

Hilliard City School District

Five-Year Forecast

For the Projected Years Ending

June 30, 2012 through June 30, 2016

Revised 12-12-11

HILLIARD CITY SCHOOL DISTRICT - - FRANKLIN COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
ACTUAL AND FORECASTED OPERATING FUND

	Actual			Forecasted				
	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016
Revenue:								
1.010 General Property Tax (Real Estate)	82,150,911	89,937,225	89,776,822	95,631,775	102,240,475	102,874,343	103,856,592	105,034,431
1.020 Tangible Personal Property Tax	8,445,186	4,596,161	3,934,296	3,924,560	4,033,503	4,013,234	4,013,234	4,013,234
1.030 Income Tax	0	0	0	0	0	0	0	0
1.035 Unrestricted Grants-in-Aid	37,457,413	35,128,465	33,898,600	33,988,480	34,426,480	34,831,445	35,509,709	36,547,453
1.040 Restricted Grants-in-Aid	285,923	2,420,891	2,933,335	1,938,778	68,778	68,778	68,778	68,778
1.050 Property Tax Allocation	18,401,751	21,824,213	22,018,419	19,619,047	17,212,178	17,269,019	17,369,892	17,499,124
1.060 All Other Revenues	6,451,747	4,386,122	4,549,215	4,885,202	5,079,059	5,329,850	5,583,148	5,638,980
1.070 Total Revenues	153,192,931	158,293,077	157,110,687	159,987,841	163,060,473	164,386,669	166,401,354	168,802,001
Other Financing Sources:								
2.010 Proceeds from Sale of Notes	0	0	0	0	0	0	0	0
2.020 State Emergency Loans and Advancements	0	0	0	0	0	0	0	0
2.040 Operating Transfers-In.	46,258	0	0	0	0	0	0	0
2.050 Advances-In	0	0	3,788	0	0	0	0	0
2.060 All Other Financing Sources	26,773	178,440	202,529	350,000	60,000	60,000	60,000	60,000
2.070 Total Other Financing Sources	73,031	178,440	206,317	350,000	60,000	60,000	60,000	60,000
2.080 Total Revenues and Other Financing Sources	153,265,962	158,471,517	157,317,004	160,337,841	163,120,473	164,446,669	166,461,354	168,862,001
Expenditures:								
3.010 Personal Services	98,117,990	103,503,567	105,909,833	106,129,833	104,529,509	106,261,953	110,318,597	114,509,111
3.020 Employees' Retirement/Insurance Benefits	33,024,555	33,645,630	36,095,323	36,817,222	38,002,244	39,732,582	42,236,765	44,911,062
3.030 Purchased Services	11,008,523	10,974,350	10,598,852	10,901,918	10,969,956	11,089,355	11,311,142	11,537,365
3.040 Supplies and Materials	3,529,952	5,282,249	4,115,702	4,389,173	4,476,957	4,566,496	4,657,826	4,750,982
3.050 Capital Outlay	153,220	109,741	73,185	116,000	116,000	116,000	116,000	116,000
3.060 Intergovernmental	0	0	0	0	0	0	0	0
Debt Service:								
4.010 Principal-All (History Only)	320,000	320,000	320,000	0	0	0	0	0
4.020 Principal-Notes	0	0	0	0	0	0	0	0
4.030 Principal-State Loans	0	0	0	0	0	0	0	0
4.040 Principal-State Advancements	0	0	0	0	0	0	0	0
4.050 Principal-HB 264 Loans	0	0	0	0	0	0	0	0
4.055 Principal-Other	0	0	0	0	0	0	0	0
4.060 Interest and Fiscal Charges	24,965	14,990	5,043	336,083	277,500	277,500	277,500	277,500
