

# Hilliard City School District

Fiscal Year  
**2026**  
October

Five Year  
Forecast  
Report



Prepared By:

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Hilliard City School District

# Table of Contents

|                                            |           |
|--------------------------------------------|-----------|
| <b>Forecast Summary</b>                    | <b>3</b>  |
| <b>Forecast Analysis</b>                   | <b>4</b>  |
| <b>Revenue Overview</b>                    | <b>5</b>  |
| 1.010 - General Property Tax (Real Estate) | 6         |
| 1.020 - Public Utility Personal Property   | 7         |
| 1.030 - Income Tax                         | 8         |
| 1.035 - Unrestricted Grants-in-Aid         | 9         |
| 1.040 & 1.045 - Restricted Grants-in-Aid   | 10        |
| 1.050 - State Share-Local Property Taxes   | 11        |
| 1.060 - All Other Operating Revenues       | 12        |
| 2.070 - Total Other Financing Sources      | 13        |
| <b>Expenditures Overview</b>               | <b>14</b> |
| 3.010 - Personnel Services                 | 15        |
| 3.020 - Employee Benefits                  | 16        |
| 3.030 - Purchased Services                 | 17        |
| 3.040 - Supplies and Materials             | 18        |
| 3.050 - Capital Outlay                     | 19        |
| 3.060 - 4.060 - Intergovernmental & Debt   | 20        |
| 4.300 - Other Objects                      | 21        |
| 5.040 - Total Other Financing Uses         | 22        |
| <b>Five Year Forecast</b>                  | <b>23</b> |
| <b>Appendix</b>                            |           |
| Financial Health Indicators                | 24        |
| Current to Prior Forecast Compare          | 25        |

## Forecast Purpose/Objectives

Ohio Department of Education and Workforce's purposes/objectives for the five-year forecast are:

1. To engage the local board of education and the community in the long range planning and discussions of financial issues facing the school district.
2. To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate."
3. To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems.

## Forecast Methodology

This forecast is prepared based upon historical trends and current factors. This information is then extrapolated into estimates for subsequent years. The forecast variables can change multiple times throughout the fiscal year, and while cash flow monitoring helps to identify unexpected variances, no process is guaranteed. The intent is to provide the district's financial trend over time and a roadmap for decisions aimed at encouraging financial sustainability and stability.

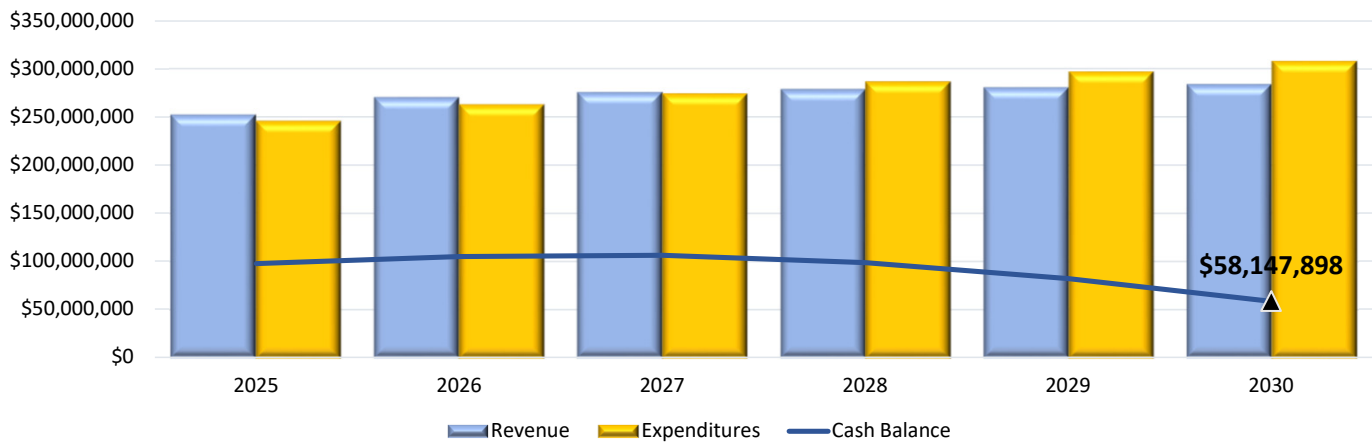
## Fund Accounting

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.

## Forecast Summary

Hilliard City School District

## Projected Revenue, Expenditures, and Cash Balance



## Financial Forecast Summary

|                                                                                              | Fiscal Year<br>2026 | Fiscal Year<br>2027 | Fiscal Year<br>2028 | Fiscal Year<br>2029 | Fiscal Year<br>2030 |
|----------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Beginning Balance (Line 7.010)<br><i>*Includes Renewal/New Levy Revenue, see Disclosures</i> | 97,406,717          | 104,747,397         | 106,257,582         | 98,325,145          | 81,862,362          |
| + Revenue                                                                                    | 270,248,321         | 275,633,247         | 278,499,736         | 280,584,084         | 284,058,555         |
| - Expenditures                                                                               | (262,907,641)       | (274,123,063)       | (286,432,173)       | (297,046,868)       | (307,773,019)       |
| = Revenue Surplus or Deficit                                                                 | 7,340,680           | 1,510,184           | (7,932,436)         | (16,462,784)        | (23,714,464)        |
| Line 7.020 Ending Balance with Renewal/New Levies                                            | 104,747,397         | 106,257,582         | 98,325,145          | 81,862,362          | 58,147,898          |

## Financial Summary Notes

Expenditure growth is projected to outpace revenue change. By the end of 2030, the cash balance is projected to decline by a total of \$39,258,819 compared to 2025. For fiscal year 2030, expenditures are currently projected to exceed revenue, resulting in a revenue shortfall the final year of the forecast period.

For revenue, projected change is expected to be less than the historical average. Over the past five years, revenue increased by 3.97% (\$8,889,841 annually). However, it is projected to increase by 2.42% (\$6,328,130 annually) through fiscal year 2030. Notably, State Funding, is expected to be \$1,093,481 less per year compared to history, and is the biggest driver of trend change on the revenue side.

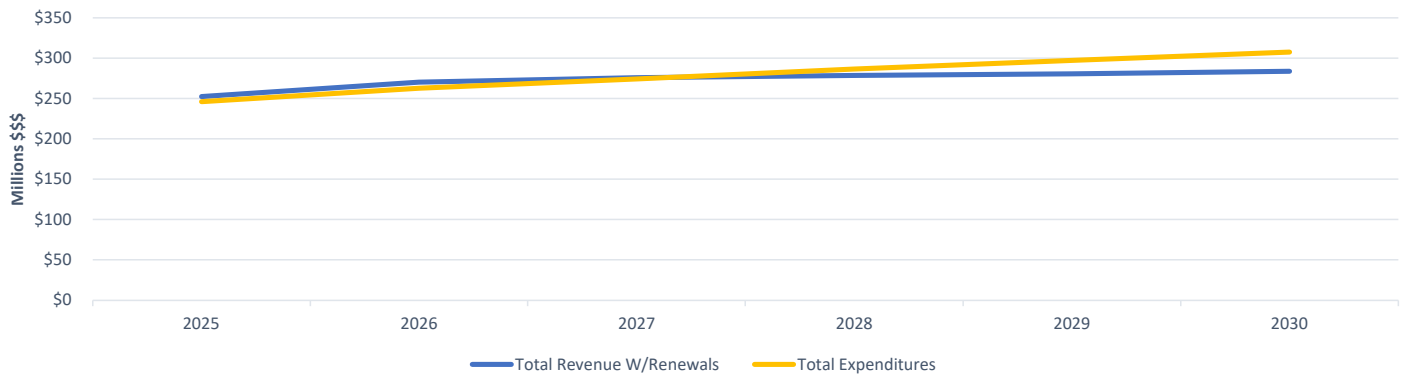
For expenses, projected change is forecasted to increase at a faster pace than the historical trend. Expenditures increased by 4.27% (\$9,232,299 annually) during the past 5-year period, and are projected to increase by 4.58% (\$12,338,610 annually) through 2030. The forecast line with the most change on the expense side, Salaries, is anticipated to be \$1,341,713 more per year in the projected period compared to historical averages.

| Disclosure Items:                               | 2026      | 2027      | 2028      | 2029      | 2030      |
|-------------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Modeled Renewal Levies - Annual Amount          | -         | -         | -         | -         | -         |
| Modeled New Levies - Annual Amount              | -         | -         | -         | -         | -         |
| Encumbrances (not subtracted from Cash Balance) | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |

## Forecast Analysis

Hilliard City School District

### Revenue Compared to Expenditures

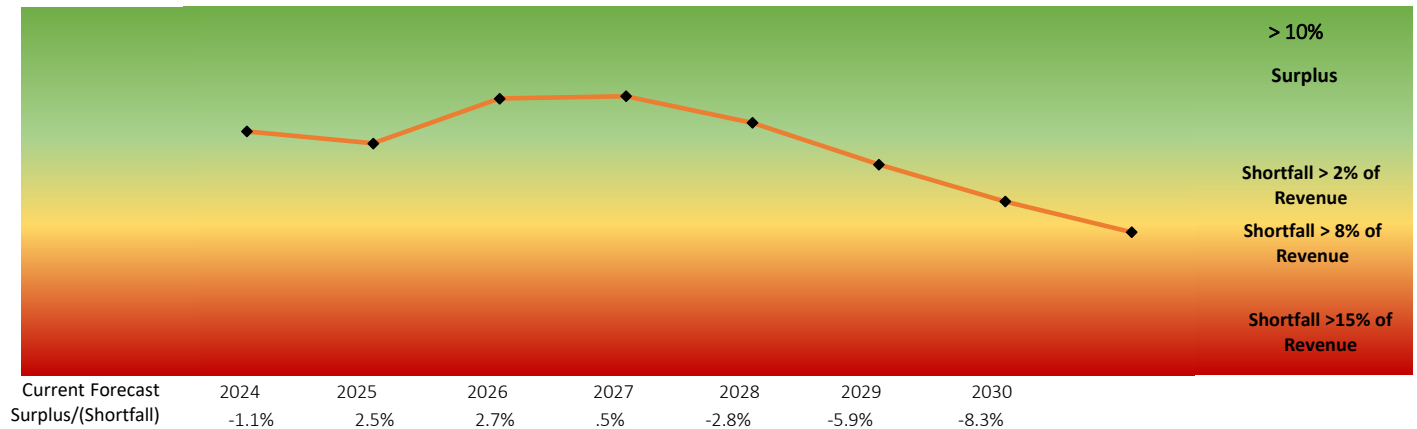


From 2026 to 2030, total revenues are projected to change by 2.42%

Expenditure change is expected to outpace revenue change.

From 2026 to 2030, total expenses are projected to change by 4.58%

### Revenue Surplus/(Shortfall) as a Percentage of Revenue

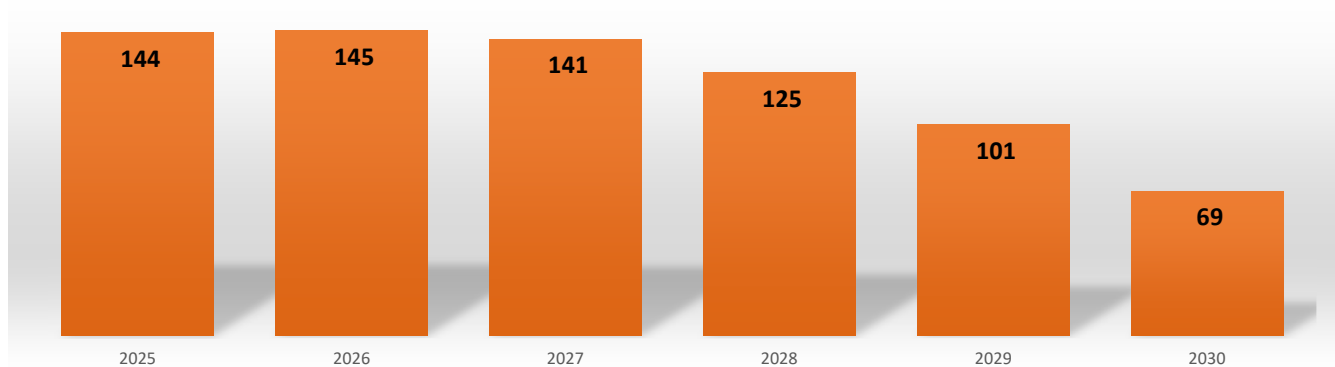


The district is trending toward revenue shortfall with the expenditures growing faster than revenue.

A revenue increase of 5.87% is needed to balance the budget in fiscal year 2030, or a \$23,714,464 reduction in expenditures.

