

**Gahanna- Jefferson City School District  
Franklin County**

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES  
IN FUND BALANCES FOR THE FISCAL YEARS ENDED  
JUNE 30, 2021, 2022, and 2023 ACTUAL  
FORECASTED FISCAL YEARS ENDING  
JUNE 30, 2024, THROUGH JUNE 30, 2028**



**Forecast Provided By  
Gahanna-Jefferson City School District  
J. Scott Gooding II, Treasurer/CFO**

***Presented:  
Finance & Facilities Committee – October 17, 2023  
Finance & Facilities Committee – November 14, 2023  
Board of Education Meeting – November 16, 2023***

# GAHANNA-JEFFERSON PUBLIC SCHOOLS

## Franklin County

Schedule of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Years Ended June 30, 2021, 2022, 2023

Forecasted Fiscal Year Ending June 30, 2024 through 2028

	Actual				Forecasted				
	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Average Change	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
<b>Revenues</b>									
1.010 General Property Tax (Real Estate)	\$63,863,918	\$69,433,890	\$68,553,097	3.7%	\$68,732,817	\$70,376,844	\$70,745,220	\$71,238,705	\$72,079,225
1.020 Public Utility Personal Property Tax	5,485,757	6,125,870	6,565,465	9.4%	6,871,721	7,083,724	7,241,004	7,398,284	7,555,564
1.035 Unrestricted State Grants-in-Aid	15,344,839	13,131,506	13,174,656	-7.0%	16,603,606	16,807,057	16,821,350	16,835,998	16,851,009
1.040 Restricted State Grants-in-Aid	237,457	650,357	1,079,339	119.9%	1,238,151	1,238,151	1,238,151	1,238,151	1,238,151
1.045 Restricted Federal Grants In Aid	-	-	-	0.0%	0	0	0	0	0
1.050 State Share of Local Property Taxes	6,542,281	6,644,276	6,584,750	0.3%	6,695,732	6,796,399	6,817,610	6,855,593	6,893,322
1.060 All Other Revenues	15,544,788	15,142,451	16,693,051	3.8%	16,966,383	17,259,842	17,523,733	17,768,162	18,018,239
1.070 <i>Total Revenues</i>	107,019,040	111,128,350	112,650,358	2.6%	117,108,410	119,562,017	120,387,068	121,334,893	122,635,510
<b>Other Financing Sources</b>									
2.040 Operating Transfers-In	3,000,000	351,102	571,396	-12.8%	104,941	107,780	36,959	43,939	43,939
2.050 Advances-In	536,399	593,810	9,556	-43.8%	17,579	400,000	400,000	400,000	400,000
2.060 All Other Financing Sources	452,099	153,535	493,305	77.63%	25,000	25,000	25,000	25,000	25,000
2.070 <i>Total Other Financing Sources</i>	3,988,498	1,098,447	1,074,257	-37.3%	147,520	532,780	461,959	468,939	468,939
2.080 <i>Total Revenues and Other Financing Sources</i>	111,007,538	112,226,797	113,724,615	1.2%	117,255,930	120,094,797	120,849,027	121,803,832	123,104,449
<b>Expenditures</b>									
3.010 Personal Services	\$57,301,948	\$61,177,471	\$64,100,222	5.8%	\$68,708,080	\$73,560,285	\$77,587,623	\$81,651,914	\$85,827,887
3.020 Employees' Retirement/Insurance Benefits	19,781,037	20,838,993	22,209,355	6.0%	22,330,947	23,468,713	24,820,198	26,698,760	28,694,873
3.030 Purchased Services	11,045,610	10,617,577	11,317,570	1.4%	11,527,916	12,154,000	12,433,772	12,775,042	13,128,248
3.040 Supplies and Materials	1,726,325	2,156,355	2,749,742	26.2%	3,749,870	3,718,985	3,826,878	3,932,934	4,044,907
3.050 Capital Outlay	840,280	542,571	848,761	10.5%	1,368,800	1,486,684	1,194,827	1,982,974	1,211,638
Debt Service:									
4.010 Principal-All (Historical Only)	-	-	-	0.0%	0	0	0	0	0
4.020 Principal-Notes	1,518,184	1,553,184	-	-48.8%	0	0	0	0	0
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	321,654	275,494	-	-57.2%	0	0	0	0	0
4.300 Other Objects	3,266,812	1,432,418	1,679,605	-19.4%	1,559,200	1,569,449	1,577,430	1,585,652	1,594,120
4.500 <i>Total Expenditures</i>	95,801,850	98,594,063	102,905,255	3.6%	109,244,813	115,958,116	121,440,728	128,627,276	134,501,673
<b>Other Financing Uses</b>									
5.010 Operating Transfers-Out	3,496,959	1,308,906	3,154,443	39.2%	2,779,768	2,765,206	2,362,887	2,376,446	2,371,704
5.020 Advances-Out	593,810	9,556	17,579	-7.2%	400,000	400,000	400,000	400,000	400,000
5.030 All Other Financing Uses	-	-	-	0.0%	0	0	0	0	0
5.040 <i>Total Other Financing Uses</i>	4,090,769	1,318,462	3,172,022	36.4%	3,179,768	3,165,206	2,762,887	2,776,446	2,771,704
5.050 <i>Total Expenditures and Other Financing Uses</i>	99,892,619	99,912,525	106,077,277	3.1%	112,424,581	119,123,321	124,203,615	131,403,722	137,273,378
6.010 <i>Sources over (under) Expenditures and Other Financing Uses</i>	11,114,919	12,314,272	7,647,338	-13.6%	4,831,349	971,476	(3,354,588)	(9,599,890)	(14,168,929)
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	\$12,063,629	\$23,178,548	\$35,492,820	72.6%	\$43,140,158	\$47,971,507	\$48,942,982	\$45,588,395	\$35,988,504
7.020 <i>Cash Balance June 30</i>	23,178,548	35,492,820	43,140,158	37.3%	\$47,971,507	\$48,942,982	\$45,588,395	35,988,504	21,819,576
8.010 <i>Estimated Encumbrances June 30</i>	1,555,948	4,021,249	2,197,523	56.5%	\$2,591,573	\$2,591,573	\$2,591,573	\$2,591,573	\$2,591,573
<b>Reservation of Fund Balance</b>									
9.030 Budget Reserve	5,000,000	5,350,952	5,472,179	4.6%	\$5,978,101	\$6,019,353	\$6,066,745	\$6,131,776	\$6,197,503
9.080 <i>Subtotal</i>	5,000,000	5,350,952	5,472,179	4.6%	\$5,978,101	\$6,019,353	\$6,066,745	\$6,131,776	\$6,197,503
10.010 <i>Fund Balance June 30 for Certification of Appropriations</i>	16,622,600	26,120,619	35,470,456	46.5%	39,401,833	40,332,056	36,930,077	27,265,155	13,030,499
<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 Cumulative Balance of Levies	-	-	-	0.0%	-	-	-	-	-
12.010 <i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>	16,622,600	26,120,619	35,470,456	46.5%	39,401,833	40,332,056	36,930,077	27,265,155	13,030,499
<b>Revenue from New Levies</b>									
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 <i>Unreserved Fund Balance June 30</i>	\$16,622,600	\$26,120,619	\$35,470,456	46.5%	\$39,401,833	\$40,332,056	\$36,930,077	\$27,265,155	\$13,030,499

**Gahanna-Jefferson City School District –Franklin County**  
**Notes to the Five-Year Forecast**  
**General Fund Only**  
**November 16, 2023**

**Introduction to the Five-Year Forecast**

A forecast is somewhat like a future painting based on a snapshot of today. That snapshot, however, will be adjusted because the further into the future the forecast extends, the more likely it is that the projections will deviate from experience. A variety of events will ultimately impact the latter years of the forecast, such as state budgets (adopted every two years), tax levies (new/renewal/replacement), salary increases, or businesses moving in or out of the district. The five-year forecast is a crucial management tool and must be updated periodically. The five-year forecast enables district management teams to examine future years' projections and identify when challenges will arise. This then helps district management to be proactive in meeting those challenges. School districts are encouraged to update their forecasts with ODE when events significantly change their forecast or, at a minimum, when required under the statute.

