# Gahanna- Jefferson City School District – Franklin County

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**FOR THE FISCAL YEARS ENDED JUNE 30, 2014, 2015 and 2016 ACTUAL**
**FORECASTED FISCAL YEARS ENDING JUNE 30, 2017**
**THROUGH 2021**

**Forecast Provided By**
**Gahanna- Jefferson City School District**
**Treasurer's Office**
**Julio Valladares, MBA, Treasurer/CFO**

***Updated October 13, 2016***

## Introduction to the Five Year Forecast

All school districts in Ohio are required to file a five (5) year financial forecast by October 31, and May 31, in each fiscal year (FY). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Fiscal year 2017 (July 1, 2016-June 30, 2017) is the first year of the five year forecast and is considered the baseline year. The October forecast is used to provide an update of the actual revenues and expenditures for the current fiscal year and the effect of this year on the remaining years of the forecast.

For further instruction on how to read the five year forecast refer to exhibit A starting on page 18.

## Forecast Risks and Uncertainty:

Our financial forecast is laden with risks and uncertainty not only due to economic uncertainties but also due to volatility of the legislative changes that will be happening in the spring of 2017 and 2019 during deliberations of the next two (2) state biennium budgets for FY18-19 & FY20-21, both of which affect this forecast. We have estimated revenues and expenses based on the best data available to us at the time of this forecast. The items below give a short description of the current issues and how they may affect our forecast long term:

I. Reappraisal - Gahanna-Jefferson City School District went through a reappraisal update in tax year 2014 to collect in 2015. Real estate values increased slightly by 1.07% for residential and .49% for commercial property for the reappraisal update in 2014. A full appraisal will occur in 2017 for collection in FY18 and we are calling for a reappraisal increase of 1.5% for residential and 1% for commercial property at that time. We do not feel the district is at a high risk for unexpected declines due to the revived new construction we are seeing and market values of sales to appraised values are increasing.

II. State Foundation - The State Budget represents nearly 18% of district revenues, which means it is a significant area of risk to revenue. The risk comes in FY18 and beyond if the state economy worsens or if the state funding formula is changed in a way that reduces funds to our district. Future uncertainty in both the state foundation funding formula and the state's economy makes this area an elevated risk to district funding through FY21.

III. Deficit Spending – Expenditures starting in FY17 begin to exceed stagnant revenues by $2.9 million. This expected deficit spending continues throughout FY2021, and as a result the beginning cash balance starts depleting which triggers action in FY2018 by the Board of Education to address a possible negative ending cash balance in FY2019 in the amount of $1.8 million. However, the administration is going to be monitoring all expenditures very closely to evaluate the expenditure patterns, and to make decisions with the objective to minimize or eliminate projected deficit spending.

IV. Tuition Vouchers & Community Schools - There are many provisions in the current state budget bill HB64 that will increase district expenditures in the form of an exposure to school choice scholarships or vouchers, additional special education costs, school reform initiatives, college credit plus, and several other school choice provisions. The cost of each Peterson Special Needs voucher and Autism Scholarship Program increased sharply in HB64 from $20,000 to $27,000, a 35% increase. These all could expose the district to more expenditures in future years. We are monitoring proposed and pending legislation very closely to evaluate the effects on our bottom line.

V. Patient Protection and Affordable Care Act (PPACA) – This program was approved March 23, 2010 along with the Health Care and Education Reconciliation Act. Many of the provisions of this federal statute were supposed to be implemented January 1, 2014 but were delayed by the IRS on July 2, 2013 until January 1, 2015. Rules for the PPACA are in flux at this time and we are tracking them closely. Future uncertainty over rules and implementation of PPACA is a risk to district costs. We continue to monitor the rules and implementation as this significant change to health care evolves.

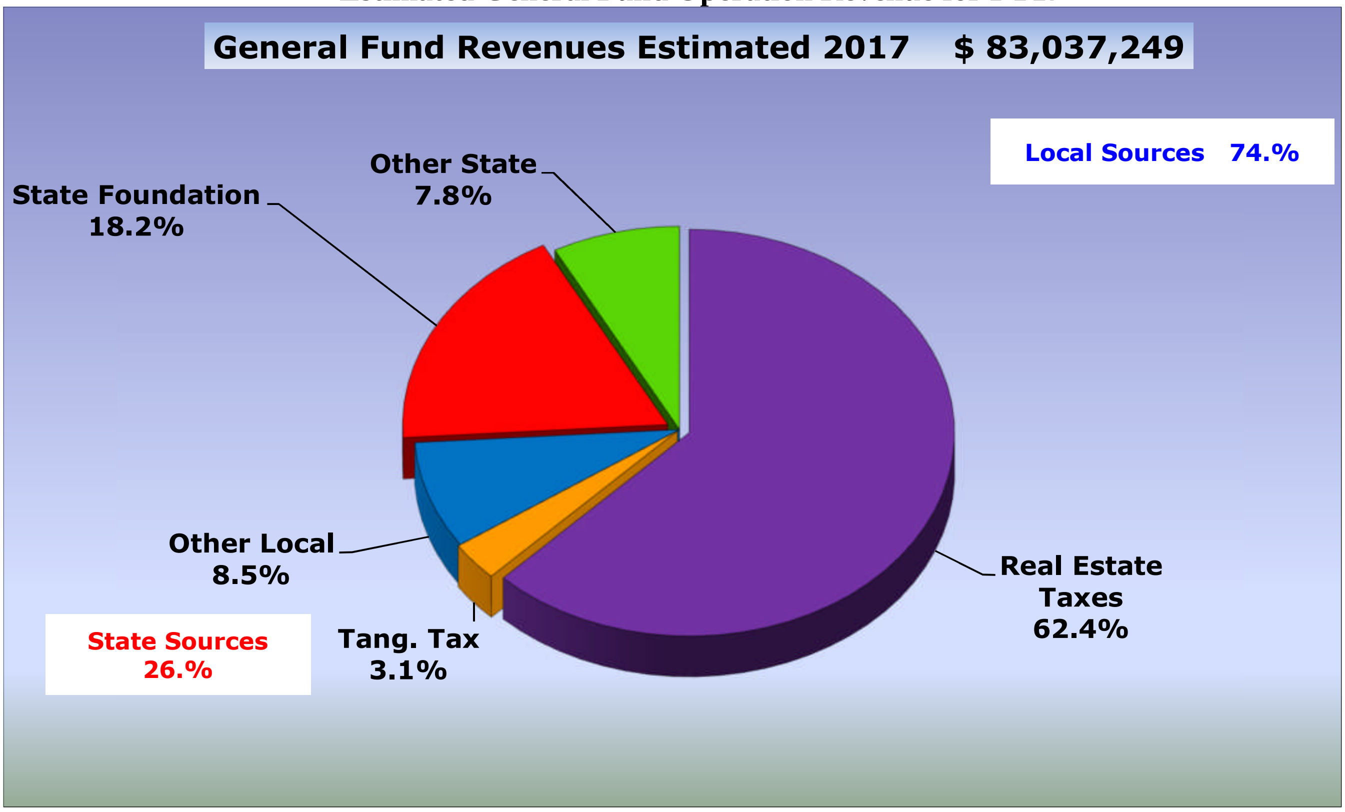
VI. Rollback - HB59 eliminated the Rollback exemption on any future new or replacement levy. This means that should the District place a new levy on the ballot taxpayers will no longer receive the 12.5% reduction as they do on current levies. This could make passing any new levy more difficult. This will not affect the total collection for the school district, but will shift the burden from the State of Ohio onto local taxpayers.

