Gahanna- Jefferson City School District

Franklin County

SCHEDULE OF REVENUE, 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 JUNE 30, 2026

Forecast Provided By
Gahanna-Jefferson City School District
Mike Verlingo, Treasurer/CFO

November 18, 2021

GAHANNA-JEFFERSON PUBLIC SCHOOLS
Franklin County

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

		Actual				Forecasted				
		Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Average Change	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
	Revenues									
1.010	General Property Tax (Real Estate)	$54,252,577	$60,326,812	$63,863,918	8.5%	$67,827,491	$68,526,303	$69,147,192	$69,538,605	$70,037,494
1.020	Public Utility Personal Property Tax	4,121,916	4,811,765	5,485,757	15.4%	5,978,272	6,196,241	6,373,181	6,530,461	6,687,741
1.035	Unrestricted State Grants-in-Aid	15,802,144	14,208,152	15,344,839	-1.0%	13,379,910	13,473,833	13,483,190	13,492,733	13,502,468
1.040	Restricted State Grants-in-Aid	237,266	237,457	237,457	0.0%	237,456	237,456	237,456	237,456	237,456
1.045	Restricted Federal Grants In Aid	-	-	-	0.0%	0	0	0	0	0
1.050	Property Tax Allocation	6,491,738	6,574,773	6,542,281	0.4%	6,633,377	6,659,248	6,712,202	6,764,526	6,789,056
1.060	All Other Revenues	10,045,645	10,544,073	15,544,788	26.2%	13,223,853	12,744,024	12,278,287	12,307,643	12,337,092
1.070	*Total Revenues*	90,951,286	96,703,032	107,019,040	8.5%	107,280,359	107,837,105	108,231,508	108,871,424	109,591,307
	Other Financing Sources									
2.040	Operating Transfers-In	1,116,073	999,827	3,000,000	94.8%	-	-	-	-	-
2.050	Advances-In	-	-	536,399	0.0%	593,810	400,000	400,000	400,000	400,000
2.060	All Other Financing Sources	37,296	9,088	452,099	999.99%	25,000	25,000	25,000	25,000	25,000
2.070	*Total Other Financing Sources*	1,153,369	1,008,915	3,988,498	141.4%	618,810	425,000	425,000	425,000	425,000
2.080	*Total Revenues and Other Financing Sources*	92,104,655	97,711,947	111,007,538	9.8%	107,899,169	108,262,105	108,656,508	109,296,424	110,016,307
	Expenditures									
3.010	Personal Services	$53,381,648	$55,020,808	$57,301,948	3.6%	$62,319,145	$66,473,407	$70,097,719	$73,194,078	$76,412,959
3.020	Employees' Retirement/Insurance Benefits	18,218,358	20,125,303	19,781,037	4.4%	22,169,390	23,000,749	24,682,608	26,377,004	28,170,593
3.030	Purchased Services	11,179,971	11,960,188	11,045,610	-0.3%	10,073,084	10,504,741	10,954,852	11,424,391	11,914,392
3.040	Supplies and Materials	1,798,078	1,682,108	1,726,325	-1.9%	1,919,625	2,008,106	2,119,593	2,448,072	2,551,476
3.050	Capital Outlay	854,103	1,528,173	840,280	17.0%	950,000	950,000	950,000	950,000	950,000
	Debt Service:									
4.010	Principal-All (Historical Only)	-	-	-	0.0%	0	0	0	0	0
4.020	Principal-Notes	1,423,185	1,458,185	1,518,184	3.3%	1,553,184	1,593,184	1,638,184	1,678,184	1,715,000
4.050	Principal-HB 264 Loans	-	-	-	0.0%	0	0	0	0	0
4.055	Principal-Other	-	-	-	0.0%	0	0	0	0	0
4.060	Interest and Fiscal Charges	422,342	374,075	321,654	-12.7%	275,517	237,298	197,957	161,413	123,910
4.300	Other Objects	1,094,456	1,285,983	3,266,812	85.8%	1,395,043	1,407,999	1,421,080	1,434,286	1,447,620
4.500	*Total Expenditures*	88,372,141	93,434,823	95,801,850	4.1%	100,654,988	106,175,484	112,061,992	117,667,429	123,285,949
	Other Financing Uses									
5.010	Operating Transfers-Out	1,572,819	1,410,080	3,496,959	68.8%	483,022	483,022	483,022	483,022	483,022
5.020	Advances-Out	0	536,399	593,810	0.0%	400,000	400,000	400,000	400,000	400,000
5.030	All Other Financing Uses	-	815	-	0.0%	0	0	0	0	0
5.040	*Total Other Financing Uses*	1,572,819	1,947,294	4,090,769	66.9%	883,022	883,022	883,022	883,022	883,022
5.050	*Total Expenditures and Other Financing Uses*	89,944,960	95,382,117	99,892,619	5.4%	101,538,010	107,058,506	112,945,014	118,550,451	124,168,971
6.010	*Sources over (under) Expenditures and Other Financing Uses*	2,159,695	2,329,830	11,114,919	192.5%	6,361,159	1,203,599	(4,288,506)	(9,254,027)	(14,152,664)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	$7,574,104	$9,733,799	$12,063,629	26.2%	$23,178,548	$29,539,707	$30,743,306	$26,454,800	$17,200,773
7.020	*Cash Balance June 30*	9,733,799	12,063,629	23,178,548	58.0%	$29,539,707	$30,743,306	$26,454,800	17,200,773	3,048,109
8.010	*Estimated Encumbrances June 30*	580,445	1,256,171	1,555,948	70.1%	$1,250,000	$1,250,000	$1,250,000	$1,250,000	$1,250,000
	Reservation of Fund Balance									
9.030	Budget Reserve	1,000,303	2,000,000	5,000,000	125.0%	$8,000,000	$12,000,000	$16,000,000	$19,000,000	$20,500,000
9.080	*Subtotal*	1,000,303	2,000,000	5,000,000	125.0%	$8,000,000	$12,000,000	$16,000,000	$19,000,000	$20,500,000
10.010	*Fund Balance June 30 for Certification of Appropriations*	8,153,051	8,807,458	16,622,600	48.4%	20,289,707	17,493,306	9,204,800	(3,049,227)	(18,701,891)
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal				0.0%	-	-	-	-	-
11.020	Property Tax - Renewal or Replacement				0.0%	-	-	-	-	-
11.300	Cumulative Balance of Levies				0.0%	-	-	-	-	-
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	8,153,051	8,807,458	16,622,600	48.4%	20,289,707	17,493,306	9,204,800	(3,049,227)	(18,701,891)
	Revenue from New Levies									
13.010	Income Tax - New				0.0%	-	-	-	-	-
13.020	Property Tax - New				0.0%	-	-	-	-	-
13.030	Cumulative Balance of New Levies	-	-	-	0.0%	-	-	-	-	-
14.010	Revenue from Future State Advancements					-	-	-	-	-
15.010	*Unreserved Fund Balance June 30*	$8,153,051	$8,807,458	$16,622,600	48.4%	$20,289,707	$17,493,306	$9,204,800	($3,049,227)	($18,701,891)

