

**Gahanna- Jefferson City School District**  
**Franklin County**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES FOR THE FISCAL YEARS ENDED**  
**JUNE 30, 2018, 2019 and 2020 ACTUAL**  
**FORECASTED FISCAL YEARS ENDING**  
**JUNE 30, 2021 THROUGH JUNE 30, 2025**



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

*May 26, 2021*

# GAHANNA-JEFFERSON PUBLIC SCHOOLS

## Franklin County

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2018, 2019, 2020  
Forecasted Fiscal Year Ending June 30, 2021 through 2025

	Actual				Forecasted				
	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Average Change	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
<b>Revenues</b>									
1.010 General Property Tax (Real Estate)	\$53,256,700	\$54,252,577	\$60,326,812	6.5%	\$63,862,624	\$68,153,452	\$68,569,861	\$69,187,537	\$69,583,094
1.020 Public Utility Personal Property Tax	3,582,309	4,121,916	4,811,765	15.9%	5,485,757	5,979,981	6,196,241	6,373,181	6,530,461
1.035 Unrestricted State Grants-in-Aid	15,342,572	15,802,144	14,208,152	-3.5%	15,333,717	15,983,888	15,992,154	16,000,586	16,009,186
1.040 Restricted State Grants-in-Aid	244,702	237,286	237,457	-1.5%	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	6,443,454	6,491,738	6,574,773	1.0%	6,542,279	6,612,416	6,638,106	6,690,881	6,743,028
1.060 All Other Revenues	8,418,963	10,045,645	10,544,073	12.1%	14,931,532	11,602,173	11,109,042	10,890,979	10,917,986
1.070 <b>Total Revenues</b>	<b>87,288,700</b>	<b>90,951,286</b>	<b>96,703,032</b>	<b>5.3%</b>	<b>106,393,365</b>	<b>108,569,366</b>	<b>108,742,860</b>	<b>109,380,620</b>	<b>110,021,211</b>
<b>Other Financing Sources</b>									
2.040 Operating Transfers-In	28,700	1,116,073	999,827	1889.2%	-	-	-	-	-
2.050 Advances-In	-	-	-	0.0%	536,399	-	-	-	-
2.060 All Other Financing Sources	189,720	37,296	9,088	-78.0%	452,099	25,000	25,000	25,000	25,000
2.070 <b>Total Other Financing Sources</b>	<b>218,420</b>	<b>1,153,369</b>	<b>1,008,915</b>	<b>207.8%</b>	<b>988,498</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>
2.080 <b>Total Revenues and Other Financing Sources</b>	<b>87,507,120</b>	<b>92,104,655</b>	<b>97,711,947</b>	<b>5.7%</b>	<b>107,381,863</b>	<b>108,594,366</b>	<b>108,767,860</b>	<b>109,405,620</b>	<b>110,046,211</b>
<b>Expenditures</b>									
3.010 Personal Services	\$52,852,022	\$53,381,648	\$55,020,808	2.0%	\$57,209,093	\$62,039,268	\$65,748,602	\$69,578,261	\$72,837,178
3.020 Employees' Retirement/Insurance Benefits	16,608,405	18,218,358	20,125,303	10.1%	19,821,837	21,916,342	23,546,002	25,288,218	27,052,425
3.030 Purchased Services	11,127,727	11,179,971	11,960,188	3.7%	12,042,623	13,547,565	13,845,502	14,152,809	14,719,835
3.040 Supplies and Materials	2,045,590	1,798,078	1,682,108	-9.3%	1,852,000	1,920,080	1,990,883	2,064,519	2,371,099
3.050 Capital Outlay	831,922	854,103	1,528,173	40.8%	762,000	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	1,435,005	1,423,185	1,458,185	0.8%	1,518,184	1,553,184	1,593,184	1,638,184	1,638,184
4.050 Principal-HB 264 Loans	-	-	-	0.0%	0	0	0	0	0
4.055 Principal-Other	145,000	-	-	0.0%	0	0	0	0	0
4.060 Interest and Fiscal Charges	635,777	422,342	374,075	-22.5%	321,654	269,517	237,298	197,957	197,957
4.300 Other Objects	1,071,178	1,094,456	1,285,983	9.8%	3,356,494	1,484,578	1,497,381	1,510,301	1,523,341
4.500 <b>Total Expenditures</b>	<b>\$86,752,626</b>	<b>88,372,141</b>	<b>93,434,823</b>	<b>3.8%</b>	<b>96,883,885</b>	<b>\$103,680,533</b>	<b>\$109,408,851</b>	<b>\$115,380,249</b>	<b>\$121,290,019</b>
<b>Other Financing Uses</b>									
5.010 Operating Transfers-Out	178,529	1,572,819	1,410,080	385.3%	643,022	483,022	483,022	483,022	483,022
5.020 Advances-Out	0	-	536,399	0.0%	-	-	-	-	-
5.030 All Other Financing Uses	-	-	815	0.0%	640	640	640	640	640
5.040 <b>Total Other Financing Uses</b>	<b>178,529</b>	<b>1,572,819</b>	<b>1,947,294</b>	<b>402.4%</b>	<b>643,662</b>	<b>483,662</b>	<b>483,662</b>	<b>483,662</b>	<b>483,662</b>
5.050 <b>Total Expenditures and Other Financing Uses</b>	<b>86,931,155</b>	<b>89,944,960</b>	<b>95,382,117</b>	<b>4.8%</b>	<b>97,527,547</b>	<b>104,164,195</b>	<b>109,892,513</b>	<b>115,863,911</b>	<b>121,773,681</b>
6.010 <b>Sources over (under) Expenditures and Other Financing Uses</b>	<b>575,965</b>	<b>2,159,695</b>	<b>2,329,830</b>	<b>141.4%</b>	<b>9,854,316</b>	<b>4,430,171</b>	<b>(1,124,653)</b>	<b>(6,458,291)</b>	<b>(11,727,470)</b>
7.010 <b>Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies</b>	<b>6,998,139</b>	<b>7,574,104</b>	<b>9,733,799</b>	<b>18.4%</b>	<b>\$12,063,629</b>	<b>\$21,917,945</b>	<b>\$26,348,116</b>	<b>\$25,223,463</b>	<b>\$18,765,172</b>
7.020 <b>Cash Balance June 30</b>	<b>7,574,104</b>	<b>9,733,799</b>	<b>12,063,629</b>	<b>26.2%</b>	<b>\$21,917,945</b>	<b>\$26,348,116</b>	<b>\$25,223,463</b>	<b>18,765,172</b>	<b>7,037,702</b>
8.010 <b>Estimated Encumbrances June 30</b>	<b>548,626</b>	<b>580,445</b>	<b>1,256,171</b>	<b>61.1%</b>	<b>\$1,250,000</b>	<b>\$1,250,000</b>	<b>\$1,250,000</b>	<b>\$1,250,000</b>	<b>\$1,250,000</b>
<b>Reservation of Fund Balance</b>									
9.030 Budget Reserve	1,000,303	1,000,303	2,000,000	50.0%	\$5,000,000	\$8,000,000	\$12,000,000	\$16,000,000	\$19,000,000
9.080 <b>Subtotal</b>	<b>1,000,303</b>	<b>1,000,303</b>	<b>2,000,000</b>	<b>50.0%</b>	<b>\$5,000,000</b>	<b>\$8,000,000</b>	<b>\$12,000,000</b>	<b>\$16,000,000</b>	<b>\$19,000,000</b>
10.010 <b>Fund Balance June 30 for Certification of Appropriations</b>	<b>6,025,175</b>	<b>8,153,051</b>	<b>8,807,458</b>	<b>21.7%</b>	<b>15,667,945</b>	<b>17,098,116</b>	<b>11,973,463</b>	<b>1,515,172</b>	<b>(13,212,298)</b>
<b>Revenue from Replacement/Renewal Levies</b>									
11.010 Income Tax - Renewal	-	-	-	0.0%	-	-	-	-	-
11.020 Property Tax - Renewal or Replacement	-	-	-	0.0%	-	-	-	-	-
11.300 <b>Cumulative Balance of Replacement/Renewal Levies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
12.010 <b>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</b>	<b>6,025,175</b>	<b>8,153,051</b>	<b>8,807,458</b>	<b>21.7%</b>	<b>15,667,945</b>	<b>17,098,116</b>	<b>11,973,463</b>	<b>1,515,172</b>	<b>(13,212,298)</b>
<b>Revenue from New Levies</b>									
13.010 Income Tax - New	-	-	-	0.0%	-	-	-	-	-
13.020 Property Tax - New	-	-	-	0.0%	-	-	-	-	-
13.030 <b>Cumulative Balance of New Levies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
14.010 <b>Revenue from Future State Advancements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
15.010 <b>Unreserved Fund Balance June 30</b>	<b>6,025,175</b>	<b>8,153,051</b>	<b>8,807,458</b>	<b>21.7%</b>	<b>15,667,945</b>	<b>17,098,116</b>	<b>11,973,463</b>	<b>1,515,172</b>	<b>(13,212,298)</b>
<b>True Day Cash Ratio (TDC) (9.030 + 15.010)</b>	<b>29</b>	<b>37</b>	<b>41</b>		<b>77</b>	<b>88</b>	<b>80</b>	<b>55</b>	<b>17</b>