**Detailed Forecast Analysis**

The major Lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information please feel free to contact Julio Valladares, Treasurer/CFO of Gahanna-Jefferson School District at 614-478-5534.

**Revenue Assumptions**

**Estimated General Fund Operation Revenue for FY17**




**Real Estate Value Assumptions – Line # 1.010**

Property Values are established each year by the County Auditor based on new construction, demolitions, Board of Revision (BOR)/Board of Tax Appeals (BTA) activity and complete reappraisal or updated values. District values fell from $1,479.7 million in 2010 to $1,384.3 million in 2012. But have rebounded to $1,431.9 million or 3.2% in 2015. We believe values will continue to improve in the future.

A reappraisal update occurred in tax year 2014 for collection in FY15. Real estate values increased 1.07% for residential and .49% for commercial property for the reappraisal as the economy is slowly recovering values. The next complete reappraisal will be conducted in 2017 for collection in 2018. We estimate the complete reappraisal that occurs in 2017 for collection in FY18 will see an overall increase in property values of $33.5 million (2.34%). Residential/agricultural values increase $25.8 million (2.33%), commercial/industrial values increase $7.5 million (2.48%) and PUPP values increase $200 thousand (0.5). Real estate taxes make up 65.5% of the district's General Fund revenue. We will update values as more information is available. Based on current sale to property valuation ratios, we anticipate values will remain mostly steady for tax years 2016 through 2020, with an annual 1.1% (annual average) growth in new residential/agricultural, a 1.6% (annual average) growth in commercial/industrial values, and an 0.5% annual growth in PUPP values. The chart below reflects these assumptions.

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

| Classification | Estimated TAX YEAR 2016 COLLECT 2017 | Estimated TAX YEAR 2017 COLLECT 2018 | Estimated TAX YEAR 2018 COLLECT 2019 | Estimated TAX YEAR 2019 COLLECT 2020 | Estimated TAX YEAR 2020 COLLECT 2021 |
|---|---|---|---|---|---|
| Res./Ag. | $1,106,780,580 | $1,132,582,289 | $1,141,782,289 | $1,150,982,289 | $1,160,182,289 |
| Comm./Ind. | 300,217,490 | 307,669,665 | 312,119,665 | 316,569,665 | 321,019,665 |
| Public Utility (PUPP) | 37,210,910 | 37,410,910 | 37,610,910 | 37,810,910 | 38,010,910 |
| Total Assessed Value | $1,444,208,980 | $1,477,662,864 | $1,491,512,864 | $1,505,362,864 | $1,519,212,864 |

### Estimated Real Estate Tax (Line #1.010)

Property tax levies are estimated to be collected at 97.5% of the annual amount. In general, 52.5% of the Res/Ag. and Comm./Ind. taxes are expected to be collected in February tax settlements and 47.5% collected in August tax settlements. Public Utility tax settlements (PUPP taxes) are estimated to be received 50% in February and 50% in August settlement from the Franklin County Auditor and are included in Line 1.02 of the forecast noted below.

| Source | FY17 | FY18 | FY19 | FY20 | FY21 |
|---|---|---|---|---|---|
| General Property Taxes Line #1.010 | $51,792,274 | $52,035,824 | $52,641,253 | $53,213,738 | $53,786,770 |

### New Tax Levies – Line #13.030

No new levies are modeled in this forecast.

### Estimated Tangible Personal Tax – Line#1.020

The phase out of tangible personal property (TPP) taxes as noted earlier began in FY06. HB66 was adopted in June 2005 and the provisions of the legislation resulted in the tangible personal property tax would be eliminated after FY11. Any TPP revenues received in FY15 and beyond are delinquent TPP taxes. The amount remaining on Line 1.020 is the public utilities personal property (PUPP) tax revenues from telephone, electric, and gas company tangible personal property. These amounts were not affected by HB66 and values for PUPP are collected at our gross tax rates.

| Source | FY17 | FY18 | FY19 | FY20 | FY21 |
|---|---|---|---|---|---|
| Public Utility Personal Property | $2,570,223 | $2,615,495 | $2,629,515 | $2,643,535 | $2,657,555 |
| Total Line # 1.020 | $2,570,223 | $2,615,495 | $2,629,515 | $2,643,535 | $2,657,555 |

**Unrestricted State Foundation & Casino – Line #1.035**

**A) State Foundation Revenue Estimates**

The amounts estimated for FY17 for state funding is based on funding component computations from the most recent State Foundation Payment Report (SFPR). The current FY16-17 state budget HB64 includes an increase in funding for our district, but it was limited to a “capped” amount of 7.5% in FY16 and FY17. The following table illustrates our actual basic foundation aid compared to the fully calculated amount without the cap:

| | FY17 | FY18 | FY19 | FY20 | FY21 |
|---|---|---|---|---|---|
| Capped Formula Aid | $13,098,564 | $14,074,322 | $14,424,436 | $14,783,285 | $15,151,088 |
| Uncapped Formula Aid | $17,150,240 | $17,362,938 | $17,451,601 | $17,451,233 | $17,487,310 |
| Difference | ($4,051,676) | ($3,288,616) | ($3,027,165) | ($2,667,948) | ($2,336,222) |

Current calculations indicate our district is a “CAP” funded district for FY17 and we anticipate that we will remain on the CAP in FY18 through FY21. We believe the district will receive additional funds for the period FY18 through FY21, but we have conservatively estimated a CAP amount of 2.5% each year for FY18-21, but this amount could be higher or lower. There is no guidance on the state funding model or increases for the FY18-21 period.

Deducted from foundation aid are the following amounts relating to community school and scholarship/choice school deductions:

| Source | FY17 | FY18 | FY19 | FY20 | FY21 |
|---|---|---|---|---|---|
| Community School Deduction | $1,550,425 | $1,581,434 | $2,059,720 | $2,121,512 | $2,185,157 |
| Stem School Deduction | $118,657 | $121,030 | $123,451 | $125,920 | $128,438 |
| Scholarship Deduction | 747,823 | 770,258 | 793,365 | 817,166 | 841,681 |
| Total Deduction | $2,416,905 | $2,472,721 | $2,976,536 | $3,064,598 | $3,155,277 |
| Community ADM | 180 | 184 | 187 | 191 | 195 |
| Stem ADM | 19 | 21 | 23 | 25 | 27 |
| Scholarship ADM | 58 | 61 | 64 | 67 | 70 |
| Total ADM | 257 | 266 | 274 | 283 | 292 |

The state’s foundation formula counts these students in the resident district’s calculation of gross state aid, subject to the state share index and other components of the formula, but then deducts the full per-pupil amount from the resident district and transfers it to the educating entity. This creates a net loss for the resident district. The state significantly increased the maximum scholarship amount to $27,000 per pupil in FY16 and beyond (previously $20,000), and we have incorporated these amounts into future estimates, as well as a small increase in the number of pupils taking the scholarship.

**B) Additional Aid Items**

Additional Aid items include preschool special education funding and special education transportation funding. We are assuming these funds continue throughout the life of the forecast at current levels.

### C) Casino Revenue

On November 3, 2009 Ohio voters passed the Ohio casino ballot issue. This issue allowed for the opening of four (4) casinos, one each in Cleveland, Toledo, Columbus and Cincinnati. As of March 4, 2013, all four (4) casinos are open for business and generating Gross Casino Tax Revenues (GCR). Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% GCR that will be paid into a student fund at the state level. These funds are distributed to school districts on the 31st of January and August each year which began for the first time on January 31, 2013.