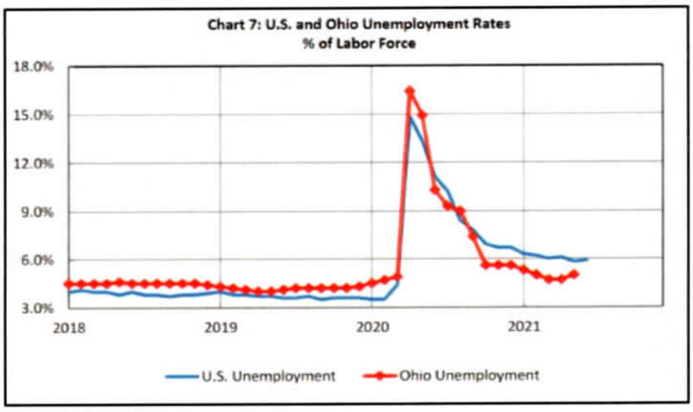
Gahanna-Jefferson City School District –Franklin County
Notes to the Five Year Forecast
General Fund Only
November 18, 2021

Introduction to the Five Year Forecast

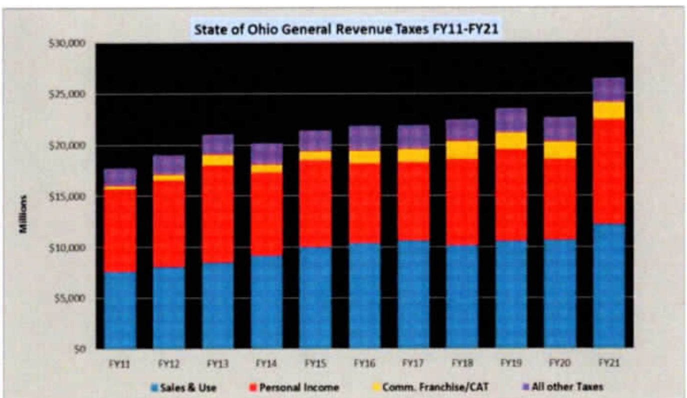
School districts are required to file a five (5) year financial forecast by November 30, 2021, and May 31, 2022 for fiscal year 2022 (July 1, 2021 to June 30, 2022). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Fiscal year 2022 (July 1, 2021-June 30, 2022) is the first year of the five-year forecast and is considered the baseline year. Our forecast is being updated to reflect the most current economic data available to us for the November 2021 filing.

Economic Outlook

This five-year forecast is being filed during the ongoing global health and financial recovery from the COVID-19 Pandemic which began in early 2020, and continues due to several serious virus mutations. The effects of the pandemic continue to impact our state, country and our globalized economy. Our school district plays a vital role in the recovery in our community and we have maintained continuity of services to our students and staff. As noted in the graphs below, the State of Ohio's economy has steadily recovered over the past year thus the full restoration of the original school foundation funding cuts from May 2020 are being restored to school districts beginning July 1, 2021. While increased inflation impacting district costs are expected to continue over the next few years, the economy is also expected to continue to grow as the recovery from the pandemic continues.



Source: Ohio Office of Budget and Management



Source: Ohio Office of Budget and Management

As a result from the financial stresses that responding to the pandemic placed on school district budgets, all school districts are being aided by three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER) which began being disbursed in fiscal year 2020 and can be extended into fiscal year 2025 for ESSER III expenses. The ESSER funds and restored state budget cuts will assist our district in providing vital services to our students.

Data and assumptions noted in this forecast are based on the best and most reliable data available to us as of the date of this forecast.

Forecast Risks and Uncertainty:

A five year financial forecast has risks and uncertainty not only due to economic uncertainties noted above but also due to state legislative changes that will occur in the spring of 2023 and 2025 due to deliberation of the next two (2) state biennium budgets for FY24-25 and FY26-27, both of which affect this five year forecast. We have estimated revenues and expenses based on the best data available to us and the laws in effect at this time. The items below give a short description of the current issues and how they may affect our forecast long term:

I. New Operating Levy- We appreciate the community's approval of the 4.26 mill levy that was approved November 3, 2020 as a continuing levy. This levy will help provide financial stability for the district through FY24.

II. Property Value Adjustments- Property tax collections are the largest single revenue source for the school system. The housing market in our district is stable and growing. Several large developments, including single-family homes will be added in Jefferson Township. These projects will be developed in phases and will increase tax revenue. As the timeline for each phase becomes known, the forecast will be updated to reflect the timing of the new revenue. Total local revenues which are predominately local taxes equate to 81.1% of the district's resources. Collection rates for the 2021 property tax collections did not show sharp declines due to increased delinquencies. With the economy recovering and growing we believe there is a low risk that local collections would fall below projections in the forecast.

We project continued growth in appraised values every three (3) years and new construction growth with continued modest increases in local taxes. A reappraisal update occurred in 2020 in Franklin County and we saw an 18.19% increase in residential and 8.76% in commercial property values. We are estimating a 6% residential increase and 4% commercial value increase in the 2023 reappraisal. We believe there is a low risk that local collections would fall below projections in the forecast.

III. State Foundation - HB110 the current state budget implements what has been referred to as the Fair School Funding Plan (FSFP) for FY22 and FY23. The actual release of the new Fair School Funding Plan formula has been delayed until December which is beyond the filing deadline of this forecast. We have projected FY22 and FY23 funding to be in line with the June 28, 2021 Legislative Service Commission estimates for our district. The FSFP has many significant changes to the way foundation revenues are calculated for school districts and how expenses are charged off. State foundation basic aid will be calculated on a base cost methodology with funding paid to the district where a student is enrolled to be educated. There will be no separate open enrollment revenue payments to school districts beginning in FY22. There will also be direct funding to the district where students are educated for expenses previously deducted from districts state foundation funding for open enrollment, community schools, STEM schools and scholarship recipients. The initial impact on the forecast will be noticed that the historic actual costs for FY19 through FY21 on the forecast will potentially reflect different trends on Lines 1.035, 1.04, 1.06 and 3.03 beginning in FY22. Longer term there may be some adjustments for FY22 and FY23 in state aid as the Ohio Department of Education resolves issues and possible unintended consequences as they create and implement the numerous changes to the complicated new formula. Our state aid projections have been based on the best information on the new HB110 formula available as of this forecast.

The State Budget represents 18.9% of district revenues and is an area of risk to revenue. The future risk comes in FY24 and beyond if the state economy stalls or worsens and the fair school funding plan is not funded in future state budgets or if an economic downturn results in a reduction in state aid. There are two future State Biennium Budgets covering the period from FY24-25 and FY26-27 in this forecast. Future uncertainty in both the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long range through FY26. We have projected our state funding to be in line with the FY23 funding levels through FY26 which we feel is conservative and should be close to whatever the state approves for the FY24-FY27 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.

HB110 direct pays costs associated with open enrollment, community and STEM schools, and for scholarships. These costs will no longer be deducted from our state aid. However, there still are education option programs such as College Credit Plus which continue to be deducted from state aid which will increase costs to the district. Expansion or creation of programs that are not directly paid by the state of Ohio can expose the district to new expenditures that are not currently in the forecast. We are monitoring closely any new threats to our state aid and increased costs as any new proposed laws are introduced in the legislature.