# Gahanna-Jefferson Public Schools

Franklin County

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2018, 2019 and 2020 Actual;  
Forecasted Fiscal Years Ending June 30, 2021 Through 2025

		Actual			Forecasted				
		Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
2.080	Total Revenues	87,507,120	92,104,655	97,711,947	107,381,863	108,594,366	108,767,860	109,405,620	110,046,211
5.050	Total Expenditures	86,931,155	89,944,960	95,382,117	97,527,547	104,164,195	109,892,513	115,863,911	121,773,681
6.010	Sources over (under) Expenditures and Other Financing Uses	575,965	2,159,695	2,329,830	9,854,316	4,430,171	(1,124,653)	(6,458,291)	(11,727,470)
	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	6,998,139	7,574,104	9,733,799	12,063,629	21,917,945	26,348,116	25,223,463	18,765,172
7.020	Cash Balance June 30	7,574,104	9,733,799	12,063,629	21,917,945	26,348,116	25,223,463	18,765,172	7,037,702
	Encumbrances/Reserve	1,548,929	1,580,748	3,256,171	6,250,000	9,250,000	13,250,000	17,250,000	20,250,000
11.300	Replacement /Renewal/New Levies	0	0	0	0	0	0	0	0
15.010	Unreserved Fund Balance June 30	6,025,175	8,153,051	8,807,458	15,667,945	17,098,116	11,973,463	1,515,172	(13,212,298)
True Day Cash Ratio (Cash and Reserve)					77.35	87.95	79.63	55.18	17.35

**Gahanna-Jefferson City School District –Franklin County**  
**Notes to the Five Year Forecast**  
**General Fund Only**  
**May 26, 2021**

**Introduction to the Five Year Forecast**

School districts are required to file a five (5) year financial forecast by November 30, 2020, and May 31, 2021 for fiscal year 2021 (July 1, 2020 to June 30, 2021). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Fiscal year 2021 (July 1, 2020-June 30, 2021) 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 May 2021 filing.