4.300 Other Objects	3,398,656	3,382,276	3,502,071	3,237,092	3,569,463	3,605,157	3,641,209	3,677,621
4.500 Total Expenditures	149,577,861	157,232,803	160,620,009	161,927,321	161,941,628	165,649,042	172,559,039	179,779,642
Other Financing Uses								
5.010 Operating Transfers-Out	4,930	0	0	333,333	1,193,333	1,193,333	1,193,333	1,193,333
5.020 Advances-Out	0	0	0	0	0	0	0	0
5.030 All Other Financing Uses	1,023	1,034	0	0	0	0	0	0
5.040 Total Other Financing Uses	5,953	1,034	0	333,333	1,193,333	1,193,333	1,193,333	1,193,333
5.050 Total Expenditures and Other Financing Uses	149,583,814	157,233,837	160,620,009	162,260,654	163,134,961	166,842,376	173,752,372	180,972,975
Excess of Rev & Other Financing Sources over (under) Expenditures and Other Financing Uses								
6.010	3,682,148	1,237,680	-3,303,005	-1,922,813	-14,488	-2,395,707	-7,291,017	-12,110,974
Cash Balance July 1 - Excl Proposed Renewal/ Replacement and New Levies								
7.010	13,302,350	16,984,498	18,222,178	14,919,173	12,996,360	12,981,872	10,586,166	3,295,149
7.020 Cash Balance June 30	16,984,498	18,222,178	14,919,173	12,996,360	12,981,872	10,586,166	3,295,149	-8,815,826
8.010 Estimated Encumbrances June 30	2,893,747	1,462,929	1,623,272	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Reservation of Fund Balance								
9.010 Textbooks and Instructional Materials	0	0	0	0	0	0	0	0
9.020 Capital Improvements	0	0	0	0	0	0	0	0
9.030 Budget Reserve	0	0	0	0	0	0	0	0
9.040 DPIA	0	0	0	0	0	0	0	0
9.050 Debt Service	0	0	0	0	0	0	0	0
9.060 Property Tax Advances	0	0	0	0	0	0	0	0
9.070 Bus Purchases	0	0	0	0	0	0	0	0
9.080 Subtotal	0	0	0	0	0	0	0	0
Fund Balance June 30 for Certification								
10.010 of Appropriations	14,090,751	16,759,249	13,295,901	11,496,360	11,481,872	9,086,166	1,795,149	-10,315,826
Rev from Replacement/Renewal Levies								
11.010 Income Tax - Renewal	0	0	0	0	0	0	0	0
11.020 Property Tax - Renewal or Replacement	0	0	0	0	0	0	0	0
11.030 Cumulative Balance of Replacement/Renewal Levies	0	0	0	0	0	0	0	0
Fund Balance June 30 for Certification of Contracts, Salary and Other Obligations								
12.011	14,090,751	16,759,249	13,295,901	11,496,360	11,481,872	9,086,166	1,795,149	-10,315,826
Revenue from New Levies								
13.010 Income Tax - New	0	0	0	0	0	0	0	0
13.020 Property Tax - New	0	0	0	0	0	0	0	0
13.030 Cumulative Balance of New Levies	0	0	0	0	0	0	0	0
14.010 Revenue from Future State Advancements	0	0	0	0	0	0	0	0
15.010 Unreserved Fund Balance June 30	14,090,751	16,759,249	13,295,901	11,496,360	11,481,872	9,086,166	1,795,149	-10,315,826
ADM Forecasts								
20.010 Kindergarten - October Count	0	0	0	0	0	0	0	0
20.015 Grades 1-12 - October Count	15,665	15,863	15,987	15,665	15,863	15,987	16,081	16,159
20.02 Kindergarten - February Count	0	0	0	0	0	0	0	0
20.025 Grades 1-12 - February Count	15,665	15,863	15,987	15,665	15,863	15,987	16,081	16,159