IV. State Rollback Reimbursements - HB59 eliminated the Rollback exemption on any future new or replacement levy. This means that with our new levy, residential taxpayers no longer receive the 12.5% reduction as they do on current levies. This could make passing any new levy more difficult. This will not affect the total collection for the school district, but will shift the burden from the State of Ohio to local taxpayers.

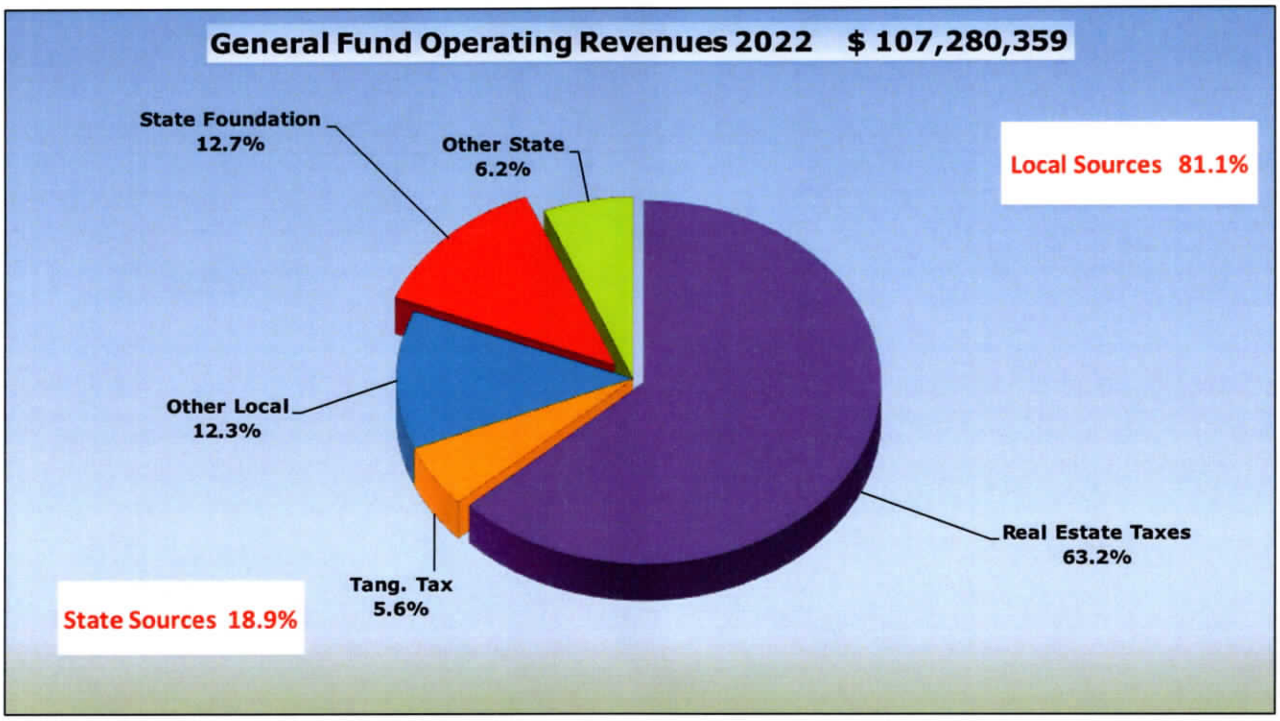
V. School Choice - HB166 continues certain provisions contained in prior state biennium budgets that will continue to draw funds away from our district through continuing school choice programs such as College Credit Plus. HB110, the new state budget, will direct pay open enrollment, community school, STEM and all scholarships including EdChoice Scholarships to the districts providing the education for the students. These costs will no longer be deducted from our foundation payments beginning in FY22.

VI. Health Insurance Premiums –The insurance fund balance was depleted during FY18 due to underfunding and unusually high claims. The district borrowed $2 million in a short term note in order to keep the fund solvent and allow time for the increased premiums to correct the fund balance. In order to address a deficit accumulated in the Health Insurance Reserve Fund, the District enacted a 30-month plan to address the deficit. The funding rate was significantly increased in July 2019. Over 30 months this additional funding eliminated the deficit and accompanying $2 million note issuance, and covered current liabilities. The pandemic had a positive impact on claims due to the limits placed on recurring health and elective procedures. The renewal premium in January 2021 was lower than anticipated at 2.5% leading to lower premiums than estimated. As the economy continues to open, it is anticipated that costs will rise to more normal levels. The current forecast assumes and increase of 5% in January 2022 and 0% in January 2023 based on negotiated rate increases. Going forward annual increases of 9% are then projected.

DETAILED FORECAST ASSUMPTIONS

The following assumptions relate back to the forecast with line numbers as reference. If you would like further information please feel free to contact Mike Verlingo, Treasurer/CFO of Gahanna-Jefferson School District at 614-478-5530.

REVENUE ASSUMPTIONS



General Property Tax (Real Estate) Assumptions – Line # 1.010
Real estate and personal property taxes make up 65.2% of the district's General Fund revenue. Forecasted future revenue considers the changing value of existing property, potential new property due to construction, and public utility personal property values (PUPP).

Value Assumptions
Property Values are established each year by the County Auditor. New construction, demolitions, Board of Revision (BOR)/Board of Tax Appeals (BTA) adjustments and complete reappraisal or updates are all components of the values. The residential projects approved for Jefferson Township will increase revenue from property taxes. An estimate of that potential increase is built into this forecast, based on historical percentages. As the timeline of the projects becomes known, the estimates will be revised to more accurately reflect when the increases will occur.

A reappraisal update occurred in tax year 2020 for collection in FY21. Real estate values increased 18.19% for residential and 8.76% for commercial property. Overall, property values rose by $259.3 million (16.27%). A full reappraisal will occur in 2023 and projections are 6% for residential and 4% for commercial. We anticipate Residential/Agricultural and Commercial/Industrial values to increase $114.1 million or 6.10% overall. This could impact the anticipated increase on inside millage that the estimated value increases would yield. The table below reflects these assumptions.

Estimated Assessed Value (AV) by Collection Year

Classification	Estimated TAX YEAR2021 COLLECT 2022	Estimated TAX YEAR2022 COLLECT 2023	Estimated TAX YEAR2023 COLLECT 2024	Estimated TAX YEAR2024 COLLECT 2025	Estimated TAX YEAR2025 COLLECT 2026
Res./Ag.	$1,501,352,730	$1,506,052,730	$1,601,115,894	$1,605,815,894	$1,610,515,894
Comm./Ind.	360,916,320	365,366,320	384,430,973	388,880,973	393,330,973
Public Utility (PUPP)	77,542,490	80,042,490	82,042,490	84,042,490	86,042,490
Total Assessed Value	$1,939,811,540	$1,951,461,540	$2,067,589,357	$2,078,739,357	$2,089,889,357

General Property Real Estate Tax Revenue (Line #1.010)
Property tax levies are estimated to be collected at 98% of the annual amount. This allows for a 2% delinquency factor. Lower collection rates predicted due to the COVID-19 pandemic and economic slowdown did not occur. For the 1st half 2021 collection, due to ongoing pandemic concerns delinquencies were about 1% higher than normal. They could still be a factor, especially with commercial property, for the 2nd half 2021 collection. In general, 52.80% of the Res/Ag and Comm./Ind. property taxes are expected to be collected in the February tax settlement and 47.20% collected in the August tax settlement. Public Utility tax settlements (PUPP taxes) are estimated to be received 50% in February and 50% in the August settlement from the County Auditor and are noted in Line #1.02 totals below.