**Economic Outlook**

This five-year forecast is being filed during a recovery from the COVID-19 Pandemic and a health and financial struggle that encompassed our state, country and global economy. School districts play a vital role in their communities and we believe it is important to maintain continuity of services to our students and staff. The district has maintained services to students throughout the Pandemic. The State of Ohio's economic pressure has not been as great as first expected due to the effects of the pandemic thus the restoration of a portion of the original school foundation funding cuts was ordered by the Governor on January 22, 2021. Federal funding sent to school districts through the Elementary and Secondary Schools Education Relief Funds (ESSER) has also been a much needed resource to offset the loss of state funding. Additional Federal CARES Act funding was used to cover the costs of additional technology needs, personal protective equipment, and cleaning costs caused by the pandemic. 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.

**May 2021 Updates:**

**Revenues FY21:**

The overview of revenues shows that we are substantially on target with original estimates at this point in the year. Total General Fund revenues (line 1.07) are estimated to be \$106,393,365 or 5.52% higher than the November forecasted amount of \$100,824,774. This indicates the November forecast was 94.48% accurate.

State Aide, as noted above, began the year with continued cuts at the FY20 level; however, on January 22, 2021 Governor DeWine reinstated funding of approximately 53% of those reductions thus having a positive impact of \$1,295,769 for our district's revenue.

Other revenues were up due to the sale of a cash flow Tax Anticipation Note of \$2,081,468 on the new levy which was not anticipated in the November forecast. In addition, Tax settlement agreements and Tax Increment Financing receipts exceeded estimates by \$2,554,000 as the impact of the pandemic was less than anticipated.

All other areas of revenue are tracking as anticipated for FY21 based on our best information at this time.

**Expenditures FY21:**

Total General Fund expenditures (line 4.5) are estimated to be \$96,883,885 for FY21 which is 2.69% below the original estimate of \$99,566,343 in the November forecast. The positive variance is a result of adjusting FY21 expenditures to expected trends for the year which are lower than original estimated expenses. The impact of the pandemic on operations reduced costs for utilities, transportation, substitutes, etc. These costs are expected to return to more normal levels in FY 2022 and beyond.

### **Unreserved Ending Cash Balance:**

With revenues increasing over estimates and expenditures ending slightly below estimates, our ending unreserved cash balance June 30, 2021 is anticipated to be roughly \$15.67 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through fiscal year 2024 if assumptions made for state aid in future state budgets remain close to our estimates, there are no future state budget cuts to our funding beyond FY21, and tax revenues are not materially impacted by pandemic related changes going forward.

### **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 2021 and 2023 due to deliberation of the next two (2) state biennium budgets for FY22-23 and FY24-25, 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.

**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 79.2% of the district's resources. Due to the COVID-19 Recession we originally anticipated current tax collections may fall 5% in FY21, but they actually fell 3%. This is good news for collections and we will slowly readjust back up to normal collections in FY22-25.

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 believe there is a low risk that local collections would fall below projections in the forecast.

**III. State Foundation** - While state foundation funding was initially guaranteed at the FY19 level, the Coronavirus Pandemic caused the most rapid and largest decrease of employment in history. In order to balance the State Budget on May 6, 2020 the Governor ordered a \$300.5 million reduction of state foundation funding to school districts by the end of June 2020. These cuts were to continue through FY21 as well, however the Governor subsequently reinstated \$160 million of these reductions to school districts in an executive order dated January 22, 2021. With the economy rebounding from the sharp drop in employment in March and April 2020 and state tax revenues well above estimates for FY21, we anticipate funding will remain unchanged for the rest of FY21. Governor DeWine submitted his FY22-FY23 biennial budget (Sub. HB110) which returns state foundation funding to schools at their FY19 funded level. The biennial budget is now working its way through the legislative process. HB1, also known as the Fair School Funding Bill, was introduced on February 4, 2021 and will work its way through the legislative process where it has been combined with Sub. HB110. The certainty of foundation funding levels will not likely be known until late June 2021. At this time the FY19 funding level is the basis for districts state funding in FY22 and FY23. We believe Ohio's economy will continue to improve through FY21 and that FY22-25 will see funding returned to the FY19 levels at a

minimum. We will not project an increase beyond the FY19 levels at this time until the state budget is known for FY22 and FY23.

State funding represents 20.8% of district revenues and is an area of risk to revenue. The state reduced our funding for FY20 and FY21 by \$1,397,460 and \$752,963 respectively. We anticipate these reductions due to reduced state revenue because of the COVID-19 pandemic. There are two future State Biennium Budgets covering the period from FY22-23 and FY24-25 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 through FY25. We will make adjustments to the forecast in future years as we have data to help guide this decision.

In general, the only significant increase in funding to all districts in Ohio for FY20 and FY21 is restricted use money for Student Wellness and Success Fund (SWSF) which must be placed in Fund 467. This is not General Fund money and thus not included in the forecast. The current proposed state budget for FY22 - FY23 is Sub. HB110 and it includes increases for SWSF for each year of the biennium budget along with guarantees that no district will receive less funding than they received in FY21. We have assumed this money will continue through FY25. Enrollment Growth Supplement money is paid to a small number of growing districts and Sub. HB110 also proposes these funds be continued in FY22 and FY23 at current FY21 levels. We have assumed these funds will continue at the guarantee level through FY25. Our district is estimated to receive \$300,757 in enrollment growth money for FY21 and will treat it as guaranteed FY22-25.