- The largest contributor to the projected revenue trend is the change in State Funding.
- The expenditure most impacting the changing trend is Salaries.

### Days Cash on Hand at Fiscal Year-end

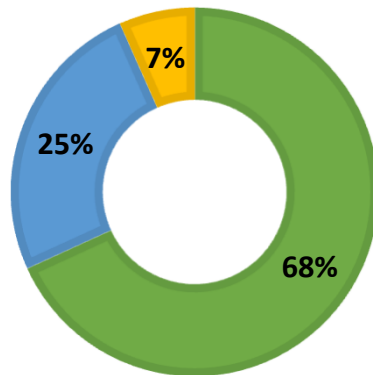


\*based on 365 days

## Revenue Overview

Hilliard City School District

### Revenue Sources



#### Local Taxes

|                    |        |
|--------------------|--------|
| Real Estate Tax    | 62.50% |
| Public Utility Tax | 5.69%  |
| Income Tax         | 0.00%  |

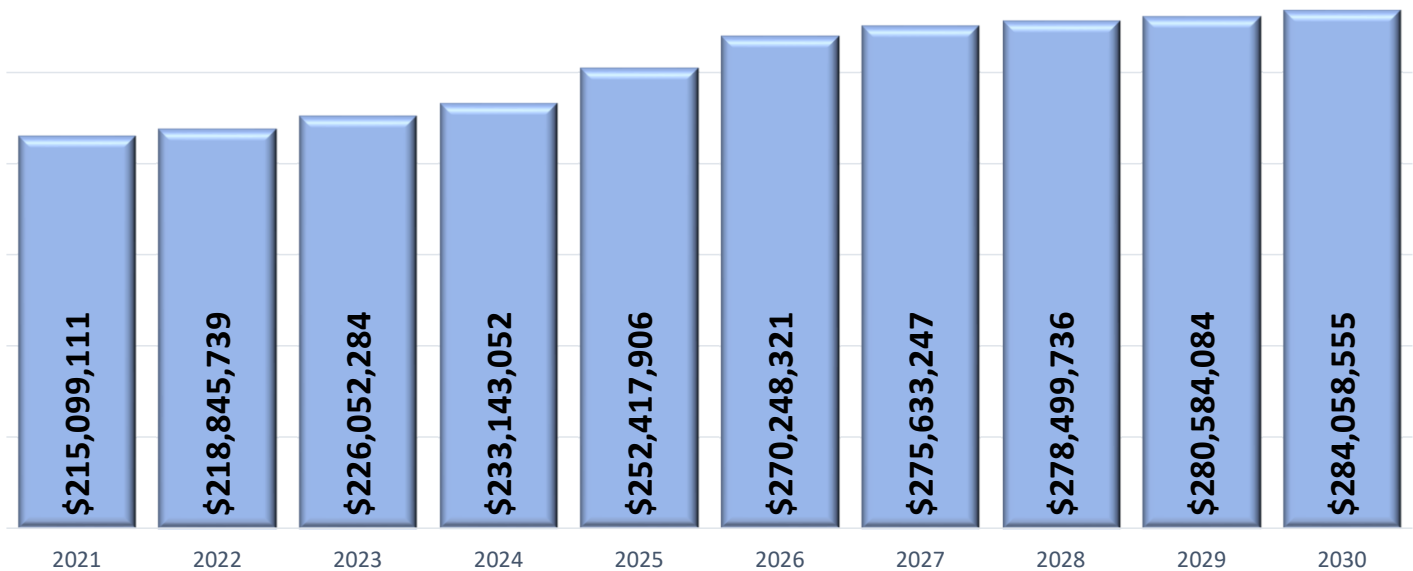
#### State Sources

|                          |        |
|--------------------------|--------|
| State Funding            | 18.72% |
| Restricted Aid           | 1.48%  |
| State Share of Local Tax | 4.94%  |

#### All Other Revenue

|               |       |
|---------------|-------|
| Other Revenue | 6.62% |
| Other Sources | 0.05% |

### Annual Revenue Actual + Projected



### Historic Revenue Change versus Projected Revenue Change

|                                     | Historical<br>Average<br>Annual<br>\$\$ Change | Projected<br>Average<br>Annual<br>\$\$ Change | Projected<br>Compared to<br>Historical<br>Variance | Over the past five years, revenue increased by 3.97% (\$8,889,841 annually). However, it is projected to increase by 2.42% (\$6,328,130 annually) through fiscal year 2030. Notably, State Funding, is expected to be \$1,093,481 less per year compared to history, and is the biggest driver of trend change on the revenue side. |
|-------------------------------------|------------------------------------------------|-----------------------------------------------|----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Real Estate                         | \$5,932,976                                    | \$5,303,902                                   | (\$629,074)                                        |                                                                                                                                                                                                                                                                                                                                     |
| Public Utility                      | \$557,593                                      | \$504,136                                     | (\$53,457)                                         |                                                                                                                                                                                                                                                                                                                                     |
| Income Tax                          | \$0                                            | \$0                                           | \$0                                                |                                                                                                                                                                                                                                                                                                                                     |
| State Funding                       | \$1,108,335                                    | \$14,855                                      | (\$1,093,481)                                      |                                                                                                                                                                                                                                                                                                                                     |
| State Share of Local Property Taxes | \$175,916                                      | \$206,475                                     | \$30,559                                           |                                                                                                                                                                                                                                                                                                                                     |
| All Othr Op Rev                     | \$1,181,970                                    | \$288,871                                     | (\$893,099)                                        |                                                                                                                                                                                                                                                                                                                                     |
| Other Sources                       | (\$66,949)                                     | \$9,891                                       | \$76,840                                           |                                                                                                                                                                                                                                                                                                                                     |
| Total Average Annual Change         | \$8,889,841<br>3.97%                           | \$6,328,130<br>2.42%                          | (\$2,561,711)<br>-1.56%                            |                                                                                                                                                                                                                                                                                                                                     |

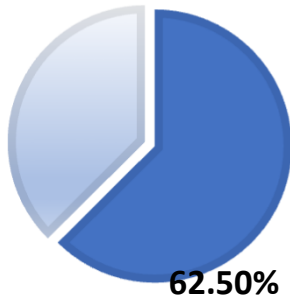
For Comparison:

Expenditure average annual change is projected to be >

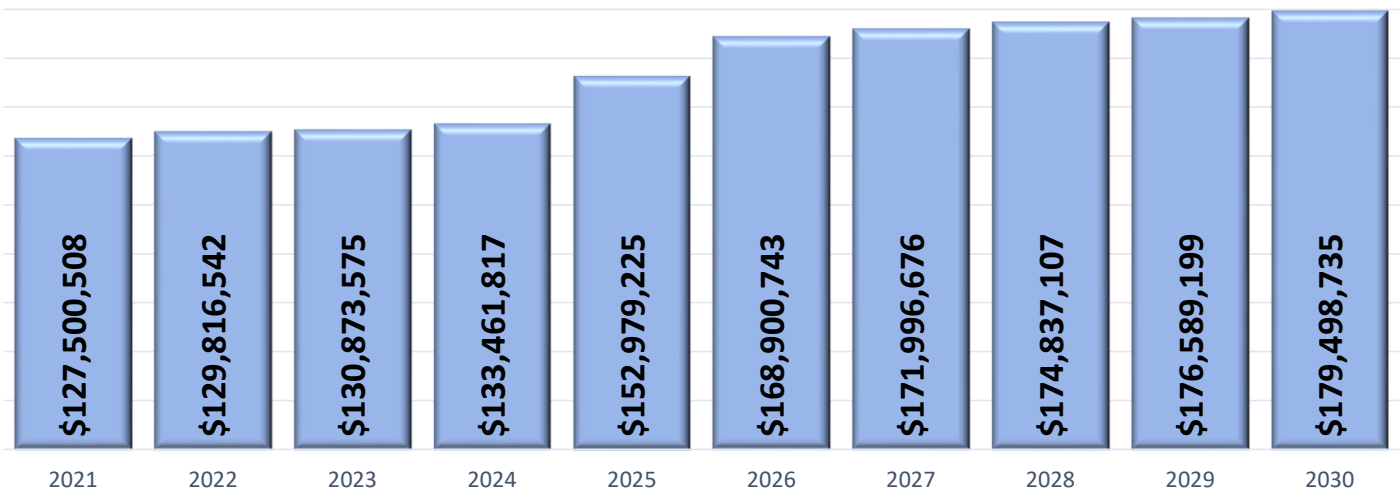
\$12,338,610 On an annual average basis, expenditures are projected to grow faster than revenue.

## 1.010 - General Property Tax (Real Estate)

Revenue collected from taxes levied by a school district by the assessed valuation of real property using effective tax rates for class I (residential/agricultural) and class II (business).



Real estate property tax revenue accounts for 62.50% of total district general fund revenue.



### Key Assumptions & Notes

| Values, Tax Rates and Gross Collections |               |              |              |        |              |        | Gross Collection Rate Including Delinquencies |
|-----------------------------------------|---------------|--------------|--------------|--------|--------------|--------|-----------------------------------------------|
| Tax Yr                                  | Valuation     | Value Change | Class I Rate | Change | Class 2 Rate | Change |                                               |
| 2024                                    | 4,512,609,620 | 89,242,580   | 37.95        | -      | 50.84        | -      | 98.6%                                         |
| 2025                                    | 4,585,609,620 | 73,000,000   | 37.91        | (0.03) | 50.82        | (0.02) | 98.3%                                         |
| 2026                                    | 5,154,809,620 | 569,200,000  | 34.39        | (3.52) | 47.18        | (3.64) | 98.3%                                         |
| 2027                                    | 5,207,809,620 | 53,000,000   | 34.38        | (0.01) | 47.18        | -      | 98.3%                                         |
| 2028                                    | 5,260,809,620 | 53,000,000   | 34.36        | (0.01) | 47.18        | (0.00) | 98.3%                                         |
| 2029                                    | 5,824,809,620 | 564,000,000  | 31.73        | (2.63) | 43.56        | (3.62) | 98.3%                                         |

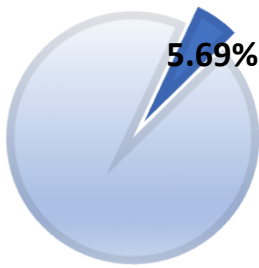
Class I, or residential/agricultural taxes make up approximately 69.86% of the real estate property tax revenue. The Class I tax rate is 37.91 mills in tax year 2025. The projections reflect an average gross collection rate of 98.3% annually through tax year 2029. The revenue changed at an average annual historical rate of 4.53% and is projected to change at an average annual rate of 3.31% through fiscal year 2030.

Tax Year 2024 Class I Effective Rate = 33.50 Voted Operating Mills + 4.45 Inside Mills = 37.95 (This includes the 6.9 mill operating levy approved by voters in November 2024, being collected at an effective rate of 6.88 mills). Tax Year 2023 Class I Effective Rate = 26.67 Voted Operating Mills + 4.45 Inside Mills = 31.12

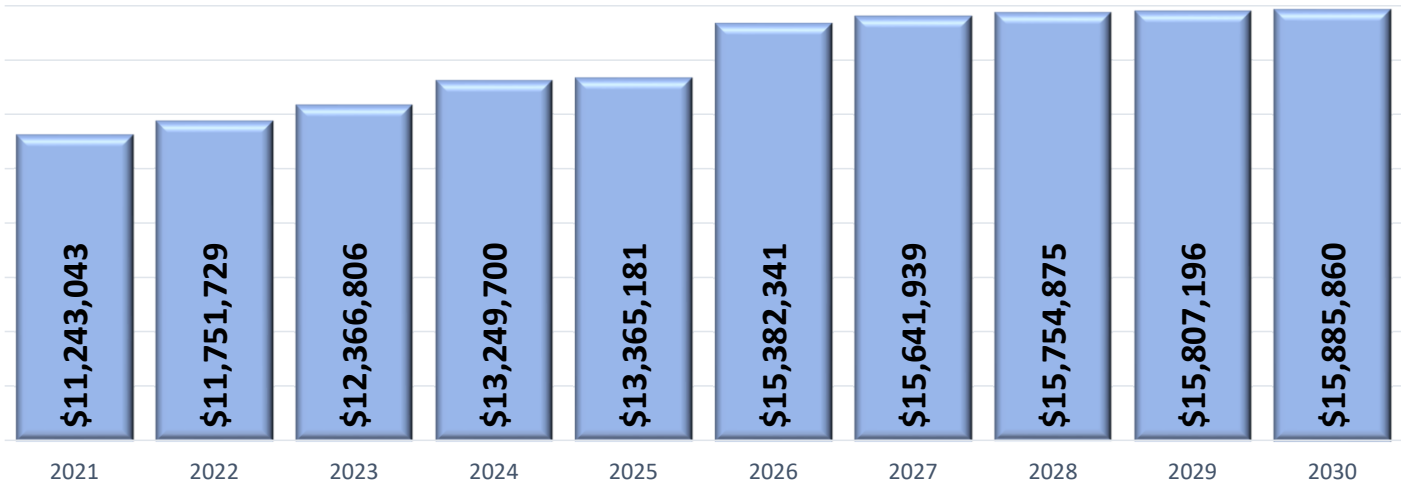
Property values are established each year by the County Auditor based on new construction and complete or updated values. A complete reappraisal occurred in 2023 and in 2026, a triennial update will occur. This cycle will continue to repeat every three years. For tax year 2024, residential values increased 2% with new growth. Agricultural values decreased 10.5% with valuation coming off of the duplicate. Commercial/industrial values increased 1.86% with new growth. Values are expected to increase 1.6% annually for TY 2025 & 2026 and 1% annually for TY 2027 through 2029 due to new construction. A triennial update will occur in TY2026, with a projected increase of 11%. The next full reappraisal will occur in TY2029, with a projected increase of 9.5%. This forecast includes the passage of a new 6.9 mill operating levy in November 2024, which generates approximately \$31.6 million in real estate tax revenue annually.

