

MONROE LOCAL SCHOOLS

Serving the community with pride



TAX BUDGET

**2009 - 2010
Fiscal Year**

Kelley Thorpe
Treasurer

Presented January 5, 2009

Adoption of the Tax Budget

The first step in a school district's financial planning cycle is the preparation and adoption of a tax budget. On or before January 15 of each year, every school district in Ohio must adopt a tax budget for the ensuing fiscal year. Once adopted, the tax budget must be certified to the County Auditor no later than January 20.

Contents of the Tax Budget

The tax budget is the basis for local governments to levy and collect property taxes in a calendar year. For school districts, this means projecting the revenue and program needs for local taxes into the 2011 calendar year. The tax budget is used to justify or demonstrate the need for taxes in order to operate the district. Based on the contents of the tax budget, the County Budget Commission has the authority to reduced tax rates to meet the amount requested by the local government.

The contents of the tax budget are outlined in the Ohio Revised Code and must include estimates of revenues and expenditures for the coming fiscal year. It must also show the estimated payments for debt service and any permanent improvements that are to be paid for from local property taxes. The proposed tax budget is included within this report and conforms to the reporting requirements.

Budget Commission

Once adopted and submitted to the County Auditor, the County Budget Commission will meet before March 1 and certify to the school district the estimated amount of resources (including local taxes) that will be available for the coming fiscal year. Based on the contents of the tax budget, the Commission has the authority to adjust the amounts required from general property tax to conform to the needs demonstrated by the budget. For this reason, most governments, including school districts, request more in property taxes than they will probably receive in the fiscal year.

The County Budget Commission will issue an Official Certificate of Estimated Resources to the school district that becomes the revenue baseline for the 2009-10 fiscal year.

Tax Values and Rates

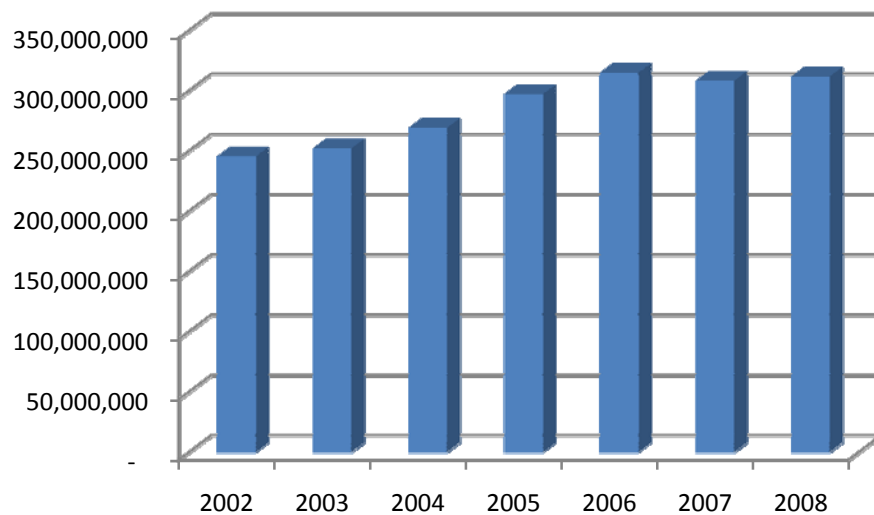
Since the tax budget is required to support the collection of taxes, the remainder of this report will review the major components of our local tax base and revenue.

Tax Values

The property tax base is the basis for the collection of property taxes. The Butler County Auditor recently certified our assessed valuation for 2009 collections. The total current tax base for the district is \$311,869,120 which is a 1.18% increase from the previous year. The following table outlines the total tax base by the three major property categories over the past five years.

