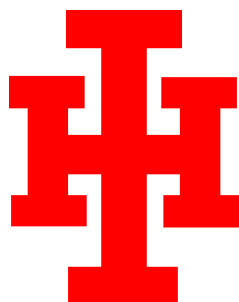


**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT**  
**Hamilton County, Ohio**

**ANNUAL FINANCIAL INFORMATION REPORT**  
**For the Fiscal Year Ended June 30, 2023**



This Annual Financial Information Report (“Annual Report”) pertains to the operations of the Indian Hill Exempted Village School District, Hamilton County, Ohio (the “School District”) for the fiscal year ended June 30, 2023. This Annual Report is being filed to satisfy the School District’s obligations to provide annual financial information and operating data in compliance with the continuing disclosure requirements of Rule 15c2-12 (the “Rule”) promulgated under the Securities Exchange Act of 1934. Specifically, the information in this Annual Report is provided in accordance with the continuing disclosure undertakings entered into by the School District pursuant to the Rule in connection with the following outstanding obligations of the School District:

*\$13,940,000 School Improvement Bonds, Series 2016, dated September 14, 2016. Final Maturity is December 1, 2027.*

*\$71,450,000 School Facilities Construction and Improvement Bonds, Series 2021, dated August 12, 2021. Final Maturity is December 1, 2051.*

The School District’s applicable base CUSIP number is 454272.

Questions regarding information contained in this Annual Report should be directed to: Mick Davis, Treasurer, Indian Hill Exempted Village School District, 6855 Drake Road, Cincinnati, Ohio 45243; telephone: (513) 272-4500.

This Annual Report is dated March 31, 2024.

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## **REGARDING THIS ANNUAL FINANCIAL INFORMATION STATEMENT**

This Annual Financial Information Report (“Annual Report”) does not constitute an offering of any security of the Indian Hill Exempted Village School District, Hamilton County, Ohio (the “School District”)

The information herein is subject to change without notice. The delivery of this Annual Report shall not create any implication that there has been no change in the affairs of the School District since the date hereof.

While the School District or its representatives have reviewed this Annual Report for accuracy, no other federal, state, municipal, or other governmental entity, agency, or instrumentality (including, but not limited to, the Securities and Exchange Commission (“SEC”) and the Municipal Securities Rulemaking Board (“MSRB”)) has passed, or been asked to pass, upon the accuracy or adequacy of this Annual Report and the information contained herein.

This Annual Report, which includes all appendices and exhibits hereto, has been prepared by the School District pursuant to the continuing disclosure undertakings entered into by the School District in compliance with Rule 15c2-12 (the “Rule”), promulgated under the Securities Exchange Act of 1934, for certain outstanding obligations of the School District. Certain information contained herein may not be required to be supplied under the Rule, and the School District is under no obligation to continue to provide any such additional information in the future.

This Annual Report is not sufficient to base an investment decision on but should be read in conjunction with the original offering document and all subsequent updates. Other relevant information may exist for the fiscal year to which this Annual Report pertains, and matters may have occurred or become known during or since that period that an investor would consider to be important when making an investment decision. The inclusion of certain information, if any, that may pertain to events that have occurred subsequent to the fiscal year to which this Annual Report pertains is provided solely for convenience, and any such information is not intended to suggest that other such information not so included is any less material or important to an investor.

All financial and other information presented in this Annual Report has been provided by the School District from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the School District. No representation is made that past experience, as is shown by financial and other information, will necessarily continue or be repeated in the future, and no representation is made as to the materiality or completeness of that information.

Insofar as the statements contained in this Annual Report involve matters of opinion, projections, or estimates, even if not expressly stated as such, such statements are made as such and not as representations of fact or certainty, no representation is made that any of such statements have been or will be realized, and such statements should be regarded as suggesting independent investigation or consultation of other sources prior to the making of investment decisions. Certain information may not be current; however, attempts were made to date and document sources of information.

Certain information in this Annual Report may be attributed to the Ohio Municipal Advisory Council (“OMAC”). OMAC compiles information from official and other sources. OMAC believes the information that it compiles is accurate and reliable, but OMAC does not independently confirm or verify the information and does not guarantee its accuracy. OMAC has not reviewed this Annual Report to confirm that any such information attributed to it is information provided by OMAC or for any other purpose.

Any CUSIP numbers contained herein have been provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association (“ABA”) by FactSet Research Systems Inc. CUSIP is a registered trademark of the ABA. Any such CUSIP numbers are provided solely for convenience. The School District is not responsible for the selection or use of any such CUSIP numbers and does not undertake any responsibility for their

accuracy now or at any time in the future. CUSIP numbers are subject to being changed as a result of subsequent actions and events.

References herein to provisions of Ohio law, whether codified in the Ohio Revised Code (the “Revised Code”) or uncodified, or to the provisions of the Ohio Constitution or the School District’s resolutions, are references to such provisions as they presently exist. Any of these provisions may from time to time be amended, repealed or supplemented.

As used in this Annual Report, “State” or “Ohio” means the State of Ohio. Additional information concerning this Annual Report is available from Mick Davis, Treasurer, Indian Hill Exempted Village School District, 6855 Drake Road, Cincinnati, Ohio 45243.

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## GENERAL INFORMATION

### Actual and Projected Enrollment

The School District’s daily average enrollments for past and current school years, together with projected enrollments for future school years, are shown below.

#### Actual and Projected Enrollment Indian Hill Exempted Village School District

Grade	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25*	2025-26*	2026-27*
K	150	161	153	160	148	155	154	155
1	158	153	171	166	172	158	165	164
2	148	167	156	182	173	181	168	175
3	176	164	157	161	189	177	184	174
4	176	183	158	158	174	192	182	188
5	165	175	182	164	161	176	191	183
6	154	172	177	187	169	166	181	193
7	193	154	171	181	196	170	168	182
8	192	192	158	177	186	197	175	173
9	146	177	163	154	159	172	181	170
10	158	152	178	165	156	162	175	182
11	153	156	154	174	161	159	164	175
12	163	156	147	155	176	164	158	165
Other	3	2	4	1	1	5	5	5
<b>Totals</b>	<b>2,135</b>	<b>2,164</b>	<b>2,129</b>	<b>2,185</b>	<b>2,221</b>	<b>2,234</b>	<b>2,251</b>	<b>2,284</b>

\* Projected.

Source: School District

## GENERAL FUND AND FINANCIAL OUTLOOK

The General Fund is the School District’s main operating fund, from which most expenditures are paid and into which most revenues are deposited. The General Fund receives moneys from many sources, but primarily from the ad valorem property taxes levied by the Board and education aid distributions from the State. For details concerning general operating fund revenues, expenditures and beginning and year-end balances in Fiscal Year 2023 and/or other recent Fiscal Years, see **Ad Valorem Property Taxes, State School Funding System, and Appendices A, B and C.**

Other than its authority to levy ad valorem property taxes, the only tax the Board may under existing State law impose, and only if approved by the School District’s electors, is an income tax on (i) the school district income of individuals and estates or (ii) wages, salaries, tips and other employee compensation.

## AD VALOREM PROPERTY TAXES

### Assessed Valuation

The following table shows the recent assessed valuations of property subject to ad valorem taxes levied by the School District.

Collection Year	Real <sup>(a)</sup>	Public Utility <sup>(b)</sup>	Total Assessed Valuation
2018 <sup>(c)</sup>	\$1,232,795,130	\$12,079,330	\$1,244,874,460
2019	1,241,426,980	12,874,240	1,254,301,220
2020	1,248,278,170	15,049,600	1,263,327,770
2021 <sup>(d)</sup>	1,352,653,950	16,168,030	1,368,821,980
2022	1,363,512,020	17,345,760	1,380,857,780
2023	1,378,845,510	17,780,340	1,396,625,850

<sup>(a)</sup> Other than real property of railroads. The real property of public utilities, other than railroads, is assessed by the Hamilton County Auditor. Real property of railroads is assessed, together with tangible personal property of all public utilities, by the State Tax Commissioner.

<sup>(b)</sup> Tangible personal property of all public utilities and real property of railroads; see footnote (a).

<sup>(c)</sup> Reflects sexennial reappraisal.

<sup>(d)</sup> Reflects triennial update.

Source: Hamilton County Auditor.

Taxes collected on “Real” in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year. “Public Utility” (real and tangible personal) taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year.

## Largest Taxpayers

The following tables list the largest real estate and public utility taxpayers in the School District. Percentages of total assessed valuation are based on a total assessed valuation of \$1,396,625,850 for collection year 2023.

### Largest Taxpayers Indian Hill Exempted Village School District (2023 Collection Year)

#### Real Estate Taxpayers

Name	Type of Business	Assessed Valuation	Percent of School District's Total Assessed Valuation
GA HC Reit II Seasons CCRC LLC	Real Estate	\$10,052,220	0.73%
Galbraith North Realty Company LLC	Real Estate	9,487,890	0.69
BRE DDR Crockodile Sycamore Plaza LLC	Shopping Plaza	8,290,260	0.60
Kenwood Pavilion 14 A LLC	Real Estate	7,489,810	0.54
Kenwood Mall LLC	Shopping Mall	5,792,960	0.42
Duke Energy Ohio Inc.	Utility Holding	5,746,480	0.42
Kenwood Land Acquisition LLC	Real Estate	5,383,890	0.39
Nisbet Property Holdings	Real Estate	4,714,000	0.34
The Camargo Club	Golf Course	4,211,860	0.31
Viking Partners Kenwood LLC	Real Estate	3,745,000	0.27

#### Public Utility Taxpayers

Name	Type of Business	Assessed Valuation	Percent of School District's Total Assessed Valuation
Duke Energy Ohio Inc.	Electric/Natural Gas Utility	\$17,780,340	1.29%

Source: Hamilton County Auditor

Pursuant to statutory requirements for sexennial reappraisals, in 2020, the Hamilton County Auditor adjusted the true value of taxable real property to reflect then current fair market values. Those adjustments were first reflected in the duplicate for tax year 2020 (collection year 2021) and in the ad valorem taxes distributed to the School District in 2021. The County Auditor is required to adjust (but without individual appraisal of properties except in the sexennial reappraisal), and has adjusted, taxable real property value triennially to reflect true values. The County Auditor last undertook such a triennial adjustment in 2017. The results of that adjustment were first reflected in the duplicate for tax year 2017 (collection year 2018) and in the ad valorem taxes distributed to the School District in 2018.

The "assessed valuation" of real property is fixed at 35% of true value and is determined pursuant to rules of the State Tax Commissioner. An exception is that real property devoted exclusively to agricultural use is to be assessed at not more than 35% of its current agricultural use value. Real property devoted exclusively to forestry or timber growing is taxed at 50% of the local tax rate upon its assessed value.

As a result of the phase-out of taxation of tangible personal property used in general business (excluding certain public utility property) and tangible personal property used by telephone, telegraph or interexchange telecommunications companies, and the reduction of the percentages of true value of electric utility production equipment and natural gas utility property assessed for taxation, eligible school districts have received reimbursement payments from the State to account for the loss of property tax revenue. Such reimbursements have been combines and are to be distributed by the State in November and may of each Fiscal Year. According to the Ohio Department of Education and Workforce, the School District did not receive such reimbursement in Fiscal Year 2023.

As indicated herein, the General Assembly has from time to time exercised its power to revise the laws applicable to the determination of assessed valuation of taxable property and the amount of receipts to be produced by ad valorem taxes levied on that property, and may continue to make similar revisions.

Ohio law grants tax credits to offset increases in taxes resulting from increases in the true value of real property. Legislation classifies real property as between residential and agricultural property and all other real property, and provides for tax reduction factors to be separately computed for and applied to each class. These tax credits apply only to certain voted levies on real property, and they do not apply to unvoted levies or to voted levies to provide a specified dollar amount or to pay debt charges on general obligation debt. These credits are discussed further following **Tax Table A**.

### **Overlapping Governmental Entities**

The major political subdivisions or other governmental entities that overlap all or a portion of the territory of the School District are listed below. The “(%)” figure is that approximate percentage of a recent assessed valuation of the overlapping entity that is located within the School District.

- The County (functions allocated to counties by Ohio law, such as elections, health and human services, and judicial). (6.33%)
- The Cities of the Village of Indian Hill (99.44%), Madeira (2.19%), and Milford (0.29%) (municipal corporation responsibilities).
- The Village of Terrace Park (0.02%) (limited functions allocated to villages).
- Townships of Columbia (0.06%), Sycamore (43.55%) and Symmes (9.24%) (limited functions allocated to townships by Ohio law).
- Great Oakes Career Center (the Career Center) (vocational education program). (6.19%)
- Cincinnati and Hamilton County Port Authority (public port facilities in the Cincinnati port and economic development activities). (6.33%)
- Cincinnati-Hamilton County Public Library District (public library). (6.33%)
- Hamilton County Park District (park and recreation areas). (6.33%)
- Little Miami Joint Fire and Rescue District. (0.04%)

Source: Ohio Municipal Advisory Council.

Each of these entities operates independently, with its own separate budget, taxing power and sources of revenue. Only the County, the Cities, the Villages, the Townships and the Career Center may,

as may the School District, levy ad valorem property taxes within the ten-mill limitation (subject to available statutory allocation of the 10 mills) described under **Indirect Debt and Unvoted Property Tax Limitations**.

**Tax Rates**

All references to tax rates under this caption are in terms of stated rates in mills per \$1.00 of assessed valuation.

The following are the rates at which the School District and overlapping taxing subdivisions have in recent years levied ad valorem property taxes.

**TAX TABLE A  
Overlapping Tax Rates**

<b>Collection Year</b>	<b>School District</b>	<b>City</b>	<b>Career Center</b>	<b>County and Others<sup>(a)</sup></b>	<b>Total</b>
2019	44.37	0.96	2.70	24.17	72.20
2020	44.30	0.96	2.70	24.17	72.13
2021	44.30	0.96	2.70	24.17	72.13
2022	49.53	0.96	2.70	24.88	78.07
2023	49.53	0.96	2.70	25.26	78.45

<sup>(a)</sup> In addition to County, includes Hamilton County Park District and Cincinnati-Hamilton County Public Library.

Source: Hamilton County Auditor.

Statutory procedures limit, by the application of tax credits, the amount realized by each taxing subdivision from real property taxation to the amount realized from those taxes in the preceding year plus both:

- the proceeds of any new taxes (other than renewals) approved by the electors, calculated to produce an amount equal to the amount that would have been realized if those taxes had been levied in the preceding year; and
- amounts realized from new and existing taxes on the assessed valuation of real property added to the tax duplicate since the preceding year.

These procedures were instituted initially in 1976 to limit in part the effect of increasing property values due to appreciation on the growth of those property taxes.

The tax credit provisions do not apply to amounts realized from (i) taxes levied at whatever rate is required to produce a specified amount or an amount to pay debt charges on voted general obligations, (ii) taxes levied inside the ten-mill limitation or inside applicable municipal charter tax rates (such as those of the City), or (iii) School District levies for operating purposes once the “twenty-mill floor” has been reached. To calculate the limited amount to be realized, a reduction factor is applied to the stated rates of the levies subject to these tax credits. A resulting “effective tax rate” reflects the aggregate of those reductions, and is the rate based on which real property taxes are in fact collected. As an example, the total overlapping tax rate for the 2023 tax collection year of 78.45 mills within School District (within the City) is reduced by reduction factors of 0.381247 for residential/agricultural property and 0.346156 for all other real property, which resulted in “effective rates” of 48.541177 mills for residential and agricultural property and 51.294067 mills for all other real property. See **Tax Table A**.

Residential and agricultural real property tax amounts are generally further reduced by an additional 10% (12.5% in the case of owner-occupied residential property); however, legislation passed by the State’s General Assembly in 2013 eliminated such reductions for additional and replacement levies approved at elections after September 29, 2013, and for other taxes (or increases in taxes) not levied for tax year 2013. See **Ad Valorem Property Taxes – Collections** for a discussion of the reimbursement by the State to taxing subdivisions for these reductions and related changes made by State legislation passed by the General Assembly in 2013. The School District’s existing voter-approved property taxes for current expenses and emergency requirements were not affected by this legislation because they were initially approved prior to September 29, 2013.

The following are the rates at which the School District levied property taxes for the general categories of purposes for the years shown, both inside and outside the ten-mill limitation.

**TAX TABLE B**  
**School District Tax Rates**

**Unvoted (inside the 10-Mill Limitation)**

Collection Year	Total, all Operating
2018	<b>6.41</b>
2019	<b>6.41</b>
2020	<b>6.41</b>
2021	<b>6.41</b>
2022	<b>6.41</b>
2023	<b>6.41</b>

**Voted**

Collection Year	Operating	Debt Retirement	Total
2018	36.51	3.24	<b>39.75</b>
2019	36.51	1.45	<b>37.96</b>
2020	36.51	1.38	<b>37.89</b>
2021	36.51	1.38	<b>37.89</b>
2022	38.97	4.15	<b>43.12</b>
2023	38.97	4.15	<b>43.12</b>

The voted levies for “Debt Retirement” continue for the life of the bonds authorized by the voters, in annual amounts sufficient to pay debt charges on those bonds as they come due.

The total School District operating millage of 45.38 mills for collection year 2023 includes 38.97 in voted levies, of which 36.51 mills were approved by the School District electorate for a continuing period of time and which do not require a renewal vote. The other 2.46 mills of voted operating millage consists of a five-year, 2.46 mill current expense levy that will be collected through tax year 2025 (collection year 2026). The remaining balance of 6.41 mills constitutes a portion of the School District’s mandated share of the unvoted 10 mills.

See the discussion of the ten-mill limitation, and the priority of claim on that millage for debt charges on unvoted general obligation debt, under **Indirect Debt and Unvoted Property Tax Limitations**.

## History of Voted Taxes

The table below provides the history of voted taxes in the School District since 1992. Issues identified in **bold** were passed by the voters.

### History of Voted Taxes Indian Hill Exempted Village School District

Election Date	Levy or Bond Issue Description	Voting For	Voting Against
<b>05/04/2021</b>	<b>\$77,000,000 Bond Issue and 2.46 Mills Current Expense Levy (New – 5 years)</b>	<b>55.55%</b>	<b>44.45%</b>
<b>11/07/2000</b>	<b>\$49,600,000 Bond Issue</b>	<b>53.90</b>	<b>46.10</b>
<b>05/04/1993</b>	<b>2.13 Mills Current Expense Levy (New – 5 years)</b>	<b>61.16</b>	<b>38.84</b>
11/03/1992	\$1,700,000 Bond Issue	37.21	62.79
11/03/1992	5.10 Mills Current Expense Levy (New – 3 years)	47.85	52.15

Source: Ohio Municipal Advisory Council

The School District anticipates asking the voters to renew the five-year, 2.46 mill current expense levy being collected through tax year 2025 (collection year 2026) prior to its expiration.

## Property Tax Collections

The following are the amounts billed and collected for School District ad valorem real and public utility property taxes for the tax collection years shown.

Collection Year	Current Billed	Current Collected	Current % Collected	Delinquent	
				Current	Accumulated
2018	\$32,087,705	\$31,628,369	98.57%	\$778,534	\$712,298
2019	30,015,490	29,479,149	98.21	644,766	677,350
2020	30,320,821	29,731,777	98.06	793,694	1,210,074
2021	31,448,183	30,652,451	97.47	681,522	1,095,484
2022	39,424,805	38,524,085	97.72	891,384	1,236,165
2023	39,505,359	38,513,083	97.49	937,942	1,320,207

Source: Hamilton County Auditor

Included in the “Current Billed” and “Current Collected” figures above are payments made from State revenue sources under two Statewide real property tax relief programs – the Homestead Exemption and the Property Tax Rollback Exemption. Homestead Exemptions have been available for (i) persons 65 years of age or older, (ii) persons who are totally or permanently disabled and (iii) surviving spouses of persons who were totally or permanently disabled or 65 years of age or older, and had applied and qualified for a reduction of property taxes in the year of death, so long as the surviving spouses were not younger than 59 or older than 65 years of age on the date of their deceased spouses’ deaths. The Homestead Exemption exempts \$25,000 of the homestead’s market value from taxation, thereby reducing the property owner’s ad valorem property tax liability. The Homestead Exemption also provides a \$50,000 reduction in a homestead’s market value available to (a) disabled veterans or (b) the surviving spouse of a public service officer, which includes police officers, firefighters, and other first responders, who died in the line of duty or as a result of an injury or illness sustained in the line of duty. The Property Tax Rollback Exemption applies to all non-business properties, and reduces each property owner’s ad valorem property tax liability by either 12.5% (for owner-occupied non-business properties) or 10% (for non-owner non-business

occupied properties). Payments to taxing subdivisions have been made in amounts approximately equal to the Homestead and Property Tax Rollback Exemptions granted. This State assistance reflected in the School District's tax collections for 2023 was \$121,634 for the elderly/disabled homestead payment and \$3,435,814 for the rollback payment.

The Homestead Exemption became subject to means testing beginning in 2014, and the Property Tax Rollback Exemption and related reimbursements have been eliminated with respect to new or replacement tax levied approved at elections after September 29, 2013, and for other taxes (or increases in taxes) not levied for tax year 2013. See **Tax Rates**.

Real property taxes are payable in two installments, the first usually by February and the second in July.

### **Delinquencies**

The following is a general description of delinquency procedures under Ohio law, the implementation of which may vary in practice among the counties.

Under the Revised Code, taxes levied on property become a lien of the State on the first day of January, annually, and that lien continues until the taxes, including any penalties, interest or other charges, are paid. Real estate taxes and special assessments are generally payable in two equal installments – with the first half installment due no later than January in the year following their levy and the second half installment due no later than July in the year following their levy. Current year billed taxes not paid when due are generally subject to a 10% penalty, subject to remission of on-half of the penalty if those taxes are paid within 10 days following the due date.

The property owner may execute a written delinquent tax agreement with the county treasurer to arrange a payment plan that provides for payment of tax, interest, and penalties over a period not to exceed five years. If payments are made when due under the plan, no further interest will be assessed against delinquent balances covered by the plan; however, a default in any payment under the plan or in the payment of current taxes will invalidate the taxpayer's participation in the plan. If a payment plan is not adhered to or if none is arranged, foreclosure proceedings may be initiated by the county. Mass foreclosure proceedings and sales are permitted after three years' delinquency. Proceeds from delinquent property foreclosure sales become part of and are distributed as current collections to the taxing subdivisions.

In recent years, the State legislature has enacted several programs with respect to forestalling the foreclosure process or the forfeiture of property due to tax delinquency that may have the effect of delaying or eliminating the collection of certain property taxes. Notwithstanding the delay or loss of the tax revenues from those properties, an issuer of general obligation notes or bonds, such as the School District, remains obligated to pay the debt charges on those notes or bonds from the available revenues. See **Security for General Obligation Debt; Bonds and BANs**.

Of the 5,910 nonexempt parcels in the School District for collection year 2023, the number of delinquent parcels was 119. The total number of foreclosure proceedings was zero.

These taxpayers accounted for more than 5% of the delinquencies identified above for collection year 2023:

<b>Taxpayer</b>	<b>Amount Due<sup>(a)</sup></b>
Individual Taxpayer	\$110,490
Individual Tax Payer	60,775
Individual Tax Payer	48,061

<sup>(a)</sup> Includes both taxes due and penalties assessed that are owed to all overlapping taxing subdivisions, of which approximately 65% is due the School District.

## **STATE SCHOOL FUNDING SYSTEM**

The State’s General Assembly has historically provided financial assistance to city, exempted village, local and municipal school districts as a part of its undertaking to secure a thorough and efficient system of common schools throughout the State as required by the Ohio Constitution. The levels of that financial assistance (State Education Aid) and methods used in allocating it among the school districts have been established and frequently modified in the State’s biennial budget and other legislation passed by the General Assembly from time to time. As used herein, “State Budget Act” means Amended Substitute House Bill No. 110, passed by the Ohio General Assembly and signed by the Governor on June 30, 2021, providing State appropriations for its 2021-2023 biennium (beginning July 1, 2021 through June 30, 2023) and enacting other statutory provisions.

The State Budget Act incorporates and adopts aspects of the “Fair School Funding Plan” (FSFP), a three-year, bipartisan effort by school district board members and administrators, State legislators, trade associations and other interested parties to create a funding model that would more equitably distribute money among the State’s school districts, with an emphasis on additional funds being provided by the State rather than being raised by school districts through local ad valorem property tax levies, school district income taxes or otherwise.

Under the State Budget Act, State Education Aid is estimated to be \$8.9 billion in Fiscal Year 2022 and \$9.3 billion in Fiscal Year 2023, increasing average per-pupil aid from \$6,020 to \$7,020, phased in over the biennium. Generally speaking, K-12 funding will be increased by \$564 million, with approximately two thirds of the additional revenue going to the poorest school districts in the State and with the largest per-pupil increases, on average, going to urban school districts and the largest average percentage increases going to smaller urban school districts. It is anticipated that no school district will receive less net State Education Aid under the State Budget Act than it did in Fiscal Year 2021, and that net State Education Aid will increase for almost all school districts during the biennium, modestly in most instances.

The State Budget Act makes significant changes to the calculation and payment of State Education Aid. Under the State Budget Act, students will be funded where they are educated, instead of where they live. Students at community schools, STEM schools and those participating in a scholarship program (e.g. EdChoice, Autism Scholarship, Jon Peterson Special Needs Scholarship) and those participating in open enrollment will be directly funded at their educating entity. This change eliminates the deduction and transfer of funds from resident school districts to educating entities for those students. As a result, school districts with large numbers of students who leave through choice options would receive less State Education Aid without the inclusion of those students.

For purposes of determining the State share of the base cost of core foundation funding under the State Budget Act, an overall base cost is to be calculated for each school district using formulas to create estimated base costs of (i) direct classroom instruction, (ii) instructional and student support, (iii) school

district leadership and accountability, (iv) building leadership and operations and (v) an athletic co-curricular activities. The school district’s calculated base cost is then to be allocated between a State share and a school district share based on the school district’s “per-pupil local capacity” which is a function of its ad valorem property tax valuation per-pupil and measures of income wealth in the school district. The State share for school districts with lower ad valorem property tax valuations per pupil and/or lower income wealth per-pupil is to be larger. However, in no case is the State share of the school district’s calculated base cost to be less than five percent.

Under the core foundation funding formula, in addition to the State share described above, school districts may also receive, as applicable, State Education Aid in the form of (i) targeted assistance based on relative tax valuation and income factors and student population, (ii) a weighted amount based on six categories of disabilities for special education and related services, (iii) supplemental disadvantaged pupil impact aid based on the relative proportion of a school district’s students identified as economically disadvantaged, (iv) a weighted amount for each of three English learner categories, (v) gifted funds for identification, referral, professional development, coordinators and intervention specialists, (vi) a weighted amount for each of five career-technical categories and (vii) a weighted amount for career-technical education associated services. The amount of a school district’s State Education Aid in the form of special education, English learner, gifted and career-technical education funding is generally to be determined in the same manner as its State share of the school district’s base cost.

There can be no assurance concerning future funding levels or systems or formulae for allocation of State Education Aid or full implementation of the FSFP (the State Budget Bill did not provide for the FSFP’s contemplated six-year phase-in for funding, addressing funding only in Fiscal Years 2022 and 2023). Funding has also been subject to adjustment during a biennium. As indicated above, the General Assembly has the power to modify the system of State school funding and has often exercised that authority. The School District cannot predict whether, when or in what form any future system of State school funding will be enacted into law.

The following table presents certain information concerning State Education Aid payments to the School District under the various State funding systems and formulae in place for the Fiscal Years indicated.

<b>Fiscal Year</b>	<b>State Education Aid</b>	<b>State Education Aid as a % of General Fund Total Revenues and Other Financing Sources<sup>(a)</sup></b>	<b>State Education Aid as a % of General Fund Total Expenditures and Other Financing Uses<sup>(a)</sup></b>
2019	\$1,578,309	4.79%	4.36%
2020	1,680,769	4.47	4.14
2021	1,528,097	4.14	4.26
2022	1,548,221	3.87	3.90
2023	1,696,322	3.86	3.85

<sup>(a)</sup> See **Appendix A** for details regarding revenues and expenditures.

See **Appendix A** and the Fiscal Year 2023 Financial Statements for further information regarding other revenue sources for the General Fund and other operating funds.

### **SCHOOL DISTRICT DEBT AND OTHER LONG-TERM OBLIGATIONS**

The following describes the security for general obligation debt such as the Bonds, applicable debt and ad valorem property tax limitations, and outstanding and projected bond and note indebtedness and certain other long-term financial obligations of the School District.

As used in the discussions that follow, the term “BANs” refers to notes issued in anticipation of the issuance of general obligation bonds.

The School District is not, and to the knowledge of current School District officials has not ever been, in default in the payment of debt charges on any of the bonds or notes on which the School District is obligor.

### **Security for General Obligation Debt; Bonds and BANs**

The following describes the security for the School District’s general obligation debt.

**Voted Bonds.** The basic security for voted School District general obligation bonds is the authorization by the electors for the Board to levy, and its levy pursuant to constitutional and statutory requirements of, ad valorem taxes, without limitation as to rate or amount, on all real and tangible personal property subject to ad valorem taxation by the Board. These taxes are outside of the ten-mill limitation and are to be sufficient in amount to pay (to the extent not paid from other sources) as they come due the debt charges on the voted bonds (subject to the provisions of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities).

As of June 30, 2023, the School District has \$78,080,000 of voted general obligation bonds outstanding. All references to the School District’s outstanding debt exclude accretions to the value of any capital appreciation bonds.

**Unvoted Bonds.** The basic security for the limited amount of School District unvoted general obligation bonds (see **Statutory Direct Debt Limitations**) is the Board’s ability to levy, and its levy pursuant to constitutional and statutory requirements of, ad valorem taxes on all real and tangible personal property subject to ad valorem taxation by the Board, within the ten-mill limitation described below. These taxes are to be sufficient in amount to pay (to the extent not paid from other sources) as they come due the debt charges on unvoted general obligation bonds. The law provides that the levy necessary for debt charges has priority over any levy for other purposes within that tax limitation; that priority may be subject to the provisions of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities. See discussion under **Indirect Debt and Unvoted Property Tax Limitations** of the ten-mill limitation, and the priority of claim on it for debt changes on unvoted general obligation debt of the School District and all overlapping taxing subdivisions.

The School District has no unvoted general obligation bonds outstanding.

**BANs.** BANs may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the BANs, or available funds of the School District, or a combination of these sources. While BANs are outstanding, Ohio law requires the levy of ad valorem property taxes in an amount not less than what would have been levied if bonds had been issued without the prior issuance of the BANs. That levy need not actually be collected if payment in fact is to be provided from other sources, such as the proceeds of the bonds anticipated or of renewal BANs. BANs, including renewal BANs, may be issued and outstanding from time to time up to a maximum period of 240 months from the date of issuance of the original notes. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated. Portions of the principal amount of BANs outstanding for more than five years

must be retired in amounts at least equal to, and payable not later than, those principal maturities that would have been required if the bonds had been issued at the expiration of the initial five-year period.

The School District has no outstanding BANs.

### **Statutory Direct Debt Limitations**

The Revised Code provides two debt limitations on general obligation debt that are directly based on tax (assessed) valuation, applicable to all school districts, including the School District.

- The net principal amount of both voted and unvoted debt of the School District, excluding “exempt debt” (discussed below), may not exceed 9% of the total tax (assessed) valuation of all property in the School District as listed and assessed for taxation, except in the case of a “special needs” school district. All of the School District’s current general obligation debt is subject to this limitation.
- The net principal amount of unvoted debt of the School District, excluding exempt debt, may not exceed 1% of that valuation, as discussed below.

