

Hamilton Local School District

Five-Year Forecast

For the Projected Years Ending

June 30, 2027, through June 30, 2031

*Please visit the Ohio Department of Education website at
<https://reports.education.ohio.gov/report/finance-forecast-submissions>*

<p style="text-align: center;">Hamilton Local School District Schedule Of Revenue, Expenditures and Changes In Fund Balances Actual and Forecasted Operating Fund</p>								
	ACTUAL			FORECASTED				
	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031
Revenue:								
1.010 - General Property Tax (Real Estate)	7,785,575	9,375,627	10,358,952	9,153,643	8,595,382	8,780,871	8,966,360	9,671,520
1.020 - Public Utility Personal Property	1,104,023	1,513,319	1,708,231	3,864,198	3,159,565	3,191,562	3,223,560	3,255,558
1.030 - Income Tax	-	-	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	25,962,350	25,935,339	27,742,358	28,991,250	29,337,443	29,946,093	30,949,549	32,053,945
1.040 - Restricted Grants-in-Aid	1,971,730	3,676,518	3,645,745	3,478,880	3,618,549	3,534,044	3,468,606	3,435,323
1.045 - Restricted Federal Grants-in-Aid - SFSF	-	-	-	-	-	-	-	-
1.050 - State Reimb Prop Tax Credits	736,161	903,651	935,962	945,355	985,244	995,993	1,006,741	1,012,115
1.060 - All Other Operating Revenues	3,151,861	3,649,904	5,503,817	4,854,628	5,095,183	5,364,438	5,476,445	5,462,406
1.070 - Total Revenue	40,711,701	45,054,358	49,895,065	51,287,954	50,791,366	51,813,001	53,091,261	54,890,867
Other Financing Sources:								
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-	-	-
2.020 - State Emergency Loans and Advancements	-	-	-	-	-	-	-	-
2.040 - Operating Transfers-In	47,930	17,861	-	-	-	-	-	-
2.050 - Advances-In	-	-	-	-	-	-	-	-
2.060 - All Other Financing Sources	84,040	196,843	23,028	66,000	66,000	66,000	66,000	66,000
2.070 - Total Other Financing Sources	131,970	214,705	23,028	66,000	66,000	66,000	66,000	66,000
2.080 - Total Revenues and Other Financing Sources	40,843,671	45,269,063	49,918,093	51,353,955	50,857,367	51,879,002	53,157,261	54,956,867
Expenditures:								
3.010 - Personnel Services	19,928,619	21,532,988	22,243,668	23,103,106	24,192,551	25,471,909	26,763,444	28,090,020
3.020 - Employees' Retirement/Insurance Benefits	7,450,992	8,688,703	9,135,813	9,334,151	9,995,011	10,753,047	11,555,016	12,408,491
3.030 - Purchased Services	6,284,153	7,898,093	9,518,852	11,197,177	11,593,607	12,006,528	12,435,929	12,882,527
3.040 - Supplies and Materials	1,423,108	1,417,432	1,320,142	1,521,626	1,554,973	1,593,847	1,633,693	1,633,693
3.050 - Capital Outlay	1,062,532	486,322	554,361	596,789	596,789	603,932	596,789	596,789
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	1,241,140	558,844	594,980	763,172	790,280	818,585	847,929	868,484
4.500 - Total Expenditures	37,390,544	40,582,382	43,367,816	46,516,021	48,723,211	51,247,848	53,832,800	56,480,004
Other Financing Uses								
5.010 - Operating Transfers-Out	1,454,773	23,425,940	750,000	750,000	500,000	100,000	100,000	100,000
5.020 - Advances-Out	-	-	-	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-	-	-
5.040 - Total Other Financing Uses	1,454,773	23,425,940	750,000	750,000	500,000	100,000	100,000	100,000
5.050 - Total Expenditures and Other Financing Uses	38,845,317	64,008,322	44,117,816	47,266,021	49,223,211	51,347,848	53,932,800	56,580,004
Excess of Rev & Other Financing Uses Over (Under)								
6.010 - Expenditures and Other Financing Uses	1,998,354	(18,739,259)	5,800,277	4,087,934	1,634,156	531,154	(775,539)	(1,623,137)
Cash Balance July 1 - Excluding Proposed Renewal/								
7.010 - Replacement and New Levies	37,174,832	39,173,186	20,433,927	26,234,203	30,322,137	31,956,292	32,487,446	31,711,907
7.020 - Cash Balance June 30	39,173,186	20,433,927	26,234,203	30,322,137	31,956,292	32,487,446	31,711,907	30,088,770
8.010 - Estimated Encumbrances June 30	252,854	864,733	729,747	91,308	300,000	300,000	300,000	300,000
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	38,920,332	19,569,194	25,504,456	30,230,829	31,656,292	32,187,446	31,411,907	29,788,770
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	38,920,332	19,569,194	25,504,456	30,230,829	31,656,292	32,187,446	31,411,907	29,788,770
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	38,920,332	19,569,194	25,504,456	30,230,829	31,656,292	32,187,446	31,411,907	29,788,770

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) and changes implemented by House Bill No. 96 passed in June of 2025 except this still provides a five-year forecast rather than a four-year forecast. This includes 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, 2027, through June 30, 2031, with historical unaudited information presented for the fiscal years ended June 30, 2024, 2025, and 2026.

