GAHANNA-JEFFERSON PUBLIC SCHOOLS
Franklin County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2022, 2023, 2024
Forecasted Fiscal Year Ending June 30, 2025 through 2029

		Actual				Forecasted				
		Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Average Change	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
	Revenues									
1.010	General Property Tax (Real Estate)	$69,433,890	$68,553,097	$69,652,828	0.2%	$71,755,935	$72,218,357	$73,082,619	$74,212,915	$74,213,468
1.020	Public Utility Personal Property Tax	6,125,870	6,565,465	7,071,229	7.4%	6,738,417	7,272,797	7,430,077	7,587,357	7,744,637
1.035	Unrestricted State Grants-in-Aid	13,131,506	13,174,656	16,570,014	13.1%	15,336,534	13,841,342	13,810,001	13,880,604	13,892,753
1.040	Restricted State Grants-in-Aid	650,357	1,079,339	1,768,978	64.9%	1,138,173	1,116,680	1,477,185	1,477,185	1,477,185
1.045	Restricted Federal Grants In Aid	-	-	-	0.0%	0	0	0	0	0
1.050	State Share of Local Property Taxes	6,644,276	6,584,750	6,714,852	0.5%	6,784,871	6,836,122	6,928,477	7,019,966	7,037,363
1.060	All Other Revenues	15,142,451	16,693,051	18,363,860	10.1%	18,878,670	19,413,665	18,870,562	18,486,986	18,285,418
1.070	*Total Revenues*	111,128,350	112,650,358	120,141,761	4.0%	120,632,600	120,698,963	121,598,921	122,665,013	122,650,824
	Other Financing Sources									
2.040	Operating Transfers-In	351,102	571,396	525,864	27.4%	49,589	44,998	53,305	-	-
2.050	Advances-In	593,810	9,556	17,579	-7.2%	6,173	400,000	400,000	400,000	400,000
2.060	All Other Financing Sources	153,535	493,305	56,654	66.39%	65,000	65,000	65,000	65,000	65,000
2.070	*Total Other Financing Sources*	1,098,447	1,074,257	600,097	-23.2%	120,762	509,998	518,305	465,000	465,000
2.080	*Total Revenues and Other Financing Sources*	112,226,797	113,724,615	120,741,858	3.8%	120,753,362	121,208,961	122,117,226	123,130,013	123,115,824
	Expenditures									
3.010	Personal Services	$61,177,471	$64,100,222	$68,485,401	5.8%	$75,867,340	$80,018,137	$84,485,793	$88,338,511	$92,390,144
3.020	Employees' Retirement/Insurance Benefits	20,838,993	22,209,355	23,296,408	5.7%	23,857,029	25,209,480	27,948,066	29,873,814	31,931,912
3.030	Purchased Services	10,617,577	11,317,570	12,847,971	10.1%	12,917,356	13,304,877	13,704,023	14,115,144	14,538,598
3.040	Supplies and Materials	2,156,355	2,749,742	2,518,343	9.6%	3,718,985	3,826,878	3,932,934	4,044,907	4,044,907
3.050	Capital Outlay	542,571	848,761	1,082,443	42.0%	1,486,684	1,294,827	1,582,974	1,211,638	1,211,638
	Debt Service:									
4.010	Principal-All (Historical Only)	-	-	-	0.0%	0	0	0	0	0
4.020	Principal-Notes	1,553,184	-	-	0.0%	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	275,494	-	-	0.0%	0	0	0	0	0
4.300	Other Objects	1,432,418	1,679,605	1,740,317	10.4%	1,569,449	1,577,430	1,585,652	1,594,120	1,594,120
4.500	*Total Expenditures*	98,594,063	102,905,255	109,970,883	5.6%	119,416,843	125,231,629	133,239,442	139,178,134	145,711,318
	Other Financing Uses									
5.010	Operating Transfers-Out	1,308,906	3,154,443	1,149,744	38.7%	2,389,186	2,383,908	2,400,553	2,344,743	1,990,806
5.020	Advances-Out	9,556	17,579	6,173	9.5%	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*	1,318,462	3,172,022	1,155,917	38.5%	2,789,186	2,783,908	2,800,553	2,744,743	2,390,806
5.050	*Total Expenditures and Other Financing Uses*	99,912,525	106,077,277	111,126,800	5.5%	122,206,029	128,015,537	136,039,995	141,922,877	148,102,124
6.010	*Sources over (under) Expenditures and Other Financing Uses*	12,314,272	7,647,338	9,615,058	-6.1%	(1,452,667)	(6,806,576)	(13,922,769)	(18,792,864)	(24,986,300)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	$23,178,548	$35,492,820	$43,140,158	37.3%	$52,755,216	$51,302,549	$44,495,973	$30,573,203	$11,780,340
7.020	*Cash Balance June 30*	35,492,820	43,140,158	52,755,216	21.9%	$51,302,549	$44,495,973	$30,573,203	11,780,340	(13,205,960)
8.010	*Estimated Encumbrances June 30*	4,021,249	2,197,523	2,814,079	-8.6%	$2,591,753	$2,591,753	$2,591,753	$2,591,753	$2,591,753
	Reservation of Fund Balance									
9.030	Budget Reserve	5,350,952	5,472,179	6,031,630	6.2%	$6,034,948	$6,079,946	$6,133,251	$6,132,541	$6,131,832
9.080	*Subtotal*	5,350,952	5,472,179	6,031,630	6.2%	$6,034,948	$6,079,946	$6,133,251	$6,132,541	$6,131,832
10.010	*Fund Balance June 30 for Certification of Appropriations*	26,120,619	35,470,456	43,909,507	29.8%	42,675,848	35,824,274	21,848,200	3,056,046	(21,929,545)
	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*	26,120,619	35,470,456	43,909,507	29.8%	42,675,848	35,824,274	21,848,200	3,056,046	(21,929,545)
	Revenue from New Levies									
13.010	Income Tax - New				0.0%	$0	$0	$0	$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*	$26,120,619	$35,470,456	$43,909,507	29.8%	$42,675,848	$35,824,274	$21,848,200	$3,056,046	($21,929,545)
					0					
	ADM Forecasts									
20.010	Kindergarten - October Count	561	535	540	-1.9%	550	513	534	534	534
20.015	Grades 1-12 - October Count	7,205	7,236	7,225	0.1%	7,251	7,273	7,302	7,302	7,302
	True Day Cash Ratio (TDC) (9.030 + 15.010)	-	141	164		**145**	**119**	**75**	**24**	**(39)**

