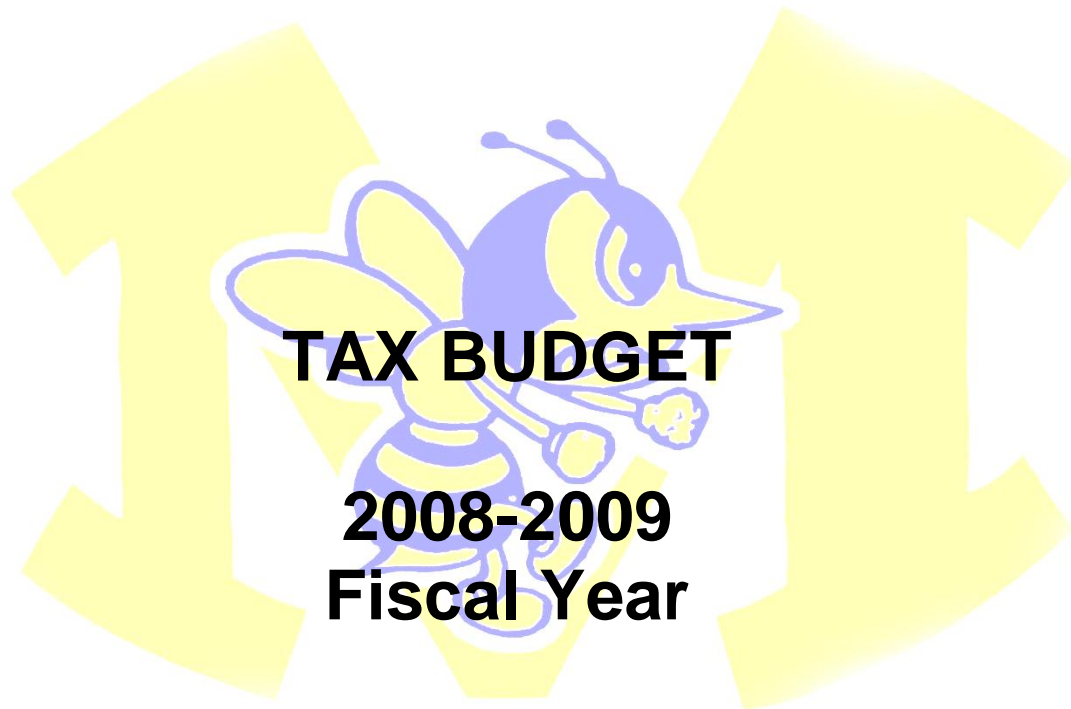


# **MONROE LOCAL SCHOOLS**

*Serving the community with pride*



**TAX BUDGET**

**2008-2009  
Fiscal Year**

**Kelley Thorpe**  
Treasurer

Presented January 7, 2008

### **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 2010 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 2008-09 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.

**Monroe Local School District**

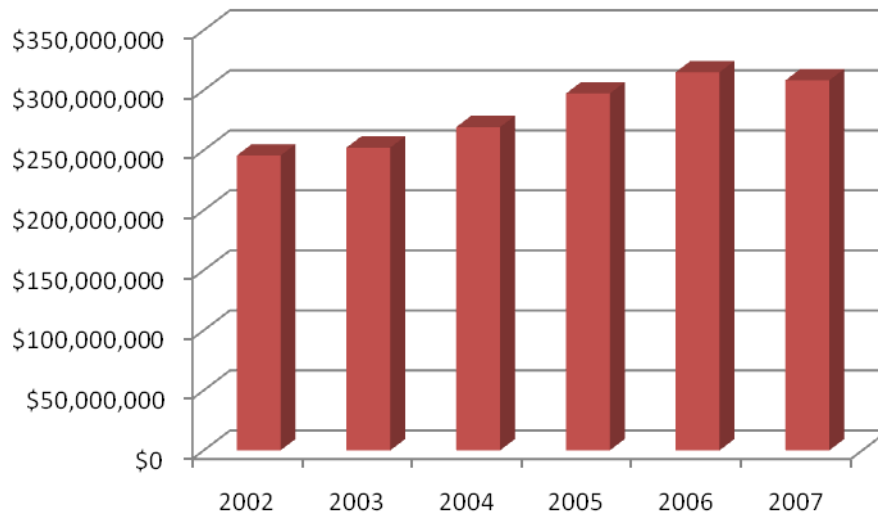
Office of the Treasurer  
Tax Budget, 2008-09

