

# **Hilliard City School District**

## **Five-Year Forecast**

**For the Projected Years Ending**

**June 30, 2022 through June 30, 2026**

**May 2022 Revision**

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

# Hilliard City School District

Franklin

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2019, 2020 and 2021 Actual;  
Forecasted Fiscal Years Ending June 30, 2022 Through 2026

	Actual			Average Change	Forecasted				
	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021		Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
<b>Revenues</b>									
1.010 General Property Tax (Real Estate)	120,640,036	123,314,346	127,500,508	2.8%	\$129,816,413	\$128,963,675	\$132,193,906	\$134,212,565	\$135,689,669
1.020 Tangible Personal Property Tax	8,911,460	10,577,214	11,243,043	12.5%	11,733,850	\$12,172,404	\$12,620,345	\$13,085,190	\$13,566,940
1.030 Income Tax									
1.035 Unrestricted State Grants-in-Aid	53,294,773	49,777,100	52,000,447	-1.1%	46,489,436	\$46,556,485	\$46,646,106	\$46,978,689	\$47,729,888
1.040 Restricted State Grants-in-Aid	705,602	671,582	724,905	1.6%	3,256,519	\$3,177,877	\$3,234,933	\$3,078,970	\$3,228,810
1.045 Restricted Federal Grants-in-Aid - SFSF									
1.050 Property Tax Allocation	12,131,817	12,335,631	12,428,947	1.2%	12,512,501	\$12,672,011	\$12,885,482	\$13,089,727	\$13,200,283
1.060 All Other Revenues	9,507,524	10,882,536	10,794,674	6.8%	11,916,329	\$9,389,128	\$9,973,284	\$10,354,607	\$10,632,968
1.070 <i>Total Revenues</i>	<b>205,191,212</b>	<b>207,558,409</b>	<b>214,692,524</b>	<b>2.3%</b>	<b>215,725,048</b>	<b>212,931,580</b>	<b>217,554,056</b>	<b>220,799,748</b>	<b>224,048,558</b>
<b>Other Financing Sources</b>									
2.010 Proceeds from Sale of Notes									
2.020 State Emergency Loans and Advancements (Approved)									
2.040 Operating Transfers-In									
2.050 Advances-In									
2.060 All Other Financing Sources	708,298	410,290	406,586	-21.5%	335,000	335,000	335,000	335,000	335,000
2.070 <i>Total Other Financing Sources</i>	<b>708,298</b>	<b>410,290</b>	<b>406,586</b>	<b>-21.5%</b>	<b>335,000</b>	<b>335,000</b>	<b>335,000</b>	<b>335,000</b>	<b>335,000</b>
2.080 <i>Total Revenues and Other Financing Sources</i>	<b>205,899,510</b>	<b>207,968,699</b>	<b>215,099,110</b>	<b>2.2%</b>	<b>216,060,048</b>	<b>213,266,580</b>	<b>217,889,056</b>	<b>221,134,748</b>	<b>224,383,558</b>
<b>Expenditures</b>									
3.010 Personal Services	\$122,058,035	\$125,365,467	\$128,273,259	2.5%	\$131,140,890	\$137,440,641	\$142,731,342	\$147,496,944	\$152,382,175
3.020 Employees' Retirement/Insurance Benefits	\$46,374,524	\$46,373,593	\$47,540,415	1.3%	\$50,254,854	\$54,639,786	\$58,200,604	\$60,892,305	\$63,281,516
3.030 Purchased Services	\$20,696,326	\$20,048,623	\$20,158,905	-1.3%	\$17,963,343	\$18,210,697	\$18,680,381	\$19,547,529	\$19,995,284
3.040 Supplies and Materials	\$4,256,459	\$3,537,923	\$5,950,445	25.7%	\$6,546,872	\$7,625,927	\$7,715,307	\$7,805,973	\$7,884,033
3.050 Capital Outlay	\$161,708	\$202,249	\$1,641,639	368.4%	\$1,672,858	\$1,707,858	\$1,724,937	\$1,742,186	\$1,759,608
3.060 Intergovernmental									
Debt Service:									
4.010 Principal-All (Historical Only)									
4.020 Principal-Notes									
4.030 Principal-State Loans									
4.040 Principal-State Advancements									
4.050 Principal-HB 264 Loans									
4.055 Principal-Other									
4.060 Interest and Fiscal Charges	\$277,500	\$277,500	\$277,500		\$277,500	\$277,500	\$277,500	\$277,500	\$277,500
