

Hilliard City School District

Five-Year Forecast

For the Projected Years Ending

June 30, 2023 through June 30, 2027

October 2022

*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, 2020, 2021 and 2022 Actual;
Forecasted Fiscal Years Ending June 30, 2023 Through 2027

	Actual				Average Change	Forecasted				
	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022			Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
Revenues										
1.010 General Property Tax (Real Estate)	123,314,346	127,500,508	129,816,542	2.6%	\$129,258,941	\$132,596,717	\$134,600,100	\$136,055,318	\$137,832,246	
1.020 Tangible Personal Property Tax	10,577,214	11,243,043	11,751,729	5.4%	12,291,610	\$12,922,119	\$13,568,764	\$14,156,238	\$14,680,317	
1.030 Income Tax										
1.035 Unrestricted State Grants-in-Aid	49,777,100	52,000,447	47,253,772	-2.3%	46,667,310	\$46,832,136	\$47,257,618	\$47,398,172	\$48,312,455	
1.040 Restricted State Grants-in-Aid	671,582	724,905	3,807,928	216.6%	3,186,092	\$3,235,598	\$2,996,639	\$3,034,241	\$2,595,648	
1.045 Restricted Federal Grants-in-Aid - SFSF										
1.050 Property Tax Allocation	12,335,631	12,428,947	12,581,712	1.0%	12,571,766	\$12,663,734	\$12,766,833	\$12,876,768	\$12,973,747	
1.060 All Other Revenues	10,882,536	10,794,674	13,549,287	12.4%	17,551,997	\$10,645,366	\$10,244,905	\$10,341,432	\$10,455,400	
1.070 Total Revenues	207,558,409	214,692,524	218,760,970	2.7%	221,527,716	218,895,670	221,434,859	223,862,169	226,849,813	
Other Financing Sources										
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	410,290	406,586	84,769	-40.0%	300,000	300,000	300,000	300,000	300,000	
2.070 Total Other Financing Sources	410,290	406,586	84,769	-40.0%	300,000	300,000	300,000	300,000	300,000	
2.080 Total Revenues and Other Financing Sources	207,968,699	215,099,110	218,845,739	2.6%	221,827,716	219,195,670	221,734,859	224,162,169	227,149,813	
Expenditures										
3.010 Personal Services	\$125,365,467	\$128,273,259	\$130,640,434	2.1%	\$138,825,136	\$144,733,847	\$152,041,405	\$157,788,893	\$162,869,751	
3.020 Employees' Retirement/Insurance Benefits	\$46,373,593	\$47,540,415	\$50,105,199	4.0%	\$54,396,453	\$57,975,023	\$61,453,978	\$64,060,552	\$66,941,911	
3.030 Purchased Services	\$20,048,623	\$20,158,905	\$17,888,521	-5.4%	\$18,477,201	\$18,811,681	\$20,105,729	\$20,731,973	\$21,299,688	
3.040 Supplies and Materials	\$3,537,923	\$5,950,445	\$4,637,584	23.1%	\$8,558,927	\$7,733,264	\$7,891,183	\$8,049,050	\$8,211,693	
3.050 Capital Outlay	\$202,249	\$1,641,639	\$1,551,151	353.1%	\$1,693,859	\$1,710,797	\$1,727,905	\$1,745,184	\$1,745,184	
3.060 Intergovernmental										
4.010 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	\$3,767,123	\$2,877,581	\$2,838,265	-12.5%	\$2,907,149	\$2,936,020	\$2,965,180	\$2,994,632	\$3,024,378	
4.500 Total Expenditures	199,572,478	206,719,744	207,938,654	2.1%	225,136,225	234,178,132	246,462,880	255,647,784	264,092,605	
Other Financing Uses										
5.010 Operating Transfers-Out	\$345,996	\$1,093,490	\$1,567,587	129.7%	\$400,000	\$400,000	\$400,000	\$300,000	\$100,000	
5.020 Advances-Out										
5.030 All Other Financing Uses		390	31,200							
5.040 Total Other Financing Uses	345,996	1,093,880	1,598,787	131.2%	400,000	400,000	400,000	300,000	100,000	
5.050 Total Expenditures and Other Financing Uses	199,918,474	207,813,624	209,537,441	2.4%	225,536,225	234,578,132	246,862,880	255,947,784	264,192,605	
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	8,050,225	7,285,486	9,308,298	9.1%	3,708,509-	15,382,462-	25,128,021-	31,785,615-	37,042,792-	
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	69,396,930	77,447,155	84,732,641	10.5%	94,040,939	90,332,430	74,949,968	49,821,947	18,036,332	
7.020 Cash Balance June 30	77,447,155	84,732,641	94,040,939	10.2%	90,332,430	74,949,968	49,821,947	18,036,332	19,006,460-	
8.010 Estimated Encumbrances June 30			\$1,500,000		\$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										
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 Subtotal										
10.010 Fund Balance June 30 for Certification of Appropriations	77,447,155	84,732,641	92,540,939		88,832,430	73,449,968	48,321,947	16,536,332	20,506,460-	
Revenue from Replacement/Renewal Levies										
11.010 Income Tax - Renewal										
11.020 Property Tax - Renewal or Replacement										
11.300 Cumulative Balance of Replacement/Renewal Levies										
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	77,447,155	84,732,641	92,540,939		88,832,430	73,449,968	48,321,947	16,536,332	20,506,460-	
Revenue from New Levies										
13.010 Income Tax - New										
13.020 Property Tax - New										
13.030 Cumulative Balance of New Levies										
14.010 Revenue from Future State Advancements										
15.010 Unreserved Fund Balance June 30	77,447,155	84,732,641	92,540,939		88,832,430	73,449,968	48,321,947	16,536,332	20,506,460-	
ADM Forecasts										
20.010 Kindergarten - October Count										
20.015 Grades 1-12 - October Count										
State Fiscal Stabilization Funds										
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 Total Expenditures - SFSF										