The initial student payment to schools in January 2013 (FY13) was a half year payment of $21.00 per pupil that rose to $51.50 per pupil for a full year in FY14 and $50.50 in FY15. The state indicated that the original 2009 estimates of $1.9 billion of GCR may be closer to $900 million as revenues from casinos are not growing robustly as originally predicted. Actual numbers generated for FY16 statewide were 1,796,394 students at $50.66 per pupil. For FY17-21, we are estimating another ½ of 1% decline in pupils to 1,778,000 and GCR increasing to $93 million or $52 per pupil. We will increase estimates for out years when actual casino revenues show signs of stronger increases.

No official Ohio Department of Taxation projections have been updated for actual data and no further guidance has been given as to the exact amount of these payments. Our assumptions are based on revenue reports produced monthly by the Ohio Casino Control Commission that the assumptions we have made are reasonable.

| Source | FY17 | FY18 | FY19 | FY20 | FY21 |
|---|---|---|---|---|---|
| Basic Aid-Unrestricted | $13,696,061 | $14,041,788 | $14,396,197 | $14,759,506 | $15,131,938 |
| Additional Aid Items | 681,931 | 681,931 | 681,931 | 681,931 | 681,931 |
| Basic Aid-Unrestricted Subtotal | $14,377,992 | $14,723,719 | $15,078,128 | $15,441,437 | $15,813,869 |
| Ohio Casino Commission ODT | 384,800 | 384,800 | 384,800 | 384,800 | 384,800 |
| Total Unrestricted State Line # 1.035 | $14,762,792 | $15,108,519 | $15,462,928 | $15,826,237 | $16,198,669 |

### Restricted State Revenues – Line # 1.040

There are two items currently required in “restricted aid” which are Economically Disadvantaged and Career Technical funds. We have incorporated these amounts into the restricted aid amount in Line # 1.04 for FY17-21. These amounts can change or be eliminated in future state budgets. In addition, the District participates in the Medicaid in Schools Program. The District bills the state for eligible services that are reimbursable under Medicaid. Catastrophic aid includes state reimbursement for those special education costs that exceed an unusually large, state determined amount.

| Source | FY17 | FY18 | FY19 | FY20 | FY21 |
|---|---|---|---|---|---|
| Economically Disadvantaged Aid | $121,017 | $122,832 | $124,674 | $126,544 | $128,442 |
| Career Tech - Restricted | $121,526 | $130,496 | $131,801 | $133,119 | $134,450 |
| Medicaid/Catastrophic Aid | 126,748 | 128,015 | 129,295 | 130,588 | 131,894 |
| Total Restricted State Line #1.040 | $378,261 | $382,648 | $387,088 | $391,582 | $396,131 |

### Summary of State Foundation Revenues – Line# 1.035; 1.404; and 1.045

| Source | FY17 | FY18 | FY19 | FY20 | FY21 |
|---|---|---|---|---|---|
| Unrestricted Line # 1.035 | $14,762,792 | $15,108,519 | $15,462,928 | $15,826,237 | $16,198,669 |
| Restricted Line # 1.040 | 378,261 | 382,648 | 387,088 | 391,582 | 396,131 |
| Total State Foundation Revenue | $15,141,053 | $15,491,167 | $15,850,016 | $16,217,819 | $16,594,800 |

## Property Tax Allocation Line 1.050

### a) Rollback and Homestead Reimbursement

Rollback funds are reimbursements paid to the district from Ohio for tax credits given owner occupied residences equaling 12.5% of the gross property taxes charged residential taxpayers on tax levies passed prior to September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013 which is the effective date of HB59. HB66, the FY06-07 budget bill, previously eliminated the 10% rollback on Class II (commercial and industrial) property.

Homestead Exemptions are also 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 over age 65 years of age or older or who are disabled regardless of income. Effective September 29, 2013 HB59 changes 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 tax year 2013, and who become eligible thereafter will only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who currently have their Homestead Exemption as of September 29, 2013 will not lose it going forward and will not have to meet the new income qualification. This will slow the growth of homestead reimbursements to the district, and as with the rollback reimbursements above, increase the taxes collected locally on taxpayers.

### Summary of State Tax Reimbursement – Line #1.050

| Source | FY17 | FY18 | FY19 | FY20 | FY21 |
|---|---|---|---|---|---|
| Rollback and Homestead | $6,466,771 | $6,531,874 | $6,599,407 | $6,662,149 | $6,724,981 |
| Total Tax Reimb. Line #1.050 | $6,466,771 | $6,531,874 | $6,599,407 | $6,662,149 | $6,724,981 |

### Other Local Revenues – Line #1.060

Revenues from all other sources are based on historical growth patterns. This revenue largely consists of tuition from other districts, pay-to-participate fees, rentals and payment in lieu of tax payments and tax increment financing payments for various revenue sharing agreements the district has with the city of Gahanna and Columbus. Expected revenues in F17 represents a decrease from FY16 actuals of $242,535 due to revenue decreases in lieu of tax payments, student fees, rentals and other miscellaneous.

| Source | FY17 | FY18 | FY19 | FY20 | FY21 |
|---|---|---|---|---|---|
| Tuition SF-14 & SF-14H | $548,979 | $548,979 | $548,979 | $548,979 | $548,979 |
| Interest | 160,098 | 168,103 | 176,508 | 185,333 | 194,600 |
| Student Fees and PTP Fees (16*,1470,1490) | 326,817 | 326,817 | 326,817 | 326,817 | 326,817 |
| Clark Hall Revenue | 271,100 | 294,834 | 299,240 | 303,923 | 309,049 |
| Rentals, Donations,Miscellaneous (1344,1810,1820,1890,1931) | 340,316 | 343,719 | 347,156 | 350,628 | 354,134 |
| PILOT & Easton TIF | 5,419,618 | 5,473,814 | 5,528,552 | 5,583,838 | 5,639,676 |
| Total Line # 1.060 | $7,066,928 | $7,156,266 | $7,227,252 | $7,299,518 | $7,373,255 |