In a financial forecast, the numbers only tell a small part of the story. For the numbers to be meaningful, the reader must review and consider the Assumptions of the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are fundamental to understanding the rationale of the numbers, particularly when a significant increase or decrease is reflected.

Since the preparation of a meaningful five-year forecast is as much an art as it is a science and entails many intricacies, it is recommended that you contact the Treasurer/Chief Fiscal Officer of the school district with any questions you may have. The Treasurer/CFO submits the forecast, but the Board of Education is recognized as the official owner of the forecast.

Here are three essential purposes or objectives of the five-year forecast:

- (1) To engage the local board of education and the community in long-range planning and discussions of financial issues facing the school district
- (2) To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate"
- (3) To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems.

O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five-year financial forecast by November 30, 2023, and May 31, 2024, for the fiscal year 2024 (July 1, 2023, to June 30, 2024). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The fiscal year 2024 (July 1, 2023-June 30, 2024) is the first year of the five-year forecast and is considered the baseline year. Our forecast is updated to reflect the most current economic data available for the November 2023 filing.

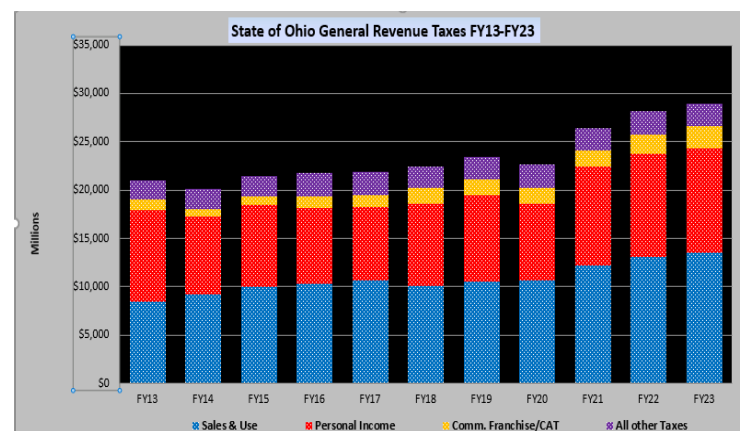
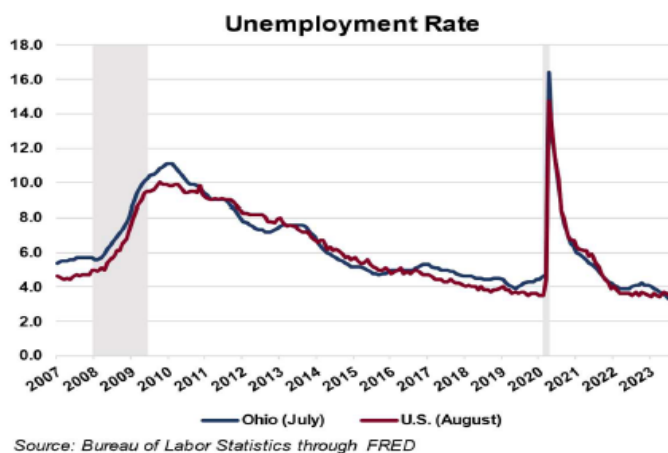
**Economic Outlook**

This five-year forecast is submitted during the multiyear economic recovery following the 2020 COVID-19 Pandemic. The recovery began in the fall of 2020 and remains robust through this forecast date. Many supply chain concerns have lessened as manufacturing has caught up. However, persistently high inflation continues to impact our state, country, and broader globalized economy. Inflation in June 2022 hit a 40-year high of 9.1% before falling to the current annualized rate of 3.4% in August 2023. Costs in FY23 were notably impacted in areas such as capital and durable goods, diesel fuel for buses, electric, natural gas, and building materials for

facility maintenance and repair. Increased inflation affecting district costs is expected to continue in FY24. However, the Federal Reserve is projecting inflation to be closer to their target rate of 2% sometime in calendar 2024. It remains to be seen if the cumulative cost increases over the past two years are transitory in goods and services or will last over several years, which could adversely impact our forecast.

The Federal Reserve Bank has made fighting inflation its number one concern. Interest rates are expected to increase again before December 2023, which may result in increased unemployment. Still, many economists anticipate a “full employment recession” in the first half 2024. In the history of our country, there has never been a full employment recession. However, the possibility of one underscores why this is a very unique time in our economic history.

As noted in the graphs below the state of Ohio has enjoyed economic growth over the past three years, and the state’s Rainy Day Fund is at \$3.7 Billion, which is a record high. School funding cuts made in FY20 have been fully restored, and a new state funding formula is in the third year of a projected six-year phase-in. While increased inflation impacting district costs is expected to continue over the next few years, the state’s economy has grown, and many school districts received new funding in HB33 for FY24 and FY25. The ongoing growth in Ohio’s economy should enable the state to continue the phase-in of the new funding formula even if a cyclical recession occurs. Regardless, the state is well-positioned to continue state aid payments to Ohio’s school districts.



While all school districts are being aided by three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER), which began in the fiscal year 2020, the most recent allocation of ESSER funds must be spent or encumbered by September 30, 2024. Any ongoing costs are absorbed back into the district General Fund. ESSER funds positively impacted school resources.

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 delays noted above but also due to state legislative changes that will occur in the spring of 2025 and 2027 due to deliberation of the following two (2) state biennium budgets for FY26-27 and FY28-29, both of which affect this five-year forecast. We have estimated revenues and expenses based on the best data available and the laws currently in

effect. The items below give a short description of the current issues and how they may affect our forecast in the long term:

## I. Enrollment

Enrollment projections for the Gahanna-Jefferson Public Schools were developed using the cohort survival methodology and Cooperative Strategies’ custom enrollment projection software, S.T.E.P. [Student Trends & Enrollment Projections]. This custom software was developed in collaboration with The Ohio State University and is based on industry best practices as well as the national experience Cooperative Strategies has with schools, school districts, and state agencies.

The projections presented in this report are meant to serve as a planning tool for the future, and represent the most likely direction of the District. Enrollment projections were developed using the cohort survival methodology and by analyzing the following data outlined in this report:

- Historical enrollment by grade, by year
- Resident live birth data
- Census data
- Building permits

Enrollment in the Gahanna-Jefferson Public Schools has increased by 722 students from the 2012-13 to the 2021-22 school year. Based on the cohort survival methodology, enrollment is projected to remain relatively flat over the next ten years. The District utilized the “recommended” projected enrollment for purposes of this forecast.

