APPROVED

November 19, 2024

FRANKLIN COUNTY, OHIO

ASSUMPTIONS AND NOTES

FIVE-YEAR FORECAST

November 2024

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE FISCAL YEARS ENDING JUNE 30
ACTUAL: 2022, 2023, 2024
FORECASTED: 2025, 2026, 2027, 2028, 2029

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November 19, 2024

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EXECUTIVE SUMMARY[1]

Introduction (Ohio Department of Education)

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 especially important 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 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 (Ohio Department of Education)

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 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 submit a five-year projection of operational revenues and expenditures along with assumptions to the Department of Education prior to November 30 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.

[1] Throughout this document "CCS" or "CCSD" denotes Columbus City Schools or the Columbus City School District.

General Economic Conditions and Outlook

General economic conditions drive state and local tax revenues, which in turn impact school district finances. Local tax revenues are derived from property taxes, which tend to be a more stable source of income. Boards of education can levy additional taxes on real property upon a favorable vote of the residents of the district; anecdotally, voters tend to more be more likely to support imposing additional taxes upon themselves when the economy is good, and less so when economic conditions are poor. State revenue – which is typically distributed via a funding formula – is an amalgamation of various tax sources, though the primary drivers in Ohio are the sales and income taxes. These two sources are often directly correlated with economic conditions (though specific policy decisions may also impact collections).

According to the Ohio Office of Budget and Management (OBM):

> According to the Bureau of Economic Analysis' third estimate, the nation's Real Gross Domestic Product (GDP) increased in the second quarter of calendar year 2024 at an annualized rate of three percent, unchanged from last month's second estimate. This is the eighth consecutive quarter of growth. The second quarter increase in real GDP resulted from growth in personal consumption expenditures (1.9 percentage points), private inventories (1.1 percentage points), government expenditures (0.5 percentage point) and fixed investment (0.4 percentage point). Partially offsetting the increases in real GDP, net exports decreased 0.9 percentage point (OBM, 2024).

OBM indicates that the "Ohio unemployment rate in August 2024 was 4.5 percent, a 0.1 percentage point increase from July 2024's rate and 0.3 percentage point above the national rate in August" (OBM, 2024). While this is higher than the rate during the last forecast period (3.8 percent in March 2024) and is higher than the national rate, the overall rate is still below the five percent Federal Reserve target. As the unemployment rate continues to increase, though, it should continued to be monitored as a potential warning of difficulties to come.

According to the Ohio Legislative Service Commission (LSC):

> GRF tax revenue in September was $547.1 million above the Office of Budget and Management (OBM) estimate, due primarily to the nonauto sales and use tax. The newly expanded sales tax holiday spanning ten days and ending on August 8 did not have as large an impact on tax revenues as anticipated. Other tax revenue sources were largely on par for the month. (LSC, 2024).

LSC further notes:

> September GRF total tax revenue was above OBM's estimate by $547.1 million (36.0%). The month's positive variance was almost entirely a result of the nonauto sales and use tax, which exceeded the estimate by $565.7 million. Other variances, small by comparison, included a $16.2 million negative variance for the commercial activity tax (CAT) and a $13.2 million negative variance for the financial institution tax. Federal grants were below estimate by $156.9 million. Total GRF sources for September exceeded estimate by $388.8 million. (LSC, 2024).

As indicated in the Notes to previous Five-Year Forecasts, inflation continues to cast a pall over otherwise positive news, though it appears to have settled somewhat. The Federal Reserve cut the rate in September by half a percentage point after holding its target rate steady, though economic activity continues to expand at a respectable pace (LSC, 2024). The Federal Reserve is not expected to make any additional cuts for the remainder of the calendar year.

According to the Bureau of Labor Statistics, the "Consumer Price Index for All Urban Consumers (CPI-U) increased 0.2 percent on a seasonally adjusted basis, the same increase as in August and July... Over the last 12 months, the all items index increased 2.4 percent before seasonal adjustment" (Bureau of Labor Statistics, 2024). The BLS goes on to note:

> The all items index rose 2.4 percent for the 12 months ending September, the smallest 12-month increase since February 2021. The all items less food and energy index rose 3.3 percent over the last 12 months. The energy index decreased 6.8 percent for the 12 months ending September. The food index increased 2.3 percent over the last year (Bureau of Labor Statistics, 2024).

Ohio's low unemployment provides for continued optimism, though the increases since the last forecast should give pause. While inflation appears to be slowly lessening, with the Federal Reserve even making a half percent rate cut, increases could continue to put pressure on the economy and impact District expenditures, particularly in energy, fuel, and food costs. In short, the economy appears to continue to grow as we move into the fourth quarter of the calendar year. The largest area of potential concern is the tightening of state tax revenues – particularly personal income tax. Fortunately, the sales tax holiday did not reduce revenues as much as predicted, and income tax receipts are starting to fall closer to estimates. It is critical to monitor the trends in tax collection as this may be an omen of things to come.

Revenues, Expenditures and Ending Cash Balances

Updates from the May 2024 Forecast (FYF)[2]

(Also see Net Changes Since May 2024 Forecast)

Over the May 2024 5-year forecast period, current estimates indicate a $95.7 million decrease in ending cash balance at the end of FY28 reflecting a $19.7 million increase in total revenues[3] coupled with a corresponding $115.4 million increase in expenditures[4]. Major changes over the 5-year period are as follows:

Estimated Revenues - $19.7 million increase

- $35.9 million decrease in property taxes
  - This is based on the current year actual projected forward.
- $31.7 million increase in state aid
  - Funding formula projected to reach the funding base in FY26-28
- $23.9 million increase in other miscellaneous revenues and other financing sources
  - $10.5 million decrease for Advances-In related to end-of-the-year advances to the ESSER fund for cash flow purposes.
  - $34.3 million increase in other revenue primarily for updated estimates on interest collections and updated estimates on Medicaid and indirect cost reimbursements.

Estimated Expenditures - $115.4 million increase

- $105.6 million increase in personnel expenditures
  - FY24 actuals rolled forward.
  - An additional 83 Instructional Assistants (IA) included related to increased needs for special education students and IA's moved to the general fund from the IDEA grant.
  - Inclusion of an expected 27th pay in FY28.
- $16.5 million increase in non-personnel expenditures
  - FY24 actuals rolled forward.
  - Increase to electricity costs in the amount of $1.8 annually in FY26-29 to reflect increased expected energy costs.
  - Non-personnel budgets adjusted for historical spending patterns to better reflect actual cashflow for FYF purposes.
- $6.7 million decrease in other financing uses
  - $7.2 million decrease for Advances-Out related to end-of-the-year advances to the ESSER fund for cash flow purposes.

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[2] Throughout these notes "FYF" denotes "Five Year Forecast".

[3] $18.1 million increase to projected FY24 actual revenues increased by a $1.6 million to the forecast for the remaining years, FY25-FY29.

[4] $24.6 million decrease to projected FY24 actual expenditures offset by a $140.0 million increase to the forecast for the remaining years, FY25-FY29.

Risks

The forecast is subject to many risks inherent in any projection into the future. Significant among those include:

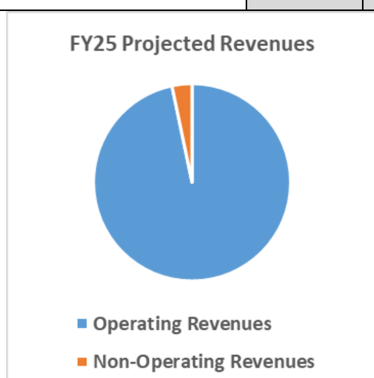
- Ohio economy – statewide as well as Central-Ohio specifically. Changes in the economic vitality and functioning within the state can affect income levels, tax collections, and property values having an impact on the district's ability to remain fiscally sound. The COVID-19 national pandemic is a prime example of an event risk outside the district's control having a material impact on operations, revenues, and expenditures. Additionally, rising inflation and the Federal Reserve's reaction by raising the target Fed Funds rate has generated speculation and fear that an economic recession is possible in the near-term.
- State budget – completed on a biennial cycle, the state budget sets the level of state funding for the district. The second largest revenue source (roughly 17% of total revenues), state funding is only known for two years until discussions on the next state budget begin. Unlike the district's largest revenue source, property taxes, state funding cannot simply be trended forward as changes to the state funding mechanism are the subject of legislative deliberations the inner workings of which are difficult, if not impossible, to predict. While a new funding formula has been adopted for fiscal years 2024 and 2025, the risk remains that the legislature could change or eliminate the formulaic calculation altogether. HB110 did not guarantee its existence or provide funding for the six-year phase-in of full funding. HB33 did provide for the continuation of the phase-in through FY25, but the final phase will not be determined until the next biennial budget is approved.
- Labor agreements – Agreements with the district's teachers' union, classified employees' union, a new safety and security personnel union, and two associations[5] are in place through FY25 and contractual wage increases are included in this forecast. 4% annual salary increases were agreed to during recent negotiations, higher than the 3% in the previous collective bargaining agreements and higher than the 2.5% assumption for the out years in previous FYFs.
- Federal financial assistance in responding to the COVID-19 pandemic has been provided through several pieces of federal legislation. Columbus City Schools has been allocated a total of approximately $450 million through these programs. This new, one-time federal funding has various expenditure deadlines that extend from September 2022 through September 2024. A significant number of positions have been added and paid for with these federal funds. As part of the levy planning and messaging, the positions have been moved to the general fund have been identified and included in the forecast assumptions. The actual impact of such a large fluctuation in general fund expenditures could lead to larger than historically seen variances between the forecast and actual expenditures.

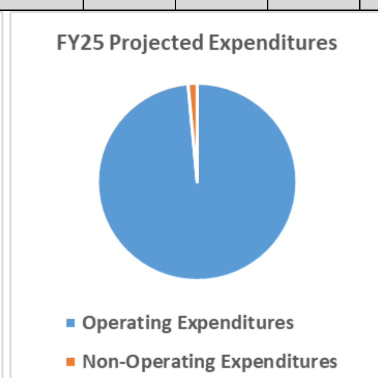
[5] Columbus Schools Classified Supervisors Association (CSCSA) and Columbus Administrators Association (CAA).

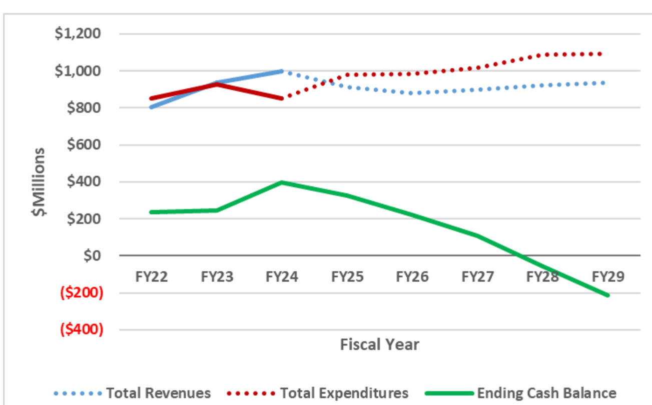
Ending Cash Balances

The combination of decline in total revenues, -1.26% annually from FY24 to FY29, and a rate of growth in expenditures, 5.13% annually from FY24 to FY29, results in a decline in the ending cash balance such that FY29 is projected to end with a negative cash position of $212.4 million. The district's target of maintaining 60-days cash on hand is met in FY25-FY26.

	ACTUAL			*PROJECTED*				
$Millions	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
Total Revenues	$804.5	$936.5	$1,000.3	$913.4	$878.6	$901.1	$922.0	$938.7
Operating Revenues	$792.2	$846.2	$897.3	$883.5	$865.5	$888.0	$908.9	$925.6
Non-Operating Revenues	$12.3	$90.3	$103.0	$29.9	$13.1	$13.1	$13.1	$13.1
Total Expenditures	$851.6	$927.5	$850.4	$980.5	$982.8	$1,017.3	$1,088.2	$1,092.0
Operating Expenditures	$753.8	$787.5	$816.6	$966.1	$968.4	$1,002.9	$1,073.8	$1,077.6
Non-Operating Expenditures	$97.9	$140.0	$33.8	$14.4	$14.4	$14.4	$14.4	$14.4
Revenues Over (Under) Expenditures	($47.1)	$8.9	$149.8	($67.1)	($104.2)	($116.2)	($166.2)	($153.3)
Ending Cash Balance	$235.9	$244.8	$394.7	$327.5	$223.3	$107.1	($59.1)	($212.4)
Days cash on hand	101	96	169	122	83	38	(20)	(71)







REVENUES

Overview

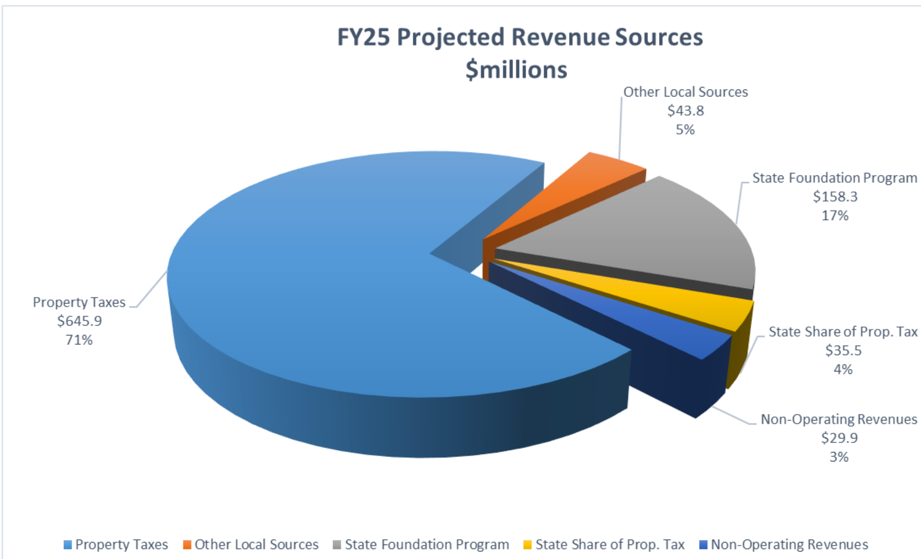
Local revenues (e.g. property taxes, tuition, fees, investment earnings, rentals, and donations) are projected to increase at the rate of 1.9% annually to $741.5 million in FY29 from $674.6 million in FY24. Property taxes, 94% of local revenues, increase at a projected rate of 3.0% annually from FY24 to FY29. Other local revenues are projected at approximately $43.8 million in FY25 annually but drop to $26.2 million in FY26 primarily due to ESSER indirect cost reimbursement, expected to be approximately $6 million in FY25 but is not expected to be received in FY26-29 and Interest on Investments expected to be $17.8 in FY25 but decrease to $8.4 million in FY26-29.