### Short-Term Borrowing – Lines #2.010 & Line #2.020

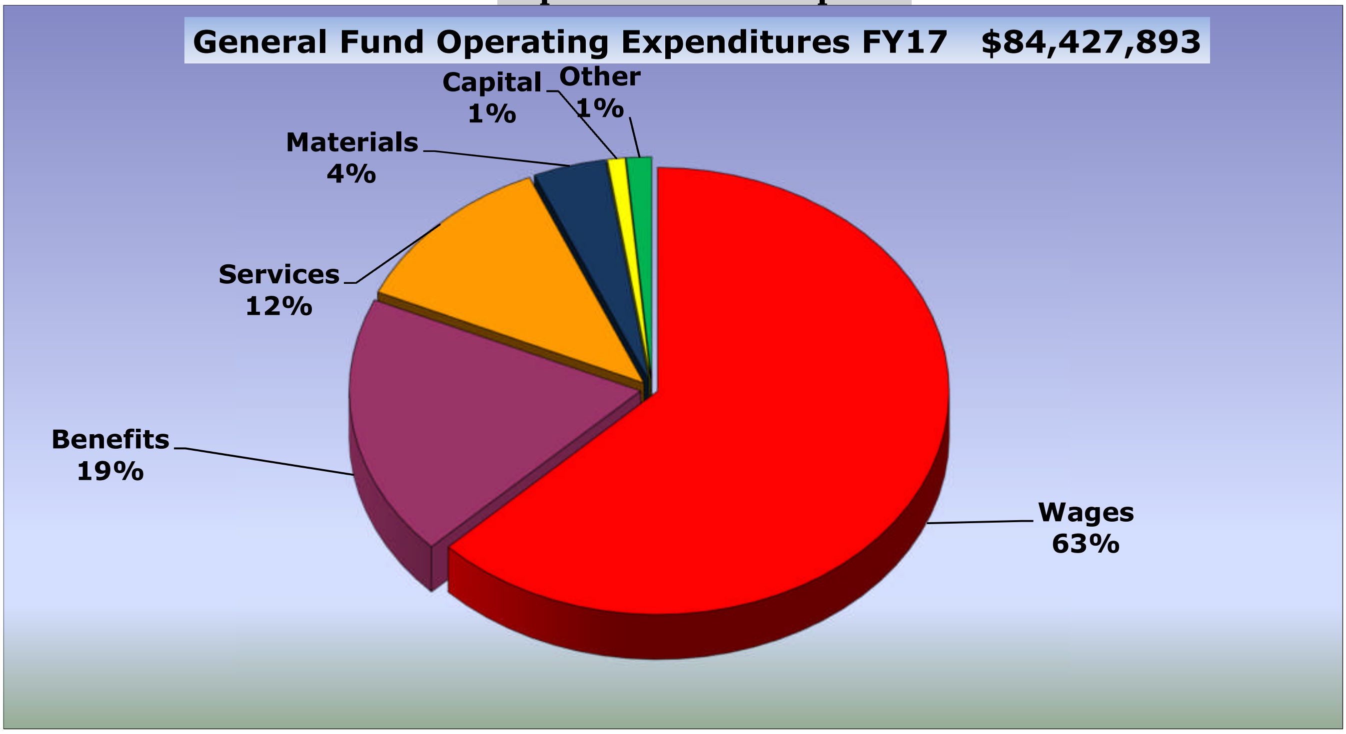
There is no short-term borrowing planned in the forecast at this time.

**Transfers In / Return of Advances – Line #2.040 & Line #2.050**
There are no transfers In/Return of Advances planned in the forecast at this time.

**All Other Financial Sources – Line #2.060 & Line #14.010**
Fiscal year 2017 amount is significantly higher due to the sales of old school buses and a SERS reimbursement. However, the district expects revenues to remain stable at $145,000 in FY18 through FY21.

| Source | FY17 | FY18 | FY19 | FY20 | FY21 |
|---|---|---|---|---|---|
| Refunds & Sale of Assets | $224,122 | $145,000 | $145,000 | $145,000 | $145,000 |

# Expenditures Assumptions




**Wages – Line #3.010**

The model reflects annual base wage increases for all staff and current negotiated agreements for FY17 and FY18 with both unions, teachers (GJEA) and bus drivers (OAPSE). The salary increase of $4.3 million in the current FY17 includes a base increase of 2.25%, step increases, degree change increases, supplemental compensations, and other miscellaneous salary increases. FY18 projections also includes a base increase of 2.25% and all the additional variable as in FY17. Projections for FY19 through FY21 are estimated at a 3.5% annual average, which also includes annual base wage increases, step increases, degree change increases, supplemental compensations, and other miscellaneous salary increases.

In addition to the 47 FTE retirement/resignation replacements, the district in FY17 hired 24.75 FTE staff members. 12 FTE preschool aides which previously these positions were outsourced through LIFE staff services, 3 FTE special mental health specialists, 1 FTE mental health specialist coordinator, and 1 FTE fitness coordinator which in previous years these positions were contracted through the Franklin County Educational Services, 1 FTE preschool secretary, added an additional 0.25 FTE to the welcome center, 1 FTE psychologist and 5.5 FTE certificated staff members. Projections from FY18 through FY21 are to remain constant.

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|
| Additional Staff | FTE | FTE | FTE | FTE | FTE |
| **Administrative** | 1.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Certified - Regular Ed.** | 5.50 | 2.00 | 2.00 | 2.00 | 2.00 |
| **Certified - Special Ed.** | 4.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Classified - Regular** | 2.25 | 0.00 | 1.00 | 1.00 | 1.00 |
| **Classified - Special Ed.** | 12.00 | 1.00 | 0.00 | 0.00 | 0.00 |
| **IT Staff** | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL | 24.75 | 3.00 | 3.00 | 3.00 | 3.00 |

The source in the table below for “New Staff” includes the amounts for all the FY17 FTE’s. In addition, annual estimates have been made for substitutes, supplemental contracts, and severance payments for retiring staff and savings from attrition with staff retirements at higher wages being replaced with staff at lower wages. These savings have been factored into the model below.

| Source | FY17 | FY18 | FY19 | FY20 | FY21 |
|---|---|---|---|---|---|
| Base Wages | $48,966,108 | $49,798,671 | $51,922,719 | $53,877,420 | $55,768,814 |
| Increases/ Performance Pay | 1,060,883 | 1,060,882 | 995,973 | 1,038,454 | 1,077,548 |
| Steps & Training | 1,178,759 | 1,174,044 | 1,195,168 | 1,163,069 | 1,206,854 |
| Replacement/Growth Staff | 2,286,631 | 1,071,290 | 928,290 | 1,037,867 | 1,076,826 |
| New Staff | 1,014,063 | 212,208 | 134,127 | 136,810 | 139,546 |
| Supplemental Costs | 1,087,852 | 1,101,450 | 1,117,972 | 1,134,742 | 1,151,763 |
| Severance | 268,160 | 270,000 | 259,000 | 320,000 | 320,000 |
| Staff Reductions/Retirement | (2,892,011) | (1,394,376) | (1,298,857) | (1,484,806) | (1,546,497) |
| Total Wages Line 3.010 | $52,970,445 | $53,294,169 | $55,254,392 | $57,223,556 | $59,194,854 |

**Fringe Benefits Estimates Line 3.02**
This area of the forecast captures all costs associated with benefits and retirement costs, with all except health insurance being directly related to the wages paid. The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System or the School Employees Retirement System as required by Ohio law.

**A) STRS/SERS**
As required by law the BOE pays 14% of all employee wages to State Teachers Retirement System (STRS) or School Employees Retirement System (SERS). The cost in this line item will increase as wages increases.

**B) Insurance**
Insurance costs are projected to increase at a rate of 2% over the forecast period which is well below trend of many other organizations. The district is self-insured which allows administration to manage the program in the most optimal manner.

**Patient Protection and Affordable Care Act (PPACA) Costs**- the Patient Protection and Affordable Care Act (PPACA) commonly called Obamacare or the Affordable Care Act (ACA), is a United States federal statute signed into law by President Barack Obama on March 23, 2010. Together with the Health Care and Education Reconciliation Act, it represents the most significant regulatory overhaul of the country's healthcare system since the passage of Medicare and Medicaid in 1965. Many of the significant provisions of the PPACA that were scheduled to be implemented by employers on January 1, 2014 were delayed until January 1, 2015 by a July 2, 2013 ruling from the IRS.

It is uncertain to what extent the implementation of PPACA will cost our district additional funds. There are numerous new regulations that potentially will require added staff time, at least initially due to increased demands, and it is likely that additional employees will be added to coverage that do not have coverage now. We are not certain what these added costs may be but there are “taxes” mandated by the act which we are aware of. Longer-term a significant concern is the 40% “Cadillac Tax” that will be imposed in 2020 for plans whose value of benefits exceed $10,200 for individual plans and $27,500 for family plans. The rules and implementation of the PPACA is an ongoing issue we are watching closely to evaluate the effect on our district.

### C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to remain at about .057% of wages FY17 – FY21. Unemployment is expected to remain at a very low level. The district is a direct reimbursement employer which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment.