Summary Values:

Tax Year	Agricultural and Residential	Commercial and Industrial	Public Utility and Tangible Personal	Total Value	Percent Change
2002	\$115,235,030	\$70,678,330	\$59,654,702	\$245,568,062	
2003	125,006,500	71,482,730	55,690,149	252,179,379	2.7%
2004	138,011,720	72,168,070	59,092,414	269,272,204	6.8%
2005	160,280,060	76,469,050	60,506,780	297,255,890	10.4%
2006	175,446,090	84,614,460	54,930,255	314,990,805	6.0%
2007	186,126,100	81,781,920	40,325,366	308,233,386	-2.20%
2008	\$201,474,220	\$93,429,210	\$16,965,690	\$311,869,120	1.18%

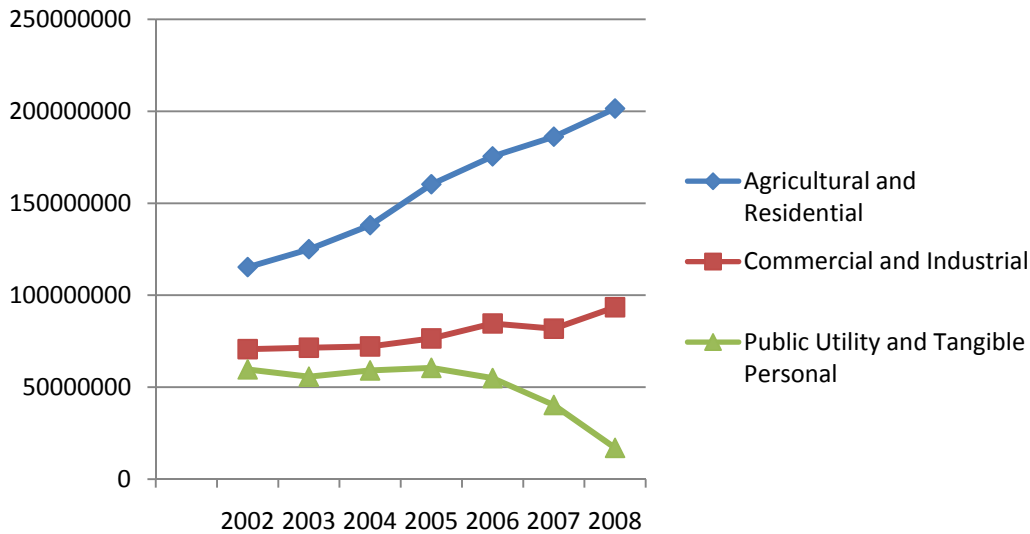


While the total tax base had been increasing steadily since 2002, it decreased for tax year 2007 and only slightly rebounded with the reappraisal in 2008. Tangible Personal Property is obviously decreasing as it is phased out. This phase out of TPP is the reason for the overall decline of Monroe’s tax base as the following graph demonstrates. The only value remaining in TPP for 2008 is telephone value at \$369,153.

Monroe Local School District

Office of the Treasurer

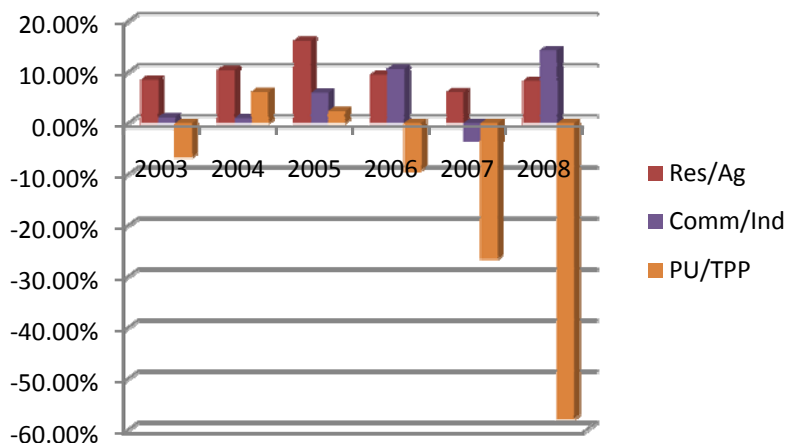
Tax Budget, 2009-10



Personal Property Reductions

HB 66 was approved by the state legislature in 2005 and made several changes that affect the revenues of school districts. One of the most dramatic changes was the elimination of personal property taxes over the next few years. School districts are now realizing these reductions in values for the second year. Reductions in this class of the tax base will continue over the next two years until the tax is completely eliminated. While HB 66 provided for a hold-harmless period of state reimbursements, the Monroe Local School Districts would be wise to consider these implications now in our long-term financial planning.

As illustrated below, the reductions in personal property values were significant compared to other segments of the tax base. Fortunately, growth in other areas of the tax base for 2008 was significant enough to offset the reductions in personal property valuation, resulting in a 1.18% increase in overall valuation.



