

Hamilton Local School District

Five-Year Forecast

For the Projected Years Ending

June 30, 2025, through June 30, 2029

*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 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
Revenue:								
1.010 - General Property Tax (Real Estate)	6,110,424	6,240,524	7,785,575	9,368,438	9,578,291	10,111,093	10,556,752	10,739,140
1.020 - Public Utility Personal Property	679,386	717,663	1,104,023	1,458,219	1,526,923	1,572,850	1,619,983	1,669,412
1.030 - Income Tax	-	-	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	21,721,525	21,081,965	25,962,350	24,722,614	25,473,481	25,134,744	26,327,743	26,301,455
1.040 - Restricted Grants-in-Aid	1,103,369	1,772,958	1,971,730	3,509,801	2,111,294	2,157,599	2,264,433	2,281,738
1.045 - Restricted Federal Grants-in-Aid - SFSF	-	-	-	-	-	-	-	-
1.050 - State Share of Local Property Taxes	536,549	536,249	736,161	843,754	854,151	900,735	947,522	956,418
1.060 - All Other Operating Revenues	2,506,466	2,873,059	3,151,861	3,504,553	3,929,317	4,092,923	4,014,961	3,942,542
1.070 - Total Revenue	32,657,719	33,222,417	40,711,701	43,407,379	43,473,457	43,969,944	45,731,394	45,890,705
Other Financing Sources:								
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-	-	-
2.020 - State Emergency Loans and Advancements	-	-	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	47,930	-	-	-	-	-
2.050 - Advances-In	-	-	-	-	-	-	-	-
2.060 - All Other Financing Sources	-	-	84,040	-	-	-	-	-
2.070 - Total Other Financing Sources	-	-	131,970	-	-	-	-	-
2.080 - Total Revenues and Other Financing Sources	32,657,719	33,222,417	40,843,671	43,407,379	43,473,457	43,969,944	45,731,394	45,890,705
Expenditures:								
3.010 - Personnel Services	15,579,872	16,142,012	19,928,619	22,167,417	23,415,478	24,607,371	25,796,549	26,985,942
3.020 - Employees' Retirement/Insurance Benefits	6,154,788	6,314,676	7,450,992	8,887,847	9,638,930	10,337,183	11,069,585	11,839,057
3.030 - Purchased Services	3,291,079	4,078,723	6,284,153	6,679,969	6,874,431	7,078,728	7,289,153	7,505,891
3.040 - Supplies and Materials	842,963	970,718	1,423,108	1,608,703	1,656,964	1,706,673	1,757,873	1,810,609
3.050 - Capital Outlay	475,337	440,357	1,062,532	609,129	626,609	694,613	663,157	732,258
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	175,615	114,019	1,241,140	1,748,181	1,783,145	1,818,808	1,855,184	1,892,288
4.500 - Total Expenditures	26,519,654	28,060,505	37,390,544	41,701,245	43,995,556	46,243,375	48,431,500	50,766,044
Other Financing Uses								
5.010 - Operating Transfers-Out	73,380	14,930	1,454,773	1,200,000	1,200,000	1,200,000	700,000	600,000
5.020 - Advances-Out	-	-	-	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-	-	-
5.040 - Total Other Financing Uses	73,380	14,930	1,454,773	1,200,000	1,200,000	1,200,000	700,000	600,000
5.050 - Total Expenditures and Other Financing Uses	26,593,034	28,075,435	38,845,317	42,901,245	45,195,556	47,443,375	49,131,500	51,366,044
Excess of Rev & Other Financing Uses Over (Under)								
6.010 - Expenditures and Other Financing Uses	6,064,685	5,146,982	1,998,354	506,133	(1,722,100)	(3,473,431)	(3,400,106)	(5,475,339)
Cash Balance July 1 - Excluding Proposed Renewal/								
7.010 - Replacement and New Levies	25,963,165	32,027,850	37,174,832	39,173,186	39,679,319	37,957,219	34,483,788	31,083,682
7.020 - Cash Balance June 30	32,027,850	37,174,832	39,173,186	39,679,319	37,957,219	34,483,788	31,083,682	25,608,344
8.010 - Estimated Encumbrances June 30	270,970	185,000	235,000	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	31,756,880	36,989,832	38,938,186	39,444,319	37,722,219	34,248,788	30,848,682	25,373,344
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	31,756,880	36,989,832	38,938,186	39,444,319	37,722,219	34,248,788	30,848,682	25,373,344
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	31,756,880	36,989,832	38,938,186	39,444,319	37,722,219	34,248,788	30,848,682	25,373,344

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, 2025, through June 30, 2029, with historical unaudited information presented for the fiscal years ended June 30, 2022, 2023, and 2024.

