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
	Revenues									
1.010	General Property Tax (Real Estate)	$63,863,918	$69,433,890	$68,553,097	3.7%	$69,652,820	$71,813,949	$72,148,782	$73,015,419	$74,141,539
1.020	Public Utility Personal Property Tax	5,485,757	6,125,870	6,565,465	9.4%	7,071,239	7,498,039	7,655,319	7,812,599	7,969,879
1.035	Unrestricted State Grants-in-Aid	15,344,839	13,131,506	13,174,656	-7.0%	16,526,488	14,899,852	13,748,461	13,723,450	13,880,604
1.040	Restricted State Grants-in-Aid	237,457	650,357	1,079,339	119.9%	1,762,403	1,377,011	1,390,742	1,365,463	1,367,770
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%	6,714,853	6,837,281	6,856,457	6,949,029	7,040,734
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	*Total Revenues*	107,019,040	111,128,350	112,650,358	2.6%	118,694,186	119,685,974	119,323,494	120,634,122	122,418,765
	Other Financing Sources									
2.040	Operating Transfers-In	3,000,000	351,102	571,396	-12.8%	462,530	49,589	(18,124)	65,531	89,232
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%	56,654	25,000	25,000	25,000	25,000
2.070	*Total Other Financing Sources*	3,988,498	1,098,447	1,074,257	-37.3%	536,763	474,589	406,876	490,531	514,232
2.080	*Total Revenues and Other Financing Sources*	111,007,538	112,226,797	113,724,615	1.2%	119,230,949	120,160,563	119,730,370	121,124,653	122,932,997
	Expenditures									
3.010	Personal Services	$57,301,948	$61,177,471	$64,100,222	5.8%	$68,708,080	$76,132,171	$80,888,555	$85,901,285	$90,255,330
3.020	Employees' Retirement/Insurance Benefits	19,781,037	20,838,993	22,209,355	6.0%	22,330,947	23,853,699	25,341,847	27,380,145	29,416,961
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	*Total Expenditures*	95,801,850	98,594,063	102,905,255	3.6%	109,244,813	118,914,988	125,263,309	133,558,032	139,651,204
	Other Financing Uses									
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	2,371,543
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	*Total Other Financing Uses*	4,090,769	1,318,462	3,172,022	36.4%	3,179,768	3,165,206	2,762,887	2,776,446	2,771,543
5.050	*Total Expenditures and Other Financing Uses*	99,892,619	99,912,525	106,077,277	3.1%	112,424,581	122,080,194	128,026,196	136,334,478	142,422,747
6.010	*Sources over (under) Expenditures and Other Financing Uses*	11,114,919	12,314,272	7,647,338	-13.6%	6,806,368	(1,919,631)	(8,295,826)	(15,209,825)	(19,489,750)
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	$49,946,526	$48,026,896	$39,731,069	$24,521,245
7.020	*Cash Balance June 30*	23,178,548	35,492,820	43,140,158	37.3%	$49,946,526	$48,026,896	$39,731,069	24,521,245	5,031,495
8.010	*Estimated Encumbrances June 30*	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
	Reservation of Fund Balance									
9.030	Budget Reserve	5,000,000	5,350,952	5,472,179	4.6%	$5,934,709	$5,984,299	$5,966,175	$6,031,706	$6,120,938
9.080	*Subtotal*	5,000,000	5,350,952	5,472,179	4.6%	$5,934,709	$5,984,299	$5,966,175	$6,031,706	$6,120,938
10.010	*Fund Balance June 30 for Certification of Appropriations*	16,622,600	26,120,619	35,470,456	46.5%	41,420,244	39,451,024	31,173,321	15,897,965	(3,681,017)
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal				0.0%	-	-	-	-	-
11.020	Property Tax - Renewal or Replacement				0.0%	-	-	-	-	-
11.300	Cumulative Balance of Levies				0.0%	-	-	-	-	-
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	16,622,600	26,120,619	35,470,456	46.5%	41,420,244	39,451,024	31,173,321	15,897,965	(3,681,017)
	Revenue from New Levies									
13.010	Income Tax - New				0.0%	-	-	-	-	-
13.020	Property Tax - New				0.0%	-	-	-	-	-
13.030	Cumulative Balance of New Levies	-	-	-	0.0%	-	-	-	-	-
14.010	Revenue from Future State Advancements					-	-	-	-	-
15.010	*Unreserved Fund Balance June 30*	$16,622,600	$26,120,619	$35,470,456	46.5%	$41,420,244	$39,451,024	$31,173,321	$15,897,965	($3,681,017)
					0					
	ADM Forecasts									
20.010	Kindergarten - October Count	525	525	561	3.4%	540	585	548	552	574
20.015	Grades 1-12 - October Count	6,915	6,915	7,205	2.1%	7,225	7,443	7,567	7,660	7,712
	True Day Cash Ratio (TDC) (9.030 + 15.010)	-	115	141		**154**	**136**	**106**	**59**	**6**