### D) Medicare

Medicare will continue to increase at the rate of increases in wages. 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 | FY17 | FY18 | FY19 | FY20 | FY21 |
|---|---|---|---|---|---|
| STRS/SERS | $7,558,514 | $7,345,880 | $7,890,302 | $8,164,541 | $8,447,394 |
| Insurance's | 7,361,024 | 7,553,959 | 7,730,703 | 7,919,749 | 8,102,253 |
| Workers Comp/Unemployment | 267,852 | 260,392 | 279,272 | 289,118 | 298,974 |
| Medicare | 689,245 | 662,464 | 709,354 | 733,687 | 758,827 |
| Other/Tuition | 106,653 | 106,653 | 106,653 | 106,653 | 106,653 |
| Total Line 3.020 | $15,983,288 | $15,929,348 | $16,716,284 | $17,213,748 | $17,714,101 |

### Purchased Services – Line #3.030

This category includes payments for contracted services, utilities, gas, electric, property insurance, special education transportation, legal fees, rentals, facility improvements and IT professional services. Significant payments are made to Community Schools and other school choice programs from funds budgeted in this area. In FY17, the district has estimated $10 million which is over $866,000 less than FY16 actual expenditures. This is due to further reduced the ESC payments for staffing services by over $250,000, reduced LIFE Inc. payments for special education aides' services by over $590,000, and other estimated miscellaneous reduced services totaling over $26,000. Projection beyond FY17 are very modest.

| Source | FY17 | FY18 | FY19 | FY20 | FY21 |
|---|---|---|---|---|---|
| Tuition & EdChoice 471 | $1,960,518 | $1,999,728 | $2,059,720 | $2,121,512 | $2,185,157 |
| Community School 478 | $1,534,671 | $1,565,364 | $1,596,671 | $1,628,604 | $1,661,176 |
| Legal & Prof Dev Travel 418,43x | 277,792 | 285,033 | 296,927 | 296,384 | 303,032 |
| ESC Services | 2,581,375 | 2,607,189 | 2,633,261 | 2,685,926 | 2,739,645 |
| Building & Equipment Repairs 423 | 350,000 | 250,000 | 250,000 | 300,000 | 300,000 |
| Transportation- Special Ed. 481, 483 | 292,018 | 297,858 | 303,815 | 309,891 | 316,089 |
| Utilities 441,451,452,453 | 1,457,004 | 1,500,714 | 1,560,743 | 1,627,583 | 1,697,286 |
| Purchased Services, Rentals & Misc | $1,587,743 | $1,619,498 | $1,651,888 | $1,684,926 | $1,718,625 |
| Total Line 3.030 | $10,041,121 | $10,125,384 | $10,353,025 | $10,654,178 | $10,920,362 |

**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.

| Source | FY17 | FY18 | FY19 | FY20 | FY21 |
|---|---|---|---|---|---|
| Supplies | $2,661,478 | $2,368,483 | $2,089,583 | $2,261,887 | $2,292,189 |
| Curriculum Update (Textbooks) | 750,000 | 450,000 | 475,000 | 375,000 | 375,000 |
| Total Line 3.040 | $3,411,478 | $2,818,483 | $2,564,583 | $2,636,887 | $2,667,189 |

**Equipment – Line # 3.050**

Capital replacement for district equipment according to the capital replacement program is estimated to include network equipment, and computer replacements. After FY16 technology purchases are expected to decrease. The forecast assumes most capital expenditures will occur as part of the recent permanent improvement levy passed including the replacement of three (3) school busses each year in the forecast.

| Source | FY17 | FY18 | FY19 | FY20 | FY21 |
|---|---|---|---|---|---|
| Capital Outlay/Building Improve | $100,000 | $75,000 | $75,000 | $75,000 | $75,000 |
| Technology/Network | 735,202 | 749,906 | 764,904 | 780,202 | 795,806 |
| Total Line 3.050 | $835,202 | $824,906 | $839,904 | $855,202 | $870,806 |

**Other Expenses – Line #4.300**

The category of Other Expenses consists primarily of the County deductions for city county services and Auditor & Treasurer fees for local property tax collection service, which will fluctuate with real estate revenue collections.

| Source | FY17 | FY18 | FY19 | FY20 | FY21 |
|---|---|---|---|---|---|
| County Auditor & Treasurer Fees | $948,713 | $967,687 | $987,041 | $1,006,782 | $1,026,918 |
| Audit Fees/Liability Ins/Other | 204,031 | 208,112 | 212,274 | 216,519 | 220,849 |
| Court Settlement | 33,615 | 0 | 0 | 0 | 0 |
| Total Line 4.300 | $1,186,359 | $1,175,799 | $1,199,315 | $1,223,301 | $1,247,767 |

**Other Financing Uses – Lines # 5.010, 5.020 & 5.03**

This account group covers fund to 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. Annual transfers cover debt payments for the Athletics' bleacher loan, the Clark Hall building and Summer School expenditures.

| Source | FY17 | FY18 | FY19 | FY20 | FY21 |
|---|---|---|---|---|---|
| Operating Transfers Out | | | | | |
| Principal - unvoted debt | $962,123 | $1,479,347 | $1,381,851 | $1,426,852 | $1,483,218 |
| Interest - unvoted debt | $655,312 | $609,107 | $560,265 | $513,659 | $461,509 |
| Other transfers out | $125,000 | $125,000 | $125,000 | $125,000 | $125,000 |
| Operating Transfers Out Line #5.010 | $1,742,435 | $2,213,454 | $2,067,116 | $2,065,511 | $2,069,727 |

**Encumbrances –Line#8.010**
These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered. They are expected to remain constant.

| Source | FY17 | FY18 | FY19 | FY20 | FY21 |
|---|---|---|---|---|---|
| Estimated Encumbrances | $2,000,000 | $2,000,000 | $2,000,000 | $2,000,000 | $2,000,000 |

**Reservation of Fund Balances –Line# 9.080**
Historic trends indicate that the district has spent the required 3% on both capital improvements and textbook and instructional materials, the district will not have to place any additional funds into these two set-aside accounts. The district will continue to monitor the set-aside responsibilities to ensure compliance in this area.

