

Hilliard City School District

Five-Year Forecast

For the Projected Years Ending

June 30, 2024 through June 30, 2028

May 2024

*Please visit the Ohio Department of Education website at:
<https://education.ohio.gov/Topics/Finance-and-Funding/Five-Year-Forecasts/Submissions-of-Traditional-and-JVSDs>*

Hilliard City School District
Schedule Of Revenue, Expenditures and Changes In Fund Balances
Actual and Forecasted Operating Fund

| | ACTUAL | | | FORECASTED | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Fiscal Year 2021 | Fiscal Year 2022 | Fiscal Year 2023 | Fiscal Year 2024 | Fiscal Year 2025 | Fiscal Year 2026 | Fiscal Year 2027 | Fiscal Year 2028 |
| Revenue: | | | | | | | | |
| 1.010 - General Property Tax (Real Estate) | 127,500,508 | 129,816,542 | 130,873,575 | 133,461,710 | 137,569,315 | 138,391,728 | 140,321,710 | 142,088,826 |
| 1.020 - Public Utility Personal Property | 11,243,043 | 11,751,729 | 12,366,806 | 13,236,684 | 13,292,796 | 13,683,754 | 13,941,232 | 14,203,003 |
| 1.030 - Income Tax | - | - | - | - | - | - | - | - |
| 1.035 - Unrestricted Grants-in-Aid | 52,000,447 | 47,253,772 | 47,333,877 | 51,539,717 | 47,547,317 | 47,598,735 | 47,755,594 | 48,257,925 |
| 1.040 - Restricted Grants-in-Aid | 724,905 | 3,807,928 | 3,809,666 | 5,589,344 | 4,447,728 | 4,307,073 | 3,695,852 | 3,777,908 |
| 1.045 - Restricted Federal Grants-in-Aid - SFSF | - | - | - | - | - | - | - | - |
| 1.050 - State Share of Local Property Taxes | 12,428,947 | 12,581,712 | 12,604,590 | 12,690,886 | 13,041,351 | 13,248,183 | 13,406,537 | 13,565,776 |
| 1.060 - All Other Operating Revenues | 10,794,674 | 13,549,287 | 19,035,479 | 12,979,582 | 11,859,799 | 11,096,856 | 11,154,164 | 11,161,431 |
| 1.070 - Total Revenue | 214,692,525 | 218,760,970 | 226,023,993 | 229,497,923 | 227,758,306 | 228,326,329 | 230,275,089 | 233,054,869 |
| Other Financing Sources: | | | | | | | | |
| 2.010 - Proceeds from Sale of Notes | - | - | - | - | - | - | - | - |
| 2.020 - State Emergency Loans and Advancements | - | - | - | - | - | - | - | - |
| 2.040 - Operating Transfers-In | - | - | - | - | - | - | - | - |
| 2.050 - Advances-In | - | - | - | - | - | - | - | - |
| 2.060 - All Other Financing Sources | 406,586 | 84,769 | 28,289 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| 2.070 - Total Other Financing Sources | 406,586 | 84,769 | 28,289 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| 2.080 - Total Revenues and Other Financing Sources | 215,099,111 | 218,845,739 | 226,052,282 | 229,697,923 | 227,958,306 | 228,526,329 | 230,475,089 | 233,254,869 |
| Expenditures: | | | | | | | | |
| 3.010 - Personnel Services | 128,273,259 | 130,640,434 | 138,624,363 | 142,383,828 | 147,790,458 | 153,045,434 | 157,719,495 | 162,568,486 |
| 3.020 - Employees' Retirement/Insurance Benefits | 47,540,415 | 50,105,199 | 54,162,235 | 57,984,669 | 61,234,641 | 63,962,791 | 66,303,079 | 68,734,958 |
| 3.030 - Purchased Services | 20,158,905 | 17,888,521 | 19,254,066 | 22,652,166 | 23,459,775 | 24,094,216 | 24,748,335 | 25,423,976 |
