

# **Hilliard City School District**

## **Five-Year Forecast**

**For the Projected Years Ending**

**June 30, 2017 through June 30, 2021**

**May 2017**  
**(revised)**

*Please visit the Ohio Department of Education website at  
<ftp://ftp.ode.state.oh.us/geodoc/5-yrForecast/>.*

**HILLIARD CITY SCHOOL DISTRICT - - FRANKLIN COUNTY**  
**Schedule Of Revenue, Expenditures and Changes In Fund Balances**  
**Actual and Forecasted Operating Fund**

	ACTUAL			FORECASTED				
	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
<b>Revenue:</b>								
1.010 - General Property Tax (Real Estate)	101,041,085	101,520,279	103,005,833	113,435,145	119,741,096	120,054,226	119,984,298	120,488,865
1.020 - Public Utility Personal Property	5,186,003	5,454,725	5,966,335	6,626,130	7,109,139	7,215,051	7,286,951	7,359,571
1.030 - Income Tax	-	-	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	39,443,883	42,758,656	47,693,947	49,582,647	51,624,868	54,086,399	55,654,371	57,269,270
1.040 - Restricted Grants-in-Aid	503,407	857,669	711,081	710,358	721,542	724,459	726,506	731,084
1.045 - Restricted Federal Grants-in-Aid - SFSF	-	-	-	-	-	-	-	-
1.050 - Property Tax Allocation	17,630,092	17,809,042	14,779,407	12,008,558	12,065,067	12,151,075	12,182,273	12,223,837
1.060 - All Other Operating Revenues	7,469,142	5,856,395	5,993,088	6,762,815	4,786,270	4,832,350	4,902,439	4,956,866
<b>1.070 - Total Revenue</b>	<b>171,273,612</b>	<b>174,256,766</b>	<b>178,149,690</b>	<b>189,125,653</b>	<b>196,047,983</b>	<b>199,063,560</b>	<b>200,736,838</b>	<b>203,029,494</b>
<b>Other Financing Sources:</b>								
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-	-	-
2.020 - State Emergency Loans and Advancements	-	-	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-	-	-
2.050 - Advances-In	200,000	-	-	-	-	-	-	-
2.060 - All Other Financing Sources	154,070	276,556	101,737	70,000	70,000	70,000	70,000	70,000
2.070 - Total Other Financing Sources	354,070	276,556	101,737	70,000	70,000	70,000	70,000	70,000
<b>2.080 - Total Revenues and Other Financing Sources</b>	<b>171,627,682</b>	<b>174,533,322</b>	<b>178,251,427</b>	<b>189,195,653</b>	<b>196,117,983</b>	<b>199,133,560</b>	<b>200,806,838</b>	<b>203,099,494</b>
<b>Expenditures:</b>								
3.010 - Personnel Services	102,107,002	106,813,051	108,282,579	113,544,941	117,059,304	121,938,898	127,076,061	132,421,222
3.020 - Employees' Retirement/Insurance Benefits	38,490,464	37,081,223	37,723,843	40,942,590	43,613,124	45,989,784	48,510,358	51,171,799
3.030 - Purchased Services	15,137,440	15,409,965	16,594,856	17,378,535	17,990,602	18,594,483	19,165,850	19,818,685
3.040 - Supplies and Materials	5,069,826	4,201,868	4,299,546	4,338,632	4,405,750	4,455,340	4,482,340	4,483,840
3.050 - Capital Outlay	64,618	152,190	293,490	183,490	183,490	183,490	183,490	183,490
3.060 - Intergovernmental	-	-	-	-	-	-	-	-
<b>Debt Service:</b>								
4.010 - Principal-All Years	-	-	-	-	-	-	-	-
4.020 - Principal - Notes	-	-	-	-	-	-	-	-
4.030 - Principal - State Loans	-	-	-	-	-	-	-	-
4.040 - Principal - State Advances	-	-	-	-	-	-	-	-
4.050 - Principal - HB264 Loan	-	-	-	-	-	-	-	-
4.055 - Principal - Other	-	-	-	-	-	-	-	-
4.060 - Interest and Fiscal Charges	277,500	277,500	277,500	277,500	277,500	277,500	277,500	277,500