## 1.020 - Public Utility Personal Property

Revenue generated from public utility personal property valuations multiplied by the district's full voted tax rate.



Public Utility Personal Property tax revenue accounts for 5.69% of total district general fund revenue.



### Key Assumptions & Notes

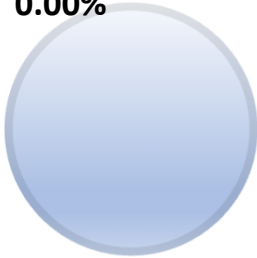
| Values and Tax Rates |             |              |                 |        | Gross Collection Rate Including Delinquencies |
|----------------------|-------------|--------------|-----------------|--------|-----------------------------------------------|
| Tax Year             | Valuation   | Value Change | Full Voted Rate | Change |                                               |
| 2024                 | 176,369,400 | 18,795,370   | 91.85           | 6.90   | 93.9%                                         |
| 2025                 | 178,369,400 | 2,000,000    | 91.85           | 0.00   | 94.9%                                         |
| 2026                 | 180,369,400 | 2,000,000    | 91.85           | -      | 94.9%                                         |
| 2027                 | 180,969,400 | 600,000      | 91.85           | -      | 94.9%                                         |
| 2028                 | 181,569,400 | 600,000      | 91.85           | -      | 94.9%                                         |
| 2029                 | 182,769,400 | 1,200,000    | 91.85           | -      | 94.9%                                         |

The public utility personal property tax revenue is generated from the personal property values, additions, and depreciation reported by the utility companies. The property is taxed at the full voted tax rate which in tax year 2025 is 91.85 mills. The forecast is modeling an average gross collection rate of 94.94%. The revenue changed historically at an average annual dollar amount of \$557,593 and is projected to change at an average annual dollar amount of \$504,136 through fiscal year 2030.

The valuation for 2024 was provided by the Franklin County Auditor and includes Union County values.

### 1.030 - School District Income Tax

Revenue collected from income tax earmarked specifically to support schools with a voter approved tax by residents of the school district; separate from federal, state and municipal income taxes.



The district does not have a School District Income Tax levy.

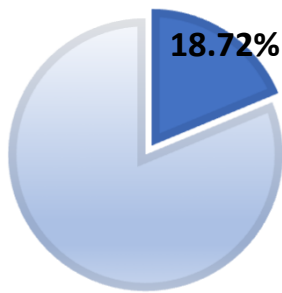
The chart is a blank template for a line graph. The vertical axis (y-axis) is labeled with dollar amounts from \$0 to \$100 in increments of 20. The horizontal axis (x-axis) is labeled with years from 2021 to 2030. The chart area is divided into a grid of 5 rows and 10 columns of squares. The grid lines are light gray.

## Key Assumptions & Notes

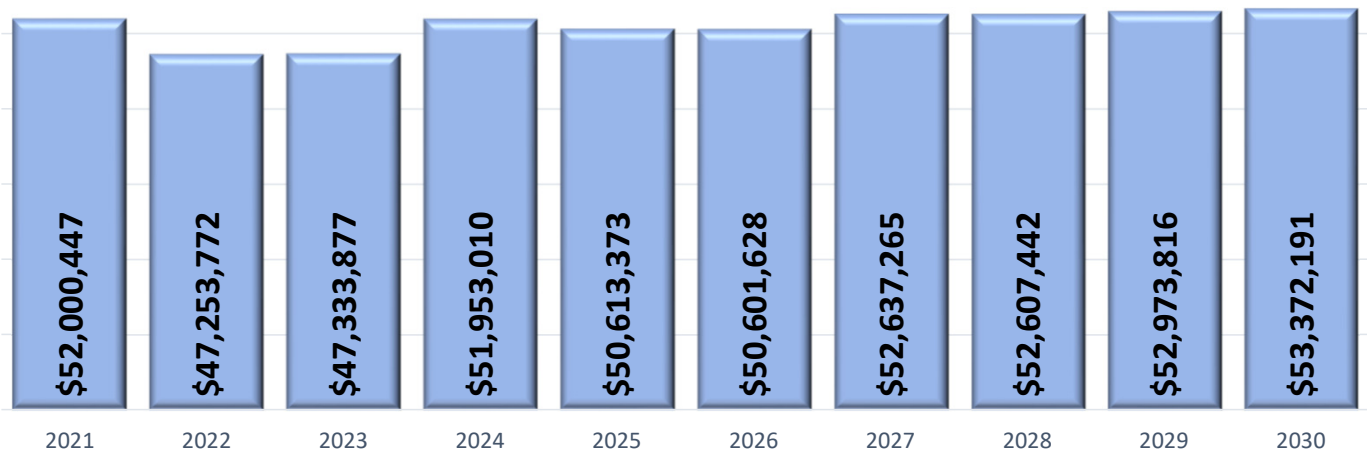
The district does not have an income tax levy.

## 1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.

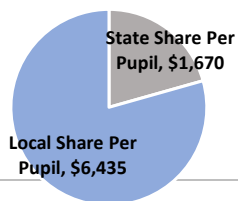


Unrestricted State Aid revenue accounts for 18.72% of total district general fund revenue.

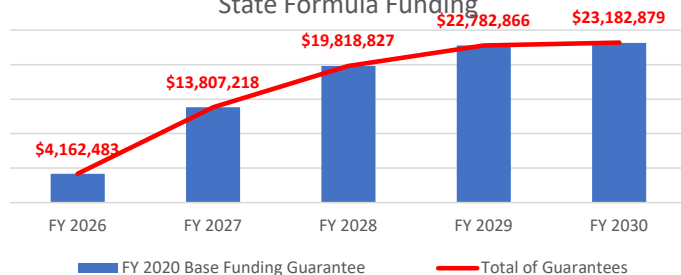


### Key Assumptions & Notes

#### FY 26 Base Cost Per Pupil - Local and State Share



#### Guarantee Amounts Included in Bottom Line State Formula Funding



Beginning in fiscal year 2022, Ohio adopted the Fair School Funding Plan (FSFP). Funding is driven by a base cost methodology that incorporates the four components identified as necessary to the education process. The Base Cost is currently calculated for two years using a statewide average from historical actual data.

For Hilliard City School District, the calculated Base Cost total is \$126,593,768 in 2026.

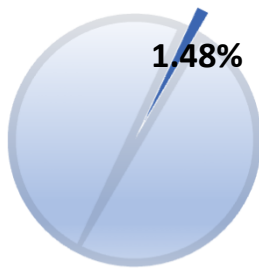
The State's Share of the calculated Base Cost total is \$26,078,722, or \$1,670 per pupil.

The FSFP also started funding students where they attended school. Therefore district educated enrollment is now used for per pupil funding. At the same time, the FSFP eliminated tuition transfer payments from school districts, which impacts the expense side of the forecast.

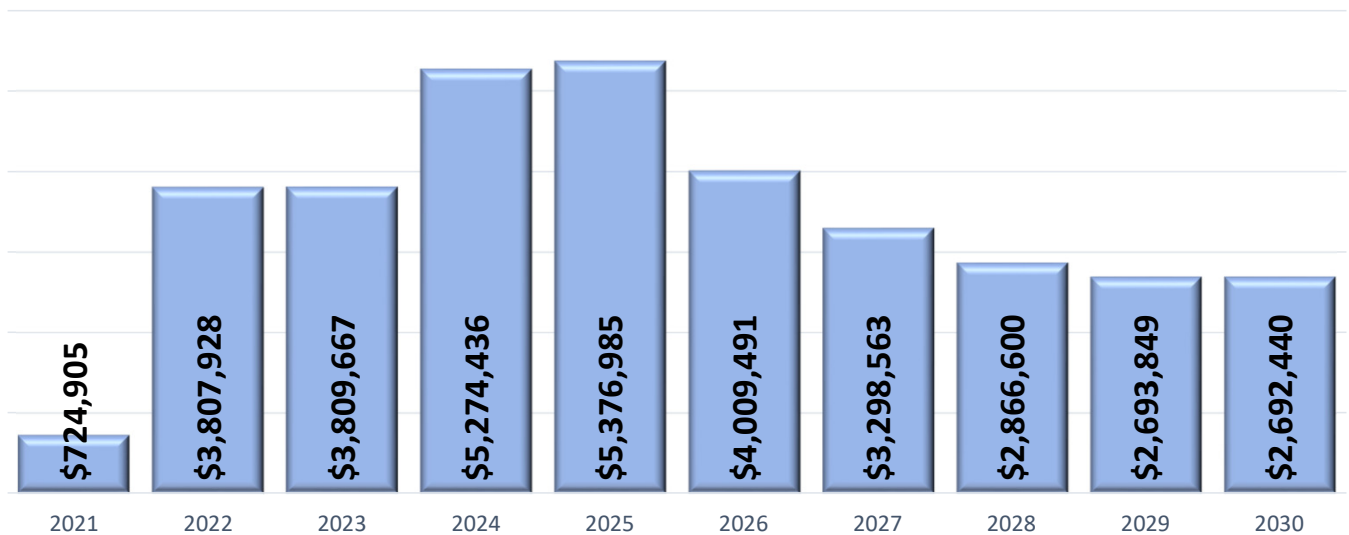
The FSFP is a formula that has been phased in and will be at 83.33% in FY26 and 100% in FY27 and beyond. The FSFP includes guarantees. With the phase-ins we had formula funding in the early years that was not phased-in. In FY26 without changes to the base cost inputs, we begin to experience guarantee funding. The graph on the left demonstrates the guarantee amounts.

## 1.040 & 1.045 - Restricted Grants-in-Aid

Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



Restricted State Aid revenue accounts for 1.48% of total district general fund revenue.



### Key Assumptions & Notes

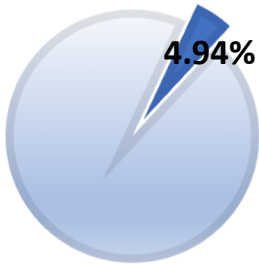
Restricted aid is the portion of state per pupil funding that must be classified as restricted use. Historically the district's restricted state aid changed annually on average by \$523,019 and is projected to change annually on average by -\$536,909. Restricted funds represent 1.48% of the district's total revenue. Starting in fiscal year 2022, the district's Success & Wellness funding became restricted; the state's share of this funding recorded as restricted is \$1,311,030. This funding has implications on general fund expenditures in that certain spending now occurring in a fund external to the general fund could shift to the general fund. The expenditures in this forecast are adjusted to reflect this change.

In addition to Student Success and Wellness dollars, this category also includes weighted funding for Career Tech and EL , as well as DPIA and gifted funding. Also included in this category are State catastrophic cost and Medicaid reimbursements. In FY24 we received a one-time State subsidy for High Quality Instructional Materials in the amount of \$864,000. In FY25, received \$945,000 to reimburse the District for Science of Reading professional development stipends. At this time, no one-time revenue is anticipated for FY26-FY30.