Historical and Recommended Projected Enrollment						
Grade	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
PS	192	192	192	192	192	192
K - 5	3,511	3,512	3,519	3,494	3,461	3,444
6 - 8	1,800	1,854	1,818	1,884	1,903	1,918
9 - 12	2,455	2,405	2,428	2,423	2,422	2,474
Other	16	16	16	16	16	16
K - 12 Total	7,766	7,771	7,765	7,801	7,786	7,836
Grand Total	7,974	7,979	7,973	8,009	7,994	8,044

We used the high enrollment projections for the purposes of our staffing (FTE) requests to be conservative.

Historical and High Projected Enrollment						
Grade	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
PS	192	192	192	192	192	192
K - 5	3,511	3,616	3,716	3,792	3,838	3,897
6 - 8	1,800	1,884	1,867	1,960	2,003	2,050
9 - 12	2,455	2,390	2,501	2,518	2,544	2,626
Other	16	17	17	17	17	17
K - 12 Total	7,766	7,890	8,084	8,270	8,385	8,573
Grand Total	7,974	8,099	8,293	8,479	8,594	8,782

**II. 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. The forecast shows a partial year collection in FY21 and a full year collection beginning this year in FY22. This levy will help provide financial stability for the district through FY28 based on our revenue and expenditure assumptions.

**III. 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. We project growth in appraised values every three (3) years, and new construction growth with modest increases in local taxes as the economy continues its recovery as anticipated. Total local revenues, predominately local taxes, equating to 79% of the district's resources. Our tax collections in the March 2023 and August 2023 settlements showed average collection trends. We believe there is a low risk that local collections would fall below projections throughout the forecast.

Franklin County experienced a reappraisal update in the 2020 tax year to be collected in FY21. The 2020 update increased assessed values overall by \$259.28 million or 16.27%, including reappraisal and new construction for all property classes. A reappraisal will occur in the tax year 2023 for collection in FY24. We anticipate value increases for Class I and II property including new construction of \$383.64 million for an overall increase of 20.57%. The impact of additional revenue due to reappraisal will only be realized on inside millage (4.40 mills). Included in the values we are estimating a reduction of 33% of values in Class I due to the high likelihood of HB187 and SB153 passing as emergency measures in the legislature aimed at averaging reappraisal and update values beginning with Tax Year 2023 values. This is why we have reduced the county auditors original TY23 estimates of 35% increase in Class I property to 24%. We will adjust the increase once we know the actual numbers and if these proposed legislative actions were successful.

**IV. State Aid** - The state budget represented 21% of district revenues, which means it is a significant area of risk to the revenue. The future risk comes in FY24 and beyond if the state economy stalls due to the high inflation we are witnessing at this time or the Fair School Funding Plan is not funded in future state budgets due to an economic recession. In this forecast, two future and unknown State Biennium Budgets cover FY26-27 and FY28-29. Future uncertainty in the state foundation funding formula and the state's economy make this area an elevated risk to district funding long-range through FY28. We have projected our state funding in FY24 and FY25 based on the additional phase-in of HB33 (the fair school funding plan) based on the Department of Education simulations. This forecast reflects state revenue to align with the FY25 funding levels through FY28, which we feel is conservative and should be close to what the state approves for the FY26-FY28 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.

HB33, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY24 and FY25. FY24 reflects 50% of the implementation cost at year three of a six-year phase-in plan, which increases by 16.66% each year. FY25 will result in 66.66% funding of (FSFP), however, the final two years of the phase-in are not guaranteed. The FSFP has made many significant changes to how 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. We have used the most recent simulations published by the Department of Education and Workforce for our forecasted revenues in FY24 and FY25.

**V. State Rollback Reimbursements** - HB59 eliminated the Rollback exemption on any future new or replacement levy. This means that with our levy passed in 2020, 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.

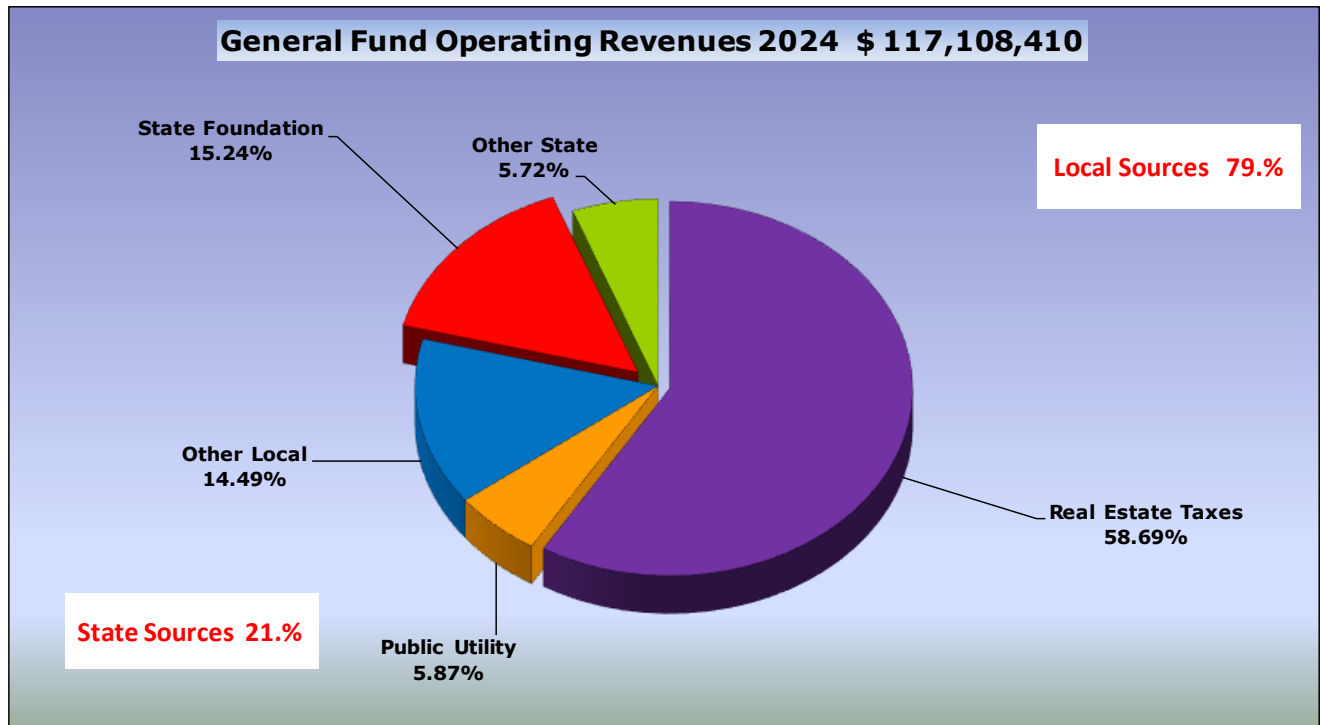
**VI. School Choice** - HB33 continues to directly pays costs associated with open enrollment, community and STEM schools, and all scholarships, including EdChoice Scholarships. These costs are no longer deducted from our state aid. However, education option programs such as College Credit Plus continue to be removed from state aid, increasing costs to the district. Expansion or creation of programs not directly paid by the state of Ohio can expose the district to new expenditures currently outside the forecast. We closely monitor any new threats to our state aid and increased costs as new proposed laws are introduced in the legislature.

