pupil funding will increase from \$6,000 in FY17 to \$6,010 in FY18 to \$6,020 in FY19.
- Transitional Aid – Guarantees 100% of FY17 state aid
- Districts with more than a 5% decline in ADM between FY14-FY16 are subject to an adjusted guarantee no less than 95%
- Funding increases are limited to 3% in each year, unless a district has experienced increasing enrollment
- Transportation – minimum state share index reduced from 50% in FY17 to 37.5% in FY18 and to 25% in FY19
- Career Tech funding continues outside of both the cap and guarantee
- Overall state funding for schools:
 - FY18 – \$8.08 billion (1% increase)
 - FY19 – \$8.17 billion (1.1% increase)
- Many funding changes to subsidy and grant programs
 - Elimination of Straight A Program
- Early Childhood Education – reduced \$2.1 million
- EdChoice Expansion – increases \$6.9 million
- Payment-In-Lieu of Transportation reduced \$2.5 million (no reimbursement from the state)

What factors influence if a specific district will see increased or decreased aid?

- Student Population and Demographics. Ohio’s student-centered funding formula provides resources based on a school district’s Average Daily Membership (ADM). Changes in ADM, whether increases or decreases, can have an impact on a school district’s foundation funding. Similarly, changes in the numbers of students and their needs, from special education to those who are economically disadvantaged, also impact the amount of funding each district receives.
- Property Valuation. Changes in property valuation, whether increases or decreases in total or in relationship to the statewide average, can have a significant impact on a school district’s foundation funding.
- Income. Changes in income, whether increases or decreases, also have an impact on a school district’s foundation funding.
- Historical funding and previous funding levels. The interaction of formula changes, changing characteristics of a district, and the effects of caps/guarantees can cause unexpected results. This means that guaranteed/capped funding amounts are often based upon district factors, such as student population and/or property values, which are dramatically different from what currently exist.

Property Tax Allocation - Rollback and Homestead Exemption /State Reimbursements (line 1.05):

Homeowners (real property owners) receive a 10% credit (rollback) on their tax bills. Up until tax year 2006, businesses received the same 10% credit for land and improvements (businesses now pay this portion of their property tax bill).

Homeowners are also eligible for an additional 2.5% credit (homestead exemption) if they live in their home. The state reimburses the district for both of these tax credits. As a result of HB 119, the homestead

exemption was expanded to offer tax relief to the disabled and elderly. Due to this change, the district's homestead exemption reimbursement increased almost \$300,000 in FY08 and FY09.

Most of the previous growth in this category is related to Tangible Personal Property Tax replacement revenue associated with the elimination of tangible tax base (House Bill 66). (see line 1.02)

House Bill 59 eliminated the 10% and 2.5% rollback and replacement payments on new and replacement levies.

Tax Increment Financing (TIF) (line 1.06):

In 1994, Anderson Township implemented a major tax increment financing program in the Forest Hills School District, which allows the township to collect all tax revenue generated by selected properties in the school district. Hundreds of properties (those most likely to be developed) were placed into the tax increment financing program by the township. Because of the magnitude of the program and the potential huge loss of tax revenue by the school district, the township entered into an agreement with the school district to hold the school district harmless from the loss of revenue and to pay the school district from a service fund an amount equal to what the district would have received from property taxes had the tax increment financing program not been implemented.

The revenue is included as part of Other Operating Revenue.

All Other (line 1.06):

Revenues from all other sources are based upon historical patterns.