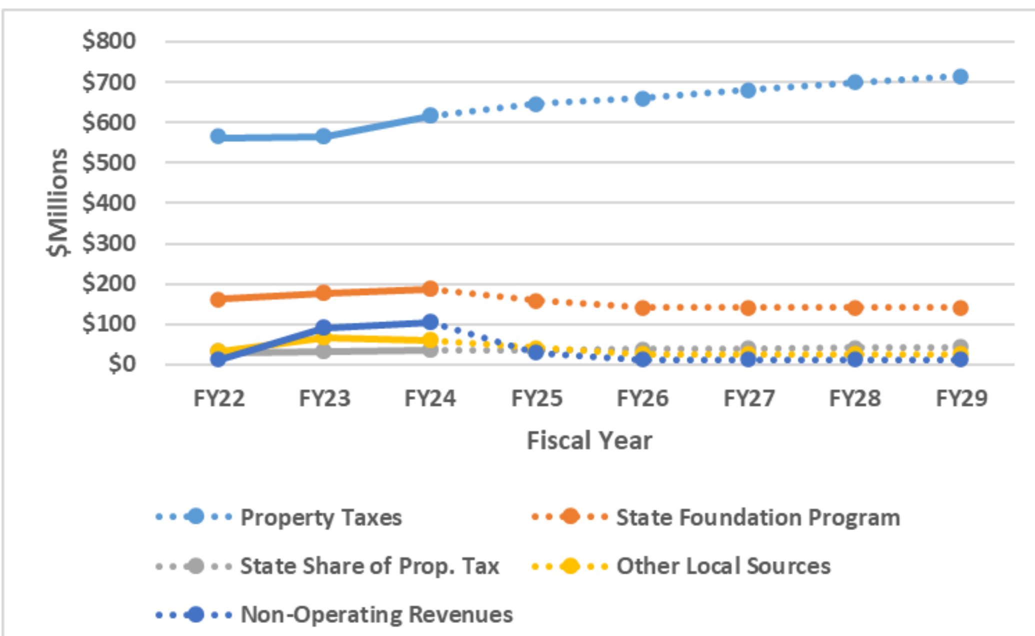
State revenues (e.g. State Foundation Program and State Share of Local Property Taxes) are projected to decrease at a rate of 3.7% annually during the forecast period; from $222.7 million in FY24 to $184.1 million in FY29. This projected downward trend is due to declining enrollment and its impact on state share, the inclusion of a $15 million penalty related to transportation non-compliance and not continuing the phase-in or updating the cost sets beyond FY25. The portion of the state's budget bill in 2021, HB110, put into place a penalty consistent and/or persistent non-compliance in the transportation of charter and non-public (CNP) students based on complaints files by CNP schools or parents. HB33, in 2023, effectively placed this penalty into statute. Consequently, the $15 million penalty included in the forecast is a placeholder for future unknown penalties that may be assessed on the district.

The state share of local property taxes is anticipated to grow at an annual rate of 4.4% over FY24 levels and represents 23% of the funding received from the state. Although distributed through the state, this allocation is a part of overall property taxes and is calculated as such. Changes in the estimates for the property taxes (and how much is to be received through the state) impact this revenue line.

Non-operating revenues ("Other Financing Sources" in the Five-Year Forecast and comprised of transfers-in, advances-in and other financing sources) are projected to decrease at an annual rate of 33.8% from FY24 to FY29. This is primarily related to advances-in related to cash flow needs of the ESSER fund cause a temporary spike in non-operating revenues. This spike is offset on the expenditure side by a like increase in advances-out and, therefore, is cash balance neutral over the forecast period.

	ACTUAL			PROJECTED				
$Millions	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
Property Taxes	$564.5	$565.2	$615.7	$645.9	$660.0	$679.9	$699.6	$715.3
Other Local Sources	$32.4	$68.1	$58.8	$43.8	$26.2	$26.2	$26.2	$26.2
Total Local Revenues	$596.9	$633.3	$674.6	$689.7	$686.2	$706.1	$725.8	$741.5
State Foundation Program	$161.7	$178.0	$188.3	$158.3	$141.5	$141.4	$141.4	$141.4
State Share of Prop. Tax	$33.6	$33.9	$34.5	$35.5	$37.8	$40.5	$41.7	$42.7
Total State Revenues	$195.3	$211.9	$222.7	$193.8	$179.3	$181.9	$183.1	$184.1
Non-Operating Revenues	$12.3	$91.2	$103.0	$29.9	$13.1	$13.1	$13.1	$13.1
Total Revenues	$804.5	$936.5	$1,000.3	$913.4	$878.6	$901.1	$922.0	$938.7

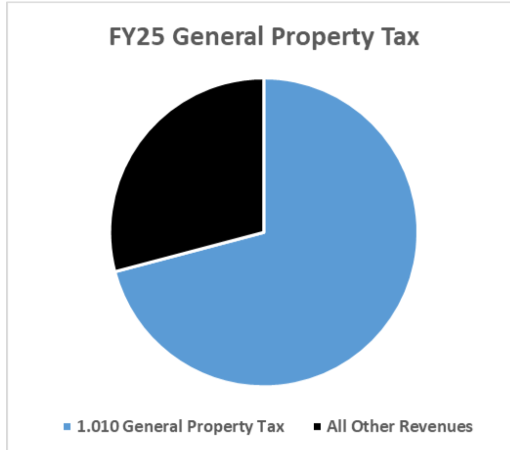


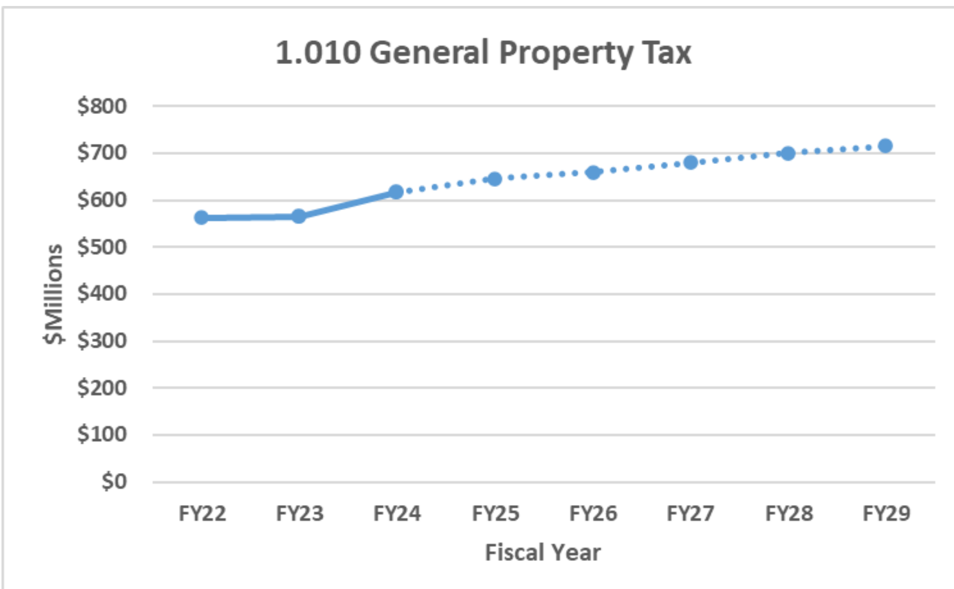


1.010 General Property Tax (Real Estate)

Taxes levied by a school district on the assessed valuation of real property located within the school district.

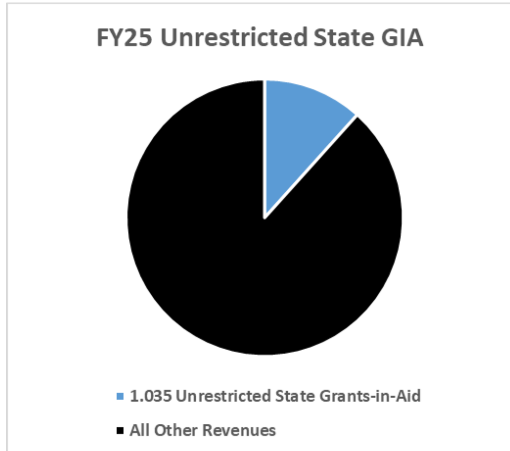
General property taxes represent 71% of all revenues. Property taxes are projected to grow at a rate of 3.0% annually during the forecast period to $715.3 million in FY29 from $615.7 million in FY24. The primary driver behind the increase in property tax collection is the inclusion of the 3.0 mill Operating Levy approved in November 2023.





1.035 Unrestricted State Grants-in-Aid

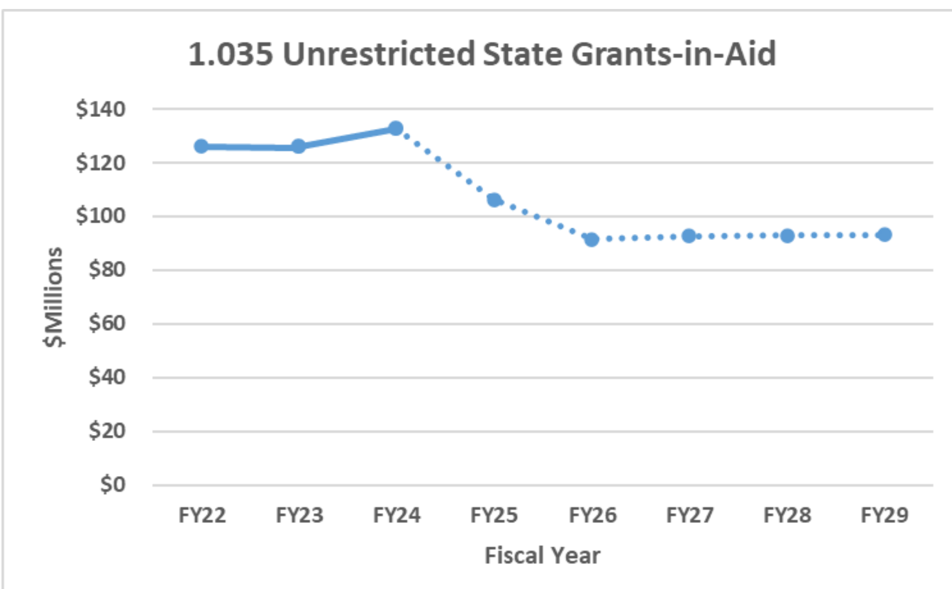
Funds received through the State Foundation Program with no restriction. The foundation formula is the primary vehicle which the Ohio legislature uses to determine how much state aid each school district is to receive. This revenue line represents 12% of all revenues and 55%[6] of all revenues received from the state.



As discussed in the revenues overview (Overview) the newly adopted Fair School Funding Formula went into effect beginning in FY22 and included funding students "where educated" causing a dramatic, but offsetting, drop both in state revenues[7] and purchased services[8]. For this forecast, state revenues are impacted in FY25 and thereafter based on the following assumptions:

- $15 million annually for the transportation penalty
- Projected declines in enrollment impacting the state share percentage
- Phase in of State Aid at 66.67% in FY25-29

As a result, unrestricted state aid is projected to decline annually at a rate of 6.8% from $132.5 million if FY23 to $93.1 million in FY29.