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.

### 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 J. Scott Gooding II, Treasurer/CFO of Gahanna-Jefferson School District at 614-471-7065.

### REVENUE ASSUMPTIONS



#### General Property Tax (Real Estate) Assumptions – Line # 1.010

Real estate and personal property taxes make up 64.56% 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 18.42% for residential and 8.76% for commercial property. Overall, property values rose by \$259.3 million (16.27%). A full reappraisal will occur in the tax year 2023 for collection in FY24. We anticipate value increases for Class I and II property including new construction of \$383.64 million for an overall increase of 20.57%. The impact of additional revenue due to reappraisal will only be realized on inside millage (4.40 mills).

Included in the values we are estimating a reduction of 33% of values in Class I due to the high likelihood of HB187 and SB153 passing as emergency measures in the legislature aimed at averaging reappraisal and update values beginning with Tax Year 2023 values. This is why we have reduced the county auditors original TY23 estimates of 35% increase in Class I property to 24%. We will adjust the increase once we know the actual numbers and if these proposed legislative actions were successful.

#### **Estimated Assessed Value (AV) by Collection Year**

	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR2023	TAX YEAR2024	TAX YEAR2025	TAX YEAR2026	TAX YEAR2027
Classification	COLLECT 2024	COLLECT 2025	COLLECT 2026	COLLECT 2027	COLLECT 2028
Res./Ag.	\$1,851,970,568	\$1,856,670,568	\$1,861,370,568	\$1,921,911,685	\$1,931,311,685
Comm./Ind.	396,886,209	401,336,209	405,786,209	418,351,933	427,251,933
Public Utility (PUPP)	<u>89,077.870</u>	<u>91,077.870</u>	<u>93,077.870</u>	<u>95,077.870</u>	<u>99,077.870</u>
Total Assessed Value	<u>\$2,337,934,647</u>	<u>\$2,349,084,647</u>	<u>\$2,360,234,647</u>	<u>\$2,435,341,488</u>	<u>\$2,457,641,488</u>

#### **General Property Real Estate Tax Revenue (Line #1.010)**

Property tax levies are estimated to be collected at 98.01% of the annual amount. This allows a 1.99% delinquency factor. In general, 53.25% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 46.75% in the August tax settlement. Increases beginning in FY22 were due to the increase in collections from the 4.26 mill operating levy passed November 3, 2020. The increase noted below in FY24 and FY25 is due to the large increase we anticipate in the full reappraisal.

Source	FY24	FY25	FY26	FY27	FY28
General Property Taxes Line #1.010	<u>\$68,732,817</u>	<u>\$70,376,844</u>	<u>\$70,745,220</u>	<u>\$71,238,705</u>	<u>\$72,079,225</u>

#### **Public Utility Personal Property Tax – Line#1.020**

The amount noted on Line 1.020 is the public utility personal property (PUPP) tax revenues from electric, and gas company tangible personal property. These amounts were not affected by the phase out of tangible personal property. The values for PUPP are collected at our gross tax rates.

Increases in FY21 and FY22 in our forecast history were due to the increase in collections from the 4.26 mill operating levy passed November 3, 2020.

Source	FY24	FY25	FY26	FY27	FY28
Public Utility Personal Property	<u>\$6,871,721</u>	<u>\$7,083,724</u>	<u>\$7,241,004</u>	<u>\$7,398,284</u>	<u>\$7,555,564</u>



### **New Operating Levy – Line #13.20**

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

### **State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045**

#### **Current State Funding Model per HB33 through June 30, 2025**

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

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

HB33, the current state budget, continued the Fair School Funding Plan for FY24 and FY25. We have projected FY24 funding based on the October 2023 foundation settlement and funding factors. FY25 is projected using department of education simulations.

Our district is currently a formula district in FY24 and is expected to continue on the formula in FY25-FY28 on the new 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. It was dropped in FY19 after six (6) years, followed by no foundation formula for two (2) years in FY20 and FY21, then HB110, as amended by HB583 for FY22 and FY23, with continuation of this formula in HB33 for FY24 and FY25. The current formula introduced 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 FY24 through FY28 compared to real data in FY21 through FY23 on Lines 1.035, 1.04, 1.06, and 3.03 of the forecasts.

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

- A. Student Population and Demographics
- B. Property Valuation Per Pupil
- C. Personal Income of District Residents Per Pupil
- D. Historical Funding - CAPS and Guarantees from prior funding formulas “Funding Bases” for guarantees.

#### **Base Cost Approach - Unrestricted Basic Aid Foundation Funding**

The current funding formula uses FY22 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. Newer, more up-to-date statewide average prices will not update for FY24 and FY25 and remain frozen at FY22 levels, while other factors impacting a district’s local capacity will update for FY24. Base costs per pupil include 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)

#### **State Share Percentage – Unrestricted Basic Aid Foundation Funding**

Once the base cost is calculated, which is currently at a state-wide average of \$8,242.19 per pupil in FY24, the FSFP calculates a state share percentage (SSP) calculation. The state share percentage, in concept, will be higher for districts with 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. HB33 increased the minimum state share from 5% in FY23 to 10% for FY24 and FY25. 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 the 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 the most recent three-year average federal adjusted gross income of district residents or the most recent year, whichever is lower, divided by base students enrolled.
3. 20% based on the most recent year's federal median income of district residents multiplied by the number of returns in that year divided by base students enrolled.
4. When the weighted values are calculated, and items 1 through 3 above are added together, the total is 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 multiplied by the local share multiplier index for each district. The result is the local per pupil capacity 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). It 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, not a specific amount. 10% will be reduced from all districts' calculations to be used toward the state appropriation for Catastrophic Cost reimbursement.
3. Transportation Aid – Funding is 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 37.5% in FY24 and 41.67% in FY25.

#### Restricted Categorical State Aid

1. Disadvantage Pupil Impact Aid (DPIA) - Formerly Economically Disadvantaged Funding is based on the number and concentration of economically disadvantaged students compared to the state average and multiplied by \$422 per pupil. Phase-in increases are limited to 50% for FY24 and 66.67% in FY25.
2. English Learners – Based on funded categories based on the time students 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.
5. Student Wellness and Success Funds – These funds are based on initiatives similar to those for DPIA. They are restricted funds for school climate, attendance, discipline, and academic achievement programs.

### State Funding Phase-In FY24 and FY25 and Guarantees

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 in HB110, which was amended by HB583 in June 2022 and has now extended the plan in HB33 for FY24 and FY25. The FSFP does not include caps on funding; instead, it will consist of a general phase-in percentage for most components of 50% in FY24 and 66.67% in FY25.

The funding formula includes three (3) guarantees: 1) “Formula Transition Aid,” 2) Supplemental Targeted Assistance, and 3) Formula Transition Supplement. The three (3) guarantees in both temporary and permanent law ensure that no district will get fewer funds in FY24 and FY25 than they received in FY21.