Monroe Local School District

Office of the Treasurer

Tax Budget, 2009-10

Tax Rates

Once the property tax base has been determined, tax rates are established by the County Auditor for the ensuing calendar year. Tax rollback laws are in place that prevents existing properties from paying higher taxes unless approved by the electorate. Therefore, local governments can only receive additional taxes as a result of new construction or additional levies.

There is a provision for school districts known as the “20-mill floor” that prevents permanent school levies from being rolled back below 20 effective mills. This can result in additional revenue for school districts; however the “charge-off” in the state funding formula offsets any gain in operational revenue.

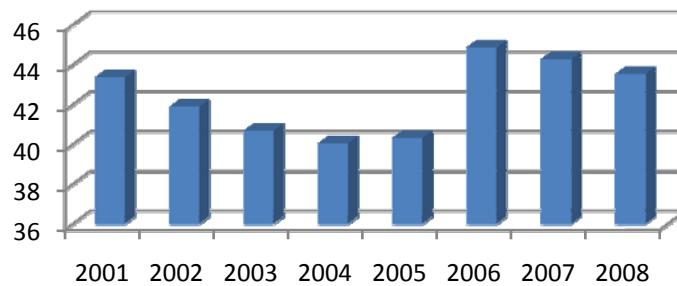
The County Auditor recently certified rates for 2009 tax collections and are included as a part of the 2009 Tax Budget. The chart below summarizes the tax rates over the last eight years.

Aggregate School District Tax Rates by Type of Levy

Tax Year	Total Gross Rate	<i>Total Class I</i> Residential/ Agricultural Rate	<i>Total Class II</i> Commercial/ Industrial Rate	Emergency Rate	Bond Rate	General Fund Inside Millage
2001	43.36	39.93	40.32	11.32	8.61	5.16
2002	41.88	38.45	38.45	9.84	8.61	5.16
2003	40.68	37.25	38.33	9.64	7.61	5.16
2004	40.05	36.62	37.68	9.12	7.50	5.16
2005	40.32	36.89	38.01	9.49	7.40	5.16
2006	44.87	41.44	42.29	14.04	7.40	5.16
2007	44.28	40.85	41.78	13.65	7.20	5.16
2008	43.53	40.10	40.10	12.90	7.20	5.16

As shown above, the overall tax rates have declined since 2001 as the tax base grew over this time period. This clearly demonstrates the rollback provision in state law. With the passage of a new levy in 2006, rates increased in 2007 as expected. For 2008, rates have decreased slightly continuing to demonstrate the rollback provision.

Gross Rate



TAX BUDGET

Fiscal 2008

Butler County, Ohio

From: Office of the Board of Education, Monroe Local School District, January 5, 2009

To the County Auditor:

The Board of Education of said School District hereby submits its annual Budget for the year commencing July 1st, 2009 for consideration of the County Budget Commission.

President of the Board

**SCHEDULE A
SUMMARY OF AMOUNTS REQUIRED FROM GENERAL PROPERTY TAX APPROVED BY BUDGET COMMISSION,
AND COUNTY AUDITOR'S ESTIMATED RATES**

FUND <small>(Include only those funds which are requesting general property tax revenue)</small>	Fiscal Year Amount Requested of Budget Commission Inside/Outside	Fiscal Year Amount Approved by Budget Commission Inside 10 Mill Limitation	Fiscal Year Amount to be Derived From Levies Outside 10 Mill Limitation	County Auditor's Estimate of Tax Rate to be Levied			
				Inside 10 Mill Limit FY	Inside 10 Mill Limit TY	Outside 10 Mill Limit FY	Outside 10 Mill Limit TY
				4	5	6	7
GOVERNMENTAL FUNDS	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXX	XXXX	XXXX	XXXX
GENERAL FUND	7,338,280						
EMERGENCY LEVY FUND	4,207,386						
BOND RETIREMENT FUND	2,245,458						
PROPRIETARY FUNDS	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXX	XXXX	XXXX	XXXX
FIDUCIARY FUNDS	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXX	XXXX	XXXX	XXXX
TOTAL ALL FUNDS	13,791,124	0	0	XXXX	XXXX	XXXX	XXXX