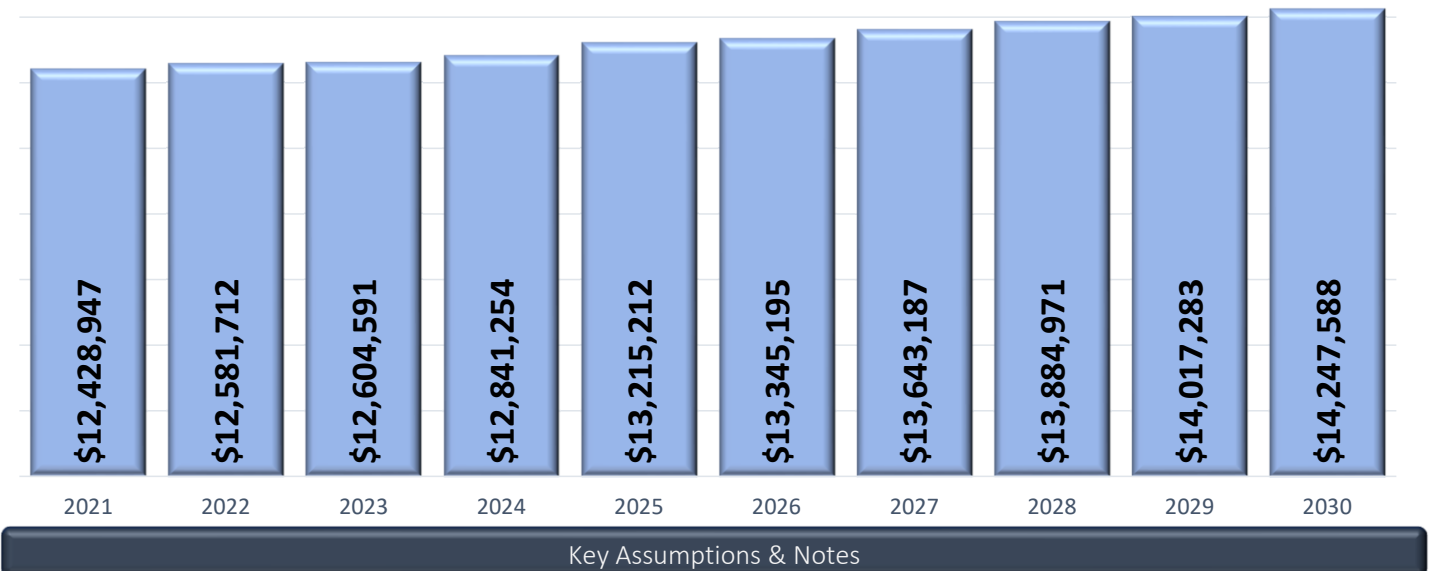
Since the base cost inputs were not updated by the State during the last biennial budget, our funding in this category decreases each year. This is a result of our property valuation and income values being updated, while not considering inflation and increased expenditures. These factors cause the State share to decrease by more than 50% from FY26 to FY30.

## 1.050 - State Share of Local Property Taxes

Includes funds received for Tangible Personal Property Tax Reimbursement, Electric Deregulation, Homestead and Rollback.



State Share of Local Property tax revenue accounts for 4.94% of total district general fund revenue.

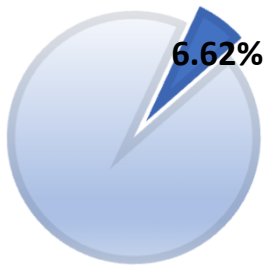


State Share of Local Property Taxes primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions to their tax bill. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In fiscal year 2026, approximately 9.2% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 0.7% will be reimbursed in the form of qualifying homestead exemption credits.

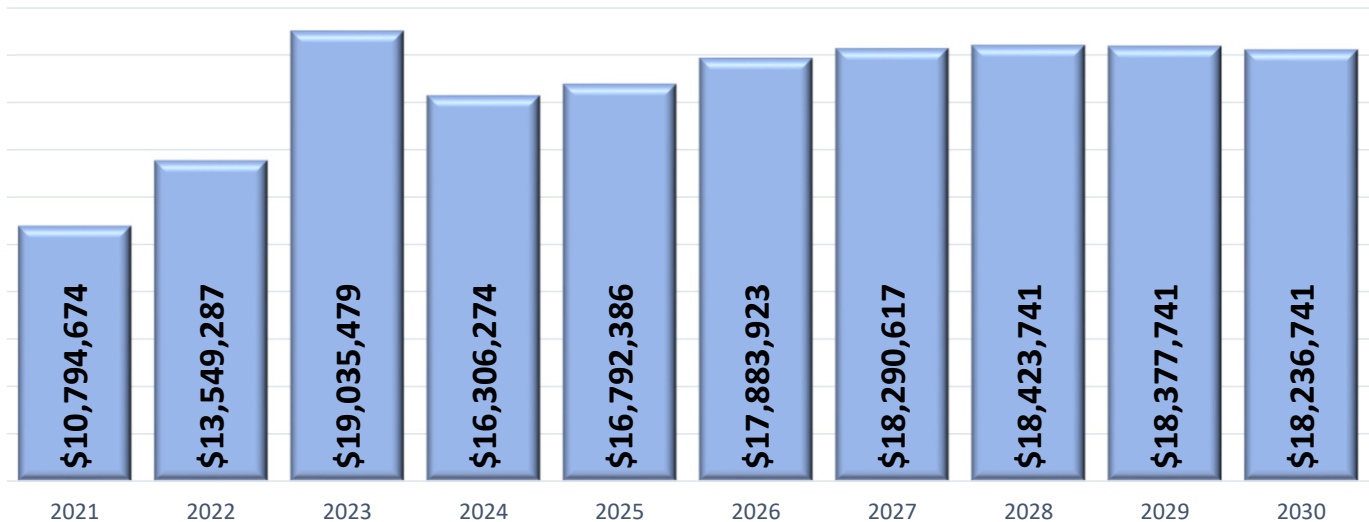
The State no longer reimburses the Rollback on levies passed after August of 2013. For FY2026 through FY2030, it is projected that this funding will increase by an average of 1.5% annually.

## 1.060 - All Other Operating Revenues

Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.



All Other Revenue accounts for 6.62% of total district general fund revenue.



### Key Assumptions & Notes

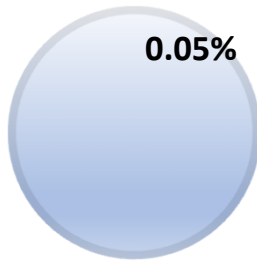
Other revenue includes tuition received by the district for non-resident students educated by the district. It also includes interest income, payments in lieu of taxes, and miscellaneous revenue. The historical average annual change was \$1,181,970. The projected average annual change is \$288,871 through fiscal year 2030.

The State legislature passed HB126 several years ago, which eliminated 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. These payments impacted our FY2023 revenue. In FY24 and FY25, we received several payments in May and June that we historically would have expected to receive in July.

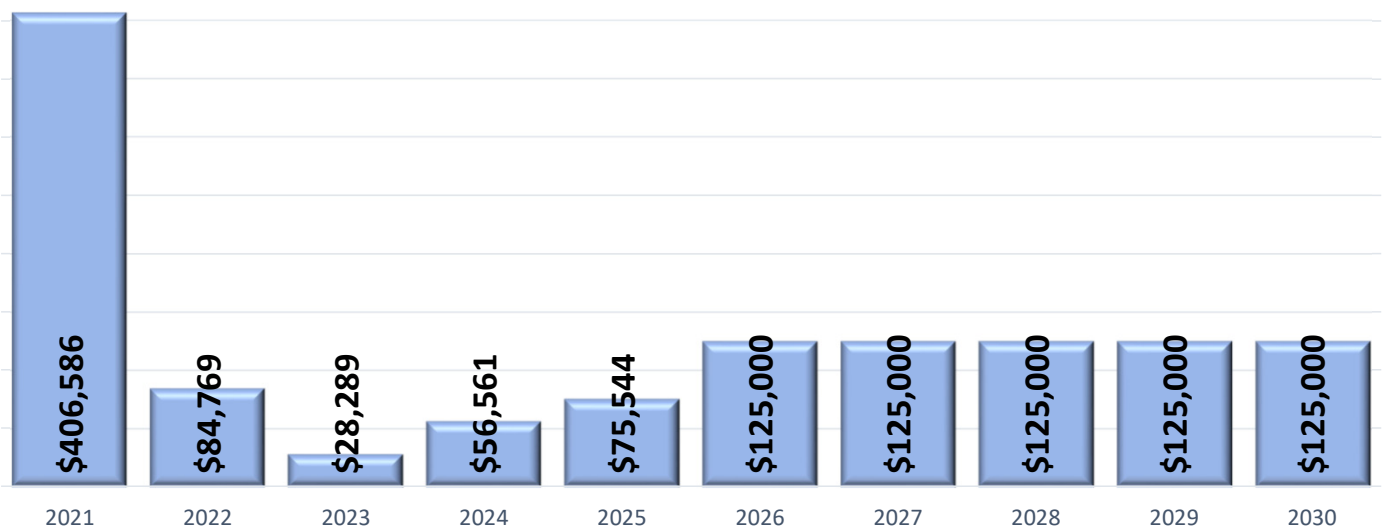
Revenues are projected to increase slightly in FY26, as larger tax incentive payments from Amazon and other development projects are triggered. In addition, interest earnings are projected to increase slightly.

## 2.070 - Total Other Financing Sources

Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.



Other Sources of revenue accounts for 0.05% of total district general fund revenue.



### Key Assumptions & Notes

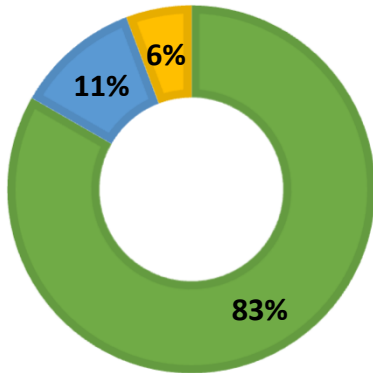
|                             | FORECASTED |         |         |         |         |         |
|-----------------------------|------------|---------|---------|---------|---------|---------|
|                             | 2025       | 2026    | 2027    | 2028    | 2029    | 2030    |
| Transfers In                | -          | -       | -       | -       | -       | -       |
| Advances In                 | -          | -       | -       | -       | -       | -       |
| All Other Financing Sources | 75,544     | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 |

Other sources includes revenue that is generally classified as non-operating. Return advances-in are the most common revenue source. In 2025 the district receipted \$0 as advances-in and is projecting advances of \$0 in fiscal year 2026. The district also receives other financing sources such as refund of prior year expenditures in this category. The district is projecting that all other financing sources will be \$125,000 in 2026 and average \$125,000 annually through 2030.

## Expenditure Overview

Hilliard City School District

### Expenditure Categories



#### Personnel Costs

|          |        |
|----------|--------|
| Salaries | 57.71% |
| Benefits | 25.56% |

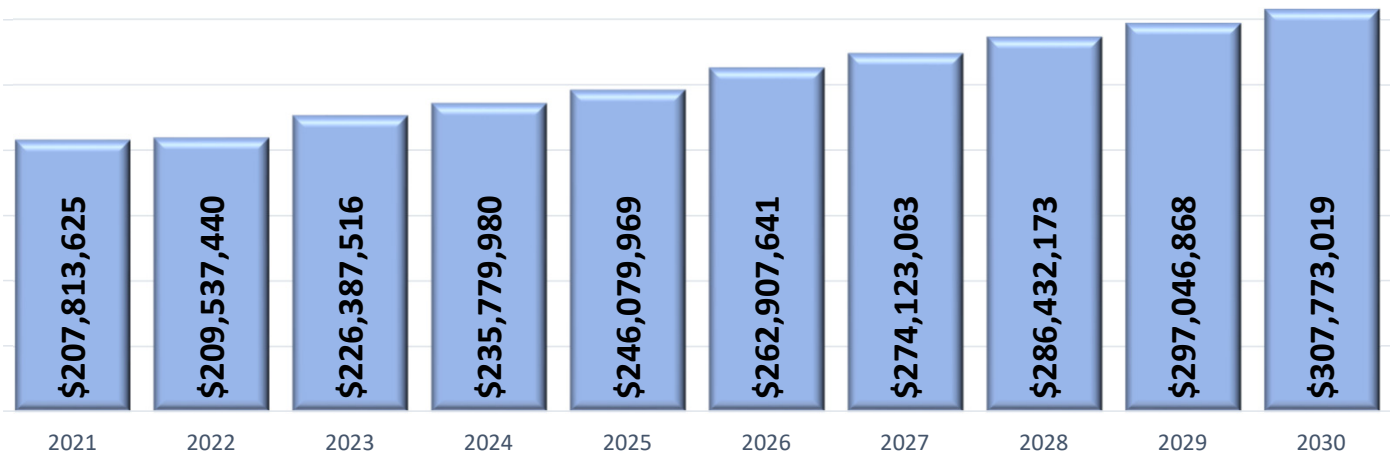
#### Purchased Services

10.97%

#### All Other Expenditures

|                                    |       |
|------------------------------------|-------|
| Supplies, Capital, Debt, Other Obj | 5.66% |
| Other Uses                         | 0.08% |