Hilliard City School District Summary of Significant Forecast Assumptions

Note 1 - Nature and Purpose of Presentation

This financial projection presents in accordance with the mandates of House Bill No. 412 (H. B. 412), the expected revenues, expenditures, and fund balance of the General Fund of the Hilliard City School District (the "District") for each of the fiscal years ending June 30, 2011 through June 30, 2015, with historical unaudited information presented for the fiscal years ended June 30, 2008, 2009, and 2010. Additionally, the ARRA State Fiscal Stabilization Fund, USAS fund number 532, and the Education Jobs Bill Fund, USAS fund number 504, are included in the forecast for fiscal year 2010 through fiscal year 2012, as required by H. B. 412.

A. *Basis of Accounting*

This financial projection has been prepared on the cash receipts and disbursements basis, which is the required basis (non-GAAP) of accounting used for budgetary purposes. Under this system, revenues are recognized when received rather than when earned, and expenditures are recognized when paid rather than when the obligation is incurred. Under Ohio law, the District is also required to encumber legally binding expenditure commitments and to make appropriations for the expenditure and commitment of funds.

B. *Fund Accounting*

The District maintains its accounts in accordance with the principles of "fund" accounting. Fund accounting is used by governmental entities, such as school districts, to report financial position and the results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions and activities. The transactions of each fund are reflected in a self-balancing group of accounts, which presents an accounting entity that stands separate from the activities reported in other funds. The General Fund is the operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is disbursed or transferred in accordance with Ohio law. The assumptions disclosed herein are those that the District believes are significant to the projection. However, because circumstances and conditions assumed in projections frequently do not occur as expected, and are based on information existing at the time projections are prepared, there will usually be differences between projected and actual results.

Note 2 – Description of the School District

A. *The Board of Education and Administration*

The Board of Education of the Hilliard City School District (the "Board") is a political and corporate body charged with the responsibility of managing and controlling the affairs of the District, and is, together with the School District, governed by the general laws of the State of Ohio (the "Ohio Revised Code"). The Board is comprised of five members who are locally elected to overlapping four-year terms.

The Board elects its President and Vice President annually, and appoints two officials: the Superintendent, who serves as the Chief Executive Officer, and the Treasurer, who serves as the Chief Financial Officer.

Hilliard City School District

Summary of Significant Forecast Assumptions

B. The School District and its Facilities

Organized in the late 1800's, the Hilliard City School District serves an area of approximately 60 square miles in northwest Franklin County, including all of Norwich and Brown townships; part of Washington, Franklin and Prairie townships; the City of Hilliard; part of the cities of Columbus and Dublin; and less than one square mile in Union County.

The District currently serves more than 15,680 students in grades preK-12 through three high schools, three middle schools, two sixth-grade schools, 14 elementary schools and a preschool. About 46% of the children served reside in Columbus, 39% in Hilliard, and 15% in the townships and the City of Dublin (8/2010).

Note 3 – Revenue Assumptions

The following represents the significant assumptions made to create the revenue portion of the five-year forecast.

A. General Property Tax (Real Estate)

Property values are established each year by the County Auditor based on new construction and complete or updated values. A reappraisal of district property values will occur in 2011 collectible in 2012. This reappraisal has been factored into the projection for district property values along with the corresponding tax reduction factors affecting outside voted millage. 2010 assessed taxable values collectible in 2011 are:

Residential/agriculture -	\$1,826,855,880
Commercial/industrial -	<u>542,263,530</u>
Total real estate assessed value	\$2,369,119,410

For Fiscal Year 2012 residential/agriculture values are estimated to decrease 5% with the 2011 reappraisal and increase an additional 0.2% with new growth. Commercial/industrial values are estimated to remain flat with the 2011 reappraisal and increase an additional 1% with new growth. The District passed a 5.9 mill operating levy November 8, 2011. The District will receive half of the new levy this fiscal year which should generate approximately \$6.2 million in new real estate tax.

For fiscal year 2013 residential/agriculture values are estimated to increase 0.5% with new growth. Commercial/industrial values are estimated to increase 1% with new growth. This will be the first year of full collection of the new November 8, 2011 levy. This will generate an additional \$5.9 million for this fiscal year.

For fiscal year 2014 residential/agriculture values are estimated to increase 0.5% with new growth. Commercial/industrial values are estimated to increase 1% with new growth.

For fiscal year 2015 residential/agriculture values are estimated to increase 3% with the 2014 triennial update and increase 1% with new growth. Commercial/industrial values are estimated to increase 2% with the triennial update and 1% with new growth.

For fiscal year 2016 residential/agriculture values are estimated to increase 1% with new growth. Commercial/industrial values are estimated to increase 1% with new growth.

Hilliard City School District
Summary of Significant Forecast Assumptions

B. *Tangible Personal Property Tax*

In 2011 the only personal property that is still taxed is personal property owned by public utilities and telephone personal property (with an estimated assessed value of \$52.6 million). There are still over \$2 million in outstanding dollars owed on personal property by businesses located in the District. It is not possible to forecast when or if we will receive these delinquent taxes.