Increases in FY22 are noted below due to the increase in collections from the 4.26 mill operating levy passed November 3, 2020.

Source	FY22	FY23	FY24	FY25	FY26
General Property Taxes Line #1.010	$67,827,491	$68,526,303	$69,147,192	$69,538,605	$70,037,494

Public Utility Personal Property Tax – Line#1.020
The phase out of tangible personal property (TPP) taxes began in FY06. HB66 was adopted in June 2005 and resulted in the phase out and elimination of TPP after FY11. The amount remaining on Line 1.020 is the public utilities personal property (PUPP) tax revenues from telephone, electric, and gas company tangible personal property. These amounts were not affected by HB66 and values for PUPP are collected at our gross tax rates.

Increases in FY22 are noted below due to the increase in collections from the 4.26 mill operating levy passed November 3, 2020.

Source	FY22	FY23	FY24	FY25	FY26
Public Utility Personal Property	$5,978,272	$6,196,241	$6,373,181	$6,530,461	$6,687,741

New Operating Levy – Line #13.20
The district offered a new 4.26 mill operating levy on November 3, 2020 which was narrowly approved by the voters. The increase in General Property Tax revenues, Tangible Personal Property Tax and Property Tax allocation have been incorporated into this forecast.

There are no new levies modeled in the forecast at this time.

Source and Type of New Revenue	FY22	FY23	FY24	FY25	FY26
New Levy Modeled Line # 13.20	$0	$0	$0	$0	$0
Total Line # 13.30	$0	$0	$0	$0	$0

State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045
Current State Funding Model per HB110 through June 30, 2023

A) Unrestricted State Foundation Revenue– Line #1.035
Unrestricted State Grants-in-Aid – Line #1.035
The actual release of the new Fair School Funding Plan formula has been delayed until December which is beyond the filing deadline of this forecast. We have projected FY22 and FY23 funding to be in line with the

June 28, 2021 Legislative Service Commission estimates for our district.

The amounts estimated for state funding are based on HB110, referred to as the Fair School Funding Plan (FSFP). The state foundation funding formula has gone through many changes in recent years. The most recent funding formula began in FY14 and was dropped in FY19 after six (6) years, followed by no foundation formula for two (2) years in FY20 and FY21, and now HB110 implements the newest and possibly the most complicated funding formula in recent years for FY22 and FY23. HB110 the current formula introduces many changes to how state foundation is calculated and expenses deducted from state funding which will potentially make the actual five year forecast look different with estimates FY22 through FY26 compared to actual data FY19 through FY21 on Lines 1.035, 1.04, 1.06 and 3.03 of the forecast.

Overview of Key Factors that Influence State Basic Aid in the Fair School Funding Plan

A. Student Population and Demographics
B. Property Valuation
C. Personal Income of District Residents
D. Historical Funding- CAPS and Guarantees from prior funding formulas

<u>Base Cost Approach- Unrestricted Basic Aid Foundation Funding</u>
The new funding formula uses FY18 statewide average district costs and developed a base cost approach that includes minimum service levels and student teacher ratios to calculate a unique base cost for each district that includes base funding for five (5) areas:

1. Teacher Base Cost (4 subcomponents)
2. Student Support (7 subcomponents-including a restricted Student Wellness component)
3. District Leadership & Accountability (7 subcomponents)
4. Building Leadership & Operations (3 subcomponents)
5. Athletic Co-curricular (contingent on participation)

<u>State Share Percentage – Unrestricted Basic Aid Foundation Funding</u>
Once the base cost is calculated, which is estimated to be as high as $7,202 per pupil when fully phased in, the FSFP calculates a state share percentage (SSP) calculation. The state share percentage in concept will be higher for districts will less capacity (lower local wealth) and be a lower state share percentage for districts with more capacity (higher local wealth). The higher the district's ability to raise taxes based on local wealth the lower the state share percentage. The state share percentage will be based on 60% property valuation of the district, 20% on federally adjusted gross income and 20% on federal median income, as follows:

1. 60% based on most recent three (3) year average assessed values or the most recent year, whichever is lower divided by base students enrolled.
2. 20% based on most recent three (3) year average federal adjusted gross income of districts residents or the most recent year, whichever is lower divided by base students enrolled.
3. 20% based on most recent year federal median income of district residents multiplied by number of returns in that year divided by base students enrolled.
4. When the weighted values are calculated and item 1 through 3 above added together the total is then multiplied by a Local Share Multiplier Index from 0% for low wealth districts to a maximum of 2.5% for wealthy districts.

When the unrestricted base cost is determined and multiplied by the state share percentage, the resulting amount is multiplied by the current year enrolled students (including open enrolled students being educated in each district), and finally multiplied by the local share multiplier index for each district. The result is the local per pupil capacity amount of the base per pupil funding amount.

Categorical State Aid
In addition to the base state foundation funding calculated above the FSFP also has unrestricted categorical funding and new restricted funding beginning in FY22, some of which will have the state share percentage applied to these calculations as noted below:

Unrestricted Categorical State Aid
1. Targeted Assistance/Capacity Aid – Provides additional funding based on a wealth measure using 60% weighted on property value and 40% on income. Uses current year enrolled average daily membership (ADM). Also will provide supplemental targeted assistance to lower wealth districts whose enrolled ADM is less than 88% of their total FY19 ADM.
2. Special Education Additional Aid – Based on six (6) weighted funding categories of disability and moved to a weighted funding amount and not a specific amount. An amount of 10% will be reduced from all district's calculation to be used toward the state appropriation for Catastrophic Cost reimbursement.
3. Transportation Aid – Funding based on all resident students who ride including preschool students and those living within 1 mile of school. Provides supplemental transportation for low density districts. Increases state minimum share to 29.17% in FY22 and 33.33% in FY23.

Restricted Categorical State Aid
1. Disadvantage Pupil Impact Aid (DPIA) - Formerly Economically Disadvantaged Funding is based on number and concentration of economically disadvantaged students compared to state average and multiplied by $422 per pupil. Phase in increases are limited to 0% for FY22 and 14% in FY23.
2. English Learners – Based on funded categories based on time student enrolled in schools and multiplied by a weighted amount per pupil.
3. Gifted Funds – Based on average daily membership multiplied by a weighted amount per pupil.
4. Career-Technical Education Funds – Based on career technical average daily membership and five (5) weighted funding categories students enrolled in.

State Funding Phase-In FY22 and FY23 and Guarantees
HB110 provides funding for FY22 and FY23. While the FSFP was presented as a six (6) year phase-in plan, the state legislature approved the first two (2) years of the funding plan. The FSFP does not include caps on funding, rather it will include a general phase-in percentage for most components in the amount of 16.67% in FY22 and 33.33% in FY23. DPIA funding will be phased in 0% in FY22 and 14% in FY23. Transportation categorical funds will not be subject to a phase in.

