



POPULAR ANNUAL FINANCIAL REPORT

Fiscal Year Ending
June 30, 2023



Gahanna-Jefferson Public Schools

"WHERE STUDENTS COME FIRST"



MISSION

The mission of Gahanna-Jefferson Public Schools is to empower students for **lifelong success** by ensuring that **student learning** is our top priority, preparing each student to **continually thrive** in an ever-changing world.

We believe a strong school district is much more than what is reflected on standardized testing and the Ohio Department of Education's Annual Report Card. A quality profile is a school district's way to help data come to life and share with its community the achievements of students and staff from the prior school year.

Table of Contents

1	Welcome
2-5	General Fund Revenue and Expenditures
6	Long-Term Obligations
7	Capital Assets
8	Five-Year Forecast
9	Enrollment
10	Employers and Taxpayers
10	Gahanna Statistics



Gahanna-Jefferson Public Schools

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Gahanna, OH 43230
www.gahannaschools.org



WELCOME

May 1, 2024

Dear Gahanna-Jefferson Public Schools Families,

Gahanna-Jefferson Public Schools' Financial Office is proud to present the District's first Popular Annual Financial Report (PAFR) for fiscal year ended June 30, 2023. This report provides transparency regarding where District revenues come from and how they are being spent.

The PAFR offers an easy-to-understand overview of the District's general operating activities, as well as key financial trends and data. The report focuses on the District's general fund and is not as detailed as our Audited Financial Statements. Our Audited Financial Statements contain full financial statements and note disclosures for all activities and funds and is prepared in accordance with Generally Accepted Accounting Principles (GAAP). The District received an unmodified opinion on the Audited Financial Statements for the fiscal year ended June 30, 2023, which can be found on the District's website at: www.gahannaschools.org/departments/treasurer-and-financial-services. The PAFR is unaudited; however, it is compiled using data taken from the Audited Financial Statements.

We hope you find this document useful. We believe our community deserves transparency when it comes to their tax dollars. This report is designed to help you gain a better understanding of the District's resources and how we put your tax dollars to use.

Gahanna-Jefferson Public Schools



BOARD OF EDUCATION

PICTURED FROM LEFT TO RIGHT: Daphne Moehring, Dion Manley, Kara Coates, Sue Horn, Megan Dimmerling



SUPERINTENDENT

Tracey R. Deagle, Ph.D.



REVENUES AND EXPENDITURES

General Fund

Revenues and expenditures of the District's General Fund for fiscal years 2019 through 2023 are presented below. Property tax revenue in fiscal year 2023 increased in comparison to the prior fiscal year. This growth is directly attributable to the Franklin County Auditor's timing of invoice and collection of property taxes and the resulting amount available for advance to the District as of the fiscal year-end. Investment income also made gains in comparison with the prior fiscal year. This increase is primarily the result of rising interest rates during fiscal year 2023. Total expenses grew in value in comparison with the prior fiscal year and this increase is primarily the result of salary and benefits increases.

Revenues (in thousands of \$)	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Property Taxes *	\$76,341	\$69,376	\$97,073	\$40,861	\$62,210
Payment in Lieu of Taxes	12,906	12,593	11,038	7,895	7,384
Tuition	1,725	1,735	1,379	1,645	1,176
Charges for Services	33	48	32	32	-
Rent	357	118	-	-	-
Revenue from Other Local Sources	845	468	510	607	1,355
Intergovernmental Revenue	21,594	20,528	22,712	21,283	22,905
Lease Revenue	229				
Investment Income	655	(524)	68	607	374
Gifts and Donations	45	42	70	43	-
Extracurricular Activities	114	112	102	120	-
Total Revenues	114,844	104,496	132,984	73,093	95,404

* Please note that the fluctuation in Real Estate Revenue in the Fiscal Years 2018-19, 2019-20 and 2020-21 were due to the shutdowns that occurred during the pandemic. This shifted Real Estate Revenue which would have normally been received in June 2020 to July 2020. This caused the FY20 to be lower than would have been anticipated.