Gahanna-Jefferson City School District
Franklin County

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS ENDED JUNE 30, 2022, 2023, and 2024 ACTUAL FORECASTED FISCAL YEARS ENDING JUNE 30, 2025, THROUGH JUNE 30, 2029

Forecast Provided By
Gahanna-Jefferson City School District
Cliff Hetzel, Treasurer/CFO

Presented:

Board of Education Meeting – November 21, 2024

GAHANNA-JEFFERSON PUBLIC SCHOOLS
Franklin County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2022, 2023, 2024
Forecasted Fiscal Year Ending June 30, 2025 through 2029

		Actual				Forecasted				
		Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Average Change	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
	Revenues									
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1.020	Public Utility Personal Property Tax	6,125,870	6,565,465	7,071,229	7.4%	6,738,417	7,272,797	7,430,077	7,587,357	7,744,637
1.035	Unrestricted State Grants-in-Aid	13,131,506	13,174,656	16,570,014	13.1%	15,336,534	13,841,342	13,810,001	13,880,604	13,892,753
1.040	Restricted State Grants-in-Aid	650,357	1,079,339	1,768,978	64.9%	1,138,173	1,116,680	1,477,185	1,477,185	1,477,185
1.045	Restricted Federal Grants In Aid	-	-	-	0.0%	0	0	0	0	0
1.050	State Share of Local Property Taxes	6,644,276	6,584,750	6,714,852	0.5%	6,784,871	6,836,122	6,928,477	7,019,966	7,037,363
1.060	All Other Revenues	15,142,451	16,693,051	18,363,860	10.1%	18,878,670	19,413,665	18,870,562	18,486,986	18,285,418
1.070	*Total Revenues*	111,128,350	112,650,358	120,141,761	4.0%	120,632,600	120,698,963	121,598,921	122,665,013	122,650,824
	Other Financing Sources									
2.040	Operating Transfers-In	351,102	571,396	525,864	27.4%	49,589	44,998	53,305	-	-
2.050	Advances-In	593,810	9,556	17,579	-7.2%	6,173	400,000	400,000	400,000	400,000
2.060	All Other Financing Sources	153,535	493,305	56,654	66.39%	65,000	65,000	65,000	65,000	65,000
2.070	*Total Other Financing Sources*	1,098,447	1,074,257	600,097	-23.2%	120,762	509,998	518,305	465,000	465,000
2.080	*Total Revenues and Other Financing Sources*	112,226,797	113,724,615	120,741,858	3.8%	120,753,362	121,208,961	122,117,226	123,130,013	123,115,824
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3.040	Supplies and Materials	2,156,355	2,749,742	2,518,343	9.6%	3,718,985	3,826,878	3,932,934	4,044,907	4,044,907
3.050	Capital Outlay	542,571	848,761	1,082,443	42.0%	1,486,684	1,294,827	1,582,974	1,211,638	1,211,638
	Debt Service:									
4.010	Principal-All (Historical Only)	-	-	-	0.0%	0	0	0	0	0
4.020	Principal-Notes	1,553,184	-	-	0.0%	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	275,494	-	-	0.0%	0	0	0	0	0
4.300	Other Objects	1,432,418	1,679,605	1,740,317	10.4%	1,569,449	1,577,430	1,585,652	1,594,120	1,594,120
4.500	*Total Expenditures*	98,594,063	102,905,255	109,970,883	5.6%	119,416,843	125,231,629	133,239,442	139,178,134	145,711,318
	Other Financing Uses									
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5.020	Advances-Out	9,556	17,579	6,173	9.5%	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*	1,318,462	3,172,022	1,155,917	38.5%	2,789,186	2,783,908	2,800,553	2,744,743	2,390,806
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6.010	*Sources over (under) Expenditures and Other Financing Uses*	12,314,272	7,647,338	9,615,058	-6.1%	(1,452,667)	(6,806,576)	(13,922,769)	(18,792,864)	(24,986,300)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	$23,178,548	$35,492,820	$43,140,158	37.3%	$52,755,216	$51,302,549	$44,495,973	$30,573,203	$11,780,340
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8.010	*Estimated Encumbrances June 30*	4,021,249	2,197,523	2,814,079	-8.6%	$2,591,753	$2,591,753	$2,591,753	$2,591,753	$2,591,753
	Reservation of Fund Balance									
9.030	Budget Reserve	5,350,952	5,472,179	6,031,630	6.2%	$6,034,948	$6,079,946	$6,133,251	$6,132,541	$6,131,832
9.080	*Subtotal*	5,350,952	5,472,179	6,031,630	6.2%	$6,034,948	$6,079,946	$6,133,251	$6,132,541	$6,131,832
10.010	*Fund Balance June 30 for Certification of Appropriations*	26,120,619	35,470,456	43,909,507	29.8%	42,675,848	35,824,274	21,848,200	3,056,046	(21,929,545)
	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*	26,120,619	35,470,456	43,909,507	29.8%	42,675,848	35,824,274	21,848,200	3,056,046	(21,929,545)
	Revenue from New Levies									
13.010	Income Tax - New				0.0%	$0	$0	$0	$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*	$26,120,619	$35,470,456	$43,909,507	29.8%	$42,675,848	$35,824,274	$21,848,200	$3,056,046	($21,929,545)