These two limitations, which are referred to as the “direct debt limitations,” may be amended from time to time by the General Assembly.

The School District’s ability to incur unvoted debt (whether or not exempt from the direct debt limitations) is also restricted by the indirect debt limitation discussed under **Indirect Debt and Unvoted Property Tax Limitations**.

The Revised Code provides as a general limitation that the net principal amount of general obligation debt of a school district incurred without a vote of the electors, in general, may not exceed 1% of the School District’s total tax valuation. A further general limitation, from which certain energy conservation and exempt debt (discussed below) may be excluded, is 1/10th of 1% of its total tax valuation; the School District at present has no outstanding unvoted debt subject to this limitation. School Districts may also issue unvoted general obligation debt and other debt under certain circumstances for energy conservation programs, which general obligation debt may not exceed 9/10ths of 1% of the School District’s tax valuation; the School District at present has no debt subject to that limitation. Debt charges on any unvoted debt, unless paid from other sources, must be paid from the millage levied within the ten-mill limitation, resulting in a reduction in money available for operating expenses.

Certain general obligation debt that the School District may issue is exempt from the 9%, 1/10th of 1%, 9/10ths of 1% and 1% direct debt limitations (exempt debt). Exempt debt includes, without limitation, securities issued to pay final judgments or court-approved settlements, securities issued to acquire school buses and other equipment used in transporting pupils, securities evidencing State solvency assistance loans, certain securities issued to acquire computers and related hardware and certain unvoted securities issued a school district’s share of the basic project cost and any additional funds necessary to participate in a cooperative project with the Commission under Chapter 3318 of the Revised Code that are secured by a pledge of proceeds of a school district income tax or a voted property tax levy. In addition certain debt under Section 133.06(I) of the Revised Code, is exempt from the 9% direct debt limitation. The School District has no such exempt debt outstanding.

In the calculation of debt subject to the direct debt limitations, the amount in a school district's bond retirement fund allocable to the principal amount of nonexempt debt is deducted from gross nonexempt debt. Without consideration of amounts in the Bond Retirement Fund, and based on the principal amount of outstanding debt, and the current tax (assessed) valuation, the School District's voted and unvoted nonexempt debt capacities are:

<b>Limitation (a)</b>	<b>Nonexempt Debt Outstanding</b>	<b>Additional Debt Capacity Within Limitation</b>
9% = \$125,696,326	\$78,080,000	\$47,616,326
0.1% = \$1,393,625	0	1,393,625
0.9% = \$12,569,632	0	12,569,632
1% = \$13,966,258	0	13,966,258

<sup>(a)</sup> The School District's current tax (assessed) valuation for purposes of determining its direct debt limitations is \$1,396,625,850. See the discussion above. 1,396,625,850

This is further detailed in **Debt Table A**.

### **Indirect Debt and Unvoted Property Tax Limitations**

Voted general obligation debt may be issued by the School District if authorized by vote of the electors. Ad valorem taxes, without limitation as to amount or rate, to pay debt charges on voted bonds are authorized by the electors at the same time they authorize the issuance of the bonds.

General obligation debt also may be issued by the School District without a vote of the electors, but subject to the 1% and 1/10th and 9/10ths of 1% limitations discussed above unless it is exempt debt. This unvoted debt may not be issued unless the ad valorem property tax for the payment of debt charges on those bonds (or the bonds in anticipation of which BANs are issued) of the combination of overlapping taxing subdivisions including the School District resulting in the highest tax required for such debt charges, in any year is 10 mills or less per \$1.00 of assessed valuation. This indirect debt limitation, the product of what is commonly referred to as the "ten-mill limitation," is imposed by a combination of provisions of the Ohio Constitution and the Revised Code.

The ten-mill limitation is the maximum aggregate millage for all purposes that may be levied on any single piece of property by all overlapping taxing subdivisions without a vote of the electors. The 10 mills are allocated pursuant to a statutory formula among certain overlapping taxing subdivisions in the County, including the School District. For collection year 2023, the entire 10 mills was levied by the combination of the School District and taxing subdivisions overlapping portions of the School District, and the allocation of the 10 mills (sometimes referred to as the "inside millage") was as follows: 6.41 School District, 0.96 City and 2.26 County; that allocation has remained constant for at least the last five years.

Because the School District is restricted in the amount of unvoted debt it can issue, the major impact of the indirect debt limitation generally results from the ability of overlapping political subdivisions to issue unvoted general obligation debt in amounts that require unvoted taxes for the payment of debt charges on that debt to be levied at a rate in excess of the rates within the ten-mill limitation allocated by statutory formula to the subdivisions. The result of a subdivision having to draw on millage to pay debt charges in an amount exceeding its allocated rate within the ten-mill limitation would be to reduce the millage within the ten-mill limitation available to the overlapping subdivisions, including the inside millage then levied by the Board for operating purposes. To the best knowledge of current School District officials, no such reduction in the School District's statutory share of inside millage has occurred since the ten-mill limitation has been in effect.

Present Ohio law requires the inside millage allocated to a taxing subdivision to be used first for the payment of debt charges on its unvoted general obligation debt, unless provision has been made for that payment from other sources, with the balance usable for other purposes. To the extent this inside millage is required for debt charges of a taxing subdivision (which may exceed the formula allocation to that subdivision), the amount that would otherwise be available to that subdivision for general fund purposes is reduced. Because the inside millage that may actually be required to pay debt charges on a subdivision's unvoted general obligation debt may exceed the formula allocation of that millage to the subdivision, the excess reduces the amount of inside millage available to overlapping subdivisions. A law applicable to all Ohio cities and villages, however, requires that any lawfully available receipts from a municipal income tax or from voted property tax levies be allocated to pay debt charges on the municipality's unvoted debt before the formula allocations of the inside millage to overlapping subdivisions can be invaded for that purpose.

In the case of BANs issued in anticipation of unvoted general obligation bonds, the highest estimate of annual debt charges for the anticipated bonds is used to calculate the millage required.

The total millage theoretically required by the City, the Career Center and the County (the combination of overlapping taxing subdivisions that had issued unvoted debt then outstanding) for debt charges on their outstanding unvoted general obligation debt was estimated to be 3.56649 mills for 2023, the year of the highest potential debt charges. There thus remained 6.43351 mills within the ten-mill limitation that had yet to be allocated to debt charges and that were available to the School District and overlapping subdivisions in connection with the issuance of additional unvoted general obligation debt.

**Debt Outstanding**

The Debt Tables attached provide information concerning the School District's outstanding debt represented by bonds and notes, School District and overlapping subdivisions general obligation debt allocations and debt charges on the School District's outstanding general obligation debt. See **Debt Tables**.

The following table shows the principal amount of School District's general obligation debt outstanding as of June 30 in the years shown.

Year	Total
2019	\$13,580,000
2020	12,260,000
2021	88,090,000
2022	81,170,000
2023	78,080,000

**Bond Anticipation Notes**

None of the debt of the School District was in the form of BANs. BANs may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the BANs, or available funds of the School District, or a combination of these sources.

## Bond Retirement Fund

The Bond Retirement Fund is the fund from which the School District pays debt charges on its general obligation debt and into which money required to be applied to those payments is deposited. See **Appendix B** for year-end balance, receipts and disbursements for the prior two Fiscal Years for this fund. The following table is an unaudited summary of Bond Retirement Fund receipts and disbursements for prior Fiscal Years

<b>Fiscal Year</b>	<b>Receipts (a)</b>	<b>Disbursements (a)</b>	<b>June 30 Balance</b>
2019	\$2,457,576	\$3,721,513	\$1,868,708
2020	1,766,377	1,680,745	1,954,340
2021	1,823,506	1,680,659	2,097,187
2022	83,853,290	81,549,119	4,401,358
2023	5,861,339	5,713,769	4,548,928

## Future Financings

The School District does not anticipate financing any additional capital projects in the next five years.

## Long-Term Financial Obligations Other Than Bonds and Notes

### Lease-Purchase Financing

On October 26, 2022, the Board, on behalf of the School District, entered into a Base Lease and Lease-Purchase Agreement (the "Lease") in the amount of \$10,000,000 pursuant to Revised Code Section 3313.375 with Webster Bank, National Association (the "Lessor") for the purpose of constructing, improving, furnishing, and equipping school facilities. Under the Lease, the Lessor is leasing the Project Site and the Project Facilities (both as defined in the Lease) from the School District and subleasing the Project Facilities back to the School District. The Lease consists of 20 renewable one-year (or partial year) lease terms which run from October 26, 2022 through December 1, 2042, and expire annually at the end of the School District's Fiscal Year (with the exception of the final lease term, which expires on December 1, 2042). The Lessor's base leasehold interest under the Lease runs through December 1, 2047, and, if the School District were to default under the Lease, the Lessor would have the right to possess and sublease the Project Site and the Project Facilities for the duration of the base lease term ending on December 1, 2047. The Board's obligation to make base rent payments under the Lease is subject to annual appropriation by the Board and does not represent or constitute bonded indebtedness, a debt of, or a general obligation of the School District.

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The following schedule presents the School District’s base rent payments due under the Lease.

**Base Rent Payments Under Lease**  
Indian Hill Exempted Village School District

Calendar Year	Prior Obligations		Total Debt Service
	Principal	Interest	
2024	360,000.00	363,375.00	723,375.00
2025	370,000.00	349,875.00	719,875.00
2026	385,000.00	336,000.00	721,000.00
2027	400,000.00	321,562.50	721,562.50
2028	415,000.00	306,562.50	721,562.50
2029	430,000.00	291,000.00	721,000.00
2030	450,000.00	274,875.00	724,875.00
2031	465,000.00	258,000.00	723,000.00
2032	480,000.00	240,562.50	720,562.50
2033	500,000.00	222,562.50	722,562.50
2034	520,000.00	203,812.50	723,812.50
2035	540,000.00	184,312.50	724,312.50
2036	560,000.00	164,062.50	724,062.50
2037	580,000.00	143,062.50	723,062.50
2038	600,000.00	121,312.50	721,312.50
2039	625,000.00	98,812.50	723,812.50
2040	645,000.00	75,375.00	720,375.00
2041	670,000.00	51,187.50	721,187.50
2042	695,000.00	26,062.50	721,062.50
<b>Total</b>	<b>\$9,690,000.00</b>	<b>\$4,032,375.00</b>	<b>\$13,722,375.00</b>

Source: School District

On December 10, 2020, the School District entered into an equipment lease-purchase agreement (the “Equipment Lease”) in the amount of \$3,700,000 for energy conservation improvements with Capital One Public Funding, LLC. The Equipment Lease bears interest at a rate of 1.66% and the final lease payment is scheduled for December 1, 2032. As of June 30, 2022, the aggregate of the remaining payments due under the Equipment Lease was \$3,135,000. The amounts due under the Equipment Lease are not considered debt and payments are subject to annual appropriation by the Board of Education.

On July 10, 2019, the School District entered into a capital lease agreement (the “Capital Lease”) in the amount of \$472,858 providing for the leasing and eventual acquisition of school buses. The Capital Lease bears interest at a rate of 3.78% and the final lease payment is scheduled for August 15, 2023. The lease was paid in full.

The School District has no other long-term financial obligations, other than the bonds and lease purchase obligations described above, the retirement obligations and net pension liability described under Retirement Expenses and the compensated absences (for vacation and sick pay) obligations identified in the Notes to the School District’s audited Basic Financial Statements for Fiscal Year 2023.

## **Financial Reports and Audits**

The School District maintains its accounts, appropriations and other fiscal records in accordance with the procedures established and prescribed by the Ohio Auditor of State (the “State Auditor”). The State Auditor is charged by law with the responsibility of inspecting and supervising the accounts and records of each taxing subdivision and most public agencies and institutions.

School District receipts and expenditures are compiled on a cash basis, pursuant to accounting procedures prescribed by the State Auditor that are generally applicable to all Ohio school districts. The records of these cash receipts and expenditures are converted annually for reporting purposes to a modified accrual basis of accounting for governmental funds and an accrual basis for proprietary funds. These accounting procedures conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). Those principals, among other things, provide for a modified accrual basis of accounting for the general fund, all special revenue funds and the debt service (bond retirement) fund, for a full accrual basis of accounting for all other funds, and for the preparation for each fund balance sheets, statements of revenues and expenditures and statements showing changes in fund balance.

Audits are made by the State Auditor, or by private auditing firms (CPAs) at the direction of that officer, pursuant to Ohio law and under certain federal program requirements. No other independent examination or audit of the School District’s financial records is made.

The Fiscal Year 2023 financial statements are currently being reviewed by the State Auditor. Those audited financial statements will be filed after they have been released by the State Auditor.

Annual financial reports are prepared by the School District and are filed as required by law with the State Auditor after the close of each Fiscal Year.

See **Appendix A** for an unaudited comparative cash-basis summary of general operating fund activity for the last five Fiscal Years and forecasted for Fiscal Year 2023. That summary has been prepared from the School District’s five-year forecast information. The latest five-year financial forecast was approved by the Board in November 2022. See **Appendix D** for the Five-Year Forecast. All funds receipts and expenditures (on a cash basis) for the two prior Fiscal Years are set forth in **Appendix B**.

The audited financial statements are public records, no consent to their inclusion is required, and no bring-down procedures have been undertaken by the State Auditor since their date.

## **Retirement Expenses**

Present and retired employees of the School District are covered under two statewide public employee retirement (including disability retirement) systems. The State Teachers Retirement System (“STRS”) covers all teachers, principals, supervisors and administrators who are required to hold a certificate issued by the State Department of Education and Workforce. Other eligible full-time employees are covered by the School Employees Retirement System (“SERS”).

STRS and SERS are two of five statewide public employee retirement systems created by and operating pursuant to Ohio law, all of which currently have unfunded actuarial accrued liabilities. The General Assembly has the power to amend the format of those systems and to revise rates and methods of contributions to be made by public employers and their employees and eligibility criteria, benefits or benefit levels for employee members. On September 12, 2012, the General Assembly passed five separate pension reform bills intended to assist each of the five retirement systems in addressing its unfunded actuarial accrued liabilities. Those bills applicable to STRS and SERS became effective on January 7, 2013.

The law now applicable to STRS provides for (i) no change in the School District's contribution rate with respect to its employees' earnable salaries and (ii) an increase in the STRS employees' contribution rate from 10% to 14% in annual increments of 1% (the last of which took effect on July 1, 2016). Among other changes and with certain transition provisions for current employees, the minimum age and service requirements for eligibility for retirement and disability benefits have been increased, the calculation of an employee's final average salary on which pension benefits are based has been revised to include the five highest years (rather than the three highest years), STRS pension benefits are being calculated on a lower, fixed formula and provisions with respect to future annual cost-of-living adjustments have been changed to reduce those adjustments to two percent (from 3%). The STRS board has also been provided with authority to make future adjustments to the member contribution rate, retirement age and service requirements, and cost-of-living adjustments as the need or opportunity arises, and depending on the funding progress. Under current law, STRS has a maximum 30-year period to amortize its unfunded accrued pension liability. According to STRS's most recent Actuarial Valuation and Review (dated as of October 2022), STRS's actuarial consultant projected that the period required to fully amortize STRS's actuarial unfunded accrued liability was 11.5 years.

The law now applicable to SERS provides for no change to the School District's or SERS employees' contribution rates, future cost-of-living adjustments or the calculation of an employee's final average salary on which pension benefits (the average of the three highest years). However, among other changes and with certain transition provisions for current employees, the minimum age and service requirements for eligibility for retirement and disability benefits was increased and provisions for disability benefits and service credit purchases were revised.

The School District currently pays the employee contributions of 14% and 10% for STRS and SERS, respectively, on behalf of its Superintendent and Treasurer and administrative employees.

For further information on STRS and SERS and their pension plans, see the Notes to the Fiscal Year 2023 Financial Statements. Financial and other information for STRS and SERS can also be found on the respective website for each retirement system including its Annual Comprehensive Financial Report.

Federal law requires School District employees hired after March 31, 1986 to participate in the federal Medicare program, which requires matching employer and employee contributions, each being 1.45% of the wage base. Otherwise, School District employees who are covered by a State retirement system are not currently covered under the federal Social Security Act. STRS and SERS are not subject to the funding and vesting requirements of the federal Employee Retirement Income Security Act of 1974.

**DEBT TABLE A**

**Principal Amounts of Outstanding General Obligation (GO) Debt;  
Leeway for Additional Debt Service within Direct Debt Limitations (a)**

A.	Total debt:		\$78,080,000
B.	Exempt debt:		0
C.	Total nonexempt debt [A minus B]:		\$78,080,000
D.	Unvoted Debt Limitations		
		1% of tax (assessed) valuations	1/10 <sup>th</sup> of 1% of tax (assessed) valuation
		\$13,966,258	\$1,396,625
		9/10 <sup>th</sup> of 1% of tax (assessed) valuation	\$12,569,632
E.	Total nonexempt limited tax bonds and notes outstanding:		
		1% of tax (assessed) valuations	1/10 <sup>th</sup> of 1% of tax (assessed) valuation
		9/10 <sup>th</sup> of 1% of tax (assessed) valuation	\$125,696,326
	Bonds:	\$0	\$0
	Notes:	\$0	\$0
F.	Debt leeway within unvoted debt limitations [D minus E]:	\$13,966,258	\$1,396,625
G.	9% of tax (assessed) valuation (voted and unvoted debt limitation):		\$125,696,326
H.	Total nonexempt bonds and notes outstanding:		
	Bonds:		\$78,080,000
	Notes:		
I.	Debt leeway within 9% debt limitation [G minus H]:		\$47,616,326

Debt leeway in this table determined without considering money in the Bond Retirement Fund.

The School District's current tax (assessed) valuation for purposes of determining its direct debt limitation is \$1,380,857,780. See **School District Debt and Other Long Term Obligations – Statutory Direct Debt Limitations**.

**DEBT TABLE B**

**Various School District and Overlapping GO Debt Allocations (Principal Amounts)**

	<b>Amount</b>	<b>Per Capita <sup>(a)</sup></b>	<b>% of School District's Current Assessed Valuation <sup>(b)</sup></b>
School District Nonexempt GO Debt	\$78,080,000	\$5,536.41	5.59%
Total School District GO Debt (exempt and nonexempt)	78,080,000	5,536.41	5.59
Highest Total Overlapping GO Debt <sup>(c)</sup>	19,322,041	1,370.07	1.38

<sup>(a)</sup> Based on 2022 (estimated) Census population of 14,103.

<sup>(b)</sup> The District's current assessed valuation is \$1,396,625,850.

<sup>(c)</sup> Includes, in addition to "Total School District GO Debt," allocations of total GO debt of overlapping debt issuing subdivisions (as of July 1, 2023) resulting in the calculation of highest total overlapping debt based on percent of tax (assessed) valuation of territory of the subdivisions located within the School District (% figures are resulting percent of total debt of subdivisions allocated to the School District in this manner), as follows:

\$8,404,987 County (6.19%); and  
\$3,903,095 Sycamore Township (43.61%);

Allocation of GO debt of the remaining overlapping debt issuing subdivisions is as follows:

\$6,259,383 The City (99.45%);  
\$245,993 City of Madeira (2.61%);  
\$14,720 City of Milford (0.32%);  
\$257 Village of Terrace Park (0.03%);  
\$489,426 Symmes Township (9.03%); and  
\$4,180 Little Miami Joint Fire & Rescue District (0.08%).

Sources of tax (assessed) valuation and confirmation of GO debt figures for overlapping subdivisions: OMAC and the Hamilton County Auditor.

**DEBT TABLE C**

**Projected Debt Charges Requirements on School District GO Debt**

<b>Year</b>	<b>Outstanding Bonds</b>	<b>Total, all paid from unlimited ad valorem taxes</b>
2023	5,683,218.76	5,683,218.76
2024	5,866,468.76	5,866,468.76
2025	5,870,318.76	5,870,318.76
2026	5,873,918.76	5,873,918.76
2027	6,058,193.76	6,058,193.76
2028	3,557,131.26	3,557,131.26
2029	3,557,531.26	3,557,531.26
2030	3,560,131.26	3,560,131.26
2031	3,559,731.26	3,559,731.26
2032	3,561,331.26	3,561,331.26
2033	3,559,731.26	3,559,731.26
2034	3,559,931.26	3,559,931.26
2035	3,560,831.26	3,560,831.26
2036	3,560,831.26	3,560,831.26
2037	3,559,931.26	3,559,931.26
2038	3,558,131.26	3,558,131.26
2039	3,560,431.26	3,560,431.26
2040	3,561,731.26	3,561,731.26
2041	3,557,031.26	3,557,031.26
2042	3,558,268.76	3,558,268.76
2043	3,558,337.50	3,558,337.50
2044	3,557,237.50	3,557,237.50
2045	3,561,600.00	3,561,600.00
2046	3,558,800.00	3,558,800.00
2047	3,558,600.00	3,558,600.00
2048	3,556,600.00	3,556,600.00
2049	3,560,000.00	3,560,000.00
2050	3,558,400.00	3,558,400.00
2051	3,556,800.00	3,556,800.00

**DEBT TABLE D**

**Outstanding GO Bonds**

Issue	Dated Date	Final Maturity	Original Principal Amount	Balance Outstanding June 30, 2023
School Facilities Improvement Bonds, Series 2016	09/14/2016	12/01/2027	\$13,940,000	\$8,290,000
School Facilities Improvement Bonds, Series 2021	08/12/2021	12/01/2051	71,450,000	69,790,000
<b>Total</b>				<b>\$78,080,000</b>

**APPENDIX A**

**Historical Revenues and Expenditures General Fund  
(Fiscal Years 2019 through 2023 and Forecasted Fiscal Year 2024)**

The figures in the table below have been taken from the School District’s Five-Year Forecasts as reported to the State as required by Section 5705.391 of the Revised Code (the most recent of which was last updated in November 2023).

	2019	2020	2021	2022	2023	Forecasted 2024
<b>Revenue:</b>						
General Property Tax (Real Estate)	\$21,710,369	\$24,634,247	\$25,327,151	\$27,509,471	\$29,547,488	\$30,721,378
Tangible Personal Property Tax <sup>(b)</sup>	538,700	602,605	567,545	796,949	802,537	819,959
Unrestricted Grants-in-Aid	1,451,035	1,399,482	1,381,519	1,266,932	1,334,754	2,016,140
Restricted Grants-in-Aid	127,274	279,267	144,557	279,267	359,545	400,297
Property Tax Allocation	3,069,316	3,062,553	3,147,629	3,210,180	3,239,088	3,394,573
All Other Revenues	5,759,634	7,692,335	6,288,987	6,970,868	7,471,248	7,247,233
<b>Total Revenues</b>	<b>\$32,656,328</b>	<b>\$37,525,775</b>	<b>\$36,857,388</b>	<b>\$40,033,667</b>	<b>\$42,754,660</b>	<b>\$44,599,580</b>
<b>Other Financing Sources:</b>						
Advances-In	32,500	78,412	19,549	18,605	1,214,045	51,817
All Other Financing Sources	286,485	17,169	23,566	3,445	1,550	15,000
<b>Total Other Financing Sources</b>	<b>318,985</b>	<b>95,581</b>	<b>43,115</b>	<b>22,050</b>	<b>1,215,595</b>	<b>66,817</b>
<b>Total Revenues and Other Financing Sources</b>	<b>\$32,975,313</b>	<b>\$37,621,356</b>	<b>\$36,900,503</b>	<b>\$40,055,717</b>	<b>\$43,970,255</b>	<b>\$44,666,397</b>
<b>Expenditures:</b>						
Personal Services	\$20,847,735	\$21,667,178	\$21,565,695	\$22,135,319	\$24,386,915	\$24,862,327
Employees’ Retirement/Insurance Benefits	7,394,948	7,453,139	6,819,714	7,599,775	8,026,067	8,339,212
Purchased Services	4,781,196	4,398,282	4,878,255	5,591,673	6,726,431	6,415,302
Supplies and Materials	1,323,215	1,286,874	1,457,837	1,459,815	1,834,174	1,882,761
Capital Outlay	1,424,434	6,107,228	678,248	788,150	1,436,637	1,100,000
Principal - Other	-	-	-	280,000	285,000	600,000
Interest and Fiscal Charges	-	-	29,175	59,096	278,365	418,822
Other Objects	420,091	480,976	436,519	538,213	512,611	541,990
<b>Total Expenditures</b>	<b>\$36,191,619</b>	<b>\$41,393,677</b>	<b>\$35,865,443</b>	<b>\$38,452,041</b>	<b>\$43,486,200</b>	<b>\$44,160,414</b>
<b>Other Financing Uses:</b>						
<b>Total Expenditures and Other Financing Uses</b>	<b>\$36,274,028</b>	<b>\$41,413,226</b>	<b>\$35,884,048</b>	<b>\$39,666,086</b>	<b>\$44,091,270</b>	<b>\$44,500,414</b>
Excess of Rev & Other Financing Sources over (under) Expenditures and Other Financing Uses	(\$3,298,715)	(\$3,791,870)	\$1,016,455	\$389,631	(\$121,015)	\$165,983
Cash Balance July 1 – Excl Proposed Renewal/ Replacement and New Levies	\$21,870,456	\$14,779,869	\$15,796,325	\$16,185,956	\$16,064,941	\$16,230,924
Fund Balance June 30	\$18,571,741	\$14,779,869	\$15,796,325	\$15,685,956	\$16,064,941	\$15,730,924

**APPENDIX B-1**

**Financial Report (Cash Basis All-Funds Summary) for  
Fiscal Year 2023**

<b>DESCRIPTION</b>	<b>BEGINNING BALANCE</b>	<b>RECEIPTS</b>	<b>EXPENDITURES</b>	<b>ENDING BALANCE</b>
General Fund	\$16,185,956.98	\$43,970,253.33	\$44,091,269.18	\$16,094,941.13
Bond Retirement	4,401,358.39	5,861,338.95	5,713,768.87	4,548,928.47
Building	67,827,716.89	11,123,852.32	41,218,247.91	37,733,321.30
Lunchroom	200,901.30	627,183.75	722,221.09	105,863.96
Trust & Agency	26,492.71	9,296.27	0.00	35,788.98
Public School Support	20,394.64	23,541.52	15,318.32	28,617.84
District Agency	0.00	8,400.00	8,400.00	0.00
Termination Benefits	130,829.55	175,714.72	199,817.67	106,726.60
Capital Projects	0.00	85,000.00	0.00	85,000.00
Student Activity	34,363.47	185,868.54	158,026.89	62,205.12
Athletic Activity	645,884.10	1,377,826.97	1,514,343.20	509,367.87
Auxiliary Services	117,682.01	593,189.12	666,618.61	44,252.52
One Net Connectivity	0.00	7,200.00	7,200.00	0.00
State Safety Grant	45,000.00	146,115.88	180,000.00	11,115.88
Elem/Secondary Sch Emer Relief	0.00	1,605,041.48	1,589,698.98	15,342.50
Title VI-B IDEA	10,820.00	737,210.92	730,823.53	17,207.39
Title III	0.00	7,441.20	7,441.20	0.00
Title I	0.00	108,176.27	108,176.27	0.00
Title VI-B ECSE	0.00	4,853.03	4,853.03	0.00
Title II-A	16,788.07	52,094.17	67,317.25	1,564.99
Title IV-A	0.00	9,479.16	9,079.21	399.95
<b>Total</b>	<b>\$89,664,188.11</b>	<b>\$66,719,077.60</b>	<b>\$97,012,621.21</b>	<b>\$59,400,644.50</b>

**APPENDIX B-2**

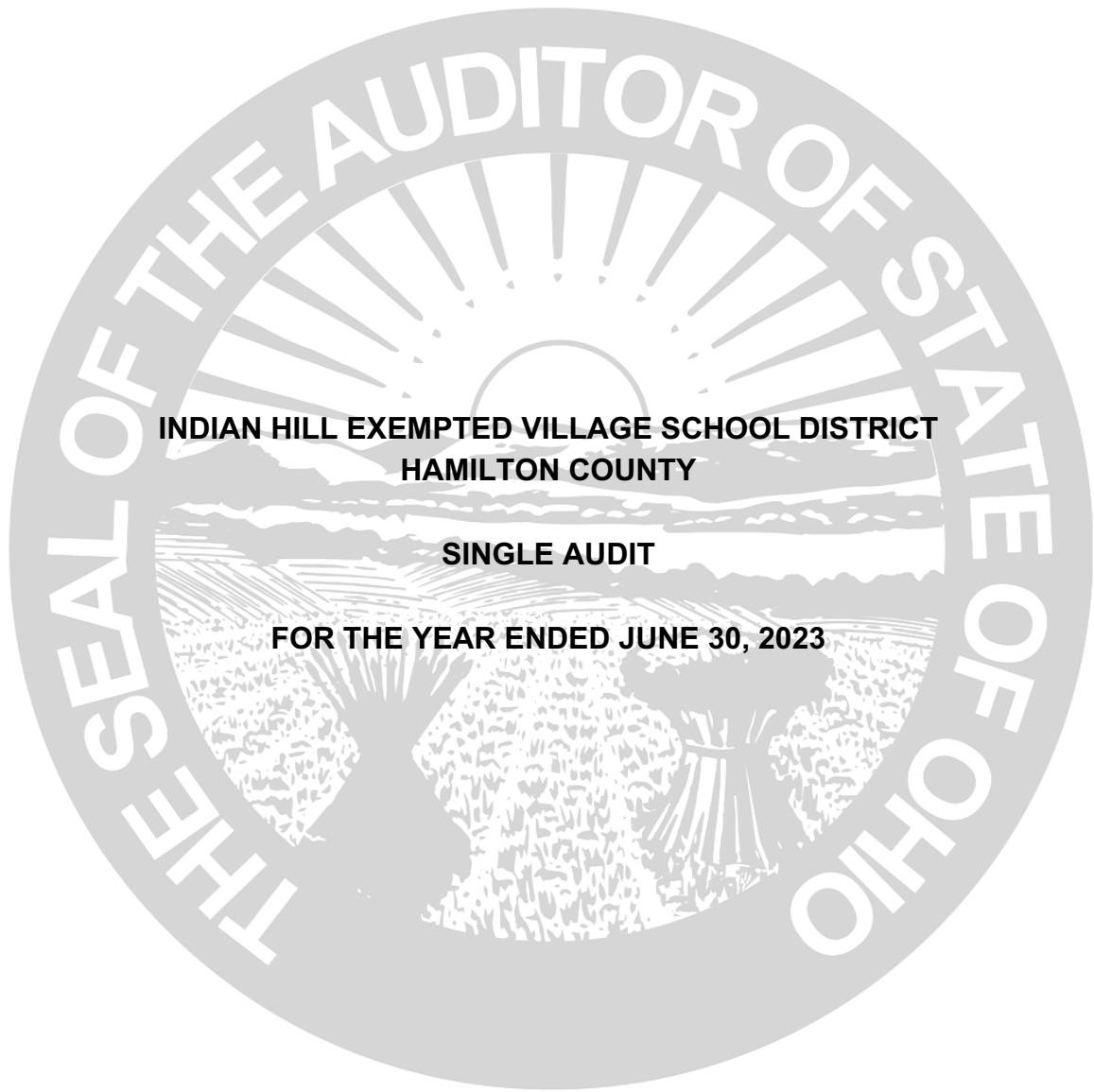
**Financial Report (Cash Basis All-Funds Summary) for  
Fiscal Year 2022**

<b>DESCRIPTION</b>	<b>BEGINNING BALANCE</b>	<b>RECEIPTS</b>	<b>EXPENDITURES</b>	<b>ENDING BALANCE</b>
General Fund	\$15,796,325.47	\$40,055,717.44	\$39,666,085.93	\$16,185,956.98
Bond Retirement	2,097,187.62	83,853,289.77	81,549,119.00	4,401,358.39
Building	76,608,411.77	74,350.06	8,855,044.94	67,827,716.89
Lunchroom	272,981.95	841,050.78	913,131.43	200,901.30
Trust & Agency	26,110.66	382.05	0	26,492.71
Public School Support	23,756.61	6,159.62	9,521.59	20,394.64
District Agency	2,630.00	2,030.00	4,660.00	0
Termination Benefits	0	161,081.15	30,251.60	130,829.55
Student Activity	53,148.25	119,223.26	138,008.04	34,363.47
Athletic Activity	735,559.10	578,675.29	668,350.29	645,884.10
Auxiliary Services	119,680.05	598,746.73	600,744.77	117,682.01
One Net Connectivity	0	7,200.00	7,200.00	0
Student Wellness and Success	144,833.74	0	144,833.74	0
State Safety Grant	0	146,326.46	101,326.46	45,000.00
Elem/Secondary Sch Emer Relief	0	1,053,056.64	1,053,056.64	0
Title VI-B IDEA	2,486.55	601,562.61	593,229.16	10,820.00
Title I	0	142,382.48	142,382.48	0
Title VI-B ECSE	0	3,530.01	3,530.01	0
Title II-A	0	49,015.88	32,227.81	16,788.07
Title IV-A	0	14,802.48	14,802.48	0
<b>Total</b>	<b>\$95,883,111.77</b>	<b>\$128,308,582.71</b>	<b>\$134,527,506.37</b>	<b>\$89,664,188.11</b>

## **APPENDIX C**

### **Audited Financial Statements for the Fiscal Year Ending June 30, 2023**

The School District's audited financial statements for the fiscal year ended June 30, 2023 are attached to this Annual Report.