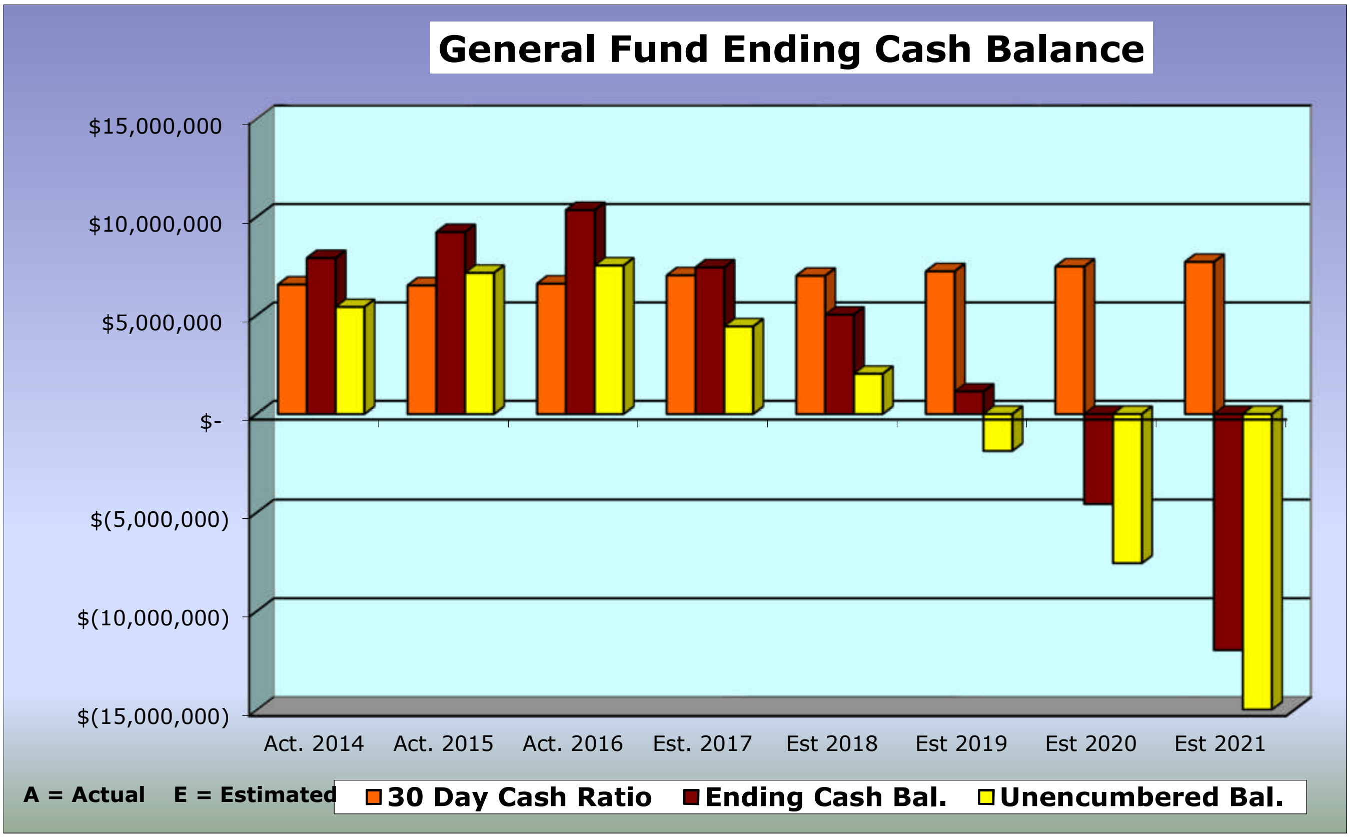
**Budgetary Reserve –** SB345 effective April 10, 2001 eliminates the requirement for school districts to make contributions to the budget reserve. As such no provisions for additional contributions to the reserve have been budgeted in the forecast. Under SB345, the Board of Education has a few options to consider regarding the funds already accumulated in the reserve. The current accumulation in the budget reserve is $1,000,303.

| Source | FY17 | FY18 | FY19 | FY20 | FY21 |
|---|---|---|---|---|---|
| Textbooks & Instructional Materials- Line 9.010 | $0 | $0 | $0 | $0 | $0 |
| Capital Improvements- Line 9.020 | $0 | $0 | $0 | $0 | $0 |
| Budget Reserve - Line 9.030 | $1,000,303 | $1,000,303 | $1,000,303 | $1,000,303 | $1,000,303 |
| Total Reservations of Balance- Line#9.080 | $1,000,303 | $1,000,303 | $1,000,303 | $1,000,303 | $1,000,303 |

**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 which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of $10,000, unless an alternative "412" certificate can be issued pursuant to HB153 effective September 30, 2011. 30 days or one month of operating cash or about $6 million is a responsible minimum ending operating cash balance according to GFOA.

| Source | FY17 | FY18 | FY19 | FY20 | FY21 |
|---|---|---|---|---|---|
| Ending Unreserved Cash Balance | $ 4,440,776 | $ 2,034,859 | $ (1,867,317) | $ (7,557,941) | $ (14,960,386) |

**General Fund Ending Cash and Ending Unreserved Cash Balances**




The graph above captures in one snapshot the operating scenario facing Gahanna-Jefferson City School District over the next few years. The main challenge is, beginning in FY17, annual expenditures begin to exceed stagnant revenues, creating a decline in available balances that will need to be addressed in FY18.

**True Days Cash**

The graph below captures the "True Days Cash" balance for our district. This measure is essential to the long-term success and stability of the District.

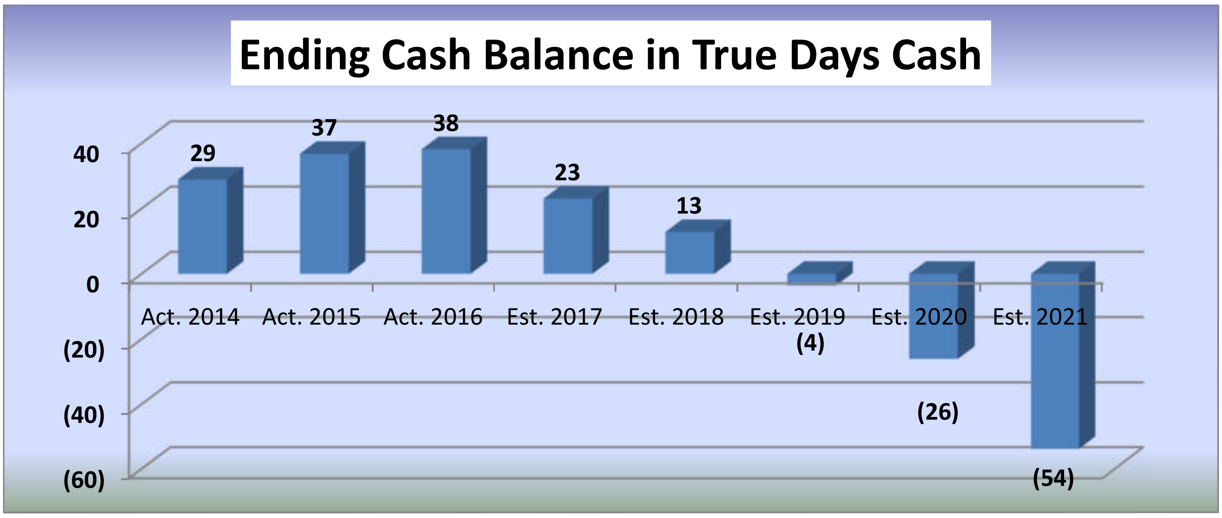


Exhibit A

# HOW TO READ A FIVE-YEAR FORECAST

Tips and Explanations on Understanding a School District's Forecast

## INTRODUCTION

Recognizing the importance of discussing school district finances, the Ohio Department of Education (ODE) has developed this guide to assist teachers, administrators, Boards of Education, community members or other individuals in developing a general understanding of a school district's five-year forecast. Additionally, this document includes ODE's perspective of the forecast's purpose, O.R.C. and O.A.C. requirements for school district forecasts, definitions of key terms, an expectation of key lines, some general beliefs on what a "good" forecast should contain, and a line-by-line explanation of the forecast (see Appendix for a complete line-by-line description)

A forecast is somewhat like a painting of the future based upon a snapshot of today. That snapshot, however, will be adjusted and the further into the future the forecast extends, the more likely it is that the projections will deviate from actual 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 viewed as a key management tool and must be updated periodically. In Ohio, most school districts understand how they will manage their finances in the current year. The five-year forecast encourages 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 take place that will significantly change their forecast or, at a minimum, when required under 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 to the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are very important to understanding the rationale of the numbers, particularly when a significant increase or decrease is reflected. Individual district forecasts are posted on the ODE Web site at: http://www.ode.state.oh.us >finance and grants >school district financial status >five year forecasts. The Assumptions can either be included in the forecast itself or in a PDF file posted separately.

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 or Board of Education (BOE) of the individual school district with any questions you may have. The Treasurer or CFO submits the forecast, but the BOE is recognized as ultimately responsible for the development of the forecast and the official owner.