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 3,409 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. 2025 assessed taxable values collectible in 2026 are:

Residential/agriculture -	\$337,457,160
Commercial/industrial -	<u>196,797,870</u>
Total real estate assessed value	\$534,255,030

During FY27, 2026 residential/agriculture values are estimated to increase 1% with new growth and 7% with the triennial update. Commercial/industrial values should increase 3% with new growth and 5% with the triennial update.

During FY28, 2027 residential/agriculture values are estimated to increase 1% with new growth. Commercial/industrial values should increase 2.8% with new growth.

During FY29, 2028 residential/agriculture values are estimated to increase 1% with new growth. Commercial/industrial values should increase 2.7% with new growth.

During FY30, 2029 residential/agriculture values are estimated to increase 1% with new growth. **As of January 15, 2026, the reappraisal has been delayed one year moving forward.** Commercial/industrial values should increase 2.7% with new growth. The reappraisal will occur in 2030.

During FY31, 2030 residential/agriculture values are estimated to increase 1% with new growth and 7.5% with the reappraisal. Commercial/industrial values should increase 2.6% with new growth and 5.4% with the triennial update.

In the fall of 2025, the legislature passed several laws that impact property tax rates moving forward. The biggest impact for Hamilton LSD is HB186, which is to mitigate the inflationary increases in real estate taxes. This impacts Hamilton collections starting in tax year 2027. The district will see a decrease of \$1.034 million in FY27, and \$2.07 million annually in FY28 through FY30.

Hamilton Local School District Summary of Significant Forecast Assumptions

B. Public Utility Personal Property Tax

In 2025, the only personal property taxed is personal property owned by public utilities and telephone personal property (with an assessed value of \$67.7 million).

2026 values are estimated to increase 1.5%.

HB 15 passed in 2025 reduces assessed value of new public utility personal property placed in service in 2027 and future years.

Based on this change 2027 through 2030 values are estimated to increase 1% annually.

C. Unrestricted Grants-in-Aid

With the latest state budget, the Fair School Funding Plan was not eliminated but it was not funded either. The formula relies on the latest cost inputs for the formula to function correctly. The formula is still relying on cost inputs from 2022 in order to reduce the cost of the funding formula to the state. In its place they have proposed providing a modest increase in funding for all districts as they work to create a new funding formula. One benefit to the district of the changes is a growth supplement for districts seeing increases in enrollment. This supplement is on top of increased funding from the additional per pupil funding.

For FY27, we assume a 4.5% increase to \$29.0 million in funding. This includes casino revenues of \$223,000 and enrollment growth and performance supplements of \$786,000.

For FY28, we assume a 1.2% increase to \$29.3 million in funding. This includes casino revenues of \$226,000 and enrollment growth and performance supplements of \$913,000.

For FY29, we assume a 2.1% increase to \$29.9 million in funding. This includes casino revenues of \$230,000 and enrollment growth and performance supplements of \$939,000.

For FY30, we assume a 3.4% increase to \$30.9 million in funding. This includes casino revenues of \$233,000 and a performance supplement of \$145,000.

For FY31, we will see a 3.6% increase to \$32.1 million in funding. This includes casino revenues of \$215,000 and an enrollment growth supplemental benefit of \$703,000.

Hamilton Local School District
Summary of Significant Forecast Assumptions

D. *Restricted Grants-in-Aid*

The new school funding formula provides the following additional restricted funding:

In FY27 we will receive \$3.5 million. This includes \$795,000 of Student Wellness & Success dollars, \$170,000 of weighted funding for Career Tech and ELL, \$2.1 million for disadvantaged students, \$216,000 for Threshold Cost reimbursement, and \$202,000 of gifted funding.

In FY28 through FY31 funding is projected to decrease slightly each year to \$3.3 million in FY31. This assumes the changes in DPIA calculation adopted in the latest state budget.

E. *Property Tax Allocation*

Property tax allocations or 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.

Currently projected FY27 revenue in this category is \$945,000, rising slightly each year to \$1 million in FY31. This revenue projection will change as more information becomes available.

F. *All Other Operating Revenues*

For FY27, All Other Operating Revenues include tuition of approximately \$360,000, investment income of approximately \$1.5 million, manufactured home taxes of approximately \$103,000, Medicaid payments of \$225,000, payments in lieu of taxes of approximately \$2 million, Win-Win payment of approximately \$515,000, and other miscellaneous receipts of \$190,000 for a total of \$4.9 million.

For FY28, All Other Operating Revenues are estimated to increase to \$5.1 million. The increase is the net of additional payments from Google and interest earnings start to decline.

For FY29 through FY31, All Other Operating Revenues are estimated to increase slightly to \$5.5 million with interest income continuing 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's expenditures. This line is \$66,000 for FY26 through FY30.