HB110 includes "formula transition aid" which is a guarantee. There are actually three (3) guarantees in both temporary and permanent law to ensure that no district will get less funds in FY22 than they received in FY21. The guarantee level of funding for FY22 is a calculated funding guarantee level based on full state funding cuts from May 2020 restored, net of transfers and deductions, plus Student Wellness and Success funds (based on FY21 SWSF amounts), enrollment growth supplement funds paid in FY21 and special education preschool and special education transportation additional aid items.

Student Wellness and Success Funds (SWSF)- (Restricted Fund 467)
In FY20 and FY21 HB166, provided Student Wellness and Success Funds (SWSF) to be deposited in a Special Revenue Fund 467. HB110 the new state budget has essentially eliminated these funds by merging them into

state aid and wrapped into the expanded funding and mission of DPIA funds noted above and on Line 1.04 below. Any remaining funds in Special Revenue Fund 467 will be required to be used for the restricted purposes governing these funds until spent fully.

Future State Budget Projections beyond FY23

Our funding status for the FY24-26 will depend on two (2) new state budgets which are unknown. There is no guarantee that the current Fair School Funding Plan in HB110 will be funded or continued beyond FY23. For this reason funding is held constant FY23 through FY26.

Casino Revenue

On November 3, 2009 Ohio voters passed the Ohio casino ballot issue. This issue allowed for the opening of four (4) casinos one each in Cleveland, Toledo, Columbus and Cincinnati. Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% GCR that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31st of January and August each year which began for the first time on January 31, 2013.

Casino revenue fell slightly in FY21 due to COVID-19 and Casinos closing for a little over two months. We have increased the amount in FY22 back to pre-pandemic FY20 levels as Casino revenues appear to have dipped largely due to their closure and not in response to the economic downturn. Prior to COVID-19 closure, casino revenues were growing modestly as the economy improved. Original projections for FY22-26 estimated a .4% decline in pupils to 1,778,441 and GCR increasing to $106.35 million or $59.80 per pupil. We believe FY22 Casino revenues will resume their historical growth rate.

Source	FY22	FY23	FY24	FY25	FY26
Basic Aid-Unrestricted	$12,306,969	$12,391,719	$12,391,719	$12,391,719	$12,391,719
Additional Aid Items	614,290	614,290	614,290	614,290	614,290
Basic Aid-Unrestricted Subtotal	$12,921,259	$13,006,009	$13,006,009	$13,006,009	$13,006,009
Ohio Casino Commission ODT	458,651	467,824	477,181	486,724	496,459
Total Unrestricted State Line # 1.035	$13,379,910	$13,473,833	$13,483,190	$13,492,733	$13,502,468

B) Restricted State Revenues – Line # 1.040

HB110 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding) and Career Technical funding. In addition, there have been new restricted funds added as noted above under "Restricted Categorical Aid" for Gifted, English Learners (ESL) and Student Wellness. We will need to see the actual HB110 funding model to determine what revenues will be receipted into these new restricted funding lines. The amount of DPIA is limited to 0% phase in growth for FY22 and 14% in FY23.

Source	FY22	FY23	FY24	FY25	FY26
DPIA	$94,037	$94,037	$94,037	$94,037	$94,037
Career Tech - Restricted	143,419	143,419	143,419	143,419	143,419
Gifted	-	-	-	-	-
ESL	-	-	-	-	-
Student Wellness	0	0	0	0	0
Total Restricted State Line #1.040	$237,456	$237,456	$237,456	$237,456	$237,456

C) Restricted Federal Grants in Aid – line #1.045

No federal unrestricted grants are projected FY22-26.

Source	FY22	FY23	FY24	FY25	FY26
Unrestricted Line # 1.035	$13,379,910	$13,473,833	$13,483,190	$13,492,733	$13,502,468
Restricted Line # 1.040	237,456	237,456	237,456	237,456	237,456
Federal Grants Line #1.045	0	0	0	0	0
Total State Foundation Revenue	$13,617,366	$13,711,289	$13,720,646	$13,730,189	$13,739,924

State Taxes Reimbursement/Property Tax Allocation
Property Tax Allocation Line #1.050

This section relates to property tax payments made by the State of Ohio via legislation relating to tax credits for home ownership and exemptions.

A) Rollback and Homestead Reimbursements

Rollback funds are reimbursements paid to the district from the State of Ohio for tax credits given owner-occupied residences. Credits equal 12.5% of the gross property taxes charged residential taxpayers on levies passed prior to September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013.

Homestead Exemptions are credits paid to the district from the state of Ohio for qualified elderly and disabled. In 2007, HB119 expanded the Homestead Exemption for all seniors 65 years of age or older or who are disabled regardless of income. Effective September 29, 2013, HB59 changed the requirement for Homestead Exemptions. Individual taxpayers who do not currently have their Homestead Exemption approved or those who do not get a new application approved for tax year 2013, and who become eligible thereafter will only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who had their Homestead Exemption as of September 29, 2013 will not lose it going forward and will not have to meet the new income qualification. This will generally reduce homestead reimbursements to the district over time, and as with the rollback reimbursements above, the state is increasing the tax burden on our local taxpayers.

Summary of State Tax Reimbursement – Line #1.050

Source	FY22	FY23	FY24	FY25	FY26
Rollback & Homestead	$6,633,377	$6,659,248	$6,712,202	$6,764,526	$6,789,056

All Other Revenues – Line #1.060

All other local revenue encompasses any type of revenue that does not fit into the above lines. Revenues from all other sources are projected based on historical patterns and known contractual arrangements. This revenue category largely consists of tuition from other districts, student fees, rentals and tax increment financing payments for various agreements the district has with the cities of Gahanna and Columbus. In FY21 interest income fell sharply due to fed rate reductions due to the pandemic which will impact our earning capability in this area until rates begin to increase. Interest rates declines due to fed rate reductions materially impacted our earning capability lowering returns by approximately 30% in FY21. We have reduced estimated FY22 interest by 45% due to the rapid reduction in interest rates to help stimulate the economy due to the COVID-19 recession. We will continue to manage our funds safely but also to push portfolio performance to maximum investments. Rentals are expected to remain somewhat lower due to COVID-19 restrictions and lower participation. All other revenues are expected to continue on historic trends.

In addition, the District participates in the Medicaid in Schools Program. The District is reimbursed by the state for services provided to eligible students. Catastrophic aid is also included which is state reimbursement for special education costs that exceed an unusually large, state determined amount. This category also includes E-

Rate funds, which is state reimbursement for specific types of technology equipment. The district expects to receive approximately $280,000 in FY21 relating to projects due to be completed in FY20. We have added anticipated PILOT payments from non-school district TIF's for the Extended Stay Hotel and Conference Center in Jefferson Township that should begin in FY22 and increase through FY26 as noted below.

In FY21 the district recognized receipts in the General Fund from the premium on the sale of Bonds & COPs in the amount of $2,081,468. These proceeds were used to pay the issuance costs related to Bonds & COPs issued in March of 2021.

