

# FINANCIAL UPDATE

GARY COMMUNITY SCHOOL CORPORATION

# Executive Summary

- Management: Under MGT's Management, Gary Community School Corporation is:
  - (1) Financially healthy, and
  - (2) On track to meet financial exit requirements for distressed status in June 2024.
- Debt: Since 2013, total debt and lease obligations have reduced by 40%.
- Previous Year Results: Revenue exceeded expenses in 2022.
- 5-Year Forecast: Using conservative forecasting, 2023-2027 revenues are anticipated to exceed expenses.
- Long Term Fiscal Health: In order to remain fiscally healthy in 2028 and beyond, GCSC will need to:
  - (1) Approve referendum renewal in 2028,
  - (2) Significantly increase basic grant or other revenue, and/or
  - (3) Significantly reduce capital and operational expenses.

# Education Fund

## Detail:

- ADM count projected to remain level through 2026, and increase 2% for future years
- Transfers-in from Debt Service & Referendum
- Transfers-out to Operations & 1065
- Common school loan payments to resume in 2026

## Revenue:

- *Basic Grant support per student: \$8,862.48*
- *ADM count: 3,698*
- Estimated 2023 State Grants: \$36M
- Transfers In (Debt Service & Referendum): \$7.3M
- Other Receipts: \$500,000
- Total Projected Revenue: \$43M

## Expenditure:

- Estimated CY2023 Salaries & Wages: \$29M
- Transfers Out (Operations & 1065): \$10.8M
- Miscellaneous Supplies, Services, and Other: \$1M
- Total Projected Expenditure: \$41M

# Operations Fund

## Detail:

- Property tax levied
  - Levy & Circuit Breaker assumed at 3% increase year-over-year past 2023.
- Custodial services and security implemented in 2023-2024 at \$2.6M.
- Transportation services - \$4.7M in 2024-2025, then 3% increase after.
- Transfer-in from Education at 15% of Basic Grant to assist with Operating deficits.
- Transfer-in from Referendum.

## Revenue:

- 2023 Levy: \$29,473,845
- 2023 Circuit Breaker: (\$26,438,040)
- Net Levy: \$3,035,805
  - Less: Collection Rate at 75%
  - = \$2,888,122
- Referendum Transfer: \$9.3M
- Education Transfer: \$5.4M
- Other Receipts: \$2.5M
- Total Projected Revenue: \$20M

## Expenditure:

- Estimated CY2023 Salaries & Wages: \$4.7M
- Supplies, Services, Insurance: \$9.2M
- Transportation: \$3.9M
- Judgements & Other: \$1.9M
- Total Projected Expenditure: \$19.9M

# Operating Referendum Fund

## Detail:

- Property tax levied
  - Levy & Circuit Breaker assumed at 3% increase year-over-year past 2023.
- Transfers-out to Education and Operations
  - Transfer to Operations varies with fund balance.
- Stable projection assumes voters renew referendum in 2028.

