

# **Hilliard City School District**

## **Five-Year Forecast**

**For the Projected Years Ending**

**June 30, 2021 through June 30, 2025**

**May 2021 Revision**

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

# Hilliard City School District

Franklin

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2018, 2019 and 2020 Actual;  
Forecasted Fiscal Years Ending June 30, 2021 Through 2025

	Actual				Average Change	Forecasted				
	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020			Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
<b>Revenues</b>										
1.010 General Property Tax (Real Estate)	121,801,921	120,640,036	123,314,346	0.6%	\$127,500,379	\$128,254,503	\$129,110,441	\$130,631,244	\$132,205,702	
1.020 Tangible Personal Property Tax	7,410,056	8,911,460	10,577,214	19.5%	11,225,312	\$11,844,747	\$12,342,053	\$12,850,487	\$13,375,869	
1.030 Income Tax										
1.035 Unrestricted State Grants-in-Aid	51,371,294	53,294,773	49,777,100	-1.4%	50,780,847	\$52,221,138	\$53,272,481	\$54,285,087	\$55,298,150	
1.040 Restricted State Grants-in-Aid	692,626	705,602	671,582	-1.5%	596,531	\$684,000	\$684,000	\$684,000	\$684,000	
1.045 Restricted Federal Grants-in-Aid - SFSF										
1.050 Property Tax Allocation	12,146,123	12,131,817	12,335,631	0.8%	12,239,559	\$12,330,120	\$12,462,295	\$12,608,547	\$12,733,576	
1.060 All Other Revenues	7,800,071	9,507,524	10,882,536	18.2%	9,853,030	\$9,142,757	\$8,552,854	\$8,660,303	\$8,794,564	
1.070 <b>Total Revenues</b>	<b>201,222,091</b>	<b>205,191,212</b>	<b>207,558,409</b>	<b>1.6%</b>	<b>212,195,658</b>	<b>214,477,265</b>	<b>216,424,124</b>	<b>219,719,668</b>	<b>223,091,861</b>	
<b>Other Financing Sources</b>										
2.010 Proceeds from Sale of Notes										
2.020 State Emergency Loans and Advancements (Approved)										
2.040 Operating Transfers-In										
2.050 Advances-In										
2.060 All Other Financing Sources	416,607	708,298	410,290	14.0%	180,919	180,919	180,919	180,919	180,919	
2.070 <b>Total Other Financing Sources</b>	<b>416,607</b>	<b>708,298</b>	<b>410,290</b>	<b>14.0%</b>	<b>180,919</b>	<b>180,919</b>	<b>180,919</b>	<b>180,919</b>	<b>180,919</b>	
2.080 <b>Total Revenues and Other Financing Sources</b>	<b>201,638,698</b>	<b>205,899,510</b>	<b>207,968,699</b>	<b>1.6%</b>	<b>212,376,577</b>	<b>214,658,184</b>	<b>216,605,043</b>	<b>219,900,587</b>	<b>223,272,780</b>	
<b>Expenditures</b>										
3.010 Personal Services	\$116,445,525	\$122,058,035	\$125,365,467	3.8%	\$128,708,942	\$133,779,809	\$139,536,686	\$144,934,294	\$149,594,495	
3.020 Employees' Retirement/Insurance Benefits	\$43,918,170	\$46,374,524	\$46,373,593	2.8%	\$48,045,433	\$50,756,465	\$53,096,286	\$55,289,249	\$57,409,774	
3.030 Purchased Services	\$19,834,197	\$20,696,326	\$20,048,623	0.6%	\$20,874,450	\$21,837,849	\$22,375,923	\$22,667,552	\$23,244,027	
3.040 Supplies and Materials	\$3,946,199	\$4,256,459	\$3,537,923	-4.5%	\$5,736,338	\$6,108,534	\$6,215,616	\$6,324,911	\$6,436,464	
3.050 Capital Outlay	\$330,081	\$161,708	\$202,249	-13.0%	\$1,732,996	\$1,732,996	\$1,732,996	\$1,732,996	\$332,996	
3.060 Intergovernmental										
Debt Service:										
4.010 Principal-All (Historical Only)										
4.020 Principal-Notes										
4.030 Principal-State Loans										
4.040 Principal-State Advancements										
4.050 Principal-HB 264 Loans										
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	\$3,406,730	\$3,588,447	\$3,767,123	5.2%	\$3,147,698	\$3,081,612	\$3,109,347	\$3,168,424	\$3,187,435	