Expenditures (in thousands of \$)	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Instruction	67,468	62,616	62,220	62,222	59,545
Pupils	6,961	6,047	5,801	5,704	5,389
Instructional Staff	3,758	3,402	2,871	3,750	3,038
Board of Education	474	393	558	424	431
Administration	8,083	7,048	6,117	6,274	5,855
Fiscal	2,411	2,121	1,807	1,878	1,757
Business	656	485	401	265	247
Operation & Maintenance of Plant	5,488	5,077	4,470	4,896	4,672
Pupil Transportation	5,077	4,813	3,378	3,730	3,515
Central	2,558	2,116	1,448	1,923	1,803
Operation of Non-Instructional Services	2	11	-	40	-
Extracurricular Activities	1,393	1,167	1,170	1,195	1,153
Capital Outlay	6	-	530	9	544
Debt Service	322	336	3,042	901	897
Total Expenditures	104,657	95,632	93,813	93,211	88,846
Revenues Over/(Under) Expenditures	10,187	8,864	39,171	(20,118)	6,558

LOCAL PROPERTY TAXES

The graph depicts the amount of collections received by the District from real and personal property taxes. The increase in property taxes from fiscal year 2022 to fiscal year 2023 is directly attributable to the Franklin County Auditor's timing of invoicing and collecting of property taxes and the resulting amount available for advance to the District as of fiscal year-end.

Property taxes provide a majority of the revenue to operate and maintain the District, with the most recent levy passing in November 2020. The taxes paid on homes and businesses represent approximately 66 percent of all general fund revenues.

Real and Personal Property Taxes \$114,843,745



Assessed Values of Property Real Estate Taxes

Tax Year/Collection Year	Residential/ Agricultural	Commercial/ Industrial	Public Utility	Total
2022/2023	\$1,501,845,990	\$363,156,650	\$87,288,080	\$1,952,290,720
2021/2022	1,511,468,290	358,235,410	81,283,170	1,950,986,870
2020/2021	1,496,652,730	356,263,550	74,746,060	1,927,662,340

UNBUNDLING THE TAX RATE

All tax rates for the District, except inside millage, are reduced as valuations increase. In accordance with House Bill 920, as property valuations increase during the triennial update and reappraisal periods, the voted millage is reduced in order to generate the same amount of tax revenue for the District as was received when each levy was initially approved by the voters. The chart below shows the difference between the District's gross, or voted tax rates, as compared to the effective rates, which are what is being collected.

Tax Burden for Owner of a \$338,064 Home (Average Home Price in Gahanna)

Type	Gross Rate (Voted)	Effective Rate (Collected)	Tax Burden	Year Approved	Length Approved
Inside Operating	4.40	4.40	\$521	N/A	Permanent
Voted Operating	74.24	33.62	3,979	Various	Permanent
Bond Retirement	0.64	0.64	76	2018	30 Years
Bond Retirement	5.02	5.02	594	2020	37 Years
Permanent Improvement	2.16	1.26	150	2014	Permanent
Permanent Improvement	1.50	1.61	190	2020	30 Years
Total Rates	87.96	46.56	\$5,509		



INTERGOVERNMENTAL REVENUES

General Fund

Intergovernmental revenues generated \$21.6 million, or 18% of all General Fund revenue for the District in fiscal year 2023.

State Aid

The majority of intergovernmental revenues is comprised of State Aid, which represents a significant area of future risk. House Bill 33, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan for fiscal year 2024 and 2025, however, the final two years of the phase-in (fiscal years 2026 and 2027) are not guaranteed. This future risk comes in fiscal year 2026 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.

The Fair School Funding Plan has made many significant changes to how State Aid is calculated for school districts and how expenses are charged off. State Aid will be calculated on a base cost methodology with funding paid to the district where a student is enrolled to be educated.

School Choice

House Bill 33 continues to directly pay 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.

State Homestead and Rollback Reimbursements

The District also receives Homestead and Rollback reimbursements, which represent the portion of the local tax bill paid by the State instead of the local taxpayer. Currently, the State pays 10% of the taxes due on all non-business real property and an additional 2.5% on all residential, owner-occupied property through the property tax Rollback Relief Programs. An additional exemption is provided to senior and disabled citizens, regardless of income.

House Bill 59 eliminated the property tax rollback on any new levy that was passed after August of 2013. 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 District but will shift the burden from the State of Ohio to local taxpayers.

Other Intergovernmental Revenue

Other intergovernmental revenues include public utility reimbursements, Medicaid reimbursements, catastrophic cost reimbursement, and casino revenue.