Source	FY22	FY23	FY24	FY25	FY26
Tuition SF-14,SF-14H,Cat Cost(121*,1	$1,348,718	$1,348,718	$1,348,718	$1,348,718	$1,348,718
Interest	115,525	115,525	140,525	160,525	180,525
Student Fees and PTP Fees (16*,1740,1	265,615	265,615	265,615	265,615	265,615
Clark Hall Revenue(1440)	121,000	132,000	132,000	132,000	132,000
Rentals, Donations,Misc, Medicaid (13-	917,125	926,296	935,559	944,915	954,364
PILOT's & Easton TIF	10,455,870	9,955,870	9,455,870	9,455,870	9,455,870
Total Other Local Revenue Line #1.060	$13,223,853	$12,744,024	$12,278,287	$12,307,643	$12,337,092

Operating Transfers In / Advances-In – Line #2.040 & Line #2.050

This revenue source consists of moving money from dormant activity funds, from other funds as approved by the Board and the return of previously advanced or "borrowed" funds. No other transfers or advances are anticipated at this time.

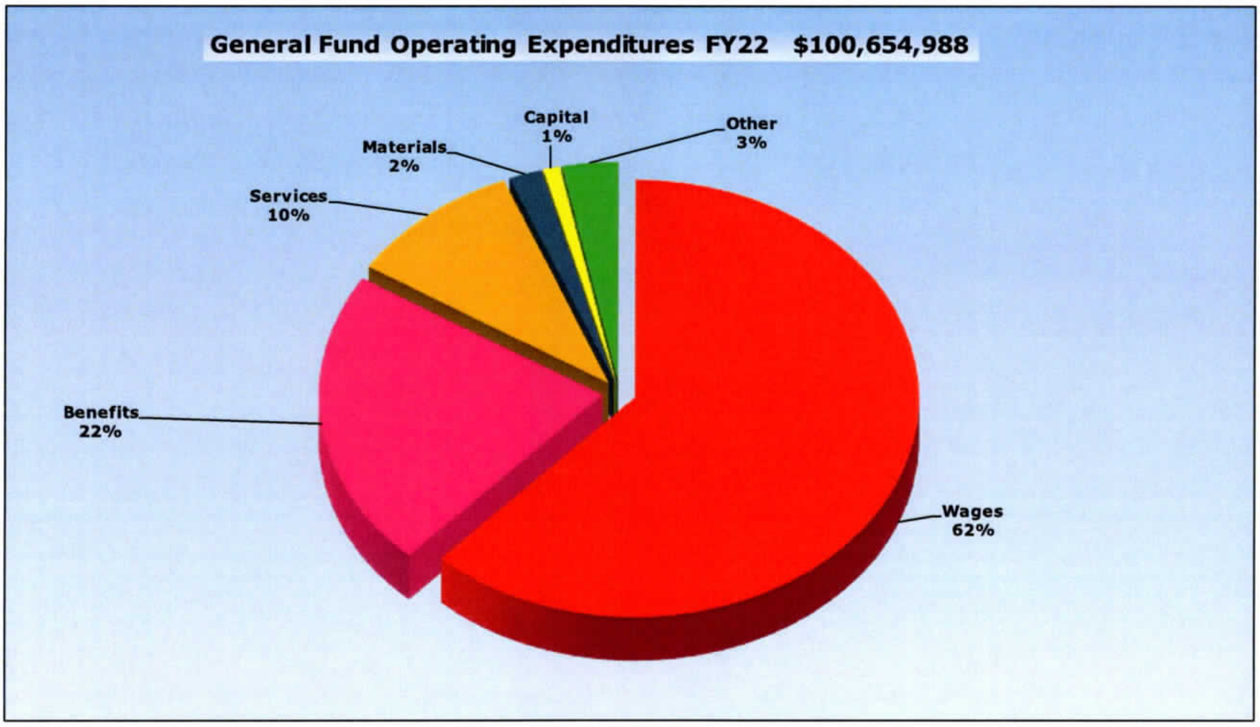
Source	FY22	FY23	FY24	FY25	FY26
Transfers In - Line 2.040	$0	$0	$0	$0	$0
Advance Returns - Line 2.050	593,810	400,000	400,000	400,000	400,000
Total Transfer & Advances In	$593,810	$400,000	$400,000	$400,000	$400,000

All Other Financing Sources – Line #2.060

This revenue consists of refunds from prior years' expenses and the sale of assets. In FY21 we show the onetime payment from self-insurance runout reserve. These revenues are inconsistent year to year and we will not project that occurring in the remainder of the forecast.

Source	FY22	FY23	FY24	FY25	FY26
Refunds & Sale of Assets	$25,000	$25,000	$25,000	$25,000	$25,000

EXPENDITURE ASSUMPTIONS



Personal Services – Line #3.010

The personal services category represents all wages for the employees of the school district paid from the General Fund. Current negotiated agreements with certified and classified unions are factored into the projections. The forecast reflects the settlement agreements reached with the bargaining units for FY21, which were 2.25% for Teachers and 2.0% for other groups. Settlements were reached for FY22-FY24 which are 3% base increases each year and for FY25 and FY26 we have assumed 2% for planning purposes. The base increases are in addition to steps and training adjustments. Costs reductions of $533,000 were realized in FY20 due to school closure and cost containment measures due to the COVID-19 Recession.

- Projections from FY22 through FY26 include step increases, degree change increases, supplemental compensations, and other miscellaneous salary increases.
- A projection of additional staff is estimated in FY22 for the new Lincoln Elementary building, projected to open for that school year.
- Incremental staff have also been included to accommodate the projected student growth

Source	FY22	FY23	FY24	FY25	FY26
Base Wages	$ 55,520,321	$ 60,161,755	$ 64,272,522	$ 67,852,034	$ 70,917,630
Increases/ Performance Pay	2,103,510	1,665,610	1,804,853	1,285,450	1,357,041
Steps & Training	1,242,007	1,493,207	1,609,639	1,716,132	1,796,671
Subs/OT 112,114,142,144	560,775	560,775	560,775	560,775	560,775
New Staff Via Attrition	1,403,547	1,470,689	699,321	609,870	590,564
Supplemental Costs	1,449,844	1,493,339	1,538,139	1,568,902	1,600,280
Fund 467 Recoding	396,000	-	-	-	-
Other:122,152,17*	146,771	146,771	146,771	146,771	146,771
Staff Reductions/Retirement	(503,630)	(518,739)	(534,301)	(545,856)	(556,773)
Total Wages Line #3.010	$62,319,145	$66,473,407	$70,097,719	$73,194,078	$76,412,959

Employees' Retirement/Insurance Benefits Line # 3.020
This area of the forecast captures all costs associated with benefits and retirement costs. Retirement, Medicare and workers compensation expenses are directly related to the wages paid.

STRS/SERS
As required by law the BOE pays 14% of all employee wages to State Teachers Retirement System (STRS) or School Employees Retirement System (SERS).