For fiscal year 2012 public utility personal property values are estimated to decrease 1%. Telephone values per changes in Ohio Revised Code are eliminated for tax purposes. The November 8, 2011 5.9 mill operating will generate an additional \$148,000.

For fiscal year 2013 and beyond public utility personal property values are estimated to remain flat at \$52,129,059. 2013 will be the first full year of collection of the November 8, 2011 5.9 mill operating levy which will generate an additional \$148,000.

C. *Unrestricted Grants-in-Aid*

The State of Ohio hopes to implement a new funding model in FY2013. For FY2012 the state has provided a bridge formula while they create the new funding formula. The worst case scenario is that the bridge formula will continue for FY2013. This forecast assumes that the bridge formula continues for FY2013. The state budget also included a bonus of \$17 per pupil to districts who attain the ranking on the state report card of “Excellent” or “Excellent with Distinction”. It is anticipated that Hilliard will receive this bonus for both years of the budget.

For FY2012 the District will receive approximately \$100,000 more than FY2011. This is based on the district receiving approximately \$260,000 in bonus dollars for achieving “Excellent with Distinction”. This information is based on reports from the Ohio Department of Education.

For Fiscal Year 2013 the latest projection from the Ohio Department of Education estimates district school foundation funding increasing \$438,000 for our District. They are making this estimate without a new funding model in place. This increase is included in our revenue projections but it is certainly subject to change. This also assumes the district receives the report card bonus as assumed in FY2012.

For Fiscal Year 2014 School Foundation aid is estimated to increase 2%. This is slightly below School Foundation aid received in fiscal year 2008.

For Fiscal Year 2015 School Foundation aid is estimated to increase 2%.

For Fiscal Year 2016 School Foundation aid is estimated to increase 3%.

Hilliard City School District
Summary of Significant Forecast Assumptions

D. Restricted Grants-in-Aid

Fiscal Year 2012 restricted grants-in-aid represent \$1.87 million in Education JOBS federal stimulus funding and \$68,000 in career tech funding from the state. The Education JOBS federal stimulus funds are one time revenues. Once they are spent they will not be replaced. This is a net decrease of approximately \$1 million in revenue from Fiscal Year 2011. The State Fiscal Stabilization Fund revenue of \$2.9 million received in Fiscal Year 2011 decreased to \$0 for Fiscal Year 2012.

Fiscal Year 2013 and beyond restricted grants-in-aid includes \$68,000 of career tech funding.

E. Property Tax Allocation

Property tax allocations or the Homestead and Rollback include a 10% property tax rollback for all residential real property owners. In 1979, an additional 2.5% rollback was enacted for owner occupied homes. Additional relief is granted to qualified elderly and disabled homeowners based on income (Homestead Exemption). The Homestead Exemption was expanded in 2008 to exempt the first \$25,000 of appraised home value for senior citizens. These tax credits are reimbursed to the district through the state and are calculated by applying the appropriate percentages to residential property tax collections. This revenue grows at the same pace as residential real estate assessed valuation (see note 3 A.). It will also grow if a new tax levy is enacted. The November 8, 2011 5.9 mill operating levy will result in an additional \$643,000 in FY12 and an additional \$619,000 in FY13.

Tangible Personal Property Tax Replacement Revenues – The district is required to classify this revenue source in this category. It is important to remember these revenues are replacing local tax revenues eliminated by H.B. 66. The following represents this revenue source by fiscal year:

FY11 - \$12 million
FY12 - \$9 million
FY13 - \$6 million
FY14 - \$6 million
FY15 - \$6 million
FY16 - \$6 million

The Governor's proposed biennium budget for FY12-13 changed this schedule dramatically to eliminate these revenues by FY15. Our reimbursement would decrease approximately \$3 million annually. The House of Representatives amended the Governor's budget to allow for the reduction of the replacement revenues following the Governor's schedule through this biennium budget but then allow the replacement revenues to continue at this reduced rate in future years.