**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 the many 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, Community Schools and increases in per pupil scholarship amounts deducted from our state aid in the FY20 and FY21 school years, even though funding for our students was decreased to our district.

HB197 passed in March 2020 freezes EdChoice eligibility at the 2019-2020 list of 517 buildings. The district does not have any buildings designated as underperforming but the measures used by the state could be changed for the future. These are examples of new choice programs that increase with each biennium budget that cost the district money. Expansion or creation of programs such as these exposes the district to new expenditures that are not currently in the forecast. We are monitoring any new threats to our state aid and increased costs as the proposed new state budget bill Sub. HB110 moves through the legislative process.

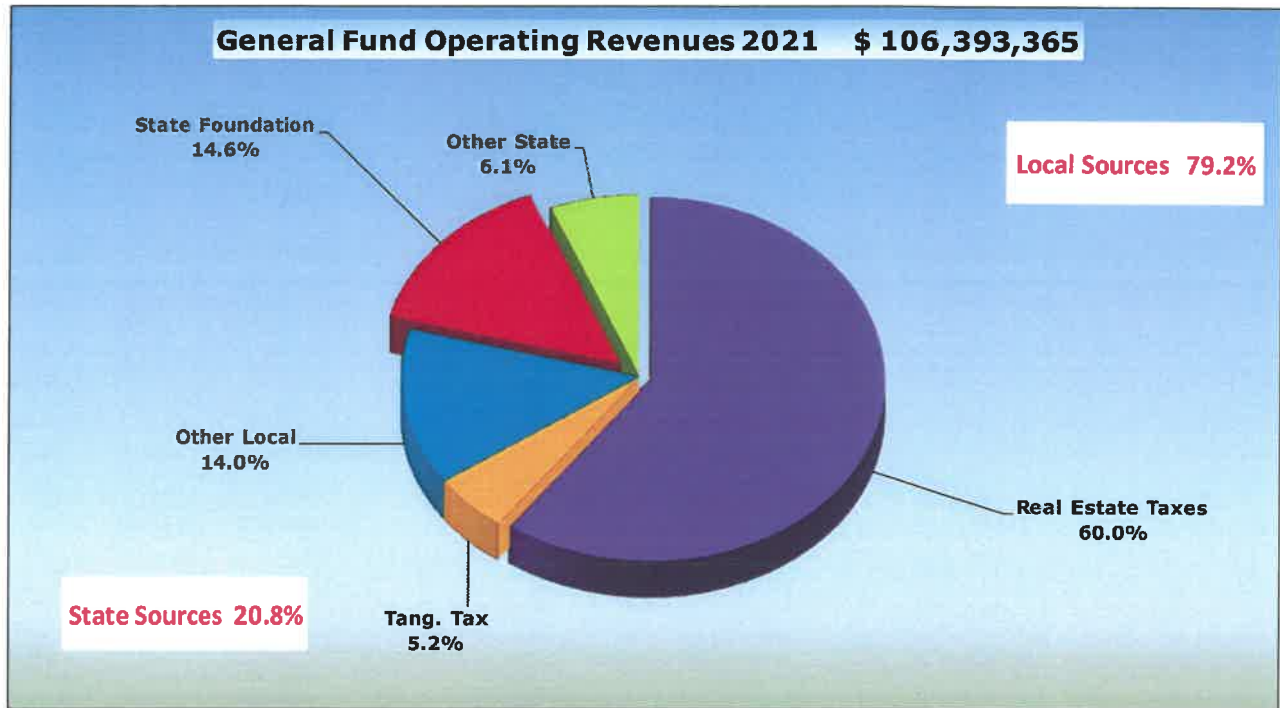
**VI. Health Insurance Premiums** –The insurance fund balance was depleted during FY18 due to underfunding and unusually high claims. The district borrowed \$2 million in a short term note in order to keep the fund solvent and allow time for the increased premiums to correct the fund balance. In order 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 an increase of 15% in January 2022, then annual increases of 9% going forward.



## 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, 4% for commercial and 2.44% growth for PUPP. 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**

	Actual	Estimated	Estimated	Estimated	Estimated
	TAX YEAR2020	TAX YEAR2021	TAX YEAR2022	TAX YEAR2023	TAX YEAR2024
Classification	COLLECT 2021	COLLECT 2022	COLLECT 2023	COLLECT 2024	COLLECT 2025
Res./Ag.	\$1,496,652,730	\$1,501,352,730	\$1,506,052,730	\$1,601,115,894	\$1,605,815,894
Comm./Ind.	356,466,320	360,916,320	365,366,320	384,430,973	388,880,973
Public Utility (PUPP)	74,542,490	77,542,490	80,042,490	82,042,490	84,042,490
Total Assessed Value	<u>\$1,927,661,540</u>	<u>\$1,939,811,540</u>	<u>\$1,951,461,540</u>	<u>\$2,067,589,357</u>	<u>\$2,078,739,357</u>

**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 1<sup>st</sup> 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 2<sup>nd</sup> 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 FY21 and FY22 are noted below due to the increase in collections from the 4.26 mill operating levy passed November 3, 2020.