The chart below depicts intergovernmental revenues for the District's general fund:

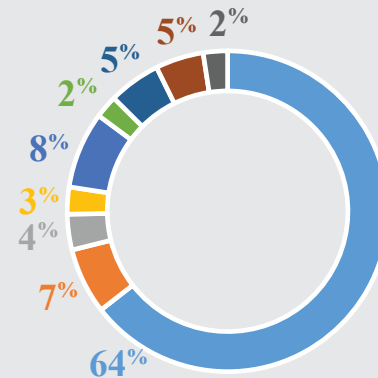
Revenues (in thousands of \$)	FY 2023		FY 2022		FY 2021	
State Aid	\$14,254	66.01%	\$13,782	67.14%	\$15,582	68.61%
Homestead and Rollback	6,585	30.49%	6,644	32.37%	6,542	28.80%
Other	755	3.50%	102	0.50%	588	2.59%
Total Intergovernmental Revenues	\$21,594	100%	\$20,528	100%	\$22,712	100%

EXPENDITURES

General Fund

**Total Governmental
Activities**
\$104,657,421

Instruction 64%
Pupils 7%
Instructional Staff 4%
Other 3%
Administration 8%
Fiscal 2%
Operation & Maintenance of Plant 5%
Pupil Transportation 5%
Central 2%



DEFINITIONS

INSTRUCTION is the largest category of expenditures for the District and includes the activities directly dealing with the teaching of students or the interaction between teachers and students.

PUPILS includes those services which are designed to assess and improve the well-being of students and to supplement the teaching process, such as guidance services, health services, psychological services, and speech pathology and audiology services.

INSTRUCTIONAL STAFF is comprised of activities associated with assisting the instructional staff with the content and process of providing learning experiences for students, including, but not limited to, library services and instruction-related technology services.

BOARD OF EDUCATION accounts for activities concerned with establishing and administering policy in connection with operating the District.

ADMINISTRATION accounts for activities concerned with the overall administrative responsibility for the entire District, executive administration and individual school building administration.

FISCAL includes those activities concerned with the financial operations of the District. This function includes budgeting, receiving and disbursement, financial accounting, payroll, inventory control, auditing, and fiscal services rendered by the Treasurer's Office.

BUSINESS includes activities concerned with purchasing, receiving, transporting, exchanging and maintaining goods and services for the District.

OPERATIONS & MAINTENANCE OF PLANT accounts for those activities concerned with keeping the physical school buildings open, comfortable and safe for use and keeping the groundsbuildings and equipment in an effective working condition and state of repair. This includes activities that maintain safety in buildings, on the grounds and in the vicinity of the school buildings.

PUPIL TRANSPORTATION accounts for providing transportation for students to and from school, as provided by law. This includes transportation to school activities and between home and school.

CENTRAL accounts for those activities, other than general administration, which support each of the other instructional and supporting services programs, including planning, research, development, evaluation, information staff, statistical and data processing services.

OPERATION OF NON-INSTRUCTIONAL SERVICES includes activities concerned with providing non-instructional services to students, staff or the community.

EXTRACURRICULAR ACTIVITIES accounts for salaries and benefits of club advisors and athletic coaches.

CAPITAL OUTLAY represents acquiring land or buildings, remodeling buildings, constructing buildings, additions to buildings and improving sites.

DEBT SERVICE represents payments on leased equipment and information technology arrangements.

LONG-TERM OBLIGATIONS

Our District had \$273.1 million in long-term debt outstanding at June 30, 2023, the majority of which is related to our 2021 School Facilities bonds. The 2021 School Facilities Construction and Improvement bonds were issued for the purpose of school facilities construction, including a new high school, and renovating, improving, and constructing improvements and additions to existing school facilities, buildings, and infrastructure, including additional classroom and learning space capacity to accommodate student population growth; furnishing and equipping the same; improving sites thereof; and acquiring land and interests in land.

Purpose	Matures	Interest Rate	Outstanding Balance
2010 C Learning Center Bonds	2/16/25	1.50%	\$766,368
2013 A and B Energy Conservation/Refunding	12/1/28	0.55 - 4.00 %	875,000
2014 Stadium Facility Note	5/27/29	3.00%	313,900
2015 A Tax Anticipation Notes	12/1/24	2.00 - 3.00%	1,615,000
2017 Refunding	12/1/28	2.11%	8,405,000
2018 School Facilities	12/1/48	3.00 - 4.00%	27,140,000
2021 School Facilities	12/1/44	2.00 - 4.00%	189,910,000
2021 Certificates of Participation	12/1/50	2.00 - 4.00%	43,720,000
Leases Payable	4/30/24	0.00%	134,548
Subscriptions Payable	Various	2.22%	184,284
Total Outstanding			\$273,064,100



CAPITAL ASSETS

The District's capital assets represents the purchase of land, land improvements, buildings and improvements, equipment and fixtures, intangible right to use equipment, intangible right to use technology, vehicles and textbooks. As of June 30, 2023, the District had \$149.1 million invested in capital assets. As demonstrated below, the majority of the District's capital assets is represented by construction in progress related to the various ongoing facilities updates.

