



FOUR-YEAR FINANCIAL FORECAST NOTES AND ASSUMPTIONS

For the Fiscal Years Ending June 30, 2026 through 2029

JTLSD Mission:

**To prepare students in our community to compete, succeed,
and excel in a complex, diverse, and changing future.**

General

The Ohio Constitution assigns the state the responsibility for a thorough and efficient system of public common schools as adopted in Article VI, section 2, which states, “The General Assembly shall make such provisions, by taxation, or otherwise, as, with the income arising from the school trust fund, will secure a thorough and efficient system of common schools throughout the state; but no religious or other sect, or sects, shall ever have any exclusive right to, or control of, any part of the schools funds of this state.”

Ohio Revised Code (ORC) section 5705.391 and Ohio Administrative Code (OAC) section 3301-92-04 require a Board of Education (BOE) to submit appropriations, revenue and fund balance assumptions for the current fiscal year and projections of expenditures, revenues and fund balance for the three succeeding fiscal years to the Ohio Department of Education and Workforce (ODEW) not later than the thirty-first day of August of each fiscal year and the last day of February each fiscal year. The FY2026 submission is due October 15, 2025. ODEW and the auditor of state examine all forecasts. A district notified under this section shall take immediate steps to eliminate any deficit in the current fiscal year and shall begin to plan to avoid the projected future deficits. In FY2026 and FY2027, ODEW uses Line 10.010 to identify potential deficits. In FY2028, Line 12.010 is used to identify potential deficits, thereby assuming voter approval of any renewal levies.

A financial forecast can be broadly defined as the expected financial position and the results of operations and cash flows based on expected conditions. The four-year financial forecast is a key management planning tool designed to aid decision making in establishing and maintaining a prudent level of financial resources to ensure stable tax rates as well as to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures. The Treasurer/CFO develops and submits the forecast. The Board of Education is recognized as the official owner and has ultimate responsibility for its development.

Three key objectives of the four-year financial forecast include the following:

- 1) To engage the local board of education and the community in long range planning.
- 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 ODEW and Auditor of State to identify school districts with potential financial problems. Districts projecting deficits at Line 10.010 may be placed into fiscal oversight.

This document details a line-by-line description of the assumptions made in developing the forecast.

Required funds to be included in the forecast are:

- General funds (001)
- Any special cost center associated with general fund money
- Any debt service (002) activity that would otherwise have gone to the general fund

The district's Nov2024 forecast submission required a BOE approved written plan workbook and narrative which eliminated the deficit on line 12.010 in year 3 (FY2027). The written plan workbook and narrative can be found at <https://www.jeffersontwp.k12.oh.us/treasurers-office>. The written plan workbook included changes in assumptions, revenue enhancements and expenditure reductions incorporated into the Feb2025 and May2025 forecast submissions as well as this submission. Revenue projections for the November 4, 2025 1.00% earned school district income tax three-year levy are shown on Line 13.010 Income Tax-New.

REVENUE, EXPENDITURES, CASH BALANCE JUNE 30 AND KEY CASH BALANCE INDICATORS

The executive summary chart below presents three years of actual and four years of forecasted revenue, expenditures, cash balance at June 30, days cash on hand and cash balance as a percentage of revenue.

Operating Revenue and Expenditures & Year End Fund Balance

Jefferson Township Local School District

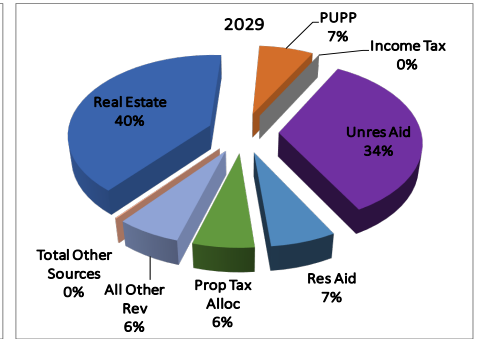
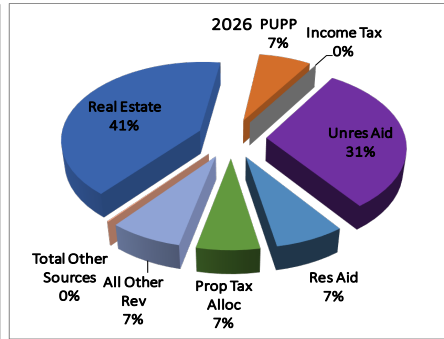
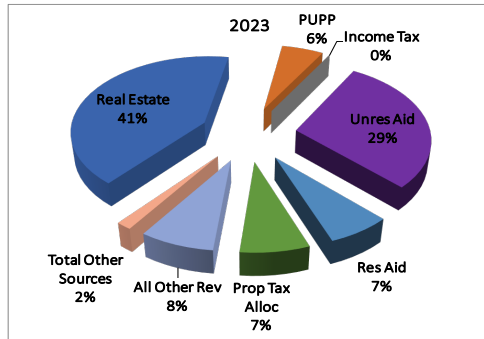