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
David Varda, Interim Treasurer/CFO
Cliff Hetzel, Treasurer/CFO Designee

Presented:

Board of Education Meeting – May 16, 2024

Gahanna-Jefferson City School District –Franklin County
Notes to the Five-Year Forecast
General Fund Only
May 16, 2024

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 May 2024 filing.

May 2024 Updates:

<u>Revenues FY24</u>

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 $118.69 million which is $1.58 million or 1.35% higher than the November forecasted amount of $117.1 million. This indicates that the November forecast was 98.7% accurate.

Line 1.01 and 1.02 - Property tax revenues represent our most significant source of revenues at 64.64% and are estimated to be $76.72 million, which is $1.12 million higher for FY24 than the original November estimate of $75.6 million. Our estimates are 101.48% accurate for FY24 and should mean future projections are also on target.

Line 1.035 and 1.04 - State Aid continues the implementation of the Fair School Funding Plan (FSFP), which has caused significant changes to the way our state revenues are calculated. We are estimating our state aid to be $18.28 million, which is $447,134 higher than the original estimate for FY24. We are pleased that we were able to be 98.52% accurate for FY24. We are currently on the formula and are expected to remain as a formula district for FY25, but may drop to a guarantee district FY26 through FY28.

Line 1.06 - Other revenues are up on target with our original estimates.

All areas of revenue are tracking as anticipated for FY24 based on our best information at this time.

<u>Expenditures FY24</u>
Total General Fund expenditures (line 4.5) are estimated to be $109.24 million for FY24, which is on target with the original estimate of $109.24 million in the November forecast.

All areas of expenses are expected to remain on target with original projections for the year.

<u>Unreserved Ending Cash Balance</u>
With revenues increasing from estimates and expenditures on target, our ending unreserved cash balance June 30, 2024, is anticipated to be roughly $41.42 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2027 if assumptions we have made for property tax collections, state aid in future state budgets, and expenditure assumptions remain close to our estimates.

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

Cooperative Strategies presented a new Projected Enrollment Report at the February 22, 2024 Regular Board Meeting. Enrollment, based on the cohort survival methodology, is projected to increase approximately 700 students over the next ten years. The District utilized the "recommended" projected enrollment for purposes of this forecast.

Projected Enrollment-Recommended Source: Cooperative Strategies-2/2024				
Grade	2024-25	2025-26	2026-27	2027-28
K-5	3,609	3,637	3,655	3,693
6-8	1,890	1,896	1,925	1,924
9-12	2,529	2,582	2,632	2,669
Other	19	19	19	19
K-12 Total	8,028	8,115	8,212	8,286
Grand Total	8,047	8,134	8,231	8,305

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

Projected Enrollment-High Source: Cooperative Strategies-2/2024				
Grade	2024-25	2025-26	2026-27	2027-28
K-5	3,623	3,641	3,643	3,646
6-8	1,910	1,943	2,001	2,027
9-12	2,562	2,651	2,739	2,806
Other	19	19	19	19
K-12 Total	8,095	8,235	8,383	8,479
Grand Total	8,114	8,254	8,402	8,498

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 78.9% of the district's resources. We believe there is a low risk that local collections will fall below projections throughout the forecast.

The legislature has formed a "Joint Committee on Property Tax Review and Reform" which is pending as of this forecast. We are watching these deliberations closely as they could impact future reappraisals. We are watching the Joint Committee carefully and will adjust the forecast pending their outcome.