4.300 Other Objects	\$3,588,447	\$3,767,123	\$2,877,581	-9.3%	\$3,152,820	\$3,187,149	\$3,218,820	\$3,250,808	\$3,283,116
4.500 <i>Total Expenditures</i>	<b>197,412,999</b>	<b>199,572,478</b>	<b>206,719,744</b>	<b>2.3%</b>	<b>211,009,137</b>	<b>223,089,558</b>	<b>232,548,891</b>	<b>241,013,245</b>	<b>248,863,232</b>
<b>Other Financing Uses</b>									
5.010 Operating Transfers-Out	\$387,543	\$345,996	\$1,093,490	102.7%	\$1,600,000	\$400,000	\$400,000	\$400,000	\$400,000
5.020 Advances-Out			390						
5.030 All Other Financing Uses									
5.040 <i>Total Other Financing Uses</i>	<b>387,543</b>	<b>345,996</b>	<b>1,093,880</b>	<b>102.7%</b>	<b>1,600,000</b>	<b>400,000</b>	<b>400,000</b>	<b>400,000</b>	<b>400,000</b>
5.050 <i>Total Expenditures and Other Financing Uses</i>	<b>197,800,542</b>	<b>199,918,474</b>	<b>207,813,624</b>	<b>2.5%</b>	<b>212,609,137</b>	<b>223,489,558</b>	<b>232,948,891</b>	<b>241,413,245</b>	<b>249,263,232</b>
6.010 <i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</i>	<b>8,098,968</b>	<b>8,050,225</b>	<b>7,285,486</b>	<b>-5.1%</b>	<b>3,450,911</b>	<b>10,222,978-</b>	<b>15,059,835-</b>	<b>20,278,497-</b>	<b>24,879,674-</b>
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	61,297,963	69,396,931	77,447,156	12.4%	84,732,642	88,183,553	77,960,575	62,900,740	42,622,243
7.020 <i>Cash Balance June 30</i>	<b>69,396,931</b>	<b>77,447,156</b>	<b>84,732,642</b>	<b>10.5%</b>	<b>88,183,553</b>	<b>77,960,575</b>	<b>62,900,740</b>	<b>42,622,243</b>	<b>17,742,569</b>
8.010 <i>Estimated Encumbrances June 30</i>					\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
<b>Reservation of Fund Balance</b>									
9.010 Textbooks and Instructional Materials									
9.020 Capital Improvements									
9.030 Budget Reserve									
9.040 DPIA									
9.045 Fiscal Stabilization									
9.050 Debt Service									
9.060 Property Tax Advances									
9.070 Bus Purchases									
9.080 <i>Subtotal</i>									
10.010 <i>Fund Balance June 30 for Certification of Appropriations</i>	<b>69,396,931</b>	<b>77,447,156</b>	<b>84,732,642</b>	<b>10.5%</b>	<b>86,683,553</b>	<b>76,460,575</b>	<b>61,400,740</b>	<b>41,122,243</b>	<b>16,242,569</b>
<b>Revenue from Replacement/Renewal Levies</b>									
11.010 Income Tax - Renewal									
11.020 Property Tax - Renewal or Replacement									
11.300 Cumulative Balance of Replacement/Renewal Levies									
12.010 <i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>	<b>69,396,931</b>	<b>77,447,156</b>	<b>84,732,642</b>	<b>10.5%</b>	<b>86,683,553</b>	<b>76,460,575</b>	<b>61,400,740</b>	<b>41,122,243</b>	<b>16,242,569</b>
<b>Revenue from New Levies</b>									
13.010 Income Tax - New									
13.020 Property Tax - New									
13.030 Cumulative Balance of New Levies									
14.010 Revenue from Future State Advancements									
15.010 <i>Unreserved Fund Balance June 30</i>	<b>69,396,931</b>	<b>77,447,156</b>	<b>84,732,642</b>	<b>10.5%</b>	<b>86,683,553</b>	<b>76,460,575</b>	<b>61,400,740</b>	<b>41,122,243</b>	<b>16,242,569</b>
<b>ADM Forecasts</b>									
20.010 Kindergarten - October Count									
20.015 Grades 1-12 - October Count									
<b>State Fiscal Stabilization Funds</b>									
21.010 Personal Services SFSF									
21.020 Employees Retirement/Insurance Benefits SFSF									
21.030 Purchased Services SFSF									
21.040 Supplies and Materials SFSF									
21.050 Capital Outlay SFSF									
21.060 <i>Total Expenditures - SFSF</i>									

