

Definition of Key Terms

Surplus/Deficit: Total Revenue minus Total Expenditures

Operational Cash Reserve: The percentage of annual expenditures that can be covered by the District's Reserves

- Example: 50% Operational Cash Reserve means that the district has enough in Reserves to cover 6 months of expenditures

$$\% = \frac{\text{Total Reserves in all Key Funds}}{\text{Total Annual Expenditures}}$$

Key Funds:

**Education
Fund**

**Operations
Fund**

**Rainy Day
Fund**

**Referendum
Fund**



Criteria 1&2: Financial Solvency

Criteria #1: The political subdivision has achieved and maintained financial solvency for a period of at least two (2) years, including the following:

- (A) Maintaining a structurally balanced budget for at least two (2) years.
- (B) Having no unpaid or past due critical contractual financial obligations or vendor payments.

How GCSC has met this criteria: GCSC has maintained financial solvency for the previous two years with net operating surpluses of \$3.0 million and \$2.2 million for the 2022-2023 and 2023-2024 school years.

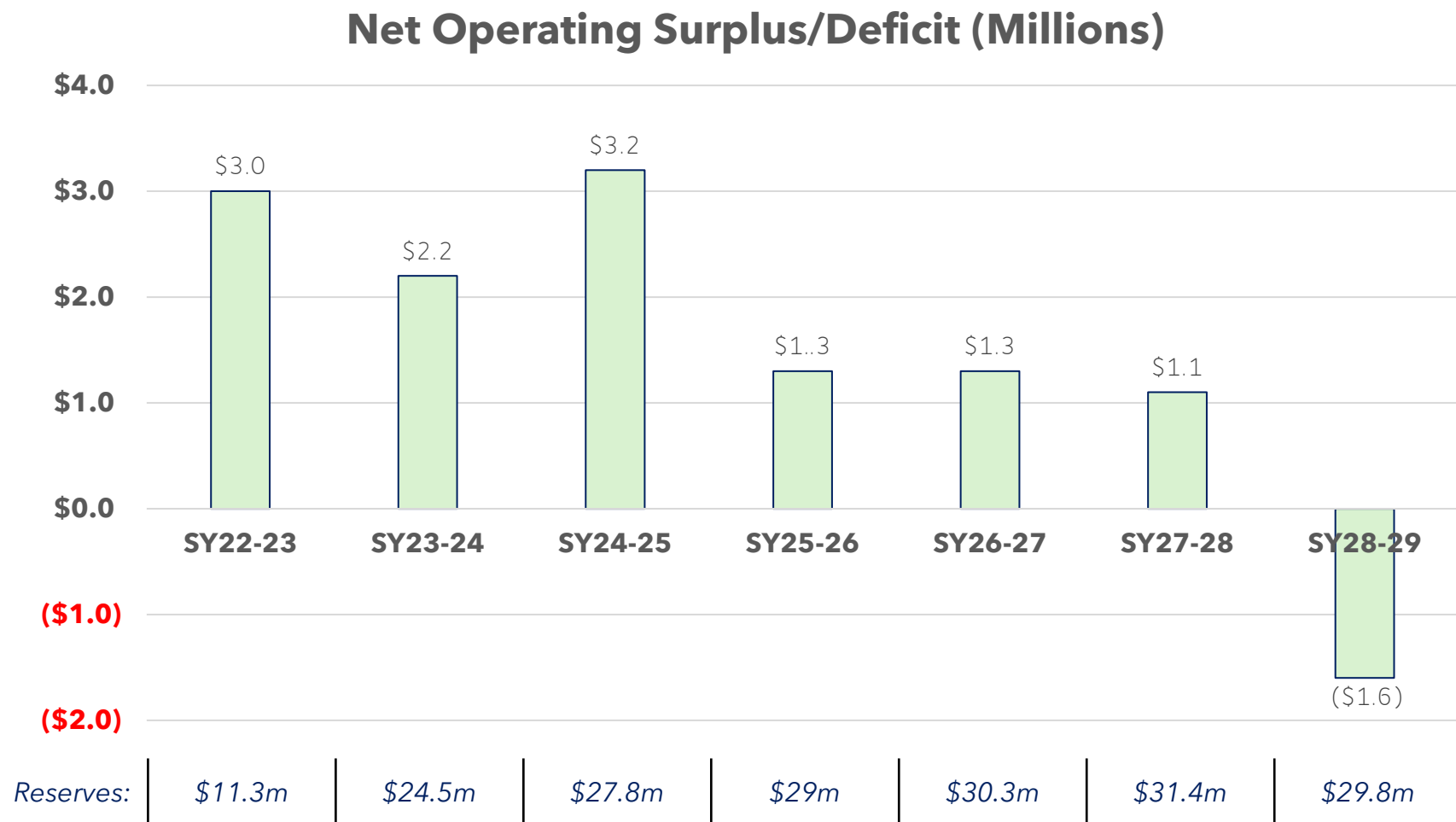
GCSC has no unpaid or past due critical contractual financial obligations or vendor payments.

Criteria #2: The political subdivision has a fiscal plan that maintains financial solvency for a period of at least five (5) years after the termination of its distressed status.

How GCSC has met this criteria: Financial projections show that GCSC will maintain financial solvency through SY28-29 *even with an assumption of flat enrollment (4,104) and no referendum renewal.*



Criteria 1&2: Financial Solvency



**SY22-23 financials are actuals and SY23-24 through SY28-29 are projected.*



Criteria #3: 15% Operational Cash Reserves

Criteria #3: Maintain operational cash reserves of 15% in SY 24-25

How GCSC has met this criteria: Heading into SY24-25, GCSC has maintained an operational cash reserve of 46.65%.

Year	Expenditures	Reserves	Operational Cash Reserves
SY22-23	\$48,485,925	\$11,328,562	23.36%
SY23-24	\$52,658,256	\$24,565,339	46.65%

Operational Cash Reserve % is determined by dividing Reserves by Annual Expenditures