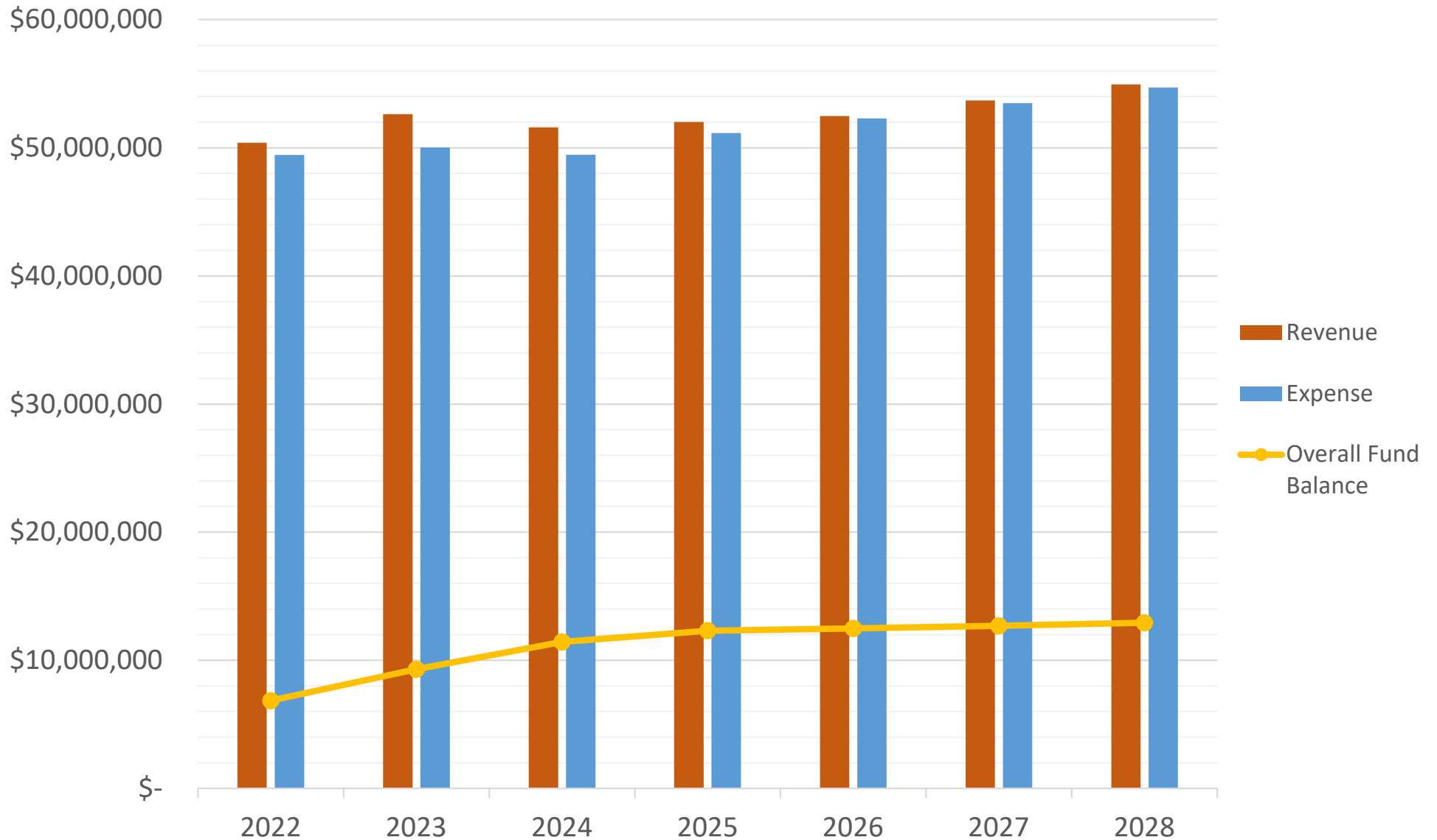
## Revenue:

- 2023 Levy: \$12,493,316
- 2023 Circuit Breaker: (\$5,209)
- Net Levy: \$12,488,107
  - Less: Collection Rate at 75%
  - = \$10,730,146
- Other Intergovernmental taxes: \$225,000
- Total Projected Revenue: \$11M

## Expenditure:

- Transfer to Education: \$1.2M
- Transfer to Operations: \$9.3M
- Total Projected Expenditure: \$10.5M

# Income & Expenses – Major Funds



# Annual Debt Service

- As of December 31, 2013, total direct debt & lease obligations was \$76M.
- Today, it is now only \$49M

## Gary Schools Debt Debt Schedules as of July 15, 2023

Debt - Gary Schools	Principal	Outstanding Debt
GO Judgment 2012	5,700,000	660,000
GO Judgment 2015	2,000,000	445,000
GO Refunding, 2019	4,640,000	3,115,000
Total		4,220,000
<b>Debt - Building Corp</b>		
First Mortgage Bonds, Series 2012B	7,730,000	7,195,000
First Mortgage Bonds, Series 2020	16,015,000	13,295,000
First Mortgage Bonds, Series 2020B	7,130,000	5,455,000
Total	43,215,000	25,945,000
<b>Common School Loans</b>		
A0508	1,999,000	666,344
A0513	11,000,000	3,300,000
A0521	10,725,000	3,217,500
A0525	1,800,001	810,006
A3001	3,653,352	608,892
A3002	2,897,208	482,868
A3003	1,533,180	127,765
A3005	2,703,220	1,486,771
A3006	3,167,380	1,742,059
A3007	3,642,580	2,185,548
A3008	3,513,120	2,107,872
A3009	3,077,820	2,000,583
Total	49,711,861	18,736,208
<b>TOTAL GARY SCHOOLS DEBT</b>		<b>48,901,208</b>