4.300 - Other Objects	3,932,160	3,752,815	3,418,188	3,881,548	3,810,037	3,627,510	3,441,723	3,256,691
<b>4.500 - Total Expenditures</b>	<b>165,079,010</b>	<b>167,688,612</b>	<b>170,890,002</b>	<b>180,547,236</b>	<b>187,339,807</b>	<b>195,067,004</b>	<b>203,137,322</b>	<b>211,613,227</b>
<b>Other Financing Uses</b>								
5.010 - Operating Transfers-Out	331,820	331,100	328,352	378,000	377,000	377,000	377,000	377,000
5.020 - Advances-Out	200,000	-	-	-	-	-	-	-
5.030 - All Other Financing Uses	3,050	494,834	-	-	-	-	-	-
5.040 - Total Other Financing Uses	534,870	825,934	328,352	378,000	377,000	377,000	377,000	377,000
<b>5.050 - Total Expenditures and Other Financing Uses</b>	<b>165,613,880</b>	<b>168,514,546</b>	<b>171,218,354</b>	<b>180,925,236</b>	<b>187,716,807</b>	<b>195,444,004</b>	<b>203,514,322</b>	<b>211,990,227</b>
<b>Excess of Rev &amp; Other Financing Uses Over (Under)</b>								
<b>6.010 - Expenditures and Other Financing Uses</b>	<b>6,013,802</b>	<b>6,018,776</b>	<b>7,033,073</b>	<b>8,270,417</b>	<b>8,401,176</b>	<b>3,689,556</b>	<b>(2,707,484)</b>	<b>(8,890,733)</b>
<b>Cash Balance July 1 - Excluding Proposed Renewal/ Replacement and New Levies</b>	<b>21,185,273</b>	<b>27,199,075</b>	<b>33,217,851</b>	<b>40,250,925</b>	<b>48,521,342</b>	<b>56,922,518</b>	<b>60,612,073</b>	<b>57,904,590</b>
<b>7.020 - Cash Balance June 30</b>	<b>27,199,075</b>	<b>33,217,851</b>	<b>40,250,925</b>	<b>48,521,342</b>	<b>56,922,518</b>	<b>60,612,073</b>	<b>57,904,590</b>	<b>49,013,857</b>
<b>8.010 - Estimated Encumbrances June 30</b>	<b>1,445,825</b>	<b>1,554,475</b>	<b>1,672,330</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>
<b>Reservations of Fund Balance:</b>								
9.010 - Textbooks and Instructional Materials	-	-	-	-	-	-	-	-
9.020 - Capital Improvements	-	-	-	-	-	-	-	-
9.030 - Budget Reserve	-	-	-	-	-	-	-	-
9.040 - DPIA	-	-	-	-	-	-	-	-
9.050 - Debt Service	-	-	-	-	-	-	-	-
9.060 - Property Tax Advances	-	-	-	-	-	-	-	-
9.070 - Bus Purchases	-	-	-	-	-	-	-	-
9.080 - Subtotal	-	-	-	-	-	-	-	-
<b>Fund Balance June 30 for Certification</b>								
<b>10.010 - of Appropriations</b>	<b>25,753,250</b>	<b>31,663,376</b>	<b>38,578,595</b>	<b>47,021,342</b>	<b>55,422,518</b>	<b>59,112,073</b>	<b>56,404,590</b>	<b>47,513,857</b>
<b>Rev from Replacement/Renewal Levies</b>								
11.010 - Income Tax - Renewal	-	-	-	-	-	-	-	-
11.020 - Property Tax - Renewal or Replacement	-	-	-	-	-	-	-	-
11.030 - Cumulative Balance of Replacement/Renewal Levies	-	-	-	-	-	-	-	-
<b>Fund Balance June 30 for Certification</b>								
<b>12.010 - of Contracts, Salary and Other Obligations</b>	<b>25,753,250</b>	<b>31,663,376</b>	<b>38,578,595</b>	<b>47,021,342</b>	<b>55,422,518</b>	<b>59,112,073</b>	<b>56,404,590</b>	<b>47,513,857</b>
<b>Revenue from New Levies</b>								
13.010 - Income Tax - New	-	-	-	-	-	-	-	-
13.020 - Property Tax - New	-	-	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-	-	-
14.010 - Revenue from Future State Advancements	-	-	-	-	-	-	-	-
<b>15.010 - Unreserved Fund Balance June 30</b>	<b>25,753,250</b>	<b>31,663,376</b>	<b>38,578,595</b>	<b>47,021,342</b>	<b>55,422,518</b>	<b>59,112,073</b>	<b>56,404,590</b>	<b>47,513,857</b>
<b>ADM Forecasts</b>								
20.010 - Kindergarten	-	-	-	1,145	1,093	1,117	1,051	1,088
20.015 - Grades 1-12	-	-	-	14,990	15,273	15,485	15,686	15,773