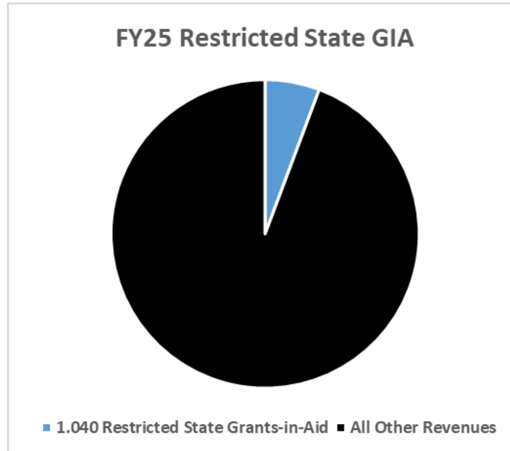


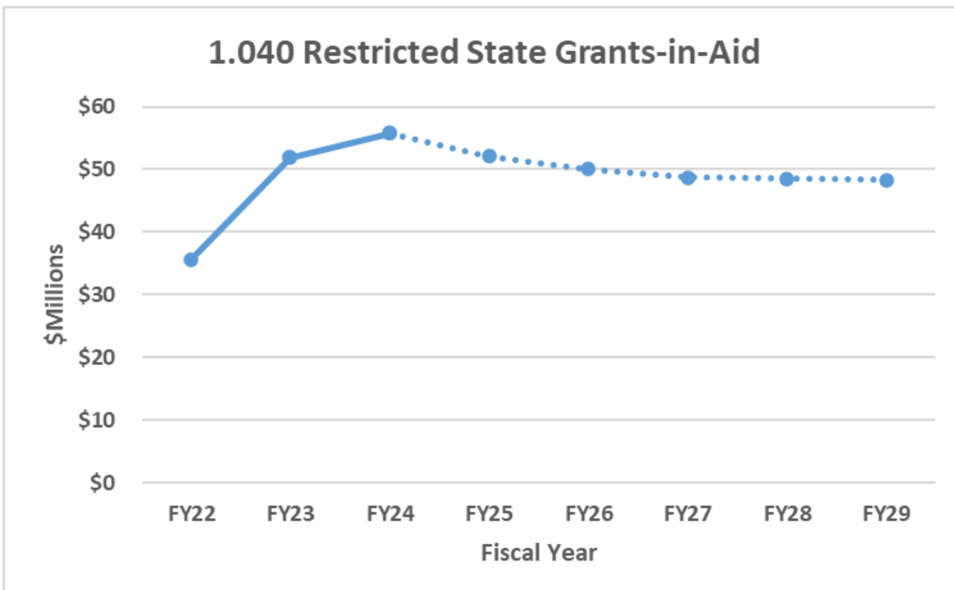
[6] Based on FY25 estimates.
[7] Reflected on this line and line 1.040.
[8] Objects 478 & 479 dropped with the elimination of the charge for charter schools and scholarships (vouchers).

1.040 Restricted State Grants-in-Aid

Funds received through the State Foundation Program or other allocations that are restricted for specific purposes. Examples include economic disadvantaged and career-technical funding. This is the companion to line 1.035 as state aid is split between the two lines based on the formula calculation and specified usage of funds.

These funds are 6% of all revenues and 27% of state revenues. Restricted revenues are projected to decrease 1.9% annually[9].



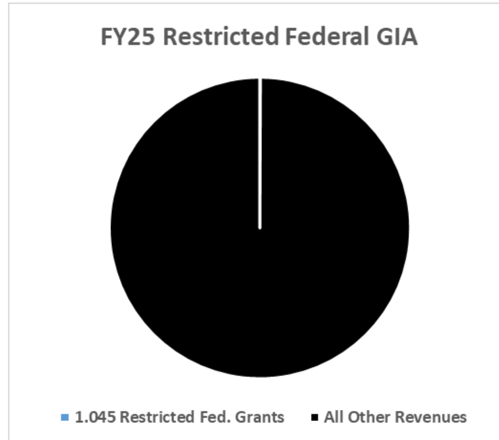


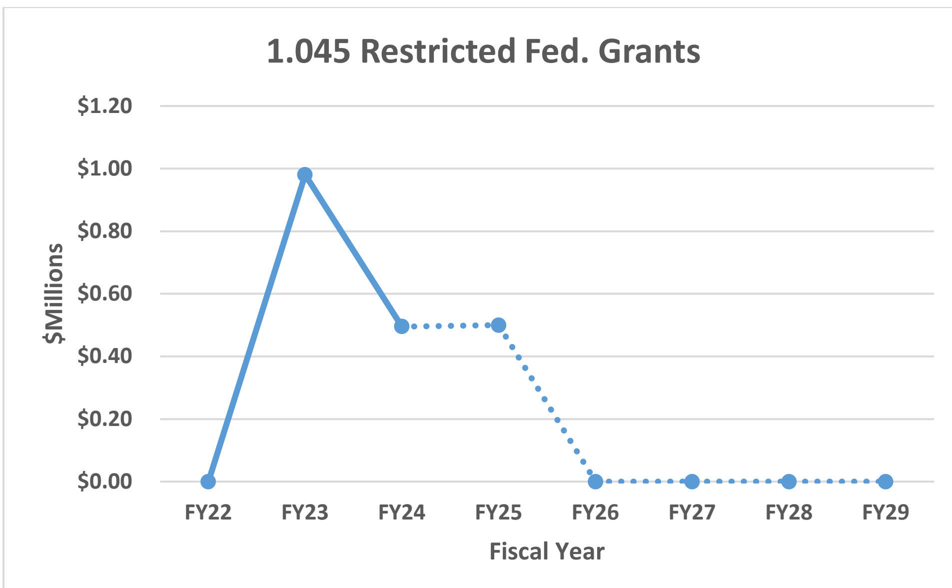
[9] It is assumed in this forecast that declining enrollment will have the most impact on unrestricted aid (1.035) rather than restricted aid (1.040). Additionally, the transportation penalty only impacts unrestricted aid (1.035).

1.045 Restricted Federal Grants

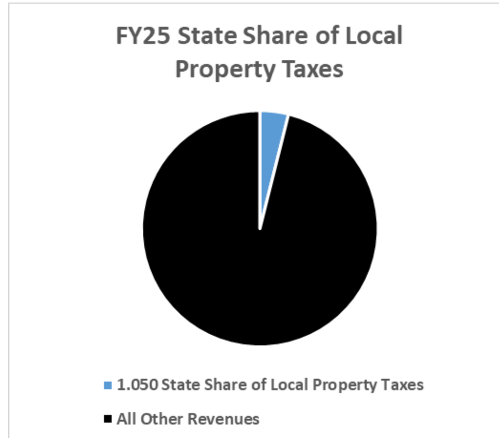
Funds received through the State Foundation Program or other allocations that are restricted for specific purposes. Examples include the Education Jobs fund.

For CCS, this is the QSCB interest rebate from the Federal government and is an exceedingly small portion of overall revenues. This subsidy ends during FY26 when the bonds are fully retired. Due to COVID along with late filing of the reimbursement request forms, receipt of this subsidy has been significantly delayed.



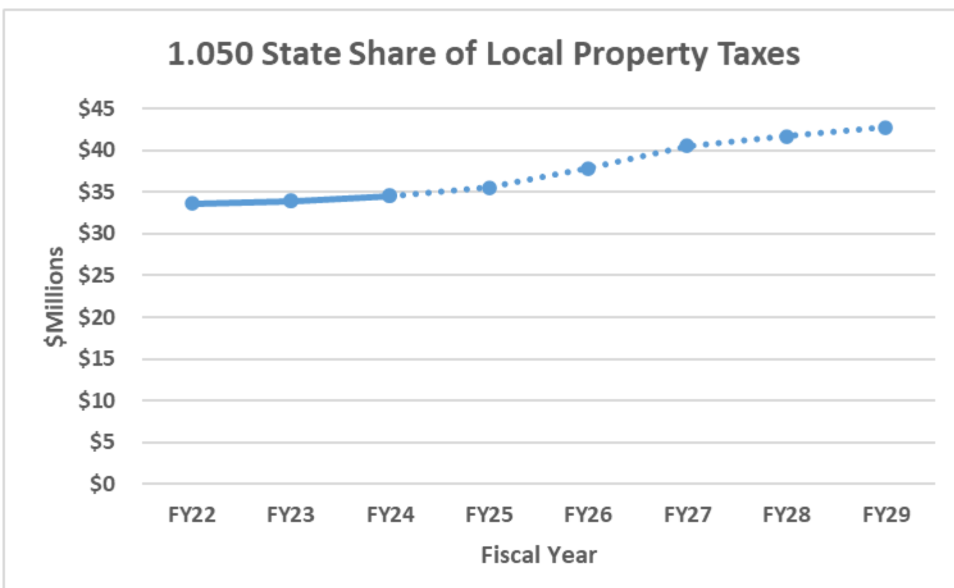


1.050 State Share of Local Property Taxes

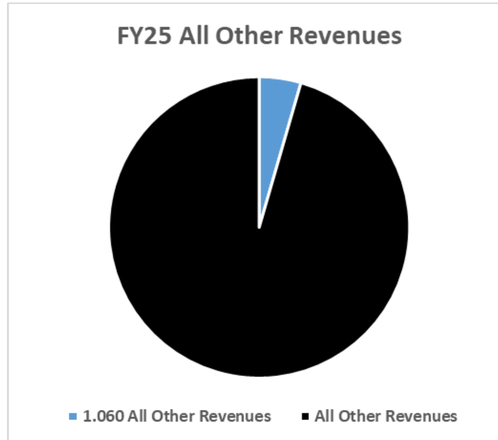


This line includes state funds received for Electric Deregulation, Homestead and Rollback, and the "ten-thousand-dollar exemption" where businesses are exempt from paying the first $10,000 of property tax and the district is reimbursed through state funding.

This revenue source is 3.9% of total revenues and 18.3% of funds received from the state. The 10.5% Rollback provision was repealed in 2013 (HB59) and as a result all tax levies approved by voters beginning in 2014 are not subject to the rollback, saving the state money but passing that cost on to local taxpayers. The November 2016, 5.58 mills and the November 2023, 3.0 mills are therefore not subject to the rollback and local taxpayers bear the full cost of that levy. Rollback is generally forecasted as a percentage of total estimate Residential (R1) tax collections with an adjustment for levies not subject to the rollback. Some adjustment in the forecast has been made to reflect past forecasting performance, therefore, this source often shows a different growth rate than the corresponding property tax revenue line.

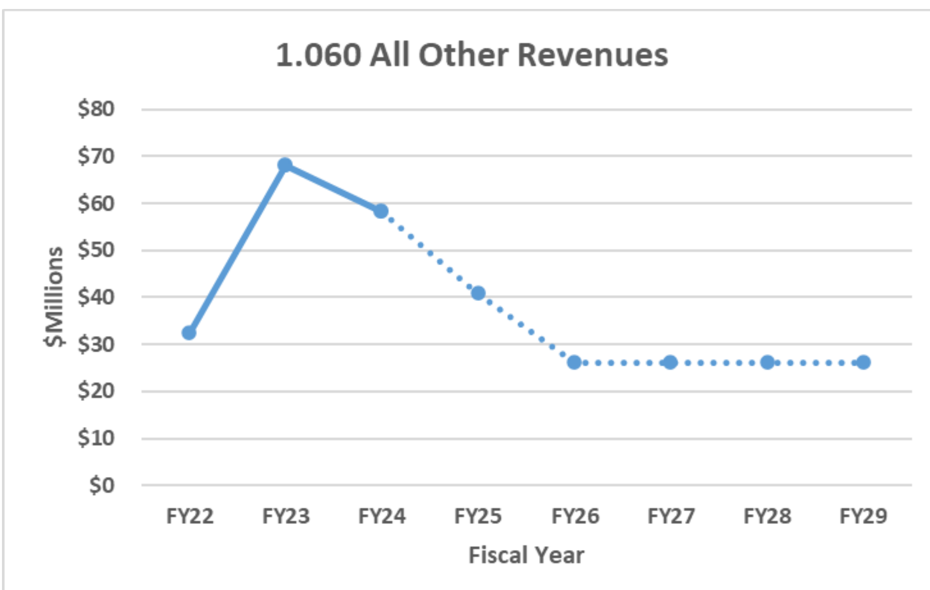


1.060 All Other Operating Revenues



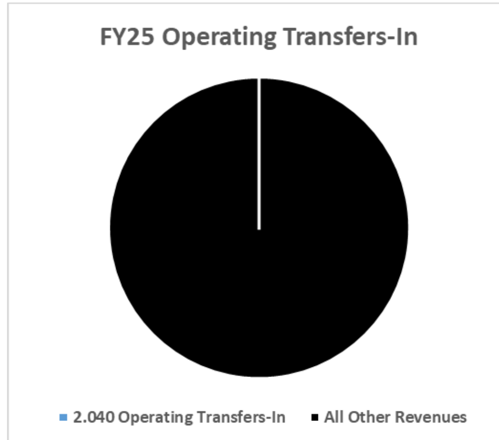
Operating revenue sources not included above. Examples include but are not limited to tuition, fees, investment income, rentals, and donations. Significant items included here as well are payments in lieu of taxes (PILOTs), Win-Win payments and Medicaid reimbursement. PILOTs are difficult to predict as they depend on cases before the Board of Revision and/or Board of Tax Appeals and any out-of-court settlements that may be reached. With the enactment of HB126, such agreements are prohibited and have been removed from the forecast.