| 3.040 - Supplies and Materials | 5,950,445 | 4,637,584 | 8,652,111 | 9,011,153 | 9,195,562 | 9,390,507 | 9,590,268 | 9,792,787 |
| 3.050 - Capital Outlay | 1,641,639 | 1,551,151 | 2,244,976 | 2,475,947 | 2,148,869 | 2,153,996 | 2,153,996 | 2,153,996 |
| 3.060 - Intergovernmental | - | - | - | - | - | - | - | - |
| Debt Service: | | | | | | | | |
| 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 | 138,750 | - | - |
| 4.300 - Other Objects | 2,877,581 | 2,838,265 | 2,828,333 | 3,492,020 | 3,526,580 | 3,561,486 | 3,596,741 | 3,632,348 |
| 4.500 - Total Expenditures | 206,719,744 | 207,938,654 | 226,043,584 | 238,277,283 | 247,633,386 | 256,347,181 | 264,111,914 | 272,306,551 |
| Other Financing Uses | | | | | | | | |
| 5.010 - Operating Transfers-Out | 1,093,490 | 1,567,587 | 343,909 | 360,000 | 360,000 | 244,000 | 75,000 | 75,000 |
| 5.020 - Advances-Out | - | - | - | - | - | - | - | - |
| 5.030 - All Other Financing Uses | 390 | 31,200 | - | - | - | - | - | - |
| 5.040 - Total Other Financing Uses | 1,093,880 | 1,598,787 | 343,909 | 360,000 | 360,000 | 244,000 | 75,000 | 75,000 |
| 5.050 - Total Expenditures and Other Financing Uses | 207,813,625 | 209,537,440 | 226,387,493 | 238,637,283 | 247,993,386 | 256,591,181 | 264,186,914 | 272,381,551 |
| Excess of Rev & Other Financing Uses Over (Under) | | | | | | | | |
| 6.010 - Expenditures and Other Financing Uses | 7,285,487 | 9,308,298 | (335,211) | (8,939,360) | (20,035,080) | (28,064,852) | (33,711,825) | (39,126,681) |
| Cash Balance July 1 - Excluding Proposed Renewal/ 7.010 - Replacement and New Levies | 77,447,134 | 84,732,621 | 94,040,919 | 93,705,708 | 84,766,348 | 64,731,268 | 36,666,416 | 2,954,591 |
| 7.020 - Cash Balance June 30 | 84,732,621 | 94,040,919 | 93,705,708 | 84,766,348 | 64,731,268 | 36,666,416 | 2,954,591 | (36,172,090) |
| 8.010 - Estimated Encumbrances June 30 | - | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 |
| Reservations of Fund Balance: | | | | | | | | |
| 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 | - | - | - | - | - | - | - | - |
| Fund Balance June 30 for Certification | | | | | | | | |
| 10.010 - of Appropriations | 84,732,621 | 92,540,919 | 92,205,708 | 83,266,348 | 63,231,268 | 35,166,416 | 1,454,591 | (37,672,090) |
| Rev from Replacement/Renewal Levies | | | | | | | | |
| 11.010 - Income Tax - Renewal | - | - | - | - | - | - | - | - |
| 11.020 - Property Tax - Renewal or Replacement | - | - | - | - | - | - | - | - |
| 11.030 - Cumulative Balance of Replacement/Renewal Levies | - | - | - | - | - | - | - | - |
| Fund Balance June 30 for Certification | | | | | | | | |
| 12.010 - of Contracts, Salary and Other Obligations | 84,732,621 | 92,540,919 | 92,205,708 | 83,266,348 | 63,231,268 | 35,166,416 | 1,454,591 | (37,672,090) |
| 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 | 84,732,621 | 92,540,919 | 92,205,708 | 83,266,348 | 63,231,268 | 35,166,416 | 1,454,591 | (37,672,090) |

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, 2024 through June 30, 2028, with historical unaudited information presented for the fiscal years ended June 30, 2021, 2022, and 2023.

