

Hamilton Local School District

Five-Year Forecast

For the Projected Years Ending

June 30, 2024 through June 30, 2028

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

Hamilton Local School District Schedule Of Revenue, Expenditures and Changes In Fund Balances Actual and Forecasted Operating Fund								
	ACTUAL			FORECASTED				
	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
Revenue:								
1.010 - General Property Tax (Real Estate)	5,266,078	6,110,424	6,240,524	7,460,840	8,455,098	8,589,547	9,085,080	9,481,294
1.020 - Public Utility Personal Property	646,560	679,386	717,663	755,483	791,742	824,021	856,299	888,926
1.030 - Income Tax	-	-	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	22,301,616	21,721,525	21,081,965	24,274,093	24,666,091	25,607,121	25,641,535	26,837,258
1.040 - Restricted Grants-in-Aid	-	1,103,369	1,772,958	1,873,126	1,903,111	1,964,031	1,973,223	2,014,982
1.045 - Restricted Federal Grants-in-Aid - SFSF	-	-	-	-	-	-	-	-
1.050 - State Share of Local Property Taxes	496,225	536,549	536,249	683,325	837,592	843,783	891,398	939,012
1.060 - All Other Operating Revenues	1,623,848	2,506,466	2,873,059	2,473,455	2,537,304	2,563,040	2,475,452	2,491,880
1.070 - Total Revenue	30,334,327	32,657,719	33,222,417	37,520,322	39,190,938	40,391,543	40,922,987	42,653,352
Other Financing Sources:								
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-	-	-
2.020 - State Emergency Loans and Advancements	-	-	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-	-	-
2.050 - Advances-In	-	-	-	-	-	-	-	-
2.060 - All Other Financing Sources	495	-	-	-	-	-	-	-
2.070 - Total Other Financing Sources	495	-	-	-	-	-	-	-
2.080 - Total Revenues and Other Financing Sources	30,334,822	32,657,719	33,222,417	37,520,322	39,190,938	40,391,543	40,922,987	42,653,352
Expenditures:								
3.010 - Personnel Services	15,937,490	15,579,872	16,142,012	19,647,369	21,787,346	22,974,742	24,096,263	25,262,694
3.020 - Employees' Retirement/Insurance Benefits	6,365,867	6,154,788	6,314,676	7,577,350	8,371,174	9,043,640	9,741,751	10,487,869
3.030 - Purchased Services	3,210,371	3,291,079	4,078,723	4,515,456	4,684,195	4,859,761	5,042,453	5,232,588
3.040 - Supplies and Materials	867,129	842,963	970,718	1,119,268	1,152,846	1,187,431	1,223,054	1,259,746
3.050 - Capital Outlay	217,412	475,337	440,357	384,321	412,760	425,143	437,897	451,034
3.060 - Intergovernmental	-	-	-	-	-	-	-	-
Debt Service:								
4.010 - Principal-All Years	-	-	-	-	-	-	-	-
4.020 - Principal - Notes	-	-	-	-	-	-	-	-
4.030 - Principal - State Loans	-	-	-	-	-	-	-	-
4.040 - Principal - State Advances	-	-	-	-	-	-	-	-
4.050 - Principal - HB264 Loan	-	-	-	-	-	-	-	-
4.055 - Principal - Other	-	-	-	-	-	-	-	-
4.060 - Interest and Fiscal Charges	-	-	-	-	-	-	-	-
4.300 - Other Objects	117,162	175,615	114,019	194,118	199,942	205,940	212,118	218,482
4.500 - Total Expenditures	26,715,431	26,519,654	28,060,505	33,437,881	36,608,263	38,696,656	40,753,537	42,912,413
Other Financing Uses								
5.010 - Operating Transfers-Out	71,584	73,380	14,930	1,140,000	570,000	570,000	570,000	570,000
5.020 - Advances-Out	-	-	-	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-	-	-
5.040 - Total Other Financing Uses	71,584	73,380	14,930	1,140,000	570,000	570,000	570,000	570,000
5.050 - Total Expenditures and Other Financing Uses	26,787,015	26,593,034	28,075,435	34,577,881	37,178,263	39,266,656	41,323,537	43,482,413
Excess of Rev & Other Financing Uses Over (Under)								
6.010 - Expenditures and Other Financing Uses	3,547,807	6,064,685	5,146,982	2,942,440	2,012,676	1,124,887	(400,550)	(829,060)
Cash Balance July 1 - Excluding Proposed Renewal/								
7.010 - Replacement and New Levies	22,415,357	25,963,164	32,027,849	37,174,832	40,117,272	42,129,948	43,254,835	42,854,285
7.020 - Cash Balance June 30	25,963,164	32,027,849	37,174,832	40,117,272	42,129,948	43,254,835	42,854,285	42,025,225
8.010 - Estimated Encumbrances June 30	642,666	270,970	185,000	235,000	235,000	235,000	235,000	235,000
Reservations of Fund Balance:								
9.010 - Textbooks and Instructional Materials	-	-	-	-	-	-	-	-
9.020 - Capital Improvements	-	-	-	-	-	-	-	-
9.030 - Budget Reserve	-	-	-	-	-	-	-	-
9.040 - DPIA	-	-	-	-	-	-	-	-
9.050 - Debt Service	-	-	-	-	-	-	-	-
9.060 - Property Tax Advances	-	-	-	-	-	-	-	-
9.070 - Bus Purchases	-	-	-	-	-	-	-	-
9.080 - Subtotal	-	-	-	-	-	-	-	-
Fund Balance June 30 for Certification								
10.010 - of Appropriations	25,320,498	31,756,879	36,989,832	39,882,272	41,894,948	43,019,835	42,619,285	41,790,225
Rev from Replacement/Renewal Levies								
11.010 - Income Tax - Renewal	-	-	-	-	-	-	-	-
11.020 - Property Tax - Renewal or Replacement	-	-	-	-	-	-	-	-
11.030 - Cumulative Balance of Replacement/Renewal Levies	-	-	-	-	-	-	-	-
Fund Balance June 30 for Certification								
12.010 - of Contracts, Salary and Other Obligations	25,320,498	31,756,879	36,989,832	39,882,272	41,894,948	43,019,835	42,619,285	41,790,225
Revenue from New Levies								
13.010 - Income Tax - New	-	-	-	-	-	-	-	-
13.020 - Property Tax - New	-	-	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-	-	-
14.010 - Revenue from Future State Advancements	-	-	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	25,320,498	31,756,879	36,989,832	39,882,272	41,894,948	43,019,835	42,619,285	41,790,225