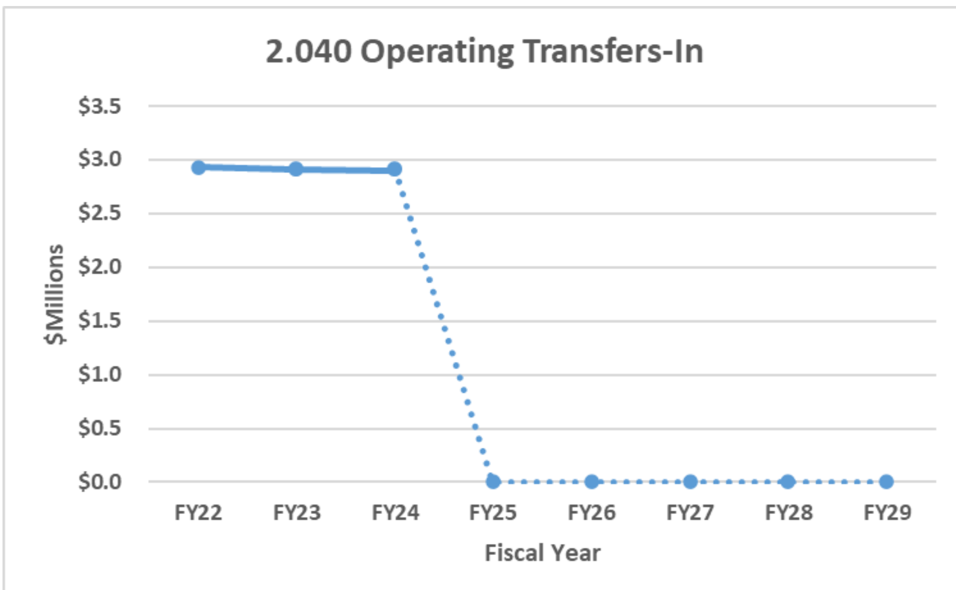
Income tax revenue sharing from the City of Columbus resulting from various CRAs and/or TIFs, Win-Win payments, and a PILOT for the Franklin County Convention Center are estimated at a combined amount of $3.9 million. Medicaid reimbursement is projected at $7.2 million in FY 25 and $5.5 million in FY26-29 due to decreases expected from Medicaid unwinding. The timing of these reimbursements often causes them to cross over fiscal year end resulting in higher or lower than expected income but ultimately smoothing out. Investment income is estimated at $17.8 million in FY25 and reduced to $8.4 million by FY29. The increase in the investment receipts is attributed to the recent climb in interest rates. This line represents 4.5% of total revenues in FY25.



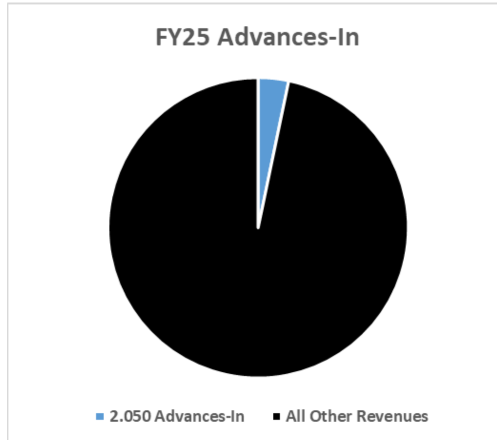
2.040 Operating Transfers-In

Permanent movement of monies between funds. No activity in FY25 as bonds are fully retired.

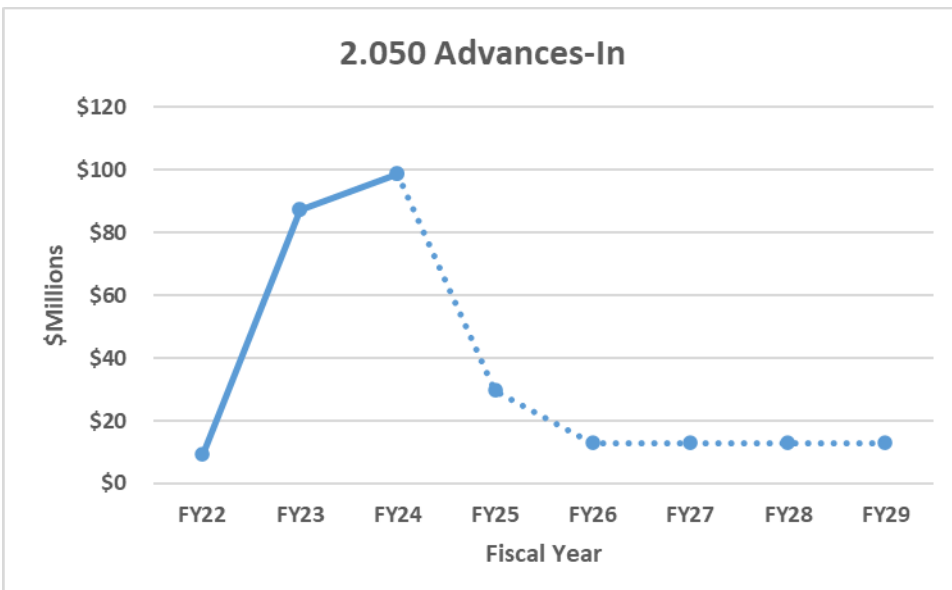




2.050 Advances-In

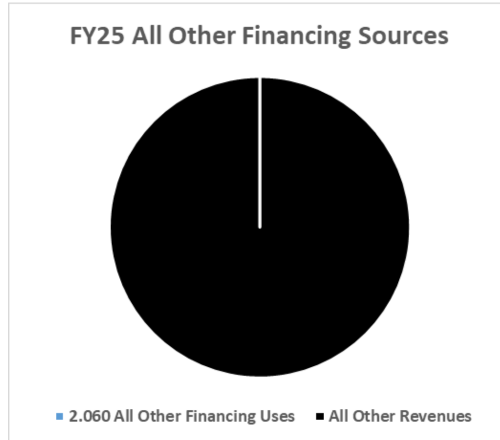


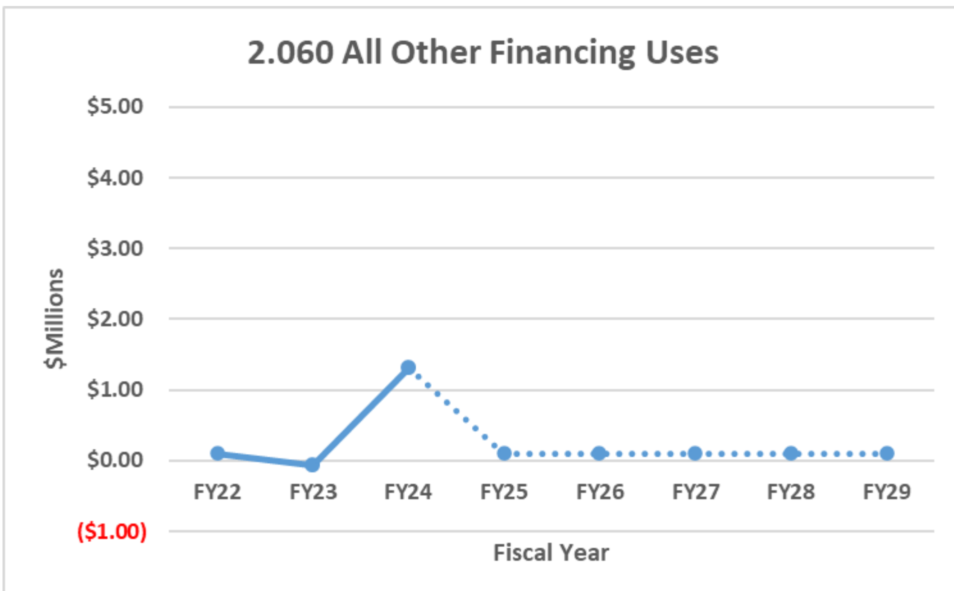
Temporary movement of monies between funds. Generally dependent on the cash flow needs of other funds, this is the return of funds temporarily advanced to other funds from the General Fund. The corollary expenditure line is line 5.020 Advances-Out. Projected based on prior year Advances-Out and remaining ESSER amounts available to be advanced and then $13 million flat thereafter. Like other advances, this temporary, end-of-the-year accounting transaction is ultimately cash balance neutral as Advances-Out are returned as Advances-In but cross fiscal years. It is expected that Advances-In/Out will return to historical levels in FY26 once ESEER funding is exhausted in FY25. In FY25, this line is approximately 3.27% of total revenues uncharacteristically higher than the historic 0.9%.



2.060 All Other Financing Sources

Sale and Loss of Assets, Refund of Prior Year Expenditures. In FY24, the primary source is a grant from Federal Emergency Management Agency (FEMA) to reimburse the general fund for COVID-19 personal protective equipment (PPE) expenditures.





EXPENDITURES

Overview

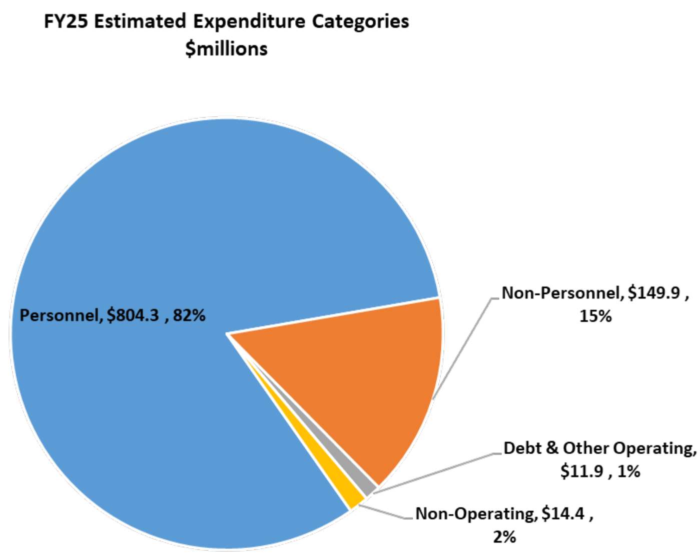
Total expenditures are projected to increase 5.1% annually from $850.4 million in FY24 to $1,092.0 million in FY29, driven largely by a projected 6.3% annual increase in personnel costs. Personnel related expenditures (Salaries/Wages and Benefits, lines 3.010 and 3.020 in the FYF) include negotiated pay increases for all staff and staff identified to move from ESSER funding to the general fund (350 positions), resulting from the November 2023 levy passage.

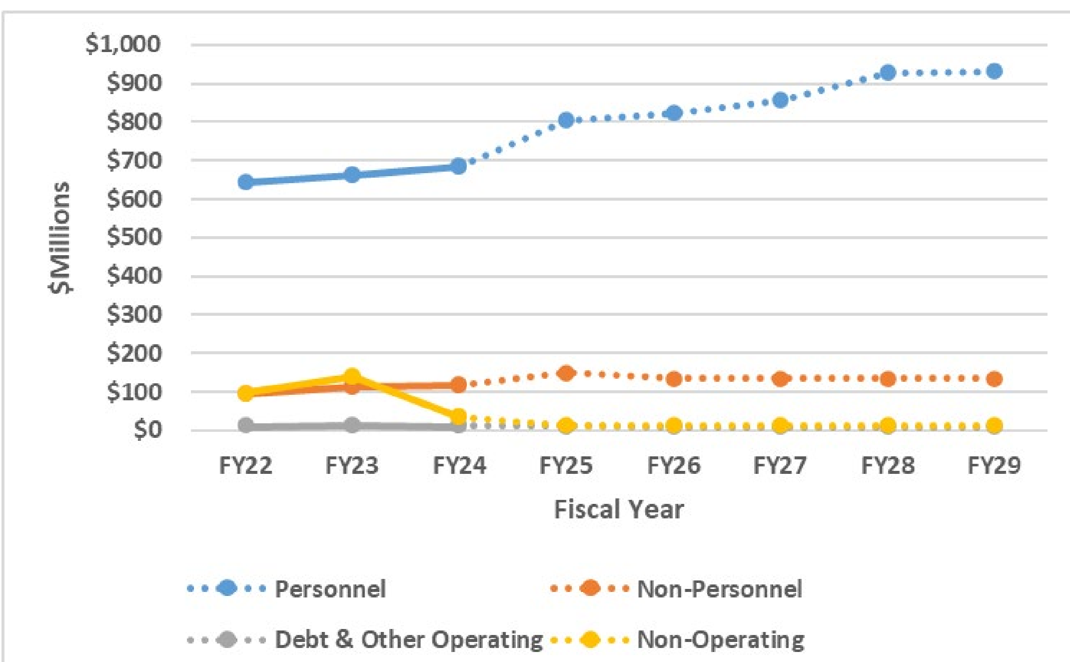
Non-personnel items (lines 3.030 – 3.050 in the FYF) are projected to increase 2.8% annually to $135.3 million in FY29 from $117.6 million in FY24. This is driven largely by an increase in FY24 actual non-personnel amounts and an assumed 2.5% growth in non-personnel expenditures year over year to help offset expected inflation.

Debt related expenditures (lines 4.020 – 4.060 in the FYF) are projected to remain substantially unchanged and decline as certain debt is fully retired. Other operating expenditures (line 4.300 in the FYF) are relatively flat at $10.4 million annually.

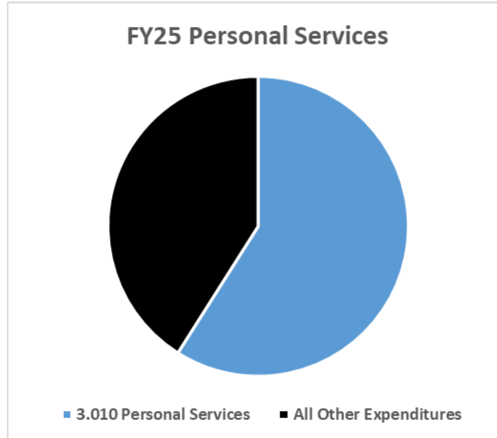
Non-Operating expenditures (“Other Financing Uses”, line 5.040 in the FYF, which includes Transfers and Advances Out and Other Financing Uses) in FY25 are projected to drop to $14.4 million due to the end of the extraordinary advances for ESSER fund ending.