**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 2008 collections. The total current tax base for the district is \$308,223,386 which is a 2.2% decrease 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:**

<b>Tax Year</b>	<b>Agricultural and Residential</b>	<b>Commercial and Industrial</b>	<b>Public Utility and Tangible Personal</b>	<b>Total Value</b>	<b>Percent Change</b>
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	-2.2%

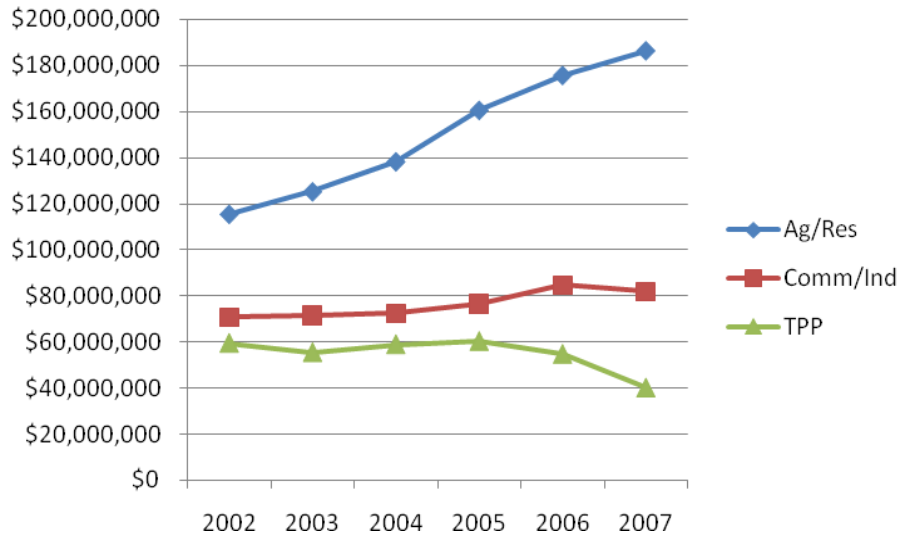


While the total tax base had been increasing steadily since 2002, it decreased for tax year 2007. There are changes occurring within each property class that contribute to the total tax base. Some areas of the tax base are increasing faster than others while Tangible Personal Property is decreasing as it is phased out. This phase out of TPP is the reason for the overall decline of Monroe’s tax base for 2007 as the following graph demonstrates.

**Monroe Local School District**

Office of the Treasurer

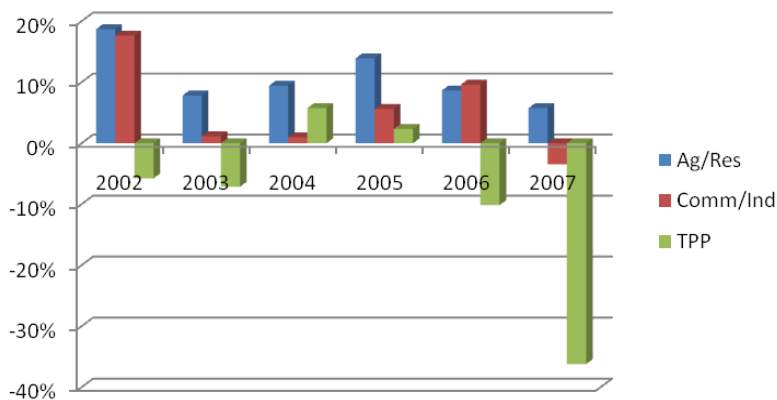
Tax Budget, 2008-09



**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. Property values certified for 2007 calendar year collections was the first time school districts realized these reductions in these values. Reductions in this class of the tax base will continue over the next four years until the tax is completely eliminated. While HB 66 provided for a hold-harmless period of state reimbursements, school districts are wise to consider these implications now in their long-term financial planning.