Gahanna-Jefferson City School District –Franklin County
Notes to the Five-Year Forecast
General Fund Only
November 21, 2024

Introduction to the Five-Year Forecast

A forecast is a snapshot of today. Based on historical trends, what we know and future assumptions. 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. Various 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, enrollment variances, 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 helps district management to be proactive in meeting those challenges. School districts are encouraged to update their forecasts with the Ohio Department of Education and Workforce (ODEW) when events materially 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 Ohio Department of Education and Workforce, and the 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, and May 31, each fiscal year (July 1 to June 30). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The first year of the fiscal year is considered the baseline year. Our forecast is updated to reflect the most current economic data available for the November 2024 filing.

Economic Outlook

The current economic recovery began in the fall of 2020 and remains robust through this forecast date. The persistently high inflation that has impacted our state, country, and broader globalized economy has slowed to an annualized rate of 2.53% in August 2024 that is down from the 40 year high of 9.1% annualized rate posted in June 2022. Costs for goods and services in FY23 and FY24 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. Inflation affecting district costs is expected to continue in FY25. There is some good news, the Federal

Reserve is projecting inflation to be closer to their target rate of 2% by calendar year end 2024 or early in 2025. 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 the forecast period.

The Federal Reserve Bank cut Federal Fund rates in September 2024 by 50 basis points (.5%) and 25 basis points (.25%) in November which indicates slowing inflation and a slowing economy. Employment levels have begun to fall. The unemployment rate was 3.8% in September 2023 and rose to 4.2% in September 2024. A survey of prominent leading economists predicts there is roughly a 50% chance of a mild recession in the calendar year 2025. How this news impacts the state of Ohio's FY26 and FY27 biennium budget deliberations and actions in late spring 2025 is unknown as this forecast is filed.

The state of Ohio has enjoyed economic growth over the past three years, and the state's Rainy Day Fund balance is at $3.7 Billion. The new state funding formula is in the fourth year of a projected six-year phase-in. While increased inflation has impacted costs across Ohio, 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 finalize the last two years of the phase-in of the new funding formula in FY26 and FY27 even if a cyclical recession occurs. Regardless of a recession, the state is well-positioned to continue state aid payments to Ohio's school districts.

Since 2020 all school districts were being aided in varying degrees by three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER). The most recent allocation of ESSER funds must be encumbered by September 30, 2024. As part of the District's Strategic Plan, we are evaluating the retention of services and programming and determining their need into the future. Along with that, there were supplies and materials that were eligible to be paid for through ESSER funds, and will be re-absorbed in the General Fund.

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

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 enrollment projections along with programming needs for the purposes of staffing (FTE) plans.

II. November 2020 Operating Levy - We appreciate the community's approval of the 4.26 mill levy that was approved November 3, 2020 as a continuing levy. Even with this levy, the forecast runs at a deficit throughout due to decreases in state funding and increases in materials, supplies and labor cost 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 80.7% of the district's resources. We believe there is a low risk that local collections will fall below projections throughout the forecast.

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).

Due to historic property value increases in reappraisal and update years the Ohio Legislature has considered various proposals since 2023 to help reduce non voted tax increases on taxpayers. Currently the senate has proposed SB271 that seeks to limit growth through refund or reduction taxes to ensure annual income and property taxes do not exceed 5% of a qualified taxpayer's income. If passed by the General Assembly this will result in lowering tax increases for our residents who qualify. We are watching this legislation closely.

In addition to SB271, the legislature developed a Joint Committee on Property Taxation and Reform in 2024 in response to the historic valuation increases. Their mission is to review Ohio's property tax system and to make recommendations to the General Assembly on property taxation. The committee must report to the General Assembly by December 31, 2024. We are following any actions of the committee closely to determine what impact, if any, proposals could mean for our district to limit tax growth or to reduce taxes.

IV. State Aid - The state budget represented 19.3% 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 FY29. We have projected our state funding in 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 FY29, which we feel is conservative and should be close to what-the state approves for the FY26-FY29 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 FY25. FY25 reflects 66.66% of the implementation cost in year four of a six-year phase-in plan. 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, Excess Costs and various tuitions 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.