# 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, 2017 through June 30, 2021, with historical unaudited information presented for the fiscal years ended June 30, 2014, 2015, and 2016.

#### **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 16,200 students in grades preK-12 through three high schools, three middle schools, two sixth-grade schools, 14 elementary schools and a preschool. About 45% of the children served reside in Columbus, 39% in Hilliard, and 16% in the townships and the City of Dublin (10/2016).

### **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 triennial update of district property values occurred in 2014. Taxes based on this value were collected in 2015. A reappraisal will occur in 2017 and taxes based on these new values will be collected in 2018. This process then repeats itself every three years. The triennial update and future reappraisal have been factored into the projection for district property values along with the corresponding tax reduction factors affecting outside voted millage. 2016 assessed taxable values collectible in 2017 are:

Residential/agriculture -	\$1,846,009,200
Commercial/industrial -	<u>591,886,430</u>
Total real estate assessed value	\$2,437,896,630

During fiscal year 2018, 2017 Residential/Agriculture values should increase 9% with the reappraisal and .3% with new growth. Commercial/industrial values should increase 1.6% with the reappraisal and .7% with new growth.

During fiscal year 2019, 2018 residential/agriculture values are estimated to increase .3% with new growth. Commercial/industrial values are estimated to increase .5% with new growth.

During fiscal year 2020, 2019 residential/agriculture values are estimated to increase .2% with new growth. Commercial/industrial values should increase .6% with new growth.

During fiscal year 2021, 2020 residential/agriculture values are estimated to increase .2% with new growth. Commercial/industrial values should increase .5% with new growth.

Hilliard City School District  
Summary of Significant Forecast Assumptions

**B.            *Tangible Personal Property Tax***

In 2016, the only personal property taxed is personal property owned by public utilities and telephone personal property (with an assessed value of \$83.6 million).

In 2017, public utility personal property values should increase 2%.

2018 through 2020 values should increase 1% annually.

**C.            *Unrestricted Grants-in-Aid***

The State of Ohio implemented a new funding model for FY2014. The model has been modified for the FY2016 school year. The State was not able to fully fund the new model in this biennium budget. Because of this, Districts' funding increases were capped at 7.5% for FY16 and FY17. We are one of the Districts impacted with the cap.

For Fiscal Year 2017 School Foundation aid is estimated to increase \$3.3 million. All of this increase is the result of the new funding formula. Casino Revenue is flat at \$805,000. Medicaid reimbursements will decrease to \$1.4 million to \$550,000. We received a one-time Medicaid cost settlement of over \$1.7 million in FY16.

For Fiscal Year 2018, the State reduces the cap increase from 7.5% to 5%. Based on a 5% cap, School Foundation aid would increase to \$2.3 million. This will be the first year of the next biennium budget. The State legislature could increase or decrease the cap differently than projected. Casino revenues should increase slightly to \$816,000. The slight increase is based on enrollment growth. Medicaid revenues will decrease to \$250,000.