**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2023**

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY  
JUNE 30, 2023**

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**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY  
JUNE 30, 2023**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Indian Hill Exempted Village School District  
Hamilton County  
6855 Drake Road  
Cincinnati, Ohio 45243

To the Board of Education:

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Indian Hill Exempted Village School District, Hamilton County, Ohio (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Indian Hill Exempted Village School District, Hamilton County, Ohio as of June 30, 2023, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio  
March 12, 2024

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**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(UNAUDITED)**

The discussion and analysis of the Indian Hill Exempted Village School District's ("the District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for 2023 are as follows:

- In total, net position of governmental activities increased \$4,413,546, which represents an 18.99% increase from 2022's net position.
- General revenues accounted for \$49,435,297 in revenue or 91.01% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$4,881,704 or 8.99% of total revenues of \$54,317,001.
- The District had \$49,903,455 in expenses related to governmental activities; only \$4,881,704 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$49,435,297 were adequate to provide for these programs.
- The District's major governmental funds are the general fund, bond retirement fund and the building fund. The general fund had \$42,728,488 in revenues and other financing sources and \$43,898,464 in expenditures and other financing uses. During fiscal 2023, the general fund's fund balance decreased \$1,169,976 from a balance of \$24,961,790 to \$23,791,814.
- The bond retirement fund had \$5,806,339 in revenues and \$5,713,769 in expenditures. During fiscal 2023, the bond retirement fund's fund balance increased \$92,570 from a balance of \$6,631,358 to \$6,723,928.
- The building fund had \$12,104,080 in revenues and other financing sources and \$46,377,988 in expenditures. During fiscal 2023, the building fund's fund balance decreased \$34,273,908 from a balance of \$65,097,606 to \$30,823,698.
- At June 30, 2023, the District has \$104,080,487 in capital assets, net. This amount is net of accumulated depreciation in the amount of \$49,466,550. Fiscal year 2023 depreciation expense was \$2,225,929. Total net investment in capital assets was \$42,249,026 at June 30, 2023.
- At June 30, 2023, the District has \$78,080,000, \$13,233,534, and \$80,205 in general obligation bonds, financed purchase obligations, and leases payable, respectively, outstanding. Of this total, \$3,923,937 is due within one year and \$87,469,802 is due in greater than one year.

**Using These Basic Financial Statements (BFS)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund, bond retirement fund, and the building fund are by far the most significant funds, and the only governmental funds reported as major funds.

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(UNAUDITED)

**Reporting the District as a Whole**

***Statement of Net Position and the Statement of Activities***

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows, liabilities, deferred inflows, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in that position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

The statement of net position and the statement of activities, include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, food service operations and uniform school supplies activities.

The District's statement of net position and statement of activities can be found on pages 17-19 of this report.

**Reporting the District's Most Significant Funds**

***Fund Financial Statements***

The analysis of the District's major governmental funds begins on page 13. Fund financial reports provide detailed information about the District's major fund. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund, bond retirement fund, and the building fund. All other governmental funds are considered non-major.

***Governmental Funds***

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets than can readily be converted to cash. The governmental fund financial statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 21-25 of this report.

***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 27-69 of this report.

***Required Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability and net OPEB liability. The required supplementary information can be found on pages 71-92 of this report.

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(UNAUDITED)

**The District as a Whole**

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position at June 30, 2023 and June 30, 2022.

	<b>Net Position</b>	
	Governmental Activities 2023	Governmental Activities 2022
<b><u>Assets</u></b>		
Current and other assets	\$ 106,727,786	\$ 135,968,618
Capital assets, net	<u>104,080,487</u>	<u>58,222,851</u>
Total assets	<u>210,808,273</u>	<u>194,191,469</u>
<b><u>Deferred outflows of resources</u></b>		
Unamortized deferred charges on debt refunding	-	36,585
Pension	9,798,723	9,875,140
OPEB	<u>753,147</u>	<u>931,120</u>
Total deferred outflows of resources	<u>10,551,870</u>	<u>10,842,845</u>
<b><u>Liabilities</u></b>		
Current liabilities	11,399,304	6,656,612
Long-term liabilities:		
Due within one year	4,014,324	3,793,784
Due in more than one year:		
Net pension liability	39,741,467	23,910,273
Net OPEB liability	1,967,167	2,730,102
Other amounts	<u>98,408,133</u>	<u>92,338,996</u>
Total liabilities	<u>155,530,395</u>	<u>129,429,767</u>
<b><u>Deferred inflows of resources</u></b>		
Property taxes levied for the next fiscal year	22,391,505	21,514,864
Payments in lieu of taxes for the next fiscal year	6,345,080	6,140,662
Pension	3,809,742	19,349,422
OPEB	<u>5,622,737</u>	<u>5,352,461</u>
Total deferred inflows of resources	<u>38,169,064</u>	<u>52,357,409</u>
<b><u>Net Position</u></b>		
Net Investment in capital assets	42,249,026	38,736,578
Restricted	2,614,054	992,833
Unrestricted (deficit)	<u>(17,202,396)</u>	<u>(16,482,273)</u>
Total net position	<u>\$ 27,660,684</u>	<u>\$ 23,247,138</u>

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(UNAUDITED)

The net pension liability is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the District's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(UNAUDITED)**

Analysis of Net Position

Over time, net position can serve as a useful indicator of a government’s financial position. At June 30, 2023, the District’s assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$27,660,684.

Current and other assets decreased as the District used current assets in cash to finance the maintenance and improvements to current facilities and mechanical systems, security upgrades, and replacement of the current Indian Hill Middle School. Capital assets increased as the District began improvements financed by the Series 2021 bond issue. These projects are being capitalized as construction in progress at fiscal year-end.

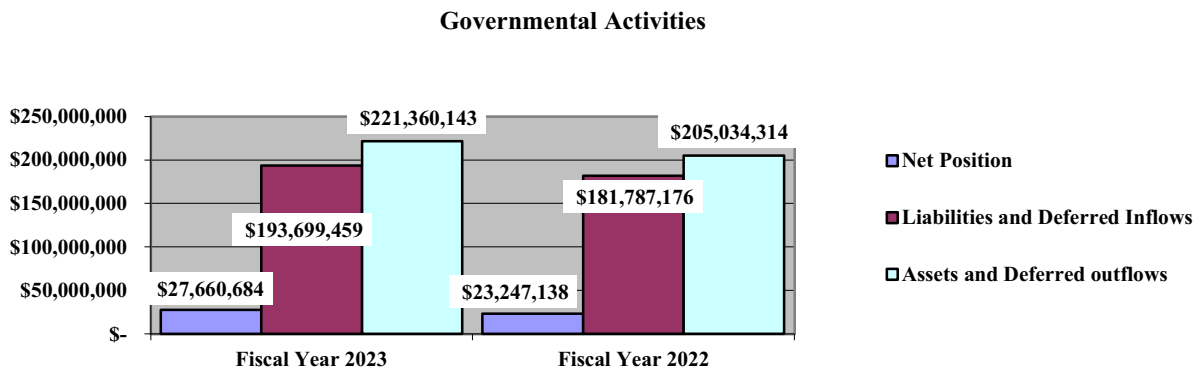
At fiscal year-end, capital assets represented 49.37% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment, and vehicles. Net investment in capital assets at June 30, 2023, was \$42,249,026. These capital assets are used to provide services to the students and are not available for future spending. Although the District’s investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

Current liabilities increased primarily due to contracts payable and retainage payable related to school improvement projects financed by the Series 2021 bond issue.

Long-term liabilities increased in large part to a substantial increase in the net pension liability. The net pension liability increased \$15,831,194 or 66.21% and deferred inflows of resources related to pension decreased \$15,539,680. These changes were the result of changes at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS). Primarily, net investment income on investments at both pension systems were negative for the fiscal year 2022 measurement date that are used for the fiscal year 2023 reporting. This caused a large decrease in their respective fiduciary net positions which was a drastic change from the previous fiscal year’s large positive investment returns. The District’s net pension liability and net OPEB liability are outside of the control of the District. The District contributes its statutorily required contributions to the pension systems; however, it is the pension systems that collect, hold and distribute pensions and OPEB to District employees, not the District. See Note 13 and Note 14 for more detail.

A portion of the District’s net position, \$2,614,054 represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of (\$17,202,396).

The graph below presents the District’s governmental activities assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2023 and June 30, 2022.



**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(UNAUDITED)

The table below shows the change in net position for fiscal years 2023 and 2022.

	<b>Change in Net Position</b>	
	Governmental Activities <u>2023</u>	Governmental Activities <u>2022</u>
<b><u>Revenues</u></b>		
Program revenues:		
Charges for services and sales	\$ 1,927,524	\$ 1,409,118
Operating grants and contributions	2,445,730	3,212,944
Capital grants and contributions	508,450	635,803
General revenues:		
Property taxes	35,795,982	35,448,674
Payments in lieu of taxes	6,338,262	5,821,454
Grants and entitlements	4,879,554	4,884,411
Investment earnings	1,267,326	299,887
Change in fair value of investments	971,129	(1,700,458)
Miscellaneous	183,044	85,043
Total revenues	<u>54,317,001</u>	<u>50,096,876</u>
<b><u>Expenses</u></b>		
Program expenses:		
Instruction:		
Regular	19,898,910	17,161,069
Special	4,658,700	3,822,806
Vocational	14,974	16,912
Other	697,922	141,572
Support services:		
Pupil	3,782,533	3,059,026
Instructional staff	2,815,800	1,740,466
Board of education	19,923	25,226
Administration	3,833,154	3,143,381
Fiscal	955,301	1,296,479
Business	50,969	56,583
Operations and maintenance	3,837,477	3,466,847
Pupil transportation	2,802,945	2,332,421
Central	219,288	173,869
Operation of non-instructional services:		
Food service operations	864,225	985,497
Other non-instructional services	814,730	698,599
Extracurricular activities	2,047,923	1,442,323
Interest and fiscal charges	2,588,681	3,232,004
Total expenses	<u>49,903,455</u>	<u>42,795,080</u>
Change in net position	4,413,546	7,301,796
Net position at beginning of year	<u>23,247,138</u>	<u>15,945,342</u>
Net position at end of year	<u>\$ 27,660,684</u>	<u>\$ 23,247,138</u>

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(UNAUDITED)**

**Governmental Activities**

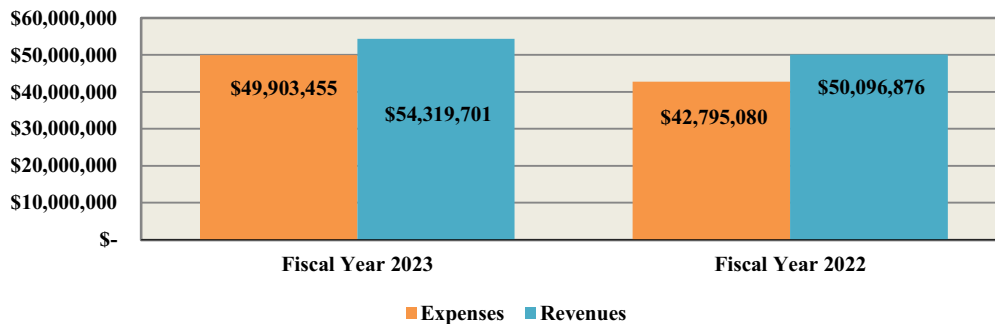
Net position of the District’s governmental activities increased \$4,413,546. Total governmental expenses of \$49,903,455 were offset by program revenues of \$4,881,704 and general revenues of \$49,435,297. Program revenues supported 9.78% of the total governmental expenses.

Charges for services program revenues increased due to increased participation in the food service program and student related activities and extracurricular activities. Each of these areas increased as conditions continued to improve from the COVID-19 pandemic. Operating grants and contributions decreased primarily due to decreased federal grant funding including Elementary and Secondary School Emergency Relief (ESSER) funding. Capital grants and contributions decreased as the District received contributions for the Home of the Braves sports complex and a digital arts lab in fiscal year 2022. During fiscal year 2023, the District received capital grants for school bus purchases and public safety.

The primary sources of revenue for governmental activities are derived from property taxes, payments in lieu of taxes and grants and entitlements. These revenue sources represent 86.55% of total governmental revenue. Property tax revenue remained comparable to the prior year.

Payments in lieu of taxes (PILOT) revenue consists of Sycamore Township Tax Increment Financing (TIF) payments which increased slightly from the prior year. Unrestricted grants and entitlements remained comparable to the prior year. Earnings on investments increased as the District had more money invested rather than deposited in bank accounts in fiscal 2023 compared to 2022 and due to increased interest rates on those applicable investments. GAAP requires certain investments to be reported at fair value rather than cost. Fluctuations in the fair value of investments are reported as an increase (decrease) in fair value of investments. The fair value of investments fluctuate as interest rates rise or fall over time. The District intends to hold all investments to maturity thus eliminating the risk of fluctuations in fair value.

Expenses of the governmental activities increased \$7,108,375 or 16.61%. On an accrual basis, the District reported \$3,986,296 and (\$255,136) in pension expense for fiscal year 2023 and 2022, respectively. In addition, the District reported (\$919,019) and (\$331,812) in OPEB expense for fiscal year 2023 and 2022, respectively. The increase in the net pension and OPEB expense from fiscal year 2022 to fiscal year 2023 was \$3,654,225. This increase is primarily the result of decreased investment income at the retirement systems level which affects the District’s pension expense. Fluctuations in the pension and OPEB expense makes it difficult to compare financial information between years. Pension and OPEB expense are components of program expenses reported on the statement of activities.



**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(UNAUDITED)

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

**Governmental Activities**

	Total Cost of Services <u>2023</u>	Net Cost of Services <u>2023</u>	Total Cost of Services <u>2022</u>	Net Cost of Services <u>2022</u>
<b>Program expenses</b>				
Instruction:				
Regular	\$ 19,898,910	\$ 18,949,756	\$ 17,161,069	\$ 15,785,560
Special	4,658,700	3,916,617	3,822,806	3,269,033
Vocational	14,974	14,974	16,912	16,912
Other	697,922	591,866	141,572	21,552
Support services:				
Pupil	3,782,533	3,693,991	3,059,026	2,976,415
Instructional staff	2,815,800	2,762,293	1,740,466	1,678,467
Board of education	19,923	19,923	25,226	25,226
Administration	3,833,154	3,760,810	3,143,381	3,143,381
Fiscal	955,301	779,586	1,296,479	1,135,398
Business	50,969	50,969	56,583	56,583
Operations and maintenance	3,837,477	3,604,201	3,466,847	3,422,824
Pupil transportation	2,802,945	2,708,166	2,332,421	2,220,334
Central	219,288	219,288	173,869	173,869
Operations of non-instructional services				
Food service operations	864,225	216,844	985,497	139,715
Other non-instructional services	814,730	152,107	698,599	30,097
Extracurricular activities	2,047,923	991,679	1,442,323	209,845
Interest and fiscal charges	2,588,681	2,588,681	3,232,004	3,232,004
Total expenses	<u>\$ 49,903,455</u>	<u>\$ 45,021,751</u>	<u>\$ 42,795,080</u>	<u>\$ 37,537,215</u>

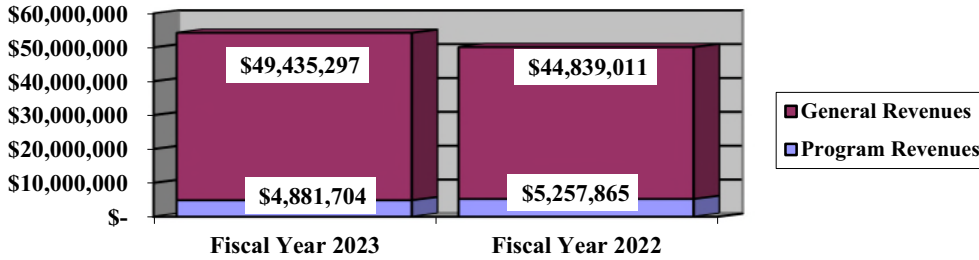
The dependence upon tax and other general revenues for governmental activities is apparent, 92.89% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 90.22%. The District's taxpayers, as a whole, are by far the primary support for District's students.

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(UNAUDITED)

The graph below presents the District's governmental activities revenue for fiscal years 2023 and 2022.

**Governmental Activities - General and Program Revenues**



**The District's Funds**

The District's governmental funds reported a combined fund balance of \$62,114,523, which is less than last year's total of \$97,494,115. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2023 and 2022.

	Fund Balance <u>June 30, 2023</u>	Fund Balance <u>June 30, 2022</u>	<u>Change</u>
General	\$ 23,791,814	\$ 24,961,790	\$ (1,169,976)
Bond Retirement	6,723,928	6,631,358	92,570
Building	30,823,698	65,097,606	(34,273,908)
Other Governmental	775,085	803,361	(28,276)
Total	<u>\$ 62,114,525</u>	<u>\$ 97,494,115</u>	<u>\$ (35,379,590)</u>

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
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**General Fund**

The District's general fund balance decreased \$1,169,976 from June 30, 2022. The table that follows assists in illustrating the financial activities of the general fund.

	2023 <u>Amount</u>	2022 <u>Amount</u>	Increase (Decrease)	Percentage <u>Change</u>
<b><u>Revenues</u></b>				
Property taxes	\$ 30,135,106	\$ 29,856,521	\$ 278,585	0.93 %
Payments in lieu of taxes	6,338,262	5,821,454	516,808	8.88 %
Earnings on investments	410,664	173,657	237,007	136.48 %
Increase (decrease) in fair value of investments	(32,459)	(731,975)	699,516	95.57 %
Intergovernmental	4,933,004	4,758,649	174,355	3.66 %
Other revenues	942,361	1,189,196	(246,835)	(20.76) %
Total	<u>\$ 42,726,938</u>	<u>\$ 41,067,502</u>	<u>\$ 1,659,436</u>	4.04 %
<b><u>Expenditures</u></b>				
Instruction	\$ 23,295,645	\$ 21,271,872	\$ 2,023,773	9.51 %
Support services	16,794,469	15,322,484	1,471,985	9.61 %
Operation of non-instructional services	48,400	31,965	16,435	51.42 %
Extracurricular activities	1,002,643	1,023,907	(21,264)	(2.08) %
Facilities acquisition and construction	1,488,985	1,812,864	(323,879)	(17.87) %
Capital outlay	-	130,984	(130,984)	(100.00) %
Debt service	715,069	565,832	149,237	26.37 %
Total	<u>\$ 43,345,211</u>	<u>\$ 40,159,908</u>	<u>\$ 3,185,303</u>	7.93 %

Overall general fund revenues increased \$1,659,436 or 4.04%.

Property tax revenue and payments in lieu of taxes remained comparable to the prior year. Earnings on investments increased as interest rates on investments have improved from the prior year. The decrease in fair value of investments is due to the District being required to report investments at fair value rather than cost. The fair value fluctuates throughout the year. The District intends to hold all investments to maturity thus eliminating the risk of fluctuations in fair value.

Overall general fund expenditures increased \$3,185,303 or 7.93%. Instruction expenditures increased primarily due to normal and customary wage and benefit increases. Support services expenditures increased primarily in support services – pupil and pupil transportation. Facilities and acquisition and construction remained comparable to the prior year as the District continues energy and various other improvement projects financed in the general fund.

**General Fund Budgeting Highlights**

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund.

For the general fund, original and final budgeted revenues and other financing sources were \$41,898,852 and \$44,500,000, respectively. Actual revenues and other financing sources for fiscal 2023 were \$43,970,253, which was \$529,747 less than the final budget estimates.

General fund original appropriations (appropriated expenditures and other financing uses) were \$41,698,722 and final appropriations were \$45,498,721. The actual budget basis expenditures and other financing uses for fiscal 2023 totaled \$45,321,558, which was \$177,163 less than the final budgeted appropriations. The primary area of decrease from the final budget to actual expenses was in the area of regular and other instruction as the District conservatively budgeted in the original and final budgets.

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(UNAUDITED)

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal 2023, the District had \$104,080,487 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles and intangible right to use: lease equipment and computer software. This entire amount is reported in governmental activities. The following table shows fiscal 2023 balances compared to the fiscal 2022 balances:

**Capital Assets at June 30  
(Net of Depreciation)**

	Governmental Activities	
	2023	2022
Land	\$ 501,523	\$ 501,523
Construction in progress	63,300,134	15,204,970
Land improvements	2,114,745	2,337,426
Buildings and improvements	36,121,389	37,762,969
Furniture and equipment	223,349	342,267
Vehicles	1,719,748	1,950,771
Intangible right to use:		
Lease equipment	96,324	122,925
Computer software	3,275	-
Total	\$ 104,080,487	\$ 58,222,851

Total increase to capital assets for 2023 was \$45,857,636. This is due to additions of \$48,124,779 being more than total depreciation expense of \$2,225,929 and various miscellaneous transactions reducing capital assets by \$41,214.

See Note 9 to the basic financial statements for additional information on the District's capital assets.

***Debt Administration***

The District had general obligation bonds, lease obligations, and financed purchase notes payable outstanding at June 30, 2023. Of this total, \$3,923,937 is due within one year and \$87,469,802 is due in greater than one year. The following table summarizes the debt outstanding.

**Outstanding Debt, at Year End**

	Governmental Activities	Governmental Activities
	2023	2022
General obligation bonds	\$ 78,080,000	\$ 81,170,000
Lease obligations	80,205	126,622
Financed purchase notes payable	13,233,534	3,613,479
Total	\$ 91,393,739	\$ 84,910,101

The District's debt activity is detailed in Note 11 to the basic financial statements.

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(UNAUDITED)**

**Current Financial Related Activities**

The Indian Hill School District's current financial story is one of fiscal stability, and that is a result of our community's investment in our schools and our Board of Education's commitment to operate in a fiscally responsible manner.

Due to the passage of the May 2021 combined bond/levy, work is now underway for our District to address the serious and substantial needs within our buildings. The bond is a 30-year financial commitment that will generate approximately \$77 million for our facilities. At the conclusion of Fiscal Year 2023, work continues on the new Middle School with an expected move-in date of January 2024. A new wing was completed at the Elementary School that will house a STEM lab, orchestra, band, choir, foreign language and art rooms as well as a gymnasium. A new entrance and multiple renovations were completed at the Primary School that updated security, light, and mechanical equipment as well as creating and refreshing learning areas and the cafeteria.

In August 2021, the Indian Hill School District had a very successful sale of \$71,450,000 of AAA rated tax exempt bonds. The bonds were very well received in the market, receiving roughly \$110,000,000 in orders. Interest rates in the market were near all-time lows, allowing the school district to achieve an interest rate of 2.316%. Due to inflation on materials and labor, the District was faced with an overage near \$10 million. Instead of cutting the scope of the project, the District will receive an additional \$10 million from Webster Bank in October of 2022 to complete the project as designed. This agreement will be a lease/purchase agreement with an interest rate of 3.75%.

As we approach Fiscal Year 2024, the District closely watches property reappraisal and its effects on the District's finances. Throughout Southwest Ohio and Hamilton County, average property value increases are projected to be above 30 percent. This would mean that Indian Hill EVSD would see revenue growth on the inside millage portion of the assessed property taxes. In addition, this would push the District closer to the twenty mill floor, potentially even reaching that mark. Being at the twenty-mill floor would mean that the District would receive revenue growth relative to the growth of property value.

The Indian Hill School District will continue to look for opportunities to provide cost savings to our stakeholders in all that we do as an organization. Our budget is balanced; our financial outlook is stable; our focus is to continue to provide our stakeholders the excellence they expect and deserve and doing so in a fiscally responsible manner.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Michael W. Davis, Treasurer, Indian Hill Exempted Village School District, 6855 Drake Road, Cincinnati, Ohio 45243.

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

STATEMENT OF NET POSITION  
JUNE 30, 2023

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and investments	\$ 58,722,305
Cash with escrow agent	561,699
Cash in segregated accounts	41,863
Receivables:	
Property taxes	37,144,447
Payment in lieu of taxes	6,345,080
Accounts	26,726
Accrued interest	75,427
Intergovernmental	22,368
Prepayments	26,599
Net OPEB asset	3,761,272
Capital assets:	
Nondepreciable capital assets	63,801,657
Depreciable capital assets, net	40,278,830
Capital assets, net	104,080,487
Total assets	210,808,273
 <b>Deferred outflows of resources:</b>	
Pension	9,798,723
OPEB	753,147
Total deferred outflows of resources	10,551,870
 <b>Liabilities:</b>	
Accounts payable	257,387
Contracts payable	5,766,553
Retainage payable	1,296,400
Accrued wages and benefits payable	3,229,637
Intergovernmental payable	67,345
Pension and postemployment benefits payable	501,568
Accrued interest payable	247,885
Matured bonds payable	28,492
Deposits held and due to others	4,037
Long-term liabilities:	
Due within one year	4,014,324
Due in more than one year:	
Net pension liability	39,741,467
Net OPEB liability	1,967,167
Other amounts due in more than one year	98,408,133
Total liabilities	155,530,395
 <b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year	22,391,505
Payment in lieu of taxes levied for the next fiscal year	6,345,080
Pension	3,809,742
OPEB	5,622,737
Total deferred inflows of resources	38,169,064
 <b>Net position:</b>	
Net investment in capital assets	42,249,026
Restricted for:	
Capital projects	1,169,828
OPEB	750,062
State funded programs	40,894
Food service operations	103,048
Extracurricular	550,222
Unrestricted (deficit)	(17,202,396)
Total net position	\$ 27,660,684

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services and Sales</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Governmental activities:</b>				
Instruction:				
Regular	\$ 19,898,910	\$ 394,861	\$ 554,293	\$ -
Special	4,658,700	43,232	698,851	-
Vocational	14,974	-	-	-
Other	697,922	-	106,056	-
Support services:				
Pupil	3,782,533	-	88,542	-
Instructional staff	2,815,800	-	53,507	-
Board of education	19,923	-	-	-
Administration	3,833,154	62,572	9,772	-
Fiscal	955,301	175,715	-	-
Business	50,969	-	-	-
Operations and maintenance	3,837,477	9,840	12,606	210,830
Pupil transportation	2,802,945	-	49,779	45,000
Central	219,288	-	-	-
Operation of non-instructional services:				
Food service operations	864,225	520,317	127,064	-
Other non-instructional services	814,730	-	662,623	-
Extracurricular activities	2,047,923	720,987	82,637	252,620
Interest and fiscal charges	2,588,681	-	-	-
<b>Totals</b>	<b>\$ 49,903,455</b>	<b>\$ 1,927,524</b>	<b>\$ 2,445,730</b>	<b>\$ 508,450</b>

**General revenues:**

Property taxes levied for:

General purposes

Debt service

Payments in lieu of taxes

Grants and entitlements not restricted  
to specific programs

Capital donations not restricted to  
specific programs

Investment earnings

Increase in fair value of investments

Gain on discal of capital assets

Miscellaneous

Total general revenues

Change in net position

**Net position at beginning of year**

**Net position at end of year**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Net (Expense)  
Revenue and  
Changes in  
Net Position**

---

**Governmental  
Activities**

---

\$ (18,949,756)  
(3,916,617)  
(14,974)  
(591,866)

(3,693,991)  
(2,762,293)  
(19,923)  
(3,760,810)  
(779,586)  
(50,969)  
(3,604,201)  
(2,708,166)  
(219,288)

(216,844)  
(152,107)  
(991,679)  
(2,588,681)

---

(45,021,751)

---

30,173,244  
5,622,738  
6,338,262

4,879,554

85,000  
1,267,326  
971,129  
1,550  
96,494  
49,435,297

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4,413,546

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23,247,138

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\$ 27,660,684

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**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023

	<u>General</u>	<u>Bond Retirement</u>	<u>Building</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>					
Equity in pooled cash and investments	\$ 15,552,965	\$ 4,548,928	\$ 37,768,095	\$ 852,317	\$ 58,722,305
Cash with escrow agent	561,699	-	-	-	561,699
Cash in segregated accounts	41,863	-	-	-	41,863
Receivables:					
Property taxes	31,138,573	6,005,874	-	-	37,144,447
Payment in lieu of taxes	6,345,080	-	-	-	6,345,080
Accounts	10,601	-	2,534	13,591	26,726
Accrued interest	69,198	-	6,229	-	75,427
Interfund loans	51,817	-	-	-	51,817
Intergovernmental	53	-	-	22,315	22,368
Prepayments	26,599	-	-	-	26,599
Total assets	<u>\$ 53,798,448</u>	<u>\$ 10,554,802</u>	<u>\$ 37,776,858</u>	<u>\$ 888,223</u>	<u>\$ 103,018,331</u>
<b>Liabilities:</b>					
Accounts payable	\$ 237,158	\$ -	\$ -	\$ 20,229	\$ 257,387
Contracts payable	-	-	5,766,553	-	5,766,553
Retainage payable	109,793	-	1,186,607	-	1,296,400
Accrued wages and benefits payable	3,206,372	-	-	23,265	3,229,637
Intergovernmental payable	67,007	-	-	338	67,345
Pension and postemployment benefits payable	488,158	-	-	13,410	501,568
Interfund loans payable	-	-	-	51,817	51,817
Deposits held and due to others	4,037	-	-	-	4,037
Matured bonds payable	28,492	-	-	-	28,492
Total liabilities	<u>4,141,017</u>	<u>-</u>	<u>6,953,160</u>	<u>109,059</u>	<u>11,203,236</u>
<b>Deferred inflows of resources:</b>					
Property taxes levied for the next fiscal year	18,710,106	3,681,399	-	-	22,391,505
Payment in lieu of taxes levied for the next fiscal year	6,345,080	-	-	-	6,345,080
Delinquent property tax revenue not available	788,467	149,475	-	-	937,942
Intergovernmental revenue not available	-	-	-	4,079	4,079
Accrued interest not available	21,964	-	-	-	21,964
Total deferred inflows of resources	<u>25,865,617</u>	<u>3,830,874</u>	<u>-</u>	<u>4,079</u>	<u>29,700,570</u>
<b>Fund balances:</b>					
Nonspendable:					
Prepays	26,599	-	-	-	26,599
Restricted:					
Debt service	-	6,723,928	-	-	6,723,928
Capital improvements	-	-	30,823,698	85,000	30,908,698
Food service operations	-	-	-	103,048	103,048
Non-public schools	-	-	-	29,778	29,778
State funded programs	-	-	-	11,116	11,116
Extracurricular	-	-	-	550,222	550,222
Committed:					
Termination benefits	106,727	-	-	-	106,727
Assigned:					
Student instruction	11,539	-	-	-	11,539
Student and staff support	130,107	-	-	-	130,107
Operation of non-instructional	7,000	-	-	-	7,000
Facilities acquisition and construction	904,094	-	-	-	904,094
Other purposes	69,996	-	-	-	69,996
Unassigned (deficit)	22,535,752	-	-	(4,079)	22,531,673
Total fund balances	<u>23,791,814</u>	<u>6,723,928</u>	<u>30,823,698</u>	<u>775,085</u>	<u>62,114,525</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 53,798,448</u>	<u>\$ 10,554,802</u>	<u>\$ 37,776,858</u>	<u>\$ 888,223</u>	<u>\$ 103,018,331</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2023