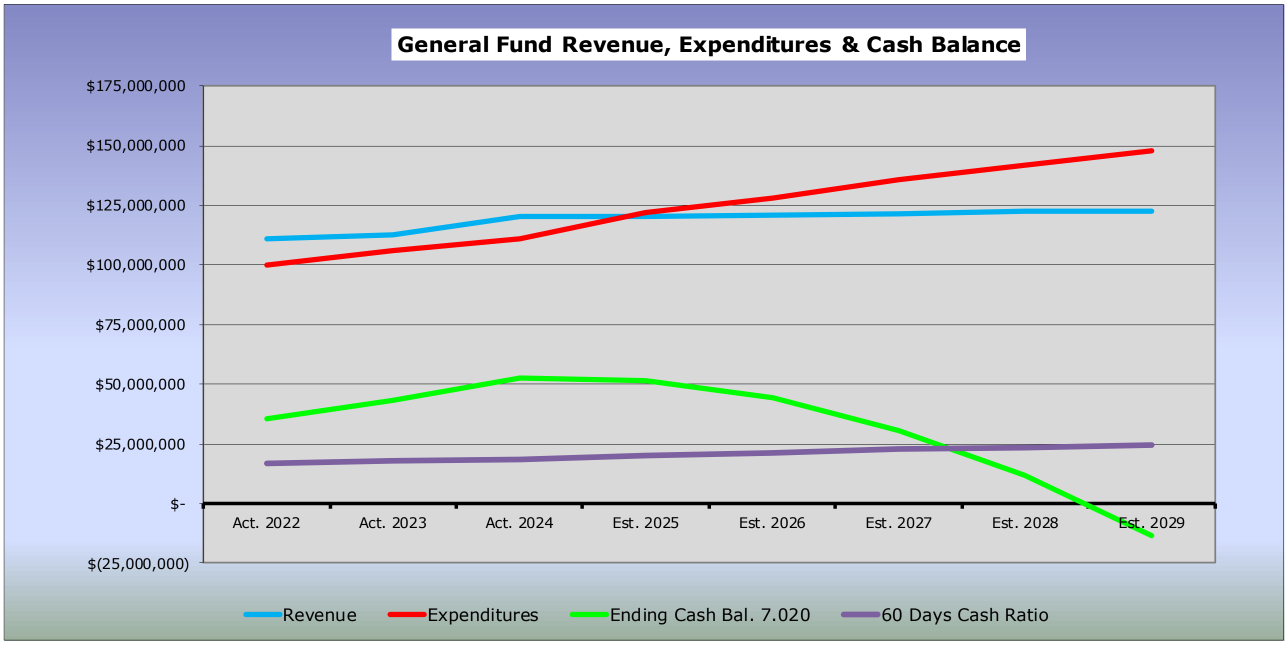
Data and assumptions noted in this forecast are based on the best and most reliable data available to us as of the date of this forecast.

DETAILED FORECAST ASSUMPTIONS

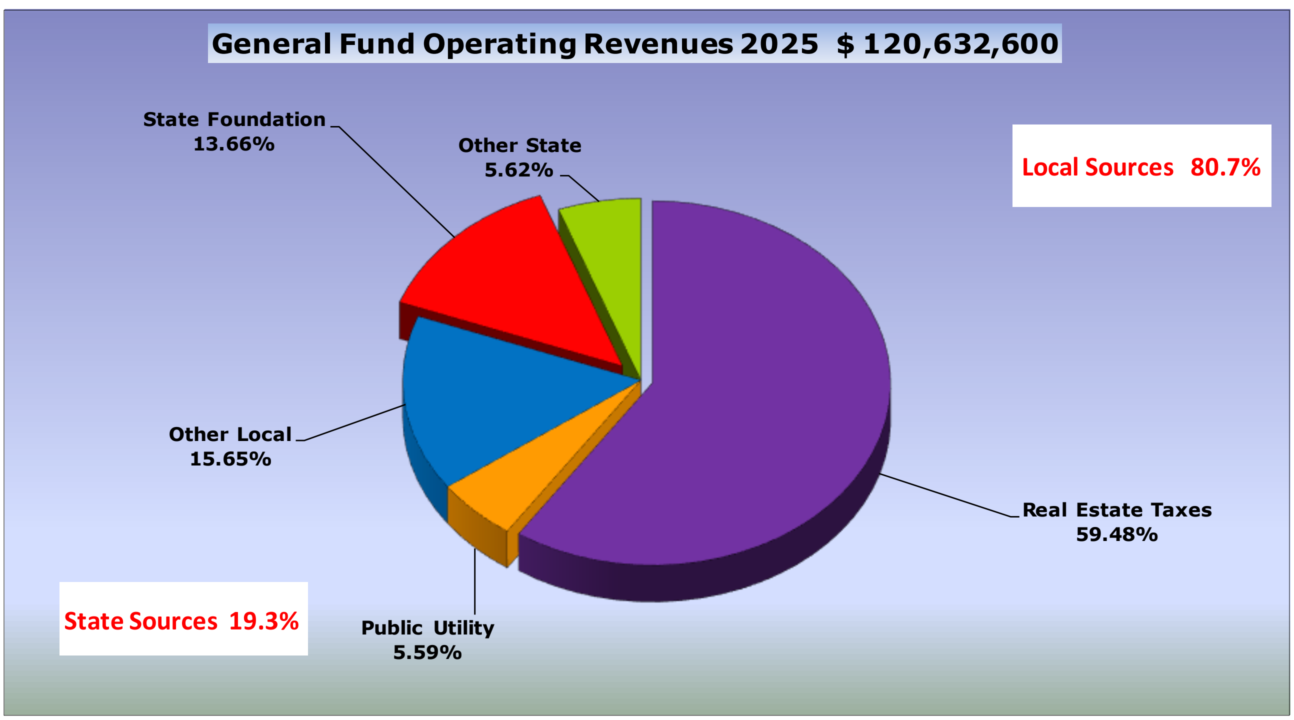
The following assumptions relate back to the forecast with line numbers as reference. If you would like further information, please feel free to contact Cliff Hetzel, MBA, Treasurer/CFO of Gahanna-Jefferson School District at 614-478-5530.