Source	FY21	FY22	FY23	FY24	FY25
General Property Taxes Line #1.010	<u>\$63,862,624</u>	<u>\$68,153,452</u>	<u>\$68,569,861</u>	<u>\$69,187,537</u>	<u>\$69,583,094</u>

**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 FY21 and FY22 are noted below due to the increase in collections from the 4.26 mill operating levy passed November 3, 2020.

Source	FY21	FY22	FY23	FY24	FY25
Public Utility Personal Property	<u>\$5,485,757</u>	<u>\$5,979,981</u>	<u>\$6,196,241</u>	<u>\$6,373,181</u>	<u>\$6,530,461</u>

**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.

**State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045 are based on the Current State Funding Model Per HB166 Through June 30, 2021**

**A) Unrestricted State Foundation Revenue– Line #1.035**



### **Unrestricted State Grants-in-Aid – Line #1.035**

The amounts estimated for state funding are based on HB166 which on May 6, 2020 was cut and then funding partially restored by executive order signed January 22, 2021 by the Governor. Initially state aid funding for all 610 traditional school districts and 49 Joint Vocational and Career Centers was frozen for FY20 & FY21 at the FY19 funding level. The State Foundation Funding Formula used since FY14 was dropped in FY20 after six (6) years. HB1, aka the Fair School Funding plan, is currently being considered by the legislature and has been combined with Sub. HB110 and will produce a successor funding formula for the FY22-23 biennium budget. Currently Sub. HB110, the proposed budget, projects funding for districts at FY19 guarantee amounts for FY22 and FY23. For this reason, we have projected state aid flat at the FY19 funding level through FY25 as we have nothing authoritative to rely on at this time.

### **Foundation Funding Partially Restored January 22, 2021 for FY21**

On January 22, 2021 the Governor signed an executive order reinstating \$160 million of previous cuts to public schools thus reducing the cuts in FY21. At this time the state funding for FY21 is being reduced \$752,963 from the FY19 amount.

### **Supplemental Funding for Student Wellness and Success Funds (SWSF)- (Restricted Fund 467)**

Nearly all of the new funding for K-12 public education in the FY20-21 Executive Budget is provided through a formula allocating \$250 million in FY20 and \$358 million in FY21 based upon each district's percentage of students in households at or below 185% of the Federal Poverty Level (FPL) and the total number of students enrolled in each district. In FY21, proposed funding ranges from \$30 per student to \$360 per student. All schools and students are to receive a minimum additional funding of \$36,000 in FY21. All districts are guaranteed to get 131% of what they received in FY20, and the proposed state budget (Sub. HB110) is guaranteeing all districts will get 100% of what they received in FY21 for FY22 and FY23. Our district is estimated to receive \$597,294 in FY21. Money will be received twice each year in October and February. These dollars are to be deposited in a Special Revenue Fund 467 and are restricted to expenses that follow a plan developed in coordination with two approved community partner organizations per HB110.

At this time our district is spending money in our General Fund that is servicing student needs as identified in 3317.26 (B) and our approved plan calls for these expenses to be recoded to Fund 467 for FY20 and FY21, then returning these expenses to the General Fund for FY22-25 until we see what is approved in Sub. HB110 for SWSF funds.

**Future State Budgets:** Our funding status for the FY22-25 will depend on two (2) new state budgets which are unknown. With the change to the state funding and reductions for FY20-21 state amounts, we will increase funding in FY22 back to 95% of FY19 levels, then increase FY23 through FY25 back to original FY19 funding levels. We believe our current state funding estimates for FY21-25 are reasonable and that we will adjust the forecast in the future when we have authoritative data to work with.

### **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 31<sup>st</sup> of January and August each year which began for the first time on January 31, 2013.

Due to the COVID-19, casinos were closed from March 12, to June 18, 2020. We are reducing the amount of funding in FY21 by 26% then increasing the amount in FY22 back to 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 FY21-25 estimated a .4% decline in pupils to 1,778,441 and GCR increasing to \$95.5 million or \$53.75 per pupil. We believe it will be FY22 when revenues return to the post COVID-19 level.

Source	FY21	FY22	FY23	FY24	FY25
Basic Aid-Unrestricted	\$14,128,160	\$14,689,237	\$14,689,237	\$14,689,237	\$14,689,237
Additional Aid Items	881,328	881,328	881,328	881,328	881,328
Basic Aid-Unrestricted Subtotal	\$15,009,488	\$15,570,565	\$15,570,565	\$15,570,565	\$15,570,565
Ohio Casino Commission ODT	324,229	413,323	421,589	430,021	438,621
Total Unrestricted State Line # 1.035	<u>\$15,333,717</u>	<u>\$15,983,888</u>	<u>\$15,992,154</u>	<u>\$16,000,586</u>	<u>\$16,009,186</u>

#### **B) Restricted State Revenues – Line # 1.040**

HB166 continues funding two restricted sources of revenues to school districts which are Economic Disadvantaged Funding and Career Technical Education Funding. The amount of funding in these areas is estimated to remain stable each remaining year of the forecast. We have incorporated this amount into the restricted aid amount in Line #1.04 for FY21-25.

Source	FY21	FY22	FY23	FY24	FY25
Economically Disadvantaged Aid	\$94,037	\$94,037	\$94,037	\$94,037	\$94,037
Career Tech - Restricted	143,419	143,419	143,419	143,419	143,419
Medicaid/Catastrophic Aid-see 1.060	0	0	0	0	0
Total Restricted State Line #1.040	<u>\$237,456</u>	<u>\$237,456</u>	<u>\$237,456</u>	<u>\$237,456</u>	<u>\$237,456</u>

#### **C) Restricted Federal Grants in Aid – line #1.045**

No federal unrestricted grants are projected FY21-25.