	ACTUAL			*PROJECTED*				
$Millions	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
Total Expenditures	$851.6	$927.5	$850.4	$980.5	$982.8	$1,017.3	$1,088.2	$1,092.0
Personnel Related	$644.3	$660.2	$685.0	$804.3	$822.6	$857.3	$928.1	$931.9
Non-Personnel	$95.8	$113.3	$117.6	$149.9	$135.1	$135.2	$135.3	$135.3
Debt Related	$4.1	$4.1	$3.8	$1.5	$0.3	$0.0	$0.0	$0.0
Other Operating	$9.5	$9.9	$10.1	$10.4	$10.4	$10.4	$10.4	$10.4
Non-Operating	$97.9	$140.0	$33.8	$14.4	$14.4	$14.4	$14.4	$14.4



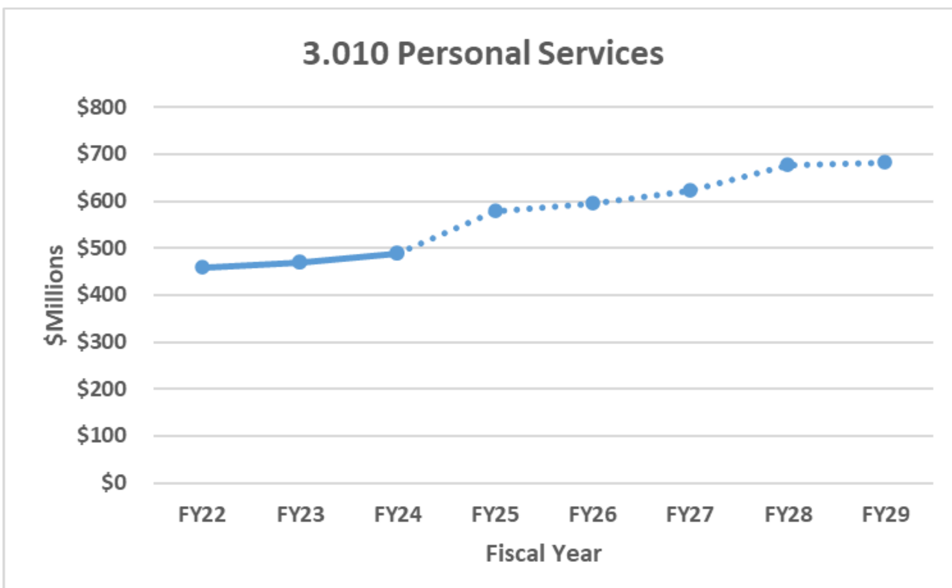


3.010 Personal Services



Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc. The forecast includes step increases for staff[10], additional staffing identified during levy discussions to move to the general fund following the end of ESSER funding, and an additional 83 Instructional Assistants (IA) included related to identified increased needs for special education students and IA's moved to the general fund from the IDEA grant. Additionally, increases pursuant to the collective bargaining agreements with unionized staff and compensation agreements with two employee associations are included. Outside of these agreements, an across-the-board increase of 2.5% is included. Furthermore, the forecast includes an increase in FY28 due to an expected 27th pay to occur in that fiscal year which will increase the payroll costs for FY28 when compared to other fiscal years.

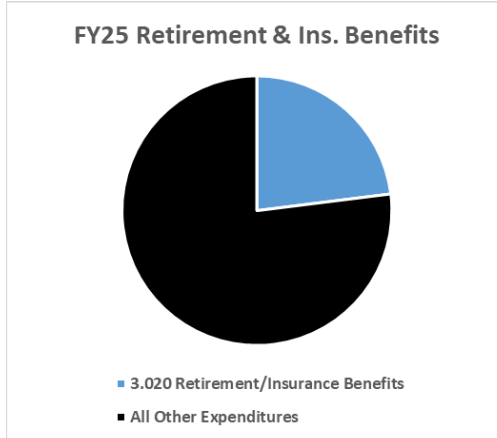
The projected growth rate FY24 to FY29 is 6.9%. Personal Services represents 59.0% of all expenditures.

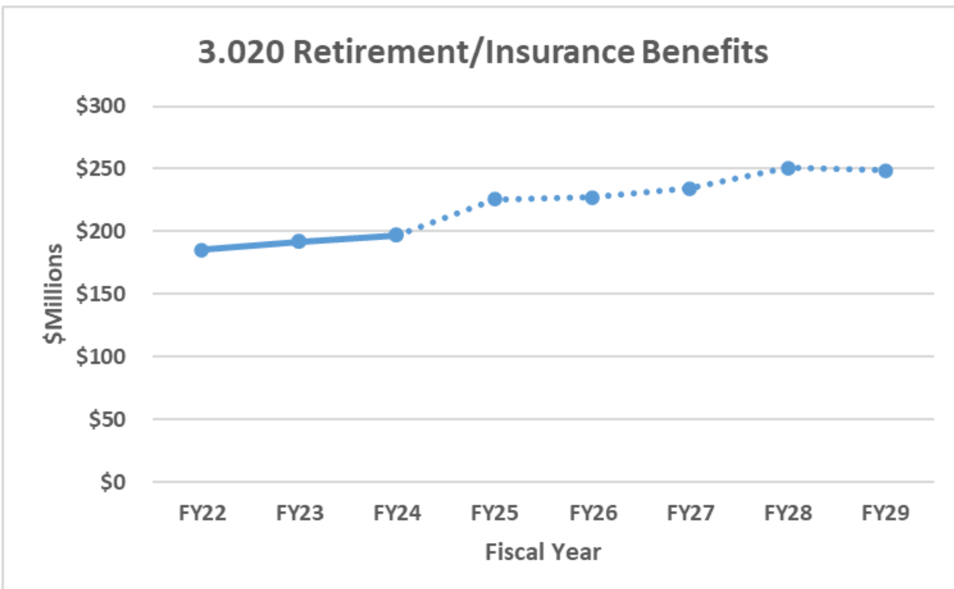


[10] Approximately 2.2% of base cost annually.

3.020 Employees' Retirement/Insurance Benefits

Retirement for all employees, Workers' Comp., Medicare, unemployment, and all health-related insurances. Retirement, workers' comp., and Medicare are all based on a percentage of applicable salaries/wages. Health-related insurances are projected to increase at the rate of 3.4%[11] annually from FY24 to FY29. The projected growth rate from FY24 to FY29 for all retirement and insurance benefits is 4.8%. Retirement/Insurance Benefits account for 23% of total expenditures.

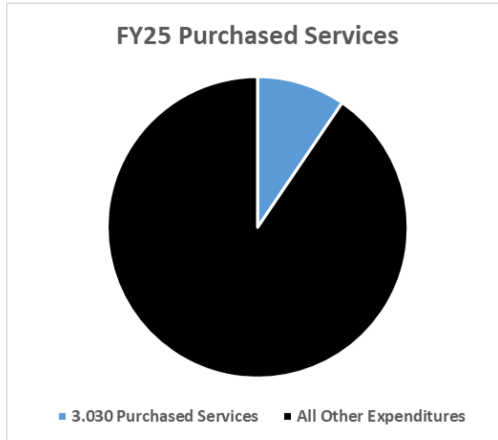




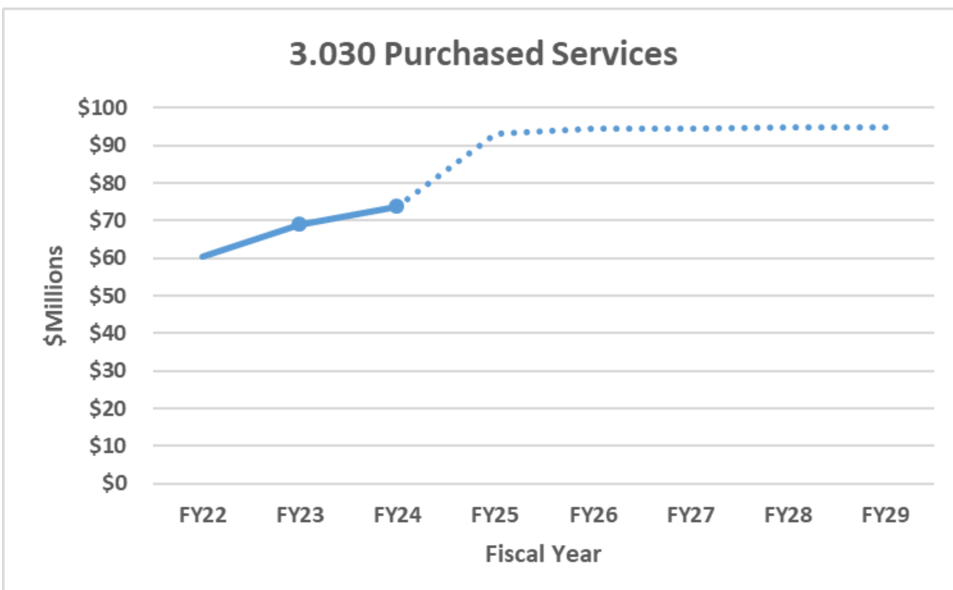
[11] Trends for medical, life, dental and vision individually ranged from 0% to 5.96% annually.

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.

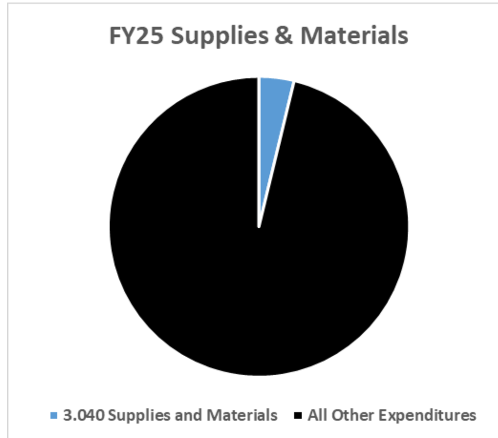


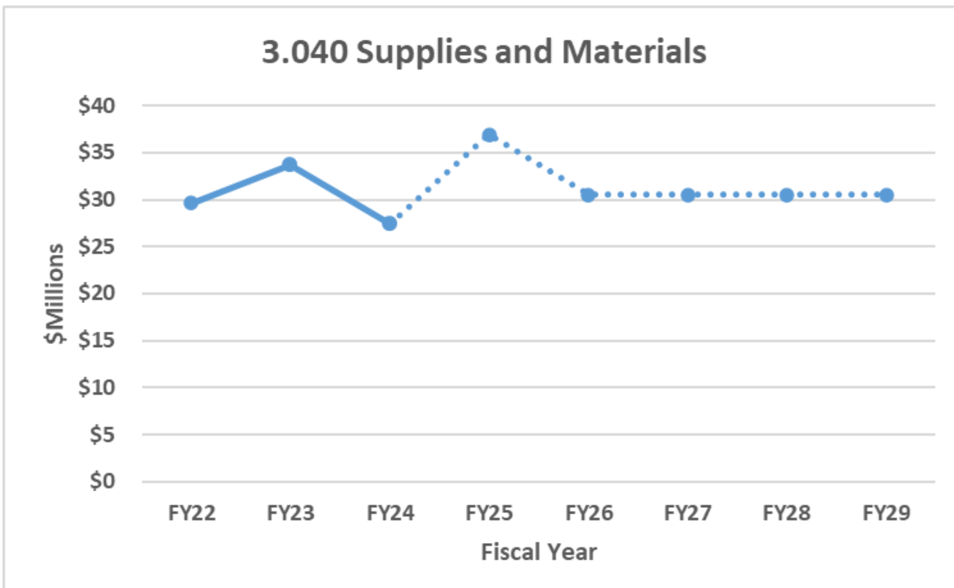
Purchased services are projected to increase to $94.7 million in FY29 from $73.6 million in FY24. Purchased services account for 9.5% of General Fund expenditures. As with all other non-personnel lines (3.040 Supplies and Materials, 3.050 Capital Outlay, and 4.030 Other Objects), projected expenditures are based on the district's annual budget preparation process, which generally begins during the second quarter of the fiscal year and continues through May, culminating in the adoption of an appropriation resolution in June for the ensuing fiscal year. The projected budgets have been reduced by a factor based on historical budget-to-actual results. Additionally, this forecast includes $15.6 million in FY25 in non-personnel expenditures for an expected increase in pupil transportation costs. This amount is expected to increase to $16.8 million in FY29.



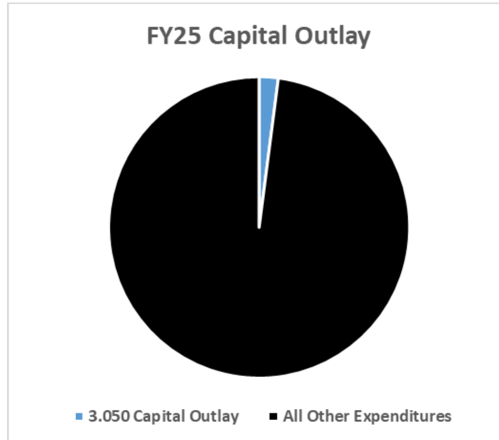
3.040 Supplies and Materials

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. Supplies and Materials account for 3.8% of General Fund expenditures. Supplies are projected to increase to $30.5 million in FY29 from $27.4 million in FY24. The spike in FY25 is attributed to a higher-than-normal carryover in expenditures from FY24 to FY25. This is projected to return to a more normal level in FY26-29.