Capital Assets

	2023	2022	2021
Land	\$7,701,290	\$7,701,290	\$7,701,290
Construction in Progress	93,668,372	44,182,065	25,637,496
Land Improvements	2,575,411	2,790,838	2,985,341
Buildings and Improvements	34,763,984	34,684,037	35,422,903
Equipment and Fixtures	8,666,316	8,900,352	8,954,216
Intangible Right to Use Equipment	28,932	46,256	115,729
Intangible Right to Use Technology	193,499	310,075	-
Vehicles	1,526,931	1,541,830	2,081,948
Textbooks	20,560	108,863	264,711
Total Capital Assets, Net	\$149,145,295	\$100,265,606	\$83,163,634



Middle School East (2023-2024 School Year)

- Ten new classroom spaces
- Flexible small group spaces
- Expanded cafeteria seating
- Enhanced related arts classrooms
- Increased special education spaces

Gahanna Lincoln High School (2025-2026 School Year)

- Increased number of classrooms
- Additional dining capacity
- More auditorium seating
- Increased gymnasium capacity
- Ample parking spaces
- Enhanced safety and security



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.

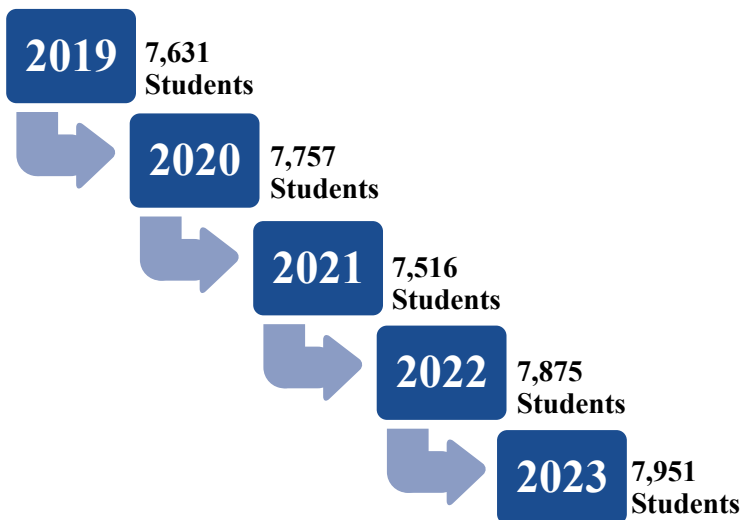
Ohio Revised Code Section 5705.391 and Ohio Administrative Code Section 3301-92-04 require the District file a five-year financial forecast by November and May of each fiscal year. Below is the five-year financial forecast submitted by the District in October of 2023, which can be found at <https://reports.education.ohio.gov/report/finance-forecast-submissions>.

	Fiscal Year 2023 Actual	Fiscal Year 2024 Projected	Fiscal Year 2025 Projected	Fiscal Year 2026 Projected	Fiscal Year 2027 Projected	Fiscal Year 2028 Projected
Beginning Balance	\$35,492,820	\$43,140,158	\$47,971,507	\$48,942,983	\$45,588,395	\$35,988,505
Revenues and Other Sources	113,724,615	117,255,930	120,094,797	120,849,027	121,803,832	123,104,449
Expenditures and Other Uses	(106,077,277)	(112,424,581)	(119,123,321)	(124,203,615)	(131,403,722)	(137,273,378)
Surplus/(Deficit)	7,647,338	4,831,349	971,476	(3,354,588)	(9,599,890)	(14,168,929)
Ending Balance	\$43,140,158	\$47,971,507	\$48,942,983	\$45,588,395	\$35,988,505	\$21,819,576

ENROLLMENT

The District served 7,951 students during the 2022-2023 school year in grades Pre-K through 12 in one preschool, seven elementary schools, three middle schools, and one high school. This enrollment represents an increase by 320 students since the 2018-2019 school year, as demonstrated in the table below. The table below also demonstrates the different ethnicities of the District's students. Based on the cohort survival methodology, enrollment is projected to remain relatively flat over the next ten years.

Enrollment 2019-2023



Fiscal Year 2023 Ethnicity