Franklin County experienced a reappraisal in the 2023 tax year to be collected in FY24. The 2023 reappraisal increased assessed values overall by $633.4 million or 33.96%, including reappraisal and new construction for all property classes. An update will occur in the tax year 2026 for collection in FY27. We anticipate value increases for Class I and II property including new construction of $279.46 million for an overall increase of 11.10%. The impact of additional revenue due to reappraisal will only be realized on inside millage (4.40 mills).

IV. State Aid - The state budget represented 21.1% of district revenues, which means it is a significant area of risk to the revenue. The future risk comes in FY26 and beyond if the state economy stalls due to high inflation or the Fair School Funding Plan is not funded in future state budgets due to an economic recession. In this forecast, two forthcoming State Biennium Budgets cover FY26-27 and FY28-29. Future uncertainty in the state foundation funding formula and the state's economy makes 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). 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 in 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 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.

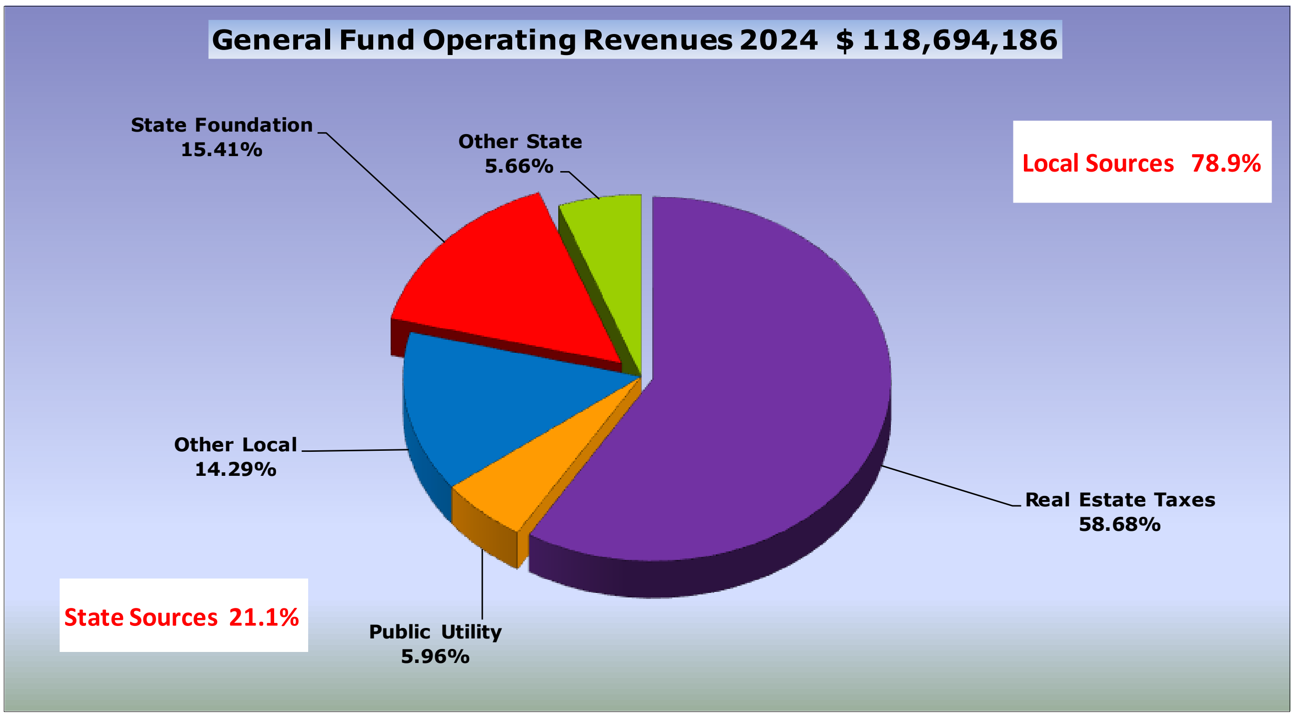
VI. School Choice - HB33 directly pays costs associated with open enrollment, community and STEM schools, and all scholarships, including EdChoice Scholarships. These costs are no longer deducted from our state aid. However, education option programs such as College Credit Plus continue to be removed 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 David Varda, Interim 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).