Hamilton Local 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 Hamilton Local School District (the "District") for each of the fiscal years ending June 30, 2024 through June 30, 2028, with historical unaudited information presented for the fiscal years ended June 30, 2021, 2022, and 2023.

A. Basis of Accounting

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

B. Fund Accounting

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

Note 2 – Description of the School District

A. The Board of Education and Administration

The Board of Education of the Hamilton Local 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.

Hamilton Local School District

Summary of Significant Forecast Assumptions

B. The School District and its Facilities

Organized in 1842, the Hamilton Local School District serves an area of approximately 19 square miles in south central Franklin County. It adjoins the City of Columbus at U.S. Route 23. The District is situated in the heart of Hamilton Township and includes the City of Obetz, Village of Lockbourne, and a small portion of the City of Columbus and City of Groveport.

The district currently serves approximately 3,337 students spanning grades pre-K through 12, and consists of a single high school, middle school, intermediate school, elementary school, and preschool. This total also includes students who utilize the Eastland and Fairfield Career and Technical Center.

Note 3 – Revenue Assumptions

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

A. General Property Tax (Real Estate)

Property values are established each year by the County Auditor based on new construction and complete or updated values. A complete reappraisal will occur in 2023 and three years later a triennial update will occur, and this cycle will continue to repeat every three years. 2022 assessed taxable values collectible in 2023 are:

Residential/agriculture -	\$180,847,290
Commercial/industrial -	<u>159,478,090</u>
Total real estate assessed value	\$340,325,380

During fiscal year 2024, 2023 residential/agriculture values are estimated to increase 1.1% with new growth and 56% with the reappraisal. Commercial/industrial values should increase 6.3% with new growth and 7.5% with the reappraisal.

During fiscal year 2025, 2024 residential/agriculture values are estimated to increase .7% with new growth. Commercial/industrial values should increase 2.8% with new growth.

During fiscal year 2026, 2025 residential/agriculture values are estimated to increase .7% with new growth. Commercial/industrial values should increase 2.7% with new growth.