Hilliard City School District Summary of Significant Forecast Assumptions

F. All Other Revenues

For fiscal year 2012 all other revenues includes tuition of approximately \$600,000, investment income of approximately \$250,000, tuition of approximately \$560,000, student fees of approximately \$940,000, rental income of approximately \$190,000, payments in lieu of taxes of approximately \$1,500,000, E-rate and MSP (Federal Medicaid program) of \$200,000, print shop revenue of \$200,000, transportation revenue of \$153,000, Qualified School Construction Bond interest reimbursement of 315,000 and other miscellaneous receipts of \$200,000.

For fiscal year 2013 it is estimated that interest rates will increase slightly resulting in an increase of \$100,000 in interest income. Additional PILOT payments will increase these payments by approximately \$100,000.

For fiscal year 2014 it is estimated that inflationary increases will generate another 1% in revenue. It is also estimated that interest rates will begin to increase to the point that the district will generate an additional \$200,000 in interest income.

For fiscal year 2015 it is estimated that interest rates will continue to increase to the point that the district will generate an additional \$200,000 in interest income.

For fiscal year 2016 it is estimated that interest rates will continue to increase to the point that the district will generate an additional \$100,000 in interest income.

G. Other Sources

Advances from the General Fund are required to eliminate deficit balances in other funds of the district. The funds are required to pay back these advances. Another source of this type of revenue is refunds of prior year expenditures. This line item will normally be immaterial and is estimated as such through the balance of the forecast.

Hilliard City School District
Summary of Significant Forecast Assumptions

Note 4 – Expenditure Assumptions

The following represents the significant assumptions made to create the expenditure portion of the five-year forecast.

A. *Personal Services*

The personal services category represents all salaries and wages for the employees of the school district paid from the General Fund. Current negotiated agreements with certificated and classified unions are factored into this projection.

For fiscal year 2012 all wages are projected to increase 0%. Step increases are eliminated for a savings of \$2,364,000. \$700,000 in salaries move back into the General Fund as the Federal IDEA Part B stimulus fund is no longer available for this purpose. With the defeat of the May 2011 levy, reductions in the number of employees will result in savings of \$2,000,000. Teacher retirement incentive induces 75% of eligible teachers to retire. This causes salaries earned in 2012 which are normally paid in 2013 to move into 2012 at a cost of \$1.5 million.

For fiscal year 2013 all wages are projected to increase .19%. Teacher step increases are delayed until February of 2013 for a savings of \$1,320,000. From the Teacher Retirement incentive results in net savings in personal services of \$2,970,000. \$1,500,000 is the result of the salaries pushed into FY12 as mentioned above. There is also a cost of \$860,000 for the retirement incentive that is listed under the expenditure line item other uses.

For fiscal year 2014 all wages are projected to increase .61% with average step increases of 2.3%. Teacher Retirement Incentive reduces costs by \$2,730,000.

For fiscal year 2015 all wages are projected to increase 1% with average step increases of 2.3%. Additional staffing is projected with a cost of \$500,000.

For fiscal year 2016 all wages are projected to increase 1% with average step increases of 2.3%. Additional staffing is projected with a cost of \$500,000.

Hilliard City School District Summary of Significant Forecast Assumptions

B. Employees' Retirement/Insurance Benefits

The two largest items in this category are employee health insurance costs and employee pension costs. Contributions to the State Teachers Retirement System and the School Employees Retirement System are 14% of employee salaries and wages. Health Insurance costs for FY12 include half a year with a 4.8% increase in premium and a projected 11% increase for the second half of the year. The cost increase is not as significant as it could be as all full time employees increase their health insurance premium contributions from 10% to 15% at the start of FY12. This saves the District over \$800,000 in FY12. Additional savings of approximately \$420,000 will result with the reduction of employees due to the levy defeat in May.

Due to timing issues with payments to the State Teachers Retirement System this cost will increase \$340,000 in fiscal year 2012 and decrease \$320,000 in fiscal year 2013.

FY13 health insurance costs are estimated to increase 7.5%.

FY14 and beyond health insurance costs are estimated to increase 8% annually.

C. Purchased Services

Expenditures in this category include, but are not limited to, all district utilities, maintenance and repairs, charter school payments, autism scholarships, payments to other public entities for Hilliard students attending school at these other entities, property and liability insurance premiums, postage and data processing services.

The latest state budget provides for special education scholarships for special education students to attend private schools rather than attend their public school. It is too early to know how much this will cost the district. This will be added to this area of the forecast as we get a better understanding of this new cost.