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.

Franklin County experienced a reappraisal in the 2023 tax year to be collected in FY24. The 2023 reappraisal increased assessed values overall by $633.4 million or 33.96%, including reappraisal and new construction for all property classes. An update will occur in the tax year 2026 for collection in FY27. We anticipate value increases for Class I and II property including new construction of $279.46 million for an overall increase of 11.10%.

Estimated Assessed Value (AV) by Collection Year

	Actual	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.	$2,054,452,290	$2,059,152,290	$2,063,852,290	$2,316,214,565	$2,320,914,565
Comm./Ind.	444,214,740	448,664,740	453,114,740	480,220,477	484,670,477
Public Utility (PUPP)	94,346,380	96,346,380	98,346,380	100,346,380	102,346,380
Total Assessed Value	$2,593,013,410	$2,604,163,410	$2,615,313,410	$2,896,781,422	$2,907,931,422

Tax Rate Assumptions

The county auditor sets tax rates for each levy voted on to provide tax revenues for the school district. Ohio law provides for "reduction factors" of all voted property tax levies to adjust the millage rates lower for the levy to not increase from inflation of property values for the taxes received by a district to that of the actual amount of the levy at the time of the election. The reduction factors are applied separately to Residential/Agriculture (Class I) and Commercial/Industrial (Class II) resulting in different effective millage rates. The district-voted rate for all general fund levies is 78.64 mills while the Class I effective millage rate is 29.30 mills and the Class II effective millage rate is 40.78 mills. The Ohio law has a provision that the reduction factors cannot lower the total millage rate for each class less than 20 mills (excluding emergency and substitute emergency levies), which includes both the voted and the non-voted millage rates; this is called the "20-Mill Floor". Currently, our district is not on the floor for either Class I or Class II.

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	$69,652,820	$71,813,949	$72,148,782	$73,015,419	$74,141,539

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	$7,071,239	$7,498,039	$7,655,319	$7,812,599	$7,969,879

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 the funding in FY24 based on the April 2024 foundation settlement and funding factors for FY25 from the simulations provided by the Department of Education and Workforce.

Our district is currently a formula district in FY24 and is expected to continue to be on the formula in FY25, but may move to a guarantee district FY26-FY28 on the new Fair School Funding Plan (FSFP). The state foundation funding formula has gone through many changes in recent years. The previous 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.

<u>Base Cost Approach - Unrestricted Basic Aid Foundation Funding</u>
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)

<u>State Share Percentage – Unrestricted Basic Aid Foundation Funding</u>
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:

<u>Unrestricted Categorical State Aid</u>
1. <u>Targeted Assistance/Capacity Aid</u> – 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. <u>Special Education Additional Aid</u> – 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. <u>Transportation Aid</u> – 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.

<u>Restricted Categorical State Aid</u>

1. <u>Disadvantage Pupil Impact Aid (DPIA)</u> - 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. <u>English Learners</u> – Based on funded categories based on the time students enrolled in schools and multiplied by a weighted amount per pupil.
3. <u>Gifted Funds</u> – Based on average daily membership multiplied by a weighted amount per pupil.
4. <u>Career-Technical Education Funds</u> – 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 FY25

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 31st 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 FY22, was $109.39 million for schools or $62.86 per pupil, in FY23, the funding totaled $113.1 million or $64.90 per pupil, and in FY24 the funding totaled $113.11 million or $65.02 average per pupil. We expect the casino revenues to have resumed their historical growth rate and are assuming a 1.5% annual growth rate for the remainder of the forecast.

Source	FY24	FY25	FY26	FY27	FY28
Basic Aid - Unrestricted	$14,751,522	$13,038,325	$11,875,950	$11,839,248	$11,984,483
Additional Aid Items	1,246,569	1,321,906	1,321,421	1,321,421	1,321,421
Basic Aid - Unrestricted Subtotal	$15,998,091	$14,360,231	$13,197,371	$13,160,669	$13,305,904
Ohio Casino Commission (Ohio Department of Taxation)	528,397	539,621	551,090	562,781	574,700
Total Unrestricted State Line # 1.035	$16,526,488	$14,899,852	$13,748,461	$13,723,450	$13,880,604

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. We have estimated revenues for these new restricted funding lines using current April funding factors and using the simulations from the Department of Education and Workforce for FY25. 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.