A. *Basis of Accounting*

This financial projection has been prepared on a 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 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 fiscal 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 nineteen 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 3,183 students spanning grades pre-K through 12, and consists of a single high school, middle school, intermediate school, elementary school, and preschool.

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

Residential/agriculture -	\$309,906,860
Commercial/industrial -	<u>200,507,560</u>
Total real estate assessed value	\$510,414,420

During fiscal year 2025, 2024 residential/agriculture values are estimated to increase 1% with new growth. Commercial/industrial values should increase 3% with new growth.

During fiscal year 2026, 2025 residential/agriculture values are estimated to increase 1% with new growth. Commercial/industrial values should increase 2.9% with new growth.

During fiscal year 2027, 2026 residential/agriculture values are estimated to increase 1% with new growth and 9.0% with the triennial update. Commercial/industrial values should increase 2.8% with new growth and 3.5% with the triennial update.

During fiscal year 2028, 2027 residential/agriculture values are estimated to increase 1% with new growth. Commercial/industrial values should increase 2.7% with new growth.

During fiscal year 2029, 2028 residential/agriculture values are estimated to increase 1% with new growth. Commercial/industrial values should increase 2.6% with new growth.

B. Public Utility 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 \$32.1 million).

2024 through 2028 values are estimated to increase 3% 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 2025, we assume a 4.8% decrease to \$24.7 million in funding. This includes casino revenues of \$194,000. The decline is solely caused by the large one-time payment received in FY24.

For Fiscal Year 2026, we assume a 3% increase to \$25.5 million in funding. This includes casino revenues of \$196,000.

For Fiscal Year 2027, we assume a 1.3% decrease to \$25.1 million in funding. This includes casino revenues of \$199,000.

For Fiscal Year 2028, we assume a 4.7% increase to \$26.3 million in funding. This includes casino revenues of \$202,000.

For Fiscal Year 2029, we assume flat funding at \$26.3 million in funding. This includes casino revenues of \$204,000.

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 FY25 we will receive \$3.5 million, which is a 78% increase from the prior year. This includes \$762,000 of Student Wellness & Success dollars, \$133,000 of weighted funding for Career Tech and ELL, \$2.3 million for disadvantaged students, and \$191,000 of gifted funding. Most of the increase is in funding for disadvantaged students. This is a direct result of applying for the community eligibility provision (CEP) with the USDA allowing all students to receive free breakfasts and lunches. The funding formula assumes that all students are disadvantaged in the funding formula when CEP is adopted.

In FY26 funding will decrease 40% to \$2.1 million. This assumes that the state changes the funding formula based on the considerable number of districts that adopted CEP in the prior year.

In FY27 funding will increase 2% to \$2.2 million.

In FY28 funding will increase 5% to \$2.3 million.

In FY29 funding will remain flat at \$2.3 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 owners of 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 2025, it is estimated we will receive \$844,000 from this revenue source. For the fiscal year 2026 it will increase to \$854,000 and reach \$956,000 by FY29.

F. All Other Operating Revenues

For fiscal year 2025, All Other Operating Revenues includes tuition of approximately \$375,000, investment income of approximately \$1.4 million, manufactured home taxes of approximately \$90,000, payments in lieu of taxes of approximately \$960,000, Win-Win payment of approximately \$500,000, mobile home tax of \$70,000, and other miscellaneous receipts of \$48,000 for a total of \$3.5 million.

For the fiscal year 2026, All Other Operating Revenues are estimated to increase \$400,000 for a total of \$3.9 million annually. The increase is based on the first full payment from Google for three data center buildings.

For the fiscal year 2027, All Other Operating Revenues are estimated to increase to \$4.1 million. The increase is the net of additional payments from Google and interest earnings beginning to decline.