### Future State Budget Projections beyond FY23

Our funding status for FY26-28 will depend on unknown (2) new state budgets. There is no guarantee that the current Fair School Funding Plan in HB33 will be funded or continued beyond FY25; therefore, our state funding estimates are reasonable, and we will adjust the forecast when we have authoritative data to work with. For this reason, funding is held constant in the forecast for FY26 through FY28

### Casino Revenue

On November 3, 2009, Ohio voters passed the Ohio casino ballot issue. This issue allowed four (4) casinos to open 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% of Gross Casino Revenue 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, beginning for the first time on January 31, 2013.

The casino revenue has recovered from the pandemic from closing the casinos in 2020. Total funding in FY21 was 73.83 million or \$42.18 per pupil. In FY22, the funding was increased to \$109.39 million for schools or \$62.86 per pupil, and in FY23, the funding totaled \$113.1 million or \$64.90 per pupil. We expect the Casino revenues to have resumed their historical growth rate and are assuming a 2% annual growth rate for the remainder of the forecast.

Source	FY24	FY25	FY26	FY27	FY28
Basic Aid - Unrestricted	\$14,863,698	\$15,006,806	\$15,006,806	\$15,006,806	\$15,006,806
Additional Aid Items	<u>1,211,089</u>	<u>1,257,486</u>	<u>1,257,486</u>	<u>1,257,486</u>	<u>1,257,486</u>
Basic Aid - Unrestricted Subtotal	\$16,074,787	\$16,264,292	\$16,264,292	\$16,264,292	\$16,264,292
Ohio Casino Commission (Ohio Department of Taxation)	<u>528,819</u>	<u>542,765</u>	<u>557,058</u>	<u>571,706</u>	<u>586,717</u>
Total Unrestricted State Line # 1.035	<u>\$16,603,606</u>	<u>\$16,807,057</u>	<u>\$16,821,350</u>	<u>\$16,835,998</u>	<u>\$16,851,009</u>

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

HB33 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding) and Career Technical funding. In addition, new restricted funds have been added under “Restricted Categorical Aid” for Gifted, English Learners (ESL), and Student Wellness. The district has elected to also post Catastrophic Aid for special education as restricted revenues. We have estimated revenues for these new restricted funding lines using current October funding factors. The amount of DPIA is limited to a 50% phase in growth for FY24 and 66.67% in FY25. We have flat-lined funding at FY25 levels for FY26-FY28 due to uncertainty on continued funding of the current funding formula.

Source	FY24	FY25	FY26	FY27	FY28
Disadvantaged Pupil Impact Aid (DPIA)	\$178,826	\$178,826	\$178,826	\$178,826	\$178,826
Career Tech - Restricted	92,268	92,268	92,268	92,268	92,268
Gifted	275,945	275,945	275,945	275,945	275,945
English Learners	122,693	122,693	122,693	122,693	122,693
Student Wellness & Success Funds	<u>568,419</u>	<u>568,419</u>	<u>568,419</u>	<u>568,419</u>	<u>568,419</u>
Total Restricted State Line #1.040	<u>\$1,238,151</u>	<u>\$1,238,151</u>	<u>\$1,238,151</u>	<u>\$1,238,151</u>	<u>\$1,238,151</u>

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

No federal grants are projected for FY24-28.

### Summary of State Foundation Revenues

Source	FY24	FY25	FY26	FY27	FY28
Unrestricted Line # 1.035	\$16,603,606	\$16,807,057	\$16,821,350	\$16,835,998	\$16,851,009
Restricted Line # 1.040	1,238,151	1,238,151	1,238,151	1,238,151	1,238,151
Federal Grants Line #1.045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u>\$17,841,757</u>	<u>\$18,045,208</u>	<u>\$18,059,501</u>	<u>\$18,074,149</u>	<u>\$18,089,160</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 to owner-occupied residences. Credits equal 12.5% of the gross property taxes charged to residential taxpayers on levies passed before 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 or older or 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 did not get a new application approved for the tax year 2013 and who become eligible after that 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 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	FY24	FY25	FY26	FY27	FY28
Rollback & Homestead	<u>\$6,695,732</u>	<u>\$6,796,399</u>	<u>\$6,817,610</u>	<u>\$6,855,593</u>	<u>\$6,893,322</u>

### 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 open enrollment, interest on investments, tuition for court-placed students, tuition

from other districts, student fees, rentals and tax increment financing and payment in lieu of tax payments for various agreements the district has with the cities of Gahanna and Columbus. HB33 continues to pay open enrolled and community school payments directly to the district where the student is enrolled. Open enrolled student revenues will be included in Line 1.035 as basic state aid. In FY23 interest income rose sharply due to fed rate increases to gain control over inflation. We are seeing a moderation in that now and rates may still rise before end of 2024 and we have identified that in our increased projection of interest through FY25. We will continue to manage our funds safely but also to push portfolio performance to maximize investments. 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. We have added anticipated PILOT payments from non-school district TIF's for the Extended Stay Hotel and Conference Center in Jefferson Township that began in FY22 and increase through FY28 as noted below.

In 2022, new legislation was adopted HB126 limiting the district's ability to protect its tax base from requests to lower value at the Board of Revision (BOR) that may reduce district revenues. The district received \$1.4 million in BOR payments in FY22. That is equivalent to a .72 mill loss in revenues.

Source	FY24	FY25	FY26	FY27	FY28
Tuition SF-14, SF-14H, Categorical Cost Reimbursement	\$1,414,969	\$1,422,043	\$1,429,154	\$1,436,299	\$1,443,481
Interest	687,962	697,962	672,962	622,962	572,962
Student Fees and Pay to Participate Fees	256,606	256,606	256,606	256,606	256,606
Clark Hall Revenue	132,000	132,000	132,000	132,000	132,000
Rentals, Donations, Misc, Medicaid	1,311,282	1,324,395	1,337,639	1,351,015	1,364,525
Payment in Lieu of Taxes (PILOT) & Easton TIF, BOR	<u>13,163,564</u>	<u>13,426,835</u>	<u>13,695,372</u>	<u>13,969,280</u>	<u>14,248,665</u>
Total Other Local Revenue Line #1.060	<u>\$16,966,383</u>	<u>\$17,259,842</u>	<u>\$17,523,733</u>	<u>\$17,768,162</u>	<u>\$18,018,239</u>

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

These are non-operating revenues which are the repayment of short-term loans to other funds over the previous fiscal year and reimbursements for expenses received for a prior fiscal year in the current fiscal year. The advances out in the prior fiscal year are expected to be repaid in the current year, as noted in the table below.