HB33 set aside $64 million state-wide to subsidize the cost of high-quality instructional materials (HQIM) purchased by schools and districts aligned to the Science of Reading. The funds are provided to support both high-quality core curriculum and instructional materials in English language areas and evidenced-based reading intervention programs. The district received $369,527 from this one-time subsidy in FY24 and is required to maintain documentation as to how the funds were leveraged along with expenses incurred beyond the subsidy.

Source	FY24	FY25	FY26	FY27	FY28
Disadvantaged Pupil Impact Aid (DPIA)	$315,574	$397,819	$482,148	$555,031	$555,031
Career Tech - Restricted	88,812	68,735	50,567	29,081	29,662
Gifted	276,890	225,437	181,269	123,524	123,524
English Learners	138,619	112,937	103,675	84,744	86,470
Other Restricted State Funds	369,527	-	-	-	-
Student Wellness & Success Funds	572,981	572,083	573,083	573,083	573,083
Total Restricted State Line #1.040	$1,762,403	$1,377,011	$1,390,742	$1,365,463	$1,367,770

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	$16,526,488	$14,899,852	$13,748,461	$13,723,450	$13,880,604
Restricted Line # 1.040	1,762,403	1,377,011	1,390,742	1,365,463	1,367,770
Federal Grants Line #1.045	0	0	0	0	0
Total State Foundation Revenue	$18,288,891	$16,276,863	$15,139,203	$15,088,913	$15,248,374

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	$6,714,853	$6,837,281	$6,856,457	$6,949,029	$7,040,734

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	13,163,564	13,426,835	13,695,372	13,969,280	14,248,665
Total Other Local Revenue Line #1.060	$16,966,383	$17,259,842	$17,523,733	$17,768,162	$18,018,239

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.

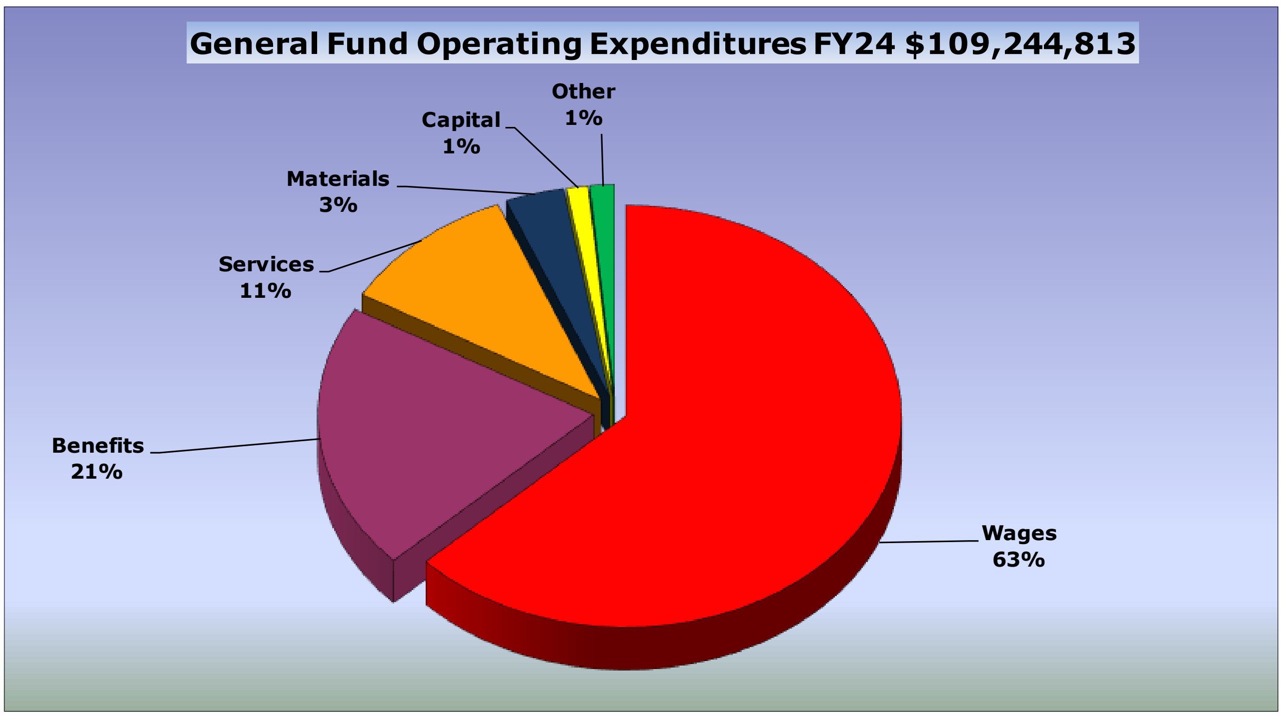
Source	FY24	FY25	FY26	FY27	FY28
Transfers In - Line 2.040	$462,530	$49,589	($18,124)	$65,531	$89,232
Advance Returns - Line 2.050	17,579	400,000	400,000	400,000	400,000
Total Transfer & Advances In	$480,109	$449,589	$381,876	$465,531	$489,232