	ACTUAL			FORECASTED			
	2023	2024	2025	2026	2027	2028	2029
2.080 - Total Revenues & Other Finan	6,159,138	7,232,657	7,105,898	6,793,305	7,056,171	7,123,418	7,347,035
5.05 - Total Expenditures and Other Fi	7,573,260	8,285,042	7,996,934	8,182,824	7,889,837	8,034,002	8,290,227
6.010 - Excess Rev over(under) Exp	(1,414,122)	(1,052,385)	(891,036)	(1,389,519)	(833,666)	(910,584)	(943,192)
7.020 - Cash Balance June 30	5,217,697	4,165,312	3,274,276	1,884,757	1,051,091	140,507	(802,685)
Days Cash on Hand	251	184	149	84	49	6	(35)
Cash Balance as % of Revenue	#DIV/0!	67.63%	45.27%	26.52%	15.47%	1.99%	-11.27%

REVENUE

Operating Revenue Summary

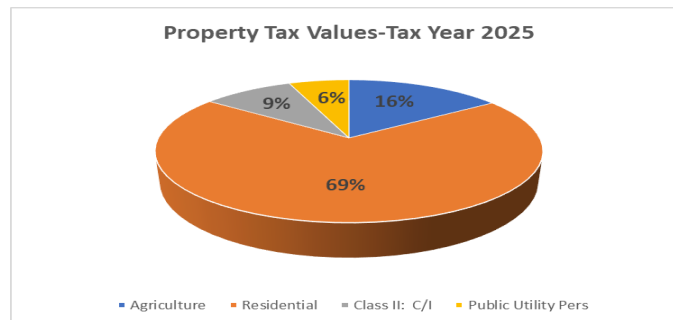
Jefferson Township Local School District



	ACTUAL		FORECASTED				6 Year Projected % Change
	2023	% of Revenue	2026	% of Revenue	2029	% of Revenue	
1.010 - General Property Tax (Real Estate)	2,559,160	41.55%	2,793,305	41.12%	2,928,799	39.86%	14.44%
1.020 - Public Utility Personal Property	348,704	5.66%	463,542	6.82%	510,879	6.95%	46.51%
1.030 - Income Tax	-	0.00%	-	0.00%	-	0.00%	0.00%
1.035 - Unrestricted Grants-in-Aid	1,799,548	29.22%	2,094,875	30.84%	2,498,429	34.01%	38.84%
1.040 & 1.045 - Restricted Grants-in-Aid	415,591	6.75%	485,204	7.14%	479,585	6.53%	15.40%
1.050 - State Reimbursement for Property Tax Credits	451,162	7.33%	440,648	6.49%	451,689	6.15%	0.12%
1.060 - All Other Operating Revenues	484,224	7.86%	505,076	7.43%	466,893	6.35%	-3.58%
1.070 - Total Revenue	6,058,389	98.36%	6,782,650	100%	7,336,274	100%	21.09%
2.070 - Total Other Financing Sources	100,749	1.64%	10,655	0.16%	10,761	0.15%	-89.32%
2.080 - Total Revenues & Other Financing Sources	6,159,138	100.00%	6,793,305	100%	7,347,035	100%	19.29%

Line 1.010 General Property Tax (Real Estate)

Residential/agricultural and commercial/industrial real estate property tax revenue estimates are based on taxable valuation, effective tax rates and collection rates.

**Taxable Valuation**

Total Valuations by Property Classification						YOY \$ Change	YOY % Change
Tax Year	Agriculture	Residential	Class II: C/I	Public Utility Pers	Total		
2017 Actual	\$16,263,660	\$65,411,030	\$9,811,410	\$5,890,440	\$97,376,540	\$719,050	0.74%
2018 Actual	\$16,317,780	\$65,268,860	\$10,612,880	\$4,898,640	\$97,098,160	(\$278,380)	-0.29%
2019 Actual	\$16,320,980	\$65,411,680	\$9,610,220	\$5,212,590	\$96,555,470	(\$542,690)	-0.56%
2020 Actual	\$14,625,920	\$72,854,810	\$10,486,400	\$5,310,020	\$103,277,150	\$6,721,680	6.51%
2021 Actual	\$14,469,030	\$72,673,740	\$10,472,330	\$5,689,900	\$103,305,000	\$27,850	0.03%
2022 Actual	\$14,242,360	\$73,004,810	\$11,055,780	\$6,068,660	\$104,371,610	\$1,066,610	1.02%
2023 Actual	\$20,161,670	\$89,004,180	\$11,029,150	\$6,798,290	\$126,993,290	\$22,621,680	17.81%
2024 Actual	\$20,001,570	\$89,292,060	\$11,625,750	\$7,713,020	\$128,632,400	\$1,639,110	1.27%
2025 Estimated	\$19,904,302	\$89,379,766	\$11,818,708	\$7,912,124	\$129,014,900	\$382,500	0.30%
2026 Estimated	\$20,516,132	\$97,182,112	\$13,045,228	\$8,292,231	\$139,035,703	\$10,020,803	7.21%
2027 Estimated	\$20,418,864	\$97,269,818	\$13,238,186	\$8,491,335	\$139,418,203	\$382,500	0.27%
2028 Estimated	\$20,321,596	\$97,357,524	\$13,431,144	\$8,690,439	\$139,800,703	\$382,500	0.27%
2029 Estimated	\$21,933,623	\$107,772,472	\$14,123,167	\$9,092,828	\$152,922,090	\$13,121,387	8.58%
Reappraisal years are in yellow						Update years are in grey	