Insurance
The district converted from being self-insured to a traditional plan on July 1, 2019. Due to not taking a premium increase for 7 years and unusually high claims over the past two years, the self-insurance fund experienced a shortage in funding. The District borrowed $2M to alleviate this shortage. In order to address the deficit accumulated in the Health Insurance Reserve Fund, the District enacted a 30-month plan to address the deficit. The funding rate was significantly increased in July, 2019. Over 30 months this additional funding eliminated the deficit and accompanying $2 million note issuance, covered current liabilities and a capped increase of 25.0% in January, 2021 agreed to by the insurance carrier. The actual increase, based on claims experience was a 2.5% composite rate in January 2021. The savings have been incorporated into the forecast. 5.0% increase beginning in January, 2022, and 0% for FY23 are included based on negotiated rate increases, then annual increases of 9% are assumed each subsequent year.

The Further Consolidated Appropriations Act of 2020, included a full repeal of three taxes originally imposed by the Affordable Care Act (ACA): the 40% Excise Tax on employer-sponsored coverage (a.k.a. "Cadillac Tax"), the Health Insurance Industry Fee (a.k.a. the Health Insurer Tax), and the Medical Device Tax. These added costs are no longer an uncertainty factor for our health care costs in the forecast.

Workers Compensation & Unemployment Compensation
Workers Compensation is expected to be about .035% of wages FY22– FY26. Unemployment is expected to remain at a very low level FY22-FY26. The district is a direct reimbursement employer, which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment.

Medicare
Medicare continues to increase at the rate of increases in wages. Contributions are 1.45% for new employees to the district on or after April 1, 1986. These amounts are growing at the general growth rate of wages.

Summary of Fringe Benefits – Line #3.020

Source	FY22	FY23	FY24	FY25	FY26
STRS/SERS	$9,395,872	$10,016,751	$10,563,376	$11,048,875	$11,532,651
Insurance's	11,412,995	11,560,975	12,631,559	13,783,460	15,034,608
Workers Comp/Unemployment	243,117	247,657	260,342	271,179	282,445
Medicare	952,406	1,010,366	1,062,331	1,108,490	1,155,889
Other/Tuition	165,000	165,000	165,000	165,000	165,000
Total Fringe Benefits Line #3.020	$22,169,390	$23,000,749	$24,682,608	$26,377,004	$28,170,593

Purchased Services – Line #3.030
HB110 the new state budget will impact Purchased Services beginning in FY22 as the Ohio Department of Education will begin to direct pay these costs to the educating districts for open enrollment, community and STEM schools, and for scholarships granted students to be educated elsewhere, as opposed to deducting these

amounts from our state foundation funding and shown below as expenses. We have continued to show these amount below as zeros to help reflect the difference between projected FY22-FY26 Line 3.03 costs and historical FY19 through FY21 costs on the five year forecast. College Credit Pus, excess costs and other tuition costs will continue to draw funds away from the district, which will continue in this area and have been adjusted based on historical trend.

This category includes payments for contracted staff and services, utilities, property insurance, special education student transportation, and legal fees. The tuition category is comprised of programs for students placed outside of our district as well as College Credit Plus costs. ESC services are for preschool aide services, other special education related services, and services for substitutes teachers. Utilities are expected to remain stable each year due to negotiated contracts through a purchasing consortium with META Solutions. Purchased services include leasing of copiers through Blue Technologies. Expenditures trended lower than anticipated due to the pandemic, since it prevented the return to normal in school operations. Although certain pandemic costs were higher, Corona virus relief funds help offset much of the cost. In FY22, the forecast models the return to normal operations with inflation slightly higher at 4% due to recent cost trends, therefore costs related to utilities, instruction, and curriculum are expected to be a higher than projected in the May forecast.

Source	FY22	FY23	FY24	FY25	FY26
Tuition,Spec Ed, Scholarship, OE 471,4	$1,188,712	$1,224,373	$1,261,105	$1,298,938	$1,337,906
Community, STEM School 478	0	0	0	0	0
Legal/Prof Serv/ Prof Dev Travel 418,43	650,000	700,000	750,000	800,000	850,000
Contracted staff,RO,Instruct services 4	3,596,221	3,740,070	3,889,673	4,045,260	4,207,070
Repairs,Ins,Printing,Food Serv 423,424.	576,760	599,830	623,823	648,776	674,727
Transportation- Special Ed. 481, 483	291,147	302,793	314,905	327,501	340,601
Utilities 441,451,452,453, 422	1,687,389	1,805,506	1,931,891	2,067,123	2,211,822
Purch Serv,Rent, Lease,Postage 410,419	1,232,855	1,282,169	1,333,456	1,386,794	1,442,266
Total Purchased Services Line #3.030	$10,073,084	$10,504,741	$10,954,852	$11,424,391	$11,914,392

Supplies and Materials – Line #3.040

Supplies and materials are expenses for items such as classroom supplies, textbooks, maintenance supplies, custodial supplies, curriculum material, office supplies, bus parts and fuel. College Credit Plus textbooks cost the District approximately $30,000 each year. Inflation of 5% is included in each year of this forecast due to the current inflationary trends. In FY21 the district offset certain costs via use of Federal CARES Act funding due to the pandemic but those costs will come back to the General Fund in FY22.

Source	FY22	FY23	FY24	FY25	FY26
Supplies	$1,769,625	$1,858,106	$1,969,593	$2,068,072	$2,171,476
Curriculum Update (Textbooks)	150,000	150,000	150,000	380,000	380,000
Total Line 3.040	$1,919,625	$2,008,106	$2,119,593	$2,448,072	$2,551,476

Capital Outlay – Line # 3.050

Computer and network equipment replacements represent the majority of this category. In FY18, the district began implementing a one-to-one initiative with Chromebooks. Building improvement capital outlay is mainly being paid for with Permanent Improvement levy funds, which passed in November 2014. Whenever the PI budget allows, General Fund capital purchases will be shifted to the PI budget.

Source	FY22	FY23	FY24	FY25	FY26
Capital Outlay/Building Improve	$100,000	$100,000	$100,000	$100,000	$100,000
Bus Fleet Replacement/Maint. Vehicles	-	-	-	-	-
Other Capital Costs	850,000	850,000	850,000	850,000	850,000
Total Equipment Line #3.050	$950,000	$950,000	$950,000	$950,000	$950,000

Debt Service – Line # 4.02 Through #4.060

This section includes all principal and interest payments related to the District's non-voted debt. This includes payments associated with purchase of the land and construction of Clark Hall for expanding the high school's educational facilities, the debt on our energy conservation HB 264 project and the stadium bleacher project.

Source	FY22	FY23	FY24	FY25	FY26
Principal TANS Line #4.020	$1,553,184	$1,593,184	$1,638,184	$1,678,184	$1,715,000
Interest and Fiscal Charges Line #4.060	275,517	237,298	197,957	161,413	123,910
Total Principal Payments	$1,828,701	$1,830,482	$1,836,141	$1,839,597	$1,838,910

Other Objects – Line #4.300

The category of Other Objects consists primarily of the County Auditor & Treasurer fees for local property tax collection service, which will fluctuate with real estate revenue collections, and due to our new operating levy which will increase FY21 and FY22. The Bond & COPs issuance costs are also included in this category.