Student Enrollment:

Listed below is the district's projected enrollment for the forecasted years:

FY18 – 7,261
FY19 – 7,126
FY20 – 7,035
FY21 – 7,025
FY22 – 6,958

Source: McKibben Demographics – November 2016

August Real Estate Allocations:

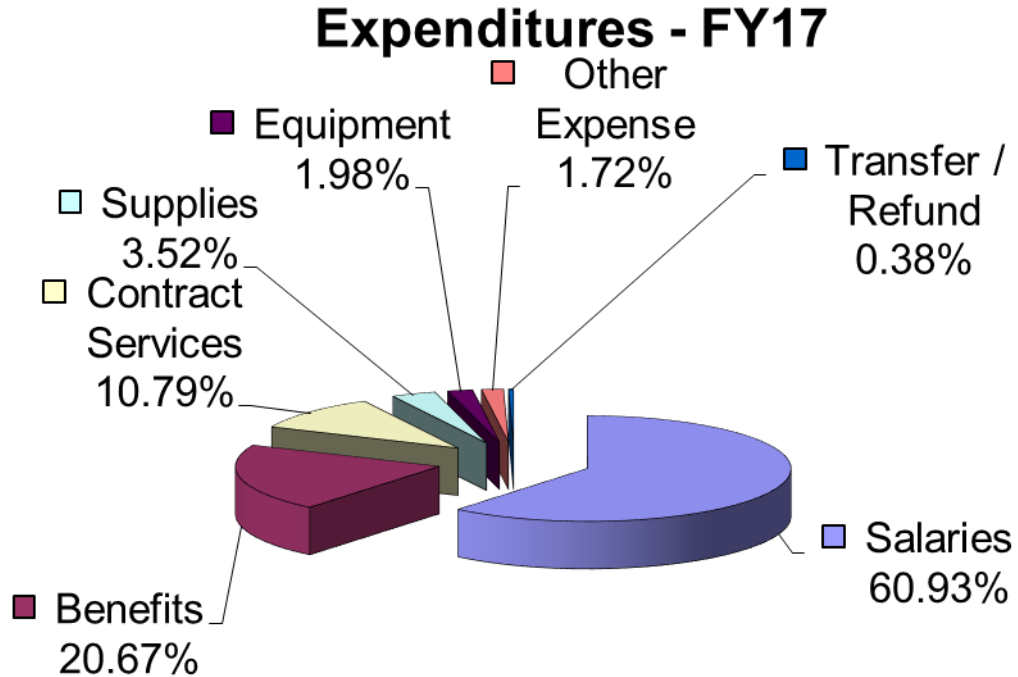
In June each year, the district does have available advances from early collections on August real estate property taxes. An average of over \$15,000,000 (June 30) has been available over the past five years. We have not built this into our five-year projections because it should only be used in an extreme situation, such as a significant unexpected loss of revenue or a significant unexpected expenditure, and after all other methods of cost reduction have taken place.

Operating Levy:

Although an operating levy will likely be proposed during the forecasted years of this document, no proposed operating levy revenue is included in the forecast. Based upon the most current financial information, the district will likely need to be on the ballot for an operating levy in 2019.

Expenditure Assumptions:

FY17 expenditures (% breakdown):



The FY17 General Fund Expenditures were \$76,931,197.05.

The FY18 General Fund Appropriations are \$86,763,206.

General Expenditure Assumptions:

- Small inflationary factors used for some line items.
- Estimated encumbrances are based on historical patterns and are included as part of the forecasted expenditures for each year of the five-year forecast.
- We do not anticipate any significant new unfunded mandates enacted by the state legislature.

Personal Services and Benefits (line 3.01 and 3.02):

The estimated amounts for salaries and benefits are based upon negotiated collective bargaining agreements (for the certified and support staff) and historical/competitive trends.

The forecasted staffing changes are: 14.0 FTE (FY18), 1.5 FTE (FY19), -3.5 FTE (FY20), -2.0 FTE (FY21) and 3.0 FTE (FY22).

Note: 17.0 of the 20.0 FTE in FY18 are due to the expected implementation of Full Day Kindergarten.

Brief history:

All salaries and health insurance benefits for all personnel were frozen in FY12 and FY13 at the FY11 levels. Base salaries were increased 1%/year in years FY14 - FY17.

Two retirement incentives were offered in FY10. 33 teachers (18 in FY10 and 15 in FY11) accepted the offer. An estimated \$1.35 million in salary and benefit dollars are expected to be saved over the next eight years.