Effective Tax Rates

Based on the tax value increases, voted tax rates are reduced proportionately to produce the same amount of revenue as originally approved by the voters. Conversely, if tax values should happen to decrease, voted tax rates are raised proportionately up to the maximum revenue amount approved by the voters. The 6.60 unvoted inside mills is not impacted by tax value changes. District general fund voted levies are below:

Original Year of Passage	Term	Year Levy Was Last Approved	2024 Full Voted/ Amount/Millage	2024 Class I Effective	2024 Class II Effective
1976	Continuing	1976	25.80	6.366924	13.773768
1981	Continuing	1981	7.00	2.193401	3.787588
1990	Continuing	2014	9.50	3.653652	6.238203
1992	Continuing	2011	5.50	2.330102	4.069818
2008	Continuing	2008	5.00	3.506735	4.278710

Collection Rates

- Class I property consists of agricultural and residential property.
- Class II property consists of public utility real, industrial and commercial property.
 - ❖ The 3-Year historical average gross collection rate used for projections is 103.9%

Line 1.020 Personal Property Taxes

Public utility personal property (PUPP) taxes are assessed on electric power and natural gas providers. The assessed value is taxed at the full rate of 59.40 mills. Public utilities report personal values annually which may cause substantial fluctuations from year to year.

- Public utility personal property is subject to taxation on their tangible personal property include electric, rural electric, natural gas, pipeline, water works, water transportation, heating, and telegraph companies.
 - ❖ The 3-Year historical average gross collection rate used for projections is 101.15%

Line 1.035 Unrestricted Grants-in-Aid

The funding of K-12 public elementary and secondary schools in Ohio is a joint effort between the state and local school districts. State foundation funding distributions to school districts are determined by the biennial budget bill. The state budget is adopted in odd numbered fiscal years and implemented beginning in even numbered fiscal years. Payments are received twice per month.

The 136th General Assembly adopted the FY 2026-2027 biennium budget as Amended Substitute House Bill 96 (HB 96). The school funding formula model, often called the Fair School Funding Plan (FSFP), first instituted in FY2022, includes the following key elements:

- Uses an Enrolled ADM concept which funds students where they are educated rather than where they live. This change generally eliminates the deduction and transfer of dollars from resident districts to other districts for students who attend community/STEM schools, open enrollment and scholarship programs.
- The formula establishes a base cost methodology using actual costs, student/teacher ratios and minimum staffing. Each school and district in the state will therefore have a unique base cost per-pupil.
- The state share uses both income and assessed property values in the new state and local cost methodology.
- Supplemental money, based on student need and demographics, are restricted to support students with disabilities, economically disadvantaged students, English learners, gifted and career-technical education.
- Base Funding Supplement, Enrollment Growth Supplement and the Performance Supplement are new.

The Summary School Finance Payment Report (SFPR) is comprised of the following lines:

State Support

- A. Base Cost – which includes five sub-components:
 - a. Teacher
 - b. Student Support
 - c. District Leadership and Accountability
 - d. Building Leadership and Operation
 - e. Athletic Co-curricular Activities
- B. Targeted Assistance
- C. Special Education
- D. Disadvantaged Pupil Impact Aid (DPIA) – included in Line 1.040 Restricted State Grants-In-Aid
- E. English Learners – included in Line 1.040 Restricted State Grants-In-Aid
- F. Gifted – included in Line 1.040 Restricted State Grants-In-Aid
- G. Career Technical Education – included in Line 1.040 Restricted State Grants-In-Aid
- H. Core Foundation Funding (A+B+C+D+E+F+G)
- I. Temporary Transitional Aid Guarantee
- J. Transportation
- K. Formula Transition Supplement
- L. Base Funding Supplement (New)
- M. Enrollment Supplement (New)
- N. Total Formula Funding (H+I+J+K+L+M)

Additional Aid Items

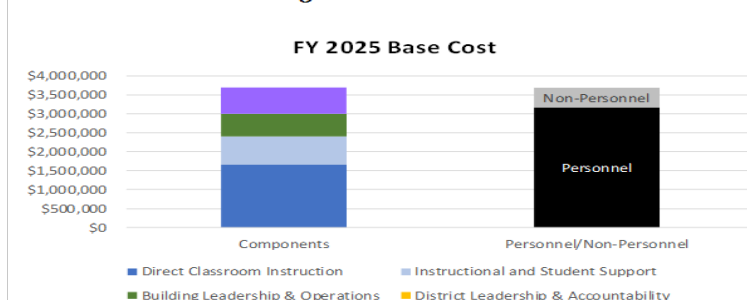
- O. Performance Supplement (New)
- P. Preschool Special Education
- Q. Special Education Transportation
- R. Total State Support (N+O+P+Q)

Transfers

- S. Educational Service Center
- T. Other Adjustments
- U. Total Transfers (S+T)
- V. **Net State Funding (R+U)**

- Base Cost calculations utilize FY2022 statewide average staff salaries and per pupil expenditures.
- Funding elements for lines 'A' through 'G' are phased-in at **83.33%**.
- Funding elements and guarantees for lines 'I' through 'M' are not subject to a phase-in.
- Supplement additional aid items for lines 'O' through 'Q' are outside any phase-in or guarantee.
- State Share Percentage is 40.24%
- The Formula Transition Supplement ensures that districts do not receive less in FY2026 than what they received in FY2021. The FY2021 Funding Base is \$1,807,139.75.