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	$56,654	$25,000	$25,000	$25,000	$25,000

EXPENDITURE ASSUMPTIONS



Personal Services – Line #3.010

The personal services category represents all wages for the employees of the school district paid by 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 FY25, FY26 and FY27. Settlements were reached for FY25-FY27 which are 4% in FY25, 3% for FY26-FY27, and for planning purposes 2% for FY28. The base increases are in addition to steps, training and market adjustments needed to remain competitive in the Central Ohio market..

- 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	$73,122,115	$77,823,709	$82,780,553
Base Increases	1,852,658	2,448,569	1,972,552	2,193,663	1,556,474
Steps & Training	1,389,493	2,854,794	1,553,451	1,714,344	1,751,033
Substitute costs & OT	828,180	844,744	861,639	878,872	896,449
New & Replacement Staff	1,295,363	2,067,012	1,175,591	1,048,837	989,535
Supplemental Costs	1,857,596	1,894,748	1,932,643	1,971,296	2,010,722
Other	270,564	270,564	270,564	270,564	270,564
Total Wages Line #3.010	$68,708,080	$76,132,171	$80,888,555	$85,901,285	$90,255,330

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.

Workers Compensation & Unemployment Compensation

Workers' Compensation is expected to be approximately .37% 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	$11,273,957	$12,012,443	$12,758,088	$13,413,555
Insurance's	10,687,940	11,023,371	11,700,837	12,911,238	14,221,679
Workers Comp/Unemployment	255,478	282,055	298,821	316,396	331,666
Medicare	1,042,425	1,151,382	1,219,780	1,288,978	1,349,154
Other/Tuition	175,045	175,045	175,045	175,045	175,045
Total Fringe Benefits Line #3.020	$22,330,947	$23,905,810	$25,406,926	$27,449,745	$29,491,099

Purchased Services – Line #3.030

HB110, the previous state budget, impacted Purchased Services beginning in FY22 as the Ohio Department of Education will directly pay these costs to the educating 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. We have continued to offer these amounts below as zeros to help reflect the difference between projected FY24-FY28 Line 3.03 costs and historical FY21 through FY23 costs on the five-year forecast. 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	0	300,000	300,000	300,000	300,000
Total Purchased Services Line #3.030	$11,527,916	$12,154,000	$12,433,772	$12,775,042	$13,128,248

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)	1,002,019	920,840	948,466	976,919	1,006,227
Total Line 3.040	$3,749,870	$3,718,985	$3,826,878	$3,932,934	$4,044,907

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	$1,368,800	$1,486,684	$1,194,827	$1,982,974	$1,211,638

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

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	480,200	490,449	498,430	506,652	515,120
Total Other Expenses Line #4.300	$1,559,200	$1,569,449	$1,577,430	$1,585,652	$1,594,120

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	$462,530	$49,589	($18,124)	$65,531	$89,232
Other transfers out	$481,096	$876,019	$542,101	$463,666	$437,568
Operating Transfers Out Line #5.010	$2,779,768	$2,765,206	$2,362,887	$2,376,446	$2,371,543
Advances Out Line #5.020	400,000	400,000	400,000	400,000	400,000
Total Transfer & Advances Out	$3,179,768	$3,165,206	$2,762,887	$2,776,446	$2,771,543