See accompanying summary of significant forecast assumptions and accounting policies

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

# Hilliard City School District

## Summary of Significant Forecast Assumptions

### **Note 1 - Nature and Purpose of Presentation**

This financial projection presents in accordance with the mandates of House Bill No. 412 (H. B. 412), the expected revenues, expenditures, and fund balance of the General Fund of the Hilliard City School District (the "District") for each of the fiscal years ending June 30, 2022 through June 30, 2026, with historical unaudited information presented for the fiscal years ended June 30, 2019, 2020, and 2021.

#### **A. *Basis of Accounting***

This financial projection has been prepared on the cash receipts and disbursements basis, which is the required basis (non-GAAP) of accounting used for budgetary purposes. Under this system, revenues are recognized when received rather than when earned, and expenditures are recognized when paid rather than when the obligation is incurred. Under Ohio law, the District is also required to encumber legally binding expenditure commitments and to make appropriations for the expenditure and commitment of funds.

#### **B. *Fund Accounting***

The District maintains its accounts in accordance with the principles of "fund" accounting. Fund accounting is used by governmental entities, such as school districts, to report financial position and the results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions and activities. The transactions of each fund are reflected in a self-balancing group of accounts, which presents an accounting entity that stands separate from the activities reported in other funds. The General Fund is the operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is disbursed or transferred in accordance with Ohio law. The assumptions disclosed herein are those that the District believes are significant to the projection. However, because circumstances and conditions assumed in projections frequently do not occur as expected, and are based on information existing at the time projections are prepared, there will usually be differences between projected and actual results.

### **Note 2 – Description of the School District**

#### **A. *The Board of Education and Administration***

The Board of Education of the Hilliard City School District (the "Board") is a political and corporate body charged with the responsibility of managing and controlling the affairs of the District, and is, together with the School District, governed by the general laws of the State of Ohio (the "Ohio Revised Code"). The Board is comprised of five members who are locally elected to overlapping four-year terms.

The Board elects its President and Vice President annually, and appoints two officials: the Superintendent, who serves as the Chief Executive Officer, and the Treasurer, who serves as the Chief Financial Officer.

# Hilliard City School District

## Summary of Significant Forecast Assumptions

### ***B. The School District and its Facilities***

Organized in the late 1800's, the Hilliard City School District serves an area of approximately 60 square miles in northwest Franklin County, including all of Norwich and Brown townships; part of Washington, Franklin and Prairie townships; the City of Hilliard; part of the cities of Columbus and Dublin; and less than one square mile in Union County.

The District currently serves more than 16,270 students in grades preK-12 through three high schools, three middle schools, two sixth-grade schools, 14 elementary schools, a preschool, and an Innovative Learning Campus. About 44% of the children served reside in Columbus, 40% in Hilliard, and 16% in the townships and the City of Dublin (9/2021).

### **Note 3 – Revenue Assumptions**

The following represents the significant assumptions made to create the revenue portion of the five-year forecast.

#### ***A. General Property Tax (Real Estate)***

Property values are established each year by the County Auditor based on new construction and complete or updated values. A triennial update occurred in 2020 and taxes based on these new values were collected in 2021. This process will repeat itself with a complete reappraisal in 2023 and continue to repeat every three years. 2020 assessed taxable values collectible in 2021 are:

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

During fiscal year 2023, 2022 residential/agriculture values are estimated to increase 1% with new growth. Commercial/industrial values should increase 1.5% with new growth.