Ohio's Fair School Funding Plan Base Cost State Share Overview - FY 2026



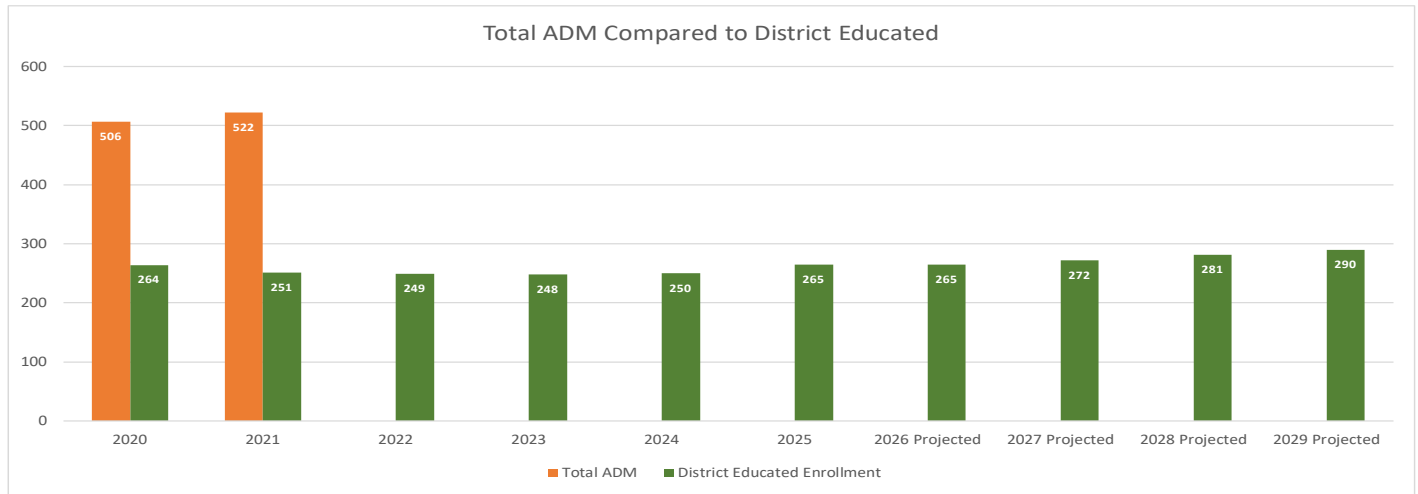
Beginning in FY 2022 Ohio adopted the Fair School Funding Plan (FSFP). Funding is driven by a base cost methodology that incorporates the four components identified as necessary to the education process. The Base Cost is currently calculated for two years using a statewide average from historical actual data.

For Jefferson Township Local School District the calculated Base Cost total is \$3,691,922 in FY 2026.

There are four Base Cost component areas: Direct Classroom Instruction \$1,653,004, Instructional and Student Support \$756,468, Building Leadership and Operations \$591,126, Leadership and Accountability \$691,323. Of the total base cost about 86% is estimated for personnel related cost. Note: Calculations are based upon Financial Planning Software - Assumption Assist.

Historical and projected Total ADM and District Educated Enrollment:

Total ADM Compared to District Educated	2020	2021	2022	2023	2024	2025	2026 Projected	2027 Projected	2028 Projected	2029 Projected
Total ADM	506	522								
District Educated Enrollment	264	251	249	248	250	265	265	272	281	290



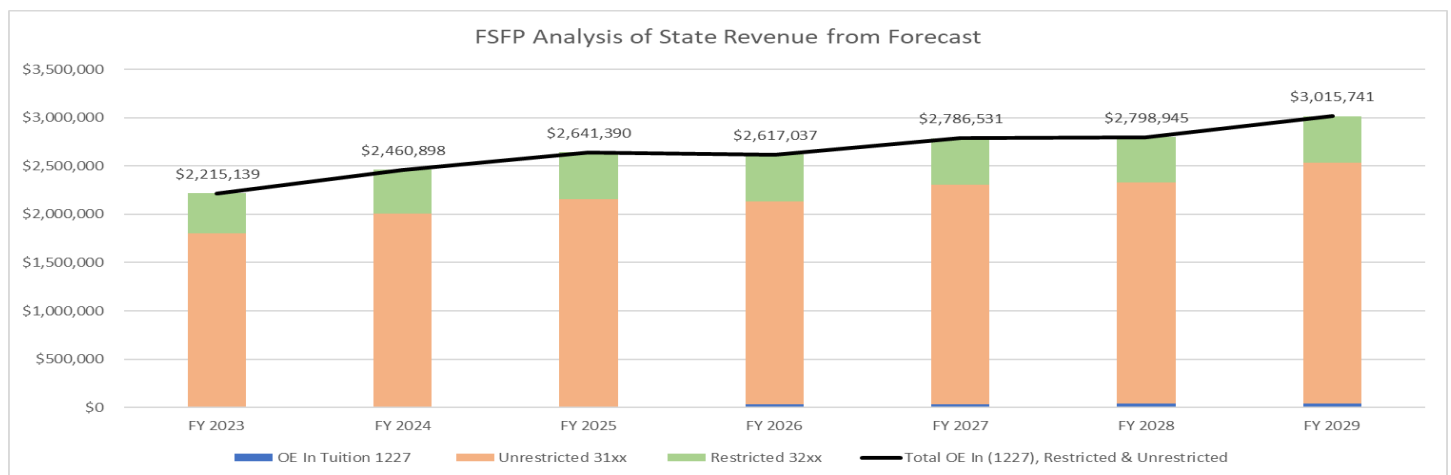
Casino revenue is also included and projected based upon enrollment and per pupil amounts as follows:

❖ 2026=\$68.73; 2027=\$69.43; 2028=\$70.11; 2029=\$70.82

Line 1.040 Restricted State Grants-in-Aid

The new funding formula includes restricted funding elements as indicated below.

- ❖ D. Disadvantaged Pupil Impact Aid (DPIA) - formerly known as Economically Disadvantaged
- ❖ E. English Learners
- ❖ F. Gifted
- ❖ G. Career Technical Education
- ❖ Disclosure. Student Wellness and Success – included in Line 1.035 Unrestricted (Base Cost)



Line 1.050 State Reimbursement for Property Tax Credits

This line includes state reimbursement for public utility deregulation (PUD), electric deregulation (KwH), homestead and rollback, and the “ten-thousand-dollar exemption” where businesses are exempt from paying the first \$10,000 of property tax. The reimbursement from the state is made twice a year in November and May.

Line 1.060 All Other Revenues

This line item serves as a category for sources not included above such as investment income, payments in lieu of taxes, facility rentals, fees, tuition and donations. Estimates are based upon historical trends.

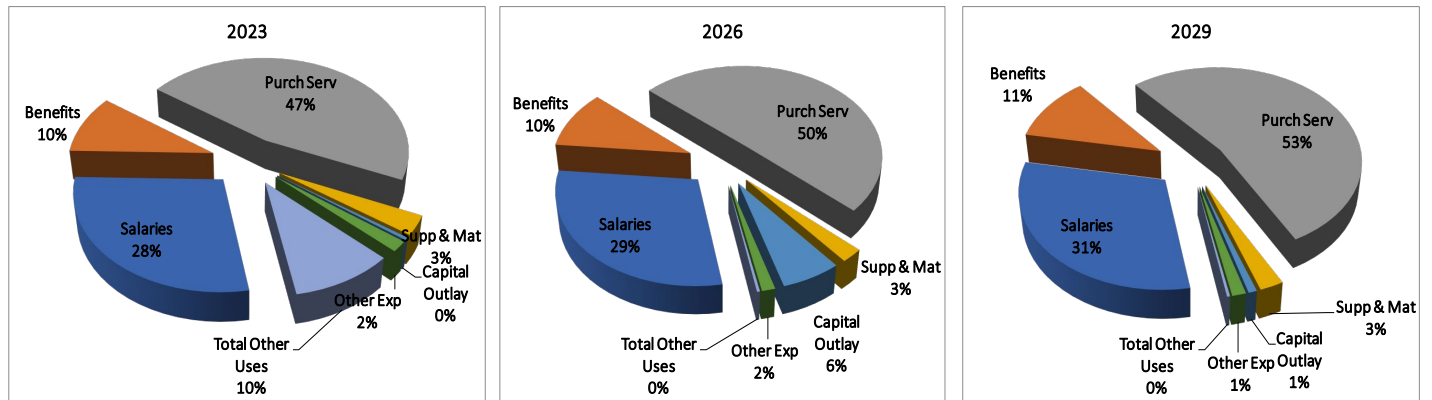
Lines 2.010 through 2.060 Other Financing Sources

Included in this category are operating transfers-in and advances-in. Advances-in include returns of money advanced by the General Fund to other funds to cover a short-term end of year deficit fund balance.