<b>Total governmental fund balances</b>		\$	62,114,525
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			104,080,487
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	937,942	
Accrued interest receivable		21,964	
Intergovernmental receivable		4,079	
Total		963,985	963,985
Unamortized premiums on bonds issued are not recognized in the funds.			(8,649,823)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(247,885)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.			
Deferred outflows - pension		9,798,723	
Deferred inflows - pension		(3,809,742)	
Net pension liability		(39,741,467)	
Deferred outflows - OPEB		753,147	
Deferred inflows - OPEB		(5,622,737)	
Net OPEB asset		3,761,272	
Net OPEB liability		(1,967,167)	
Total		(36,827,971)	(36,827,971)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
General obligation bonds		(78,080,000)	
Leases		(80,205)	
Financed purchase notes payable		(13,233,534)	
Compensated absences		(2,378,895)	
Total		(93,772,634)	(93,772,634)
<b>Net position of governmental activities</b>		<b>\$</b>	<b>27,660,684</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General	Bond Retirement	Building	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property taxes	\$ 30,135,106	\$ 5,614,318	\$ -	\$ -	\$ 35,749,424
Payment in lieu of taxes	6,338,262	-	-	-	6,338,262
Intergovernmental	4,933,004	192,021	199,714	2,327,229	7,651,968
Investment earnings	410,664	-	852,377	24,644	1,287,685
Tuition and fees	425,523	-	-	-	425,523
Extracurricular	18,570	-	-	777,559	796,129
Rental income	9,840	-	-	-	9,840
Charges for services	-	-	-	520,317	520,317
Contributions and donations	264,620	-	-	170,475	435,095
Miscellaneous	223,808	-	48,401	-	272,209
Increase (decrease) in fair value of investments	(32,459)	-	1,003,588	-	971,129
Total revenues	<u>42,726,938</u>	<u>5,806,339</u>	<u>2,104,080</u>	<u>3,820,224</u>	<u>54,457,581</u>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular	18,666,026	-	-	206,088	18,872,114
Special	4,101,002	-	-	534,505	4,635,507
Vocational	301	-	-	-	301
Other	528,316	-	-	106,056	634,372
Support services:					
Pupil	3,638,959	-	-	60,080	3,699,039
Instructional staff	2,505,971	-	-	57,382	2,563,353
Board of education	20,007	-	-	-	20,007
Administration	3,708,498	-	-	92,290	3,800,788
Fiscal	893,523	76,625	34,166	-	1,004,314
Business	50,969	-	-	-	50,969
Operations and maintenance	3,433,940	-	-	-	3,433,940
Pupil transportation	2,320,839	-	-	48,740	2,369,579
Central	221,763	-	-	-	221,763
Operation of non-instructional services:					
Food service operations	-	-	-	733,317	733,317
Other non-instructional services	48,400	-	-	764,999	813,399
Extracurricular activities	1,002,643	-	-	937,432	1,940,075
Facilities acquisition and construction	1,488,985	-	46,223,822	860,864	48,573,671
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	426,362	3,090,000	-	-	3,516,362
Interest and fiscal charges	288,707	2,547,144	-	-	2,835,851
Note issuance costs	-	-	120,000	-	120,000
Total expenditures	<u>43,345,211</u>	<u>5,713,769</u>	<u>46,377,988</u>	<u>4,401,753</u>	<u>99,838,721</u>
Excess of revenues over (under) expenditures	<u>(618,273)</u>	<u>92,570</u>	<u>(44,273,908)</u>	<u>(581,529)</u>	<u>(45,381,140)</u>
<b>Other financing sources:</b>					
Sale of capital assets	1,550	-	-	-	1,550
Issuance of financed purchase note payable	-	-	10,000,000	-	10,000,000
Transfers in	-	-	-	553,253	553,253
Transfers (out)	(553,253)	-	-	-	(553,253)
Total other financing sources (uses)	<u>(551,703)</u>	<u>-</u>	<u>10,000,000</u>	<u>553,253</u>	<u>10,001,550</u>
Net change in fund balances	(1,169,976)	92,570	(34,273,908)	(28,276)	(35,379,590)
<b>Fund balances at beginning of year</b>	<u>24,961,790</u>	<u>6,631,358</u>	<u>65,097,606</u>	<u>803,361</u>	<u>97,494,115</u>
<b>Fund balances at end of year</b>	<u>\$ 23,791,814</u>	<u>\$ 6,723,928</u>	<u>\$ 30,823,698</u>	<u>\$ 775,085</u>	<u>\$ 62,114,525</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<b>Net change in fund balances - total governmental funds</b>	\$	(35,379,590)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 48,124,779	
Current year depreciation	<u>(2,225,929)</u>	
Total		45,898,850
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(41,214)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	46,558	
Earnings on investments	4,285	
Intergovernmental	<u>(192,973)</u>	
Total		(142,130)
Repayment of bond, note, financed-purchases, and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		3,516,362
Issuance of financed purchase notes payable are recorded as other financing sources in the funds, however, in the statement of activities, they are not reported as revenues as they increase liabilities on the statement of net position.		
		(10,000,000)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
(Increase) decrease in accrued interest payable	(20,822)	
Amortization of bond premiums	424,577	
Amortization of deferred charges	<u>(36,585)</u>	
Total		367,170
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	3,618,365	
OPEB	<u>73,444</u>	
Total		3,691,809
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	(3,986,296)	
OPEB	<u>919,019</u>	
Total		(3,067,277)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
		<u>(430,434)</u>
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u><u>4,413,546</u></u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
From local sources:				
Property taxes	\$ 29,379,712	\$ 30,350,600	\$ 30,350,107	\$ (493)
Payment in lieu of taxes	6,136,221	6,339,000	6,338,263	(737)
Tuition	116,355	120,200	119,720	(480)
Investment earnings	904,050	933,925	400,651	(533,274)
Classroom materials and fees	298,825	308,700	305,803	(2,897)
Rental income	9,680	10,000	9,840	(160)
Contributions and donations	235,904	243,700	252,620	8,920
Other local revenue	40,923	42,275	44,267	1,992
Intergovernmental - state	4,777,182	4,935,050	4,933,387	(1,663)
Total revenues	<u>41,898,852</u>	<u>43,283,450</u>	<u>42,754,658</u>	<u>(528,792)</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	18,645,007	18,814,126	18,748,547	65,579
Special	3,399,979	4,005,973	4,011,107	(5,134)
Vocational	36	2,875	501	2,374
Other	456,419	516,610	517,306	(696)
Support services:				
Pupil	3,275,970	3,663,799	3,663,748	51
Instructional staff	2,253,632	2,551,830	2,542,878	8,952
Board of education	9,748	20,000	19,735	265
Administration	3,617,961	3,754,018	3,747,290	6,728
Fiscal	917,630	915,435	912,300	3,135
Business	17,396	52,200	52,345	(145)
Operations and maintenance	3,458,098	3,583,290	3,580,391	2,899
Pupil transportation	1,812,228	2,406,058	2,408,118	(2,060)
Central	195,529	218,495	219,636	(1,141)
Operation of non-instructional services				
Other non-instructional services	29,198	50,335	50,792	(457)
Extracurricular activities	888,172	1,025,101	1,028,795	(3,694)
Facilities acquisition and construction	1,983,354	2,650,541	2,649,634	907
Debt service:				
Principal	285,000	285,000	285,000	-
Interest and fiscal charges	278,365	278,365	278,365	-
Total expenditures	<u>41,523,722</u>	<u>44,794,051</u>	<u>44,716,488</u>	<u>77,563</u>
Excess of revenues over (under) expenditures	<u>375,130</u>	<u>(1,510,601)</u>	<u>(1,961,830)</u>	<u>(451,229)</u>
<b>Other financing sources (uses):</b>				
Transfers (out)	(175,000)	(553,253)	(553,253)	-
Advances in	-	1,215,000	1,214,045	(955)
Advances (out)	-	(151,417)	(51,817)	99,600
Sale of capital assets	-	1,550	1,550	-
Total other financing sources (uses)	<u>(175,000)</u>	<u>511,880</u>	<u>610,525</u>	<u>98,645</u>
Net change in fund balance	200,130	(998,721)	(1,351,305)	(352,584)
<b>Fund balance at beginning of year</b>	15,487,236	15,487,236	15,487,236	-
<b>Prior year encumbrances appropriated</b>	698,721	698,721	698,721	-
<b>Fund balance at end of year</b>	<u>\$ 16,386,087</u>	<u>\$ 15,187,236</u>	<u>\$ 14,834,652</u>	<u>\$ (352,584)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT**

The Indian Hill Exempted Village School District (the “District”) is located in Hamilton County, including all of the City of the Village of Indian Hill, Ohio, and portions of surrounding townships. The District serves an area of approximately 23 square miles.

The District was established in 1936 through the consolidation of existing land areas and school districts. The District is organized under Sections 2 and 3, Article VI of the Constitution of the State of Ohio. Under such laws, there is no authority for a school district to have a charter or adopt local laws. The legislative power of the school district is vested in the Board of Education, consisting of five members elected at large for staggered four-year terms.

The District was originally chartered by the Ohio State Legislature. In 1853, State laws were enacted to create local Boards of Education. Today, the District operates under current standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.09 of the Ohio Revised Code.

The District operates under a locally elected five-member Board form of government and provides educational services as mandated by State and/or federal agencies. This Board controls the District’s instructional and support facilities staffed by 218 certified teaching and administrative personnel and 103 classified personnel to provide services to 2,150 students and other community members.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District’s significant accounting policies are described below.

**A. Reporting Entity**

The reporting entity has been defined in accordance with GASB Statement No. 14, “The Financial Reporting Entity” as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units” and GASB Statement No. 61, “The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34”. The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization’s Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization’s resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government’s financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*JOINTLY GOVERNED ORGANIZATION*

Hamilton Clermont Cooperative

The District is a participant in the Hamilton Clermont Cooperative (HCC) which is a computer consortium. HCC is an association of 31 public school districts within the boundaries of Hamilton and Clermont Counties. The organization was formed for the purpose of applying modern technology (with the aid of computers and other electronic equipment) to administrative and instructional functions among member school districts. The Governing Board of HCC consists of the superintendents and/or treasurers of the participating districts. HCC is not accumulating significant financial resources nor is it experiencing fiscal stress that may cause an additional financial benefit to or burden on members in the future. Financial information can be obtained from the HCC Board of Education, Tom Collins, Director, at 1007 Cottonwood Drive, Loveland, Ohio 45140.

*PUBLIC ENTITY RISK POOL*

Southwest Ohio Organization of School Health

In prior fiscal years the District joined together with Lebanon City School District, Milford Exempted Village School District, Northwest Local School District, Southwest Local School District, Winton Woods City School District and the Forest Hills Local School District and West Clermont Local School District (collectively, the "Members") to establish a regional council of governments, organized under Chapter 167 of the Ohio Revised Code, known as the Southwest Ohio Organization of School Health (SWOOSH). The purpose of the SWOOSH is to maximize benefits and/or reduce costs of medical, prescription drugs, vision, dental, life and/or other group insurance coverage for the Members' employees and the eligible dependents and designated beneficiaries of such employees.

The SWOOSH is governed by a Board of Directors (Board). Each Member is represented on the Board by its superintendent or his/her designee. In addition, any Member that exceeds five hundred total employees enrolled in a policy shall appoint a second representative to the Board. No Member may have more than two voting representatives. The fiscal agent for SWOOSH is the Hamilton County Educational Service Center (HCEC). The Treasurer of the Forest Hills Local School District, Alana Cropper, serves as the Treasurer of SWOOSH. The Board approves all benefit programs to be offered by or through the SWOOSH and all policies and contracts to be accepted or entered into by the SWOOSH. The Board also sets or determines all premiums and other amounts to be paid by Members. The Board also has the authority to waive premiums and other payments.

Members assume no liability beyond the payment of any dues, fees, or cooperative costs assessed by the SWOOSH and any contractual obligations for agreements entered into between the Member and the SWOOSH. Members do not assume liability for the debts of the SWOOSH and any Member withdrawing from the SWOOSH forfeits any claim to the cooperative's assets. No Member may withdraw during the first two years after joining the SWOOSH. After the first two years of membership, a Member may withdraw at the end of any fiscal year by providing written notice of its intent to withdraw to the Board by March 1 of such fiscal year. Upon withdrawal from the SWOOSH, a school district may not become a Member again for two years and until it has fully complied with the criteria and procedures for membership established by the Board. Financial information for the SWOOSH can be obtained from Alana Cropper, Treasurer of the Forest Hills Local School District at 7946 Beechmont Ave., Cincinnati, Ohio 45255.

In January 2017, SWOOSH offered health insurance through Anthem Blue Cross Blue Shield on a self-insured basis. Each SWOOSH member district retains its own plan, but the self-funding is an aggregate of the estimated claims and reserve build. All other insurance benefit offerings remain on a fully insured basis.

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**B. Fund Accounting**

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

*GOVERNMENTAL FUNDS*

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities and deferred inflows of resources are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The following are the District's major governmental funds:

*General fund* - This fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

*Bond Retirement Fund* - This fund is used to account for the accumulation of restricted resources and payment of general obligation bond and note principal, interest and related costs.

*Building fund* - This fund is used to account for debt proceeds that are restricted for acquiring or improving capital facilities, including real property.

Other governmental funds of the District are used to account for (a) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service.

*PROPRIETARY FUNDS*

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector. The District has no proprietary funds.

*FIDUCIARY FUNDS*

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District has no fiduciary funds.

**C. Basis of Presentation and Measurement Focus**

*Government-Wide Financial Statements* - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government.

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the District.

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the District are included on the statement of net position.

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all nonmajor funds are aggregated into one column.

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Revenues - Exchange and Nonexchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 5). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year-end: property taxes available as an advance, interest, tuition, grants, student fees and rentals.

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 13 and 14 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes, payments in lieu of taxes, and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

See Notes 13 and 14 for deferred inflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities received during the year is reported in the fund financial statements as an expenditure with a like amount reported as intergovernmental revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**E. Budgets**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than custodial funds, are legally required to be budgeted and appropriated. The legal level of budgetary control has been established at the fund level for all funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present the general fund's budgetary statement comparison at the fund and function level of expenditures.

Tax Budget:

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the Board-adopted budget is filed with Hamilton County Budget Commission for rate determination.

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Estimated Resources:

By April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources, which states the projected revenue of each fund. Prior to July 1, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statements reflect the amounts from the certificate of amended resources that was in effect at the time the final appropriations were passed by the Board of Education.

Appropriations:

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is enacted by the Board of Education. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The appropriation resolution, at the fund level for all funds, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures may not exceed the appropriation totals at any level of control. Any revisions that alter the level of budgetary control must be approved by the Board of Education.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, all supplemental appropriations were legally enacted.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budget amounts reflect the first appropriation for that fund covered the entire fiscal year, including amounts automatically carried over from prior year. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

Lapsing of Appropriations:

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

**F. Cash and Investments**

To improve cash management, cash received by the District is pooled in a central bank account. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the basic financial statements.

During fiscal year 2023, investments were limited to Federal Home Loan Bank (FHLB) securities, Federal National Mortgage Association (FNMA) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal Farm Credit Bank (FFCB) securities, negotiable certificates of deposit, U.S. Treasury notes, municipal bonds, commercial paper, U.S. Government money market mutual funds, and investment in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for investments in STAR Ohio, investments are reported at fair value, which is based on quoted market prices.

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

The District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

There were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours notice in advance of all deposits and withdrawals exceeding \$100 million is encouraged. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2023 amounted to \$410,664, which includes \$84,239 assigned from other District funds.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered cash equivalents. Investments with an initial maturity of more than three months are reported as investments. An analysis of the District's investment account at fiscal year-end is provided in Note 4.

**G. Inventory**

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

On the fund financial statements, reported material and supplies inventory is equally offset by nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets. Inventory consists of expendable supplies held for consumption, donated food and purchased food. At June 30, 2023, the District had no material consumable inventory.

**H. Capital Assets**

General capital assets are those assets specifically related to governmental activities. These assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District follows the policy of not capitalizing assets with a cost of less than \$5,000 and a useful life of less than one year. During fiscal year 2023, the District increased its capitalization threshold from \$2,500 to \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

All reported capital assets except land and construction in progress are depreciated/amortized. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation/amortization is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives
Land improvements	10 - 30 years
Buildings and improvements	20 - 40 years
Furniture and equipment	5 - 20 years
Vehicles	5 - 15 years
Intangible right to use:	
Lease assets	5 years
Compute software	3 years

The District is reporting intangible right to use assets related to lease equipment and computer software. The intangible assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

**I. Compensated Absences**

Compensated absences of the District consist of vacation leave and sick leave liability to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the District and the employee.

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2023, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, all employees over the age of fifty with at least ten years of service or any age with at least twenty years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2023, and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**J. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund loans receivable/payable”. These amounts are eliminated in the governmental type activities columns of the statement of net position.

**K. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Long-term bonds and lease-purchase agreements are recognized as a liability on the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan’s fiduciary net position is not sufficient for payment of those benefits.

**L. Unamortized Bond Premiums and Discounts/Accounting Gain or Loss**

Bond premiums and discounts are amortized over the term of the bonds using the straight-line method. Bond premiums are presented as an addition to the face amount of the bonds. Bond discounts are presented as a reduction to the face amount of the bonds.

For advance refunding resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow of resources.

On the governmental fund financial statements, issuance costs, bond premiums, bond discounts, and deferred charges from refunding are recognized in the current period. The reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 11.

**M. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications follow:

*Nonspendable* - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable.

*Restricted* - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the District Board of Education (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes, but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**N. Net Position**

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**O. Prepayments**

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

At fiscal year-end, because prepayments are not available to finance future governmental fund expenditures, the fund balance is considered nonspendable in an amount equal to the carrying value of the asset on the fund financial statements.

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**P. Estimates**

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

**Q. Budget Stabilization Arrangement**

The District has established a budget stabilization reserve in accordance with authority established by State law. Additions to the budget stabilization reserve can only be made by formal resolution of the Board of Education. Expenditures out of the budget stabilization reserve can only be made to offset future budget deficits. At June 30, 2023, the balance in the budget stabilization reserve was \$97,976. This amount is included in unassigned fund balance of the general fund and in unrestricted net position on the statement of net position.

**R. Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the basic financial statements. Interfund activity between governmental funds is eliminated in the statement of activities.

**S. Pensions/Other Postemployment Benefits (OPEB)**

For purposes of measuring the net pension/OPEB liability, net OPEB asset, deferred outflows of resources and deferred inflows of resources related pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

**T. Parochial Schools**

Within the District boundaries, All Saints, St. Vincent Ferrer, Springs East Montessori, Cincinnati Country Day, and Yavneh Day schools operate as parochial schools. Current State legislation provides funding to these schools. These monies are received and disbursed on behalf of the schools by the Treasurer of the District, as directed by the school. The receipt and expenditure of these State monies by the District are reflected in a nonmajor governmental fund for financial reporting purposes because the District has administrative involvement in the disbursement of the monies.

**U. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2023.

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**V. Fair Value Measurements**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For fiscal year 2023, the District has implemented GASB Statement No. 91, “Conduit Debt Obligations”, GASB Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements”, GASB Statement No. 96, “Subscription Based Information Technology Arrangements”, certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, “Omnibus 2022”.

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the District.

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the District.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

These changes were incorporated in the District’s fiscal year 2023 financial statements. The implementation of GASB Statement No. 96 did not have an effect on fund balance or net position as previously reported at June 30, 2022.

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on the financial statements of the District.

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**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

GASB Statement No. 99 to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the District.

**B. Deficit Fund Balances**

Fund balances at June 30, 2023 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Elementary and Secondary School	
Emergency Relief (ESSER) Fund	\$ 2,501
Title III - Limited English Proficiency	<u>1,578</u>
	<u>\$ 4,079</u>

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

State statutes classify monies held by the District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

Protection of the deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**A. Cash with Escrow Agent**

At June 30, 2023, the District had \$561,699 held by TMI Trust Company as escrow agent related to the lease-purchase obligation entered into during fiscal year 2021 (see Note 10). The escrow agent maintains these funds in a U.S. government money market mutual fund. This amount is not included in "Investments" below.

**B. Cash in Segregated Accounts**

At June 30, 2023, the District has \$41,863 in separate depository accounts for a flexible spending account (FSA), fundraising, scholarship, and miscellaneous funds held separate from the District's internal investment pool. The balance of these depository accounts are included in "deposits with financial institutions" below.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**C. Deposits with Financial Institutions**

At June 30, 2023, the carrying amount of all District deposits was \$2,992,562. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of June 30, 2023, \$757,707 of the District’s bank balance of \$3,134,028 was collateralized by the OPCS while \$2,376,321 was covered by FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2023, the District’s financial institutions were approved for a collateral rate of 102 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

**D. Investments**

As of June 30, 2023, the District had the following investments and maturities:

Measurement/ <u>Investment type:</u>	Measurement <u>Value</u>	Investment Maturities				
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>	<u>Greater than 24 months</u>
<i>Fair Value:</i>						
FHLB	\$ 5,307,640	\$ 3,562,409	\$ 141,477	\$ 131,783	\$ 716,269	\$ 775,702
FNMA	3,158,302	-	491,145	1,444,395	474,085	748,677
FHLMC	545,678	-	-	-	-	545,678
FFCB	689,657	494,615	-	-	-	195,042
U.S. Treasury Notes	8,853,353	3,952,786	1,003,184	188,110	192,382	3,516,891
Negotiable CDs	4,146,229	1,978,001	1,115,111	567,688	245,418	240,011
Commerical paper	15,356,794	13,819,334	1,537,460	-	-	-
Municipal bonds	334,487	-	101,487	233,000	-	-
U.S. government money market mutual funds	296,668	296,668	-	-	-	-
<i>Amortized Cost:</i>						
STAR Ohio	<u>17,082,798</u>	<u>17,082,798</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 55,771,606</u>	<u>\$ 41,186,611</u>	<u>\$ 4,389,864</u>	<u>\$ 2,564,976</u>	<u>\$ 1,628,154</u>	<u>\$ 6,022,001</u>

The weighted average maturity of investments is 0.62 years.

The District’s investment in the U.S. Government money market mutual fund is valued using quoted market prices in active markets (Level 1 inputs). The District’s investments in federal agency securities (FHLB, FNMA, FHLMC, FFCB), negotiable certificates of deposit, U.S. Treasury notes, municipal bonds, and commercial paper are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

*Interest Rate Risk:* Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. The District's investment policy addresses interest rate risk by requiring the consideration of cash flow requirements and market conditions in determining the term of an investment, and limiting investment portfolio maturities to five years or less.

*Credit Risk:* The federal agency securities and U.S. Treasury notes were rated AA+/AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Commercial paper investments were rated A-1 and A-1+ by Standard & Poor's and P-1 by Moody's Investor Services. The municipal bonds were rated AA and AAA by Standard & Poor's and Aa2 and Aaa by Moody's Investor Services. Standard & Poor's has assigned STAR Ohio and the U.S. Government money market mutual fund an AAAM money market rating. Ohio Law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District has no investment policy dealing with credit risk.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities, municipal bonds, and the U.S. Treasury notes are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the District's name. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

*Concentration of Credit Risk:* The District's investment policy addresses concentration of credit risk by requiring investments to be diversified in order to reduce the risk of loss resulting from the over concentration of assets in a specific type of security, the erosion of fair value, or by default. However, the District's investment policy does not place any limit on the amount that may be invested in any one issuer.

The following table includes the percentage of each investment type held at June 30, 2023:

Measurement/ <u>Investment type:</u>	Measurement <u>Value</u>	<u>% of Total</u>
<i>Fair Value:</i>		
FHLB	\$ 5,307,640	9.52
FNMA	3,158,302	5.66
FHLMC	545,678	0.98
FFCB	689,657	1.24
U.S. Treasury Notes	8,853,353	15.87
Negotiable CDs	4,146,229	7.43
Commerical paper	15,356,794	27.54
Municipal bonds	334,487	0.60
U.S. government money market mutual funds	296,668	0.53
<i>Amortized Cost:</i>		
STAR Ohio	<u>17,082,798</u>	<u>30.63</u>
Total	<u>\$ 55,771,606</u>	<u>100.00</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**E. Reconciliation of Cash and Investments to the Statement of Net Position**

The following is a reconciliation of cash and investments as reported in the note disclosure above to cash and investments as reported on the statement of net position as of June 30, 2023:

<u>Cash and investments per note disclosure</u>	
Carrying amount of deposits	\$ 2,992,562
Cash with escrow agent	561,699
Investments	<u>55,771,606</u>
Total	<u>\$ 59,325,867</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	<u>\$ 59,325,867</u>

**NOTE 5 - PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis while the District fiscal year runs from July through June. First half tax collections are received by the District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2023 represent the collection of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed values as of January 1, 2022, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised fair value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2023 represent the collection of calendar year 2022 taxes. Public utility real and personal property taxes received in calendar year 2023 became a lien on December 31, 2021, were levied after April 1, 2022, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Hamilton County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2023, are available to finance fiscal year 2023 operations. The amount available as an advance at June 30, 2023 was \$11,640,000 in the general fund and \$2,175,000 in the bond retirement fund. This amount is recorded as revenue. The amount available for advance at June 30, 2022 was \$11,855,000 in the general fund and \$2,230,000 in the bond retirement fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2023 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources.

On the accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting the revenue has been reported as a deferred inflow of resources.

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 5 - PROPERTY TAXES - (Continued)**

The assessed values upon which the fiscal year 2023 taxes were collected are:

	2022 Second Half Collections		2023 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 1,363,512,020	98.74	\$ 1,378,845,510	98.73
Public utility personal	<u>17,345,760</u>	<u>1.26</u>	<u>17,780,340</u>	<u>1.27</u>
Total	<u>\$ 1,380,857,780</u>	<u>100.00</u>	<u>\$ 1,396,625,850</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation for:				
General operations		\$ 45.38		\$ 45.38
Bond retirement		4.15		4.15

**NOTE 6 - PAYMENT IN LIEU OF TAXES**

In accordance with State law, Sycamore Township (the “Township”) has entered into tax increment financing (TIF) agreements. Under these agreements, the Township redirects, but does not abate, payments in lieu of taxes (PILOT) received on the incremental increase in the value of the property to help finance infrastructure improvements. The property owners’ contractual promise to make these PILOT payments generally continues until the costs of the improvement have been paid or the agreement expires, whichever occurs first. Future development by those owners or others may result in subsequent agreements to make PILOT payments. The Township has agreed to compensate the District with a portion of the collected PILOT, which amounted to \$6,338,262 during fiscal year 2023.

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2023 consisted of taxes, payments in lieu of taxes, accounts, accrued interest, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of Federal funds.

A summary of the principal items of receivables reported on the statement of net position follows:

**Governmental activities:**

Property taxes	\$ 37,144,447
Payments in lieu of taxes	6,345,080
Accounts	26,726
Accrued interest	75,427
Intergovernmental	<u>22,368</u>
Total	<u>\$ 43,614,048</u>

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 8 - OTHER COMMITMENTS**

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the District's commitments for encumbrances in the governmental funds, excluding amounts already reported in payables, were as follows:

<u>Fund</u>	<u>Year-End</u>
General fund	\$ 1,022,499
Building fund	31,990,272
Nonmajor governmental funds	<u>360,292</u>
Total	<u>\$ 33,373,063</u>

**NOTE 9 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	<u>Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u>
<b><u>Governmental activities:</u></b>	<u>06/30/22</u>	<u>06/30/22</u>	<u>06/30/22</u>	<u>06/30/23</u>
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 501,523	\$ -	\$ -	\$ 501,523
Construction in progress	15,204,970	48,095,164	-	63,300,134
<i>Total capital assets, not being depreciated/amortized</i>	<u>15,706,493</u>	<u>48,095,164</u>	<u>-</u>	<u>63,801,657</u>
<i>Capital assets, being depreciated/amortized:</i>				
Intangible right-to-use:				
Lease equipment	149,526	-	-	149,526
Computer software	-	9,823	-	9,823
Land improvements	6,031,930	-	(37,026)	5,994,904
Buildings and improvements	72,030,393	-	(19,765)	72,010,628
Equipment and furniture	8,704,272	19,792	(1,214,437)	7,509,627
Vehicles	4,093,697	-	(22,825)	4,070,872
<i>Total capital assets, being depreciated/amortized</i>	<u>91,009,818</u>	<u>29,615</u>	<u>(1,294,053)</u>	<u>89,745,380</u>
<i>Less: accumulated depreciation/amortization:</i>				
Intangible right-to-use:				
Lease equipment	(26,601)	(26,601)	-	(53,202)
Computer software	-	(6,548)	-	(6,548)
Land improvements	(3,694,504)	(222,681)	37,026	(3,880,159)
Buildings and improvements	(34,267,424)	(1,641,580)	19,765	(35,889,239)
Equipment and furniture	(8,362,005)	(97,496)	1,173,223	(7,286,278)
Vehicles	(2,142,926)	(231,023)	22,825	(2,351,124)
<i>Total accumulated depreciation/amortization</i>	<u>(48,493,460)</u>	<u>(2,225,929)</u>	<u>1,252,839</u>	<u>(49,466,550)</u>
Total capital assets, net	<u>\$ 58,222,851</u>	<u>\$ 45,898,850</u>	<u>\$ (41,214)</u>	<u>\$ 104,080,487</u>

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 9 - CAPITAL ASSETS - (Continued)**

Depreciation/amortization expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 902,152
Special	73,694
Vocational	14,673
<u>Support services:</u>	
Pupil	37,754
Instructional staff	168,585
Administration	68,000
Operations and maintenance	254,182
Pupil Transportation	448,041
<u>Operation of non-instructional services:</u>	
Food service operations	130,908
Other non-instructional services	2,007
Extracurricular activities	125,933
Total depreciation/amortization expense	<u>\$ 2,225,929</u>

**NOTE 10 - FINANCED PURCHASE NOTES PAYABLE**

The District has entered into the following arrangements for the financed purchase of capital assets:

During fiscal year 2021, the District entered into a financed purchase agreement with Santander Bank for \$473,858 to finance the acquisition of five school buses. The source of revenue to fund the principal and interest payments is derived from general operating revenues of the District.