Source	FY21	FY22	FY23	FY24	FY25
Unrestricted Line # 1.035	\$15,333,717	\$15,983,888	\$15,992,154	\$16,000,586	\$16,009,186
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	<u>\$15,571,173</u>	<u>\$16,221,344</u>	<u>\$16,229,610</u>	<u>\$16,238,042</u>	<u>\$16,246,642</u>

### **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	FY21	FY22	FY23	FY24	FY25
Rollback & Homestead	<u>\$6,542,279</u>	<u>\$6,612,416</u>	<u>\$6,638,106</u>	<u>\$6,690,881</u>	<u>\$6,743,028</u>

#### All Other Revenues – Line #1.060

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 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 FY25 as noted below.

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.

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	FY21	FY22	FY23	FY24	FY25
Tuition SF-14,SF-14H,Cat Cost(121*,1	\$1,091,407	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000
Interest	240,705	133,494	133,494	158,494	178,494
Premium on Sale of Bonds & COPs	2,081,468	-	-	-	-
Student Fees and PTP Fees (16*,1740,1	52,273	262,000	262,000	262,000	262,000
Clark Hall Revenue(1440)	132,000	132,000	132,000	132,000	132,000
Rentals, Donations,Misc, Medicaid (13	686,867	686,867	693,736	700,673	707,680
PILOT's & Easton TIF	<u>10,646,812</u>	<u>9,137,812</u>	<u>8,637,812</u>	<u>8,387,812</u>	<u>8,387,812</u>
Total Other Local Revenue Line #1.060	<u>\$14,931,532</u>	<u>\$11,602,173</u>	<u>\$11,109,042</u>	<u>\$10,890,979</u>	<u>\$10,917,986</u>

#### 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. The return of an advance will be received in FY21 related to the Self Insurance Fund. No other transfers or advances are anticipated at this time.

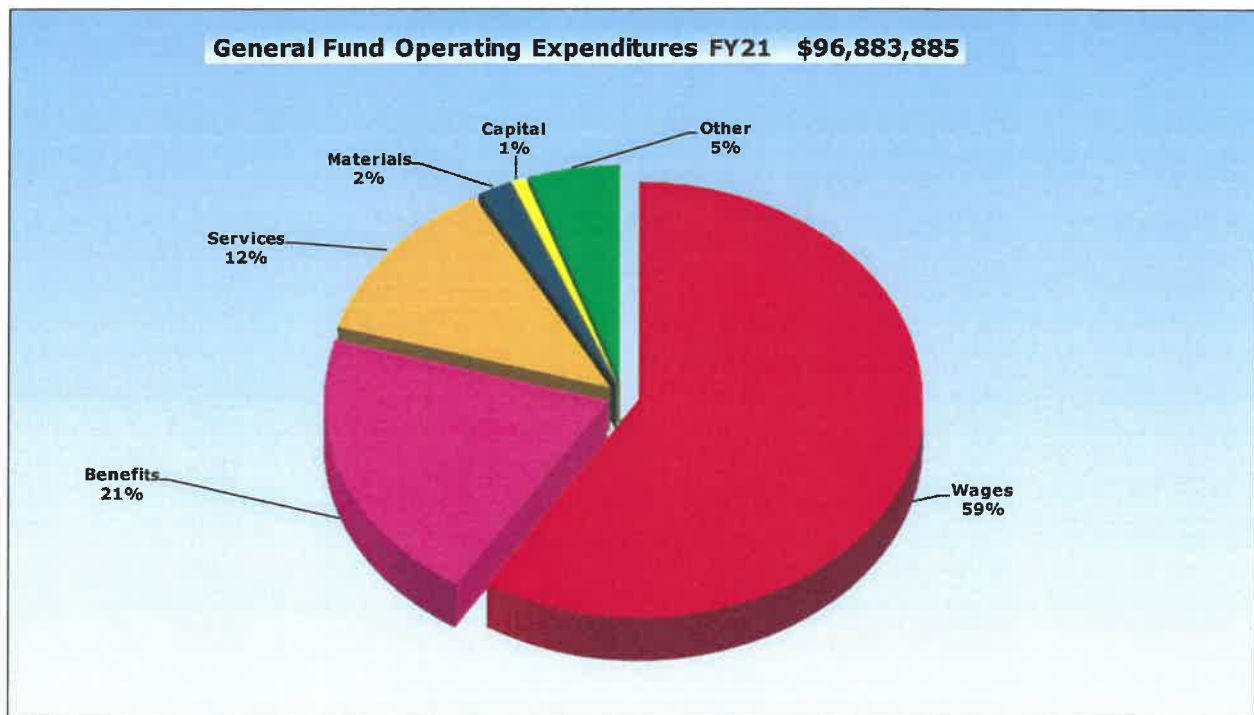
Source	FY21	FY22	FY23	FY24	FY25
Transfers In - Line 2.040	\$0	\$0	\$0	\$0	\$0
Advance Returns - Line 2.050	<u>536,399</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Transfer & Advances In	<u>\$536,399</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

### 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.

Source	FY21	FY22	FY23	FY24	FY25
Refunds & Sale of Assets	<u>\$452,099</u>	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$25,000</u>