The class size / staffing target for elementary schools is:

K – 19 students

1st- 3rd – 23 students

4th – 6th - 25 students

Benefits include retirement contributions to STRS and SERS, health insurance, dental insurance, life insurance, workers' compensation payments, severance payments, unemployment insurance payments and Medicare payments.

Employee benefits are projected based upon historical trends. The district's projected experience rating and competitive market forces determine final numbers.

The projected percentage increases (decreases) projected for health insurance are: 7.9% (2018), 5.0%/year for years 2019-2022.

FHSD is a member of SWOOSH (Southwest Ohio Organization for School Health), a health and wellness consortium that provide stability and quality access to health care and benefits by pooling resources to leverage economies of scale and driving health and wellness initiatives of all members. SWOOSH has saved member districts over \$10 million since forming in 2011/12.

The district began self-insuring health insurance claims January 1, 2015 and dental claims January 1, 2017 to better manage care costs and reduce the fees/taxes assessed to fully insured groups.

The projected percentage increases (decreases) projected for dental insurance are 0.2% in 2018 and 5.0%/year for years 2019-2022.

Retirements have been calculated as 14% of estimated annual salaries and Medicare expenses have been calculated as 1.45% of estimated annual salaries.

It is assumed that the current 14% employer contributions to both STRS and SERS will continue. We are also estimating a surcharge cost (steadily increasing) for SERS in each year of the forecast. In FY10, SERS approved a resolution eliminating the practice of schools paying their 14% employer contributions six months in arrears.

Effective 12/1/11, the district no longer participates in a group rated workers compensation program. This move to self insurance is saving the district over \$200,000 annually.

Purchased Services – Contracted Services (line 3.03):

Anticipated expenditures in these areas are based on historical patterns, projected needs, square footage of district facilities and enrollment. The district is in compliance with spending requirements (percentage based) established by House Bill 412.

Included under Purchased Services are the following:

- special education programs and services (IEP)
- special education and community school tuition

- building maintenance / repair
- utilities (electric, gas) - % increase per year for gas (based on market conditions and historical patterns)
- fleet/property insurance
- professional development / professional meeting expenses
- copier leases /postage

In FY15, in order to better manage overall costs and services, the district partnered with the Hamilton County Educational Service Center by contracting certified substitutes.

Supplies and Materials (line 3.04):

Includes textbooks, instructional supplies/materials, office supplies, custodial/maintenance parts/supplies and bus parts/fuel. Anticipated expenditures in these areas are based on historical patterns, square footage of district facilities and enrollment.

Diesel fuel (buses) is projected to remain flat throughout the forecast.

Supplies and materials have been adjusted each year to meet the district's needs for new textbook adoptions, classroom instructional supplies, and library books and materials. Expected program requirements are included in the projections.

No across the board inflationary increases have been built in to the forecast.

Building allocations for supplies are based upon student enrollment.

The district is in compliance with spending requirements (Textbook and Instructional Materials) established by House Bill 412. The district does not anticipate any problems meeting this spending requirement throughout the forecasted years.

Capital Outlay (line 3.05):

Capital outlay is based on historical patterns, useful life projections, and inflationary considerations.

An estimated 28 replacement buses [11 (FY18), 0 (FY19), 6 (FY20), 6 (FY21), 5 (FY22)] have been included in the plan. Bus replacement needs are consistently reviewed and updated annually.

This plan includes significant purchases of classroom furniture and equipment needed throughout the district.

In addition, the need for keeping technology equipment current and functional has been included in the plan.

No across the board inflationary increases have been built in to the forecast.

The replacement cycle for computers is 4-5 years.

Historically capital projects (such as replacement roofing, doors, windows, blacktop, sidewalks, etc...) have been funded from the district's Permanent Improvement Fund (PI). Interest earnings are the primary source of revenue for the PI fund. Several years of low interest rates have forced the district to use operating dollars to fund necessary capital projects. The passage of a 4.45 mil bond issue and 5 mil Permanent Improvement levy in November 2014 will provide funding for capital projects and eliminate the annual transfer from the General Fund to the Permanent Improvement Fund.