General Fund Revenue, Expenditures, and Ending Cash Balance Actual FY22-24 and Estimated FY25-29

The graph captures in one snapshot the operating scenario facing the district over the next few years.



REVENUE ASSUMPTIONS



General Property Tax and Property Value Assumptions (Real Estate) – Line # 1.010
Real estate and personal property taxes make up 65.38% 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%. Only inside millage (4.4 Mills) is affected by this; with new construction making up roughly 20% of the projected increase.

Estimated Assessed Value (AV) by Collection Year

	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR2024	TAX YEAR2025	TAX YEAR2026	TAX YEAR2027	TAX YEAR2028
Classification	COLLECT 2025	COLLECT 2026	COLLECT 2027	COLLECT 2028	COLLECT 2029
Res./Ag.	$2,059,152,290	$2,063,852,290	$2,316,214,565	$2,320,914,565	$2,325,614,565
Comm./Ind.	448,664,740	453,114,740	480,220,477	484,670,477	489,120,477
Public Utility (PUPP)	91,482,160	93,482,160	95,482,160	97,482,160	99,482,160
Total Assessed Value	$2,599,299,190	$2,610,449,190	$2,891,917,202	$2,903,067,202	$2,914,217,202

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.

Estimated General Property Real Estate Tax Revenue (Line #1.010)
Property tax levies are estimated to be collected at 97.5% of the annual amount. This allows a 2.5% 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 in FY24 and below in FY25 are due to the large increase we anticipate in the full reappraisal.

Source	FY25	FY26	FY27	FY28	FY29
General Property Taxes Line #1.010	$71,755,935	$72,218,357	$73,082,619	$74,212,915	$74,213,468

Estimated Public Utility Personal Property (PUPP)Taxes – 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.

PUPP collections were down in the August 2024 settlement (FY25) due to a late adjustment lowering assessed value by AEP that was made in late December 2023. It was too late to adjust tax bills on the 1st half February 2024 settlement. So the full impact was noted on the 2nd half impacting FY25. This is a drop from last year.

Source	FY25	FY26	FY27	FY28	FY29
Public Utility Personal Property	$6,738,417	$7,272,797	$7,430,077	$7,587,357	$7,744,637

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, which funds students where they are educated rather than where they live. We have projected FY25 funding based on the October 2024 foundation settlement and funding factors.

Our district is currently a formula district in FY25 and is expected to continue to be on the formula in FY26 but fall to a guarantee district by FY27 on the new Fair School Funding Plan (FSFP).

For a detailed overview of how foundation funding is calculated please visit the Ohio Department of Education and Workforce at: https://education.ohio.gov/Topics/Finance-and-Funding/Overview-of-School-Funding.

State Funding Phase-In FY25 and Guarantees
The Fair School Funding Plan 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 and extended the plan in HB33 for FY24 and FY25. The FSFP does not include caps on funding; instead, it consists of a general phase-in percentage for most components of 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 FY26-29 will depend on unknown two (2) new state budgets. There is no guarantee that the current Fair School Funding Plan 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 FY29.

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 FY23 was $113.1 million or $64.90 per pupil. In FY24, the funding totaled $114.18 million or $65.44 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	FY25	FY26	FY27	FY28	FY29
Basic Aid - Unrestricted	$13,424,141	$11,968,831	$11,925,799	$11,984,483	$11,984,483
Additional Aid Items	1,372,772	1,321,421	1,321,421	1,321,421	1,321,421
Basic Aid - Unrestricted Subtotal	$14,796,913	$13,290,252	$13,247,220	$13,305,904	$13,305,904
Ohio Casino Commission (Ohio Department of Taxation)	539,621	551,090	562,781	574,700	586,849
Total Unrestricted State Line # 1.035	$15,336,534	$13,841,342	$13,810,001	$13,880,604	$13,892,753

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 phase in is limited to 66.67% in FY25. We have flat-lined funding at FY25 levels for FY27-FY29 due to uncertainty on continued funding of the current funding formula.

HB33 set aside funds state-wide to subsidize the Science of Reading initiative. The district will be reimbursed for teacher in-service and associated fringe benefits upon proof of training and certified reimbursement request. It is estimated that the district will receive $779,000 from this one-time subsidy in FY which will be accounted for as a reduction of expenditure in wages and fringe benefit accounts.

Source	FY25	FY26	FY27	FY28	FY29
Disadvantaged Pupil Impact Aid (DPIA)	$205,632	$205,632	$555,031	$555,031	$555,031
Career Tech - Restricted	69,239	50,567	46,494	46,494	46,494
Gifted	231,511	215,305	215,305	215,305	215,305
English Learners	133,844	147,228	162,408	162,408	162,408
Other Restricted State Funds	-	-	-	-	-
Student Wellness & Success Funds	497,947	497,947	497,947	497,947	497,947
Total Restricted State Line #1.040	$1,138,173	$1,116,680	$1,477,185	$1,477,185	$1,477,185

C) Restricted Federal Grants in Aid – line #1.045

No federal grants are projected for FY25-29.