On December 10, 2020, the District entered into a financed purchase agreement with Capital One Public Funding, LLC to finance energy improvements to District facilities. The total amount of the financed purchase note payable agreement is \$3,700,000. The financed purchase note payable agreement bears an interest rate of 1.660% with the final payment due December 1, 2032. In conjunction with the financed purchase note payable agreement, the District entered into an Escrow Agreement with TMI Trust Company (TMI) on December 10, 2020. The proceeds of the financed purchase note payable agreement were deposited with TMI and construction costs are paid by the escrow agent. At June 30, 2023, the balance of the monies held by TMI as escrow agent was \$561,699. The source of revenue to fund the principal and interest payments is derived from general operating revenues of the District.

On October 26, 2022, the District entered into a financed purchase agreement with Webster Bank to finance various improvements to District facilities. The total amount of the financed purchase note payable agreement is \$10,000,000. The financed purchase note payable agreement bears an interest rate of 3.25% with the final payment due December 1, 2042. The District incurred issuance costs of \$120,000 related to the issuance of the financed purchase note payable. The financed purchase note payable and related issuance costs have been reported in the building fund. The source of revenue to fund the principal and interest payments is derived from general operating revenues of the District.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 10 – FINANCED PURCHASE NOTES PAYABLE - (Continued)**

Financed purchase notes payable payments are reported as function expenditures on a budgetary basis. However, on a GAAP basis, these payments have been reclassified and are reported as debt service expenditures in the general fund. During fiscal year 2023, the District made principal and interest payments of \$379,945 and \$285,679, respectively, on the agreements. A liability in the amount of the present value of minimum lease payments has been recorded on the statement of net position. Capital assets consisting of vehicles and construction in progress have been capitalized in the amount of \$473,858 and \$3,154,399, respectively.

Principal and interest requirements to retire the financed purchase notes payable outstanding at June 30, 2023 are as follows:

Fiscal Year	Financed Purchase Notes Payable		
	Principal	Interest	Total
2024	\$ 698,534	\$ 422,547	\$ 1,121,081
2025	655,000	401,404	1,056,404
2026	670,000	382,778	1,052,778
2027	690,000	363,599	1,053,599
2028	710,000	343,776	1,053,776
2029-2033	3,875,000	1,395,111	5,270,111
2034-2038	2,700,000	867,185	3,567,185
2039-2043	<u>3,235,000</u>	<u>312,094</u>	<u>3,547,094</u>
Total	<u>\$ 13,233,534</u>	<u>\$ 4,488,494</u>	<u>\$ 17,722,028</u>

**NOTE 11 - LONG-TERM OBLIGATIONS**

During fiscal year 2023, the following activity occurred in the governmental activities long-term obligations.

	Balance 06/30/22	Increases	Decreases	Balance 06/30/23	Amount Due Within One Year
<b>Governmental activities:</b>					
<u>General Obligation Bonds:</u>					
Series 2016 - refunding	\$ 9,720,000	\$ -	\$ (1,430,000)	\$ 8,290,000	\$ 1,455,000
Unamortized premium	770,800	-	(142,302)	628,498	-
Series 2021 - school improvement	71,450,000	-	(1,660,000)	69,790,000	1,725,000
Unamortized premium	<u>8,303,600</u>	<u>-</u>	<u>(282,275)</u>	<u>8,021,325</u>	<u>-</u>
Total general obligation bonds	<u>90,244,400</u>	<u>-</u>	<u>(3,514,577)</u>	<u>86,729,823</u>	<u>3,180,000</u>
<u>Other Long-Term Obligations:</u>					
Financed purchase notes payable	3,613,479	10,000,000	(379,945)	13,233,534	698,534
Leases payable	126,622	-	(46,417)	80,205	45,403
Net pension liability	23,910,273	15,831,194	-	39,741,467	-
Net OPEB liability	2,730,102	-	(762,935)	1,967,167	-
Compensated absences	<u>2,148,279</u>	<u>508,038</u>	<u>(277,422)</u>	<u>2,378,895</u>	<u>90,387</u>
Total other long-term obligations	<u>32,528,755</u>	<u>26,339,232</u>	<u>(1,466,719)</u>	<u>57,401,268</u>	<u>834,324</u>
Total governmental activities	<u>\$ 122,773,155</u>	<u>\$ 26,339,232</u>	<u>\$ (4,981,296)</u>	<u>\$ 144,131,091</u>	<u>\$ 4,014,324</u>

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

General Obligation Bonds

All bonds are general obligations of the District, for which its full faith and credit is pledged for repayment.

**Series 2016 General Obligation Refunding Bonds**

On September 14, 2016, the District issued Series 2016 General Obligation Refunding Bonds (Series 2016 Refunding Bonds) to advance refund the callable portion of the Series 2006 Refunding Bonds (principal \$15,015,000; interest rate of 4.00% to 4.75%). Issuance proceeds of \$15,332,019 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded bonds was \$0 at June 30, 2023.

The Series 2016 Refunding Bonds are comprised of current interest bonds, par value \$13,940,000. The interest rate on the current interest bonds range from 2.00% to 5.00%.

The reacquisition price exceeded the net carrying amount of the old debt (including unamortized deferred changes and unamortized premiums) by \$541,394. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

Payments of principal and interest relating to the Series 2016 Refunding Bonds are recorded as expenditures in the bond retirement fund. Interest payments on the current interest bonds are due on June 1 and December 1 each year. The final maturity stated in the issue is December 1, 2027. Principal and interest requirements to retire the Series 2016 Refunding Bonds outstanding at June 30, 2023 are as follows:

<u>Fiscal Year</u>	<u>Current Interest Bonds - Series 2016</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,455,000	\$ 251,712	\$ 1,706,712
2025	1,595,000	175,463	1,770,463
2026	1,680,000	114,587	1,794,587
2027	1,725,000	72,025	1,797,025
2028	<u>1,835,000</u>	<u>25,231</u>	<u>1,860,231</u>
Total	<u>\$ 8,290,000</u>	<u>\$ 639,018</u>	<u>\$ 8,929,018</u>

**Series 2021 School Facilities Construction and Improvement Bonds**

On August 12, 2021, the District issued \$71,450,000 of Series 2021 School Improvement Bonds to retire the Series 2021 School Facilities Construction and Improvement Bond Anticipation Notes. This issue is comprised of general obligation serial bonds (\$55,610,000) and term bonds (\$15,840,000) bonds with interest rates ranging from 2.00% to 4.00%. The bonds were issued at a premium of \$8,397,692. The Series 2021 School Improvement Bonds were issued for the purpose of constructing, adding to, renovating, remodeling, furnishing, equipping and otherwise improving school district buildings and facilities, and acquiring, clearing, equipping and otherwise improving school district building and facility sites and retiring the Series 2021 Outstanding Notes previously issued for such purpose.

Interest payments on the general obligation bonds are due on June 1 and December 1 each year. The final maturity stated in the issue is December 1, 2051. Payments of principal and interest relating to the Series 2021 School Improvement Bonds are recorded as expenditures in the bond retirement fund.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

The future debt service requirements for retirement of the Series 2021 School Facilities Construction and Improvement bonds follows:

<u>Fiscal Year</u>	<u>Current Interest Bonds - Series 2021</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,725,000	\$ 2,180,631	\$ 3,905,631
2025	1,910,000	2,107,931	4,017,931
2026	1,985,000	2,030,032	4,015,032
2027	2,065,000	1,949,032	4,014,032
2028	2,265,000	1,862,431	4,127,431
2029-2033	9,435,000	8,172,155	17,607,155
2034-2038	11,210,000	6,457,955	17,667,955
2039-2043	12,420,000	5,248,197	17,668,197
2044-2048	13,860,000	3,733,707	17,593,707
2049-2053	12,915,000	1,058,500	13,973,500
Total	<u>\$ 69,790,000</u>	<u>\$ 34,800,571</u>	<u>\$ 104,590,571</u>

**Leases payable**

The District has entered into lease agreements for the right-to-use lease equipment. In accordance with GASB Statement No. 87, the District will report an intangible capital asset and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid from the general fund.

The District has entered into the following lease agreements for the right-to-use equipment:

<u>Purpose</u>	<u>Lease Commencement Date</u>	<u>Years</u>	<u>Lease End Date</u>	<u>Payment Method</u>
Copiers	2022	3	2025	Monthly
Printers	2019	5	2024	Monthly

The following is a schedule of future lease payments under the lease agreements:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 45,403	\$ 1,748	\$ 47,151
2025	34,802	478	35,280
Total	<u>\$ 80,205</u>	<u>\$ 2,226</u>	<u>\$ 82,431</u>

**Financed Purchase Notes Payable**

The financed purchase notes payable is being repaid from the general fund. See Note 10 for more detail on the District's financed purchases agreements.

**Net Pension Liability**

More information on the District's net pension liability information can be found in Note 13. The District pays obligations related to employee compensation from the fund benefitting from their service.

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

Net OPEB Liability/Asset

More information on the District's net OPEB liability information can be found in Note 14. The District pays obligations related to employee compensation from the fund benefitting from their service.

Compensated Absences

Compensated absences will be paid out of the fund from which the employee is paid, primarily the general fund.

Legal Debt Margins

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The Code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The Code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2023, are a voted debt margin of \$54,340,255 (including available funds of \$6,723,928) and an unvoted debt margin of \$1,396,626.

**NOTE 12 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During the fiscal year, the District contracted with The Ohio School Plan for general liability insurance with a \$11,000,000 single occurrence and a \$13,000,000 aggregate. Property insurance carries a \$1,000 deductible.

The bus fleet and maintenance vehicles are insured by The Ohio School Plan with a \$1,000 deductible and \$11,000,000 limit per occurrence.

Effective January 1, 2012, the District joined the Southwest Ohio Organization of School Health (SWOOSH), a public entity risk pool, to provide medical, prescription drugs, vision, dental, life and/or other group insurance (see Note 2.A for detail). Each member district retains its own plan, but the overall health insurance plan is self-funded. All other insurance benefit offerings remain on a fully insured basis.

Post-retirement health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 14. As such, no funding provisions are required by the District.

**NOTE 13 - DEFINED BENEFIT PENSION PLANS**

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

*Net Pension Liability/Net OPEB Liability/Asset*

The net pension liability and the net OPEB liability/asset reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension/OPEB liability (asset) represent the District’s proportionate share of each pension/OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan’s fiduciary net position. The net pension/OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

The Ohio Revised Code limits the District’s obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the District does receive the benefit of employees’ services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients.

The remainder of this note includes the required pension disclosures. See Note 14 for the required OPEB disclosures.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension/OPEB liability (asset)* on the accrual basis of accounting. Any liability for the contractually required pension contribution outstanding at the end of the year is included in pension and postemployment benefits payable on both the accrual and modified accrual bases of accounting.

***Plan Description - School Employees Retirement System (SERS)***

Plan Description - The District’s non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire after August 1, 2017
Full benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially reduced benefits	Age 60 with 5 years of service credit; or Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

\* Members with 25 years of service credit as of August 1, 2017 will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on years of service; 2.2% for the first thirty years of service and 2.5% for years of service credit over 30. Final average salary is the average of the highest three years of salary.

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0%. In 2022, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2023.

Funding Policy - Plan members are required to contribute 10.00% of their annual covered salary and the District is required to contribute 14.00% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10.00% for plan members and 14.00% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2023, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$776,528 for fiscal year 2023. Of this amount, \$55,765 is reported as pension and postemployment benefits payable.

***Plan Description - State Teachers Retirement System (STRS)***

Plan Description - Licensed teachers participate in STRS, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS website at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined (CO) Plan. Benefits are established by Ohio Revised Code Chapter 3307.

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HAMILTON COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023 when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit regardless of age.

The DC Plan allows members to place all of their member contributions and 9.53% of the 14% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS Ohio. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12% of the 14% member rate goes to the DC Plan and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 and after termination of employment.

New members who choose the DC Plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service, who is determined to be disabled, may qualify for a disability benefit. New members, on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2023 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2023, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was \$2,841,837 for fiscal year 2023. Of this amount, \$353,324 is reported as pension and postemployment benefits payable.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.141238800%	0.146246823%	
Proportion of the net pension liability current measurement date	<u>0.137737600%</u>	<u>0.145260290%</u>	
Change in proportionate share	<u>-0.003501200%</u>	<u>-0.000986533%</u>	
Proportionate share of the net pension liability	\$ 7,449,921	\$ 32,291,546	\$ 39,741,467
Pension expense	\$ 265,618	\$ 3,720,678	\$ 3,986,296

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 301,728	\$ 413,373	\$ 715,101
Net difference between projected and actual earnings on pension plan investments	-	1,123,676	1,123,676
Changes of assumptions	73,509	3,864,328	3,937,837
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	-	403,744	403,744
Contributions subsequent to the measurement date	<u>776,528</u>	<u>2,841,837</u>	<u>3,618,365</u>
Total deferred outflows of resources	<u>\$ 1,151,765</u>	<u>\$ 8,646,958</u>	<u>\$ 9,798,723</u>

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

	SERS	STRS	Total
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 48,907	\$ 123,524	\$ 172,431
Net difference between projected and actual earnings on pension plan investments	259,969	-	259,969
Changes of assumptions	-	2,908,728	2,908,728
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	175,425	293,189	468,614
Total deferred inflows of resources	\$ 484,301	\$ 3,325,441	\$ 3,809,742

\$3,618,365 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	\$ (78,222)	\$ 233,087	\$ 154,865
2025	(91,498)	(97,257)	(188,755)
2026	(371,368)	(931,040)	(1,302,408)
2027	432,024	3,274,890	3,706,914
Total	\$ (109,064)	\$ 2,479,680	\$ 2,370,616

***Actuarial Assumptions - SERS***

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2022, are presented below:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	2.40%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%
COLA or ad hoc COLA:	
Current measurement date	2.00%
Prior measurement date	2.00%
Investment rate of return:	
Current measurement date	7.00% net of system expenses
Prior measurement date	7.00% net of system expenses
Discount rate:	
Current measurement date	7.00%
Prior measurement date	7.00%
Actuarial cost method	Entry age normal (level percent of payroll)

In 2022, mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

In the prior measurement date, mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The most recent experience study was completed for the five-year period ended June 30, 2020.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.45) %
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	<u>100.00 %</u>	

**Discount Rate** - The total pension liability was calculated using the discount rate of 7.00%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00%, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%), or one percentage point higher (8.00%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 10,965,928	\$ 7,449,921	\$ 4,487,733

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

*Actuarial Assumptions - STRS*

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022, actuarial valuation are presented below:

	June 30, 2022	June 30, 2021
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.00%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%

For the June 30, 2022 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For the prior measurement date, post-retirement mortality rates are based on the RP-2014 Annuitant Mortality Tables with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Tables, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Tables with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

STRS Ohio’s investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return **
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
<b>Total</b>	<b>100.00 %</b>	

\* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

\*\*10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of investment expenses. Over a 30-year period, STRS Ohio’s investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS Ohio’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following table represents the net pension liability as of June 30, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 48,780,770	\$ 32,291,546	\$ 18,346,767

**Changes Between Measurement Date and Reporting Date** - STRS approved a one-time 1.00% cost-of-living adjustment to eligible benefit recipients effective July 1, 2023. It is unknown what effect this change will have on the net pension liability.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability/Asset***

See Note 13 for a description of the net OPEB liability (asset).

***Plan Description - School Employees Retirement System (SERS)***

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2023, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the District's surcharge obligation was \$73,444.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$73,444 for fiscal year 2023. Of this amount, \$73,444 is reported as pension and postemployment benefits payable.

***Plan Description - State Teachers Retirement System (STRS)***

Plan Description - The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

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**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2023, STRS did not allocate any employer contributions to post-employment health care.

***OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

The net OPEB liability/asset was measured as of June 30, 2022, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.144252800%	0.146246823%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.140110600%</u>	<u>0.145260290%</u>	
Change in proportionate share	<u>-0.004142200%</u>	<u>-0.000986533%</u>	
Proportionate share of the net OPEB liability	\$ 1,967,167	\$ -	\$ 1,967,167
Proportionate share of the net OPEB asset	\$ -	\$ 3,761,272	\$ 3,761,272
OPEB expense	\$ (201,665)	\$ (717,354)	\$ (919,019)

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 16,539	\$ 54,530	\$ 71,069
Net difference between projected and actual earnings on OPEB plan investments	10,223	65,475	75,698
Changes of assumptions	312,903	160,219	473,122
Difference between employer contributions and proportionate share of contributions/change in proportionate share	45,218	14,596	59,814
Contributions subsequent to the measurement date	<u>73,444</u>	<u>-</u>	<u>73,444</u>
Total deferred outflows of resources	<u>\$ 458,327</u>	<u>\$ 294,820</u>	<u>\$ 753,147</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

	SERS	STRS	Total
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 1,258,341	\$ 564,875	\$ 1,823,216
Changes of assumptions	807,538	2,667,107	3,474,645
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	250,828	74,048	324,876
Total deferred inflows of resources	<u>\$ 2,316,707</u>	<u>\$ 3,306,030</u>	<u>\$ 5,622,737</u>

\$73,444 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	\$ (462,926)	\$ (902,217)	\$ (1,365,143)
2025	(424,538)	(878,095)	(1,302,633)
2026	(358,502)	(399,029)	(757,531)
2027	(244,678)	(167,307)	(411,985)
2028	(171,077)	(219,577)	(390,654)
Thereafter	(270,103)	(444,985)	(715,088)
Total	<u>\$ (1,931,824)</u>	<u>\$ (3,011,210)</u>	<u>\$ (4,943,034)</u>

***Actuarial Assumptions - SERS***

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2022 are presented below:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	2.40%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%
Investment rate of return:	
Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.00% net of investment expense, including inflation
Municipal bond index rate:	
Current measurement date	3.69%
Prior measurement date	1.92%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Current measurement date	4.08%
Prior measurement date	2.27%
Medical trend assumption:	
Current measurement date	7.00 to 4.40%
Prior measurement date	
Medicare	5.125 to 4.400%
Pre-Medicare	6.750 to 4.400%

In 2022, mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

In the prior measurement date, mortality rates were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The most recent experience study was completed for the five-year period ended June 30, 2020.

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

The long-term expected rate of return on plan assets is reviewed as part of the actuarial 5-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.45) %
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	<u>100.00 %</u>	

**Discount Rate** - The discount rate used to measure the total OPEB liability at June 30, 2022, was 4.08%. The discount rate used to measure total OPEB liability prior to June 30, 2022, was 2.27%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2022 and the June 30, 2021 total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 3.69% at June 30, 2022 and 1.92% at June 30, 2021.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates*** - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability, what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08%) and higher (5.08%) than the current discount rate (4.08%). Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate (7.00% decreasing to 4.40%).

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 2,443,252	\$ 1,967,167	\$ 1,582,838

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 1,517,039	\$ 1,967,167	\$ 2,555,108

***Actuarial Assumptions - STRS***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022 actuarial valuation, compared with June 30, 2021 actuarial valuation, are presented below:

	June 30, 2022		June 30, 2021	
Inflation	2.50%		2.50%	
Projected salary increases	Varies by service from 2.50% to 8.50%		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.00%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discount rate of return	7.00%		7.00%	
Blended discount rate of return	N/A		N/A	
Health care cost trends	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	7.50%	3.94%	5.00%	4.00%
Medicare	-68.78%	3.94%	-16.18%	4.00%
Prescription Drug				
Pre-Medicare	9.00%	3.94%	6.50%	4.00%
Medicare	-5.47%	3.94%	29.98%	4.00%

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

For the June 30, 2022 actuarial valuation, for healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For the prior measurement date, for healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Tables with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Tables with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

**Assumption Changes Since the Prior Measurement Date** - The discount rate remained unchanged at 7.00% for the June 30, 2022 valuation.

**Benefit Term Changes Since the Prior Measurement Date** - Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return **
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	<u>100.00 %</u>	

\* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

\*\*10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Discount Rate** - The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on health care fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

*Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate* - The following table represents the net OPEB asset as of June 30, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 3,483,008	\$ 3,761,272	\$ 4,004,607
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 3,901,354	\$ 3,761,272	\$ 3,584,453

**NOTE 15 - BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); and,
- (d) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

**Net Change in Fund Balance**

	<u>General fund</u>
Budget basis	\$ (1,351,305)
Net adjustment for revenue accruals	(243,440)
Net adjustment for expenditure accruals	169,706
Net adjustment for other sources/uses	(1,162,228)
Funds budgeted elsewhere	187,002
Adjustment for encumbrances	1,230,289
GAAP basis	\$ (1,169,976)

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the special trust fund, the termination benefits fund, and the public school support fund.

**NOTE 16 - CONTINGENCIES**

**A. Grants**

The District receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

**B. Litigation**

The District is not party to any claims or lawsuits that would, in the District's opinion, have a material effect of the basic financial statements.

**C. Foundation Funding**

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2023 Foundation funding for the District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District.

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 17 - SET-ASIDES**

The District is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

The following cash-basis information describes the change in the fiscal year-end set-aside amount for capital improvements. Disclosure of this information is required by State statute.

	<u>Capital Improvements</u>
Set-aside balance June 30, 2022	\$ -
Current year set-aside requirement	458,205
Current year qualifying expenditures	<u>(1,347,384)</u>
Total	<u>\$ (889,179)</u>
Balance carried forward to fiscal year 2024	<u>\$ -</u>
Set-aside balance June 30, 2023	<u>\$ -</u>

**NOTE 18 - INTERFUND TRANSACTIONS**

A. Interfund balances at June 30, 2023 as reported on the fund financial statements, consist of the following individual interfund loans receivable and payable:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	<u>\$ 51,817</u>

The primary purpose of interfund balances is to cover costs in specific funds where revenues were not received by June 30. Interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year. Interfund balances between governmental funds are eliminated on the government-wide financial statements.

B. Interfund transfers for the fiscal year ended June 30, 2023, consisted of the following, as reported on the fund statements:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	<u>\$ 553,253</u>

Interfund transfers represent the use of unrestricted revenues collected in the general fund that are used to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers between governmental funds are eliminated for reporting on the statement of activities. All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

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REQUIRED SUPPLEMENTARY INFORMATION

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

	LAST TEN FISCAL YEARS			
	2023	2022	2021	2020
District's proportion of the net pension liability	0.13773760%	0.14123880%	0.14372790%	0.14218270%
District's proportionate share of the net pension liability	\$ 7,449,921	\$ 5,211,302	\$ 9,506,466	\$ 8,507,040
District's covered payroll	\$ 5,109,007	\$ 4,708,243	\$ 5,049,379	\$ 4,920,281
District's proportionate share of the net pension liability as a percentage of its covered payroll	145.82%	110.68%	188.27%	172.90%
Plan fiduciary net position as a percentage of the total pension liability	75.82%	82.86%	68.55%	70.85%

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
0.13819580%	0.14906850%	0.15464140%	0.15787490%	0.15158800%	0.15158800%
\$ 7,914,729	\$ 8,906,514	\$ 11,318,324	\$ 9,008,495	\$ 7,671,782	\$ 9,014,452
\$ 4,761,207	\$ 5,052,064	\$ 4,760,650	\$ 4,682,458	\$ 4,449,336	\$ 3,818,064
166.23%	176.29%	237.75%	192.39%	172.43%	236.10%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

	LAST TEN FISCAL YEARS			
	2023	2022	2021	2020
District's proportion of the net pension liability	0.14526029%	0.14624682%	0.14467771%	0.14295751%
District's proportionate share of the net pension liability	\$ 32,291,546	\$ 18,698,971	\$ 35,006,858	\$ 31,614,194
District's covered payroll	\$ 18,662,814	\$ 18,159,957	\$ 17,582,221	\$ 16,914,686
District's proportionate share of the net pension liability as a percentage of its covered payroll	173.03%	102.97%	199.10%	186.90%
Plan fiduciary net position as a percentage of the total pension liability	78.88%	87.78%	75.48%	77.40%

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
0.13894386%	0.14425203%	0.14569108%	0.15100969%	0.13322101%	0.13322101%
\$ 30,550,635	\$ 34,267,379	\$ 48,767,196	\$ 41,734,661	\$ 32,403,960	\$ 38,599,385
\$ 16,532,179	\$ 15,913,564	\$ 15,385,029	\$ 16,072,357	\$ 14,658,546	\$ 14,443,892
184.79%	215.33%	316.98%	259.67%	221.06%	267.24%
77.31%	75.30%	66.80%	72.10%	74.70%	69.30%

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 776,528	\$ 715,261	\$ 659,154	\$ 706,913
Contributions in relation to the contractually required contribution	<u>(776,528)</u>	<u>(715,261)</u>	<u>(659,154)</u>	<u>(706,913)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 5,546,629	\$ 5,109,007	\$ 4,708,243	\$ 5,049,379
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 664,238	\$ 642,763	\$ 707,289	\$ 666,491	\$ 617,148	\$ 616,678
<u>(664,238)</u>	<u>(642,763)</u>	<u>(707,289)</u>	<u>(666,491)</u>	<u>(617,148)</u>	<u>(616,678)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 4,920,281	\$ 4,761,207	\$ 5,052,064	\$ 4,760,650	\$ 4,682,458	\$ 4,449,336
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 2,841,837	\$ 2,612,794	\$ 2,542,394	\$ 2,461,511
Contributions in relation to the contractually required contribution	<u>(2,841,837)</u>	<u>(2,612,794)</u>	<u>(2,542,394)</u>	<u>(2,461,511)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 20,298,836	\$ 18,662,814	\$ 18,159,957	\$ 17,582,221
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 2,368,056	\$ 2,314,505	\$ 2,227,899	\$ 2,153,904	\$ 2,250,130	\$ 1,905,611
<u>(2,368,056)</u>	<u>(2,314,505)</u>	<u>(2,227,899)</u>	<u>(2,153,904)</u>	<u>(2,250,130)</u>	<u>(1,905,611)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 16,914,686	\$ 16,532,179	\$ 15,913,564	\$ 15,385,029	\$ 16,072,357	\$ 14,658,546
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF  
THE NET OPEB LIABILITY  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST SEVEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net OPEB liability	0.14011060%	0.14425280%	0.14521270%	0.14249020%
District's proportionate share of the net OPEB liability	\$ 1,967,167	\$ 2,730,102	\$ 3,155,947	\$ 3,583,329
District's covered payroll	\$ 5,109,007	\$ 4,708,243	\$ 5,049,379	\$ 4,920,281
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	38.50%	57.99%	62.50%	72.83%
Plan fiduciary net position as a percentage of the total OPEB liability	30.34%	24.08%	18.17%	15.57%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>
0.13968400%	0.15117360%	0.15604927%
\$ 3,875,211	\$ 4,057,102	\$ 4,447,981
\$ 4,761,207	\$ 5,052,064	\$ 4,760,650
81.39%	80.31%	93.43%
13.57%	12.46%	11.49%

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF  
THE NET OPEB LIABILITY/ASSET  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST SEVEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net OPEB liability/asset	0.14526029%	0.14624682%	0.14467771%	0.14295751%
District's proportionate share of the net OPEB liability/(asset)	\$ (3,761,272)	\$ (3,083,495)	\$ (2,542,710)	\$ (2,367,719)
District's covered payroll	\$ 18,662,814	\$ 18,159,957	\$ 17,582,221	\$ 16,914,686
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	20.15%	16.98%	14.46%	14.00%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	230.73%	174.73%	182.10%	174.70%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>
0.13894386%	0.14425203%	0.14569108%
\$ (2,232,686)	\$ 5,628,182	\$ 7,791,597
\$ 16,532,179	\$ 15,913,564	\$ 15,385,029
13.51%	35.37%	50.64%
176.00%	47.10%	37.33%

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 73,444	\$ 87,780	\$ 86,285	\$ 74,683
Contributions in relation to the contractually required contribution	<u>(73,444)</u>	<u>(87,780)</u>	<u>(86,285)</u>	<u>(74,683)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 5,546,629	\$ 5,109,007	\$ 4,708,243	\$ 5,049,379
Contributions as a percentage of covered payroll	1.32%	1.72%	1.83%	1.48%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 96,479	\$ 96,979	\$ 81,947	\$ 76,118	\$ 90,374	\$ 66,517
<u>(96,479)</u>	<u>(96,979)</u>	<u>(81,947)</u>	<u>(76,118)</u>	<u>(90,374)</u>	<u>(66,517)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 4,920,281	\$ 4,761,207	\$ 5,052,064	\$ 4,760,650	\$ 4,682,458	\$ 4,449,336
1.96%	2.04%	1.62%	1.60%	1.93%	1.49%

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 20,298,836	\$ 18,662,814	\$ 18,159,957	\$ 17,582,221
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 139,230
-	-	-	-	-	(139,230)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 16,914,686	\$ 16,532,179	\$ 15,913,564	\$ 15,385,029	\$ 16,072,357	\$ 14,658,546
0.00%	0.00%	0.00%	0.00%	0.00%	1.00%

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

PENSION

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*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts reported for fiscal year 2014.
- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.
- For fiscal year 2019, with the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2021.
- For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.

*Changes in assumptions :*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023.

(Continued)

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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PENSION (CONTINUED)

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*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts reported for fiscal year 2014.
- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2019.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2021.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2022.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2023.

*Changes in assumptions :*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.
- For fiscal year 2023, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%.

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OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- There were no changes in benefit terms from the amounts reported for fiscal year 2018.
- There were no changes in benefit terms from the amounts reported for fiscal year 2019.
- There were no changes in benefit terms from the amounts reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts reported for fiscal year 2021.
- There were no changes in benefit terms from the amounts reported for fiscal year 2022.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.

(Continued)

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO (CONTINUED)*

*Changes in assumptions :*

- For fiscal year 2017, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.
- For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.
- For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%, and (c) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22% to 2.63%.
- For fiscal year 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- For fiscal year 2023, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 1.92% to 3.69%, (b) single equivalent interest rate when from 2.27% to 4.08% and (c) medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%.

(Continued)

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts previously reported for fiscal year 2017.
- For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.
- For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
- For fiscal year 2020, STRS increased the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.
- For fiscal year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.
- For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2023.

*Changes in assumptions :*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.
- For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.

(Continued)

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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**OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

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*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO (CONTINUED)*

*Changes in assumptions (continued) :*

- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.
- For fiscal year 2023, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50% and (b) health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.

**SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Assistance Listing Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Passed Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
<i>Passed Through Ohio Department of Education</i>				
Child Nutrition Cluster				
National School Lunch Program - Lunch	10.555	GRF		6,239
National School Lunch Program - Lunch	10.555	3L60		59,662
Covid Food Pro Man	10.555	3L60		4,388
Non-Cash Assistance (Food Distribution):				
National School Lunch Program	10.555	3L60		20,825
Total Nutrition Cluster				91,114
Other Assistance				
Pandemic EBT Administrative Costs – Covid-19	10.649	3HF0		628
Total U.S. Department of Agriculture				<b>91,742</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>				
<i>Passed Through Ohio Department of Education</i>				
Title I, Part A Cluster:				
Grants to Local Education Agencies (Title I)	84.010	3M00		108,176
Total Title I, Part A				108,176
Special Education Cluster:				
Special Education Grants to States (IDEA part B)	84.027	3M20		591,970
Special Education Grants to States (IDEA part B)	84.027	3M20		61,020
Special Education Grants to States (ARP-IDEA part B)	84.027	3M20		66,145
ARP-IDEA Preschool Grant	84.173	3C50		694
IDEA Preschool Grant	84.173	3C50		4,160
Total Special Education Cluster				723,989
Student Support & Academic Enrichment	84.424	3H10		9,079
Title III - Immigrant	84.365	3Y70		7,441
ESSER Funds	84.425	3HS0		539,844
Title II-A - Improving Teacher Quality	84.367	3Y60		7,795
Title II-A - Improving Teacher Quality	84.367	3Y60		42,023
Total U.S. Department of Education				<b>1,438,347</b>
<b>Total Expenditures of Federal Awards</b>				<b>\$1,530,089</b>

*The accompanying notes are an integral part of this schedule.*

**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Indian Hill Exempted Village School District (the District's) under programs of the federal government for the year ended June 30, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards.

**NOTE C – INDIRECT COST RATE**

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE D - CHILD NUTRITION CLUSTER**

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

**NOTE E – FOOD DONATION PROGRAM**

The District reports commodities consumed on the Schedule at the entitlement value. The District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.

# OHIO AUDITOR OF STATE KEITH FABER



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Columbus, Ohio 43215  
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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Indian Hill Exempted Village School District  
Hamilton County  
6855 Drake Road  
Cincinnati, Ohio 45243

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Indian Hill Exempted Village School District, Hamilton County, (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 12, 2024.

### ***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio  
March 12, 2024

# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Indian Hill Exempted Village School District  
Hamilton County  
6855 Drake Road  
Cincinnati, Ohio 45243

To the Board of Education:

### **Report on Compliance for the Major Federal Program**

#### ***Opinion on the Major Federal Program***

We have audited Indian Hill Exempted Village School District's, Hamilton County, (District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Indian Hill Exempted Village School District's major federal program for the year ended June 30, 2023. Indian Hill Exempted Village School District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Indian Hill Exempted Village School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

#### ***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

The District's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio  
March 12, 2024

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**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT  
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2023**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	84.425(U) - Elementary and Secondary School Emergency Relief Fund
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

# OHIO AUDITOR OF STATE KEITH FABER



**INDIAN HILL EXEMPTED VILLAGE SCHOOL DISTRICT**

**HAMILTON COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 3/21/2024**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)

## APPENDIX D

### Five-Year Forecast

Following is a summary of a five-year financial projection prepared by the Treasurer of the School District through June 30, 2028, in compliance with Revised Code Section 5705.391 (see discussion in APPENDIX A under “FINANCES OF THE SCHOOL DISTRICT – Five-Year Projection”). The projection is based upon certain assumptions required to be made in accordance with rules promulgated by the Department of Education and Workforce, including the assumption that no revenues from future voter-approved tax levies will be available. A complete version of the projection may be obtained from the Treasurer’s office or from the Department of Education and Workforce. Readers of this Official Statement are cautioned that actual circumstances may differ from the assumptions required to be used in preparation of this projection. As a result, the actual future financial situation of the School District may be materially different from that stated in this projection, and investors are cautioned not to place undue reliance on such forward-looking statements.

Forecast Line and Description	Actual			Forecasted				
	2021	2022	2023	2024	2025	2026	2027	2028
01.010 : General Property Tax (Real Estate)	25,327,151	27,509,471	29,547,488	30,721,378	31,904,112	32,053,694	32,484,516	32,855,621
01.020 : Tangible Personal Property Tax	567,545	796,949	802,537	819,959	842,649	865,339	863,699	861,444
01.035 : Unrestricted Grants-in-Aid	1,381,519	1,266,932	1,334,754	2,016,140	2,362,929	2,764,304	3,127,285	3,252,503
01.040 : Restricted Grants-in-Aid	144,557	279,267	359,545	400,297	411,226	423,190	432,895	437,760
01.050 : State Share of Local Property Taxes	3,147,629	3,210,180	3,239,088	3,394,573	3,551,265	3,568,716	3,624,616	3,680,330
01.060 : All Other Operating Revenue	6,288,987	6,970,868	7,471,248	7,247,233	7,298,770	7,332,441	7,323,353	7,314,217
01.070 : Total Revenue	36,857,388	40,033,667	42,754,660	44,599,580	46,370,951	47,007,684	47,856,364	48,401,875
02.050 : Advances-In	19,549	18,605	1,214,045	51,817	30,000	30,000	30,000	30,000
02.060 : All Other Financing Sources	23,566	3,445	1,550	15,000	15,000	15,000	15,000	15,000
02.070 : Total Other Financing Sources	43,115	22,050	1,215,595	66,817	45,000	45,000	45,000	45,000
02.080 : Total Revenue and Other Financing Sources	36,900,503	40,055,717	43,970,255	44,666,397	46,415,951	47,052,684	47,901,364	48,446,875
03.010 : Personal Services - Employee Salaries & Wages	21,565,695	22,135,319	24,386,915	24,862,327	25,478,047	26,000,741	26,723,204	27,430,534
03.020 : Employees' Retirement and Insurance Benefits	6,819,714	7,599,775	8,026,067	8,339,212	8,730,596	9,111,768	9,547,218	10,005,406
03.030 : Purchased Services	4,878,255	5,591,673	6,726,431	6,415,302	6,272,938	6,295,911	6,297,980	6,312,165
03.040 : Supplies and Materials	1,457,837	1,459,815	1,834,174	1,882,761	1,896,043	1,914,196	1,925,640	1,944,897
03.050 : Capital Outlay	678,248	788,150	1,436,637	1,100,000	550,000	600,000	650,000	700,000
04.055 : Principal - Other	0	280,000	285,000	600,000	655,000	670,000	690,000	715,000
04.060 : Interest and Fiscal Charges	29,175	59,096	278,365	418,822	401,404	392,091	363,600	321,393
04.300 : Other Objects	436,519	538,213	512,611	541,990	546,880	551,620	551,241	556,479
04.500 : Total Expenditures	35,865,443	38,452,041	43,486,200	44,160,414	44,530,908	45,536,327	46,748,883	47,985,874
05.010 : Operational Transfers-Out	0	0	553,253	310,000	310,000	310,000	310,000	310,000
05.020 : Advances-Out	18,605	1,214,045	51,817	30,000	30,000	30,000	30,000	30,000
05.040 : Total Other Financing Uses	18,605	1,214,045	605,070	340,000	340,000	340,000	340,000	340,000
05.050 : Total Expenditures and Other Financing Uses	35,884,048	39,666,086	44,091,270	44,500,414	44,870,908	45,876,327	47,088,883	48,325,874
06.010 : Excess Of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	1,016,455	389,631	(121,015)	165,983	1,545,043	1,176,357	812,481	121,001
07.010 : Beginning Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	14,779,870	15,796,325	16,185,956	16,064,941	16,230,924	17,775,967	18,952,324	19,764,805
07.020 : Ending Cash Balance June 30 - Excluding Proposed Renewal/Replacement and New Levies	15,796,325	16,185,956	16,064,941	16,230,924	17,775,967	18,952,324	19,764,805	19,885,806
08.010 : Estimated Encumbrances June 30	0	500,000	0	500,000	500,000	500,000	500,000	500,000
10.010 : Fund Balance June 30 For Certification of Appropriations	15,796,325	15,685,956	16,064,941	15,730,924	17,275,967	18,452,324	19,264,805	19,385,806
11.020 : Property Tax - Renewal or Replacement	0	0	0	0	0	0	102,764	208,345
11.300 : Cumulative Balance of Replacement/Renewal Levies	0	0	0	0	0	0	102,764	311,109

**Notes and Assumptions to the Five-Year Forecast**

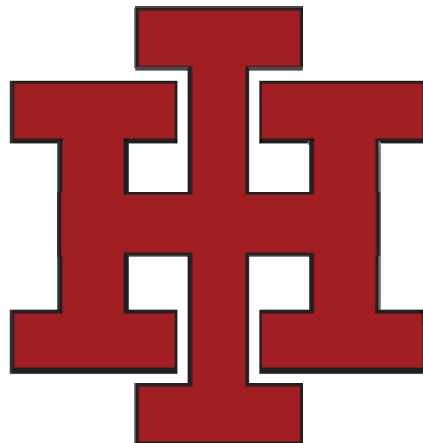
(Attached)

Indian Hill Exempted Village School District

# Five Year Forecast Financial Report

November 2023

*Prepared by Mick Davis, CFO/Treasurer*



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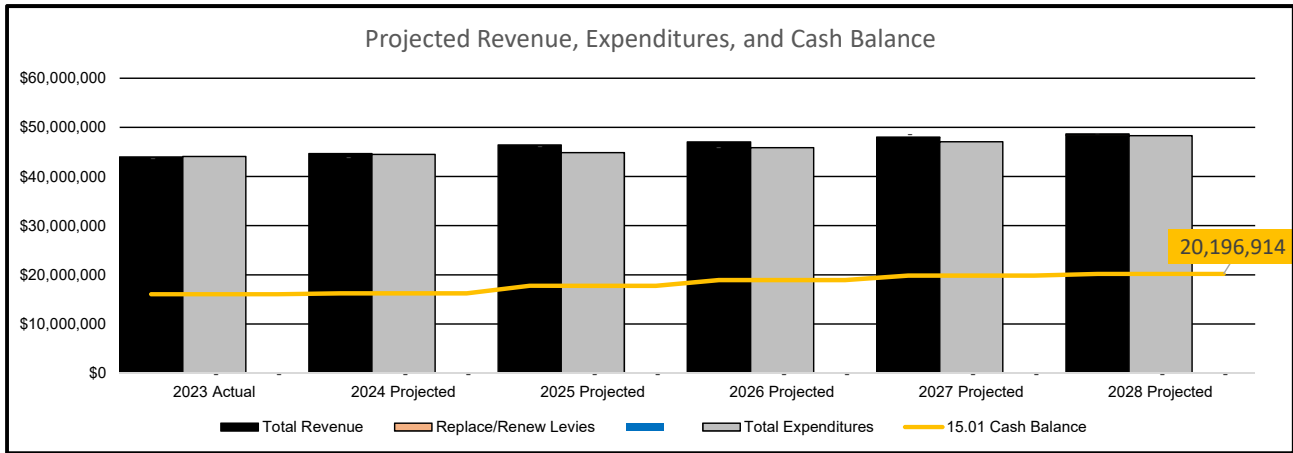
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### Forecast Purpose/Objectives

Ohio Department of Education's purposes/objectives for the five-year forecast are:

1. To engage the local board of education and the community in the long range planning and discussions of financial issues facing the school district.
2. To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate."
3. To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems.

Forecast Methodology - This forecast is prepared based upon historical trends and current factors. This information is then extrapolated into estimates for subsequent years. The forecast variables can change multiple times throughout the fiscal year and while cash flow monitoring helps to identify unexpected variances no process is guaranteed. The intent is to provide the district's financial trend over time and a roadmap for decisions aimed at encouraging financial sustainability and stability.



Note: Cash balance (Line 7.020) plus any existing levy modeled as renewed or new during the forecast.

Financial Forecast

	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
Beginning Balance (Line 7.010) Plus Renewal/New Levies Modeled	16,064,941	16,230,925	17,775,967	18,952,324	19,867,568
+ Revenue	44,666,397	46,415,951	47,052,684	47,901,363	48,446,874
+ Proposed Renew/Replacement Levies	-	-	-	102,764	208,345
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(44,500,413)	(44,870,908)	(45,876,327)	(47,088,883)	(48,325,873)
= Revenue Surplus or Deficit	165,984	1,545,042	1,176,356	915,244	329,346
Line 7.020 Ending Balance with renewal/new levies	16,230,925	17,775,967	18,952,324	19,867,568	20,196,914

Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	165,984	1,545,042	1,176,356	812,480	121,001
Ending Balance w/o Levies	16,230,925	17,775,967	18,952,324	19,764,804	19,885,805

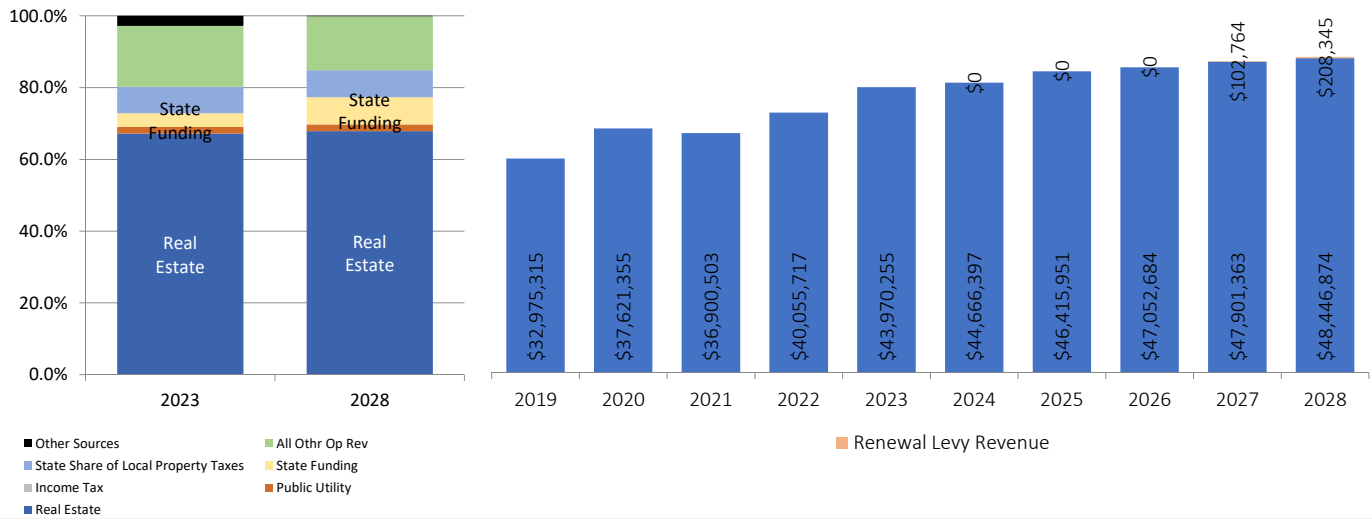
In FY 2024 a revenue surplus is expected. This means that expenditures are expected to be less than revenue by -\$165,984 in FY 2024. By the last year of the forecast, FY 2028, the district is expected to have a revenue surplus where expenditures are projected to be less than revenue by -\$121,001. The district would need to cut its FY 2028 projected expenses by -0.25% in order to balance its budget without additional revenue.

The district's cash balance is positive at year-end in FY 2024 and is projected to improve by FY 2028. A worsening cash balance can erode the district's financial stability over time.

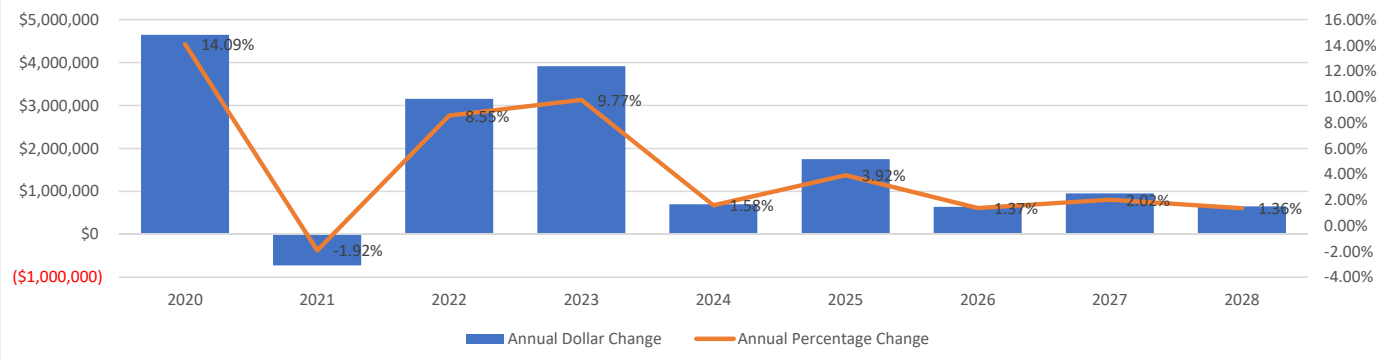
Ohio adopted the Fair School Funding Plan (FSFP) in FY 2022. The plan was continued with increasing phase-in of the formula results. In FY 2024 the per pupil base cost calculations were updated from FY 2018 cost data to FY 2022. For Indian Hill Exempted Village School District the calculated Base Cost total is \$16,982,716 in FY 2024. The state's share of the calculated Base Cost total is \$1,719,815 or \$809 per pupil.

## Revenue Sources and Forecast Year-Over-Year Projected Overview

### Sources of Revenue Over Time



### Year-Over-Year Dollar & Percentage Change



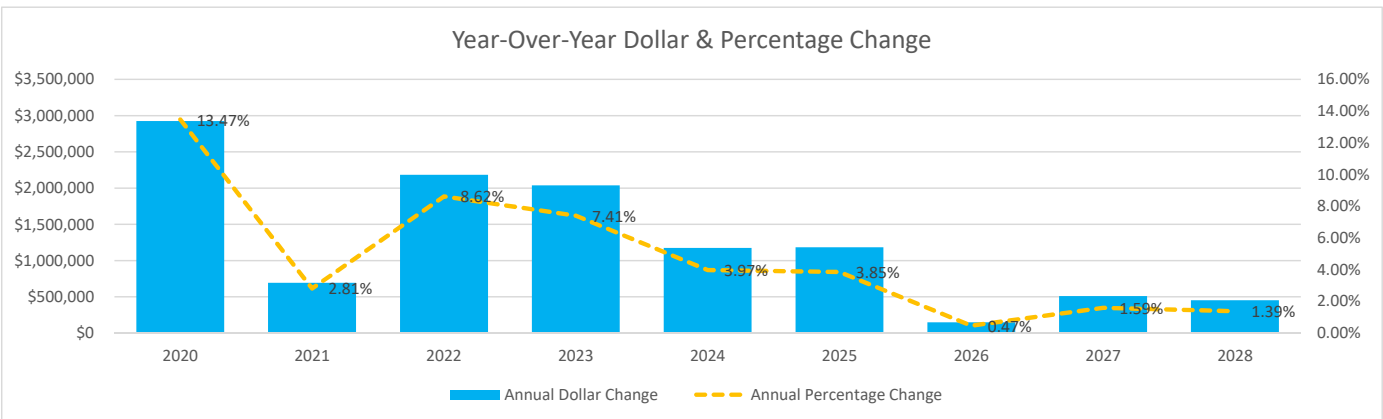
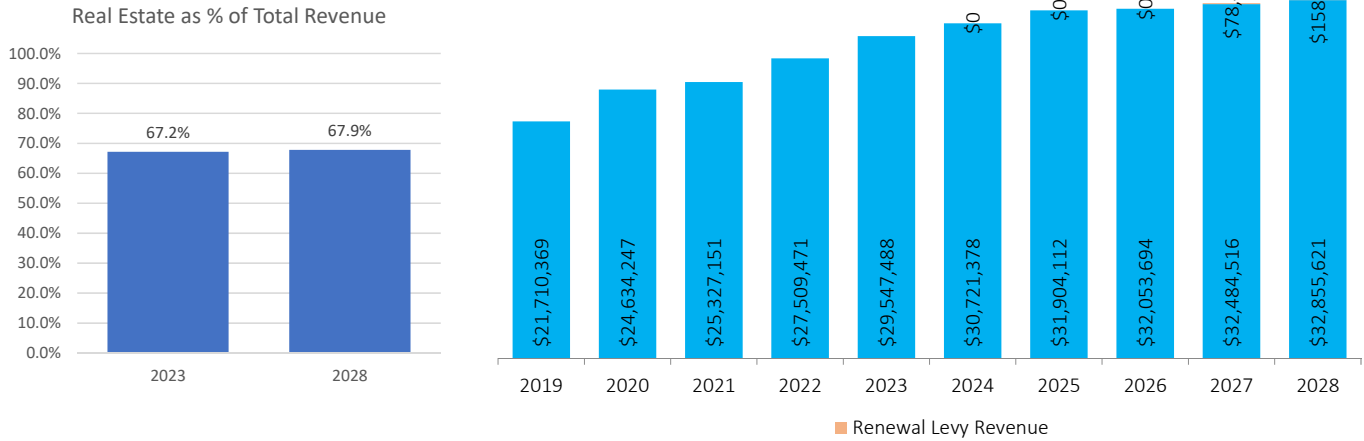
4-Year Historical Actual Average Annual Dollar Change Compared to 5-year Projected

	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	Total revenue increased 7.62% or \$2,748,735 annually during the past 4-year period and is projected to increase 2.05% or \$936,993 annually through FY2028. Real Estate has the most projected average annual variance compared to the historical average at -\$1,265,876
Real Estate	1,959,280	693,404	(\$1,265,876)	
Public Utility	\$65,959	\$21,636	(\$44,323)	
Income Tax	\$0	\$0	\$0	
State Funding	\$28,997	399,193	\$370,195	
Prop Tax Alloc	\$42,443	\$88,285	\$45,842	
All Othr Op Rev	\$427,903	(\$31,406)	(\$459,310)	
Other Sources	\$224,152	(\$234,119)	(\$458,271)	
<b>Total Average Annual Change</b>	<b>2,748,735</b> 7.62%	<b>936,993</b> 2.05%	<b>(\$1,811,742)</b> -5.57%	

Note: Expenditure average annual change is projected to be > \$846,921 On an annual average basis, expenditures are projected to grow slower than revenue.

### 1.010 - General Property Tax (Real Estate)

Revenue collected from taxes levied by a school district by the assessed valuation of real property using effective tax rates for class I (residential/agricultural) and class II (business).



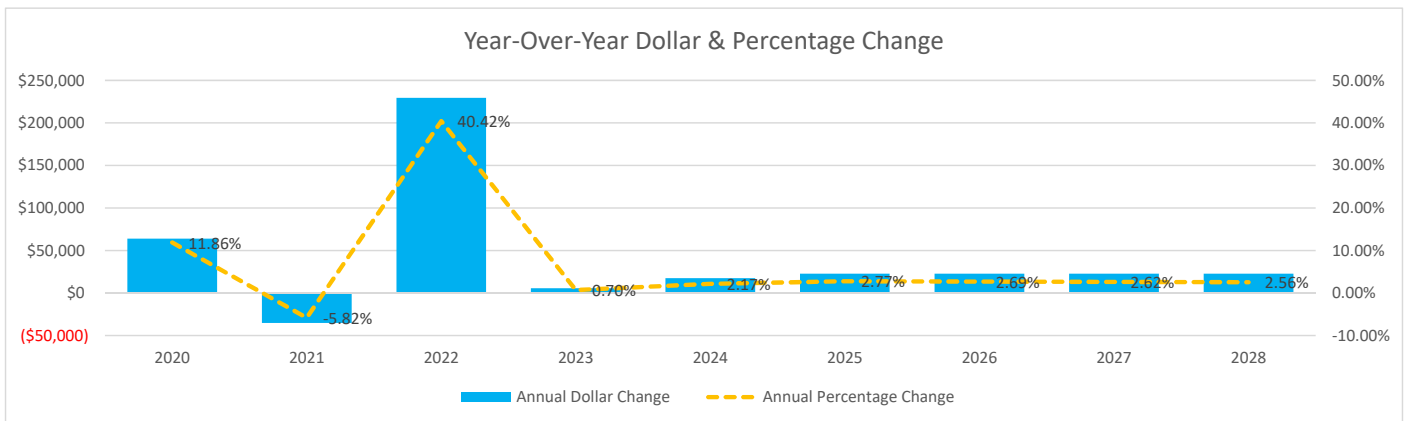
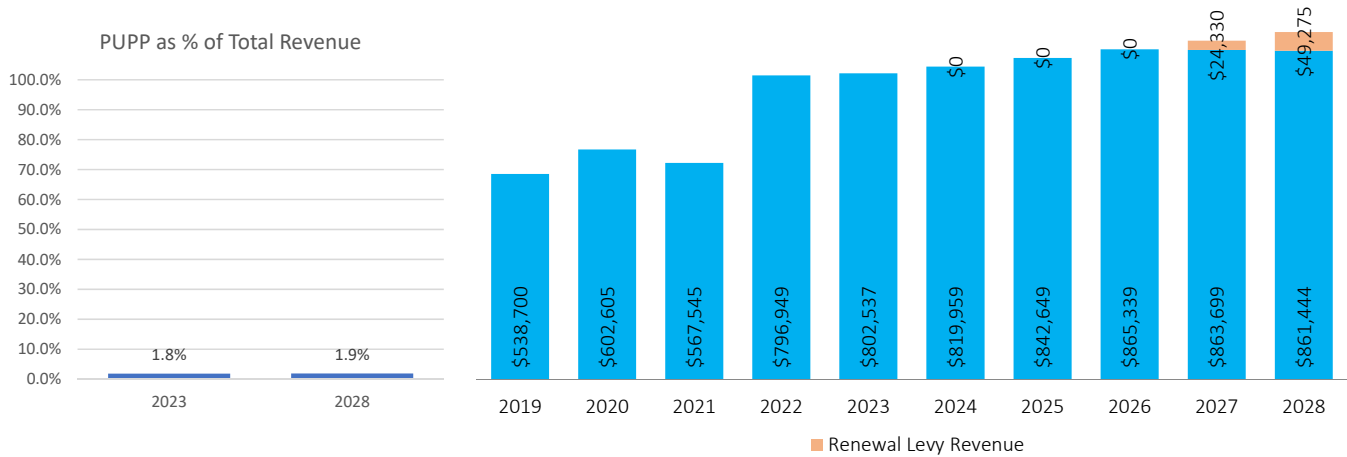
Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2022	1,378,845,510	15,333,490	23.93	-	22.52	-	99.5%
2023	1,768,245,510	389,400,000	20.00	(3.93)	21.54	(0.98)	99.3%
2024	1,771,918,750	3,673,240	20.05	0.05	21.62	0.08	99.3%
2025	1,779,113,750	7,195,000	20.06	0.01	21.64	0.02	99.3%
2026	1,833,413,750	54,300,000	20.00	(0.06)	21.12	(0.53)	99.3%
2027	1,839,853,750	6,440,000	20.02	0.02	21.17	0.05	99.3%

Real estate property tax revenue accounts for 67.20% of total revenue. Class I or residential/agricultural taxes make up approximately 89.92% of the real estate property tax revenue. The Class I tax rate is 20. mills in tax year 2023. The district is modeling the renewal of real estate property taxes levies through 2024. The projections reflect an average gross collection rate of 99.3% annually through tax year 2027. The revenue changed at an average annual historical rate of 8.08% and is projected to change at an average annual rate of 2.25% through FY 2028.

\*Projected % trends include renewal levies

### 1.020 - Public Utility Personal Property

Revenue generated from public utility personal property valuations multiplied by the district's full voted tax rate.



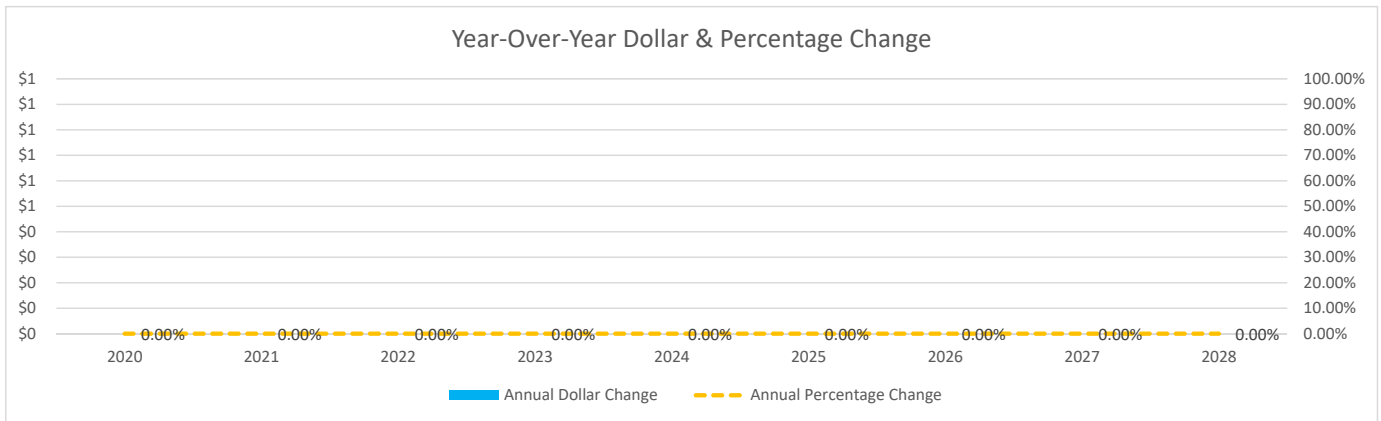
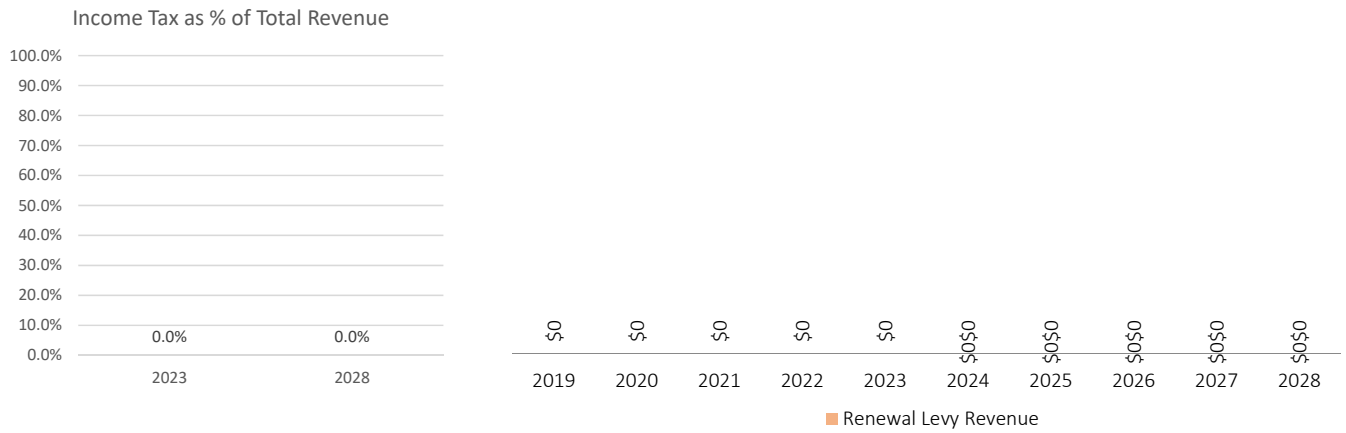
Values and Tax Rates					Gross Collection Rate Including Delinquencies	
Tax Year	Valuation	Value Change	Full Voted Rate	Change		
2022	17,780,340	434,580	45.38	-	100.0%	
2023	18,280,340	500,000	45.38	-	100.0%	
2024	18,780,340	500,000	45.38	-	100.0%	
2025	19,280,340	500,000	45.38	-	100.0%	
2026	19,780,340	500,000	45.38	-	100.0%	
2027	20,280,340	500,000	45.38	-	100.0%	

The public utility personal property tax revenue is generated from the personal property values, additions, and depreciation reported by the utility companies. This category currently makes up 1.83% of total district revenue. The property is taxed at the full voted tax rate which in tax year 2023 is 45.38 mills. The forecast is modeling an average gross collection rate of 100.00%. The revenue changed historically at an average annual dollar amount of \$65,959 and is projected to change at an average annual dollar amount of \$21,636 through FY 2028.