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 16,360 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 (3/2023).

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 has occurred in 2023 and three years later a triennial update will occur and this cycle will continue to repeat every three years. 2023 assessed taxable values collectible in 2024 are:

| | |
|----------------------------------|--------------------|
| Residential/agriculture - | \$3,490,659,480 |
| Commercial/industrial - | <u>932,707,560</u> |
| Total real estate assessed value | \$4,423,367,040 |

During fiscal year 2024, 2023 residential values increased 1% with new growth and 34% with the reappraisal. Agricultural values increased 30% with reappraisal. Commercial/industrial values increased 1.4% with new growth 13% with the reappraisal.

During fiscal year 2025, 2024 residential/agriculture values are estimated to increase 1% with new growth. Commercial/industrial values are estimated to increase 1.2% with new growth.

During fiscal year 2026, 2025 residential/agriculture values are estimated to increase .7% with new growth. Commercial/industrial values are estimated to increase 1.3% with new growth.

During fiscal year 2027, 2026 residential/agriculture values are estimated to increase .7% with new growth and 7% with the triennial update. Commercial/industrial values should increase 1.3% with new growth 8.5% with the triennial update.

During fiscal year 2028, 2027 residential/agriculture values are estimated to increase .7% with new growth. Commercial/industrial values should increase 1% with new growth.

Hilliard City School District Summary of Significant Forecast Assumptions

B. Tangible Personal Property Tax

In 2024, the only personal property taxed is personal property owned by public utilities and telephone personal property (with an assessed value of \$157.6 million). 2023 values increased by 2.38% from the prior year.

2024 through 2027 values are estimated to increase 1.9% annually.

C. Unrestricted Grants-in-Aid

The State of Ohio 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. The current State Budget approved for FY24 and FY25 continues the phase-in of the Fair School Funding Plan (FSFP), which was approved in the previous State budget and updates the base cost inputs from 2018 to 2022. The Base Cost is currently calculated for two years using a statewide average from historical actual data and this update uses more current data for that average.

The (FSFP) establishes a base cost methodology using student/teacher ratios, minimum staffing levels and actual costs. This results in a unique base cost per pupil for each school and District in the State. The State and local cost methodology uses both assessed property values and income to determine the state share of funding.

As a result of the updated base cost inputs, FY24 funding is projected to increase to approximately \$51.5 million. Also included in this category is casino revenues of just over \$1 million.

With the increase in property values, the District's local capacity is increasing faster than the base cost, which is frozen in 2025. The District is fluctuating around the 2020 funding guarantee, which would keep us at an FY20 funding level so that we do not see a reduction in funding. If the current formula continues we will potentially not see significant increases throughout the remainder of this forecast. The static base cost in FY25 could result in a lower state share and there is no year over year guaranteed for funding. With current simulations, we are projecting that our FY25 state funding will drop to \$47.5 million, which is a \$4 million decrease from FY24. We are currently projecting a 4% base cost adjustment for 2026 and 2028.

For Fiscal Year 2025, we assume \$47.5 million in funding. This includes casino revenues of \$1.1 million.

For Fiscal Year 2026, we assume \$47.6 million in funding. This includes casino revenues of \$1.1 million.

For Fiscal Year 2027, we assume \$47.7 million in funding. This includes casino revenues of \$1.1 million.

Hilliard City School District Summary of Significant Forecast Assumptions

For Fiscal Year 2028, we assume \$48.3 million in funding. This includes casino revenues of \$1.1 million.

D. Restricted Grants-in-Aid

The current school funding formula continues to provide additional restricted funding and with the placement of Student Wellness and Success dollars in the forecast. In FY2023 we received \$3.8 million in restricted funding.