4.500 <b>Total Expenditures</b>	<b>188,158,402</b>	<b>197,412,999</b>	<b>199,572,478</b>	<b>3.0%</b>	<b>208,523,357</b>	<b>217,574,765</b>	<b>226,344,354</b>	<b>234,394,926</b>	<b>240,482,691</b>	
<b>Other Financing Uses</b>										
5.010 Operating Transfers-Out	\$452,877	\$387,543	\$345,996	-12.6%	\$1,093,480	\$1,553,480	\$353,480	\$353,480	\$353,480	
5.020 Advances-Out										
5.030 All Other Financing Uses					390					
5.040 <b>Total Other Financing Uses</b>	<b>452,877</b>	<b>387,543</b>	<b>345,996</b>	<b>-12.6%</b>	<b>1,093,870</b>	<b>1,553,480</b>	<b>353,480</b>	<b>353,480</b>	<b>353,480</b>	
5.050 <b>Total Expenditures and Other Financing Uses</b>	<b>188,611,279</b>	<b>197,800,542</b>	<b>199,918,474</b>	<b>3.0%</b>	<b>209,617,227</b>	<b>219,128,245</b>	<b>226,697,834</b>	<b>234,748,406</b>	<b>240,836,171</b>	
6.010 <b>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>	<b>13,027,419</b>	<b>8,098,968</b>	<b>8,050,225</b>	<b>-19.2%</b>	<b>2,759,350</b>	<b>4,470,061-</b>	<b>10,092,791-</b>	<b>14,847,819-</b>	<b>17,563,391-</b>	
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	48,270,544	61,297,963	69,396,931	20.1%	77,447,156	80,206,506	75,736,445	65,643,654	50,795,835	
7.020 <b>Cash Balance June 30</b>	<b>61,297,963</b>	<b>69,396,931</b>	<b>77,447,156</b>	<b>12.4%</b>	<b>80,206,506</b>	<b>75,736,445</b>	<b>65,643,654</b>	<b>50,795,835</b>	<b>33,232,444</b>	
8.010 <b>Estimated Encumbrances June 30</b>					\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	
<b>Reservation of Fund Balance</b>										
9.010 Textbooks and Instructional Materials										
9.020 Capital Improvements										
9.030 Budget Reserve										
9.040 DPIA										
9.045 Fiscal Stabilization										
9.050 Debt Service										
9.060 Property Tax Advances										
9.070 Bus Purchases										
9.080 <b>Subtotal</b>										
10.010 <b>Fund Balance June 30 for Certification of Appropriations</b>	<b>61,297,963</b>	<b>69,396,931</b>	<b>77,447,156</b>	<b>12.4%</b>	<b>78,706,506</b>	<b>74,236,445</b>	<b>64,143,654</b>	<b>49,295,835</b>	<b>31,732,444</b>	
<b>Revenue from Replacement/Renewal Levies</b>										
11.010 Income Tax - Renewal										
11.020 Property Tax - Renewal or Replacement										
11.300 <b>Cumulative Balance of Replacement/Renewal Levies</b>										
12.010 <b>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</b>	<b>61,297,963</b>	<b>69,396,931</b>	<b>77,447,156</b>	<b>12.4%</b>	<b>78,706,506</b>	<b>74,236,445</b>	<b>64,143,654</b>	<b>49,295,835</b>	<b>31,732,444</b>	
<b>Revenue from New Levies</b>										
13.010 Income Tax - New										
13.020 Property Tax - New										
13.030 <b>Cumulative Balance of New Levies</b>										
14.010 Revenue from Future State Advancements										
15.010 <b>Unreserved Fund Balance June 30</b>	<b>61,297,963</b>	<b>69,396,931</b>	<b>77,447,156</b>	<b>12.4%</b>	<b>78,706,506</b>	<b>74,236,445</b>	<b>64,143,654</b>	<b>49,295,835</b>	<b>31,732,444</b>	
<b>ADM Forecasts</b>										
20.010 Kindergarten - October Count										
20.015 Grades 1-12 - October Count										
<b>State Fiscal Stabilization Funds</b>										
21.010 Personal Services SFSF										
21.020 Employees Retirement/Insurance Benefits SFSF										
21.030 Purchased Services SFSF										
21.040 Supplies and Materials SFSF										
21.050 Capital Outlay SFSF										
21.060 <b>Total Expenditures - SFSF</b>										