\*Projected % trends include renewal levies

### 1.030 - No Income Tax

Revenue collected from income tax earmarked specifically to support schools with a voter approved tax by residents of the school district; separate from federal, state and municipal income taxes.

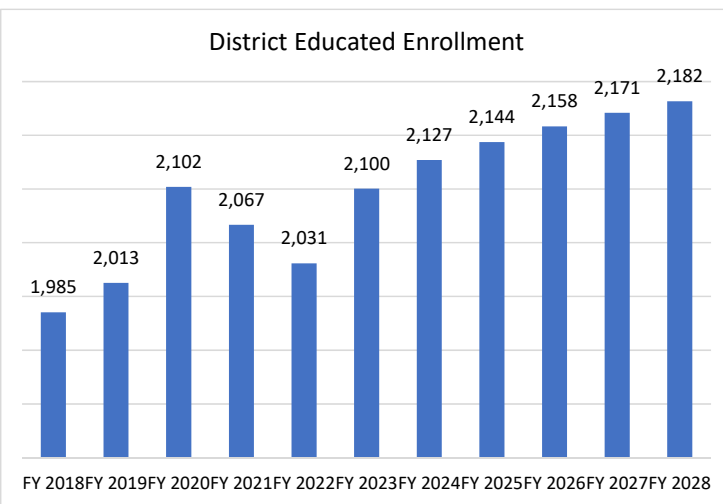
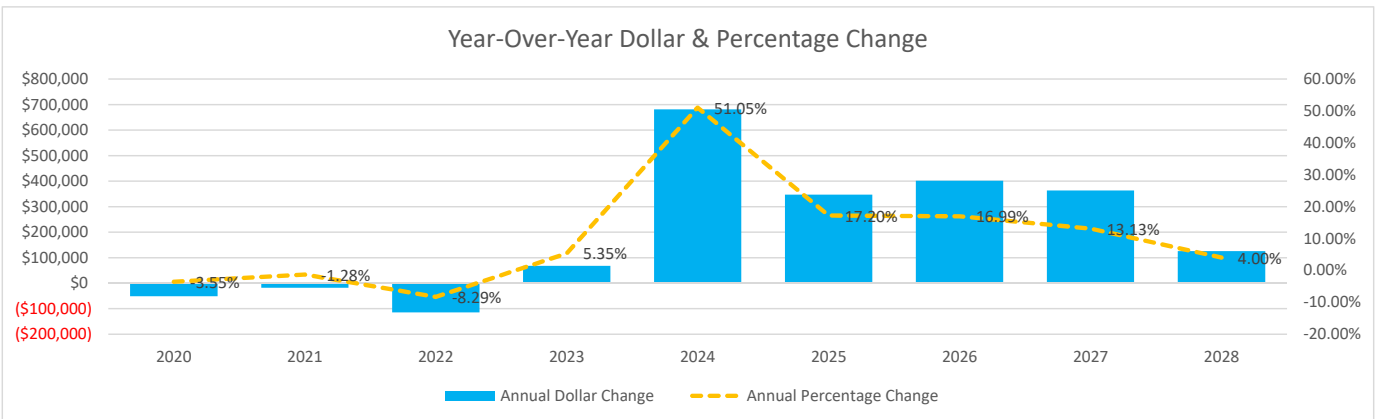
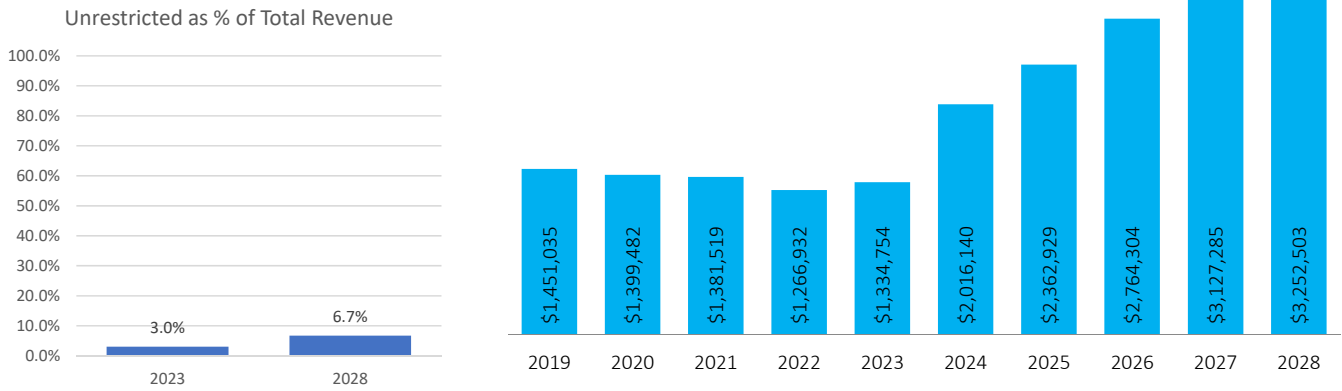


The district does not have an income tax levy.

*\*Projected % trends include renewal levies*

### 1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



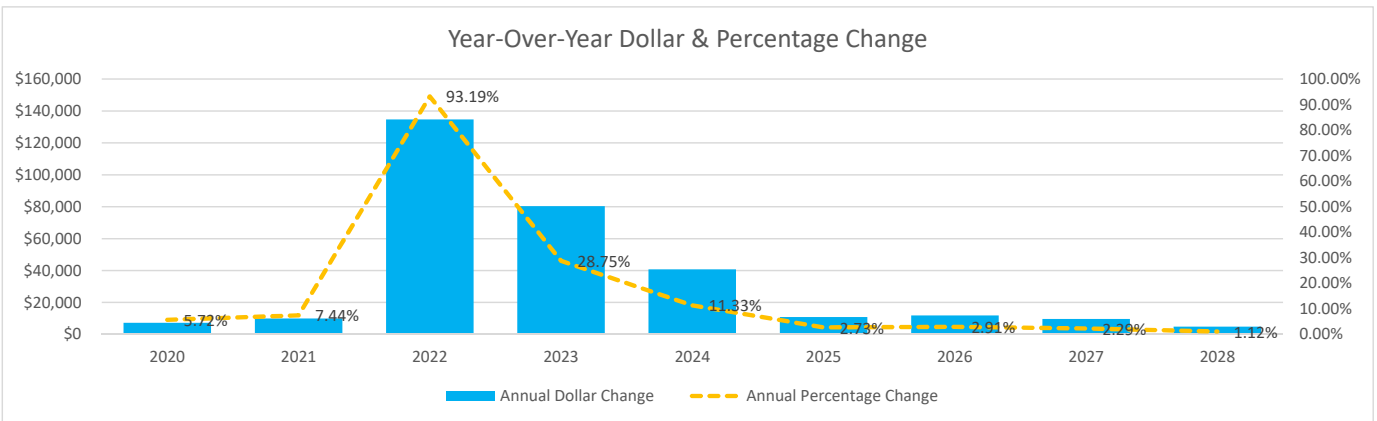
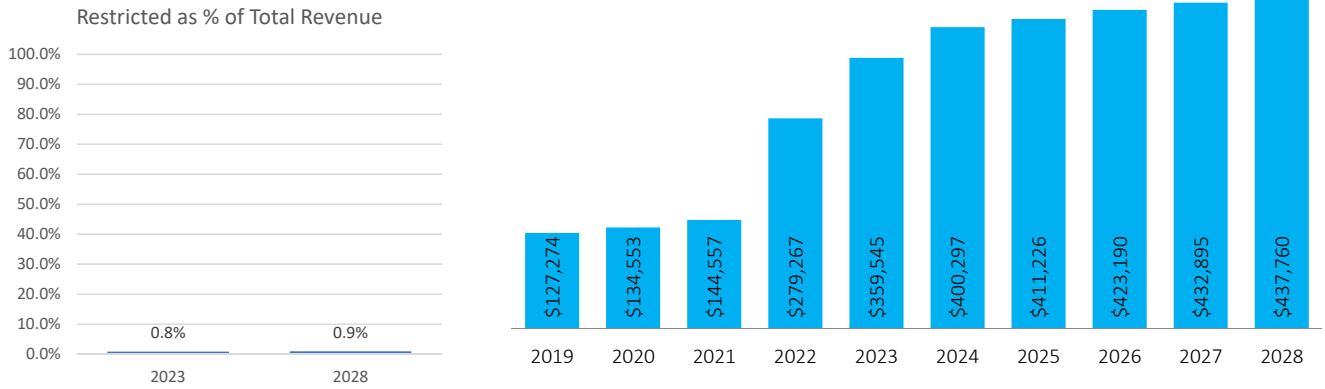
Beginning in FY 2022 Ohio adopted the Fair School Funding Plan (FSFP). Funding is driven by a base cost methodology that incorporates the four components identified as necessary to the education process. The Base Cost is currently calculated for two years using a statewide average from historical actual data.

For Indian Hill Exempted Village School District the calculated Base Cost total is \$16,982,716 in FY 2024. The state's share of the calculated Base Cost total is \$1,719,815 or \$809 per pupil.

The FSFP also started funding students where they attended school. Therefore district educated enrollment is now used for per pupil funding. At the same time, the FSFP eliminated tuition transfer payments from school districts.

### 1.040 & 1.045 - Restricted Grants-in-Aid

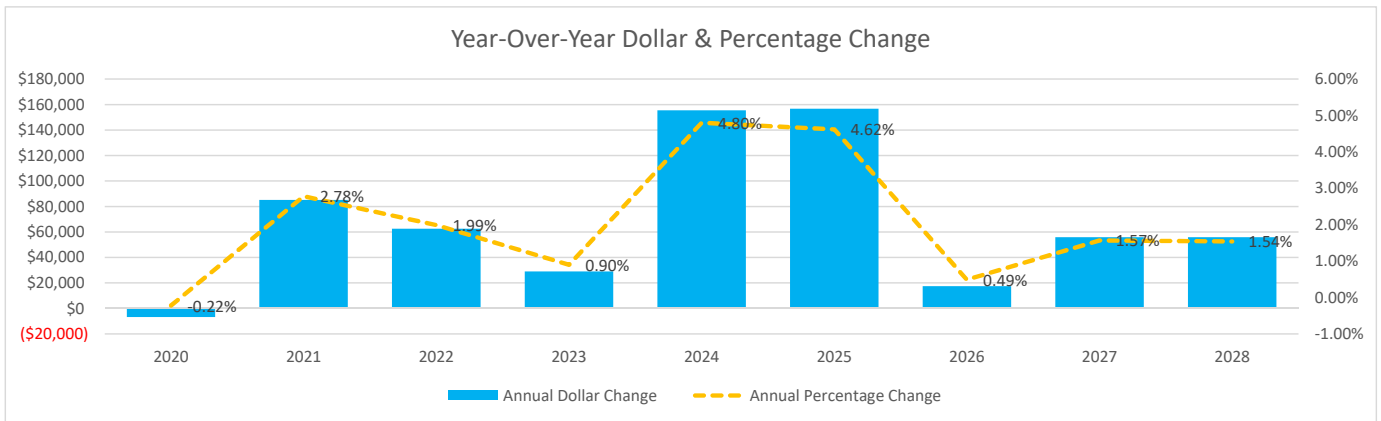
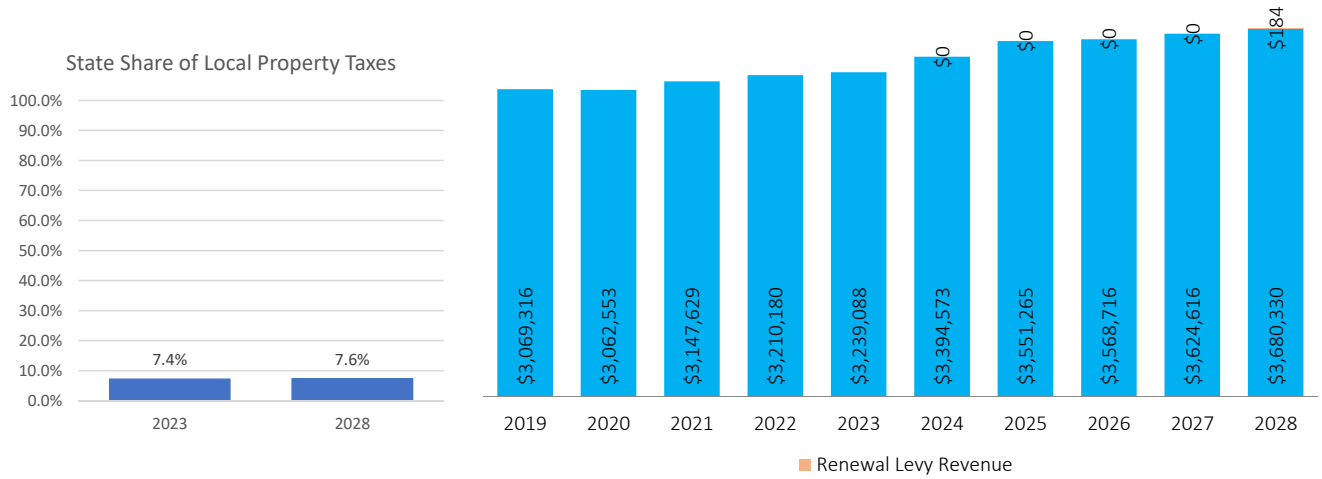
Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



Restricted aid is the portion of state per pupil funding that must be classified as restricted use. Historically the district's restricted state aid changed annually on average by \$74,997 and is projected to change annually on average by \$15,643. Restricted funds represent 0.82% of total revenue. Starting in FY 2022 the district's Success & Wellness funding is considered restricted, the state's share of this funding is recorded as restricted is \$53,650. This funding has implications on general fund expenditures in that certain spending now occurring in a fund external to the general fund could shift to the general fund. The expenditures in this forecast are adjusted to reflect this change.

### 1.050 - State Share of Local Property Taxes

Includes funds received for Tangible Personal Property Tax Reimbursement, Electric Deregulation, Homestead and Rollback.

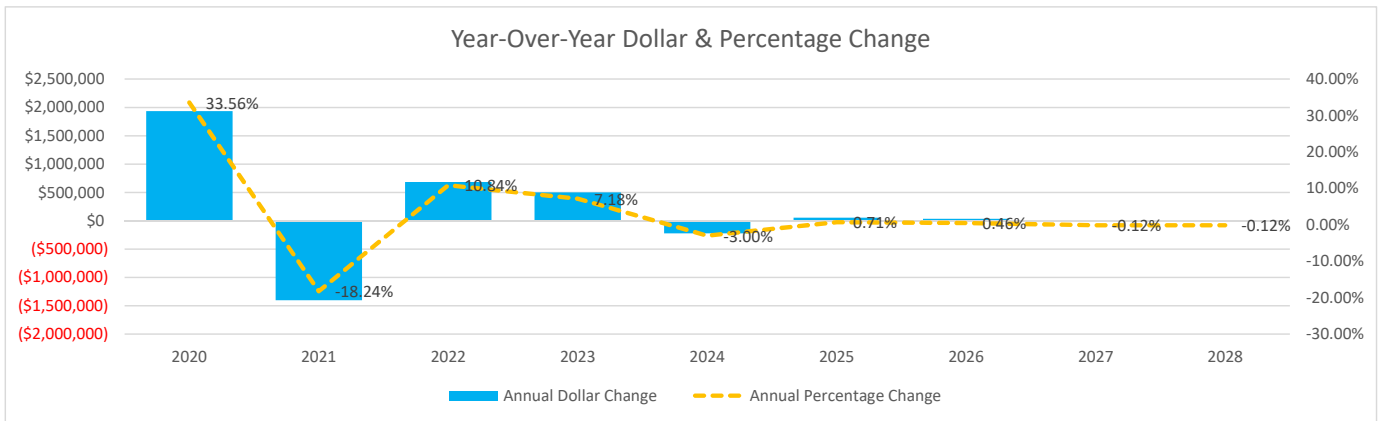
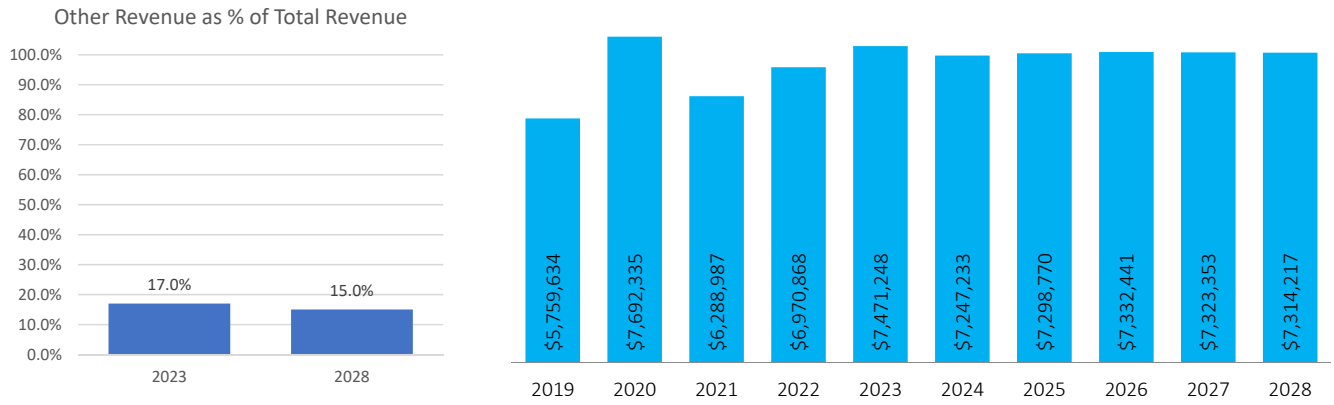


State Share of Local Property Taxes primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In FY 2024, approximately 10.5% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 0.3% will be reimbursed in the form of qualifying homestead exemption credits.

*\*Projected % trends include renewal levies*

### 1.060 - All Other Operating Revenues

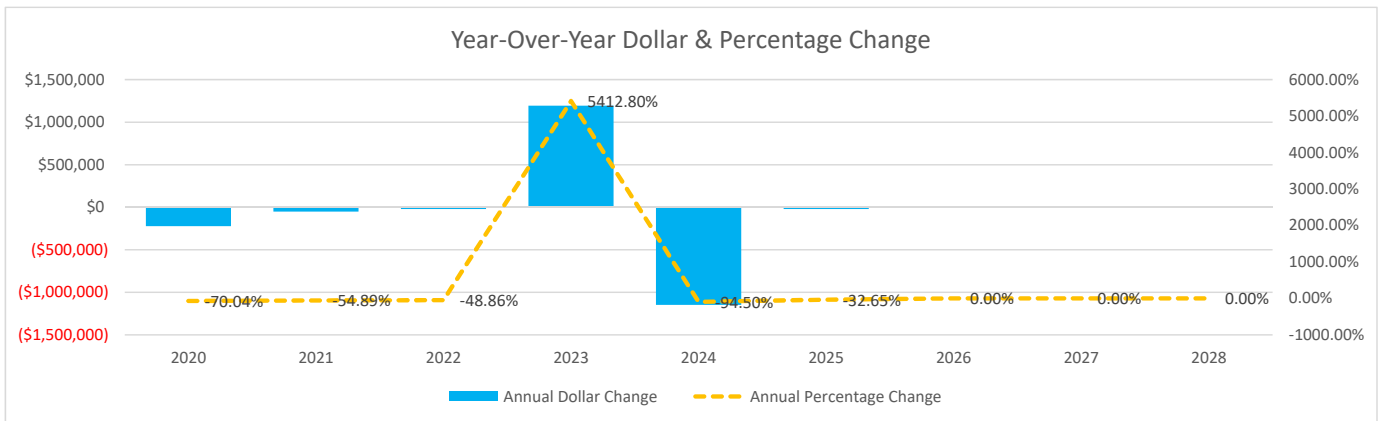
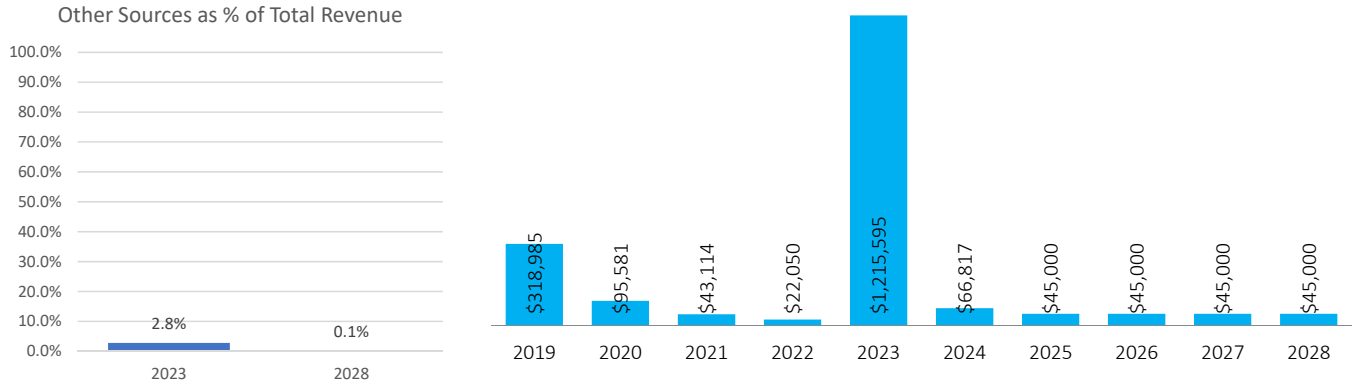
Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.



Other revenue includes tuition received by the district for non-resident students educated by the district. It also includes interest income, payments in lieu of taxes, and miscellaneous revenue. The historical average annual change was \$427,903. The projected average annual change is -\$31,406 through FY 2028.

## 2.070 - Total Other Financing Sources

Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.

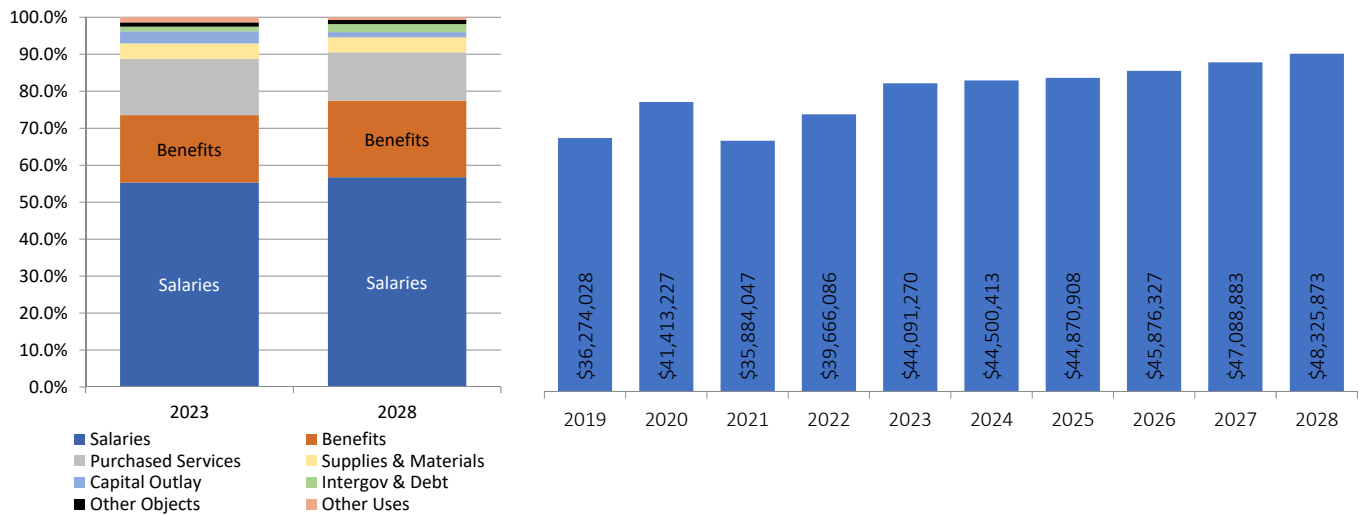


	2023	2024	2025	FORECASTED		
				2026	2027	2028
Transfers In	-	-	-	-	-	-
Advances In	1,214,045	51,817	30,000	30,000	30,000	30,000
All Other Financing Sources	1,550	15,000	15,000	15,000	15,000	15,000

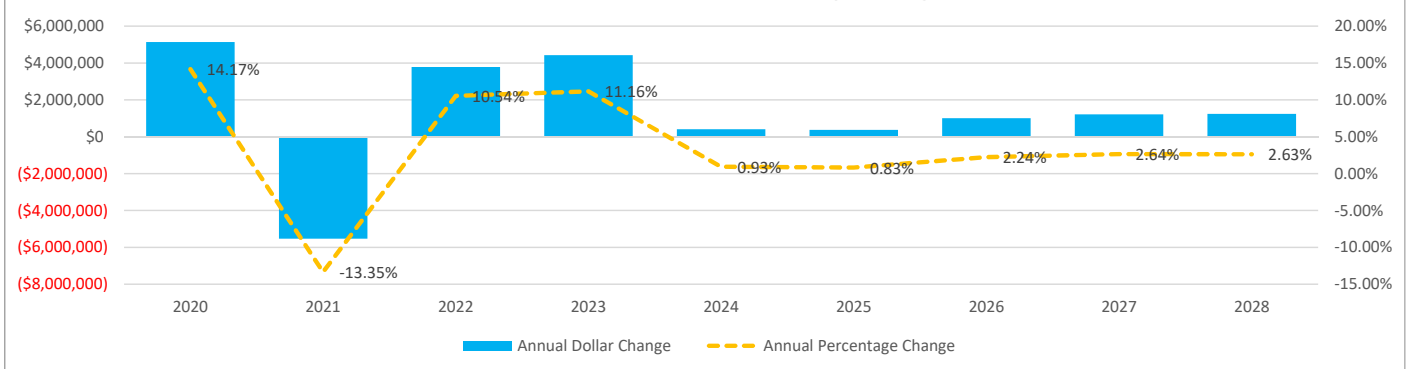
Other sources includes revenue that is generally classified as non-operating. Return advances-in are the most common revenue source. In FY 2023 the district received \$1,214,045 as advances-in and is projecting advances of \$51,817 in FY 2024. The district also receives other financing sources such as refund of prior year expenditures in this category. The district is projecting that all other financing sources will be \$15,000 in FY 2024 and average \$15,000 annually through FY 2028.

### Expenditure Categories and Forecast Year-Over-Year Projected Overview

**Expenditure Categories Over Time**



**Year-Over-Year Dollar & Percentage Change**



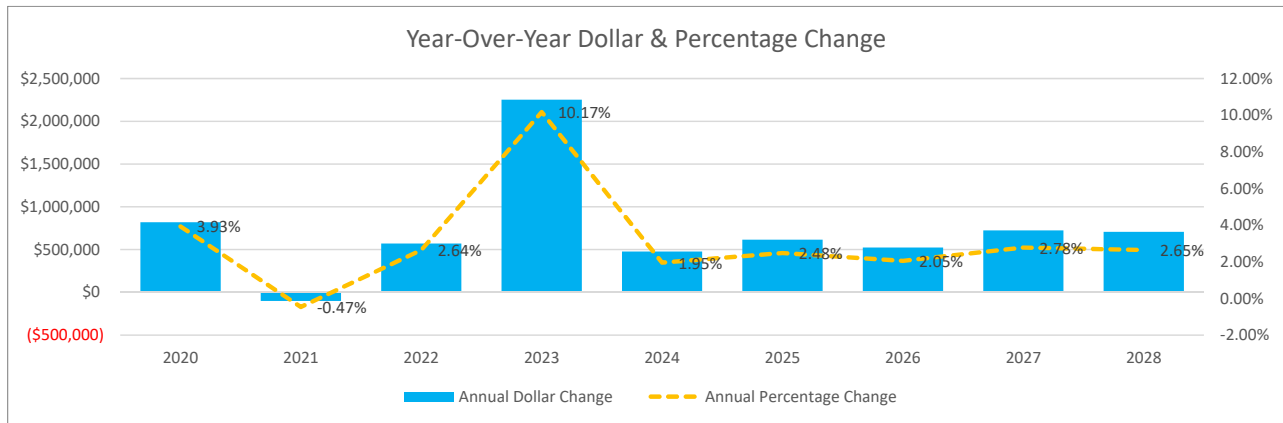
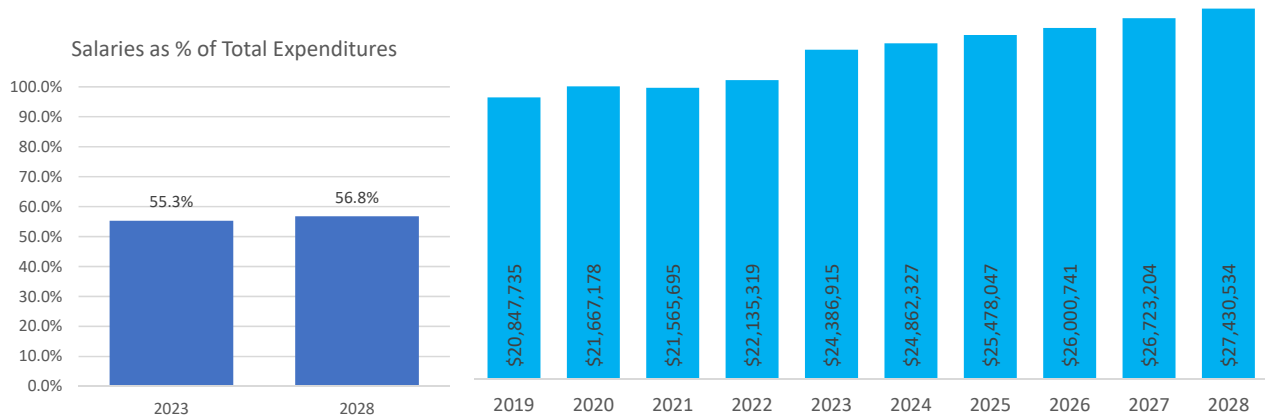
4-Year Historical Actual Average Annual Dollar Change Compared to 5-Year Projected

	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	Total expenditures increased 5.63% or \$1,954,311 annually during the past 4-Year period and is projected to increase 1.92% or \$846,921 annually through FY2028. Purchased Services has the largest projected average annual variance compared to the historical average at -\$569,162.
Salaries	884,795	608,724	(\$276,071)	
Benefits	\$157,780	\$395,868	\$238,088	
Purchased Services	\$486,309	(\$82,853)	(\$569,162)	
Supplies & Materials	\$127,740	\$22,145	(\$105,595)	
Capital Outlay	\$3,051	(\$147,327)	(\$150,378)	
Intergov & Debt	\$140,841	\$94,606	(\$46,236)	
Other Objects	\$23,130	\$8,774	(\$14,356)	
Other Uses	\$130,665	(\$53,014)	(\$183,679)	
<b>Total Average Annual Change</b>	<b>\$1,954,311</b>	<b>\$846,921</b>	<b>(\$1,107,390)</b>	
	5.63%	1.92%	-3.71%	

Note: Revenue average annual change is projected to be > \$936,993 On an annual average basis, revenues are projected to grow faster than expenditures.