## 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 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 FY21 through FY25 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	FY21	FY22	FY23	FY24	FY25
Base Wages	\$52,912,866	\$55,453,443	\$59,936,468	\$63,618,109	\$67,419,521
Increases/ Performance Pay	1,152,355	1,764,886	1,842,603	1,978,594	1,326,362
Steps & Training	1,152,355	1,190,539	1,491,702	1,604,571	1,701,407
Subs/OT 112,114,142,144	563,164	563,164	563,164	563,164	563,164
New Staff Via Attrition	325,322	1,631,135	856,862	737,964	732,447
Supplemental Costs	1,357,486	1,384,636	1,412,329	1,440,576	1,469,388
Fund 467 Recoding	-	396,000	-	-	-
Other:122,152,17*	155,000	155,000	155,000	155,000	155,000
Staff Reductions/Retirement	(409,455)	(499,535)	(509,526)	(519,717)	(530,111)
Total Wages Line #3.010	<u>\$57,209,093</u>	<u>\$62,039,268</u>	<u>\$65,748,602</u>	<u>\$69,578,261</u>	<u>\$72,837,178</u>

### **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 will eliminate the deficit and accompanying \$2 million note issuance, cover current liabilities and will cover 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. A 15.0% increase beginning in January, 2022; 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 FY21– FY25. Unemployment is expected to increase in FY21, then remain at a very low level FY22-FY25. 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	FY21	FY22	FY23	FY24	FY25
STRS/SERS	\$8,081,523	\$9,239,554	\$9,793,827	\$10,364,343	\$10,869,044
Insurance's	10,507,852	11,411,937	12,436,226	13,541,763	14,744,902
Workers Comp/Unemployment	287,521	242,137	245,120	258,524	269,930
Medicare	796,519	857,714	905,829	958,588	1,003,549
Other/Tuition	148,422	165,000	165,000	165,000	165,000
Total Fringe Benefits Line #3.020	<u>\$19,821,837</u>	<u>\$21,916,342</u>	<u>\$23,546,002</u>	<u>\$25,288,218</u>	<u>\$27,052,425</u>

**Purchased Services – Line #3.030**

This category includes payments for contracted staff and services, utilities, property insurance, special education student transportation, and legal fees. In addition, significant payments are made to Community Schools and other school choice programs for our students who choose to enroll in those programs. Projections beyond FY20 are very modest and based upon historical experience and enrollment composition.

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. We will continue to monitor the effects of FY20 and FY21 state budget cuts on the potential reductions in costs to tuition, community school, scholarship and STEM school payments made to other organizations that are deducted from our foundation payments. 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, therefore costs related to utilities, instruction, and curriculum are expected to return to more normal levels.

Source	FY21	FY22	FY23	FY24	FY25
Tuition,Spec Ed, excess cost 471,473,47	\$2,162,496	\$2,184,121	\$2,205,962	\$2,228,022	\$2,250,302
Comm School,OE,CCP 477,478,479	2,030,119	2,050,420	2,070,924	2,091,633	2,112,549
Legal/Prof Serv/ Prof Dev Travel 418,42	670,635	500,000	500,000	500,000	750,000
Contracted staff,RO,Instruct services 4	2,880,982	3,553,007	3,641,832	3,732,878	3,826,200
Repairs,Ins,Printing,Food Serv 423,424	628,845	647,710	667,141	687,155	707,770
Transportation- Special Ed. 481, 483	73,944	273,944	282,162	290,627	299,346
Utilities 441,451,452,453, 422	1,416,239	1,723,320	1,809,486	1,899,960	1,994,958
Purch Serv,Rent, Lease,Postage 410,419	<u>1,704,896</u>	<u>1,765,043</u>	<u>1,817,994</u>	<u>1,872,534</u>	<u>1,928,710</u>
Total Purchased Services Line #3.030	<u>\$12,042,623</u>	<u>\$13,547,565</u>	<u>\$13,845,502</u>	<u>\$14,152,809</u>	<u>\$14,719,835</u>

**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 4% is included in each year of this forecast. In FY21 the district offset certain costs via use of Federal CARES Act funding due to the pandemic.

Source	FY21	FY22	FY23	FY24	FY25
Supplies	\$1,702,000	\$1,770,080	\$1,840,883	\$1,914,519	\$1,991,099
Curriculum Update (Textbooks)	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>380,000</u>
Total Line 3.040	<u>\$1,852,000</u>	<u>\$1,920,080</u>	<u>\$1,990,883</u>	<u>\$2,064,519</u>	<u>\$2,371,099</u>

### 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	FY21	FY22	FY23	FY24	FY25
Capital Outlay/Building Improve	\$166,000	\$100,000	\$100,000	\$100,000	\$100,000
Bus Fleet Replacement/Maint. Vehicles	-	-	-	-	-
Other Capital Costs	596,000	850,000	850,000	850,000	850,000
Total Equipment Line #3.050	<u>\$762,000</u>	<u>\$950,000</u>	<u>\$950,000</u>	<u>\$950,000</u>	<u>\$950,000</u>

### 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	FY21	FY22	FY23	FY24	FY25
Principal TANS Line #4.020	\$1,518,184	\$1,553,184	\$1,593,184	\$1,638,184	\$1,638,184
Principal Bus Lease Line # 4.055	374,072	321,654	269,517	237,298	197,957
Total Principal Payments	<u>\$1,892,256</u>	<u>\$1,874,838</u>	<u>\$1,862,701</u>	<u>\$1,875,482</u>	<u>\$1,836,141</u>

### 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	FY21	FY22	FY23	FY24	FY25
County Auditor Fees:845,846,847	\$882,428	\$1,075,999	\$1,086,759	\$1,097,627	\$1,108,603
Audit//Liab Ins/ESC/Other:800's(exclud	406,546	408,579	410,622	412,675	414,738
Bond & COPs Issue Costs	2,067,520	-	-	-	-
Total Other Expenses Line #4.300	<u>\$3,356,494</u>	<u>\$1,484,578</u>	<u>\$1,497,381</u>	<u>\$1,510,301</u>	<u>\$1,523,341</u>

### 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, the food service fund is experiencing a loss of revenue that could result in future transfers or advances. Due to the higher than normal number of retirees in FY21, the severance fund includes an additional estimate of \$160,000 this fiscal year.