For Fiscal Year 2019, the current formula will remain and the cap will again increase by 5%. This would increase School Foundation aid by \$2.5 million. Casino and Medicaid revenues are estimated to remain essentially flat.

For Fiscal Year 2020, the current formula will remain and the cap will increase by 3%. This would increase School Foundation aid by \$1.5 million. This will be the first year of a new budget under the next Governor. Casino and Medicaid revenues will remain essentially flat.

For Fiscal Year 2021, the current formula will remain and the cap will again increase by 3%. This would increase School Foundation aid by \$1.6 million. Casino and Medicaid revenues are estimated to remain essentially flat.

Hilliard City School District  
Summary of Significant Forecast Assumptions

**D.            *Restricted Grants-in-Aid***

The FY 2017 school funding formula provides restricted funding of \$280,000 of career-tech funding and \$279,000 of economically disadvantaged student funding, and \$150,000 of Catastrophic Aid Reimbursement.

For fiscal years 2018 through 2021 it is estimated that this funding will increase less than 1% annually.

**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 (Homestead Exemption). 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.). The State budget changed the law as it relates to the 12.5% Rollback. The State will no longer reimburse Rollback on levies passed after August of 2013.

For Fiscal Year 2017 it is estimated we will receive \$11.9 million from this revenue source. For fiscal years 2018 through 2021 it is estimated that this funding will increase less than 1% annually.

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 passed in 2005. 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 - \$3.05 million
- FY17 - \$.09 million
- FY18 and beyond – This revenue source is eliminated.

Hilliard City School District  
Summary of Significant Forecast Assumptions

***F. All Other Revenues***

For fiscal year 2017 all other revenues includes tuition of approximately \$800,000, investment income of approximately \$600,000, student fees of approximately \$1 million, rental income of approximately \$170,000, payments in lieu of taxes of approximately \$3.3 million, E-rate reimbursements of approximately \$200,000, Qualified School Construction Bond interest reimbursement of \$240,000, and other miscellaneous receipts of \$419,000.

For fiscal year 2018, this revenue category will decrease by approximately \$2 million. This decrease is a combination of a reduction in settlement payments from local businesses that were contesting the valuation of their real estate and the elimination of school fees. Most revenues project to remain flat with an 8% increase in investment income.

For fiscal year 2019, inflationary growth of less than 1% will generate an additional \$46,000 in revenue.

For fiscal year 2020, inflationary growth of less than 1.5% will generate an additional \$70,000 in revenue.

For fiscal year 2021, inflationary growth of less than 1.2% will generate an additional \$54,000 in revenue.

***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 2017, personal service expenditures will increase 4.9% or \$5.3 million. This is a result of:

- Wages increase 2.5% January 1, 2017 with average step increases of approximately 2.2%.
- 22 new certificated positions and 2 new classified positions are added with an estimated cost of \$1.1 million.
- Salaries reduce by \$400,000 because of teachers retiring in the prior year.

For fiscal year 2018 wages are projected to increase 1.2% with average step increases of 2.3%. Additional staffing will increase costs by \$475,000. A net savings of \$400,000 is the result of a reduction in the cost of the teacher retirement incentive. Salaries will decrease by \$300,000 because of teachers retiring in the prior year.

2019 through 2021 wages are projected to increase 2% annually with average step increases of 2.4% annually. The current labor contract extensions expire June 30, 2018. At this time we do not know what increases will result from new labor contracts. Additional staffing is projected each year with a cost of \$400,000 annually. Salaries decline by \$200,000 because of teachers retiring in the prior year. A net savings of \$160,000 is a result of the last payment in the teacher retirement incentive in fiscal year 2018.

**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 (STRS) and the School Employees Retirement System (SERS) are 14% of employee salaries and wages.

For Fiscal Year 2017, health insurance costs increased in January of 2017 by 6.4%. This will be the first increase in premiums in four years.

In 2018 and beyond health insurance the estimated increase in cost is 6% annually with a 3% annual increase in dental costs. This assumption also includes an approximate addition of ten new employees.