As illustrated below, the reductions in personal property values were significant compared to other segments of the tax base. Unfortunately, growth in other areas of the tax base for 2008 was not significant enough to offset the reductions in personal property valuation, resulting in a 2.19% reduction in the overall valuation.



**Monroe Local School District**

Office of the Treasurer  
Tax Budget, 2008-09

**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.

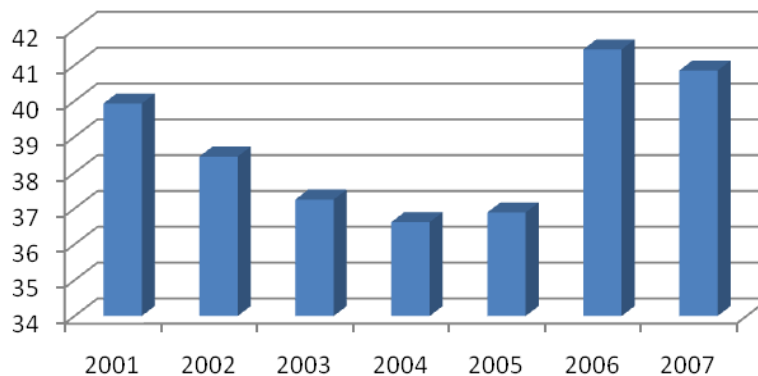
The County Auditor recently certified rates for 2008 tax collections and are included as a part of the 2008 Tax Budget. The chart below summarizes the tax rates over the last five years.

**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

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 declined slightly.

**Residential Tax Rates**



# TAX BUDGET

Fiscal 2008

Butler County, Ohio

From: Office of the Board of Education, Monroe Local School District, January 7, 2008

**To the County Auditor:**

The Board of Education of said School District hereby submits its annual Budget for the year commencing July 1st, 2008 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  (Include only those funds which are requesting general property tax revenue)	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
<b>GOVERNMENTAL FUNDS</b>	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXX	XXXX	XXXX	XXXX
GENERAL FUND	7,221,908						
EMERGENCY LEVY FUND	4,207,386						
BOND RETIREMENT FUND	2,219,280						
<b>PROPRIETARY FUNDS</b>	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXX	XXXX	XXXX	XXXX
<b>FIDUCIARY FUNDS</b>	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXX	XXXX	XXXX	XXXX
<b>TOTAL ALL FUNDS</b>	13,648,574	0	0	XXXX	XXXX	XXXX	XXXX

**Monroe Local School District**

Office of the Treasurer

Tax Budget, 2008-09

**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)
<b>GENERAL FUND:</b>				
Current Expense Levy authorized by voters on 11/4/1969 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)		5.80		
Current Expense Levy authorized by voters on 8/8/2006 not to exceed 5 years (\$930,418 Emergency Levy)		3.50		
Current Expense Levy authorized by voters on 11/7/2006 not to exceed 5 years (\$1,119,280 Emergency Levy)		4.35		
<b>TOTAL GENERAL FUND OUTSIDE 10 M. LIMITATION</b>		31.92		
<b>SPECIAL LEVY FUNDS</b>				
<b>BOND RETIREMENT:</b>				
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, 2005, 2006, AND 2007 ACTUAL;**  
**FORECASTED FISCAL YEARS ENDING JUNE 30, 2008 THROUGH 2012**