EXPENDITURES

Operating Expenditure Summary

Jefferson Township Local School District



	ACTUAL		FORECASTED				6 Year Projected % Change
	2023	% of Budget	2026	% of Budget	2029	% of Budget	
3.010 - Personnel Services	2,133,578	28.17%	2,398,277	29.31%	2,546,358	30.72%	19.35%
3.020 - Employees' Retirement/Insurance Benefits	738,011	9.74%	831,022	10.16%	917,998	11.07%	24.39%
3.030 - Purchased Services	3,529,217	46.60%	4,116,618	50.31%	4,417,283	53.28%	25.16%
3.040 - Supplies and Materials	245,059	3.24%	190,874	2.33%	199,156	2.40%	-18.73%
3.050 - Capital Outlay	32,311	0.43%	508,621	6.22%	69,707	0.84%	115.74%
3.060-4.300 - Other Expenditures	130,701	1.73%	112,412	1.37%	114,725	1.38%	-12.22%
4.500 - Total Expenditures	6,808,877	89.91%	8,157,824	99.69%	8,265,227	99.70%	21.39%
5.04 - Total Other Financing Uses	764,383	10.09%	25,000	0.31%	25,000	0.30%	-96.73%
5.05 - Total Expenditures and Other Financing Uses	7,573,260	100.00%	8,182,824	100.00%	8,290,227	100.00%	9.47%

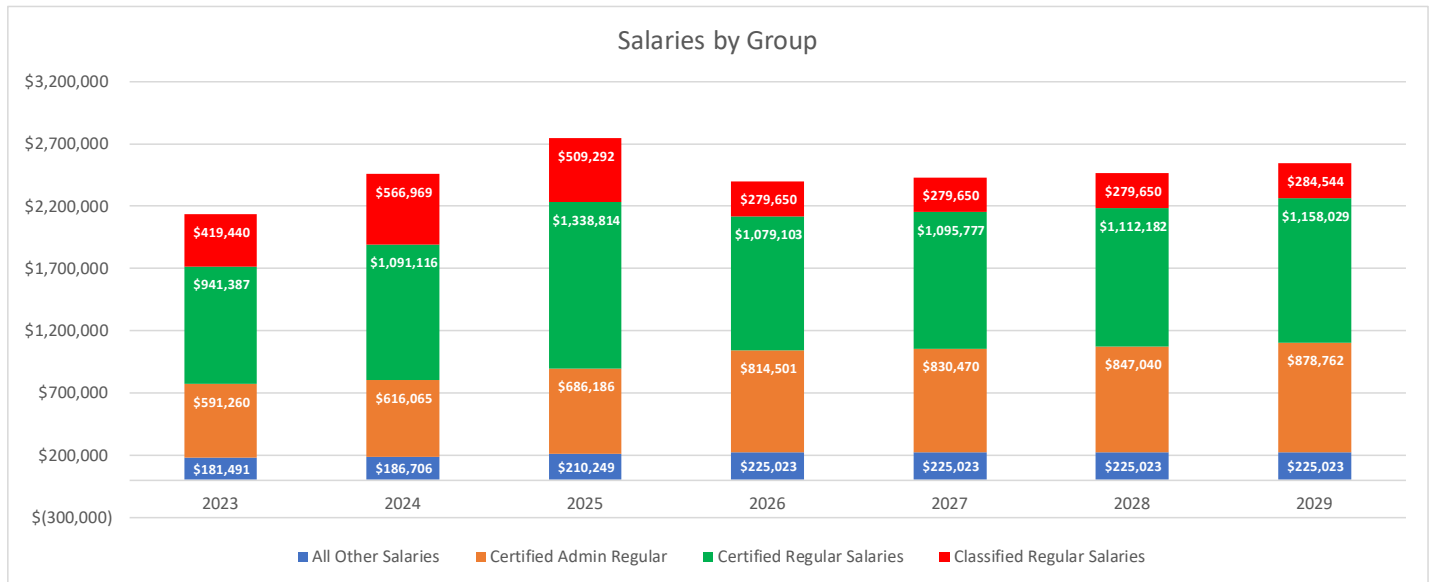
Line 3.010 Personal Services

The expenditures in this category are for salaries and wages for services rendered for all union and non-union employees. In addition to cost-of-living adjustment (COLA) wage increases, a majority of employees who are paid on a salary schedule receive vertical step increases based on years of experience. Additionally, certified staff can move horizontally between ranges on the salary schedule by furthering their education (i.e. Bachelor's Degree to Master's Degree, etc.). Professional staff members are represented by the Jefferson Township Education Association (JTEA). The current contract expires June 30, 2028. Classified staff are no longer represented by Ohio Association of Public School Employees (OAPSE) 674. This contract expired June 30, 2021. In November 2022, OAPSE disclaimed interest in the bargaining unit and requested the State Employment Relations Board (SERB) to revoke its certification as the exclusive bargaining representative.

Key personal services factors used in the model are highlighted below:

- Costs for horizontal range increases are between 1.25% and 2.25%.
- **The current year and projected assumption for COLA increases has been revised from 1% to 0%.**
- **FY2026 Certified Staff Reduction in Force (RIF) of 4 FTE.**
- **FY2026 Classified Staff Reduction in Force (RIF) of 2 FTE.**
- Effective July 1, 2025, the payroll schedule changed from 26 biweekly to 24 semimonthly installments

Salary Group	2023	2024	2025	2026	2027	2028	2029
All Other Salaries	\$ 181,491	\$ 186,706	\$ 210,249	\$ 225,023	\$ 225,023	\$ 225,023	\$ 225,023
Certified Admin Regular	\$ 591,260	\$ 616,065	\$ 686,186	\$ 814,501	\$ 830,470	\$ 847,040	\$ 878,762
Certified Regular Salaries	\$ 941,387	\$ 1,091,116	\$ 1,338,814	\$ 1,079,103	\$ 1,095,777	\$ 1,112,182	\$ 1,158,029
Classified Regular Salaries	\$ 419,440	\$ 566,969	\$ 509,292	\$ 279,650	\$ 279,650	\$ 279,650	\$ 284,544
Total	\$ 2,133,578	\$ 2,460,856	\$ 2,744,541	\$ 2,398,277	\$ 2,430,920	\$ 2,463,895	\$ 2,546,358