### 3.010 - Personnel Services

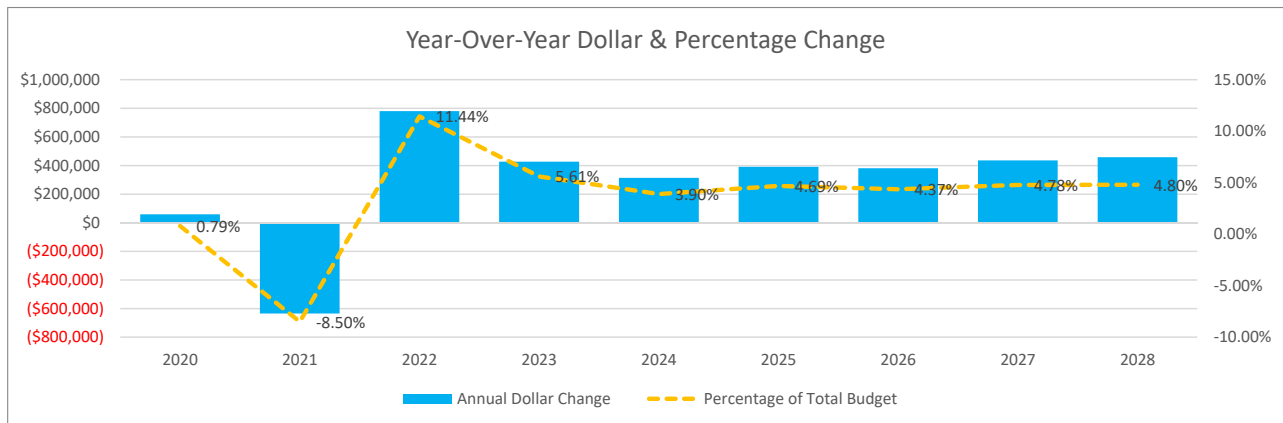
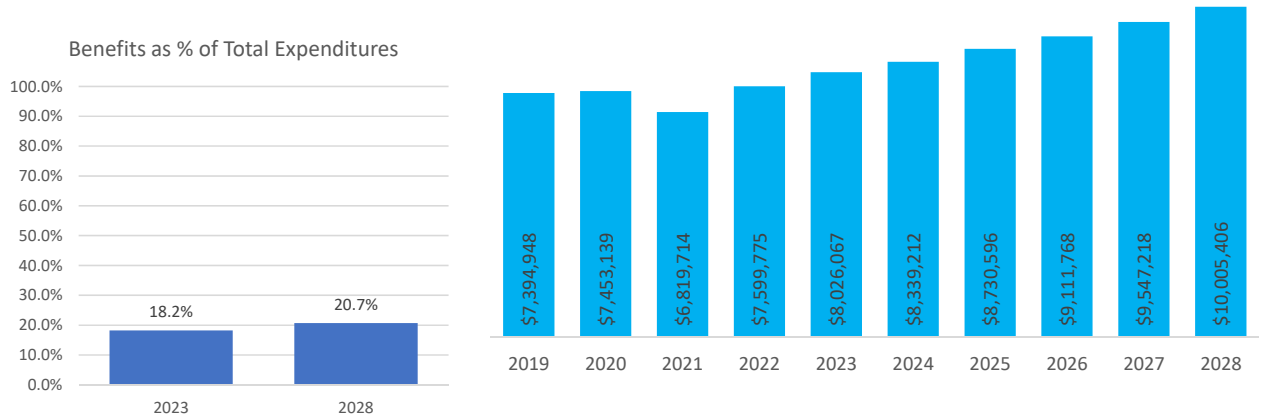
Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.



Salaries represent 55.31% of total expenditures and increased at a historical average annual rate of 4.07% or \$884,795. This category of expenditure is projected to grow at an annual average rate of 2.38% or \$608,724 through FY 2028. The projected average annual rate of change is -1.69% less than the five year historical annual average.

### 3.020 - Employees' Benefits

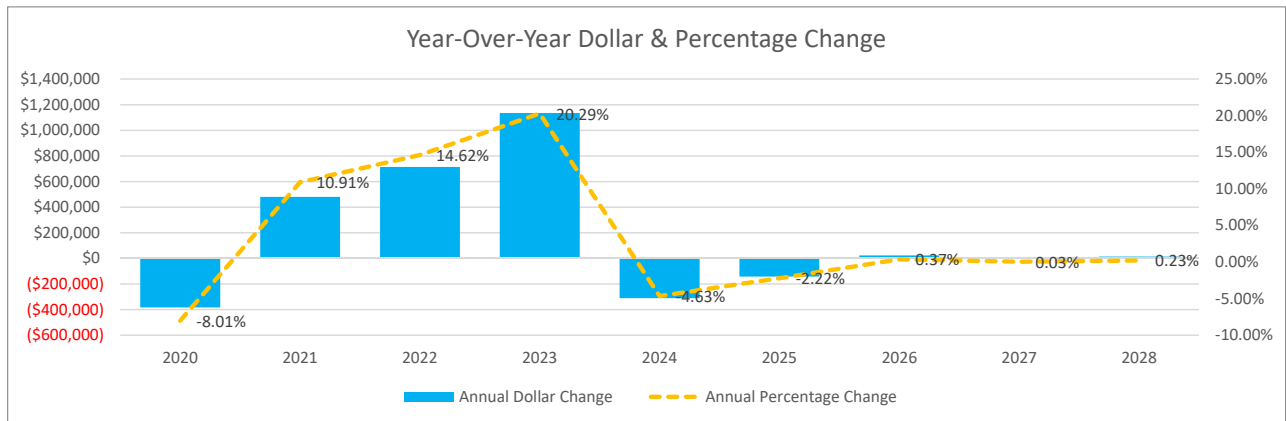
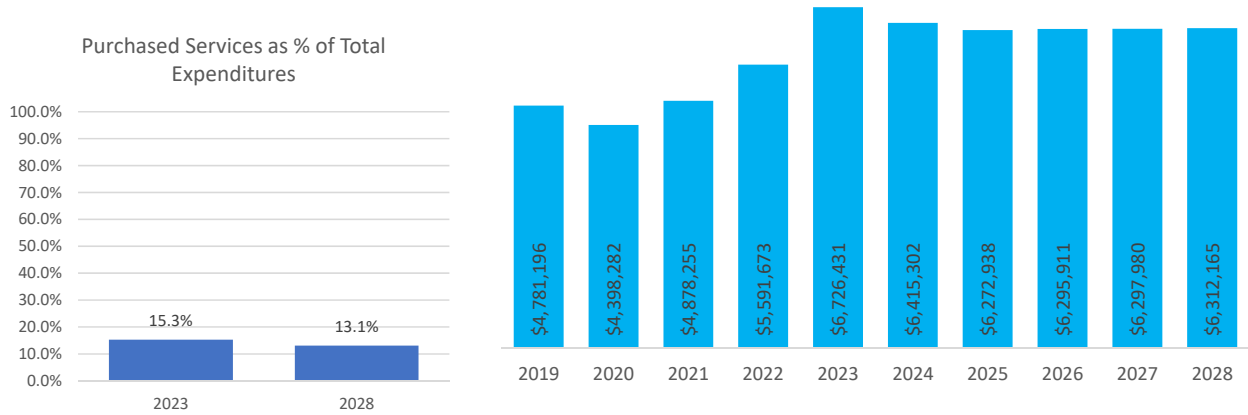
Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.



Benefits represent 18.20% of total expenditures and increased at a historical average annual rate of 2.33%. This category of expenditure is projected to grow at an annual average rate of 4.51% through FY 2028. The projected average annual rate of change is 2.17% more than the five year historical annual average.

### 3.030 - Purchased Services

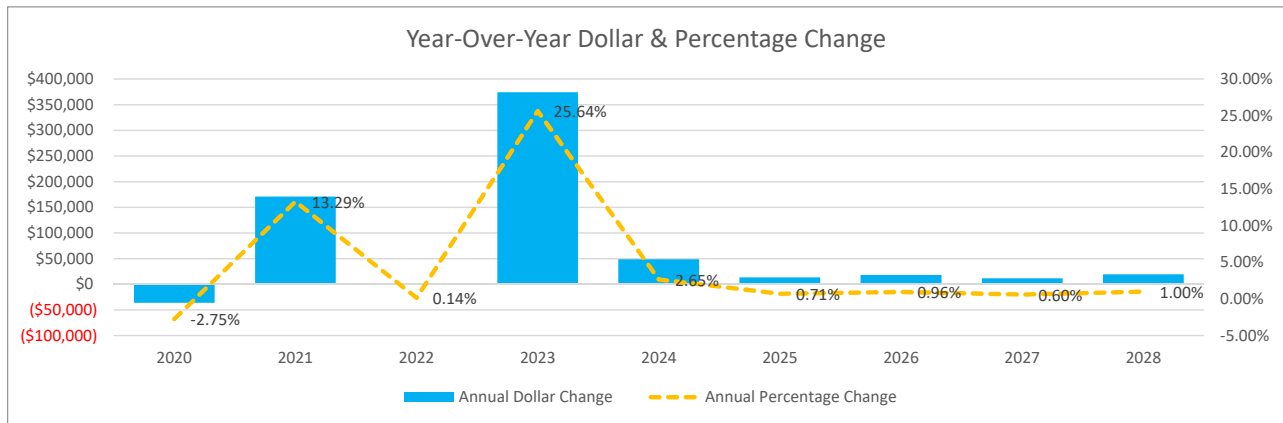
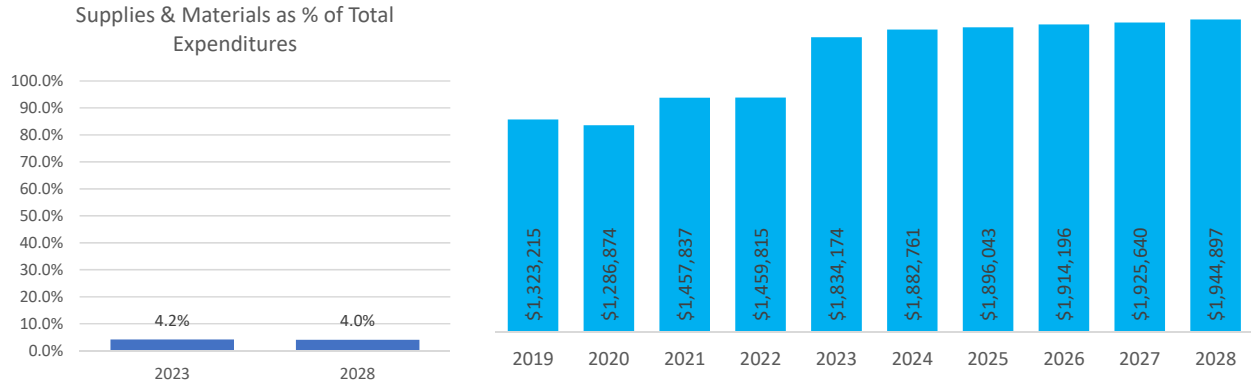
Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, expenses for tuition paid to other districts, utilities costs and other services which the school district may purchase.



Purchased Services represent 15.26% of total expenditures and increased at a historical average annual rate of 9.46%. This category of expenditure is projected to decrease at an annual average rate of -1.24% through FY 2028. The FSFP funds only district educated enrollment thereby reducing tuition cost for open enrollment out, community schools, STEM, and scholarships starting in FY 2022. This change resulted in lower district cost but also less per pupil state revenue since per pupil funding was paid directly by the state to the attending school.

### 3.040 - Supplies & Materials

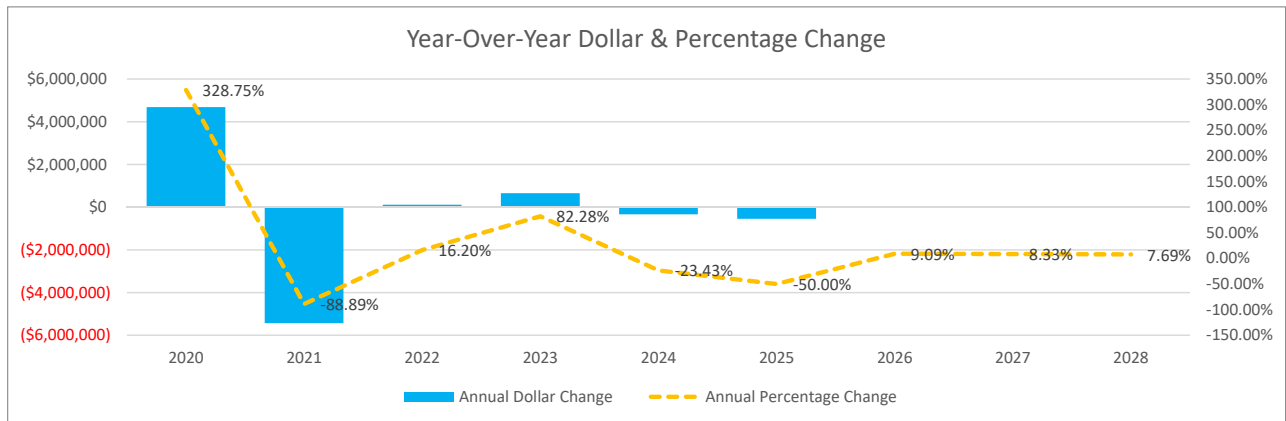
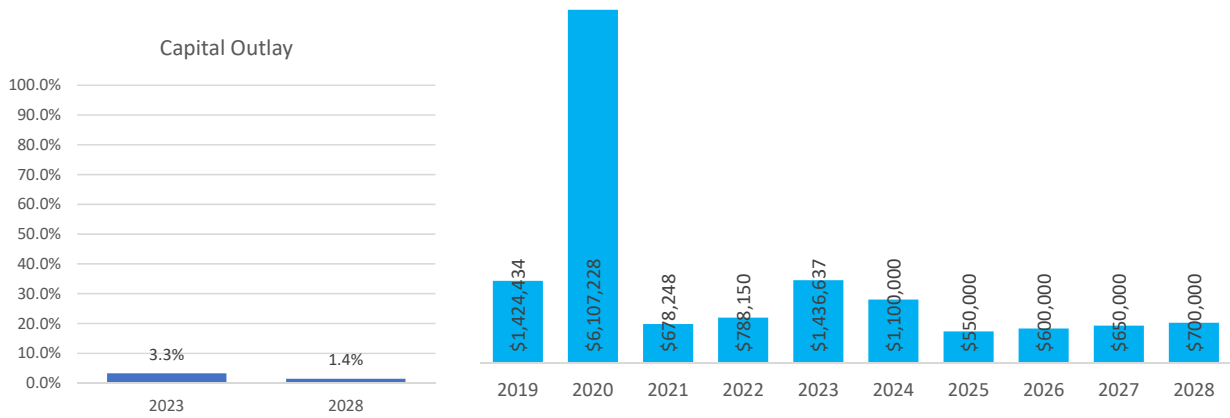
Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



Supplies & Materials represent 4.16% of total expenditures and increased at a historical average annual rate of 9.08%. This category of expenditure is projected to grow at an annual average rate of 1.18% through FY 2028. The projected average annual rate of change is -7.90% less than the five year historical annual average.

### 3.050 - Capital Outlay

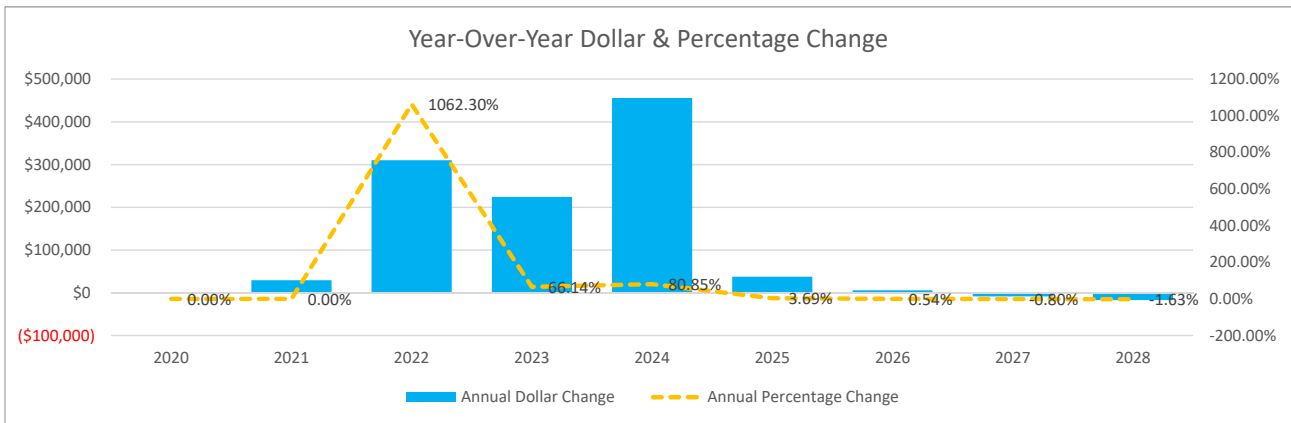
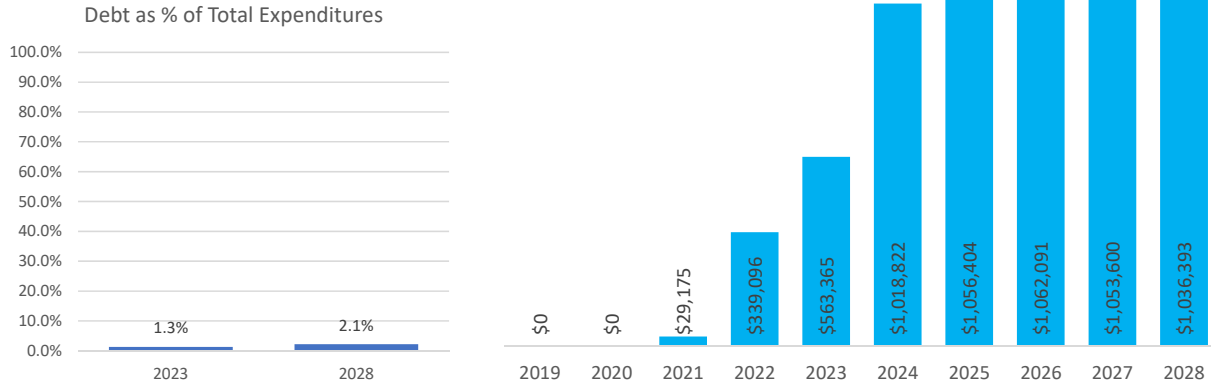
This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



Capital Outlay represent 3.26% of total expenditures and increased at a historical average annual amount of \$3,051. This category of expenditure is projected to decrease at an annual average rate of -\$147,327 through FY 2028. The projected average annual change is less than the five year historical annual average.

### 3.060-4.060 - Intergovernmental & Debt

These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.

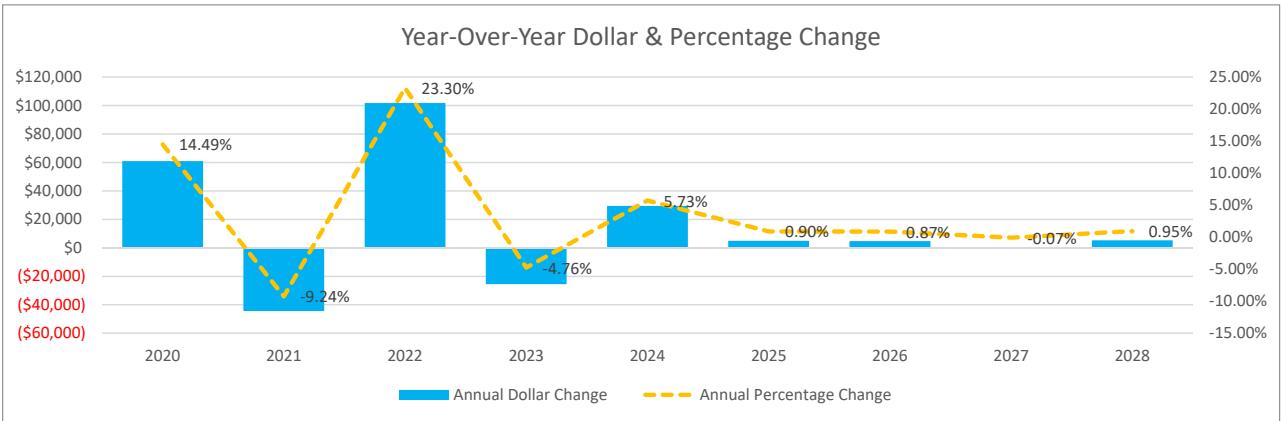
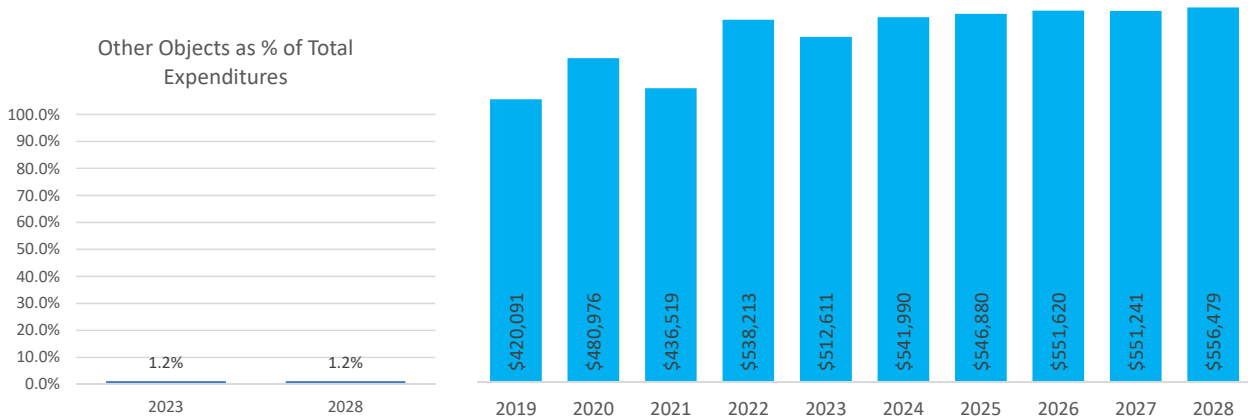


The Intergovernmental/Debt expenditure category details general fund debt issued by the District.

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### 4.300 - Other Objects

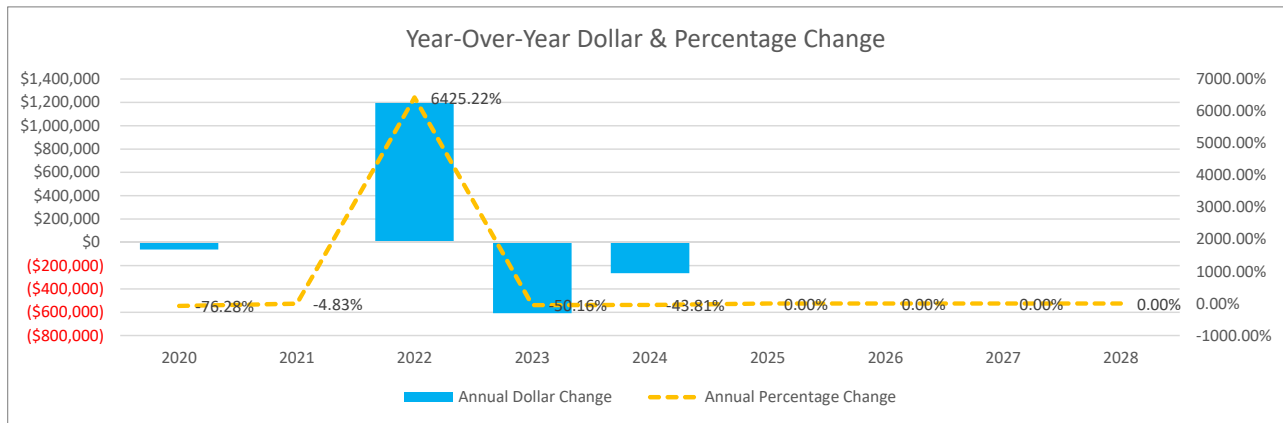
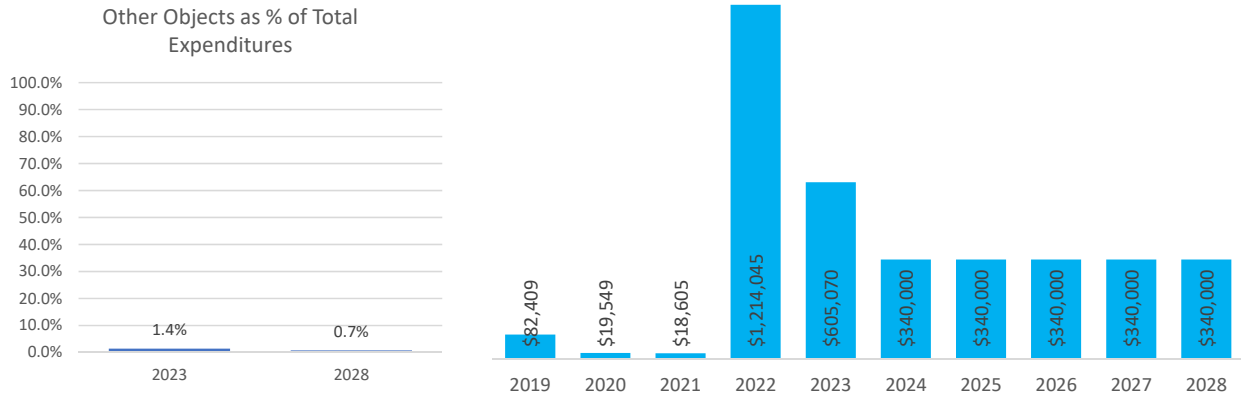
Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



Other Objects represent 1.16% of total expenditures and increased at a historical average annual rate of 5.95%. This category of expenditure is projected to grow at an annual average rate of 1.68% through FY 2028. The projected average annual rate of change is -4.27% less than the five year historical annual average.

### 5.040 - Total Other Financing Uses

Operating transfers-out, advances out to other funds, and all other general fund financing uses.



	FORECASTED					
	2023	2024	2025	2026	2027	2028
Transfers Out	553,253	310,000	310,000	310,000	310,000	310,000
Advances Out	51,817	30,000	30,000	30,000	30,000	30,000
Other Financing Uses	-	-	-	-	-	-

Other uses includes expenditures that are generally classified as non-operating. It is typically in the form of advances-out which are then repaid into the general fund from the other district funds. In FY 2023 the district had advances-out and has advances-out forecasted through FY 2028. The district can also move general funds permanently to other funds and as the schedule above presents, the district has transfers forecasted through FY 2028. The table above presents the district's planned advances and transfers. The district can also have other uses of funds which is reflected in the table above.

Indian Hill Exempted Village School District

Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2023	2024	2025	2026	2027	2028
<b>Revenue:</b>						
1.010 - General Property Tax (Real Estate)	29,547,488	30,721,378	31,904,112	32,053,694	32,484,516	32,855,621
1.020 - Public Utility Personal Property	802,537	819,959	842,649	865,339	863,699	861,444
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	1,334,754	2,016,140	2,362,929	2,764,304	3,127,285	3,252,503
1.040 - Restricted Grants-in-Aid	359,545	400,297	411,226	423,190	432,895	437,760
1.050 - State Share-Local Property Taxes	3,239,088	3,394,573	3,551,265	3,568,716	3,624,616	3,680,330
1.060 - All Other Operating Revenues	7,471,248	7,247,233	7,298,770	7,332,441	7,323,353	7,314,217
<b>1.070 - Total Revenue</b>	<b>42,754,660</b>	<b>44,599,580</b>	<b>46,370,951</b>	<b>47,007,684</b>	<b>47,856,364</b>	<b>48,401,875</b>
<b>Other Financing Sources:</b>						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-
2.050 - Advances-In	1,214,045	51,817	30,000	30,000	30,000	30,000
2.060 - All Other Financing Sources	1,550	15,000	15,000	15,000	15,000	15,000
<b>2.070 - Total Other Financing Sources</b>	<b>1,215,595</b>	<b>66,817</b>	<b>45,000</b>	<b>45,000</b>	<b>45,000</b>	<b>45,000</b>
<b>2.080 - Total Rev &amp; Other Sources</b>	<b>43,970,255</b>	<b>44,666,397</b>	<b>46,415,951</b>	<b>47,052,684</b>	<b>47,901,363</b>	<b>48,446,874</b>
<b>Expenditures:</b>						
3.010 - Personnel Services	24,386,915	24,862,327	25,478,047	26,000,741	26,723,204	27,430,534
3.020 - Employee Benefits	8,026,067	8,339,212	8,730,596	9,111,768	9,547,218	10,005,406
3.030 - Purchased Services	6,726,431	6,415,302	6,272,938	6,295,911	6,297,980	6,312,165
3.040 - Supplies and Materials	1,834,174	1,882,761	1,896,043	1,914,196	1,925,640	1,944,897
3.050 - Capital Outlay	1,436,637	1,100,000	550,000	600,000	650,000	700,000
Intergovernmental & Debt Service	563,365	1,018,822	1,056,404	1,062,091	1,053,600	1,036,393
4.300 - Other Objects	512,611	541,990	546,880	551,620	551,241	556,479
<b>4.500 - Total Expenditures</b>	<b>43,486,200</b>	<b>44,160,413</b>	<b>44,530,908</b>	<b>45,536,327</b>	<b>46,748,884</b>	<b>47,985,873</b>
<b>Other Financing Uses</b>						
5.010 - Operating Transfers-Out	553,253	310,000	310,000	310,000	310,000	310,000
5.020 - Advances-Out	51,817	30,000	30,000	30,000	30,000	30,000
5.030 - All Other Financing Uses	-	-	-	-	-	-
<b>5.040 - Total Other Financing Uses</b>	<b>605,070</b>	<b>340,000</b>	<b>340,000</b>	<b>340,000</b>	<b>340,000</b>	<b>340,000</b>
<b>5.050 - Total Exp and Other Financing Uses</b>	<b>44,091,270</b>	<b>44,500,413</b>	<b>44,870,908</b>	<b>45,876,327</b>	<b>47,088,883</b>	<b>48,325,873</b>
<b>6.010 - Excess of Rev Over/(Under) Exp</b>	<b>(121,015)</b>	<b>165,984</b>	<b>1,545,042</b>	<b>1,176,356</b>	<b>812,480</b>	<b>121,001</b>
7.010 - Cash Balance July 1 (No Levies)	16,185,956	16,064,941	16,230,925	17,775,967	18,952,324	19,764,804
7.020 - Cash Balance June 30 (No Levies)	16,064,941	16,230,925	17,775,967	18,952,324	19,764,804	19,885,805
<b>Reservations</b>						
8.010 - Estimated Encumbrances June 30	-	500,000	500,000	500,000	500,000	500,000
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	16,064,941	15,730,925	17,275,967	18,452,324	19,264,804	19,385,805
<b>Rev from Replacement/Renewal Levies</b>						
11.010 & 11.020 - Renewal Levies	-	-	-	-	102,764	208,345
11.030 - Cumulative Balance of Levies	-	-	-	-	102,764	311,109
12.010 - Fund Bal June 30 for Cert of Obligations	16,064,941	15,730,925	17,275,967	18,452,324	19,367,568	19,696,914
<b>Revenue from New Levies</b>						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	16,064,941	15,730,925	17,275,967	18,452,324	19,367,568	19,696,914