	Actual			Forecasted				
	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012
<b>Revenue:</b>								
1.010 General Property Tax (Real Estate)	5,741,498	6,698,954	6,747,418	8,766,060	9,296,761	9,386,438	9,408,814	9,471,336
1.020 Tangible Personal Property Tax	1,787,397	1,437,176	1,481,747	1,260,495	842,539	519,442	401,574	216,749
1.030 Income Tax	0	0	0	0	0	0	0	0
1.035 Unrestricted Grants-in-Aid	3,633,407	3,600,779	3,846,902	4,281,030	4,691,694	4,807,590	4,808,843	4,810,197
1.040 Restricted Grants-in-Aid	11,259	11,856	19,194	11,549	1,792	1,825	1,690	1,475
1.050 Property Tax Allocation	689,308	765,149	1,268,008	1,316,785	1,572,068	1,717,024	1,706,334	797,396
1.060 All Other Revenues	1,128,497	1,330,612	1,444,318	1,343,605	1,376,996	1,405,656	1,435,033	1,465,144
<b>1.070 Total Revenues</b>	<b>12,991,366</b>	<b>13,844,526</b>	<b>14,807,587</b>	<b>16,979,524</b>	<b>17,781,849</b>	<b>17,837,975</b>	<b>17,762,287</b>	<b>16,762,297</b>
<b>Other Financing Sources:</b>								
2.010 Proceeds from Sale of Notes	0	0	1,190,298	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.	2,000,000	0	0	0	0	0	0	0
2.050 Advances-In	154,753	169,322	4,828	0	0	0	0	0
2.060 All Other Financing Sources	10,238	97,506	3,249	0	0	0	0	0
2.070 Total Other Financing Sources	2,164,991	266,828	1,198,375	0	0	0	0	0
<b>2.080 Total Revenues and Other Financing Sources</b>	<b>15,156,357</b>	<b>14,111,354</b>	<b>16,005,962</b>	<b>16,979,524</b>	<b>17,781,849</b>	<b>17,837,975</b>	<b>17,762,287</b>	<b>16,762,297</b>
<b>Expenditures:</b>								
3.010 Personal Services	8,273,319	8,391,347	8,349,739	9,250,084	9,884,335	10,581,906	11,234,126	11,850,043
3.020 Employees' Retirement/Insurance Benefits	2,222,348	2,399,478	2,342,687	2,657,645	2,952,191	3,282,199	3,602,127	3,915,935
3.030 Purchased Services	3,213,074	3,435,221	3,429,482	3,678,983	3,864,267	4,208,627	4,570,234	4,721,438
3.040 Supplies and Materials	746,262	642,978	502,077	592,139	684,903	780,451	878,864	878,864
3.050 Capital Outlay	138,981	150,474	89,986	267,686	298,039	204,000	208,080	212,242
3.060 Intergovernmental	0	0	0	0	0	0	0	0
Debt Service:								
4.010 Principal-All (History Only)	0	0	0					
4.020 Principal-Notes				0	0	0	0	0
4.030 Principal-State Loans				0	0	0	0	0
4.040 Principal-State Advancements				0	0	0	0	0
4.050 Principal-HB 264 Loans				0	0	0	0	0
4.055 Principal-Other				0	0	0	0	0
4.060 Interest and Fiscal Charges	0	0	0	0	0	0	0	0
4.300 Other Objects	417,446	324,020	352,388	362,960	373,848	385,064	396,616	396,616
<b>4.500 Total Expenditures</b>	<b>15,011,430</b>	<b>15,343,518</b>	<b>15,066,359</b>	<b>16,809,496</b>	<b>18,057,585</b>	<b>19,442,247</b>	<b>20,890,046</b>	<b>21,975,137</b>
<b>Other Financing Uses</b>								
5.010 Operating Transfers-Out	2,050,000	13,284	0	0	0	0	0	0
5.020 Advances-Out	1,814,432	22,369	173,318	0	0	0	0	0
5.030 All Other Financing Uses	0	35,129	0	0	0	0	0	0
5.040 Total Other Financing Uses	3,864,432	70,782	173,318	0	0	0	0	0
<b>5.050 Total Expenditures and Other Financing Uses</b>	<b>18,875,862</b>	<b>15,414,300</b>	<b>15,239,677</b>	<b>16,809,496</b>	<b>18,057,585</b>	<b>19,442,247</b>	<b>20,890,046</b>	<b>21,975,137</b>
6.010 Excess of Rev & Other Financing Sources over (under) Expenditures and Other Financing Uses	-3,719,505	-1,302,946	766,285	170,029	-275,736	-1,604,272	-3,127,760	-5,212,840
7.010 Cash Balance July 1 - Excl Proposed Renewal/Replacement and New Levies	5,028,180	1,308,675	5,729	772,014	942,043	666,307	-937,965	-4,065,725
<b>7.020 Cash Balance June 30</b>	<b>1,308,675</b>	<b>5,729</b>	<b>772,014</b>	<b>942,043</b>	<b>666,307</b>	<b>-937,965</b>	<b>-4,065,725</b>	<b>-9,278,565</b>
8.010 Estimated Encumbrances June 30	12,015	70,689	359,301	75,000	80,000	80,000	80,000	80,000
<b>Reservation of Fund Balance</b>								
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	0	100,000	200,000	300,000	400,000	400,000
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	0	100,000	200,000	300,000	400,000	400,000
10.010 Fund Balance June 30 for Certification of Appropriations	1,296,660	-64,960	412,713	767,043	386,307	-1,317,965	-4,545,725	-9,758,565
<b>Rev from Replacement/Renewal Levies</b>								
11.010 Income Tax - Renewal				0	0	0	0	0
11.020 Property Tax - Renewal or Replacement				0	0	788,643	1,500,000	2,596,588
11.030 Cumulative Balance of Replacement/Renewal Levies	0	0	0	0	0	788,643	2,288,643	4,885,231
12.011 Fund Balance June 30 for Certification of Contracts, Salary and Other Obligations	1,296,660	-64,960	412,713	767,043	386,307	-529,322	-2,257,082	-4,873,334