See accompanying summary of significant forecast assumptions and accounting policies

Includes: General fund, Emergency Levy fund, DPIA fund, Textbook fund and any portion of Debt Service fund related to General fund debt

# 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, 2021 through June 30, 2025, with historical unaudited information presented for the fiscal years ended June 30, 2018, 2019, and 2020.

#### **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 16,207 students in grades preK-12 through three high schools, three middle schools, two sixth-grade schools, 14 elementary schools, a preschool, and an Innovative Learning Campus. About 44% of the children served reside in Columbus, 40% in Hilliard, and 16% in the townships and the City of Dublin (9/2020).

### **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 occurred in 2017 and taxes based on these new values were collected in 2018. This process then repeats itself every three years. The triennial update for 2020 is factored into the projection for district property values along with the corresponding tax reduction factors affecting outside voted millage. 2020 assessed taxable values collectible in 2021 are:

Residential/agriculture -	\$2,511,371,660
Commercial/industrial -	<u>787,756,060</u>
Total real estate assessed value	\$3,299,127,720

During fiscal year 2022, 2021 residential/agriculture values are estimated to increase .4% with new growth. Commercial/industrial values should increase .6% with new growth.

During fiscal year 2023, 2022 residential/agriculture values are estimated to increase .5% with new growth. Commercial/industrial values should increase 1.2% with new growth.

During fiscal year 2024, 2023 residential/agriculture values are estimated to increase .6% with new growth and 8% with the reappraisal. Commercial/industrial values should increase 1.2% with new growth .7% with the reappraisal.

During fiscal year 2025, 2024 residential/agriculture values are estimated to increase .5% with new growth. Commercial/industrial values should increase 1.2% with new growth.

Hilliard City School District  
Summary of Significant Forecast Assumptions

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

In 2020, the only personal property taxed is personal property owned by public utilities and telephone personal property (with an assessed value of \$137 million).

2021 through 2024 values are estimated to increase 4.1% annually.

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

The State of Ohio froze the prior funding model for FY20. The State did provide new funds for Student Wellness and a small amount of dollars to growing districts such as ours. The ongoing pandemic is negatively impacting the State economy. The State economy negatively impacted State aid last year and is continuing this year. However, the overall economy appears to be holding up better than was anticipated. Our FY20 State funding was 6.6% less (\$3.5 million) than what we received in FY19. State aid was projected to remain flat, but the State was able to increase school funding in FY21 resulting in only a 3.3% overall decrease, or half of the loss experienced in FY20. With the last recession, it took five years before the level of State funding revenue exceeded the pre-recession levels. I am estimating that we will return to the FY19 funding level by FY23.

For Fiscal Year 2021, we will receive \$50.8 million as we did in FY20. The District will receive Student Wellness dollars of \$1.02 million but those are not included in this forecast. Casino revenues are included in the \$50.8 million and are down from \$885,000 to \$650,000.

For Fiscal Year 2022, we assume the economy begins to bounce back completely and State funding begins to increase. Casino revenues return to normal around \$885,000 and State funding increases roughly \$1.2 million.

For Fiscal Year 2023, the assumption is State revenue increases 2.0% (roughly \$1 million). Casino and Medicaid revenues will remain essentially flat.

For Fiscal Year 2024, the assumption is State revenue increases 1.9% to \$54.3 million which includes Casino and Medicaid revenues remaining essentially flat.

For Fiscal Year 2025, State revenue increases 1.9% to \$55.3 million. Casino and Medicaid revenues remain essentially flat.

Hilliard City School District  
Summary of Significant Forecast Assumptions

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

The FY2021 School funding formula provides restricted funding of \$306,000 of career-tech funding, \$178,000 of economically disadvantaged student funding, and \$112,000 of Catastrophic Aid Reimbursement.

For fiscal years 2022 through 2025, it is estimated that this funding will remain roughly the same but Catastrophic Aid Reimbursement increases to \$200,000 each year.

**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 2021, it is estimated we will receive \$12.2 million from this revenue source. For fiscal years 2022 through 2025, this funding will increase less than 1% annually.

***For Historical Purposes Only***

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 2021 All Other Revenues includes tuition of approximately \$492,000, investment income of approximately \$900,000, student fees of approximately \$260,000, rental income of approximately \$20,000, payments in lieu of taxes of approximately \$7.6 million, E-rate reimbursements of approximately \$25,000, Qualified School Construction Bond interest reimbursement of \$240,000, and other miscellaneous receipts of \$367,000 for a total of \$9.8 million.

For fiscal year 2022, this revenue category will decrease by approximately \$710,000 to \$9.1 million. Part of this decrease relates to a 39% decrease in interest income as interest rates declined dramatically in 2020. The other part is an anticipated decrease in Board of Revision payments in lieu of taxes. Student athletic participation fees are estimated to return to normal. Most other revenues project to remain flat.

For fiscal years 2023 through 2025, all other revenues are estimated to slightly decrease remaining above \$8 million annually.

***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 is \$156,000 for FY21 and all other forecasted years. Revenue of \$25,000 is assumed for all years with the sale of assets of the District that are no longer needed.

## 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 2021, personal service expenditures will increase 2.4% or \$3.07 million. This is a result of:

- Wages increase 2% September 1 of 2020 with average step increases of approximately 1.9%.
- 14.5 new special education teachers with an estimated cost of \$600,000
- Salaries reduced by \$1,680,000 because of teachers retiring/LOA/resigning in the prior year.
- A reduction in salaries of \$200,000 that were recoded to the Student Wellness fund.
- Savings of \$500,000 from elimination of professional option days.
- Reduced cost of \$180,000 for sub bus drivers
- Maintenance Coordinator replacement and Director of Diversity addition at a cost of \$140,000.