Summary of State Foundation Revenues

Source	FY25	FY26	FY27	FY28	FY29
Unrestricted Line # 1.035	$15,336,534	$13,841,342	$13,810,001	$13,880,604	$13,892,753
Restricted Line # 1.040	1,138,173	1,116,680	1,477,185	1,477,185	1,477,185
Federal Grants Line #1.045	0	0	0	0	0
Total State Foundation Revenue	$16,474,707	$14,958,022	$15,287,186	$15,357,789	$15,369,938

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	FY25	FY26	FY27	FY28	FY29
Rollback & Homestead	$6,784,871	$6,836,122	$6,928,477	$7,019,966	$7,037,363

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.

In FY24 interest income rose sharply due to fed rate increases to gain control over inflation. Interest income is based on the district's cash balances and increased interest rates due to the Federal Reserve raising rates to curb inflation. The Federal Reserve Bank cut interest rates by 50 basis point in September 2024 and 25 basis points in November. While interest income in FY25 should remain steady due to laddered investment strategies, the rate cuts will begin to have an impact on earnings in FY26 and future years. We will continue to monitor the investments for the district.

The District participates in the Medicaid in Schools Program. The District is reimbursed by the state for services provided to eligible students. Catastrophic (Threshold) 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 FY29 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.

74% of Other Local Revenue is generated from PILOT (Payment In Lieu Of Taxes) payments resulting from TIFs (Tax Increment Financing) and CRAs (Community Reinvestment Area) in Franklin County, the City of Gahanna and Jefferson Township. These include: 1) Easton, 2) East Broad: Commercial Improvement and 3) Premier Holdings LLC to name a few.

Source	FY25	FY26	FY27	FY28	FY29
Tuition SF-14, SF-14H, Threshold Cost Reimbursement	$1,482,474	$1,489,887	$1,497,336	$1,504,823	$1,512,347
Interest	2,551,307	2,796,176	1,957,323	1,272,260	763,356
Student Fees and Pay to Participate Fees	243,536	243,536	243,536	243,536	243,536
Clark Hall Revenue	132,000	132,000	132,000	132,000	132,000
Rentals, Donations, Misc, Medicaid	667,344	674,017	680,757	687,565	694,441
Payment in Lieu of Taxes (PILOT) & Easton TIF, BOR	13,802,009	14,078,049	14,359,610	14,646,802	14,939,738
Total Other Local Revenue Line #1.060	$18,878,670	$19,413,665	$18,870,562	$18,486,986	$18,285,418

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.

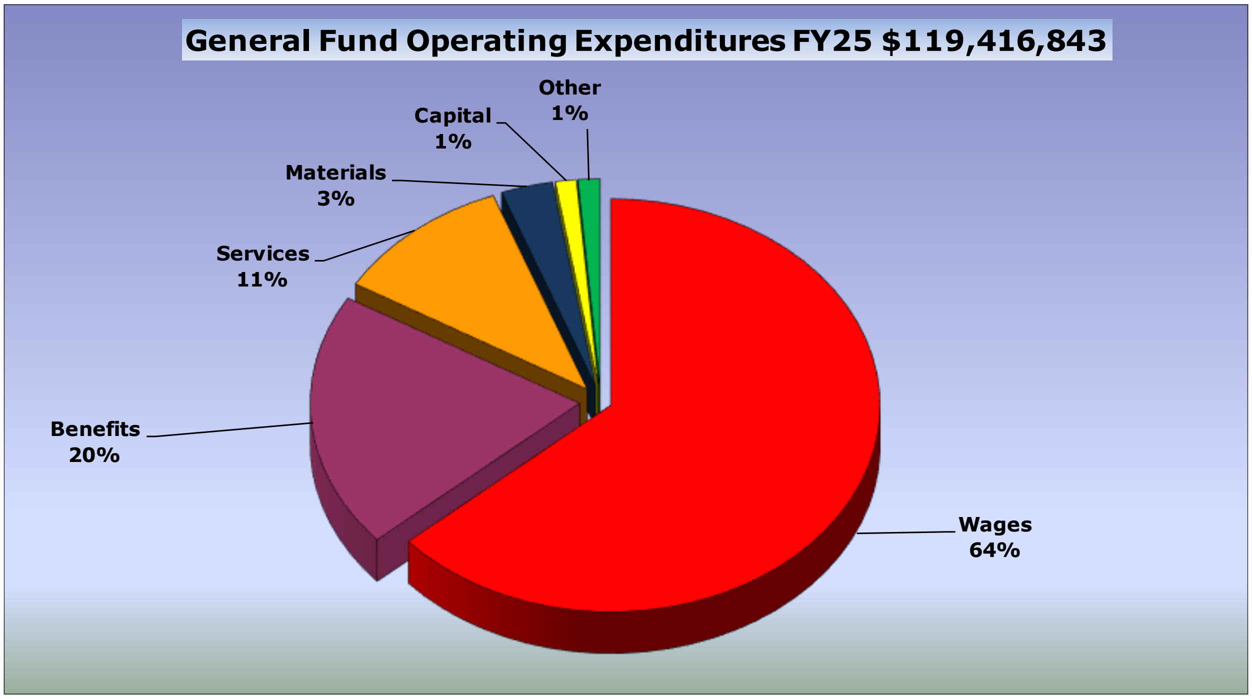
Source	FY25	FY26	FY27	FY28	FY29
Transfers In - Line 2.040	$49,589	$44,998	$53,305	$0	$0
Advance Returns - Line 2.050	6,173	400,000	400,000	400,000	400,000
Total Transfer & Advances In	$55,762	$444,998	$453,305	$400,000	$400,000

All Other Financing Sources – Line #2.060

This revenue consists of refunds from prior years' expenses and the sale of assets. These revenues are inconsistent year to year and we will not project that occurring in the remainder of the forecast.