During fiscal year 2024, 2023 residential/agriculture values are estimated to increase 1% with new growth and 13.8% with the reappraisal. Commercial/industrial values should increase 1.5% with new growth 8.6% with the reappraisal.

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

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

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

In 2022, the only personal property taxed is personal property owned by public utilities and telephone personal property (with an assessed value of \$143 million).

2023 through 2025 values are estimated to increase 3.7% annually.

Hilliard City School District  
Summary of Significant Forecast Assumptions

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

The State of Ohio has implemented a new school funding model for FY22. As part of this new model, the State is no longer passing payments for students attending community schools or on special education or autism scholarships through the District. This change reduces both the revenues and expenditures previously recorded for these students. When all the calculations are done, our District is flat funded for FY22 and FY23 as we are bouncing right around a guarantee to keep us at an FY20 funding level so that we do not see a reduction in funding. If the formula continues we will potentially be flat funded through FY25.

For Fiscal Year 2022, the District will receive \$46.5 million in funding. This includes casino revenues returning to normal around \$900,000.

For Fiscal Year 2023, we assume \$46.6 million in funding. This includes casino revenues of \$910,000.

For Fiscal Year 2024, we assume \$46.6 million in funding. This includes casino revenues of \$930,000.

For Fiscal Year 2025, we assume \$47 million in funding. This includes casino revenues of \$950,000.

For Fiscal Year 2026, we assume \$47.7 million in funding. This includes casino revenues of \$960,000. State funding increases 1.6% for the first material increase in five years.

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

The new school funding formula provides additional restricted funding as well as places Student Wellness and Success dollars in the forecast for the first time. In FY2021 we received \$724 thousand in restricted funding and \$1.02 million of Student Wellness & Success dollars not included in the forecast.

In FY22 it appears we will receive \$3.3 million. This includes \$1.84 million of Student Wellness & Success dollars, \$695 thousand of weighted funding for Career Tech and ELL, \$173 thousand for disadvantaged students, and \$627,000 of gifted funding.

In FY23 funding will drop to \$3.2 million.

In FY24 funding will remain essentially flat at \$3.2 million.

In FY25 funding will drop to \$3.08 million.

In FY26 funding will return to \$3.2 million.

## Hilliard City School District Summary of Significant Forecast Assumptions

### ***E. Property Tax Allocation***

Property tax allocations or the Homestead and Rollback include a 10% property tax rollback for all residential real property owners. In 1979, an additional 2.5% rollback was enacted for owner occupied homes. Additional relief is granted to qualified elderly and disabled homeowners (Homestead Exemption). These tax credits are reimbursed to the district through the state and are calculated by applying the appropriate percentages to residential property tax collections. This revenue grows at the same pace as residential real estate assessed valuation (see note 3 A.). The State budget changed the law as it relates to the 12.5% Rollback. The State will no longer reimburse Rollback on levies passed after August of 2013.

For Fiscal Year 2022, it is estimated we will receive \$12.5 million from this revenue source. For fiscal years 2023 through 2026, this funding will increase around 1% annually.

### ***F. All Other Revenues***

For fiscal year 2022 All Other Revenues includes tuition of approximately \$697,000, investment income of approximately \$559,000, student fees of approximately \$390,000, rental income of approximately \$20,000, payments in lieu of taxes of approximately \$9.9 million, E-rate reimbursements of approximately \$25,000, Qualified School Construction Bond interest reimbursement of \$240,000, mobile home tax of \$41,000, and other miscellaneous receipts of \$394,000 for a total of \$11.9 million.

For fiscal year 2023, this revenue category will decrease from a total of \$11.9 million to \$9.4 million. The decrease of approximately \$2.5 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. Most other revenues are projected to remain essentially flat.

For fiscal years 2024, all other revenues are estimated to increase \$240,000, for a total of \$10.3 million annually. The increase is based on increased tax abatement payments.

For fiscal years 2025 through 2026, all other revenues are estimated to slightly increase as interest income and tax abatement payments in lieu of taxes increase.