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, 2023 through June 30, 2027, with historical unaudited information presented for the fiscal years ended June 30, 2020, 2021, and 2022.

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 16,270 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 (9/2021).

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 complete reappraisal will occur in 2023 and three years later a triennial update will occur and this cycle will continue to repeat every three years. 2021 assessed taxable values collectible in 2022 are:

Residential/agriculture -	\$2,556,336,030
Commercial/industrial -	<u>779,939,070</u>
Total real estate assessed value	\$3,336,275,100

During fiscal year 2023, 2022 residential/agriculture values are estimated to increase 1% with new growth. Commercial/industrial values should increase 1.8% with new growth.

During fiscal year 2024, 2023 residential/agriculture values are estimated to increase 1% with new growth and 13.6% with the reappraisal. Commercial/industrial values should increase 1.5% with new growth 8.8% with the reappraisal.

During fiscal year 2025, 2024 residential/agriculture values are estimated to increase .9% with new growth. Commercial/industrial values should increase 1.3% with new growth.

During fiscal year 2026, 2025 residential/agriculture values are estimated to increase .9% with new growth. Commercial/industrial values should increase 1.3% with new growth.

B. Tangible Personal Property Tax

In 2022, the only personal property taxed is personal property owned by public utilities and telephone personal property (with an assessed value of \$141.4 million).

2022 through 2024 values are estimated to increase 5% annually.

2025 through 2026 values are estimated to increase 3.7% annually.

Hilliard City School District
Summary of Significant Forecast Assumptions

C. *Unrestricted Grants-in-Aid*

The State of Ohio has implemented a new school funding model for FY22. As part of this new model, the State is no longer passing payments for students attending community schools or on special education or autism scholarships through the District. This change reduces both the revenues and expenditures previously recorded for these students. When all the calculations are done, FY23 is slightly less than FY22 as we are bouncing right around a guarantee to keep us at an FY20 funding level so that we do not see a reduction in funding. If the formula continues we will potentially not see significant increases throughout this forecast.

For Fiscal Year 2023, the District will receive \$46.7 million in funding. This includes casino revenues returning to normal around \$1 million.

For Fiscal Year 2024, we assume \$46.8 million in funding. This includes casino revenues of \$1.1 million.

For Fiscal Year 2025, we assume a 1% increase to \$47.3 million in funding. This includes casino revenues of \$1.1 million.

For Fiscal Year 2026, we assume \$47.4 million in funding. This includes casino revenues of \$1.1 million.

For Fiscal Year 2027, we assume a 1.9% increase to \$48.3 million in funding. This includes casino revenues of \$1.1 million.

D. *Restricted Grants-in-Aid*

The new school funding formula provides additional restricted funding as well as places Student Wellness and Success dollars in the forecast for the first time. In FY2022 we received 3.8 million in restricted funding.

In FY23 it appears we will receive \$3.2 million. This includes \$1.55 million of Student Wellness & Success dollars, \$800 thousand of weighted funding for Career Tech and ELL, \$170 thousand for disadvantaged students, and \$670,000 of gifted funding.