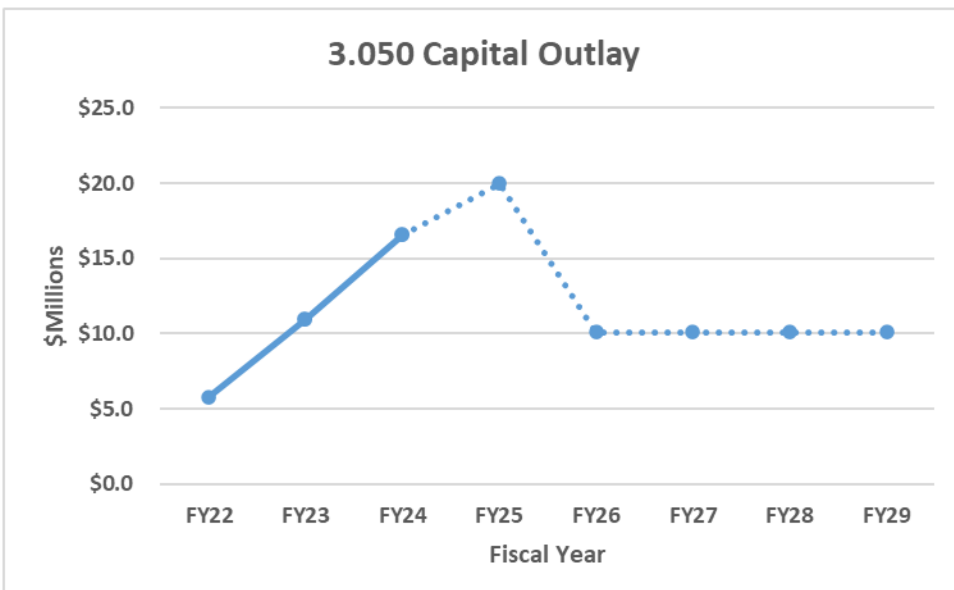




3.050 Capital Outlay

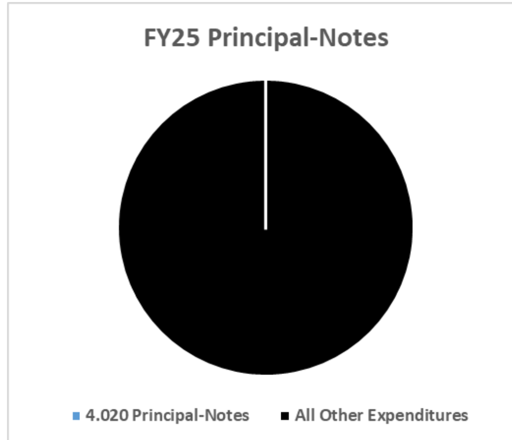


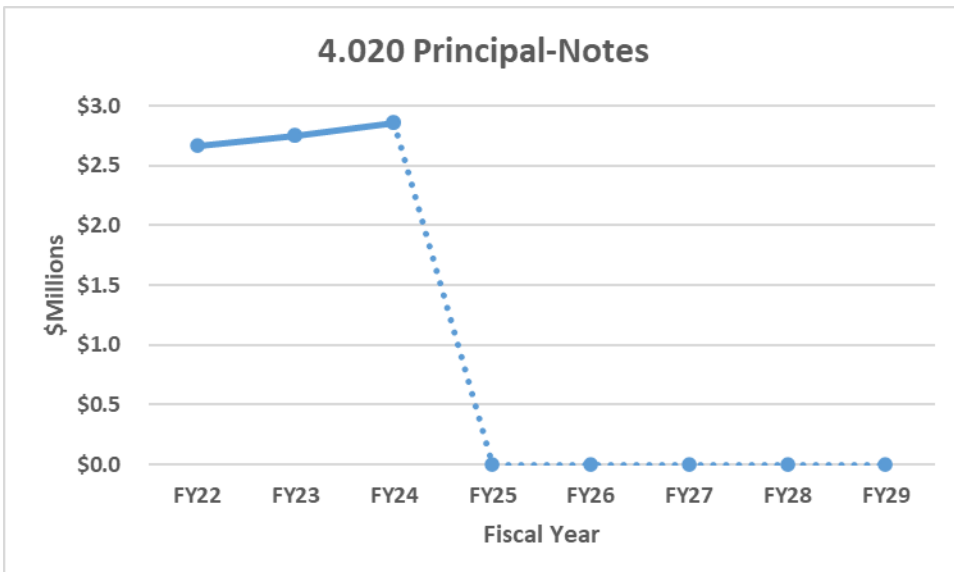
This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, buses, and vehicles. For FY25 this represents 2.04% of the General Fund expenditures. The district strives to shift capital outlay expenses to alternate sources of funding, e.g. permanent improvement levy funding. There remains, however, a small portion that is appropriately expended from the General Fund. For FY24 and FY25, this line is higher than usual because of incurring some costs previously allocated to be paid from ESSER dollars being moved to the general fund. As we near the end of ESSER funding, measures were taken to ensure a full spend of ESSER funds while also ensuring contractors and final payouts would not be impacted by the expiration of those funds. Levels are expected to return to a normal level in FY 26 to FY 29.



4.020 Principal-Notes

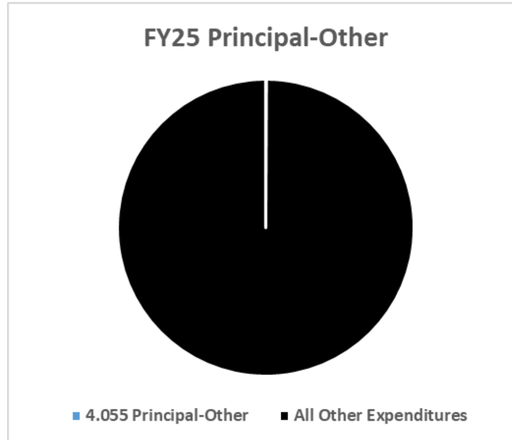
Payment of principal on the General Obligation Bonds issued in 2013 for the purchase of school buses. This debt was fully retired at the end of FY24. These expenditures flow through the Debt Service Fund on the district records but are included and reported here due to a requirement that the FYF reflect all General Fund related activities.

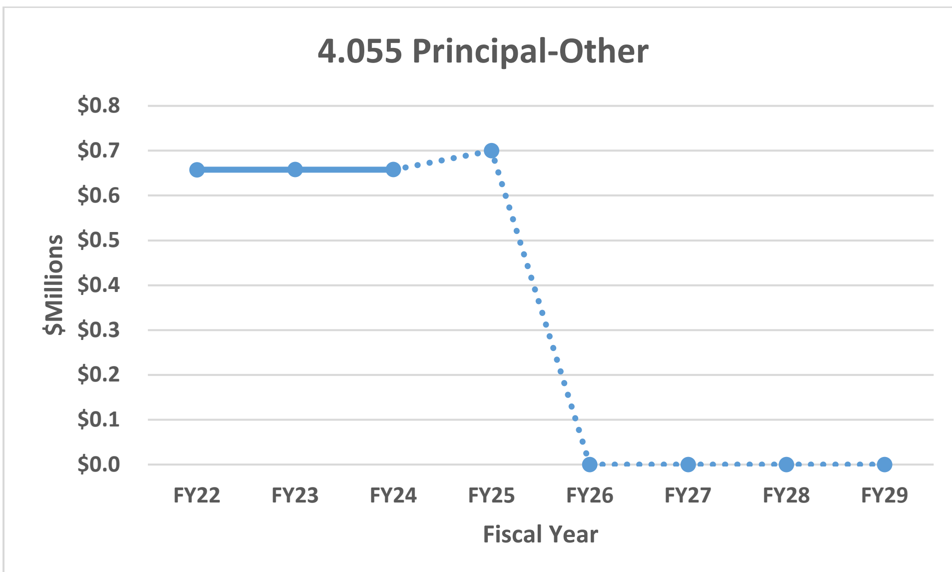




4.055 Principal-Other

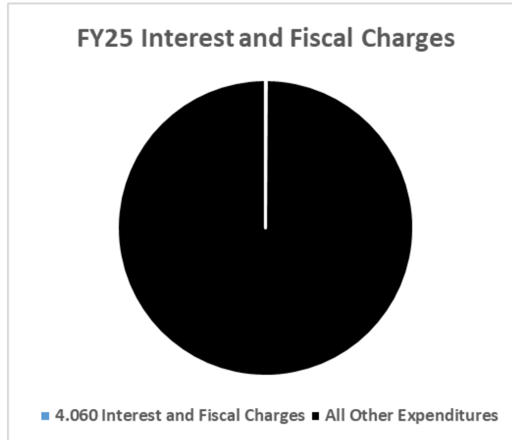
Payment of principal on Qualified School Construction Bonds (QSCBs) issued in 2011, another example of Debt Service Fund activity reported in the FYF as General Fund related. This debt is fully retired in FY26.

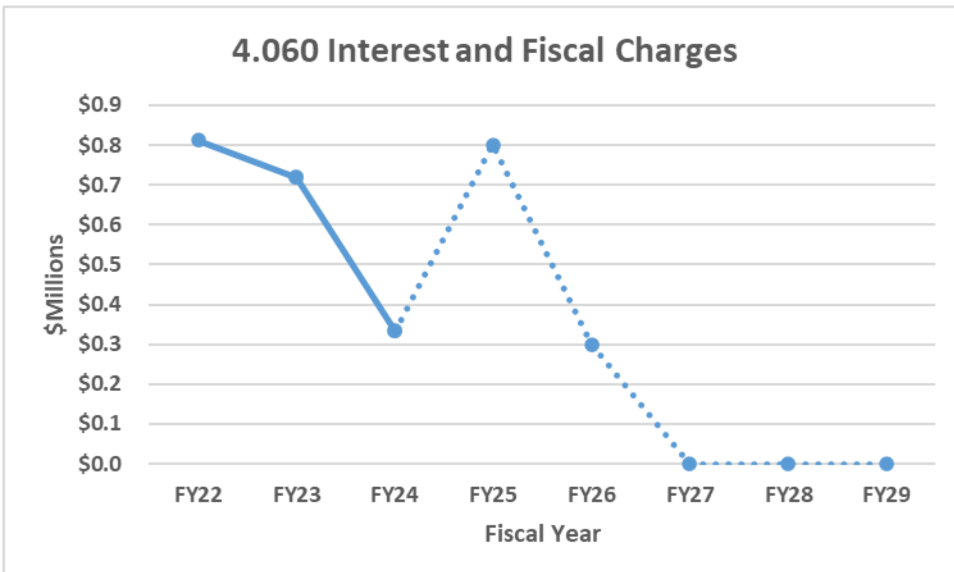




4.060 Interest and Fiscal Charges

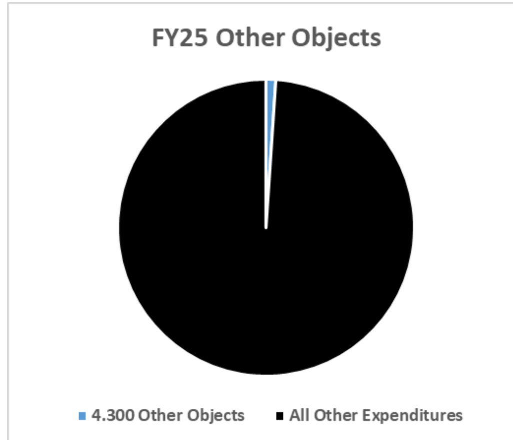
Interest payable on the General Obligation Bonds and QSCBs the principal of which is shown on lines 4.020 and 4.055. Final payment is in December 2025 (FY26).