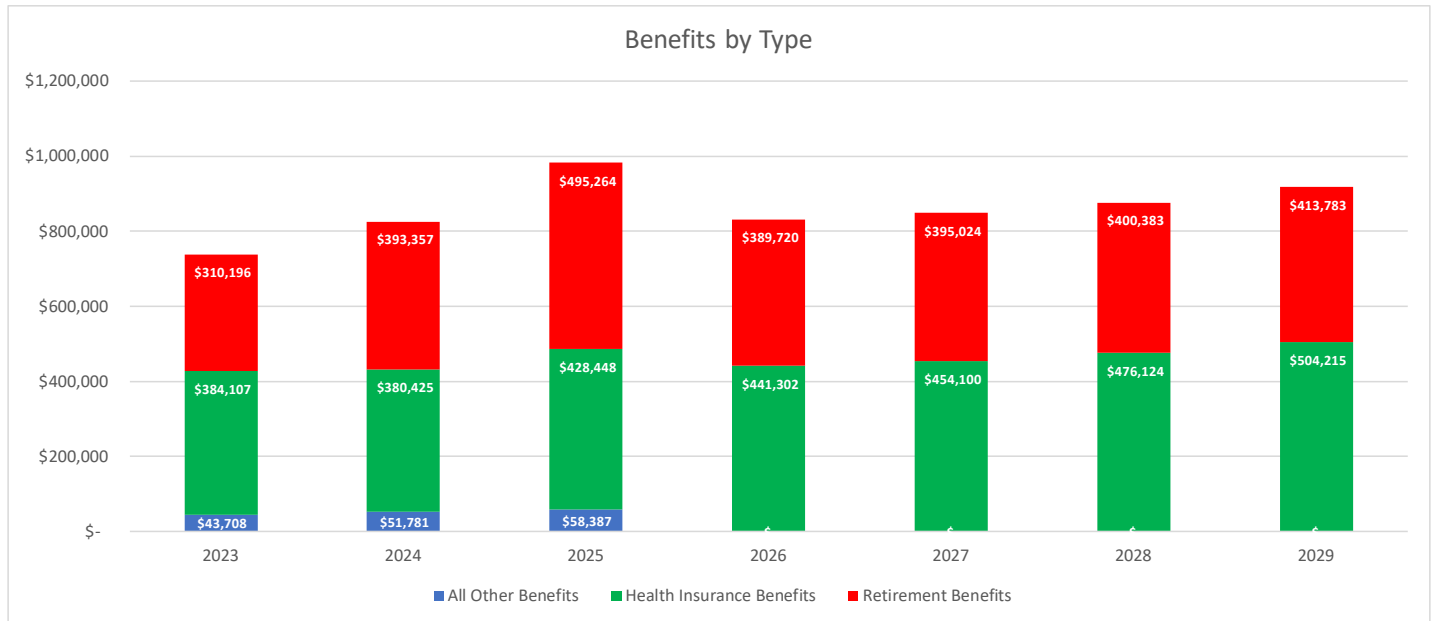
Line 3.020 Employees' Retirement and Insurance Benefits

Employee benefits include the following:

- **The RIF results in savings in both personal services and benefits as some benefits calculated as a percentage of personal services.**
- Health and dental coverage are through the Southwestern Ohio Educational Purchasing Council (EPC).
 - ❖ The FY2026 health increase is 2%. The FY2027 projection is 3.8%. The FY2028-2029 is 5.9%.
 - ❖ The FY2026 dental increase is 0% and future increases are projected at 0%.
- The district contributes 80% of the health and dental premium for full-time staff.
- The district contributes 62% or 40% of the health and dental premium for part time staff.
- Workers Compensation continues in a Group Retrospective Rating Program.