SCHEDULE B

LEVIES OUTSIDE 10 MILL LIMITATION, EXCLUSIVE OF DEBT LEVIES

FUND		Maximum Rate Authorized To Be Levied	Tax Year County Auditor's Estimate of Yield of Levy	Fiscal Year County Auditor's Estimate of Yield of Levy (Carry to Schedule A, Column 3)
GENERAL FUND:				
Current Expense Levy authorized by voters on 11/14/1969 not to exceed ___ years (continuous)		11.51		
Current Expense Levy authorized by voters on 11/7/1979 not to exceed ___ years (continuous)		6.76		
Current Expense Levy authorized by voters on 11/2/2004 not to exceed 5 years (\$1,500,000 Emergency Levy)		5.25		
Current Expense Levy authorized by voters on 8/8/2006 not to exceed 5 years (\$930,418 Emergency Levy)		3.40		
Current Expense Levy authorized by voters on 11/7/2006 not to exceed 5 years (\$1,119,280 Emergency Levy)		4.25		
TOTAL GENERAL FUND OUTSIDE 10 M. LIMITATION		31.17		
SPECIAL LEVY FUNDS				
None at this time				
BOND RETIREMENT:				
Levy authorized by voters on 11/6/2001		7.20		

MONROE LOCAL SCHOOL DISTRICT - - BUTLER COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2006, 2007, AND 2008 ACTUAL;
FORECASTED FISCAL YEARS ENDING JUNE 30, 2009 THROUGH 2013