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 FY27, personal service expenditures will increase 3.9% or \$859,000 for a total cost of \$23.1 million. This is a result of:

- Wages increase 3.86% in August of 2026 with average cost of living of 2.3% and average step increases of approximately 1.56%. Savings of over \$280,000 are the result of retirements/resignations. This is the second year of new labor contracts for both unions.

FY28, personal service expenditures will increase 4.7% or \$1.1 million. This is the result of:

- Wages increased 2.3% in August of 2027 with average step increases of approximately 1.7%.
- New positions at a cost of \$200,000 are added with savings of \$200,000 due to retirements/resignations.

FY29, personal service expenditures will increase 5.3% or \$1.3 million. This is the result of:

- Wages increase 2% - 3% August of 2028 with average step increases of approximately 1.8%. Both labor contracts expire at the start of this fiscal year.
- New positions at a cost of \$200,000 are added with savings of \$200,000 due to retirements/resignations.

FY30, personal service expenditures will increase 5% or \$1.3 million. This is a result of:

- The status quo is assumed with 2.5% raises and 1.8% average step increases. Labor contracts for this period have not been negotiated.
- New positions at a cost of \$130,000 are added with savings of \$200,000 due to retirements/resignations.

FY31, personal service expenditures will increase 5% or \$1.3 million. This is a result of:

- The status quo is assumed with 2.5% raises and 1.8% average step increases. Labor contracts for this period have not been negotiated.
- New positions at a cost of \$100,000 are added with savings of \$200,000 due to retirements/resignations.

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 approximately 15% of employee salaries and wages. The estimated costs for all benefit objects are \$9.3 million for FY27.

For FY27 changes to the health insurance plan kept the rates flat for 2026 at a cost of \$5.1 million. Pension costs are estimated at \$3.7 million. Medical and dental insurance costs are estimated to increase 7% annually beginning in 2027, 7.5% in 2028, and 8% in all other years.

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. Total budget for FY27 is \$11.2 million.

For FY27 professional and technical services are estimated to cost \$5.7 million. This includes substitute teachers at \$650,000, ESC special education aides at \$1 million, two special education classrooms at \$800,000, educational aides at \$300,000, preschool aides at \$470,000, nursing services at \$500,000, physical/occupational therapy services at \$440,000, ESC Administrative services at \$120,000, psychological services at \$40,000, athletic officials at \$65,000, SRO contract at \$80,000, instructional staff training services at \$195,000, technology professional services at \$420,000, software licensing at \$260,000, copier fees of \$59,000, and legal fees of \$115,000. These costs are estimated to increase at 3% annually through the life of this forecast.

For FY27 property services, which include garbage removal at \$50,000, maintenance & repairs at \$448,000, property insurance at \$130,000, and other miscellaneous costs of \$84,000 for a total cost of \$802,000. These costs are expected to increase 3% annually starting in FY27.

For FY27 utilities are estimated to cost \$1.3 million, of which electric is \$952,000, natural gas is \$157,000, and sewer and water is \$160,000. Electric rates are estimated to increase 8.5% in FY27 and natural gas is estimated to increase 20%. In FY28 and future years utilities are estimated to increase 5% annually through the life of the forecast.

For FY27 we will spend approximately \$2.62 million (13% increase) 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 FY27 we will spend approximately \$714,000 for private transportation for various students that we cannot provide bus service. For FY27 through FY31 these expenditures are estimated to increase 5% 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 for a total cost in FY26 of \$1.54 million.

Fuel expenditures are estimated at \$170,000 in FY27 and increase 2.5% annually through FY30. Supplies and parts for maintenance and repair of motor vehicles are estimated to cost \$100,000 in FY27 and increase 2.5% annually through FY31.

Classroom instructional supplies and materials, which include electronic subscriptions, are projected to cost \$766,000 in FY27. These expenditure categories are projected to increase 2.5% annually through FY31. This includes several curriculum adoptions for all grade levels.

Office and other general supplies are estimated to cost \$119,000 in FY27. These expenditures are projected to increase 2.5% annually through FY31.

Supplies and materials to clean, maintain and repair all facilities are estimated to cost \$308,000 in FY27. These expenditures are projected to increase 2.5% annually through FY31.

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 \$35,000 in FY27 through FY31.

Technology and other miscellaneous items are estimated to cost \$562,000 in FY27 through FY31.

F. Debt Service

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

G. Other Objects

This category includes the following costs: ESC of Central Ohio contracted psychologists at \$450,000. County Auditor & Treasurer fees for property tax collection at \$202,000. Memberships in professional organizations at \$48,000. Audit fees of \$23,000. Bank charges of approximately \$13,000. Graduation expenditures of \$17,000. Total projected expenditures for FY27 are \$763,000 with 3% increases projected for FY28 through FY31.

Hamilton Local School District
Summary of Significant Forecast Assumptions

Note 5 – Other

A. Other Financing Uses (Operating Transfers Out)

In this forecast, the district transfers \$750,000 in FY27 and \$500,000 in FY28. \$100,000 is transferred in FY29 and future years.

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 be \$91,000 in FY27 and remain around \$300,000 annually in future years.

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.