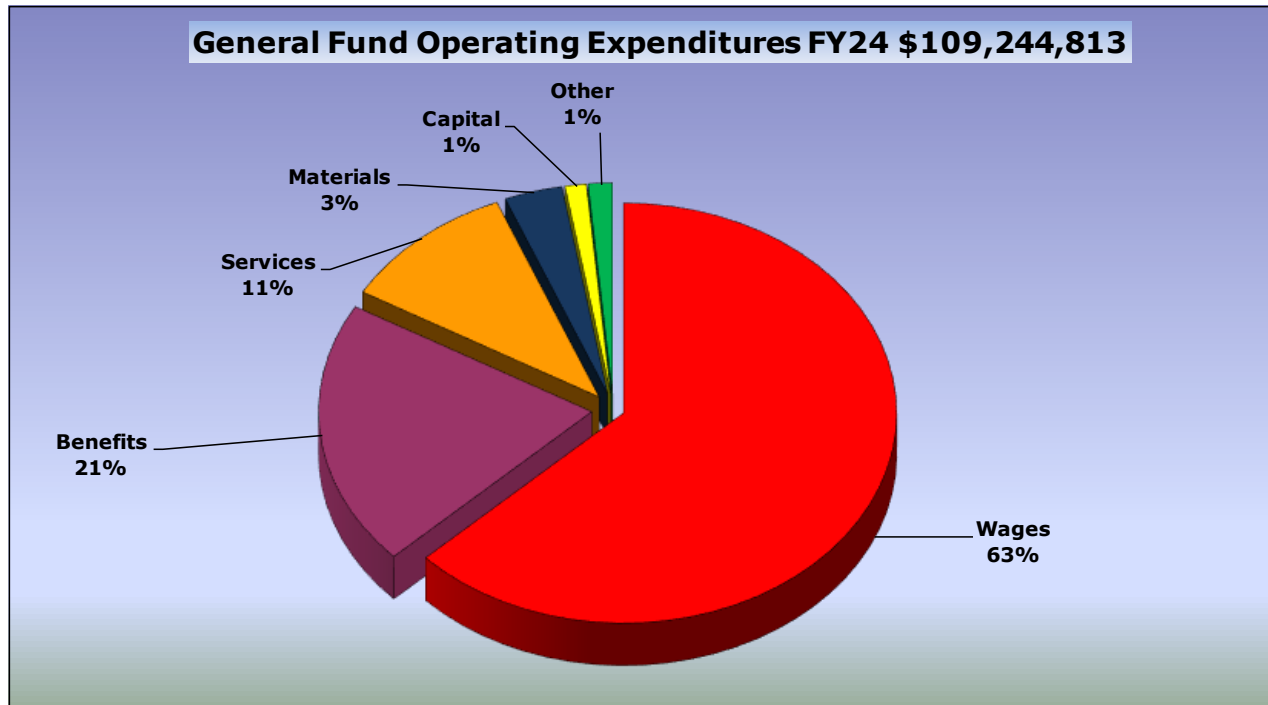
Source	FY24	FY25	FY26	FY27	FY28
Transfers In - Line 2.040	\$104,941	\$107,780	\$36,959	\$43,939	\$43,939
Advance Returns - Line 2.050	<u>17,579</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>
Total Transfer & Advances In	<u>\$122,520</u>	<u>\$507,780</u>	<u>\$436,959</u>	<u>\$443,939</u>	<u>\$443,939</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. These revenues are inconsistent year to year and we will not project that occurring in the remainder of the forecast.

Source	FY24	FY25	FY26	FY27	FY28
Refunds & Sale of Assets	<u>\$25,000</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-FY28 we have assumed 2% for planning purposes. The base increases are in addition to steps and training adjustments.

- Projections from FY24 through FY28 include step increases, degree change increases, supplemental compensations, and other miscellaneous salary increases.
- Projection of additional staff is estimated in FY24 through FY28 to account for projected student growth and new programs.

Source	FY24	FY25	FY26	FY27	FY28
Base Wages	\$61,214,226	\$65,751,740	\$70,550,229	\$74,522,777	\$78,531,182
Base Increases	1,852,658	1,224,285	1,315,035	1,411,005	1,490,456
Steps & Training	1,389,493	1,377,320	1,479,414	1,587,380	1,676,762
Substitute costs & OT	828,180	844,744	861,639	878,872	896,449
New & Replacement Staff	1,295,363	2,196,884	1,178,099	1,010,020	951,752
Supplemental Costs	1,857,596	1,894,748	1,932,643	1,971,296	2,010,722
ESSER Recoding	-	-	-	-	-
Other	<u>270,564</u>	<u>270,564</u>	<u>270,564</u>	<u>270,564</u>	<u>270,564</u>
Total Wages Line #3.010	<u>\$68,708,080</u>	<u>\$73,560,285</u>	<u>\$77,587,623</u>	<u>\$81,651,914</u>	<u>\$85,827,887</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 state law requires, the BOE pays a minimum of 14% of all employee wages to STRS or SERS. Increases for retirement pickup per the Administrative Wage & Benefits Guidelines, approved by the Board of Education, are also included. The district is also required to pay SERS Surcharge, an additional employer charge based on the salaries of lower-paid members. It is exclusively used to fund health care.

## Insurance

The district converted from being self-insured to a traditional plan on July 1, 2019. A 5.0% increase beginning in January, 2022, and 0% for FY23 and FY24 are included based on negotiated rate increases, then 4.5% for FY26 and annual increases of 9% are assumed each subsequent year FY27 through FY28.

The Further Consolidated Appropriations Act of 2020 included a full repeal of three taxes initially 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 approximately .035% of wages FY24– FY28. Unemployment is likely to remain at a shallow level FY24-FY28. The district is a direct reimbursement employer, meaning unemployment costs are only incurred and due if we have eligible employees and draw unemployment.

## Medicare

Medicare will continue to increase at the rate of increases in wages and as new employees are hired. Contributions are 1.45% for all 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	FY24	FY25	FY26	FY27	FY28
STRS/SERS	\$10,170,059	\$10,890,206	\$11,497,219	\$12,101,973	\$12,722,685
Insurance's	10,687,940	11,017,473	11,689,974	12,893,575	14,196,760
Workers Comp/Unemployment	255,478	272,461	286,557	300,782	315,398
Medicare	1,042,425	1,113,528	1,171,403	1,227,385	1,284,985
Other/Tuition	<u>175,045</u>	<u>175,045</u>	<u>175,045</u>	<u>175,045</u>	<u>175,045</u>
Total Fringe Benefits Line #3.020	<u>\$22,330,947</u>	<u>\$23,468,713</u>	<u>\$24,820,198</u>	<u>\$26,698,760</u>	<u>\$28,694,873</u>

## Purchased Services – Line #3.030

HB33, the new state budget continues paying costs to the education districts for open enrollment, community, and STEM schools and for scholarships granted to students to be educated elsewhere, as opposed to deducting these amounts from our state foundation funding and shown below as expenses. College Credit Plus, excess fees, and other tuition costs will continue to draw funds away from the district, which will continue in this area and has been adjusted based on historical trends. We reduced costs in purchased services for FY20 and 21 for the Fund 467 recoding for our SROs and then returned these costs to the General Fund in FY23-28.

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. In FY22, the forecast models the return to normal operations, net of any drop in costs due to direct payments by the Ohio Department of Education as noted for HB33.

Non-personnel expenditures are determined during the district's program-driven budget process and have been adjusted in the FYF based on prior years' expenditure patterns. The non-personnel forecast is based on the district's 5-year budget process, not a "last year plus" methodology. The budget document is the result of several months of work by staff developing plans and identifying needs not only for the upcoming fiscal year but for an additional 4, for a total of 5, fiscal years. By preparing the long-term budget, data is maintained for use during future budget preparation cycles allowing preparers to easily update the information based on revised plans rather than reinventing the budget wheel altogether each year.