## PURPOSES/OBJECTIVES OF THE FIVE-YEAR FORECAST

Here are at least three 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 schools districts with potential financial problems

O.R.C. and O.A.C. REQUIREMENTS

O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to submit a five-year projection of operational revenues and expenditures along with assumptions to the Department of Education prior to October 31 of each fiscal year and to update this forecast between April 1 and May 31 of each fiscal year. ODE encourages school districts to update their forecast whenever events take place that will significantly change the forecast.

Required funds to be included in the forecast are:

- General funds (001)
- Any special cost center associated with general fund money
- Emergency levy funds (016)
- Any debt service (002) activity that would otherwise have gone to the general fund
- Education Jobs Fund (504)

DEFINITIONS

Following are some definitions of terms commonly used to discuss the five-year forecast:

412 Certificates – ORC 5705.412 requires the treasurer, superintendent, and president of the board of education to certify that adequate revenues will be available to maintain all personnel and programs for the current fiscal year and for a number of days in the succeeding fiscal years.
412 Certificates must be attached to:

- Appropriations for the current fiscal year
- Qualifying contracts covering the term of contract
- Wage and salary schedule for the term of contract
- Negotiated agreement(s) and contracts for benefits

Encumbrances – Money obligated to pay for any purchase. An end of year encumbrance is money obligated in the current fiscal year to be paid in the next fiscal year.

Expenditures – The spending of any public money for a specified purpose as approved by the BOE policy and procedures.

Fiscal Year – In education and state government, the fiscal year runs from July 1 through June 30, and each fiscal year is dated by the ending date. Example: FY12 would start July 1, 2011 and end June 30, 2012.

Revenues – Receipts generated from property taxes, school district income taxes, state foundation formula, and local monies (such as donations, fees, tuition, etc.).

## KEY LINES

The five-year forecast is divided into two sections: revenue and expenditures. A district's revenue is made up of two main sources, local and state funding. The expenditures are mainly salary and wages, benefits, and purchased services. The following is a brief explanation of some of the key lines with a line-by-line explanation in the Appendix.

### Revenue

1.010 General Property Taxes – Every three years, school districts rotate having reappraisals and triennial updates performed by the County Auditor's Office. Since taxes are collected and distributed on a calendar year, the first fiscal year following a reappraisal or a triennial update will only generate one-half of the increase resulting from the reappraisal or triennial update (January – June distribution).

Aside from a district's typical trend in valuation, the district may experience fluctuations for other reasons.

An upward spike in this line item could be caused by the passage of a new levy. Again, since taxes are collected and distributed on a calendar year, the first fiscal year following the election will only generate one-half of a typical year's proceeds.

A downward spike in this line item could indicate that an existing levy is up for renewal in which case the proceeds from this levy are relocated on the five-year forecast to line 11.02 until such time as the levy is either passed (and the proceeds are moved back up to line 1.010) or the renewal of the levy is no longer an option for the district.

A school district that takes a tax advance against its next fiscal year's collection could have fluctuations in either direction. The Assumptions to the forecast should explain these fluctuations in detail.

1.030 Income Taxes – When a school district passes an income tax levy, the tax becomes effective on the following January 1. The first payment will be received by the school district in April of that year (a relatively small payment). It will take 1 ½ years (six quarters) for the school district to receive the full amount of taxes liable from the first year it is levied because of the collection process. School districts will receive four income tax payments per calendar year, one each in January, April, July, and October.

1.035 Unrestricted Grants in Aid – This line represents the State Basic Aid to schools as defined in the current year's budget bill. The state budget is adopted in odd numbered years and implemented beginning in even numbered fiscal years. FY12 funding for school districts is based on a transitional approach referred to as the "Bridge" formula. Line O, P and Q on the Bridge funding report is the calculation to be used on the five-year forecast.

### Expenditures

3.010 – Personnel Services – Since schools are service oriented entities, salaries and wages represent the bulk of school district expenditures. Fluctuations may occur due to reductions in force, negotiated salary schedule changes, retirement levels, or changes in enrollment which may cause the required staffing levels to fluctuate.

3.020 – Employee Retirement/Insurance Benefits – Some components of this line item, such as retirement contributions and Medicare, will have a direct correlation to the Personnel Services line item. Factors that could cause inconsistencies from year to year might include increased health insurance costs, future employee contributions toward medical costs, early retirement incentives (ERI), premium holidays, insurance claim pay outs, etc.

3.030 – Purchased Services – This line includes open enrollment (students leaving the school district), community schools, tuition, legal fees, utilities, and any contracted service. If a district contracts certain services (transportation, maintenance, janitorial services, etc) its 'personnel service' component (line 3.010) and 'employee retirement/insurance benefit' (line 3.020) will be lower percentages in relation to purchased services than if the district employs those service personnel directly.

Balances

6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses - Line 2.080 minus 5.050. This line can be used to get a good sense of a school district's fiscal health. A positive number indicates that a school district spent within its revenue for that fiscal year. A negative number indicates that a district's expenditures exceeded the revenue generated for that fiscal year resulting in a reduction to any surplus the district holds, or in the worst-case scenario, a deficit. A district experiencing several years of "overspending" will almost always experience fiscal concerns or insolvency. Pay great attention to this line!

7.020 Ending Cash Balance – This line represents the total cash balance without including reservations or outstanding obligations. In ODE's experience, school districts should attempt to maintain a 30 – 60 day cash reserve.

"GOOD" FORECASTING PRACTICES AND HELPFUL HINTS

As financial forecasting is more of an art than a science, the forecaster's interpretation of events or numbers will influence the information contained in the forecast. Responsibility for the preparation of the forecast, the accuracy of the presented figures and the reasonableness of the assumptions on which they are based rests with district administration and the board of education. ODE believes there are certain practices that help make the forecast a more accurate management tool, allowing decision makers and stake holders to use it with greater confidence. Following are tips to assist the reader in better understanding a forecast:

- The five-year forecast starts with three years of historical revenues/expenditures. These historical numbers can be used to develop trends when forecasting.
- Know when the three-year and six-year reappraisals for the school district's valuation occur. Tax revenue may change the year after reappraisal because of the increased valuation.
- Be aware of the school district's Average Daily Membership (ADM) and whether the number of students is increasing or decreasing. The ADM contributes to the state's foundation formula as much of the formula funding is based on a per pupil amount.
- When reading a forecast, look for fluctuations in numbers on the same line. If numbers significantly vary up or down there should be a discussion in the Assumptions explaining why this has occurred or is expected to occur.

- Look specifically at Line 6.010. This line shows the school district's expenditures as "over or under revenue." A school district experiencing several years of expenditures exceeding revenues (overspending) will almost always experience fiscal concerns or insolvency. Positive numbers on this line are a good sign!
- A clear, concise narrative is critical to understanding the Assumptions used by the local BOE and treasurer in preparing the forecast. A careful reading of this text will often help understand why certain numbers are used in the forecast. Unexplained variances or ones that don't seem to make sense are cause for concern.
- Be aware of different types of levies and when they are collected. Permanent Improvement (PI) or bond levies cannot be used to fund general operations of the district. New school buildings may cause the misconception that the district is operationally solvent. Only operational levies may be used to finance the day to day operations (salaries, utilities, etc) of the district.
- Think long term and look at many data sources to make informed decisions. For example, new housing developments may bring additional students into the district (and additional revenue) but may require new buildings and/or staff (increased expenditures). Conversely, a factory closing may reduce funding and population causing the need for buildings and/or staff to decrease. Economic and population projections are essential factors in determining future requirements for educational services from the district.
- It is not uncommon to see deficits in years four and five of a forecast. Given the uncertainty of future state budgets, local economic factors, state or federal mandates, etc., years four and five are difficult to project. The key is recognizing how these conditions relate to current operations.