### Annual Expenditures Actual + Projected



### Historic Expenditures Change versus Projected Expenditures Change

|                             | Historical<br>Average<br>Annual<br>\$\$ Change | Projected<br>Average<br>Annual<br>\$\$ Change | Projected<br>Compared to<br>Historical<br>Variance | Expenditures increased by 4.27% (\$9,232,299 annually) during the past 5-year period, and are projected to increase by 4.58% (\$12,338,610 annually) through 2030. The forecast line with the most change on the expense side, Salaries, is anticipated to be \$1,341,713 more per year in the projected period compared to historical averages. |
|-----------------------------|------------------------------------------------|-----------------------------------------------|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Salaries                    | \$4,299,625                                    | \$5,641,338                                   | \$1,341,713                                        |                                                                                                                                                                                                                                                                                                                                                  |
| Benefits                    | \$3,155,663                                    | \$4,270,152                                   | \$1,114,489                                        |                                                                                                                                                                                                                                                                                                                                                  |
| Purchased Services          | \$839,752                                      | \$1,738,771                                   | \$899,019                                          |                                                                                                                                                                                                                                                                                                                                                  |
| Supplies & Materials        | \$648,876                                      | \$589,028                                     | (\$59,848)                                         |                                                                                                                                                                                                                                                                                                                                                  |
| Capital Outlay              | \$325,415                                      | \$151,136                                     | (\$174,280)                                        |                                                                                                                                                                                                                                                                                                                                                  |
| Intergov & Debt             | \$55,500                                       | (\$55,500)                                    | (\$111,000)                                        |                                                                                                                                                                                                                                                                                                                                                  |
| Other Objects               | (\$4,862)                                      | (\$3,286)                                     | \$1,577                                            |                                                                                                                                                                                                                                                                                                                                                  |
| Other Uses                  | (\$32,170)                                     | \$6,971                                       | \$39,140                                           |                                                                                                                                                                                                                                                                                                                                                  |
| Total Average Annual Change | \$9,232,299<br>4.27%                           | \$12,338,610<br>4.58%                         | \$3,106,311<br>0.31%                               |                                                                                                                                                                                                                                                                                                                                                  |

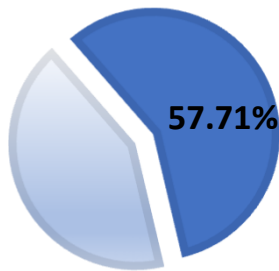
For Comparison:

Revenue average annual change is projected to be >

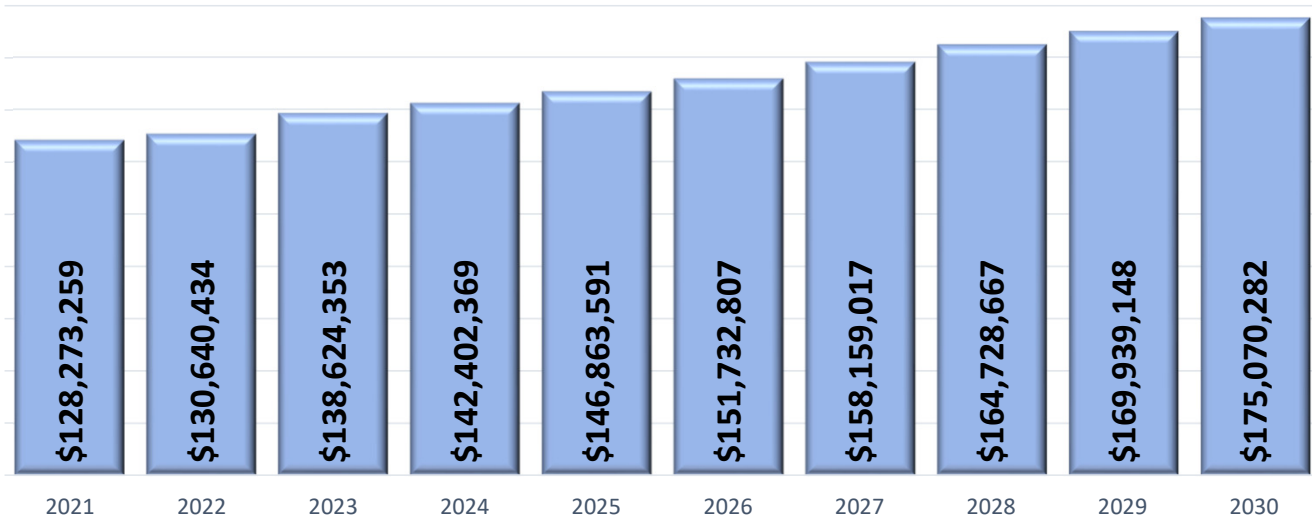
\$6,328,130 On an annual average basis, revenues are projected to grow slower than expenditures.

### 3.010 - Personnel Services

Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.



Salaries account for 57.71% of the district's total general fund spending.



#### Key Assumptions & Notes

Salaries represent 57.71% of total expenditures and increased at a historical average annual rate of 3.23% (or \$4,299,625). This category of expenditure is projected to grow at an annual average rate of 3.58% (or \$5,641,338) through fiscal year 2030. The projected average annual rate of change is 0.35% more than the five year historical annual average.

The current negotiated agreements with certified and classified unions are factored into this projection, with both having agreements in place through June 30, 2028.

For FY 2026, personnel service expenditures are projected to increase 3.3% or \$4.8 million. This is the result of:

- \*Wage increases of 3.5% September 1, 2025 with average step increases of approximately 1.5% for certified staff

- \*Wage increases of 4.0% August 1, 2025 with average step increases of approximately 1.5% for classified staff

- \*3 new special education teaching positions will be added, while 5 regular education teaching positions are eliminated through attrition.

- \*1 new EL teaching position will be added, as well as a 0.5 school psychologist position, and a 0.5 occupational therapist position.

- \*5 aide positions will be added to support additional special education unit classrooms.

- \*35 retirements in FY25, resulting in expenditure reductions as these positions are filled with employees at lower experience levels.

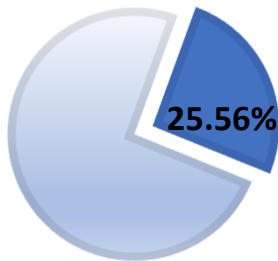
Savings from certified staff retirements are projected at \$2.27 million for FY26 and \$1.0 million for FY27 due to retirement system changes in years of service.

For FY27-FY28, we have included the cost of living increases for classified staff at 3% and certified staff at 3.25%, as well as 1.5% average step increases for staff. We also assume the addition of 3 certified and 3 classified positions each year for special education, as well as the addition of 5 classified positions over the 2028 and 2029 fiscal years, with the opening of a third Sixth Grade School.

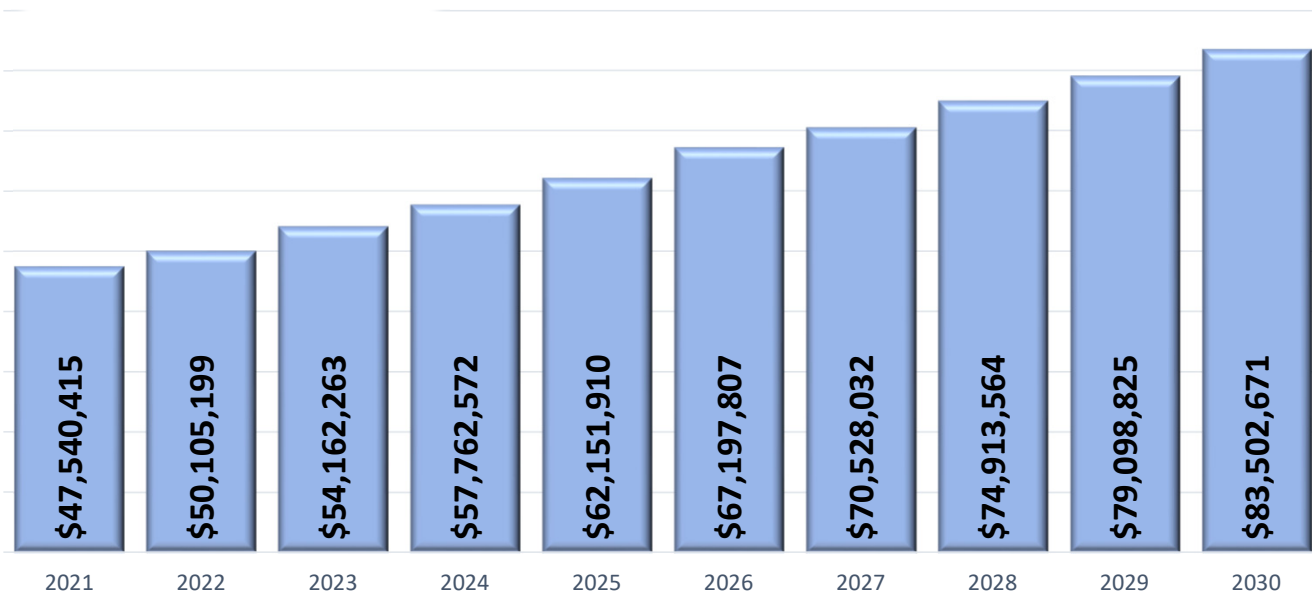
For FY29-FY30, the status quo is assumed with 2% cost of living increases and 1.5% average step increases for staff.

### 3.020 - Employees' Benefits

Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.



Benefits account for 25.56% of the district's total general fund spending.



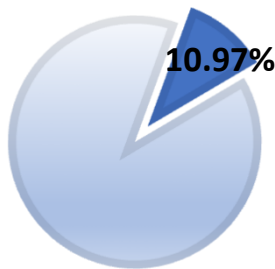
#### Key Assumptions & Notes

Benefits represent 25.56% of total expenditures and increased at a historical average annual rate of 6.05%. This category of expenditure is projected to grow at an annual average rate of 6.09% through fiscal year 2030. The projected average annual rate of change is 0.04% more than the five year historical annual average.

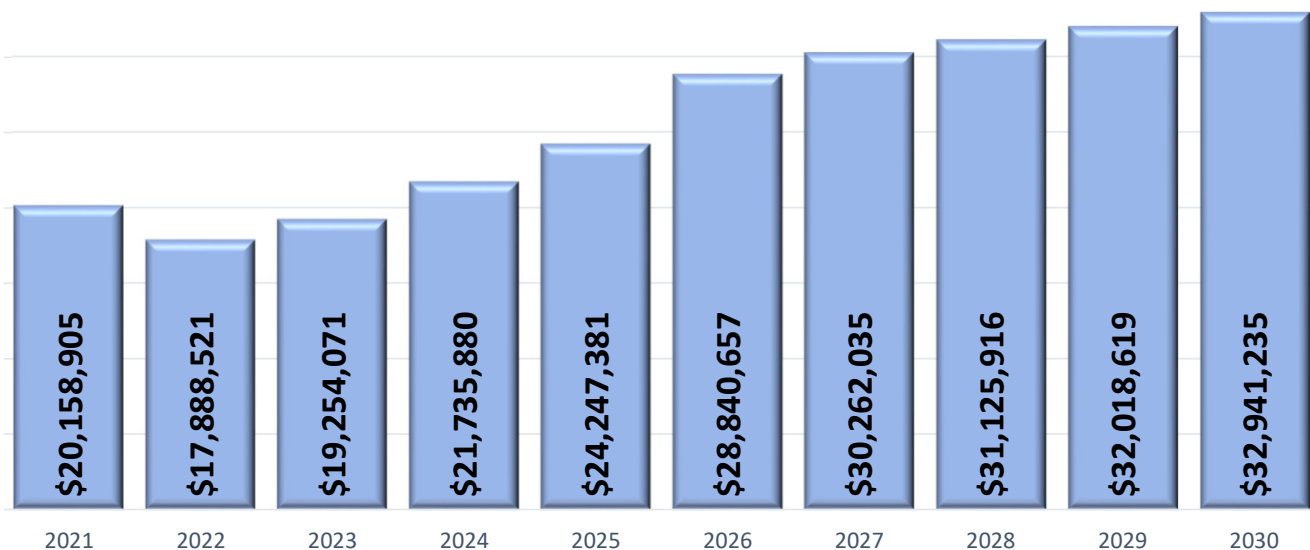
The two largest items in this category are employee health insurance costs and employee pension costs. Employer contributions to the State Teachers Retirement System (STRS) and School Employees Retirement Systems (SERS) are 14% of employee salaries and wages. Health insurance premiums increased by 18% in January 2025 and will increase by 4.7% in January 2026. The 2026 rates include plan design changes to deductibles and out of pocket maximums, which were agreed to during negotiations. In addition, employees will begin contributing an additional 1% towards the premium cost (shifting from a 15% contribution to a 16% contribution) in January 2026. The employee contribution will increase by an additional 1% (bringing it to 17%) in January 2027. With the recent plan design changes, the medical premium increase is estimated to be 8% for 2027 and 2028, 6% for 2029, and 8% for 2030. It will likely take additional plan design changes, which must be bargained, to lower these premium increases. Dental insurance costs increased by 2.8% for calendar year 2025 and will increase by 5.4% for 2026. Dental rates are estimated to increase by 3% annually for 2027-2030.