Source	FY22	FY23	FY24	FY25	FY26
County Auditor Fees:845,846,847	$1,196,209	$1,208,172	$1,220,253	$1,232,456	$1,244,780
Audit//Liab Ins/ESC/Other:800's(exclud	198,833	199,827	200,827	201,831	202,840
Total Other Expenses Line #4.300	$1,395,043	$1,407,999	$1,421,080	$1,434,286	$1,447,620

Other Financing Uses – Lines # 5.010, 5.020 & 5.030

This account group covers fund transfers and end of year short-term loans from the General Fund to other funds, until they have received reimbursements and can repay the General Fund. A transfer of $1,116,073 is included in FY19 in order to combine two general fund accounts into one. There is a corresponding transfer in in the revenue section of the forecast and the net result of this action was $0. This also includes a transfer of $275,000 to the severance fund in order to ensure funds to cover retirements in the future, $100,000 for summer school, $58,000 to the bleacher debt service and an additional $50,000 amount for contingency if additional transfers are needed. Due to the ongoing pandemic, Federal funding being received in the Food Service fund has offset the losses previously experienced, therefore the near term need for transfers has been eliminated. Due to the higher than normal number of retirees in FY21, the severance fund included an additional estimate of $160,000 for that fiscal year.

Source	FY22	FY23	FY24	FY25	FY26
Operating Transfers Out Line #5.010	$483,022	$483,022	$483,022	$483,022	$483,022
Advances Out Line #5.020	400,000	400,000	400,000	400,000	400,000
Total Transfer & Advances Out	$883,022	$883,022	$883,022	$883,022	$883,022

Source	FY22	FY23	FY24	FY25	FY26
All Other Financing Uses - Line #5.030	$0	$0	$0	$0	$0

Encumbrances –Line#8.010

These are outstanding purchase orders that could not be fully paid prior to June 30th. Typically, these are for ongoing summer work or materials ordered but not yet received. They are expected to remain constant.

Source	FY22	FY23	FY24	FY25	FY26
Estimated Encumbrances	$1,250,000	$1,250,000	$1,250,000	$1,250,000	$1,250,000

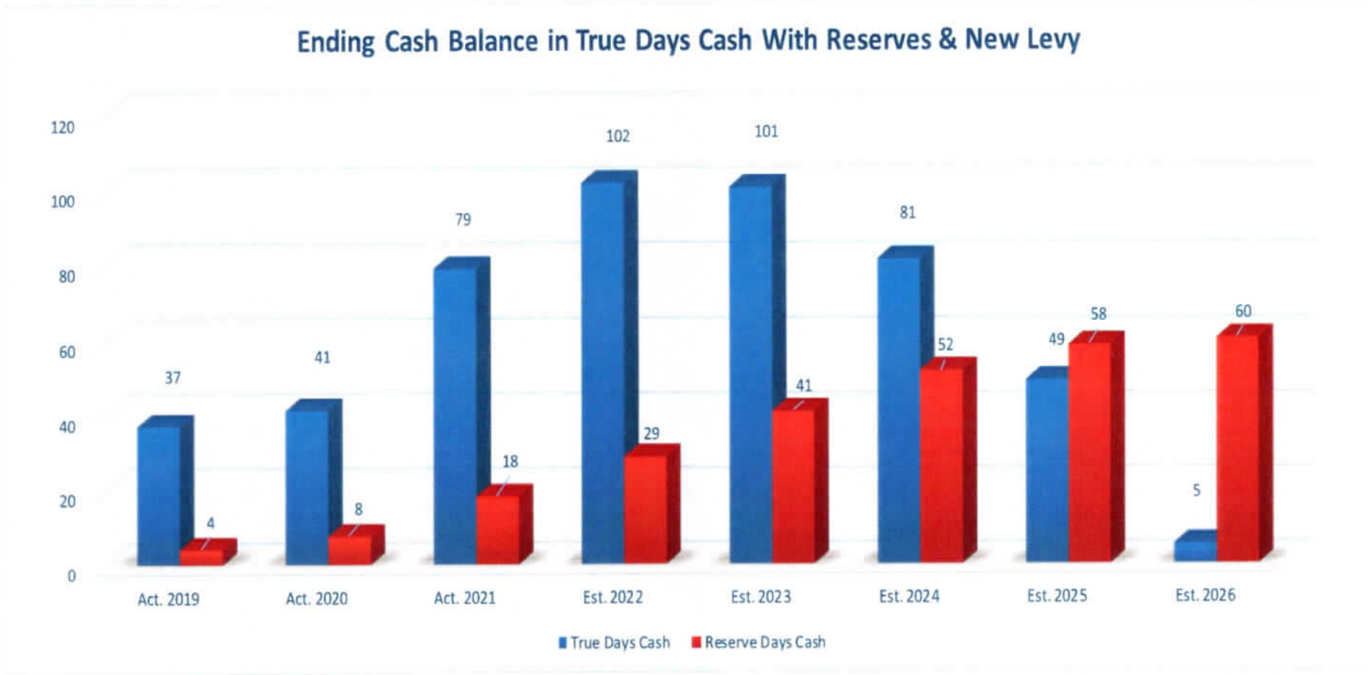
Reservation of Fund Balances –Line#9.030 & #9.080
Budgetary Reserve – The Board of Education has a goal of building a cash reserve equal to 60 days operating expenditures. This is considered a best practice and recommended by GFOA. We will work toward this goal steadily. In FY19-FY25, we are increasing our reserve each year to achieve this goal. Although not forecasted, it is possible additional funds will be reserved in the future.

Source	FY22	FY23	FY24	FY25	FY26
Budget Reserve - Line 9.030	$8,000,000	$12,000,000	$16,000,000	$19,000,000	$20,500,000
Total Reservations of Balance- Line#9.C	$8,000,000	$12,000,000	$16,000,000	$19,000,000	$20,500,000

Ending Unencumbered Cash Balance "The Bottom-line" – Line#15.010
This amount must not go below $-0- or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract that is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of $10,000, unless an alternative "412" certificate can be issued pursuant to HB153 effective September 30, 2011.

Source	FY22	FY23	FY24	FY25	FY26
Ending Unreserved Cash Balance	$20,289,707	$17,493,306	$9,204,800	-$3,049,227	-$18,701,891

True Cash Days Ending Balance – With New Levy Projected
Another way to look at ending cash is to state it in 'True Cash Days". In other words, how many days could the district operate at year end if no additional revenues were received. This is the Current Years Ending Cash Balance divided by (Current Years Expenditures/365 days) = number of days the district could operate without additional resources or a severe resource interruption. The government finance officers association recommends no less than two (2) months or 60 days cash is on hand at year end but should be no less than thirty (30) at a minimum. This is calculated including transfers as this is a predictable funding source for other funds such as capital, athletics and severance reserves.



Ending Cash Balance in True Days Cash With Reserves & New Levy
120
100
80
60
40
20
0
37
4
41
8
79
18
102
29
101
41
81
52
49
58
5
60
Act. 2019
Act. 2020
Act. 2021
Est. 2022
Est. 2023
Est. 2024
Est. 2025
Est. 2026
True Days Cash
Reserve Days Cash