Utilities are some of the most significant costs in this category. Natural Gas is estimated to cost \$520,000 for FY12. Electric is estimated to cost \$2 million for FY12.

The next segment of purchased services with a great deal of uncertainty includes payments to charter schools, payments to other public entities educating Hilliard students and autism scholarships. In fiscal year 2012, it is estimated that the district will pay \$1.96 million to charter schools educating approximately 270 students. The forecast assumes that the number of district students attending charter schools does not significantly increase through the balance of the forecast. Payments to other public entities such as other school districts in the state, Franklin County Board of Developmental Disabilities, and payments for Autism scholarships account for \$1.4 million of expenditures for FY12.

For fiscal year 2013 these expenditures are estimated to increase less than 1%. The district is completing an energy savings project in multiple buildings that will reduce the rate of growth in utilities. The full impact should be in place by FY2014.

For fiscal year 2014 these expenditures are estimated to increase at approximately 1% annually.

For fiscal year 2015 and 2016 purchased services are expected to increase at 2%.

Hilliard City School District Summary of Significant Forecast Assumptions

D. Supplies and Materials

Expenditures in this category include, but are not limited to, fuel for district buses and other vehicles, educational supplies and materials which can include new textbook adoptions, light bulbs, toilet paper, and anything in between.

For fiscal year 2012 it is estimated this category will grow by \$273,000. This reflects timing issues with payments for supplies purchased at the end of fiscal year 2011 and inflationary growth.

For fiscal year 2013 and beyond it is estimated this category will grow by 2% annually. This 2% increase could result in reductions in order to live within this estimated annual increase.

E. Capital Outlay

The district passed a 2 mill permanent improvement levy in May of 2006. For fiscal year 2011 and forward most capital outlays will take place in the permanent improvement levy fund. Most expenditures in this category are restricted grant funds to be used for vocational education purchases or smaller capital items purchased through the operation's budgets. Capital outlays are estimated to remain relatively constant through this forecast.

F. Debt Service

In fiscal year 2011 the District started a HB264 energy saving project. A HB 264 project allows the district to issue debt for an energy saving project as long as the energy savings results in cash flow savings large enough to pay the debt service on the debt issue. The project will replace lighting in school buildings and parking lots, replace boilers in several school buildings, automate HVAC in multiple buildings, and also construct a solar energy project at one school in the district. The District issued bonds for this new HB264 Energy savings project in March of 2011. This debt issuance took advantage of the Qualified School Construction Bond program which is a program of the federal government that provides an annual payment to supplement the cost of bond interest. The debt issued for this project will be paid off in FY25.

G. Other Objects

This category is estimated to have over \$3.2 million in expenditures for FY12. The largest item in this category is County Auditor & Treasurer fees, which for FY12 are estimated to be \$1.36 million. Also included in this category are payment to the Columbus City Schools for the Win-Win agreement at \$1.1 million, county board of education fees which are estimated to be \$135,000, a capital lease payment of \$344,000 for copiers, \$145,000 in bank fees, memberships in various organizations at \$69,000, audit fees of \$33,000, and other miscellaneous expenditures.

Auditor and treasurer fees will increase sharply anytime a new operating levy is collected. New construction will also cause these auditor and treasurer fees to increase as additional tax dollars are collected. To account for this growth and other increases in this category, increases of 1% annually are factored into the forecast.

Hilliard City School District
Summary of Significant Forecast Assumptions

Note 5 – Other

A. *Other Financing Uses (Operating Transfers Out)*

Beginning in 2013 the district will transfer annually for five years \$860,000 into a teacher retirement incentive fund. Please see the Personal Services note for additional information.

B. *Encumbrances*

Encumbrances are outstanding purchase orders that have not been approved for payment, as goods were not received in the fiscal year in which they were ordered. For this forecast the assumption is made that encumbrances will remain steady around \$1.5 million annually.

C. *Ending Unencumbered Cash Balance*

This amount cannot go below \$0 or the district general fund will be in violation of Ohio budgetary laws. Any multi-year contract, which is knowingly signed and will cause negative unencumbered cash balance is a violation of Ohio Revised Code 5705.412 and is punishable by a personal fine of \$10,000.