Fiscal year 2022 through 2025, wages are projected to increase 2% annually with average step increases of 2% annually. The new labor contracts expire June 30, 2024.

- Additional staffing is projected at a cost of \$500,000 annually.
- Savings from certificated retirements are projected at \$700,000 in FY22 and \$300,000 annually after FY22.
- Certificated professional option days return in FY22.
- In FY25 Guidance Counselor and speech therapist positions are no longer paid by ESSER funds for a new cost to the General Fund of \$400,000.

The net result of the assumptions is a 3.9% increase in total cost for FY2022, 4.2% in FY2023, approximately 3.9% increase for FY2024, and 3.6% for FY2025.



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

For Fiscal Year 2021, health insurance costs will increase 8% in January of 2021.

In 2022 the estimated increase in health insurance cost is 5% and then 4% increases in 2023 through 2025. Dental insurance costs will remain flat for 2021. 2022 and after dental insurance costs are estimated to increase 3% 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.

Utilities are a significant cost in this category. Natural Gas cost in FY20 was roughly \$248,000. For FY21 the assumption is an 8% decrease and then increase 3% annually. Electric will increase 14% to approximately \$2 million for FY21. For FY22 through FY25, electric will increase 2% annually. Water & sewer will cost approximately \$591,000 in FY21 with annual increases of 2.2% through the rest of the forecast.

The next segment of purchased services with a great deal of uncertainty and cost includes payments to charter schools, and payments to other public entities educating Hilliard students. In fiscal year 2020, the District paid \$2.47 million to Community and STEM schools educating approximately 317 students. The forecast assumes that this cost will increase 13% in FY2021 and increase 2% annually after this year. Autism and special education scholarships costs were \$1.9 million in FY20. This cost is down 8% for FY21 and is estimated to increase 4% annually after this year. Payments to other entities to provide education for some of our special needs students account for \$2.75 million of expenditures for FY20 and is projected to increase 3% annually. College Credit Plus costs were \$638,000 in FY20 and are expected to grow 4% annually. Payment in lieu of transportation and contracted transportation costs were \$497,000 in FY20 and should decrease 20% in FY21 but climb back to FY20 values in FY22 and then increase 3% annually.

For fiscal year 2021, the total of professional and technical purchased service costs will increase 5%. This reflects substitute usage returning to normal after this past year where substitutes were barely used for three months. FY2022 costs are estimated to return to FY19 levels at \$7 million then increase less than 2% annually.

## 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.

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. We are slightly increasing costs with the purchase of textbooks for the College Credit Plus program but overall textbook costs are flat as we digitize additional class resources. For fiscal year 2021, we have placed technology purchases back in the General Fund. These expenditures have been in the PI fund for many years. This includes the iPad purchases for the 1:1 initiative. This is a roughly \$2.3 million increase in the supplies and materials budget. In FY2022 through FY2025 the assumption is that supplies and materials will increase less than 2% annually.

### ***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 vehicles or tractors purchased through the operation department's budgets. We have moved bus purchases into the General Fund for FY21 through FY24 at a cost of roughly \$1.4 million. Other than this item, 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 savings project. A HB 264 project allows the district to issue debt for an energy savings 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 District will pay off this debt in FY 2026.

### ***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 \$247,000, County Auditor & Treasurer fees, which for FY21 should be approximately \$1.96 million, educational service center(ESC) expenditures of \$760,000, bank charges of approximately \$50,000, and other miscellaneous expenditures of approximately \$118,000.

## Hilliard City School District Summary of Significant Forecast Assumptions

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 1% are factored for 2022 and beyond.

In FY2021, the Win-Win payment will decrease approximately 49% to \$247,000. This will be eliminated in FY22.

**In FY2021, The ESC deduction will decline by roughly \$440,000 as admin interns are eliminated and other programs are reduced. These decreases result in a reduction of 37% to \$760,000.**

In FY2022, the Win-Win payment is eliminated resulting in a reduction of \$247,000 and a further reduction in this line item of 6.5%.

In FY2023 through FY2025 increases of .9%, 1.9%, and .6% are forecast.

### **Note 5 – Other**

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

In this forecast, the district will transfer approximately \$300,000 annually 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 and \$60,000 to the one2one insurance fund to cover costs for free and reduced students annually. A \$747,000 transfer will be used to close out the STRS Agency Fund in FY21.

In FY22 a one-time transfer of \$1.2 million will be made to the Building Fund for part of the estimated \$4 million cost of the preschool expansion.

#### ***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.