During fiscal year 2027, 2026 residential/agriculture values are estimated to increase .7% with new growth and 9.8% with the triennial update. Commercial/industrial values should increase 2.6% with new growth and 3.9% with the triennial update.

During fiscal year 2028, 2027 residential/agriculture values are estimated to increase .6% with new growth. Commercial/industrial values should increase 2.5% with new growth.

B. Tangible Personal Property Tax

In 2023, the only personal property taxed is personal property owned by public utilities and telephone personal property (with an assessed value of \$16.4 million).

2023 through 2025 values are estimated to increase 4% annually.

2026 through 2027 values are estimated to increase 3.8% annually.

Hamilton Local School District
Summary of Significant Forecast Assumptions

C. *Unrestricted Grants-in-Aid*

The State of Ohio continues to phase in the Fair School Funding Plan. 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.

There are four Base Cost component areas: Direct Classroom Instruction, Instructional and Student Support, Building Leadership and Operations, and District Leadership and Accountability. Of the total base cost about 76% is estimated for personnel-related cost.

For Fiscal Year 2024, we assume \$24.3 million in funding. This includes casino revenues of \$194,000.

For Fiscal Year 2025, we assume a 1.6% increase to \$24.7 million in funding. This includes casino revenues of \$198,000.

For Fiscal Year 2026, we assume a 3.8% increase to \$25.6 million in funding. This includes casino revenues of \$201,000.

For Fiscal Year 2027, we assume no increase and state funding remains at \$25.6 million in funding. This includes casino revenues of \$204,000.

For Fiscal Year 2028, we assume a 4.7% increase to \$26.8 million in funding. This includes casino revenues of \$208,000.

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.

In FY24 we will receive \$1.87 million. This includes \$750,000 of Student Wellness & Success dollars, \$118,000 of weighted funding for Career Tech and ELL, \$845,000 for disadvantaged students, and \$166,000 of gifted funding.

In FY25 funding will increase slightly to \$1.9 million.

In FY26 funding will increase to \$1.97 million.

In FY27 funding will increase to \$1.99 million.

In FY28 funding will increase to \$2.04 million.

Hamilton Local 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 2024, it is estimated we will receive \$683,000 from this revenue source. For fiscal years 2025 it will increase to \$838,000 and reach \$939,000 by FY28.

F. All Other Operating Revenues

For fiscal year 2024, All Other Operating Revenues includes tuition of approximately \$242,000, investment income of approximately \$976,000, student fees of approximately \$188,000, payments in lieu of taxes of approximately \$449,000, Win-Win payment of approximately \$500,000, mobile home tax of \$70,000, and other miscellaneous receipts of \$48,000 for a total of \$2.47 million.

For fiscal year 2025, All Other Operating Revenues is estimated to increase \$64,000, for a total of \$2.54 million annually. The increase is based on additional interest income as our cash balance climbs slightly with interest rates remaining at current levels.

For fiscal year 2026, All Other Operating Revenues is estimated to slightly increase to \$2.56 million. The increase is based on additional interest income as our cash balance increases slightly with interest rates beginning to decline and a slight increase in the Win-Win payment.

For fiscal years 2027 through 2028, All Other Operating Revenues is estimated to slightly decrease below \$2.5 million with interest income beginning to decline.

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 \$0 for FY24 and all other forecasted years.

Hamilton Local 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 by the General Fund. Current negotiated agreements with certificated and classified unions are factored into this projection.

For fiscal year 2024, personal service expenditures will increase 21.7% or \$3.5 million. This is a result of:

- Wages increase 3% mid-August of 2023 with average step increases of approximately 2%.
- Salaries of \$2.8 million reclassified to Federal ESSER funds in fiscal year 2021 because of Covid-19 return to the General Fund.

For fiscal year 2025, personal service expenditures will increase 11% or \$2.14 million. This is a result of:

- Wages increase 2% - 3% August of 2024 with average step increases of approximately 2%.
- Salaries of \$430,000 reclassified to Federal ESSER funds as a result of Covid-19 return to the General Fund.
- New positions at a cost of \$200,000 are added.

Fiscal year 2026, personal service expenditures will increase 5.4% or \$1.2 million. This is the result of:

- Wages increase 2.5% August of 2025 with average step increases of approximately 2%. This would be the first year of contracts that have not been negotiated.
- New positions at a cost of \$200,000 are added.