The district is in compliance with spending requirements (Capital Maintenance and Equipment) established by House Bill 412. The district does not anticipate any issues meeting this spending requirement throughout the forecasted years.

Other, Advances, and Transfers (line 4.30 and 5.01):

This area includes liability insurance, auditor and treasurer fees paid to the County Auditor, costs associated with the Hamilton County Educational Service Center (HCEC) and the Hamilton Clermont Cooperative Association (HCCA), and the costs for the district's annual State of Ohio audit. Anticipated expenditures in these areas are based on historical patterns.

The largest expense in Operating Transfers – Out (line 5.01) is:

- Estimated cost of funding the Workers' Compensation Self Insurance account. (Fund 027)

Negotiated Employee Agreements:

The district has negotiated tentative long term agreements with all three (FHTA, OAPSE #273, OAPSE #177) bargaining units. The terms of the agreements are listed below.

FHTA – 7/1/17 – 6/30/20

OAPSE #177 – 7/1/17 – 6/30/20

OAPSE #273 – 7/1/17 – 6/30/20

Debt Service:

All debt service requirements will be paid timely.

Encumbrances:

Estimated encumbrances are based on historical patterns and are included as part of the forecasted expenditures for each year of the five-year forecast. Encumbrances are financial (and legal) obligations of the district at fiscal year end.

Presented to the Forest Hills Board of Education – September 25, 2017

Forest Hills Local School District – Board of Education – Treasurer's Office

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Treasurer

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**Forest Hills Local School District
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
Payable from bond ret. Fd. INSIDE 10 MILL LIMIT											
TOTAL INSIDE						-	-	-	-	-	-
OUTSIDE 10 MILL LIMIT											
Nagle Middle School	11/5/1996 By Vote	10/8/2013	12/1/2018	Serial	2.09%	215,000.00	223,600.00	-	-	-	-
Wilson New Construction and Renovations All Buildings	11/4/2014 By Vote	2/18/2015	12/1/1946	Serials And Terms	3.81%	97,675,000.00	5,743,562.50	95,770,000.00	5,749,987.50		
Central Office 1/10 of 1%		Mar-16 Reissued Dec-17	12/1/2031	Series	2.88%	1,090,000.00	95,456.00	1,025,000.00	94,520.00		
Anderson HS Site Work		May-17	12/1/2026	TAN		2,705,000.00	326,283.00	2,435,000.00	333,326.50		
TOTAL OUTSIDE						101,685,000.00	6,388,901.50	-	99,230,000.00	6,177,834.00	-

*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 **5,749,987.50**

Forest Hills Local School District							
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 REVENUE	6/30/2018	12/31/2018	2018	6/30/2019	12/31/2019	2019	2018/2019
(1)	(2)	(3)		(4)	(5)		
REVENUES							
1100 Taxes							
1110 General Property Tax	2,606,539.22	2,640,444.00	5,246,983.22	2,619,571.92	2,653,646.22	5,273,218.14	5,260,015.92
1120 Tangible Personal Property Tax	72,000.00	72,720.00	144,720.00	72,720.00	73,447.20	146,167.20	145,440.00
Total Taxes	2,678,539.22	2,713,164.00	5,391,703.22	2,692,291.92	2,727,093.42	5,419,385.34	5,405,455.92
3131-3133 Property Tax Allocation	140,832.00	141,536.16	282,368.16	141,536.16	142,243.84	283,780.00	283,072.32
3135 State Tangible Reimbursement	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Tax Reimbursement from State Sources	140,832.00	141,536.16	282,368.16	141,536.16	142,243.84	283,780.00	283,072.32
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	2,819,371.22	2,854,700.16	5,674,071.38	2,833,828.08	2,869,337.26	5,703,165.34	5,688,528.24
1200-1800 Other Receipts-Local Sources	20,000.00	20,000.00	40,000.00	20,000.00	20,000.00	40,000.00	40,000.00
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	20,000.00	20,000.00	40,000.00	20,000.00	20,000.00	40,000.00	40,000.00
Total Receipts from Local Sources	2,839,371.22	2,874,700.16	5,714,071.38	2,853,828.08	2,889,337.26	5,743,165.34	5,728,528.24
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	2,839,371.22	2,874,700.16	5,714,071.38	2,853,828.08	2,889,337.26	5,743,165.34	5,728,528.24