Source	FY24	FY25	FY26	FY27	FY28
Tuition, Special Ed, Scholarship, Open Enrollment	\$1,538,466	\$1,575,620	\$1,613,889	\$1,653,305	\$1,693,904
Legal/Prof Serv/ Prof Dev Travel	652,316	608,115	616,193	624,507	633,065
Contracted staff, Resource Officers, Instructional Services	3,475,016	3,574,672	3,677,309	3,783,019	3,891,892
Repairs, Insurance, Printing, Food Service	745,500	725,640	746,899	768,797	791,352
Transportation - Special Education	485,000	499,550	514,537	529,973	545,872
Utilities	1,710,890	1,794,539	1,882,349	1,974,472	1,958,579
Purch Services, Rent, Lease, Postage	2,920,728	3,075,864	3,082,597	3,140,969	3,313,585
ESSER Costs	<u>0</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Total Purchased Services Line #3.030	<u>\$11,527,916</u>	<u>\$12,154,000</u>	<u>\$12,433,772</u>	<u>\$12,775,042</u>	<u>\$13,128,248</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. In FY21 the district offset certain costs via use of Federal CARES Act funding due to the pandemic but those costs came back to the General Fund in FY22.

Non-personnel expenditures are determined during the district's program-driven budget process and have been adjusted in the FYF based on prior years' expenditure patterns. The non-personnel forecast is based on the district's 5-year budget process, not a "last year plus" methodology. The budget document is the result of several months of work by staff developing plans and identifying needs not only for the upcoming fiscal year but for an additional 4, for a total of 5, fiscal years. By preparing the long-term budget, data is maintained for use during future budget preparation cycles allowing preparers to easily update the information based on revised plans rather than reinventing the budget wheel altogether each year.

Source	FY24	FY25	FY26	FY27	FY28
General Supplies & Materials	\$2,747,851	\$2,798,145	\$2,878,412	\$2,956,015	\$3,038,680
Curriculum Update (Textbooks)	<u>1,002,019</u>	<u>920,840</u>	<u>948,466</u>	<u>976,919</u>	<u>1,006,227</u>
Total Line 3.040	<u>\$3,749,870</u>	<u>\$3,718,985</u>	<u>\$3,826,878</u>	<u>\$3,932,934</u>	<u>\$4,044,907</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 P.I. budget allows, General Fund capital purchases will be shifted to the P.I. budget such as school busses which we

replace routinely but they are paid from the P.I. fund which is not reflected in the five year forecast.

Non-personnel expenditures are determined during the district's program-driven budget process and have been adjusted in the FYF based on prior years' expenditure patterns. The non-personnel forecast is based on the district's 5-year budget process, not a "last year plus" methodology. The budget document is the result of several months of work by staff developing plans and identifying needs not only for the upcoming fiscal year but for an additional 4, for a total of 5, fiscal years. By preparing the long-term budget, data is maintained for use during future budget preparation cycles allowing preparers to easily update the information based on revised plans rather than reinventing the budget wheel altogether each year.

Source	FY24	FY25	FY26	FY27	FY28
Capital Outlay/Building Improvement	\$718,800	\$666,684	\$374,827	\$382,974	\$291,638
Bus Fleet Replacement/Maintenance Vehicles	110,000	0	0	0	0
Technology Equipment	540,000	820,000	820,000	1,600,000	920,000
Total Equipment Line #3.050	<u>\$1,368,800</u>	<u>\$1,486,684</u>	<u>\$1,194,827</u>	<u>\$1,982,974</u>	<u>\$1,211,638</u>

#### **Debt Service – Line # 4.02 Through #4.060**

This section includes payments associated with purchase of the land and construction of Clark Hall for expanding the high school's educational facilities, and the debt on our energy conservation HB 264 project. The Ohio School Facilities Project, Series 2010 (Certificates of Participation) was paid off on December 1, 2021.

The following long-term debt obligations that are a liability of the General Fund are funded through Transfers Out (Other Financing Uses – Lines # 5.010, 5.020 & 5.030) from the General Fund.

- Various Purpose, Series 2013A
- Learning Center Bonds, Series 2010C
- Various Purpose Refunding Bonds, Series 2017

Source	FY24	FY25	FY26	FY27	FY28
Principal Tax Anticipation Notes (TAN) Line #4.020	\$0	\$0	\$0	\$0	\$0
Interest and Fiscal Charges Line #4.060	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Principal Payments	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</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 increased in FY21 and FY22.

Non-personnel expenditures are determined during the district's program-driven budget process and have been adjusted in the FYF based on prior years' expenditure patterns. The non-personnel forecast is based on the district's 5-year budget process, not a "last year plus" methodology. The budget document is the result of several months of work by staff developing plans and identifying needs not only for the upcoming fiscal year but for an additional 4, for a total of 5, fiscal years. By preparing the long-term budget, data is maintained for use during future budget preparation cycles allowing preparers to easily update the information based on revised plans rather than reinventing the budget wheel altogether each year.

Source	FY24	FY25	FY26	FY27	FY28
County Auditor Fees	\$1,027,000	\$1,027,000	\$1,027,000	\$1,027,000	\$1,027,000
County ESC	52,000	52,000	52,000	52,000	52,000
Audit/Liability Insurance/Other	<u>480,200</u>	<u>490,449</u>	<u>498,430</u>	<u>506,652</u>	<u>515,120</u>
Total Other Expenses Line #4.300	<u>\$1,559,200</u>	<u>\$1,569,449</u>	<u>\$1,577,430</u>	<u>\$1,585,652</u>	<u>\$1,594,120</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. This section includes transfers for the principal and interest payments related to the District's non-voted debt. In FY24 we have included a transfer of \$275,000 to the severance fund in order to ensure funds to cover retirements in the future, \$100,000 for miscellaneous needs, \$58,000 to the bleacher debt service and an additional \$50,000 amount for contingency if additional transfers are needed. Our budget reserve is maintained at the statutory level of 5% of the prior year's Line 1.07 revenues.

The following long-term debt obligations that are a liability of the General Fund (001) are funded through Transfers Out (Other Financing Uses – Lines # 5.010, 5.020 & 5.030) from the General Fund. Debt payments are made from the Debt Service Fund (002).

- Various Purpose, Series 2013A
  - On June 27, 2013, the District issued \$10,795,000 in Energy Conservation and Refunding Bonds for the purpose of purchasing and installing energy conservation measures and refunding the 2010B Learning Center Bonds. The Series 2013A Bonds were issued in two parts with interest costs ranging from 1.50 to 4.00 percent. The 2013A-1 Bonds were issued for energy conservation measures in the amount of \$3,265,000 while the 2013A-2 Bonds were issued to refund the 2010B Learning Center Bonds in the amount of \$6,395,000. The bonds were issued at a premium in the amount of \$339,067. This premium will be amortized over the life of the bond, on a straight-line basis. Payments on the bonds are made from the debt service fund. The bonds mature on December 1, 2028. As a result of the advance refunding, the District reduced its total debt service requirements by \$430,564, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new (debt) of \$347,113. In fiscal year 2018, the 2013A portion of the Bonds were advance refunded with the Series 2017 Bonds.
  - The Series 2013B Bonds were issued in the amount of \$1,135,000 with interest costs increasing each year from 0.55 to 1.65 percent. This issuance was Taxable Energy Conservation Bonds and will be used to fund energy projects of the District.
- Learning Center Bonds, Series 2010C
  - On February 16, 2010, the District issued \$14,682,770 in Learning Center Clark Hall Bonds for the purpose of school facilities construction in the Ohio School Facilities Commission program. The Series 2010A Bonds were issued in the amount of \$2,435,000 with interest costs increasing each year from 3.65 to 4.15 percent. The bonds were issued at a discount in the amount of \$34,897. This discount will be amortized over the life of the bond, on a straight-line basis. Payments on the bonds are made from the debt service fund. In fiscal year 2018, the Bonds were advance refunded with the Series 2017 Bonds.
  - The Series 2010B Bonds were issued in the amount of \$6,500,000 with interest costs increasing each year from 5.04 to 6.10 percent. This issuance was issued as Build America Bonds with the District receiving payments from the federal government for interest payments. In fiscal year 2013, the Bonds were advance refunded with the Series 2013 Bonds.