### ***G. Other Sources***

Advances from the General Fund are required to eliminate deficit balances in other funds of the district. The funds are required to pay back these advances. Another source of this type of revenue is refunds of prior year expenditures. This line item is \$300,000 for FY22 and all other forecasted years. Revenue of \$35,000 is assumed for all years with the sale of assets of the District that are no longer needed.

# Hilliard City School District

## Summary of Significant Forecast Assumptions

### **Note 4 – Expenditure Assumptions**

The following represents the significant assumptions made to create the expenditure portion of the five-year forecast.

#### **A. *Personal Services***

The personal services category represents all salaries and wages for the employees of the school district paid from the General Fund. Current negotiated agreements with certificated and classified unions are factored into this projection.

For fiscal year 2022, personal service expenditures will increase 2.2% or \$2.87 million. This is a result of:

- Wages increase 2% September 1 of 2021 with average step increases of approximately 1.7%.
- 4.5 guidance counselor positions, Director of Student Wellness, and 2 equity and diversity teachers as of October 15, are now paid from the General Fund rather than the Student Success and Wellness Fund with an estimated cost of \$561,000
- Salaries reduced by \$700,000 because of teachers retiring/LOA/resigning in the prior year.
- A reduction in salaries of \$2,480,000 that were reclassified to Federal ESSER funds to maintain the portion of the online academy created as a result of Covid-19.
- Professional option days for teachers return at a cost of \$250,000.
- New classified positions at a cost of \$50,000. Reduced cost of \$180,000 for sub bus drivers

For fiscal year 2023, personal service expenditures will increase 4.9% or \$6.4 million. This is a result of:

- Wages increase 2% September 1 of 2022 with average step increases of approximately 1.7%.
- Teachers in the online academy as a result of Covid-19 returning to the General Fund from ESSER funds at a cost of \$2.2 million.
- Salaries reduced by \$300,000 as a result of teachers retiring/LOA/resigning in the prior year.
- The balance of professional option days for teachers return at a cost of \$250,000.
- New classified positions at a cost of \$50,000.

Fiscal year 2024 through 2026, wages are projected to increase 2% annually with average step increases of 1.7% annually. The new labor contracts expire June 30, 2024.

- Fiscal year 2024 through fiscal year 2026 new employees hired are projected at a cost of \$500,000 annually.
- Savings from certificated retirements are projected at \$300,000 annually.

## Hilliard City School District Summary of Significant Forecast Assumptions

- In FY25 8 guidance counselors, 2 speech therapists, 2 psychologists, 1 OG teacher leader, 14 reading/math intervention teachers, and 6 EL Teacher positions will no longer be paid by ESSER funds. There is the potential that many of these positions could replace the new hires projected in fiscal year 2024 through fiscal year 2026. It will be challenging to add all these positions into the General Fund.

The net result of the assumptions is a 4.9% increase in total cost for FY2023, 3.7% in FY2024, approximately 3.2% increase for FY2025, and 3.2% for FY2026.

### ***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 2022, health insurance costs will increase 10% in January of 2022.

The estimated increase of health insurance costs is estimated at 10% for 2023, 6% for 2024, and 4% for 2025 and 2026. Dental insurance costs will remain flat for 2022. 2023 and after dental insurance costs are estimated to increase 3% annually.

### ***C. Purchased Services***

Expenditures in this category include, but are not limited to, all district utilities, maintenance and repairs, payments to other public entities for Hilliard students attending school at these other entities, property and liability insurance premiums, postage and data processing services.

Utilities are a significant cost in this category. Natural Gas cost in FY21 was roughly \$256,000. For FY22 and FY23 the assumption is essentially flat and then increase 3% annually. Electric will increase 20% to approximately \$2.1 million for FY22. For FY23 through FY26, electric will increase 3% annually. Water & sewer will cost approximately \$610,000 in FY22 with annual increases of 3% through the rest of the forecast.