### 3.030 - Purchased Services

Amounts paid for services rendered by personnel who are not on the payroll of the school district, expenses for tuition paid to other districts, utility costs and other services which the school district may purchase.



Purchased Services account for 10.97% of the district's total general fund spending.



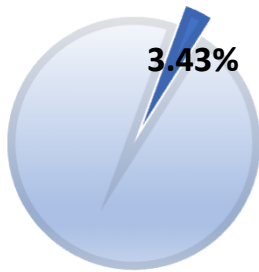
#### Key Assumptions & Notes

Purchased Services represent 10.97% of total expenditures and increased at a historical average annual rate of 4.27%. This category of expenditure is projected to grow at an annual average rate of 6.50% through fiscal year 2030. Starting in 2022, the Fair School Funding Plan (State Funding) only accounted for district educated enrollment, thereby reducing district tuition costs for open enrollment 'out,' community schools, STEM, and scholarship students. This change resulted in lower district costs, but also less per pupil state revenue since per pupil funding is now paid directly by the state to the district students attend.

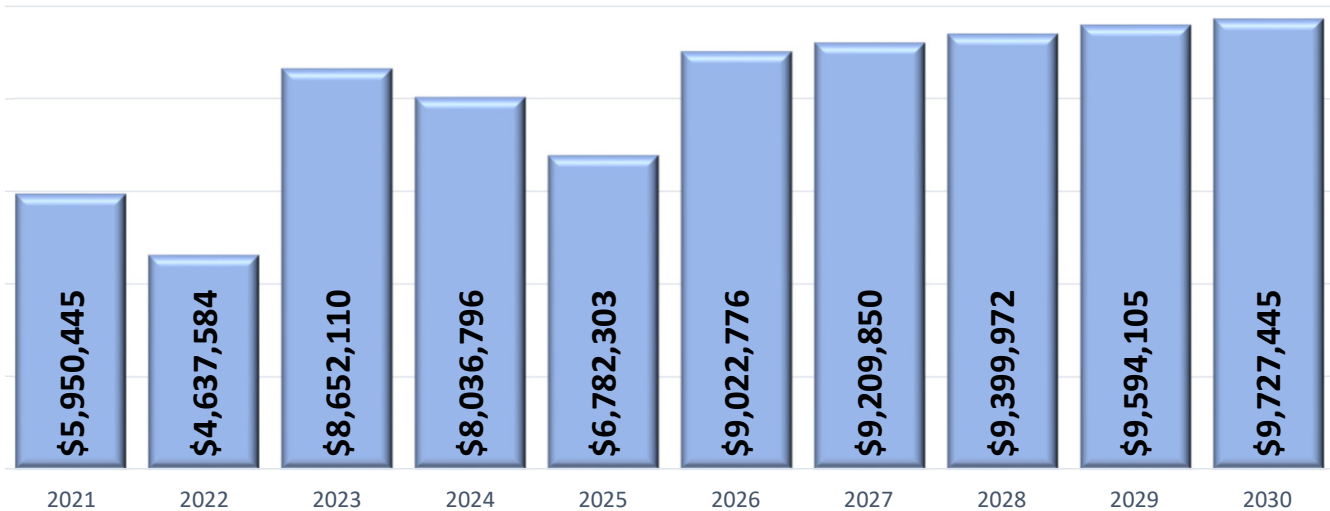
Expenditures in this category include, but are not limited to, all district utilities, maintenance and repairs, payments to other public entities for Hilliard students attending school at these other entities, property and liability insurance premiums, postage and data processing services. Utilities represent a significant cost in this category. A 25% increase (\$87,000) in natural gas is estimated for FY26, and 5% annual increases are estimated for FY27 through FY30. Electric capacity costs are now estimated to increase by an additional 35%, or \$757,100, in FY2027 as costs are expected to continue to increase. (FY26 marks the first year of our current agreement). A 5% increase in electric transmission costs are estimated for FY27-FY30. For FY26 we will spend approximately \$5.5 million in payments to other entities to provide education for some of our special needs students in accordance with their IEP. 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 \$780,000 in FY26 and increase by 3% annually. For FY2026, Costs for substitute teachers, custodians, aides, secretaries, and other contracted staff are estimated to total \$4.47 million and increase by 2% annually. Professional and technical services are estimated to be \$12.2 million for FY26 and increase by 2-3% annually.

### 3.040 - Supplies & Materials

Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



Supplies and Materials account for 3.43% of the district's total general fund spending.



#### Key Assumptions & Notes

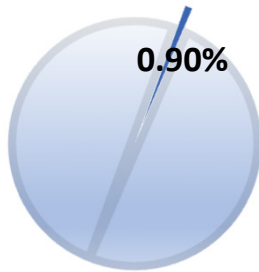
Supplies & Materials represent 3.43% of total expenditures and increased at a historical average annual rate of 21.99%. This category of expenditure is projected to grow at an annual average rate of 8.13% through fiscal year 2030. The projected average annual rate of change is 13.87% less than the five year historical annual average.

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 textbooks adoptions, light bulbs, toilet paper, and anything in between.

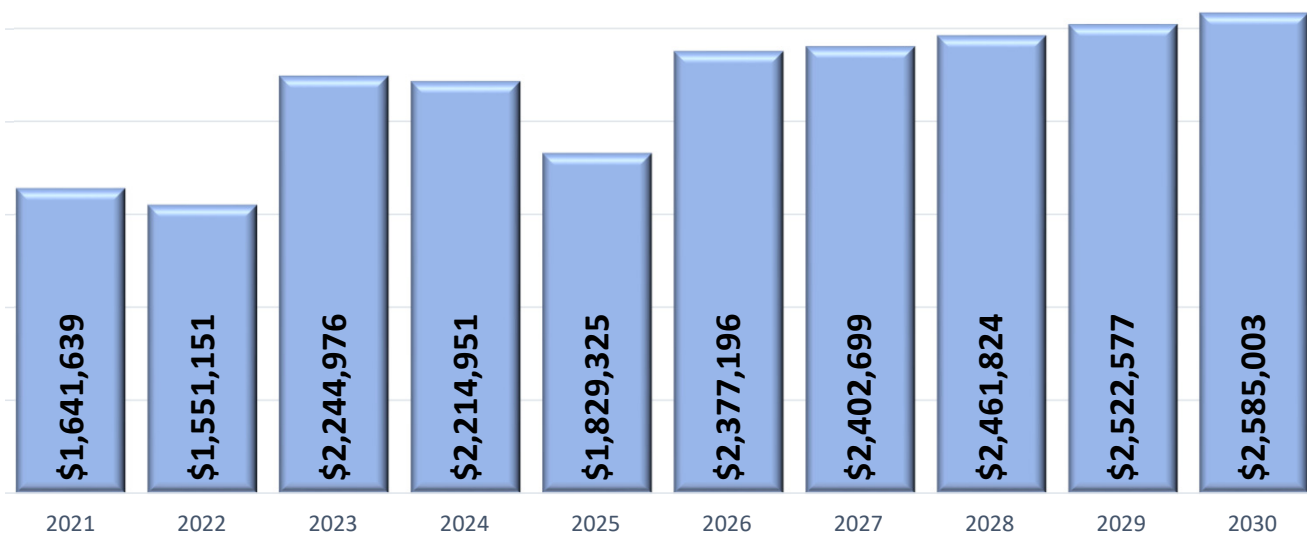
Costs for instructional technology equipment such as iPads are projected to be \$2.1 million for FY25 and increase by 2% annually in FY2027-2030.

### 3.050 - Capital Outlay

This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



Capital Outlay account for 0.90% of the district's total general fund spending.



#### Key Assumptions & Notes

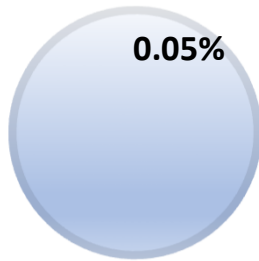
Capital Outlay represent 0.90% of total expenditures and increased at a historical average annual amount of \$325,415. This category of expenditure is projected to grow at an annual average rate of \$151,136 through 2030. The projected average annual change is less than the five year historical annual average.

The District passed a 2-mill permanent improvement levy in May 2006. These funds are accounted for in the permanent improvement fund and not included in this general fund forecast. Because of this PI levy, most district capital outlay expenditures take place in the PI fund and expenditures in this general fund category tend to be for vehicles and other equipment purchased through the operations department budget, as well as for buses for the transportation department.

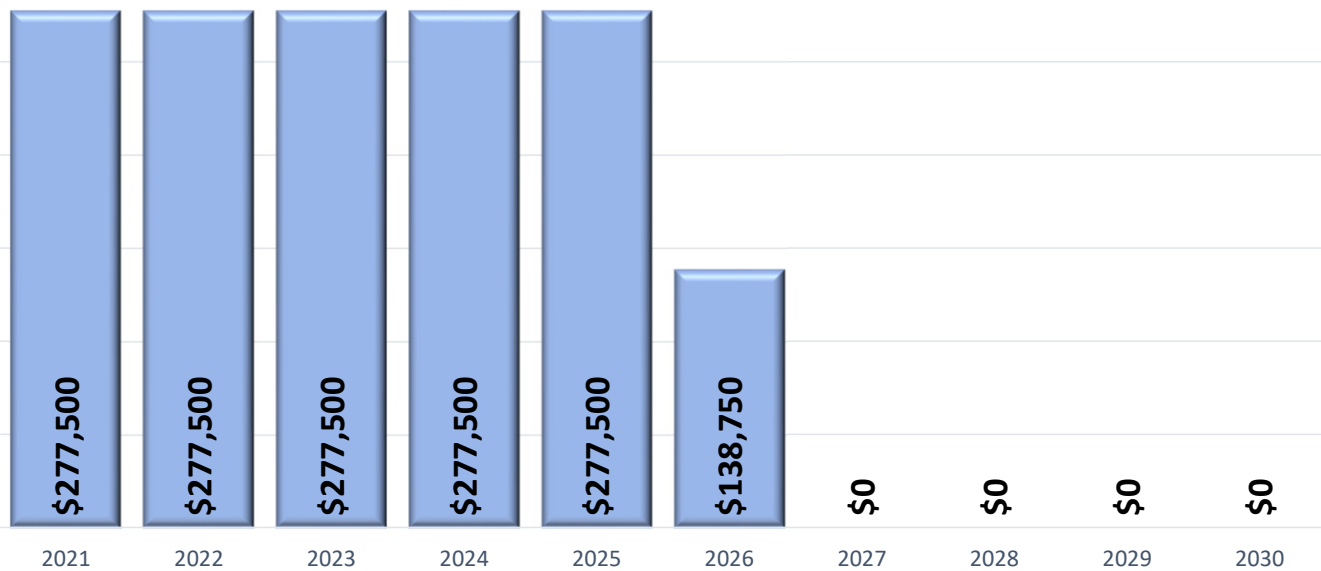
Bus purchases were \$1.6 million in FY25 and are estimated to be the same amount for FY26. For FY27, this amount is estimated to decrease to \$650,000, as fewer buses in the fleet require replacement. In FY2028, bus purchases are forecasted to be \$1.7 million and increase by 3% annually for FY28-FY30.

### 3.060-4.060 - Intergovernmental & Debt

These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.



Intergovernmental and Debt account for 0.05% of the district's total general fund spending.



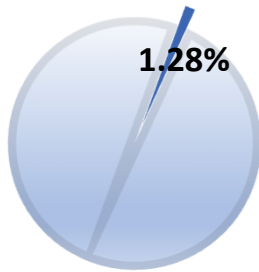
#### Key Assumptions & Notes

The Intergovernmental/Debt expenditure category details general fund debt issued by the District.