In FY24 funding will increase slightly to \$3.3 million.

In FY25 funding will decrease to \$3.0 million.

In FY26 funding will increase to \$3.1 million.

In FY27 funding will decrease to \$2.7 million.

Hilliard City School District
Summary of Significant Forecast Assumptions

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 2023, it is estimated we will receive \$12.6 million from this revenue source. For fiscal years 2024 through 2027, this funding will increase around 1% annually.

F. All Other Revenues

For fiscal year 2023 All Other Revenues includes tuition of approximately \$704,000, investment income of approximately \$1.2 million, student fees of approximately \$430,000, rental income of approximately \$121,000, payments in lieu of taxes of approximately \$14.4 million, Qualified School Construction Bond interest reimbursement of \$240,000, mobile home tax of \$41,000, and other miscellaneous receipts of \$416,000 for a total of \$17.6 million.

For fiscal year 2024, this revenue category will decrease from a total of \$17.6 million to \$10.6 million. The decrease of approximately \$7 million relates to a decrease in Board of Revision payments in lieu of taxes. The State legislature has passed HB126 which eliminates direct payments from companies when challenging property values. The law went into effect July 20, 2022 and we received many direct settlement offers right up to the last day which impacted the FY23 revenue. Most other revenues are projected to remain essentially flat.

For fiscal years 2025, all other revenues are estimated to decrease \$400,000, for a total of \$10.2 million annually. The decrease is based on less interest income as our cash balance begins to decline.

For fiscal years 2026 through 2027, all other revenues are estimated to slightly increase with interest income continuing to slightly decline and tax abatement payments in lieu of taxes increasing.

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 \$300,000 for FY23 and all other forecasted years. Included in this revenue is \$35,000 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 2023, personal service expenditures will increase 6.3% or \$8.2 million. This is a result of:

- Wages increase 2% September 1 of 2022 with average step increases of approximately 1.6%.
- In FY22 4.5 guidance counselor positions, Director of Student Wellness, and 2 equity and diversity teachers as of October 15, 2021 were paid from the General Fund rather than the Student Success and Wellness Fund with an estimated cost of \$561,000. The balance of the cost increase for FY23 is \$152,000.
- Salaries reduced by \$200,000 because of teachers retiring/LOA/resigning in the prior year.
- Salaries of \$2.6 million that were reclassified to Federal ESSER funds to maintain the portion of the online academy created as a result of Covid-19 return to the General Fund.
- Professional option days for teachers return at a cost of \$250,000.
- New special education teaching positions at a cost of \$500,000.

For fiscal year 2024, personal service expenditures will increase 4.3% or \$5.9 million. This is a result of:

- Wages increase 2% September 1 of 2023 with average step increases of approximately 1.4%.
- Balance of the cost of the online teachers that returned to the General Fund in FY23 and five other online teachers return to the General Fund from ESSER for a cost of \$900,000.
- Salaries reduced by \$300,000 as a result of teachers retiring/LOA/resigning in the prior year.
- Three new certificated positions at a cost of \$150,000.

Hilliard City School District Summary of Significant Forecast Assumptions

Fiscal year 2025, personal service expenditures will increase 5.1% or \$7.3 million. This is the result of:

- The current labor contracts expire June 30, 2024. The status quo is assumed with 2% raises and 1.4% average step increases.
- Fourteen reading/math intervention teachers, 8 guidance counselors, 3 speech pathologists, 2 school psychologists, 6 EL intervention teachers, and 5 other teaching positions will return to the General Fund from ESSER funds at a cost of \$3 million.
- Savings from certificated retirements are projected at \$300,000.

Fiscal year 2026, personal service expenditures will increase 3.8% or \$5.7 million. This is the result of:

- The balance of the cost for the positions returning in the prior year from ESSER at \$600,000.
- The status quo is assumed with 2% raises and 1.4% average step increases. This would be year two of contracts that have not been negotiated.
- Salaries reduced by \$300,000 as a result of teachers retiring/LOA/resigning in the prior year.
- No additional new positions in the district.

Fiscal year 2027, personal service expenditures will increase 3.2% or \$5.0 million. This is the result of:

- The status quo is assumed with 2% raises and 1.4% average step increases. This would be year three of contracts that have not been negotiated.
- No additional new positions in the district.
- Salaries reduced by \$300,000 as a result of teachers retiring/LOA/resigning in the prior year.