In FY24 we will receive a total of \$5.6 million in this category. This includes \$1.8 million of Student Wellness & Success dollars, \$960,000 of weighted funding for Career Tech and ELL, \$463,000 for disadvantaged students, and \$719,000 of gifted funding. Also included in this category are State catastrophic cost and Medicaid reimbursements. In FY24 we also received a one-time State subsidy for High Quality Instructional Materials in the amount of \$864,000.

In FY25 funding will decrease to \$4.4 million.

In FY26 funding will decrease to \$4.3 million.

In FY27 funding will decrease to \$3.7 million.

In FY28 funding will remain at \$3.7 million.

E. Property Tax Allocation

Property tax allocations for 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 2024, it is estimated we will receive \$12.7 million from this revenue source. For fiscal years 2025 through 2028, this funding will increase by approximately 1.2% annually.

F. All Other Revenues

For fiscal year 2024, this revenue category has decreased from a total of \$19.0 million to \$13.0 million. The decrease of approximately \$6 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 our FY23 revenue. Investment income is expected to increase slightly to approximately \$4.5 million, due to higher interest rates. Most other revenues are projected to remain essentially flat

Hilliard City School District Summary of Significant Forecast Assumptions

from the prior year. This includes tuition of approximately \$880,000, student fees of approximately \$430,000, rental income of approximately \$120,000, payments in lieu of taxes of approximately \$6.6 million, Qualified School Construction Bond interest reimbursement of \$240,000, mobile home tax of \$41,000, and other miscellaneous receipts of \$200,000 for a total of \$13.0 million.

For fiscal year 2025, all other revenues are estimated to decrease \$1.1 million, for a total of \$11.8 million annually. The decrease is based on less interest income as our cash balance begins to decline, as well as the assumption that interest rates begin to decline.

For fiscal years 2026 through 2028, all other revenues are estimated to slightly decrease to \$11.1 million annually, with interest income continuing to 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 \$200,000 for FY24 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.

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. Both agreements have a MOU in place, taking them through June 30, 2025.

For fiscal year 2024, personal service expenditures will increase 2.3% or \$3.2 million. This is a result of:

- Wages increase 2% September 1 of 2023 with average step increases of approximately 1.6%.
- 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 \$885,000.
- Salaries reduced by \$1.3 million as a result of teachers retiring/LOA/resigning in the prior year.
- Seven teaching positions eliminated at the high school level for a savings of \$400,000.
- 14 new special education certificated positions at an estimated cost of \$700,000.
- Four English Learner (EL) tutor positions eliminated, five new EL teaching positions at a cost of \$150,000.

Hilliard City School District Summary of Significant Forecast Assumptions

- \$580,000 in one-time payments as a result of contract extensions with the OAPSE labor union.

Fiscal year 2025, personal service expenditures will increase 3.7% or \$5.3 million. This is the result of:

- Wages increase 2% September 1 of 2024 with average step increases of approximately 1.5%.
- 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.
- 10 new special education positions will be added at a cost of \$550,000.
- Three English Learner (EL) tutor positions will be eliminated and four new EL teaching positions will be added at a cost of \$140,000.
- Savings from certificated retirements are projected at \$1.2 million.

Fiscal year 2026, personal service expenditures will increase 3.5% or \$5.2 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 1.5% average step increases. This would be the first year of contracts that have not yet 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 3.0% or \$4.6 million. This is the result of:

- The status quo is assumed with 2% raises and 1.5% average step increases. This would be year two of contracts that have not yet 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 2028, personal service expenditures will increase 3.1% or \$4.8 million. This is the result of:

- The status quo is assumed with 2% raises and 1.5% average step increases. This would be year three of contracts that have not yet 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.

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 2024, health insurance costs increased by 10% in January of 2023 and increased by 5.4% in January 2024. The increase in health insurance costs is estimated to be 6% for 2025, 4% for 2026, 2027, and 2028. Dental insurance costs increased by 3.9% for calendar year 2024 and are estimated to increase 3% annually for calendar year 2025 and after.