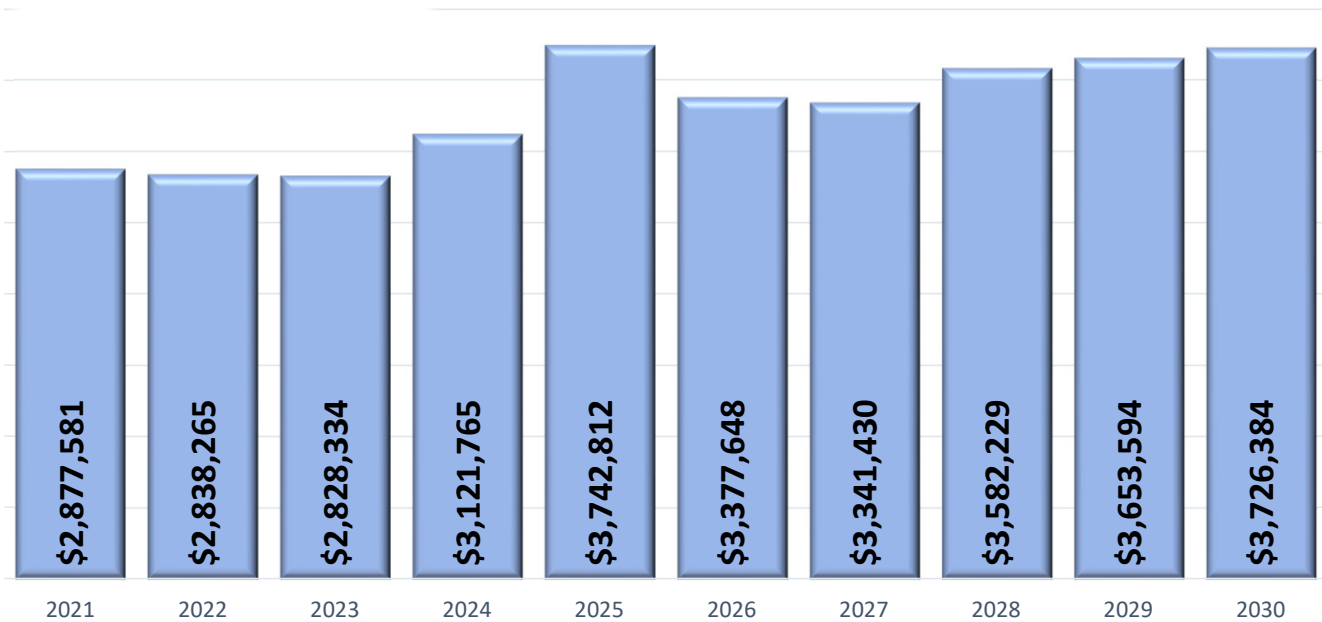
In fiscal year 2011, the District started a HB264 energy savings project. A HB 264 project allows the district to issue debt for an energy savings project as long as the energy savings results in cash flow savings large enough to pay the debt service on the debt issue. The project replaced lighting in 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 was 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, with one final interest payment of \$138,750. It has not been determined whether the district will embark on future projects of this nature.

## 4.300 - Other Objects

Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



Other Objects account for 1.28% of the district's total general fund spending.



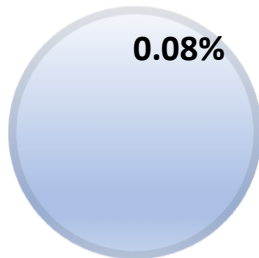
### Key Assumptions & Notes

Other Objects represent 1.28% of total expenditures and increased at a historical average annual rate of 0.99%. This category of expenditure is projected to grow at an annual average rate of 0.07% through fiscal year 2030. The projected average annual rate of change is 0.92% less than the five year historical annual average.

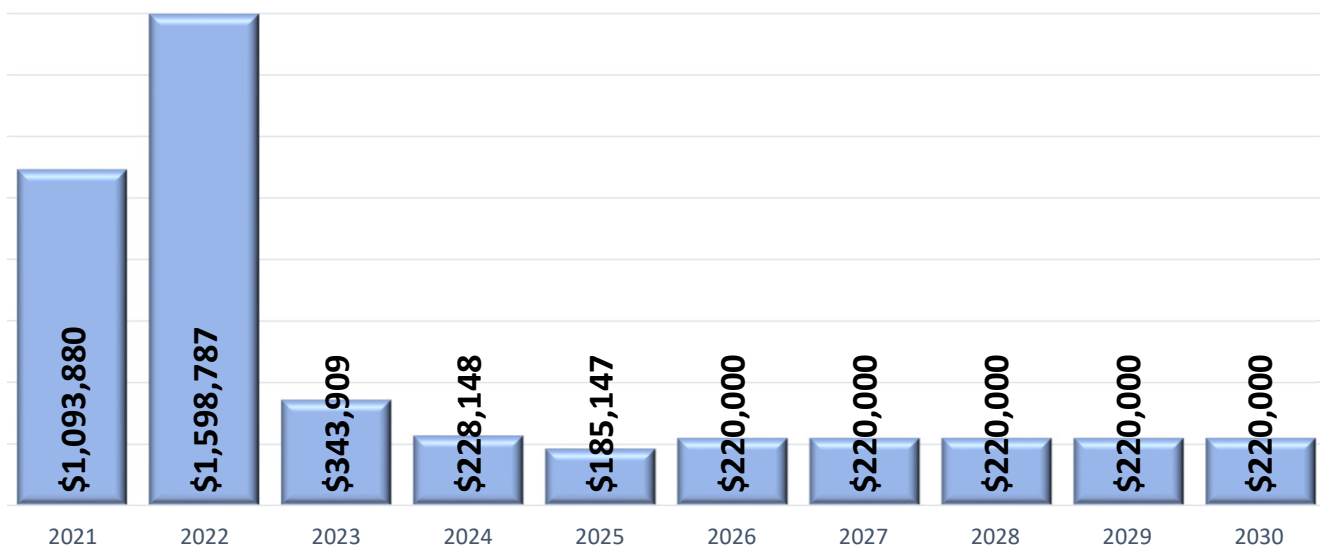
This category includes costs such as County Auditor & Treasurer fees, which are estimated to be \$2.3 million for FY 26, Educational Service Center of Central Ohio (ESCCO) expenditures of \$735,000, bank charges of approximately \$195,000, and other miscellaneous fees of approximately \$100,000. County Auditor and Treasurer fees will increase 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 2027 and beyond.

## 5.040 - Total Other Financing Uses

Operating transfers-out, advances out to other funds, and all other general fund financing uses.



Other Uses account for 0.08% of the district's total general fund spending.



### Key Assumptions & Notes

|                      | FORECASTED |         |         |         |         |         |
|----------------------|------------|---------|---------|---------|---------|---------|
|                      | 2025       | 2026    | 2027    | 2028    | 2029    | 2030    |
| Transfers Out        | 185,147    | 220,000 | 220,000 | 220,000 | 220,000 | 220,000 |
| Advances Out         | -          | -       | -       | -       | -       | -       |
| Other Financing Uses | -          | -       | -       | -       | -       | -       |

Other uses includes expenditures that are generally classified as non-operating. It is typically in the form of advances-out which are then repaid into the general fund from the other district funds. In 2025 the district had no advances-out and has no advances-out forecasted through fiscal year 2030. The district can also move general funds permanently to other funds, and as the schedule above presents, the district has transfers forecasted through fiscal year 2030. The table above presents the district's planned advances and transfers. The district can also have other uses of funds which is reflected in the table above.