  Identifying future years' deficits allows districts to engage in planning for those conditions prior to their arrival and eliminating the projected deficit. Remember, the longer the period of time allotted to deal with a potential financial problem the better. Longer time horizons allow reductions in expenditures to be spread out over several years, reducing their impact on students and staff. Also, some reductions may take many years before realizing their full impact.

## APPENDIX LINE BY LINE REVIEW

1.0 General Fund Revenue

- 1.010 General Property Tax – Taxes levied by a school district by the assessed valuation of real property located within the school district.
- 1.020 Tangible Personal Property Tax – Businesses pay the 'tangible personal property tax' on equipment or supplies/materials of which they own. This tax is being phased out and is being replaced with the Commercial Activities Tax (CAT).
- 1.030 Income Tax – In the past, income tax for schools was paid by individuals residing in the school district, estates of school district residents, and unincorporated businesses located in the school district that file Ohio individual income tax returns. With the passage of HB66, however, school districts are now permitted to levy a school district income tax against an alternative tax base that includes only earned income and self-employment income.
- 1.035 Unrestricted Grants-in-Aid – Funds received through the State Foundation Program with no restriction. The foundation formula is the primary vehicle which the Ohio legislature uses to determine how much state aid each school district is to receive.
- 1.040 Restricted Grants-in-Aid – Funds received through the State Foundation Program or other allocations that are restricted for specific purposes. Examples include career-technical funds.

1.045 Restricted Federal Grants-in-Aid – Funds received through the State Foundation Program or other allocations that are restricted for specific purposes. Examples include the Education Jobs fund.

1.050 Property Tax Allocation – This line includes funds received for Tangible Personal Property Tax Reimbursement (as discussed above), Electric Deregulation, Homestead and Rollback, and the "ten thousand dollar exemption" where businesses are exempt from paying the first $10,000 of property tax and the district is reimbursed through state funding.

1.060 All Other Operating Revenue – Operating revenue sources not included above. Examples include but are not limited to tuition, fees, earnings on investments, rentals, and donations.

1.070 Total Revenue – The sum of lines 1.010 through 1.060

2.0 Other Financing Sources - The lines in this section are relatively self explanatory.

2.010 Proceeds from Sale of Notes

2.020 State Emergency Loans & Advancements (Solvency Assistance Funds)

2.040 Operating Transfers-in (permanent movement of monies between funds)

2.050 Advances-in (temporary movement of monies between funds)

2.060 All Other Financing Sources (Sale and Loss of Assets, Refund of Prior Year Expenditures)

2.070 Total Other Financing Sources – The sum of lines 2.010 through 2.060

2.080 Total Revenue and Other Financing Sources – The sum of lines 1.070 and 2.070

3.0 Expenditures

3.010 Personal Services – Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.

3.020 Employees' Retirement and Insurance Benefits – Retirement for all employees, Workers Comp., early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.

3.030 Purchased Services – Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, and other services which the school district may purchase. Examples include but are not limited to legal fees, maintenance agreements, utilities, and tuition paid for students attending other school districts, including open enrollment and community schools.

3.040 Supplies and Materials – Examples include but are not limited to general supplies, instructional materials including textbooks and media materials, bus fuel and tires, and all other maintenance supplies.

3.050 Capital Outlay – This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, buses, and vehicles.

3.060 Intergovernmental – While very rarely used in forecasts, this line accounts for pass through payments, as well as monies received by a school district that will be spent by the school district on behalf of another government. This does not include purchased services from other government agencies such as ESCs.

4.0 Principal and Interest – This category represents general fund borrowing.

4.010 All Principal (Historical)

4.020 Principal – Notes

4.030 Principal – State Loans

4.040 Principal – State Advances

4.050 Principal – HB 264 Loans
4.055 Principal – Other
4.060 Interest and Fiscal Charges
4.300 Other Objects – The primary components listed here consists of membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, election expenses, etc.
4.500 Total Expenditures – Total Lines 3.010 through 3.060 and Lines 4.010 through 4.300

5.0 Other Financing Uses – Transfers are a permanent movement of monies between funds, and advances are a temporary movement of monies between funds. These are usually projected based on past history and knowledge of deficits in other funds. Advances and transfers both take BOE approval.
5.010 Operating Transfers-out
5.020 Advances-out
5.030 All Other Financing Uses
5.040 Total Other Financing Uses – Total of Lines 5.010 through 5.030
5.050 Total Expenditures and Other Financing Uses – Total Lines 4.500 and 5.040

6.0 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses - Line 2.080 minus 5.050. This line can be used to get a good sense of a school district's fiscal health. A positive number indicates that a school district spent within its revenue for that fiscal year. A negative number indicates that a school district's expenditures exceeded the revenue generated for that fiscal year resulting in a reduction to any surplus the district may hold. A school district experiencing several years of "overspending" will almost always result in fiscal concerns or insolvency. Pay great attention to this line!

7.0 Cash Balance July 1
7.010 Cash Balance July 1
7.020 Cash Balance June 30 – Line 6.010 plus line 7.010

8.0 Estimated Encumbrances
8.010 Estimated Encumbrances June 30 – The amount of money already requested through a purchase order. The funds have been obligated, but a check has not yet been written. Funds may be encumbered (obligated) in one fiscal year and paid in another.

9.0 Reservation of Fund Balance
9.010 Textbook and Instructional Materials – O.R.C. 3315.17 requires 3% of general funds to be set aside for the purchase of textbooks and instructional materials. School districts may spend more or less and carry the surplus or deficit forward.
9.020 Capital Improvements – Similar to above, O.R.C. 3315.18 requires a 3% set aside each fiscal year for maintenance and capital improvements.
9.030 Budget Reserve – No longer required, but some school districts use this line as a "rainy day fund".

9.040 Poverty Based Assistance (PBA) – PBA has replaced the DPIA funding. The amount of funds a school district receives is based on the overall poverty levels within the school district. PBA funds are restricted funds.

9.050 Debt Service - This includes any loans or other debt for which repayment by the district is essential during the fiscal year.

9.060 Property Tax Advances – County Auditors may advance property tax payments (if money is available to the County Auditor through pre-payment of taxes) to school districts at the conclusion of a fiscal year to be spent at the beginning of the next fiscal year. This practice allows a school district to start the fiscal year with money for operations.

9.070 Bus Purchases

9.080 Subtotal – Total of lines 9.010 through 9.070

10.0 Fund Balance June 30 for Certification of Appropriations

10.010 Fund Balance June 30 for Certification of Appropriations – Line 7.020 minus line 8.010 minus line 9.080. All reserved funds are "backed out" and therefore not available for the school district to use in school operations.

11.0 Revenue from Replacement/Renewal Levies

11.010 Income Tax – Renewal

11.020 Property Tax – Renewal or Replacement

11.300 Cumulative Balance of Replacement/Renewal Levies – Previous year line 11.300 plus the current

12.0 Fund Balance June 30 for Certification of Contracts, Salary Schedules, and Other Obligations

12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules, and Other Obligations

13.0 Revenues from New Levies

13.010 Income Tax – New

13.020 Property Tax – New

13.030 Cumulative Balance of New Levies

14.0 Revenue from Future State Advances

14.010 Revenue from Future State Advances

15.0 Unreserved Fund Balance June 30

15.010 Unreserved Fund Balance June 30 – Line 12.010 plus line 13.030 plus line 14.010