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 represent a significant cost in this category. Natural Gas costs in FY23 decreased slightly from the prior year. For FY24, we have budgeted a 5% increase, as we have hedged our gas prices through our school consortium with Meta Solutions and are expecting to spend \$375,000. A 10% annual increase is estimated for FY25, as we are assuming a colder winter based on trend and 5% annual increases are estimated for FY26 through FY28. Electric costs are estimated to be \$2.1 million in FY24, as we have contracts in place through FY24 for our electric usage. With recent decreases to transmission costs, a 5% decrease is estimated in FY25 followed by annual increases of 5%. Water & sewer costs will be approximately \$720,000 for FY24 with annual increases of 3% projected through the remainder of the forecast. Telephone service is estimated to be \$320,000 in FY24 and increase by 2% annually.

For FY24 we will spend approximately \$3.7 million in payments to other entities to provide education for some of our special needs students. It is anticipated that these costs will increase by 3% annually. Fees for students from our district who are placed in other public-school districts are estimated to be \$805,000 in FY24 and increase 3% annually.

College Credit Plus costs are estimated to increase 5% to \$665,000 in FY24 and are expected to grow by 3% annually in FY25 – FY28. Payment in lieu of transportation and contracted transportation costs are estimated to increase 27% to \$1.1 million in FY24 and to increase by 3% annually in future years. This cost has fluctuated between \$428,000 and over \$870,000 in the last seven years.

For fiscal year 2024, Substitute teachers, custodians, aides, and secretaries are estimated to cost \$4.2 million and increase by 2% annually. School Resource Officers are estimated to cost \$766,000 in FY24 and increase by 5% annually. Athletic trainers and other related purchased services are estimated to cost \$283,000 in FY24 and increase by 2% annually.

For fiscal year 2024, data processing services/software licensing is estimated to cost \$988,000 and increase by 2% annually. Legal Services in FY23 are estimated to cost \$440,000 and fluctuate between \$410,000 and \$450,000 through the forecast.

Hilliard City School District Summary of Significant Forecast Assumptions

Property services, which includes garbage removal, maintenance & repairs, and property insurance are estimated to be \$2.0 million in FY24. These costs are estimated to increase by 2% annually starting in FY25.

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 elevated prices for fiscal year 2024 at \$1.2 million and increase by 2% annually in fiscal years 2025 through 2028.

Costs for Instructional technology equipment such as iPads are projected to be \$2.4 million in fiscal year 2024 and increase by 2% annually in fiscal years 2025 through 2028.

Textbook and related instructional material adoptions will increase costs by \$900,000 to \$2.6 million in FY24, decrease \$700,000 in FY25 to \$1.9 million, then increase by 3% annually. We have not had curriculum revisions for several years so we are doing so over a 3-year time period, 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 2024. These expenditures are projected to increase by 2% annually in fiscal years 2025 through 2028.

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 \$1.875 million in fiscal year 2024 and drop slightly to \$1.5 million in FY25 due to the scheduled number of replacements. For FY26-FY28, the costs are expected to remain flat at \$1.5 million.

Maintenance and grounds department truck and tractor expenses are estimated to be \$125,000 in fiscal year 2024 and remain flat for fiscal years 2025 through 2028.

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

Other capitalized equipment purchases, such as furniture, are estimated to be \$500,000 for FY24 and to increase by 1% annually for FY25- FY28.

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 2024 should be approximately \$1.63 million, educational service center (ESC) expenditures of \$1.2 million, bank charges of approximately \$300,000, and other miscellaneous fees of approximately \$360,000.

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 2025 and beyond.

All other expenditures in this category are also expected to increase at 1% annually in fiscal years 2025 through 2028.

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 \$10,000 to the one2one technology insurance fund to cover costs for economically disadvantaged students.

Hilliard City School District
Summary of Significant Forecast Assumptions

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.