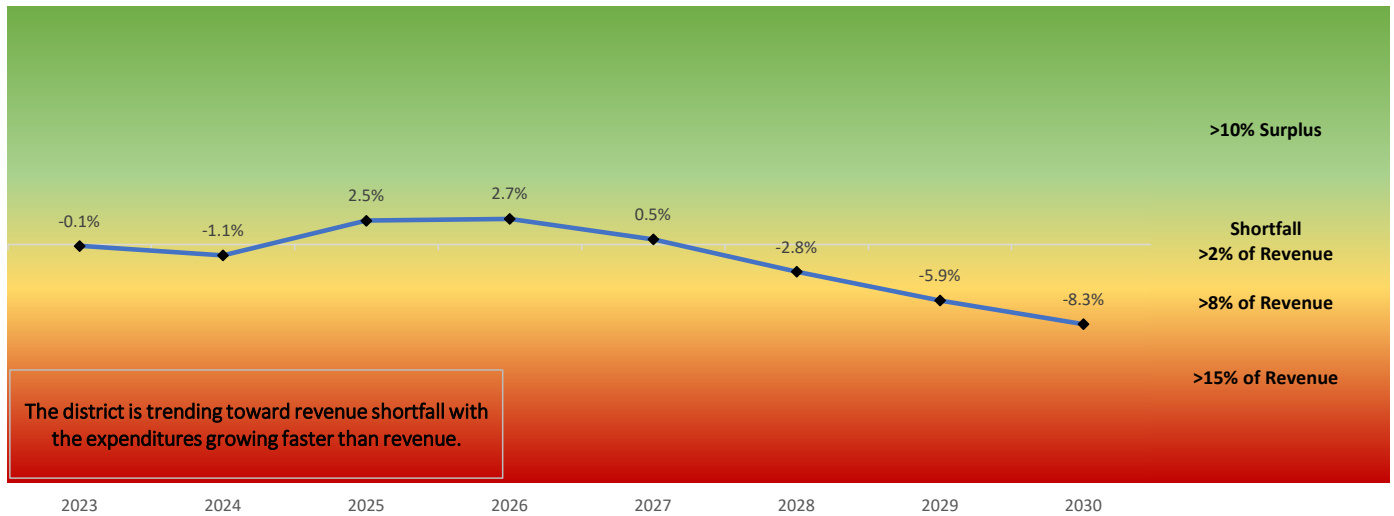
# Hilliard City School District

Five Year Forecast

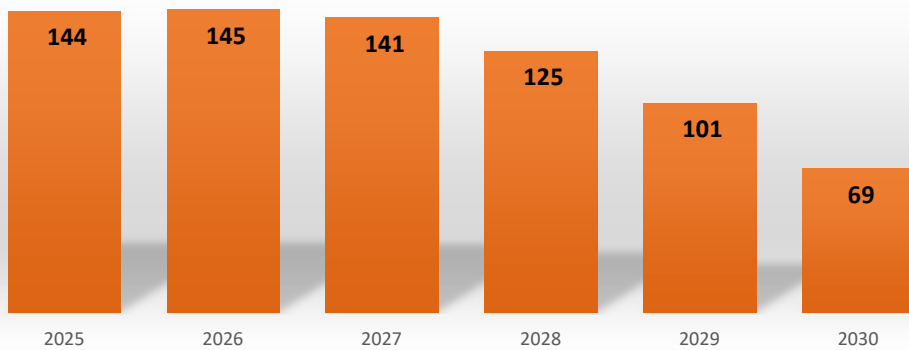
October Fiscal Year 2026

| Fiscal Year:                                             | Actual             | FORECASTED         |                    |                    |                     |                     |
|----------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|
|                                                          | 2025               | 2026               | 2027               | 2028               | 2029                | 2030                |
| <b>Revenue:</b>                                          |                    |                    |                    |                    |                     |                     |
| 1.010 - General Property Tax (Real Estate)               | 152,979,225        | 168,900,743        | 171,996,676        | 174,837,107        | 176,589,199         | 179,498,735         |
| 1.020 - Public Utility Personal Property                 | 13,365,181         | 15,382,341         | 15,641,939         | 15,754,875         | 15,807,196          | 15,885,860          |
| 1.030 - Income Tax                                       | -                  | -                  | -                  | -                  | -                   | -                   |
| 1.035 - Unrestricted Grants-in-Aid                       | 50,613,373         | 50,601,628         | 52,637,265         | 52,607,442         | 52,973,816          | 53,372,191          |
| 1.040 - Restricted Grants-in-Aid                         | 5,376,985          | 4,009,491          | 3,298,563          | 2,866,600          | 2,693,849           | 2,692,440           |
| 1.050 - State Share-Local Property Taxes                 | 13,215,212         | 13,345,195         | 13,643,187         | 13,884,971         | 14,017,283          | 14,247,588          |
| 1.060 - All Other Operating Revenues                     | 16,792,386         | 17,883,923         | 18,290,617         | 18,423,741         | 18,377,741          | 18,236,741          |
| <b>1.070 - Total Revenue</b>                             | <b>252,342,362</b> | <b>270,123,321</b> | <b>275,508,247</b> | <b>278,374,736</b> | <b>280,459,084</b>  | <b>283,933,555</b>  |
| <b>Other Financing Sources:</b>                          |                    |                    |                    |                    |                     |                     |
| 2.010 - Proceeds from Sale of Notes                      | -                  | -                  | -                  | -                  | -                   | -                   |
| 2.020 - State Emergency Loans and Adv                    | -                  | -                  | -                  | -                  | -                   | -                   |
| 2.040 - Operating Transfers-In                           | -                  | -                  | -                  | -                  | -                   | -                   |
| 2.050 - Advances-In                                      | -                  | -                  | -                  | -                  | -                   | -                   |
| 2.060 - All Other Financing Sources                      | 75,544             | 125,000            | 125,000            | 125,000            | 125,000             | 125,000             |
| <b>2.070 - Total Other Financing Sources</b>             | <b>75,544</b>      | <b>125,000</b>     | <b>125,000</b>     | <b>125,000</b>     | <b>125,000</b>      | <b>125,000</b>      |
| <b>2.080 - Total Rev &amp; Other Sources</b>             | <b>252,417,906</b> | <b>270,248,321</b> | <b>275,633,247</b> | <b>278,499,736</b> | <b>280,584,084</b>  | <b>284,058,555</b>  |
| <b>Expenditures:</b>                                     |                    |                    |                    |                    |                     |                     |
| 3.010 - Personnel Services                               | 146,863,591        | 151,732,807        | 158,159,017        | 164,728,667        | 169,939,148         | 175,070,282         |
| 3.020 - Employee Benefits                                | 62,151,910         | 67,197,807         | 70,528,032         | 74,913,564         | 79,098,825          | 83,502,671          |
| 3.030 - Purchased Services                               | 24,247,381         | 28,840,657         | 30,262,035         | 31,125,916         | 32,018,619          | 32,941,235          |
| 3.040 - Supplies and Materials                           | 6,782,303          | 9,022,776          | 9,209,850          | 9,399,972          | 9,594,105           | 9,727,445           |
| 3.050 - Capital Outlay                                   | 1,829,325          | 2,377,196          | 2,402,699          | 2,461,824          | 2,522,577           | 2,585,003           |
| Intergovernmental & Debt Service                         | 277,500            | 138,750            | -                  | -                  | -                   | -                   |
| 4.300 - Other Objects                                    | 3,742,812          | 3,377,648          | 3,341,430          | 3,582,229          | 3,653,594           | 3,726,384           |
| <b>4.500 - Total Expenditures</b>                        | <b>245,894,822</b> | <b>262,687,641</b> | <b>273,903,063</b> | <b>286,212,173</b> | <b>296,826,868</b>  | <b>307,553,019</b>  |
| <b>Other Financing Uses</b>                              |                    |                    |                    |                    |                     |                     |
| 5.010 - Operating Transfers-Out                          | 185,147            | 220,000            | 220,000            | 220,000            | 220,000             | 220,000             |
| 5.020 - Advances-Out                                     | -                  | -                  | -                  | -                  | -                   | -                   |
| 5.030 - All Other Financing Uses                         | -                  | -                  | -                  | -                  | -                   | -                   |
| <b>5.040 - Total Other Financing Uses</b>                | <b>185,147</b>     | <b>220,000</b>     | <b>220,000</b>     | <b>220,000</b>     | <b>220,000</b>      | <b>220,000</b>      |
| <b>5.050 - Total Exp and Other Financing Uses</b>        | <b>246,079,969</b> | <b>262,907,641</b> | <b>274,123,063</b> | <b>286,432,173</b> | <b>297,046,868</b>  | <b>307,773,019</b>  |
| <b>6.010 - Excess of Rev Over/(Under) Exp</b>            | <b>6,337,937</b>   | <b>7,340,680</b>   | <b>1,510,184</b>   | <b>(7,932,436)</b> | <b>(16,462,784)</b> | <b>(23,714,464)</b> |
| <b>7.010 - Cash Balance July 1 (No Levies)</b>           | <b>91,068,780</b>  | <b>97,406,717</b>  | <b>104,747,397</b> | <b>106,257,582</b> | <b>98,325,145</b>   | <b>81,862,362</b>   |
| <b>7.020 - Cash Balance June 30 (No Levies)</b>          | <b>97,406,717</b>  | <b>104,747,397</b> | <b>106,257,582</b> | <b>98,325,145</b>  | <b>81,862,362</b>   | <b>58,147,898</b>   |
| Reservations                                             |                    |                    |                    |                    |                     |                     |
| 8.010 - Estimated Encumbrances June 30                   | 887,307            | 2,000,000          | 2,000,000          | 2,000,000          | 2,000,000           | 2,000,000           |
| 9.080 - Reservations Subtotal                            | -                  | -                  | -                  | -                  | -                   | -                   |
| <b>10.010 - Fund Bal June 30 for Cert of App</b>         | <b>96,519,410</b>  | <b>102,747,397</b> | <b>104,257,582</b> | <b>96,325,145</b>  | <b>79,862,362</b>   | <b>56,147,898</b>   |
| <b>Rev from Replacement/Renewal Levies</b>               |                    |                    |                    |                    |                     |                     |
| 11.010 & 11.020 - Renewal Levies                         | -                  | -                  | -                  | -                  | -                   | -                   |
| 11.030 - Cumulative Balance of Levies                    | -                  | -                  | -                  | -                  | -                   | -                   |
| <b>12.010 - Fund Bal June 30 for Cert of Obligations</b> | <b>96,519,410</b>  | <b>102,747,397</b> | <b>104,257,582</b> | <b>96,325,145</b>  | <b>79,862,362</b>   | <b>56,147,898</b>   |
| <b>Revenue from New Levies</b>                           |                    |                    |                    |                    |                     |                     |
| 13.010 & 13.020 - New Levies                             | -                  | -                  | -                  | -                  | -                   | -                   |
| 13.030 - Cumulative Balance of New Levies                | -                  | -                  | -                  | -                  | -                   | -                   |
| <b>15.010 - Unreserved Fund Balance June 30</b>          | <b>96,519,410</b>  | <b>102,747,397</b> | <b>104,257,582</b> | <b>96,325,145</b>  | <b>79,862,362</b>   | <b>56,147,898</b>   |

Revenue Surplus/(Shortfall) - Current Forecast



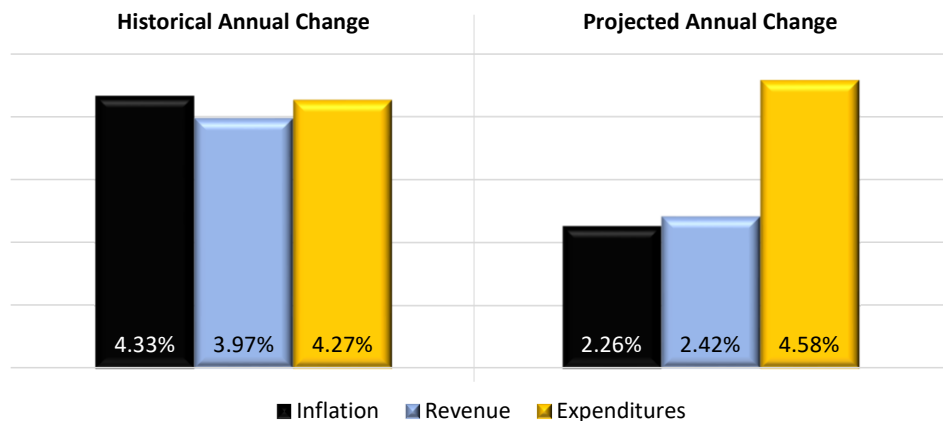
Days Cash on Hand - Current Forecast



Days cash on hand is projected to decline.

5-Year Average Annual Change - Inflation, Revenue and Expenditures

Average projected annual expenditure change is greater than inflation, and more than revenue.

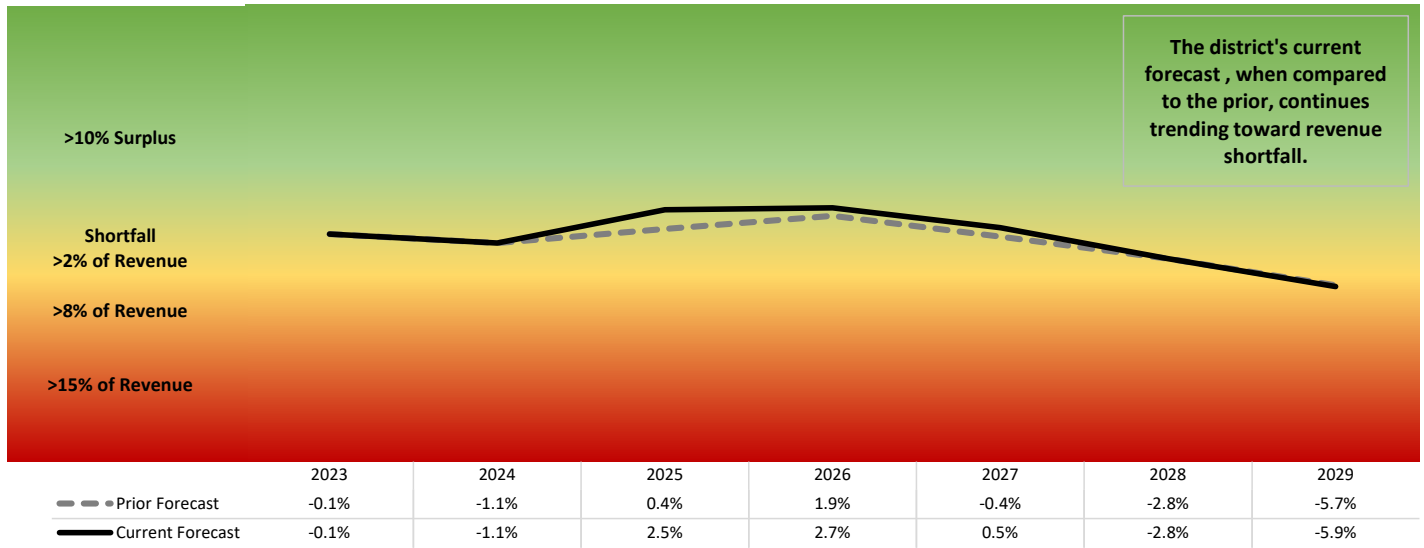


CPI (Inflation) Source: Federal Reserve Bank of St. Louis (July 1, 2025)  
<https://alfred.stlouisfed.org>

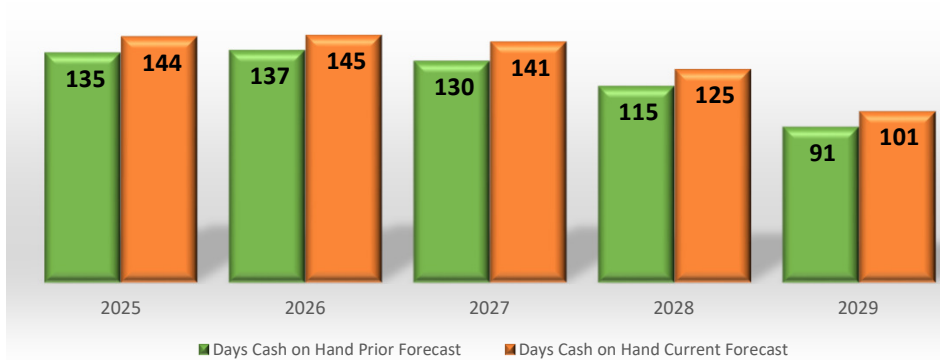
## Current to Prior Forecast Comparison

Hilliard City School District

### Revenue Surplus/(Shortfall) - Current Compared to Prior Forecast



### Days Cash on Hand - Current Compared to Prior Forecast



Days cash on hand is forecasted to decline, and is similar to the prior forecast trend.

\*based on 365 days

### Revenue and Expenditure Variances - Current Compared to Prior Forecast

| Revenue Variance                      |        |              |
|---------------------------------------|--------|--------------|
| Cumulative Favorable Revenue Variance | 2.36%  | \$31,354,691 |
| Largest Revenue Variances             |        |              |
| 1.035,1.040 State                     | 1.31%  | \$17,329,339 |
| 1.060 All Other 2.xx Other Sources    | 0.72%  | \$9,612,477  |
| 1.02 Pub Utility                      | 0.38%  | \$5,028,516  |
| All Other Revenue Categories          | -0.05% | (\$615,642)  |

The current revenue forecast is up by 2.36% compared to the prior forecast.

NET cumulative forecast impact for the forecast period 2025 - 2029 of Revenue and Expense variances is 0.73% (or \$9,406,322).

The current forecast for expenditures is up by 1.63% compared to the prior forecast.

#### Expenditure Variance

1.63% \$21,948,369

#### Largest Expenditure Variances

1.45% \$19,487,132

0.60% \$8,041,473

-0.20% (\$2,709,904)

-0.21% (\$2,870,332)

#### Cumulative Unfavorable Expenditure Variance

3.01 Salaries

3.03 Purchased Serv.

3.04 Supplies

All Other Expenditure Categories