**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 Interest	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 - 2009		Fiscal Year	FISCAL 2009		Fiscal Year
							7/1/2008 through 12/31/2008	1/1/2009 through 6/30/2009	7/1/2008 through 6/30/2009	7/1/2008 through 12/31/2008	1/1/2009 through 6/30/2009	7/1/2008 through 6/30/2009
Payable from Bond Ret. Fd.:	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
INSIDE 10 MILL LIMIT:	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
TOTAL												
OUTSIDE 10 MILL LIMIT:	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Bonds:	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
K-12 Facility	Voted 11/01	Apr. 2002	Dec. 2030	Serial	3.700%	25,209,632.00	1,049,872.50	1,049,872.50	2,099,745.00			
TOTAL						25,209,632.00	1,049,872.50	1,049,872.50	2,099,745.00	0.00	0.00	0.00

NOTES:  
 (1) Rates vary over the term of the bonds, from 3.40% in 2005 to 5.7% in 2019 and beyond.

## Debt Service Schedule

<b>Date</b>	<b>Interest Rate</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
12/1/2007	3.75		952,312.50	952,312.50
12/1/2008	3.75		952,312.50	952,312.50
12/1/2009	3.75		952,312.50	952,312.50
12/1/2010	3.75		952,312.50	952,312.50
12/1/2011	3.75		952,312.50	952,312.50
12/1/2012	3.75		952,312.50	952,312.50
12/1/2013	3.75	475,000.00	952,312.50	1,427,312.50
12/1/2014	3.75		934,500.00	934,500.00
12/1/2015	3.75		934,500.00	934,500.00
12/1/2016	3.75		934,500.00	934,500.00
12/1/2017	3.75		934,500.00	934,500.00
12/1/2018	3.75		934,500.00	934,500.00
12/1/2019	3.75		934,500.00	934,500.00
12/1/2020	3.75		934,500.00	934,500.00
12/1/2021	5.50	1,390,000.00	934,500.00	2,324,500.00
12/1/2022	5.50	1,575,000.00	858,050.00	2,433,050.00
12/1/2023	5.50	1,670,000.00	771,425.00	2,441,425.00
12/1/2024	5.50	1,880,000.00	679,575.00	2,559,575.00
12/1/2025	5.50	2,110,000.00	576,175.00	2,686,175.00
12/1/2026	4.50	2,225,000.00	460,125.00	2,685,125.00
12/1/2027	4.50	2,460,000.00	360,000.00	2,820,000.00
12/1/2028	4.50	2,710,000.00	249,300.00	2,959,300.00
12/1/2029	4.50	2,830,000.00	127,350.00	2,957,350.00
<b>Total</b>		<b>19,325,000.00</b>	<b>18,224,187.50</b>	<b>37,549,187.50</b>