	Actual			Forecasted				
	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013
Revenue:								
1.010 General Property Tax (Real Estate)	6,698,954	7,972,259	8,629,789	9,013,678	8,686,505	7,371,238	7,013,050	7,482,645
1.020 Tangible Personal Property Tax	1,437,176	1,481,747	861,528	520,223	474,006	382,133	338,792	359,164
1.030 Income Tax	0	0	0	0	0	0	0	0
1.035 Unrestricted Grants-in-Aid	3,600,779	3,846,902	4,153,760	4,478,767	4,639,143	4,737,321	4,762,107	4,762,828
1.040 Restricted Grants-in-Aid	11,856	19,194	15,387	19,084	19,145	19,184	19,192	19,089
1.050 Property Tax Allocation	765,149	1,268,008	1,651,716	1,889,623	1,782,338	1,412,389	1,341,979	1,391,454
1.060 All Other Revenues	1,330,612	1,444,318	1,569,303	1,444,303	1,367,674	1,140,912	940,475	730,900
1.070 Total Revenues	13,844,526	16,032,428	16,881,483	17,365,677	16,968,811	15,063,177	14,415,595	14,746,080
Other Financing Sources:								
2.010 Proceeds from Sale of Notes	0	1,190,298	0	0	0	0	0	0
2.020 State Emergency Loans and Advancements	0	0	0	0	0	0	0	0
2.040 Operating Transfers-In.	0	0	0	0	0	0	0	0
2.050 Advances-In	169,322	4,828	0	0	0	0	0	0
2.060 All Other Financing Sources	97,506	3,249	249	0	0	0	0	0
2.070 Total Other Financing Sources	266,828	1,198,375	249	0	0	0	0	0
2.080 Total Revenues and Other Financing Sources	14,111,354	17,230,803	16,881,732	17,365,677	16,968,811	15,063,177	14,415,595	14,746,080
Expenditures:								
3.010 Personal Services	8,391,347	8,349,739	9,059,233	9,488,606	9,817,867	10,221,142	10,685,017	11,230,798
3.020 Employees' Retirement/Insurance Benefits	2,399,478	2,342,687	2,708,193	2,884,616	2,975,684	3,049,685	3,148,548	3,282,200
3.030 Purchased Services	3,435,221	3,429,482	4,068,683	3,772,117	4,036,444	4,389,004	4,759,209	4,759,981
3.040 Supplies and Materials	642,978	502,077	641,165	635,400	729,462	826,346	926,136	926,136
3.050 Capital Outlay	150,474	89,986	206,354	252,545	400,121	552,125	708,688	708,688
3.060 Intergovernmental	0	0	0	0	0	0	0	0
Debt Service:								
4.010 Principal-All (History Only)	0	0	0	0	0	0	0	0
4.020 Principal-Notes	0	0	0	0	0	0	0	0
4.030 Principal-State Loans	0	0	0	0	0	0	0	0
4.040 Principal-State Advancements	0	0	0	0	0	0	0	0
4.050 Principal-HB 264 Loans	0	0	0	0	0	0	0	0
4.055 Principal-Other	0	0	0	0	0	0	0	0
4.060 Interest and Fiscal Charges	0	0	0	0	0	0	0	0
4.300 Other Objects	324,020	352,388	347,521	357,947	368,685	379,746	379,746	379,746
4.500 Total Expenditures	15,343,518	15,066,359	17,031,149	17,391,230	18,328,262	19,418,047	20,607,345	21,287,549
Other Financing Uses								
5.010 Operating Transfers-Out	13,284	0	0	0	0	0	0	0
5.020 Advances-Out	22,369	173,318	0	0	0	0	0	0
5.030 All Other Financing Uses	35,129	1,224,841	0	0	0	0	0	0
5.040 Total Other Financing Uses	70,782	1,398,159	0	0	0	0	0	0
5.050 Total Expenditures and Other Financing Uses	15,414,300	16,464,518	17,031,149	17,391,230	18,328,262	19,418,047	20,607,345	21,287,549
6.010 Excess of Rev & Other Financing Sources over (under) Expenditures and Other Financing Uses	-1,302,946	766,285	-149,417	-25,552	-1,359,450	-4,354,869	-6,191,750	-6,541,470
7.010 Cash Balance July 1 - Excl Proposed Renewal/ Replacement and New Levies	1,308,675	5,729	772,014	622,597	597,045	-762,406	-5,117,275	-11,309,025
7.020 Cash Balance June 30	5,729	772,014	622,597	597,045	-762,406	-5,117,275	-11,309,025	-17,850,495
8.010 Estimated Encumbrances June 30	70,689	359,301	216,626	150,000	150,000	150,000	150,000	150,000
Reservation of Fund Balance								
9.010 Textbooks and Instructional Materials	0	0	0	0	0	0	0	0
9.020 Capital Improvements	0	0	0	0	0	0	0	0
9.030 Budget Reserve	0	0	100,000	0	0	0	0	0
9.040 DPIA	0	0	0	0	0	0	0	0
9.050 Debt Service	0	0	0	0	0	0	0	0
9.060 Property Tax Advances	0	0	0	0	0	0	0	0
9.070 Bus Purchases	0	0	0	0	0	0	0	0
9.080 Subtotal	0	0	100,000	0	0	0	0	0
10.010 Fund Balance June 30 for Certification of Appropriations	-64,960	412,713	305,971	447,045	-912,406	-5,267,275	-11,459,025	-18,000,495
Rev from Replacement/Renewal Levies								
11.010 Income Tax - Renewal	0	0	0	0	0	0	0	0
11.020 Property Tax - Renewal or Replacement	0	0	0	0	802,500	2,596,588	3,549,698	3,549,698
11.030 Cumulative Balance of Replacement/Renewal Levies	0	0	0	0	802,500	3,399,088	6,948,786	10,498,484
12.011 Fund Balance June 30 for Certification of Contracts, Salary and Other Obligations	-64,960	412,713	305,971	447,045	-109,906	-1,868,187	-4,510,238	-7,502,010
Revenue from New Levies								
13.010 Income Tax - New	0	0	0	0	0	0	0	0
13.020 Property Tax - New	0	0	0	0	0	0	0	0
13.030 Cumulative Balance of New Levies	0	0	0	0	0	0	0	0
14.010 Revenue from Future State Advancements	0	0	0	0	0	0	0	0
15.010 Unreserved Fund Balance June 30	-64,960	412,713	305,971	447,045	-109,906	-1,868,187	-4,510,238	-7,502,010