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	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	0.00	0.00	0.00	0.00
6000 Repayment of Debt Service							
6100 Repayment of Debt Principal	0.00	2,455,000.00	2,455,000.00	0.00	1,940,000.00	1,940,000.00	2,455,000.00
6100 Repayment of Debt Interest	2,059,283.25	2,059,283.25	4,118,566.50	1,904,993.75	1,904,993.75	3,809,987.50	3,964,277.00
6100 Debt Issuance Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Repayment of Debt Service	2,059,283.25	4,514,283.25	6,573,566.50	1,904,993.75	3,844,993.75	5,749,987.50	6,419,277.00
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	2,059,283.25	4,514,283.25	6,573,566.50	1,904,993.75	3,844,993.75	5,749,987.50	6,419,277.00
Beginning Unencumbered Fund Balance	8,154,678.92	8,934,766.89	8,154,678.92	7,295,183.80	8,244,018.13	7,295,183.80	8,934,766.89
Ending Cash Balance	8,934,766.89	7,295,183.80	7,295,183.80	8,244,018.13	7,288,361.64	7,288,361.64	8,244,018.13

Forest Hills Local School District							
SCHEDULE OF PROJECTED REVENUE AND EXPENDITURES							
PERMANENT IMPROVEMENT FUND (ONLY IF TAX GENERATING 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
PERMANENT IMPROVEMENT REVENUE	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	286,620.00	286,620.00	573,240.00	288,053.10	288,053.10	576,106.20	574,673.10
1120 Tangible Personal Property Tax	8,000.00	8,000.00		8,000.00	8,000.00		
Total Taxes	286,620.00	286,620.00	573,240.00	288,053.10	288,053.10	576,106.20	574,673.10
3131-3133 Property Tax Allocation	6,170.00	6,170.00	12,340.00	6,200.85	6,200.85	12,401.70	12,370.85
3135 State Tangible Reimbursement	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Tax Reimbursements from State Sources	6,170.00	6,170.00	12,340.00	6,200.85	6,200.85	12,401.70	12,370.85
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
Other Total Local Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1200-1800 Other Receipts-Local Sources	20,000.00	20,000.00	40,000.00	20,000.00	20,000.00	40,000.00	40,000.00
1880 Tax Increment Financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1900 Other Revenue Sources	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total of Other Revenue Sources	20,000.00	20,000.00	40,000.00	20,000.00	20,000.00	40,000.00	40,000.00
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
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	312,790.00	312,790.00	625,580.00	314,253.95	314,253.95	628,507.90	627,043.95
SCHEDULE OF PROJECTED REVENUE AND EXPENDITURES							
PERMANENT IMPROVEMENT FUND (ONLY IF TAX GENERATING 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
PERMANENT IMPROVEMENT EXPENDITURES	6/30/2018	12/31/2018	2018	6/30/2019	12/31/2019	2019	2018/2019
(1)	(2)	(3)		(4)	(5)		
EXPENDITURES							
1000 Instruction	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2000 Supporting Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3000 Non Instructional Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4000 Extracurricular Activities	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5000 Facilities Acquisition and Construction	750,000.00	750,000.00	1,500,000.00	600,000.00	350,000.00	950,000.00	1,350,000.00
7000 Other Uses of Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Expenditures	750,000.00	750,000.00	1,500,000.00	600,000.00	350,000.00	950,000.00	1,350,000.00
Beginning Unencumbered Fund Balance	1,257,898.00	820,688.00	1,257,898.00	383,478.00	97,731.95	383,478.00	820,688.00
Ending Cash Balance	820,688.00	383,478.00	383,478.00	97,731.95	61,985.90	61,985.90	97,731.95