One positive aspect of the new school funding formula is the change related to accounting for students that attend charter schools or those students on autism or other special education scholarships. In the past we would show the expenditures for every District student that attended a charter school or a private school under an autism or special education scholarship, but that is no longer the case. As a result, this area of the forecast decreases from \$8.28 million in FY21 to \$3.79 million in FY22. The majority of the \$3.79 million are payments to other entities to provide education for some of our special needs students. It is anticipated that these costs will increase 3% annually.

College Credit Plus costs were \$706,000 in FY21 and are expected to grow 3% annually. Payment in lieu of transportation and contracted transportation costs were \$439,000 in FY21 and appear to be increasing 50% to \$690,000 in FY22, then should increase 3% annually. This cost has fluctuated between \$428,000 and over \$800,000 in the last six years.



## Hilliard City School District Summary of Significant Forecast Assumptions

For fiscal year 2022, the total of professional and technical purchased service costs at \$7.81 million will increase 23% from the prior year. This reflects substitute staff usage returning to normal levels after this past year where substitutes were hardly used for three months due to the impact of the pandemic. This also reflects an increase in the overall cost of substitute staff. In FY2023 costs are estimated to increase a little less than 1% and then increase 2% annually.

Property services, which includes garbage removal, maintenance & repairs, and property insurance are estimated to increase 13.1% for fiscal year 2022 to \$1.98 million. These costs are estimated to increase on average 1.37% annually starting in fiscal year 2023.

### ***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 increase 95% for fiscal year 2022 to \$850,000 and increase 3% annually in fiscal years 2023 through 2026. The war in Ukraine has dramatically increased the cost of fuel for everyone including the District.

Instructional technology equipment such as iPads are projected to cost \$2.1 million in fiscal year 2022. These expenditures are projected to increase 1% annually in fiscal years 2023 through 2026.

Textbook adoptions will increase costs by \$1 million to \$1.34 million in FY23 and are projected to increase 2% annually in FY24 through FY26. We have not had curriculum revisions for several years so we will do so over the next several years which will result in new classroom materials district wide.

Other classroom instructional supplies and materials are projected to cost \$1.9 million in fiscal year 2022. These expenditures are projected to increase 1% annually in fiscal years 2023 through 2026.

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

The district passed a 2-mill permanent improvement levy in May of 2006. Most district capital outlays will take place in the permanent improvement levy fund. Expenditures in this category tend to be vehicles or tractors purchased through the operation department's budgets as well as buses for the transportation department.

Bus purchases are estimated at \$1.5 million in fiscal year 2022. This cost will increase 1% annually for fiscal years 23 through 26.

Maintenance and grounds department trucks and tractors are estimated to cost \$200,000 in fiscal year 2022 and increase 1% annually for fiscal years 2023 through 2026.

## 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 2013 through the life of this forecast interest of \$277,500 is paid through this line item. The federal reimbursement is included in the All Other Revenue line. A transfer to a debt reserve to pay the principal is included in the Operating Transfers out line. The District will pay off this debt in FY 2026.

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

This category includes costs such as County Auditor & Treasurer fees, which for fiscal year 2022 should be approximately \$1.84 million, educational service center(ESC) expenditures of \$950,000, bank charges of approximately \$70,000, and other miscellaneous expenditures of approximately \$92,000.

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 2023 and beyond.

All other expenditures in this category are also expected to increase at 1% annually in fiscal years 2023 through 2026.

# Hilliard City School District

## Summary of Significant Forecast Assumptions

### **Note 5 – Other**

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

In this forecast, the district will transfer approximately \$300,000 annually to the debt service fund to retire the Qualified School Construction Bonds issued in 2011 for the HB 264 energy conservation project.

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

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

#### **B.     *Encumbrances***

Encumbrances are outstanding purchase orders that have not been approved for payment, as goods were not received in the fiscal year in which they were ordered. For this forecast, the assumption is made that encumbrances will remain steady around \$1.5 million annually.

#### **C.     *Ending Unencumbered Cash Balance***

This amount cannot go below \$0 or the District's General Fund will be in violation of Ohio budgetary laws. Any multi-year contract, which is knowingly signed and will cause negative unencumbered cash balance is a violation of Ohio Revised Code 5705.412 and is punishable by a personal fine of \$10,000.