Hilliard City School District  
Summary of Significant Forecast Assumptions

**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.

Utilities are some of the most significant costs in this category. Natural Gas has decreased dramatically over the past several years. The cost in FY15 was roughly \$365,000 and decreased to approximately \$178,000 for FY16. For FY17 the cost will increase to \$210,000 and then increase 5% annually. Electric will increase 4.6% to approximately \$2 million for FY17. For FY18, FY20, and FY21 electric will increase 3% annually. In 2019 electric will increase 5% with an additional building opening requiring an increase in the consumption of electric.

The next segment of purchased services with a great deal of uncertainty includes payments to charter schools, and payments to other public entities educating Hilliard students. In fiscal year 2017, it is estimated that the District will pay \$2.7 million to Community and STEM schools educating approximately 317 students. The forecast assumes that this cost will increase 4% annually. Autism and special education scholarships costs will be \$1.9 million in FY17. This cost will increase 13% next year and 8% annually after next year. Payments to other public entities such as other school districts in the state and the Franklin County Board of Developmental Disabilities account for \$1.2 million of expenditures for FY17 and increase 4% annually.

For fiscal year 2017, the total of purchased service costs will increase 4.7%.

A new cost the District will see in FY17 is the cost for College Credit Plus. HB 487 created this program which will allow students to take college coursework at no cost. We have had agreements with several colleges (Kenyon, Columbus State) that allowed our students to earn college credits at a reduced cost from these colleges as well as earn high school credit. The State Legislature's new law will not allow us to continue this practice. Our students will still be able to earn college credit but the District will have to bear the cost of the program. We project a first year cost of \$300,000 in 2017 and assume annual increases of 5% annually.

**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 2017, this category will increase approximately \$74,000. This is mostly the result of cash flow timing of expenditures.

For fiscal year 2018, expenditures will increase by 1.6% or \$67,000. With the implementation of the 1:1 initiative, the use and purchase of some supplies and materials is changing. We are now using less printer cartridges and copy paper thus decreasing costs in this area. Other than inflationary increase we are slightly increasing costs with the purchase of textbooks for the College Credit Plus program. In 2019 and beyond this category will grow by 1.1% or less annually.

## Hilliard City School District Summary of Significant Forecast Assumptions

### ***E. Capital Outlay***

The district passed a 2 mill permanent improvement levy in May of 2006. Most district capital outlays will take place in the permanent improvement levy fund. Expenditures in this category tend to be restricted grant funds used for vocational education purchases or smaller capital items purchased through the operation department's budgets. Capital outlays are estimated to remain relatively constant through this forecast. Some items originally categorized as supplies & materials are moved to the capital outlay category.

### ***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 replaced lighting in school buildings and parking lots, replaced boilers in several school buildings, and automated HVAC in multiple buildings. 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. In 2013 through the life of this forecast interest of \$277,500 is paid through this line item. The federal reimbursement is included in the All Other Revenue line. A transfer to a debt reserve to pay the principal is included in the Operating Transfers out line. The debt issued for this project will be paid off in FY25.

### ***G. Other Objects***

This category includes costs such as an annual payment to the Columbus City Schools for the Win-Win agreement at a cost of approximately \$1.16 million, County Auditor & Treasurer fees, which for FY17 should be approximately \$1.9 million, educational service center expenditures of \$900,000, bank charges of approximately \$86,000, and other miscellaneous expenditures of approximately \$118,000.

County 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 2% are factored for 2017 and beyond.

In FY18, the Win-Win payment will decrease 20% to \$930,000. This will decrease by a similar amount annually until it is eliminated in FY22.

Hilliard City School District  
Summary of Significant Forecast Assumptions

**Note 5 – Other**

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

In this forecast the district will transfer approximately \$328,000 to the debt service fund to retire the Qualified School Construction Bonds issued in 2011 for the HB 264 energy conservation project. An additional \$50,000 will transfer to High School band uniform accounts.

**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's 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.