Source	FY24	FY25	FY26	FY27	FY28
All Other Financing Uses - Line #5.030	$0	$0	$0	$0	$0

Encumbrances –Line#8.010

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

Source	FY24	FY25	FY26	FY27	FY28
Estimated Encumbrances	$2,591,573	$2,591,573	$2,591,573	$2,591,573	$2,591,573

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	$5,934,709	$5,984,299	$5,966,175	$6,031,706	$6,120,938
Total Reservations of Balance- Line #9.080	$5,934,709	$5,984,299	$5,966,175	$6,031,706	$6,120,938

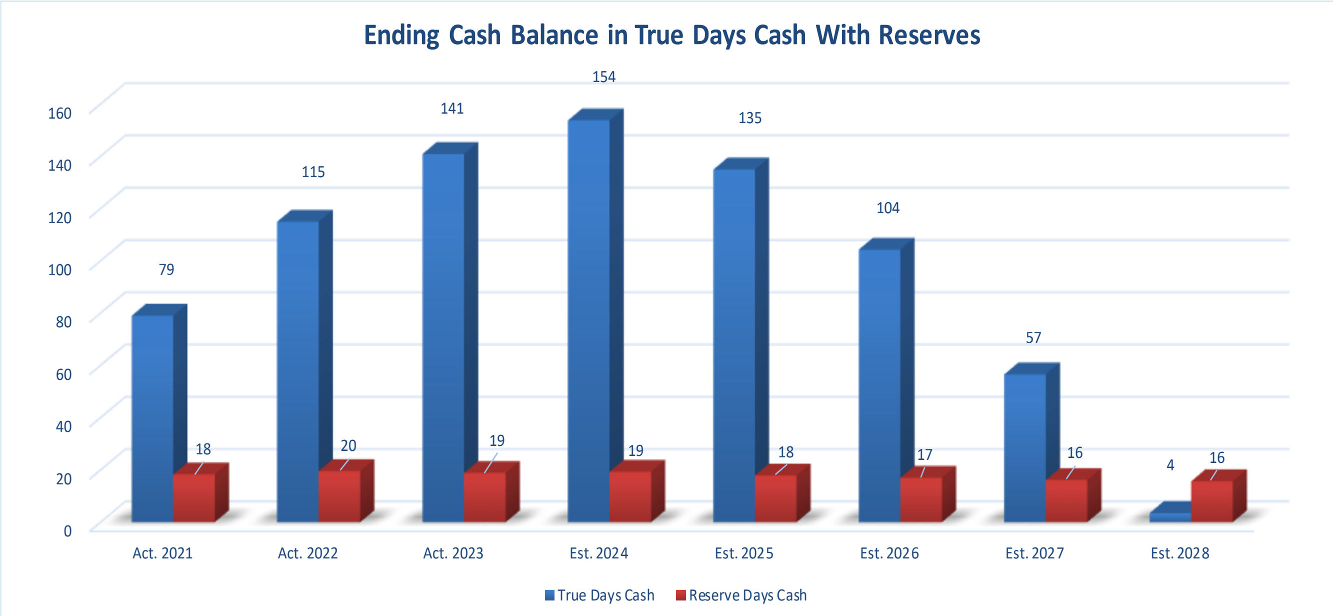
Ending Unencumbered Cash Balance "The Bottom-line" – Line#15.010

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	$41,420,244	$39,229,718	$30,683,903	$15,127,031	($4,746,635)

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.



Conclusion

Gahanna-Jefferson City School District receives 21.1% of its funding for the district from state dollars which is very beneficial to the overall operations for the education of our students.

The district administration is grateful for the changes in the current state budget HB33 as it has reduced the amount that was deducted for programs that were not within the district's control. However, future state budgets funding will need to be watched since the full amount of the Fair School Funding Plan was not totally implemented with this budget and there is no guarantee for future increases in state budgets for FY26-FY28.

As the administration plans for the future, they will need to make sure that the district is able to obtain positive cash balance throughout the forecast. They will need to review the expenditures based on the current revenues in order to obtain this.

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