Source	FY25	FY26	FY27	FY28	FY29
Refunds & Sale of Assets	$65,000	$65,000	$65,000	$65,000	$65,000

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 and FY29. The base increases are in addition to steps, training and market adjustments needed to remain competitive in the Central Ohio market.

- Projections from FY25 through FY29 include step increases, degree change increases, supplemental compensations, and other miscellaneous salary increases.
- Projection of additional staff is estimated in FY25 through FY29 to account for projected student growth and new programs.
- ESSER adjustment adding back General Fund wages of $454,330 in FY25.

Source	FY25	FY26	FY27	FY28	FY29
Base Wages	$65,577,995	$73,177,761	$77,274,766	$81,687,554	$85,484,307
Base Increases	2,623,120	1,967,340	2,195,333	1,545,495	1,633,751
Steps & Training	2,455,304	1,549,542	1,715,596	1,738,682	1,837,970
Substitute costs & OT	809,926	826,125	842,648	859,501	876,691
New & Replacement Staff	2,067,012	580,123	501,859	512,576	522,828
Supplemental Costs	1,879,653	1,917,246	1,955,591	1,994,703	2,034,597
ESSER Recoding	454,330	-	-	-	-
Other	0	0	0	0	0
Total Wages Line #3.010	$75,867,340	$80,018,137	$84,485,793	$88,338,511	$92,390,144

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, FY24 and FY25 are included based on negotiated rate increases. In FY24 the District received over $1.8M in Premium Credits from their fully-insured medical carrier that are applied to reduce expenditures. Then 4.5% (1/2 year) for FY26 and annual increases of 9% are assumed each subsequent year FY27 through FY29.

Workers Compensation & Unemployment Compensation
Workers' Compensation is expected to be approximately .35% of wages FY25– FY29. Unemployment is likely to remain at a shallow level FY25-FY29. 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	FY25	FY26	FY27	FY28	FY29
STRS/SERS	$11,867,411	$12,592,917	$13,296,232	$13,919,455	$14,558,822
Insurance's	10,365,904	10,919,389	12,877,413	14,113,266	15,461,884
Workers Comp/Unemployment	280,536	295,063	310,700	324,185	338,366
Medicare	1,149,302	1,208,235	1,269,845	1,323,032	1,378,964
Other/Tuition	193,876	193,876	193,876	193,876	193,876
Total Fringe Benefits Line #3.020	$23,857,029	$25,209,480	$27,948,066	$29,873,814	$31,931,912

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. 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.

This category includes payments for contracted staff and services (that includes extensive support through the Educational Service Center of Central Ohio), 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.

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	FY25	FY26	FY27	FY28	FY29
Professional & Technical Services, ESC	$7,745,210	$7,977,567	$8,216,894	$8,463,400	$8,717,302
Professional Development	$80,724	$83,146	$85,640	$88,209	$90,855
Communications, Postage, & Telephone	$219,208	$225,784	$232,557	$239,534	$246,720
Utilities	$1,919,344	$1,976,924	$2,036,232	$2,097,319	$2,160,238
Contracted Trades & Services	$51,442	$52,985	$54,574	$56,212	$57,898
Tuition, Excess Costs & Scholarship Costs	$1,214,745	$1,251,187	$1,288,723	$1,327,384	$1,367,206
College Credit Plus	$279,961	$288,360	$297,010	$305,921	$315,098
Contract Transportation	$260,410	$268,222	$276,269	$284,557	$293,094
Miscellaneous Purchased Services	69,434	71,517	73,662	75,872	78,148
Total Purchased Services Line #3.030	$12,917,356	$13,304,877	$13,704,023	$14,115,144	$14,538,598

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.

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	FY25	FY26	FY27	FY28	FY29
General Supplies & Materials	$2,798,145	$2,878,412	$2,956,015	$3,038,680	$3,038,680
Curriculum Update (Textbooks)	920,840	948,466	976,919	1,006,227	1,006,227
Total Line 3.040	$3,718,985	$3,826,878	$3,932,934	$4,044,907	$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	FY25	FY26	FY27	FY28	FY29
Capital Outlay/Building Improvement	$666,684	$474,827	$662,974	$291,638	$291,638
Bus Fleet Replacement/Maintenance Vehicles	0	0	0	0	0
Technology Equipment	820,000	820,000	920,000	920,000	920,000
Total Equipment Line #3.050	$1,486,684	$1,294,827	$1,582,974	$1,211,638	$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 new operating levies.