Fiscal year 2027, personal service expenditures will increase 4.9% or \$1.1 million. This is the result of:

- Wages increase 2.5% August of 2026 with average step increases of approximately 2%. Labor contracts for this period have not been negotiated.
- New positions at a cost of \$140,000 are added.

Fiscal year 2028, personal service expenditures will increase 4.8% or \$1.2 million. This is the result of:

- The status quo is assumed with 2.5% raises and 2% average step increases. Labor contracts for this period have not been negotiated.
- New positions at a cost of \$140,000 are added.

Hamilton Local School District Summary of Significant Forecast Assumptions

B. Employees' Retirement/Insurance Benefits

The two largest items in this category are employee health insurance costs and employee pension costs. Contributions to the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS) are 14% of employee salaries and wages.

For Fiscal Year 2024, health insurance costs will increase 7.4% and dental rates by 8% in January of 2024.

The increase of health and dental insurance costs is estimated at 8% 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 Hamilton 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. Utilities cost \$786,000 in FY23 of which electric was \$551,000. Utilities are estimated to increase 4% annually through the life of the forecast.

For fiscal year 2024, we will spend approximately \$1.4 million in payments to other entities to provide education for some of our special needs students, payments to other districts educating our students, and College Credit Plus. It is anticipated that these costs will increase 5% annually.

For fiscal year 2024, substitute teachers are estimated to cost \$590,000 and increase 3% annually.

For fiscal year 2024, data processing services/software licensing is estimated to cost \$303,000 and increase 3% annually. Professional, technical and legal services are estimated to cost \$363,000 and increase 3% annually.

Property services, which includes garbage removal, maintenance & repairs, and property insurance are estimated to cost \$750,000 in FY24. These costs are estimated to increase 2.5% annually starting in FY25.

Hamilton Local School District Summary of Significant Forecast Assumptions

D. Supplies and Materials

Expenditures in this category include, but are not limited to, fuel for district buses and other vehicles, educational supplies and materials, which can include new textbook adoptions, light bulbs, toilet paper, and anything in between.

Fuel expenditures are estimated to remain at current high prices for fiscal year 2024 at \$184,000 and increase 3% annually in fiscal years 2025 through 2028. Supplies and parts for maintenance and repair of motor vehicles are estimated to cost \$100,000 in fiscal year 2024 and increase 3% annually in the fiscal years 2025 through 2028.

Classroom instructional supplies and materials are projected to cost \$300,000 in fiscal year 2024. These expenditures are projected to increase 3% annually in the fiscal years 2025 through 2028.

Office and other general supplies are estimated to cost \$163,000 in FY24. 3% increases are projected for the fiscal years 2025 through 2028.

Supplies and materials to clean, maintain and repair all facilities are estimated to cost \$283,000 in fiscal year 2024. 3% increases are projected for the fiscal years 2025 through 2028.

E. Capital Outlay

The district passed a 2-mill permanent improvement levy in November of 2000. Most district capital outlays will take place in the permanent improvement levy fund.

Expenditures in this category tend to be equipment purchased through the operation department's budgets, technology equipment, as well as some building maintenance capital items.

Maintenance department items are estimated to cost \$234,000 in fiscal year 2024 and increase 3% annually for fiscal years 2025 through 2028.

Technology and other miscellaneous items are estimated to cost \$148,000 in fiscal year 2024 and increase 3% annually for fiscal years 2025 through 2028.

Hamilton Local School District
Summary of Significant Forecast Assumptions

F. Debt Service

All debt of the district is paid through the district's Bond Retirement fund.

G. Other Objects

This category includes costs such as County Auditor & Treasurer fees, which for fiscal year 2024 should be approximately \$129,000, bank charges of approximately \$35,000, and memberships in professional organizations at \$29,000. 3% increases are projected for the fiscal years 2025 through 2028.

Note 5 – Other

A. Other Financing Uses (Operating Transfers Out)

In this forecast, the district will transfer \$1.14 million in fiscal year 2024 to the Permanent Improvement fund for bus purchases and to supplement the cost of permanent improvement projects. A transfer of \$570,000 to the Permanent Improvement fund is projected for the fiscal years 2025 through 2028. Building improvement projects are estimated to increase in cost the further we get from their construction.

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 that encumbrances will remain around \$235,000 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.