Source	FY21	FY22	FY23	FY24	FY25
Operating Transfers Out Line #5.010	\$643,022	\$483,022	\$483,022	\$483,022	\$483,022
Advances Out Line #5.020	0	0	0	0	0
Total Transfer & Advances Out	<u>\$643,022</u>	<u>\$483,022</u>	<u>\$483,022</u>	<u>\$483,022</u>	<u>\$483,022</u>

Source	FY21	FY22	FY23	FY24	FY25
All Other Financing Uses - Line #5.030	<u>\$640</u>	<u>\$640</u>	<u>\$640</u>	<u>\$640</u>	<u>\$640</u>

### Encumbrances –Line#8.010

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

Source	FY21	FY22	FY23	FY24	FY25
Estimated Encumbrances	<u>\$1,250,000</u>	<u>\$1,250,000</u>	<u>\$1,250,000</u>	<u>\$1,250,000</u>	<u>\$1,250,000</u>

### 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-FY24, 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	FY21	FY22	FY23	FY24	FY25
Textbooks & Instructional Materials- L	\$0	\$0	\$0	\$0	\$0
Capital Improvements- Line 9.020	-	-	-	-	-
Budget Reserve - Line 9.030	<u>5,000,000</u>	<u>8,000,000</u>	<u>12,000,000</u>	<u>16,000,000</u>	<u>19,000,000</u>
Total Reservations of Balance- Line#9.0	<u>\$5,000,000</u>	<u>\$8,000,000</u>	<u>\$12,000,000</u>	<u>\$16,000,000</u>	<u>\$19,000,000</u>

### Ending Unencumbered Cash Balance “The Bottom-line” – Line#15.010

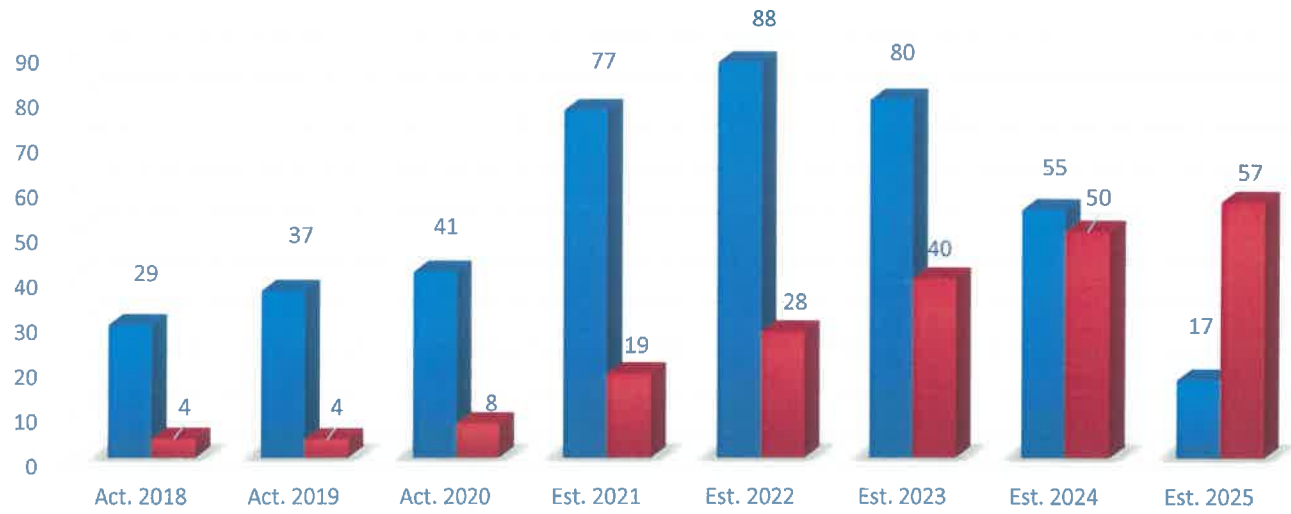
This amount must not go below \$-0- or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract that is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of \$10,000, unless an alternative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

Source	FY21	FY22	FY23	FY24	FY25
Ending Unreserved Cash Balance	<u>\$15,667,945</u>	<u>\$17,098,116</u>	<u>\$11,973,463</u>	<u>\$1,515,172</u>	<u>-\$13,212,298</u>

### True Cash Days Ending Balance

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 could be more depending on each districts complexity and risk factors for revenue collection. This is calculated including transfers as this is a predictable funding source for other funds such as capital, athletics and severance reserves. The graph below captures the “True Days Cash” balance for our district. This measure is essential to the long-term success and stability of the District. It includes our budget reserve and our new 4.26 mill levy passed November 3, 2020.

## Ending Cash Balance in True Days Cash With Reserves & New Levy



Actual = Blue

Forecasted = Red