EXHIBIT VI

MONROE LOCAL SCHOOL DISTRICT - - BUTLER COUNTY

PURPOSE OF BONDS AND NOTES	Author- ity for Levy Outside 10 Mill Limit*	Date of Issue	Date Due	Ser. or Term	Rate of In- terest	Amounts of Bonds and Notes Outstanding at beginning of the year being budgeted July 1,	PRINCIPAL AND INTEREST REQUIREMENTS			AMOUNT RECEIVABLE FROM OTHER SOURCES TO MEET DEBT PAYMENTS		
							FISCAL - 2010		Fiscal Year	FISCAL	2010	Fiscal Year
							July 1, through Dec. 31	January 1, through June 30	2011 July 1, thru Dec. 31	July 1, through Dec. 31	January 1, through June 30	2011 July 1, thru Dec. 31
Payable from Bond Ret. Fd.:	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
INSIDE 10 MILL LIMIT:	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
TOTAL												
OUTSIDE 10 MILL LIMIT:	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Bonds:	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
K-12 Facility	Voted 11/01	Apr. 2002	Dec. 2030	Serial	3.700%	26,245,229.00	1,122,729.00	1,122,729.00	2,245,458.00			
TOTAL						26,245,229.00	1,122,729.00	1,122,729.00	2,245,458.00	0.00	0.00	0.00

NOTES:
 (1) Rates vary over the term of the bonds, fro 3.4% in 2005 to 5.7% in 2019 and beyond

Debt Service Schedule

Monroe Local School District, Butler County Ohio

School Improvement Refunding Bonds
October 12, 2006 - AMBAC Insured
Callable 12/1/2016 @ 100 *FINAL*

Debt Service Comparison

Date	Total P+I	Existing D/S	Net New D/S	Old Net D/S	Savings
12/01/2006	446,228.13	883,196.25	1,329,424.38	1,375,086.88	45,662.50
12/01/2007	952,312.50	1,022,592.50	1,974,905.00	2,006,373.76	31,468.76
12/01/2008	952,312.50	1,147,432.50	2,099,745.00	2,131,213.76	31,468.76
12/01/2009	952,312.50	1,185,477.50	2,137,790.00	2,169,258.76	31,468.76
12/01/2010	952,312.50	574,477.50	1,526,790.00	1,558,258.76	31,468.76
12/01/2011	952,312.50	670,990.00	1,623,302.50	1,654,771.26	31,468.76
12/01/2012	952,312.50	722,502.50	1,674,815.00	1,706,283.76	31,468.76
12/01/2013	1,427,312.50	195,787.50	1,623,100.00	1,654,568.76	31,468.76
12/01/2014	934,500.00	790,787.50	1,725,287.50	1,753,787.50	28,500.00
12/01/2015	934,500.00	945,787.50	1,880,287.50	1,908,787.50	28,500.00
12/01/2016	934,500.00	995,787.50	1,930,287.50	1,958,787.50	28,500.00
12/01/2017	934,500.00	1,045,787.50	1,980,287.50	2,008,787.50	28,500.00
12/01/2018	934,500.00	1,140,787.50	2,075,287.50	2,103,787.50	28,500.00
12/01/2019	934,500.00	1,336,450.00	2,270,950.00	2,299,450.00	28,500.00
12/01/2020	934,500.00	1,337,737.50	2,272,237.50	2,300,737.50	28,500.00
12/01/2021	2,324,500.00	-	2,324,500.00	2,408,000.00	83,500.00
12/01/2022	2,433,050.00	-	2,433,050.00	2,520,750.00	87,700.00
12/01/2023	2,441,425.00	-	2,441,425.00	2,524,250.00	82,825.00
12/01/2024	2,559,575.00	-	2,559,575.00	2,643,500.00	83,925.00
12/01/2025	2,686,175.00	-	2,686,175.00	2,772,500.00	86,325.00
12/01/2026	2,685,125.00	-	2,685,125.00	2,770,250.00	85,125.00
12/01/2027	2,820,000.00	-	2,820,000.00	2,902,750.00	82,750.00
12/01/2028	2,959,300.00	-	2,959,300.00	3,043,000.00	83,700.00
12/01/2029	2,957,350.00	-	2,957,350.00	3,045,000.00	87,650.00
Total	\$37,995,415.63	\$13,995,581.25	\$51,990,996.88	\$53,219,940.70	\$1,228,943.82

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	688,681.78
Net PV Cashflow Savings @ 4.447%(AIC)	688,681.78
Contingency or Rounding Amount	2,982.96
Net Present Value Benefit	\$691,664.74
Net PV Benefit / \$19,735,000 Refunded Principal	3.505%
Net PV Benefit / \$19,640,000 Refunding Principal	3.522%

Refunding Bond Information

Refunding Dated Date	10/12/2006
Refunding Delivery Date	10/12/2006

Series 2006 School Imp. R | SINGLE PURPOSE | 9/28/2006 | 1:19 PM