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 2023, health insurance costs will increase 10% in January of 2023.

The estimated increase of health insurance costs is estimated at 6% for 2024, 5% for 2025, and 4% for 2026 and 2027. Dental insurance costs will remain flat for 2023. 2024 and after dental insurance costs are estimated to increase 3% annually.

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, 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 FY22 was roughly \$288,000. For FY23 and FY24 the assumption is an annual 5% increase as we have hedged our gas prices through our school consortium with Meta Solutions. 25% annual increases are estimated for FY25 and FY26 and a 5% increase in FY27. Electric is estimated to increase 4% to \$2.1 million in FY23 and a 3% increase in FY24 as we have contracts in place through FY24 for our electric usage. A 10% increase is estimated in FY25 followed by annual increases of 5%. Water & sewer will cost approximately \$628,000 in FY23 with annual increases of 3% through the rest of the forecast. Telephone service is estimated to cost \$309,000 in FY23 and increase 2% annually.

For FY23 we will spend approximately \$2.3 million in payments to other entities to provide education for some of our special needs students. It is anticipated that these costs will increase 3% annually. Students from our district placed in other public-school districts are estimated to cost \$712,000 in FY23 and increase 3% annually.

College Credit Plus costs are estimated to increase 3% to \$841,000 in FY23 and are expected to grow 3% annually. Payment in lieu of transportation and contracted transportation costs are estimated to increase 3% to \$751,000 in FY23 and continue to increase 3% annually. This cost has fluctuated between \$428,000 and over \$800,000 in the last six years.

For fiscal year 2023, Substitute teachers, custodians, aides, and secretaries are estimated to cost \$4 million and increase 2% annually. School Resource Officers are estimated to cost \$720,000 in FY23 and increase 5% annually. Athletic trainers are estimated to cost \$252,000 in FY23 and increase 2% annually.

For fiscal year 2023, data processing services/software licensing is estimated to cost \$736,000 and increase 2% annually. Legal Services in FY23 are estimated to cost \$357,000 and fluctuate between \$357,000 and \$417,000 through the forecast.

Property services, which includes garbage removal, maintenance & repairs, and property insurance are estimated to cost \$1.9 million in FY23. These costs are estimated to increase on average 1.9% annually starting in FY24.

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.

Fuel expenditures are estimated to remain at current high prices for fiscal year 2023 at \$900,000 and increase 2% annually in fiscal years 2024 through 2027.

Hilliard City School District Summary of Significant Forecast Assumptions

Instructional technology equipment such as iPads are projected to cost \$3.4 million in fiscal year 2023 as iPads for FY22 were paid in the first two weeks of FY23. These expenditures will return to the replacement cycle which will result in a projected decrease of 24% in FY24 to \$2.1 million and increase 2% annually in fiscal years 2025 through 2027.

Textbook adoptions will increase costs by \$1 million to \$1.4 million in FY23 and are projected to increase 2% annually in FY24 through FY27. We have not had curriculum revisions for several years so we will do so over the next several years which will result in new classroom materials district wide.

Other classroom instructional supplies and materials are projected to cost \$1.3 million in fiscal year 2023. These expenditures are projected to increase 2% annually in fiscal years 2024 through 2027.

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 as well as buses for the transportation department.

Bus purchases are estimated at \$1.5 million in fiscal year 2023. This cost will increase 1% annually for fiscal years 24 through 27.

Maintenance and grounds department trucks and tractors are estimated to cost \$200,000 in fiscal year 2023 and increase 1% annually for fiscal years 2024 through 2027.

Inflation in future years could make costs for all of these vehicles to increase substantially. This will result in either less vehicles purchased in the General Fund or other expenditures reduced to maintain fleet replacement schedules.

Hilliard City School District Summary of Significant Forecast Assumptions

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 FY13 through FY2026 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 County Auditor & Treasurer fees, which for fiscal year 2022 should be approximately \$1.84 million, educational service center (ESC) expenditures of \$860,000, bank charges of approximately \$87,000, and other miscellaneous expenditures of approximately \$120,000.

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 1% are factored for fiscal year 2024 and beyond.

All other expenditures in this category are also expected to increase at 1% annually in fiscal years 2024 through 2027.

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 \$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. This decreases in FY26 and ends in FY27 as the debt is retired in FY26.

An additional \$50,000 will transfer annually to High School band uniform accounts and \$50,000 to the one2one technology insurance fund to cover costs for economically disadvantaged students.

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.