For fiscal years 2028 through 2029, All Other Operating Revenues are estimated to slightly decrease to \$3.9 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 FY25 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 2025, personal service expenditures will increase 11.2% or \$2.2 million for a total cost of \$22.2 million. This is a result of:

- Wages increase 2% - 3% August of 2024 with average step increases of approximately 2%.
- Salaries of \$515,000 reclassified to Federal ESSER funds because of Covid-19 return to the General Fund.
- New positions at a cost of \$270,000 are added.

Fiscal year 2026, personal service expenditures will increase 5.6% or \$1.2 million. This is the result of:

- Wages increase 3% 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 \$100,000 are added.

Fiscal year 2027, personal service expenditures will increase 5.1% or \$1.2 million. This is the result of:

- Wages increase 3% 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 \$100,000 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 2.0% average step increases. Labor contracts for this period have not been negotiated.
- New positions at a cost of \$140,000 are added.

For fiscal year 2029, personal service expenditures will increase 4.6% or \$1.2 million. This is a result of:

- The status quo is assumed with 2.5% raises and 2.0% average step increases. Labor contracts for this period have not been negotiated.
- New positions at a cost of \$100,000 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 2025, health insurance costs will increase 15% and dental rates by 2.5% in January of 2025.

The increase of health and dental insurance costs is estimated at 7% 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.

For FY25 professional and technical services are estimated to cost \$3.1 million. This includes substitute teachers at \$600,000, special education aides at \$250,000, nursing services at \$633,000, physical therapy services at \$280,000, psychological services at \$62,000, athletic officials at \$75,000, SRO contract at \$80,000, instructional staff training services at \$195,000, technology professional services at \$195,000, software licensing at \$280,000, copier fees of \$65,000, and legal fees of \$80,000. These costs are estimated to increase slightly below 3% annually through the life of this forecast.

For FY25 property services, which includes garbage removal at \$45,000, maintenance & repairs at \$314,000, property insurance at \$130,000, and miscellaneous other costs of \$78,000 for a total cost of \$882,000. These costs are estimated to increase 3% annually starting in FY26.

For FY25 utilities are estimated to cost \$964,000 of which electric is \$675,000. Utilities are estimated to increase 3% annually through the life of the forecast.

For FY25 we will spend approximately \$2.4 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 3% annually.

We will also spend approximately \$330,000 for private transportation for various students that we cannot provide a bus service.

For FY26 through FY29 these expenditures are estimated to increase 3% annually.

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 at \$189,000 FY25 and increase 3% annually through FY29. Supplies and parts for maintenance and repair of motor vehicles are estimated to cost \$180,000 in FY25 and increase 3% annually through FY29.

Classroom instructional supplies and materials are projected to cost \$377,000 in FY25. These expenditures are projected to increase 3% annually through FY29.

Office and other general supplies are estimated to cost \$200,000 in FY25. These expenditures are projected to increase 3% annually through FY29.

Supplies and materials to clean, maintain and repair all facilities are estimated to cost \$506,000 in FY25. These expenditures are projected to increase 3% annually through FY29.

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 Technology equipment such as Chromebook replacement or equipment purchased through the operation department's budgets, as well as part of building maintenance capital items.

Maintenance department items are estimated to cost \$127,000 in FY25 and increase 2.4% annually for the fiscal years 2026 through 2029.

Technology and other miscellaneous items are estimated to cost \$482,000 in FY25 and increase 3% annually for fiscal years 2026 through 2029.

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 ESC of Central Ohio charges for psychologists, substitute teachers, and instructional aides for approximately \$1.4 million, County Auditor & Treasurer fees, which for fiscal year 2025 should be approximately \$145,000, bank charges of approximately \$15,000, and memberships in professional organizations at \$35,000. 3% increases are projected for the fiscal years 2026 through 2029.

Note 5 – Other

A. Other Financing Uses (Operating Transfers Out)

In this forecast, the district transferred \$1.5 million in fiscal year 2024. \$1 million was transferred to the Permanent Improvement fund for bus purchases and to supplement the cost of permanent improvement projects. The balance of the transfers was to remove deficits in several funds as well as transfer the district's share of the OFCC maintenance fund. A transfer of \$1.2 million to the Permanent Improvement fund is projected for the fiscal years 2025 through 2027. A transfer of \$700,000 in FY28 and \$600,000 in FY29 to the permanent improvement fund is also projected. Building improvement projects are estimated to increase in number and cost the further we get from all the buildings' 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.