Jefferson Township Local School District, Montgomery County, Ohio

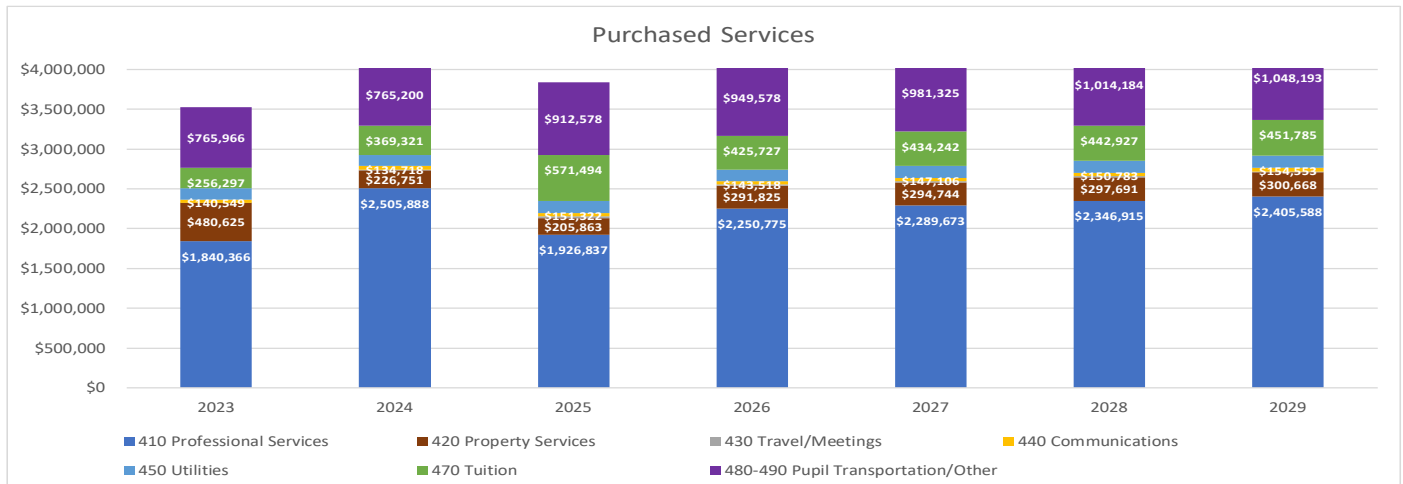
Benefits by Type	2023	2024	2025	2026	2027	2028	2029
All Other Benefits	\$ 43,708	\$ 51,781	\$ 58,387	\$ -	\$ -	\$ -	\$ -
Health Insurance Benefits	\$ 384,107	\$ 380,425	\$ 428,448	\$ 441,302	\$ 454,100	\$ 476,124	\$ 504,215
Retirement Benefits	\$ 310,196	\$ 393,357	\$ 495,264	\$ 389,720	\$ 395,024	\$ 400,383	\$ 413,783
Totals	\$ 738,011	\$ 825,563	\$ 982,099	\$ 831,022	\$ 849,124	\$ 876,507	\$ 917,998



Line 3.030 Purchased Services

This line includes costs for transportation, instructional support services, special education services, contracted services, utilities, legal services, data processing, tuition and professional meeting expenses and lease payments.

Purchased Services	2023	2024	2025	2026	2027	2028	2029
410 Professional Services	\$1,840,366	\$2,505,888	\$1,926,837	\$2,250,775	\$2,289,673	\$2,346,915	\$2,405,588
420 Property Services	\$480,625	\$226,751	\$205,863	\$291,825	\$294,744	\$297,691	\$300,668
430 Travel/Meetings	\$6,690	\$9,082	\$24,737	\$12,250	\$12,250	\$12,250	\$12,250
440 Communications	\$38,724	\$49,297	\$42,182	\$42,945	\$43,374	\$43,808	\$44,246
450 Utilities	\$140,549	\$134,718	\$151,322	\$143,518	\$147,106	\$150,783	\$154,553
470 Tuition	\$256,297	\$369,321	\$571,494	\$425,727	\$434,242	\$442,927	\$451,785
480-490 Pupil Transportation/Other	\$765,966	\$765,200	\$912,578	\$949,578	\$981,325	\$1,014,184	\$1,048,193
Total	\$ 3,529,217	\$ 4,060,257	\$ 3,835,013	\$ 4,116,618	\$ 4,202,714	\$ 4,308,558	\$ 4,417,283



Line 3.040 Supplies and Materials

This line includes general supplies, instructional textbooks, bus fuel, tires and maintenance supplies.

Line 3.050 Capital Outlay

The capital outlay category consists of any item having a life expectancy of five years or more, such as land, buildings, ground improvements, computers/technology, buses, vehicles, furnishings and equipment.

➤ Waste Water Treatment Plant Replacement:

As required by the Ohio Environmental Protection Agency (EPA) the wastewater treatment plant was replaced this summer due to noncompliance.

Line 4.300 Other Objects

Expenditures in this category include property tax collection fees, memberships and audit fees.

Lines 5.010 through 5.030 Other Financing Uses

This category includes other financing uses. Operating transfers are amounts transferred to other funds. Advances are a loan from the general fund to another fund to cover a temporary deficit balance. Refunds of prior year receipts are payments received in one fiscal year and returned to original payer in another fiscal year.

Line 13.010 Income Tax-New

The May 6, 2025 1.50% earned school district income tax levy was unsuccessful with 196 (31%) for the tax and 435 (69%) against the tax. At its July 14, 2025 meeting the board of education passed a resolution to proceed with the proposition of levying a 1.00% earned school district income tax for three years at the November 4, 2025 general election. Revenue projections are shown here until voter approved. Upon voter approval the revenue projections will be included in Line 1.030 Income Tax.

Conclusion

State law requires schools to operate with positive cash balances. Additional revenue and/or expenditure reductions will need to be considered prior to years where line 7.020 Cash Balance June 30 is negative. Changes in circumstances and the availability of additional information make this forecast subject to revision. Given the uncertainty of economic factors forecasted years beyond fiscal year 2026 may deviate significantly.