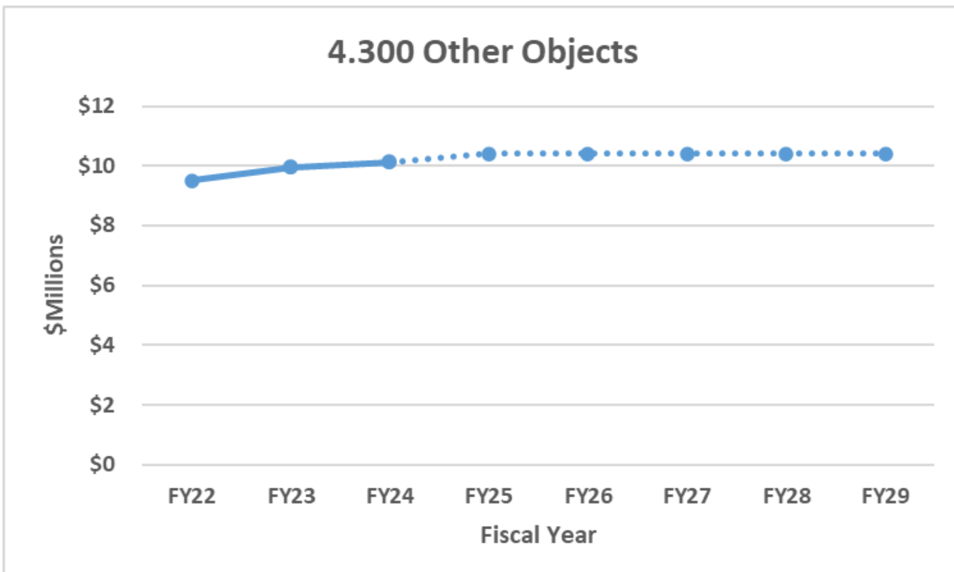




4.300 Other Objects

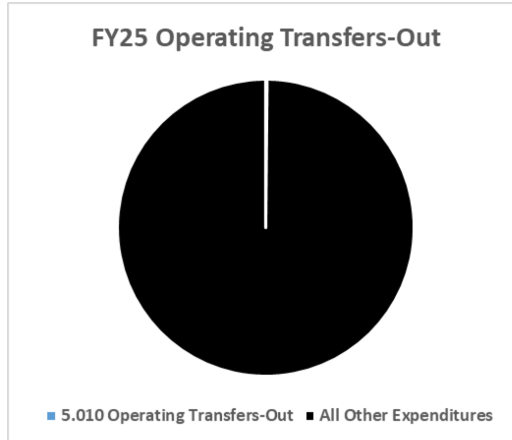
The primary components listed here consists of membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, election expenses, etc. Approximately 89% of the line is for dues and fees primarily related to county auditor and treasurer fees for the calculation, assessment, collection, and distribution of property taxes. Refunds of fees from the county auditor are posted here as a reduction in expenditure.

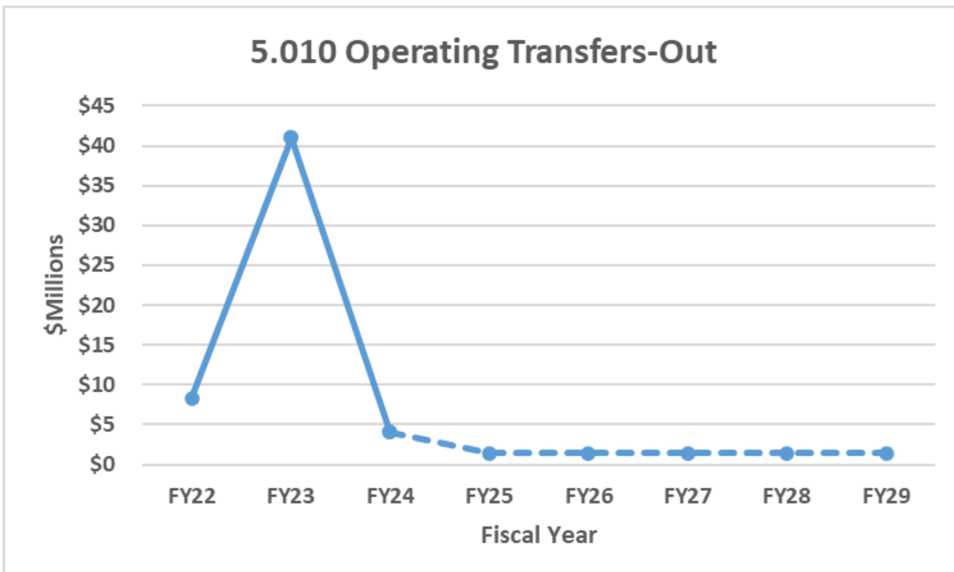




5.010 Operating Transfers-Out

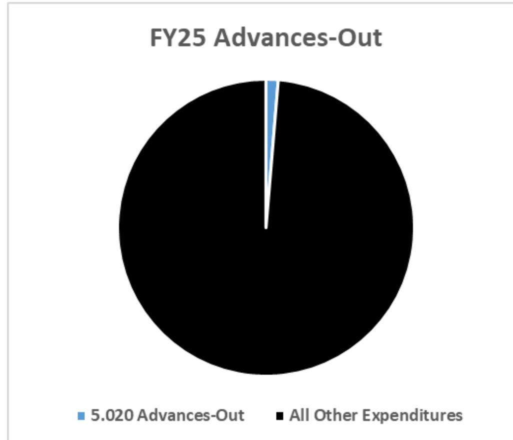
Permanent movement of monies between funds. Included here is the annual transfer to the Athletics Funds and an ongoing transfer to support the operations of WCBE.

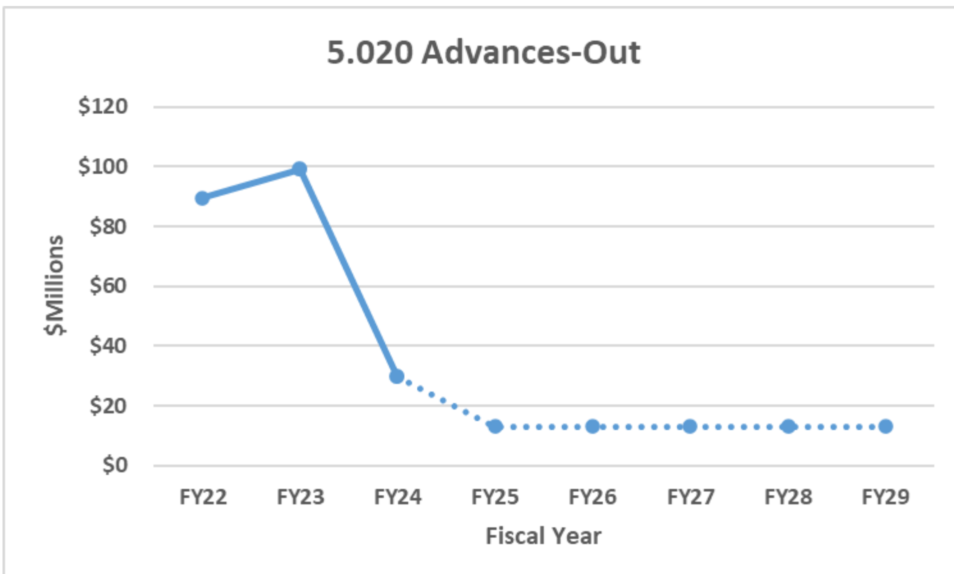




5.020 Advances-Out

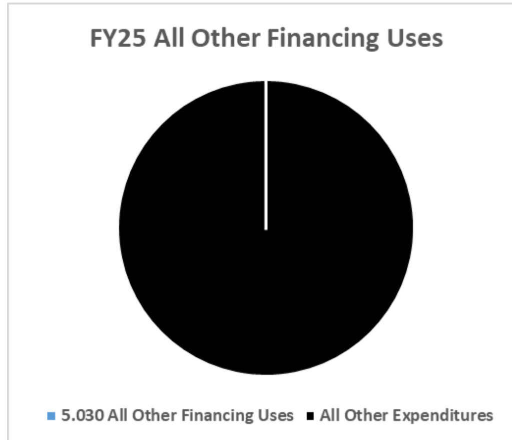
Temporary movement of monies between funds. Activity here is dependent on the cash flow needs of other funds. This is the expenditure corollary to revenue line 2.050 Advances-In. The amounts reflected in FY22-24 are indicative of the increased advances-out related to ESSER. These had a temporary and cash-neutral impact on the forecast and are expected to return to a more normal level in FY25-29.

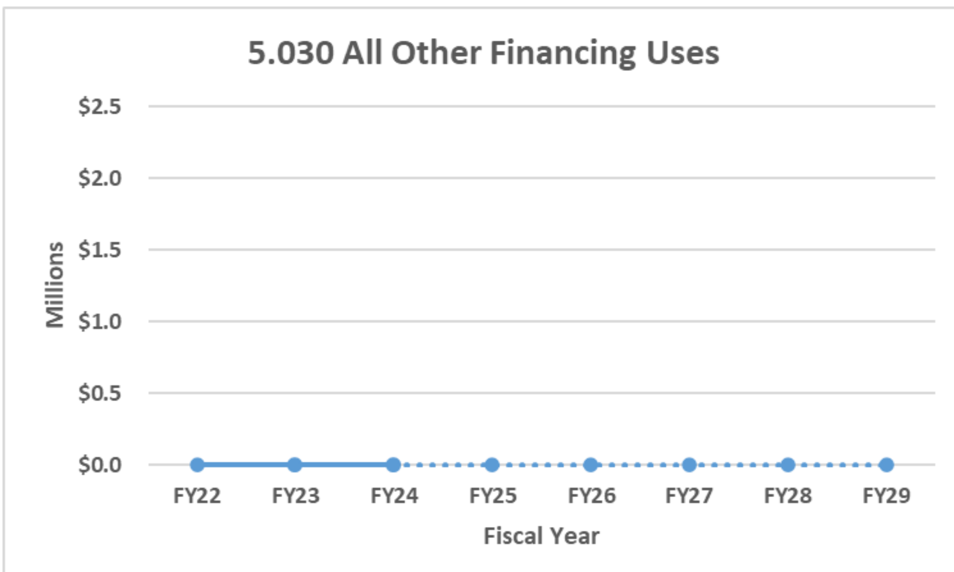




5.030 All Other Financing Uses

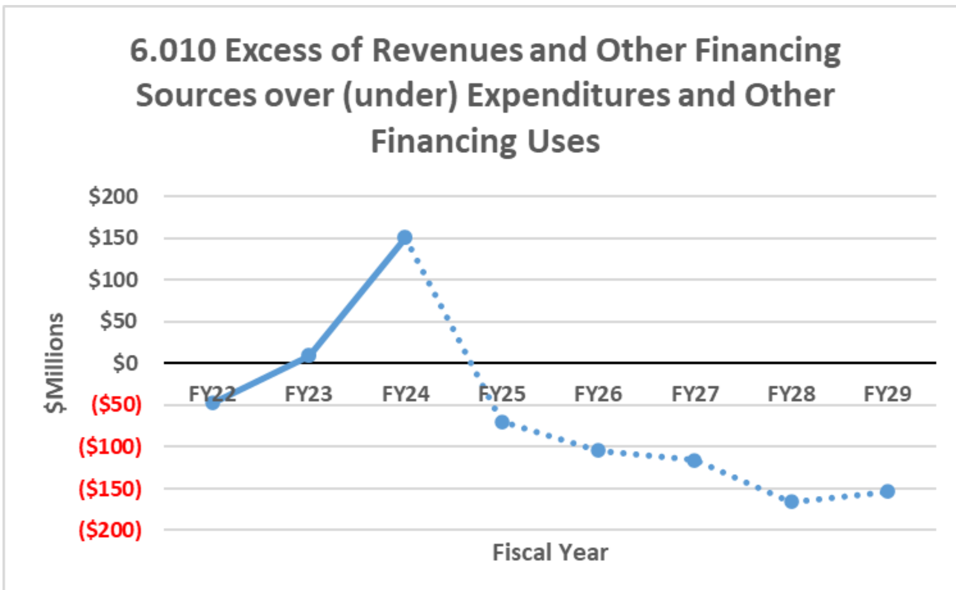
A line item for contingencies and refund of prior year receipts. While budgeted (and hence included in the FYF) little if any expenditure activity occurs on this line.





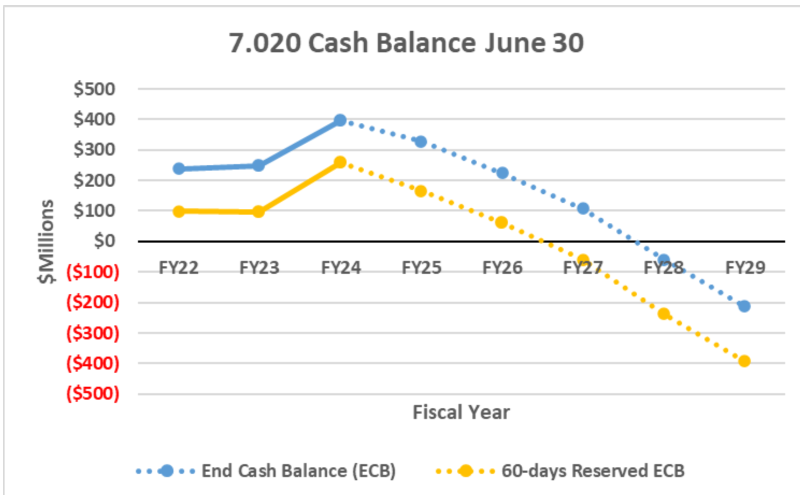
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses

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 resulting in a reduction in the cash balance during the year. A school district experiencing several years of "deficit spending" will almost always result in fiscal concerns or insolvency. The district had been in a deficit spending trend since FY21, which has been delayed primarily related to the continued phase in and updated cost sets in the fair school funding formula. The deficit spending trend then resumes beginning in FY25. This trend cannot continue indefinitely.