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	FY25	FY26	FY27	FY28	FY29
County Auditor Fees	$1,138,460	$1,138,460	$1,138,460	$1,027,000	$1,027,000
County ESC	51,825	51,825	51,825	52,000	52,000
Audit/Liability Insurance/Other	379,164	387,145	395,367	515,120	515,120
Total Other Expenses Line #4.300	$1,569,449	$1,577,430	$1,585,652	$1,594,120	$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 FY25 we have included a transfer of $275,000 to the severance fund in order to ensure funds to cover retirements in the future, $166,978 for miscellaneous needs that may be needed and $58,000 to the bleacher debt service. Our budget reserve is maintained at the statutory maximum 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 was 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 – the last payment is estimated at $388,932, and will follow off of the books in FY26.**

- **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	FY25	FY26	FY27	FY28	FY29
Operating Transfers Out					
Various Purpose, Series 2013A	$0	$0	$0	$0	$0
Learning Center Bonds, Series 2010C	$388,932	$0	$0	$0	$0
Various Purpose Refunding Bonds, Series 2017	$1,450,665	$1,838,910	$1,847,249	$1,844,743	$1,490,806
Budget Reserve	$49,589	$44,998	$53,305	($709)	($709)
Other transfers out	$500,000	$500,000	$500,000	$500,000	$500,000
Operating Transfers Out Line #5.010	$2,389,186	$2,383,908	$2,400,553	$2,344,034	$1,990,097
Advances Out Line #5.020	400,000	400,000	400,000	400,000	400,000
Total Transfer & Advances Out	$2,789,186	$2,783,908	$2,800,553	$2,744,034	$2,390,097

Source	FY25	FY26	FY27	FY28	FY29
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	FY25	FY26	FY27	FY28	FY29
Estimated Encumbrances	$2,591,753	$2,591,753	$2,591,753	$2,591,753	$2,591,753

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. When the cash balance on Line 7.02 becomes negative which it would in FY29 there technically can be no cash reserve.

Source	FY25	FY26	FY27	FY28	FY29
Budget Reserve - Line #9.030	$6,034,948	$6,079,946	$6,133,251	$6,132,541	$6,131,832
Total Reservations of Balance- Line #9.080	$6,034,948	$6,079,946	$6,133,251	$6,132,541	$6,131,832

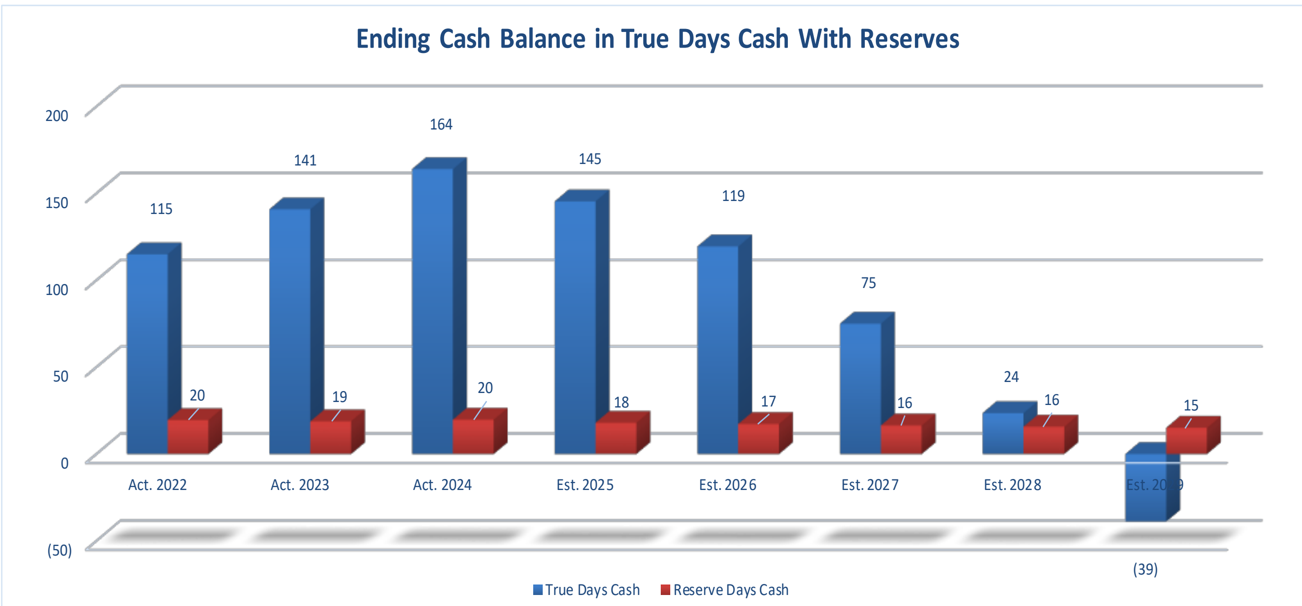
Ending Unencumbered Cash Balance "The Bottom-line" – Line#15.010

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 $10.4 million for our district, and will be further evaluated through policy recommendations.

Source	FY25	FY26	FY27	FY28	FY29
Ending Unreserved Cash Balance	$42,675,848	$35,824,274	$21,848,200	$3,056,046	($21,929,545)

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

This Forecast reflects the work resulting from negotiations with our employee groups, with Fiscal Year 25 being the first year of our 3-year agreement. We are proud to acknowledge the efforts of our staff and desire to remain competitive in our market to deliver high-quality instruction and support to our students.

This is our first forecast without ESSER funding for four years and requires a careful understanding of how we will commit to our future needs.

This forecast takes into consideration the Board's newly adopted Strategic Plan with an emphasis on Operational Efficiency in order to improve resource allocation and operations by:

- Optimizing processes for accessibility and distribution of resources
- Leveraging technology to improve district systems and operations
- Collecting and using relevant data as a basis for decision making
- Retaining staff and increasing recognition

Gahanna-Jefferson City School District receives roughly 80% of its funding for local sources that are beneficial to the overall operations for the education of our students.

The district administration will continue to monitor future state budgets to understand how the full amount of the Fair School Funding Plan will be implemented within this budget and forecast cycle as there is no guarantee for future increases in state budgets for FY26-FY29.

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.