- The Series 2010C Bonds were issued in the amount of \$5,747,770 with interest costs 1.50 percent. This issuance was issued as Qualified School Construction Bonds. The bonds mature on February 16, 2025.
- Various Purpose Refunding Bonds, Series 2017
  - On December 11, 2017, the District issued \$9,405,000 in various purpose bonds for the purpose of advance refunding the remaining Series 2010 A Bonds and a portion of the Series 2013 A Bonds. The bonds will be paid from the debt service fund and has an interest rate of 2.110 percent. As a result of the advance refunding, the District reduced its total debt service requirements by \$523,300, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new (debt) of \$468,308). The amount of defeased debt as of June 30, 2022 is \$8,480,000.

Source	FY24	FY25	FY26	FY27	FY28
Operating Transfers Out					
Various Purpose, Series 2013A	\$888,125	\$0	\$0	\$0	\$0
Learning Center Bonds, Series 2010C	\$394,680	\$388,932	\$0	\$0	\$0
Various Purpose Refunding Bonds, Series 2017	\$553,337	\$1,450,665	\$1,838,910	\$1,847,249	\$1,844,743
Budget Reserve	\$104,941	\$107,780	\$36,959	\$43,939	\$43,939
Other transfers out	<u>\$838,686</u>	<u>\$817,829</u>	<u>\$487,018</u>	<u>\$485,259</u>	<u>\$483,022</u>
Operating Transfers Out Line #5.010	\$2,779,768	\$2,765,206	\$2,362,887	\$2,376,446	\$2,371,704
Advances Out Line #5.020	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>
Total Transfer & Advances Out	<u>\$3,179,768</u>	<u>\$3,165,206</u>	<u>\$2,762,887</u>	<u>\$2,776,446</u>	<u>\$2,771,704</u>

Source	FY24	FY25	FY26	FY27	FY28
All Other Financing Uses - Line #5.030	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</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	FY24	FY25	FY26	FY27	FY28
Estimated Encumbrances	<u>\$2,591,573</u>	<u>\$2,591,573</u>	<u>\$2,591,573</u>	<u>\$2,591,573</u>	<u>\$2,591,573</u>

### Reservation of Fund Balances –Line#9.030 & #9.080

**Budgetary Reserve** – State law allows school districts to maintain a budget reserve equal to 5% of the prior year's line 1.07 revenues. We anticipate maintaining this budget reserve, as noted below, which is in compliance with the Ohio Revised Code.

Source	FY24	FY25	FY26	FY27	FY28
Budget Reserve - Line #9.030	<u>\$5,978,101</u>	<u>\$6,019,353</u>	<u>\$6,066,745</u>	<u>\$6,131,776</u>	<u>\$6,197,503</u>
Total Reservations of Balance- Line #9.080	<u>\$5,978,101</u>	<u>\$6,019,353</u>	<u>\$6,066,745</u>	<u>\$6,131,776</u>	<u>\$6,197,503</u>

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

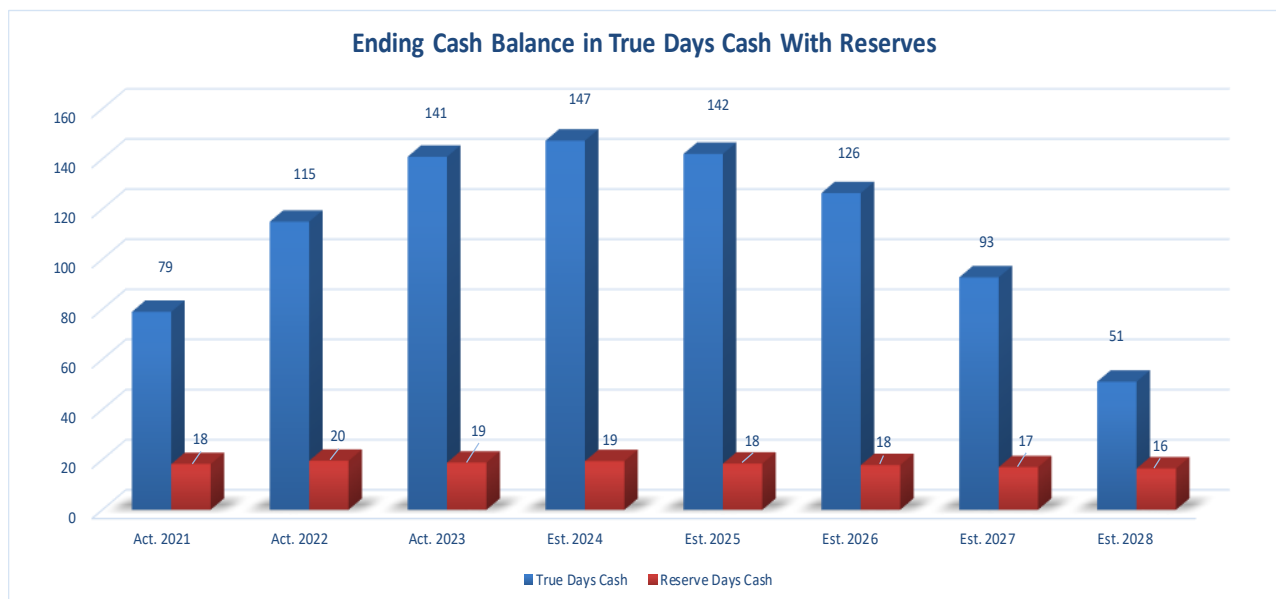
This amount must not go below \$0, or the district General Fund will violate all Ohio Budgetary Laws. Any

multi-year contract knowingly signed that results in a negative unencumbered cash balance violate 5705.412, ORC, punishable by the personal liability of \$10,000. It is recommended that a district maintains a minimum of thirty (30) day cash balance, which is about \$9.3 million for our district, and will be further evaluated through policy recommendations

Source	FY24	FY25	FY26	FY27	FY28
Ending Unreserved Cash Balance	<u>\$39,401,833</u>	<u>\$40,332,056</u>	<u>\$36,930,077</u>	<u>\$27,265,155</u>	<u>\$13,030,499</u>

### True Cash Days Ending Balance – With Reserve Cash Balance Included

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) = the number of days the district could operate without additional resources or a severe resource interruption. The government finance officers association recommends that no less than two (2) months or 60 days of cash is on hand at year-end but could be more depending on each district's 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.



As you read through the notes and review the forecast, remember that the forecast is based on the best information available to us when the forecast is prepared.