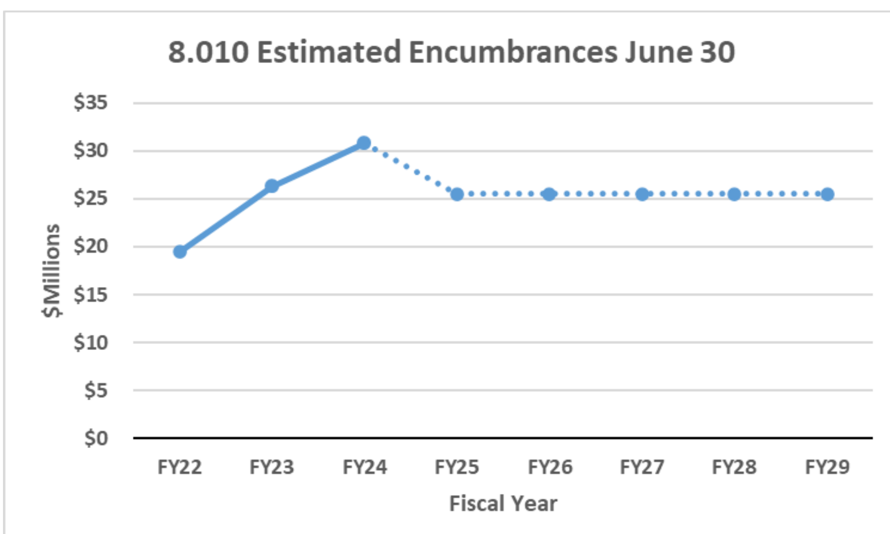
7.020 Cash Balance June 30

The Government Finance Officers Association has a best practices recommendation of maintaining a 60-day cash balance reserve or target. While not formally a board policy, the forecast includes reference to a 60-day ending cash balance target. The graph shows the projected actual ending cash balance along with a reserved cash balance reflecting a minimum of 60-days expenditures. Note that a positive ending cash balance is maintained through FY27 at $107.1 million, while the 60-day cash target is met until FY26.



8.010 Estimated Encumbrances June 30

The amount of money already requested through a purchase order to be carried forward into the next fiscal year. 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.



Net Changes Since May 2024 Forecast

Line		FISCAL YEAR 2024	FISCAL YEAR 2025	FISCAL YEAR 2026	FISCAL YEAR 2027	FISCAL YEAR 2028
	Revenues					
1.01	General Property Tax (Real Estate)	34,228	(6,700,000)	(7,900,000)	(8,200,000)	(9,200,000)
1.02	Tangible Personal Property	0	0	0	0	0
1.03	Income Tax	0	0	0	0	0
1.035	Unrestricted State Grants-in-Aid	9,207,127	2,400,000	8,700,000	19,400,000	19,700,000
1.04	Restricted State Grants-in-Aid	757,023	(7,000,000)	(7,000,000)	(7,300,000)	(7,200,000)
1.045	Restricted Fed. Grants	(204,981)	300,000	0	0	0
1.05	Property Tax Allocation	(42,095)	(2,800,000)	(1,300,000)	100,000	100,000
1.06	All Other Revenues	8,641,414	8,900,000	4,800,000	4,800,000	4,800,000
1.07	**Total Revenues**	**18,392,716**	**(4,900,000)**	**(2,700,000)**	**8,800,000**	**8,200,000**
	Other Financing Sources					
2.01	Proceeds from Sale of Notes	0	0	0	0	0
2.02	State Emergency Loans and Advancements (Approved)	0	0	0	0	0
2.04	Operating Transfers-In	12,100	0	0	0	0
2.05	Advances-In	(306,134)	(10,182,688)	0	0	0
2.06	All Other Financing Sources	7,411	0	0	0	0
2.07	**Total Other Financing Sources**	**(286,623)**	**(10,182,688)**	**0**	**0**	**0**
2.08	**Total Revenues and Other Financing Sources**	**18,106,093**	**(15,082,688)**	**(2,700,000)**	**8,800,000**	**8,200,000**
	Expenditures					
3.01	Personal Services	2,824,875	16,700,000	6,800,000	6,700,000	31,600,000
3.02	Employees' Retirement/Insurance Benefits	(178,403)	9,500,000	6,500,000	7,400,000	17,800,000
3.03	Purchased Services	(1,219,294)	3,100,000	4,300,000	4,100,000	3,800,000
3.04	Supplies and Materials	(752,427)	6,400,000	0	0	0
3.05	Capital Outlay	(14,336,374)	10,000,000	0	0	0
3.06	Intergovernmental	0	0	0	0	0
	Debt Service:					
4.01	Principal-All (Historical Only)	0	0	0	0	0
4.02	Principal-Notes	(45,000)	0	0	0	0
4.03	Principal-State Loans	0	0	0	0	0
4.04	Principal-State Advancements	0	0	0	0	0
4.05	Principal-HB 264 Loans	0	0	0	0	0
4.055	Principal-Other	(42,335)	0	0	0	0
4.06	Interest and Fiscal Charges	(268,653)	300,000	0	0	0
4.3	Other Objects	(72,415)	300,000	300,000	300,000	300,000
4.5	**Total Expenditures**	**(14,090,027)**	**46,300,000**	**17,900,000**	**18,500,000**	**53,500,000**
	Other Financing Uses					
5.01	Operating Transfers-Out	(301,065)	0	0	0	800,000
5.02	Advances-Out	(10,182,688)	0	0	0	3,000,000
5.03	All Other Financing Uses	0	0	0	0	0
5.04	**Total Other Financing Uses**	**(10,483,753)**	**0**	**0**	**0**	**3,800,000**
5.05	**Total Expenditures and Other Financing Uses**	**(24,573,780)**	**46,300,000**	**17,900,000**	**18,500,000**	**57,300,000**

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Five Year Forecast – Schedule of Revenue, Expenditures, and Changes in Fund Balances

See forecast document on following pages.

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COLUMBUS CITY SCHOOLS FIVE YEAR FORECAST FOR FISCAL YEAR 2025

11/30/2024

DRAFT

DISTRICT TYPE: CITY
IRN: 043802
COUNTY: FRANKLIN

		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)	564,511,428	565,238,853	615,734,228	4.5%	645,900,000	660,000,000	679,900,000	699,600,000	715,300,000
1.020	Tangible Personal Property	-	-	-	0.0%	-	-	-	-	-
1.030	Income Tax	-	-	-	0.0%	-	-	-	-	-
1.035	Unrestricted State Grants-in-Aid	126,074,256	126,073,892	132,507,127	2.6%	106,200,000	91,500,000	92,700,000	92,900,000	93,100,000
1.040	Restricted State Grants-in-Aid	35,613,615	51,933,126	55,757,023	26.6%	52,100,000	50,000,000	48,700,000	48,500,000	48,300,000
1.045	Restricted Fed. Grants	-	980,413	495,019	0.0%	500,000	-	-	-	-
1.050	State Share of Local Property Taxes	33,623,925	33,869,536	34,457,905	1.2%	35,500,000	37,800,000	40,500,000	41,700,000	42,700,000
1.060	All Other Revenues	32,416,988	68,110,887	58,341,414	47.9%	43,300,000	26,200,000	26,200,000	26,200,000	26,200,000
1.070	Total Revenues	792,240,212	846,206,708	897,292,716	6.4%	883,500,000	865,500,000	888,000,000	908,900,000	925,600,000
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	-	-	-	0.0%	-	-	-	-	-
2.020	State Emergency Loans and Advancements (Approved)	-	-	-	0.0%	-	-	-	-	-
2.040	Operating Transfers-In	2,928,975	2,914,100	2,912,100	-0.3%	-	-	-	-	-
2.050	Advances-In	9,215,672	87,409,076	98,757,556	430.7%	29,786,539	13,000,000	13,000,000	13,000,000	13,000,000
2.060	All Other Financing Sources	105,493	(60,306)	1,307,411	-1212.6%	100,000	100,000	100,000	100,000	100,000
2.070	Total Other Financing Sources	12,250,140	90,262,870	102,977,066	325.5%	29,886,539	13,100,000	13,100,000	13,100,000	13,100,000
2.080	**Total Revenues and Other Financing Sources**	**804,490,352**	**936,469,577**	**1,000,269,782**	**11.6%**	**913,386,539**	**878,600,000**	**901,100,000**	**922,000,000**	**938,700,000**
	Expenditures									
3.010	Personal Services	459,082,700	468,036,897	488,524,875	3.2%	578,400,000	595,200,000	623,100,000	677,400,000	683,000,000
3.020	Employees' Retirement/Insurance Benefits	185,218,309	192,168,391	196,521,597	3.0%	225,900,000	227,400,000	234,200,000	250,700,000	248,900,000
3.030	Purchased Services	60,444,649	68,740,026	73,580,706	10.4%	93,000,000	94,500,000	94,600,000	94,700,000	94,700,000
3.040	Supplies and Materials	29,606,382	33,649,062	27,447,573	-2.4%	36,900,000	30,500,000	30,500,000	30,500,000	30,500,000
3.050	Capital Outlay	5,794,199	10,893,625	16,563,626	70.0%	20,000,000	10,100,000	10,100,000	10,100,000	10,100,000
3.060	Intergovernmental	-	-	-	0.0%	-	-	-	-	-
	Debt Service:									
4.010	Principal-All (Historical Only)	-	-	-	0.0%	-	-	-	-	-
4.020	Principal-Notes	2,665,000	2,745,000	2,855,000	3.5%	-	-	-	-	-
4.030	Principal-State Loans	-	-	-	0.0%	-	-	-	-	-
4.040	Principal-State Advancements	-	-	-	0.0%	-	-	-	-	-
4.050	Principal-HB 264 Loans	-	-	-	0.0%	-	-	-	-	-
4.055	Principal-Other	657,665	657,665	657,665	0.0%	700,000	-	-	-	-
4.060	Interest and Fiscal Charges	812,469	717,594	331,347	-32.8%	800,000	300,000	-	-	-
4.3	Other Objects	9,500,131	9,926,964	10,127,585	3.3%	10,400,000	10,400,000	10,400,000	10,400,000	10,400,000
4.5	Total Expenditures	753,781,505	787,535,224	816,609,973	4.1%	966,100,000	968,400,000	1,002,900,000	1,073,800,000	1,077,600,000
	Other Financing Uses									
5.010	Operating Transfers-Out	8,354,362	40,924,160	3,998,935	149.8%	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000
5.020	Advances-Out	89,498,541	99,063,689	29,817,312	-29.6%	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000
5.030	All Other Financing Uses	-	-	-	0.0%	-	-	-	-	-
5.040	Total Other Financing Uses	97,852,903	139,987,849	33,816,247	-16.4%	14,400,000	14,400,000	14,400,000	14,400,000	14,400,000
5.050	**Total Expenditures and Other Financing Uses**	**851,634,408**	**927,523,072**	**850,426,220**	**0.3%**	**980,500,000**	**982,800,000**	**1,017,300,000**	**1,088,200,000**	**1,092,000,000**
6.01	Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	(47,144,056)	8,946,505	149,843,562	728.0%	(67,113,461)	(104,200,000)	(116,200,000)	(166,200,000)	(153,300,000)
7.01	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	283,017,327	235,873,271	244,819,776	-6.4%	394,663,338	327,549,877	223,349,877	107,149,877	(59,050,123)
7.02	**Cash Balance June 30**	**235,873,271**	**244,819,776**	**394,663,338**	**32.5%**	**327,549,877**	**223,349,877**	**107,149,877**	**(59,050,123)**	**(212,350,123)**
8.01	Estimated Encumbrances June 30	19,469,497	26,324,362	30,782,532	26.1%	25,500,000	25,500,000	25,500,000	25,500,000	25,500,000
	Reservation of Fund Balance									
9.01	Textbooks and Instructional Materials	-	-	-	0.0%	-	-	-	-	-
9.02	Capital Improvements	-	-	-	0.0%	-	-	-	-	-
9.03	Budget Reserve	-	-	-	0.0%	-	-	-	-	-
9.04	DPIA	-	-	-	0.0%	-	-	-	-	-
9.045	Fiscal Stabilization	-	-	-	0.0%	-	-	-	-	-
9.05	Debt Service	-	-	-	0.0%	-	-	-	-	-
9.06	Property Tax Advances	-	-	-	0.0%	-	-	-	-	-
9.07	Bus Purchases	-	-	-	0.0%	-	-	-	-	-
9.08	Subtotal	-	-	-	0.0%	-	-	-	-	-
10.01	**Fund Balance June 30 for Certification of Appropriations**	**216,403,774**	**218,495,414**	**363,880,806**	**33.8%**	**302,049,877**	**197,849,877**	**81,649,877**	**(84,550,123)**	**(237,850,123)**
	Revenue from Replacement/Renewal Levies									
11.01	Income Tax - Renewal				0.0%					
11.02	Property Tax - Renewal or Replacement				0.0%					
11.3	Cumulative Balance of Replacement/Renewal Levies				0.0%	-	-	-	-	-
12.01	**Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations**	**216,403,774**	**218,495,414**	**363,880,806**	**33.8%**	**302,049,877**	**197,849,877**	**81,649,877**	**(84,550,123)**	**(237,850,123)**
	Revenue from New Levies									
13.01	Income Tax - New				0.0%	-	-	-	-	-
13.02	Property Tax - New				0.0%	-	-	-	-	-
13.03	Cumulative Balance of New Levies				0.0%	-	-	-	-	-
14.01	Revenue from Future State Advancements				0.0%	-	-	-	-	-
15.01	Unreserved Fund Balance June 30	216,403,774	218,495,414	363,880,806	33.8%	302,049,877	197,849,877	81,649,877	(84,550,123)	(237,850,123)

See accompanying summary of significant forecast assumptions and accounting policies
Includes: General fund, Emergency Levy fund, and any portion of Debt Service fund related to General fund debt.