



## **FIVE-YEAR FINANCIAL FORECAST NOTES AND ASSUMPTIONS**

**For the Fiscal Years Ending June 30, 2025 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 a five-year forecast of operational revenues and expenditures, along with note assumptions for each reported line item, to the Ohio Department of Education and Workforce (ODEW) no later than November thirtieth of each fiscal year. An update is required to be submitted by May thirty-first of each fiscal year. 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.

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 five-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.

Three key objectives of the five-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.

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

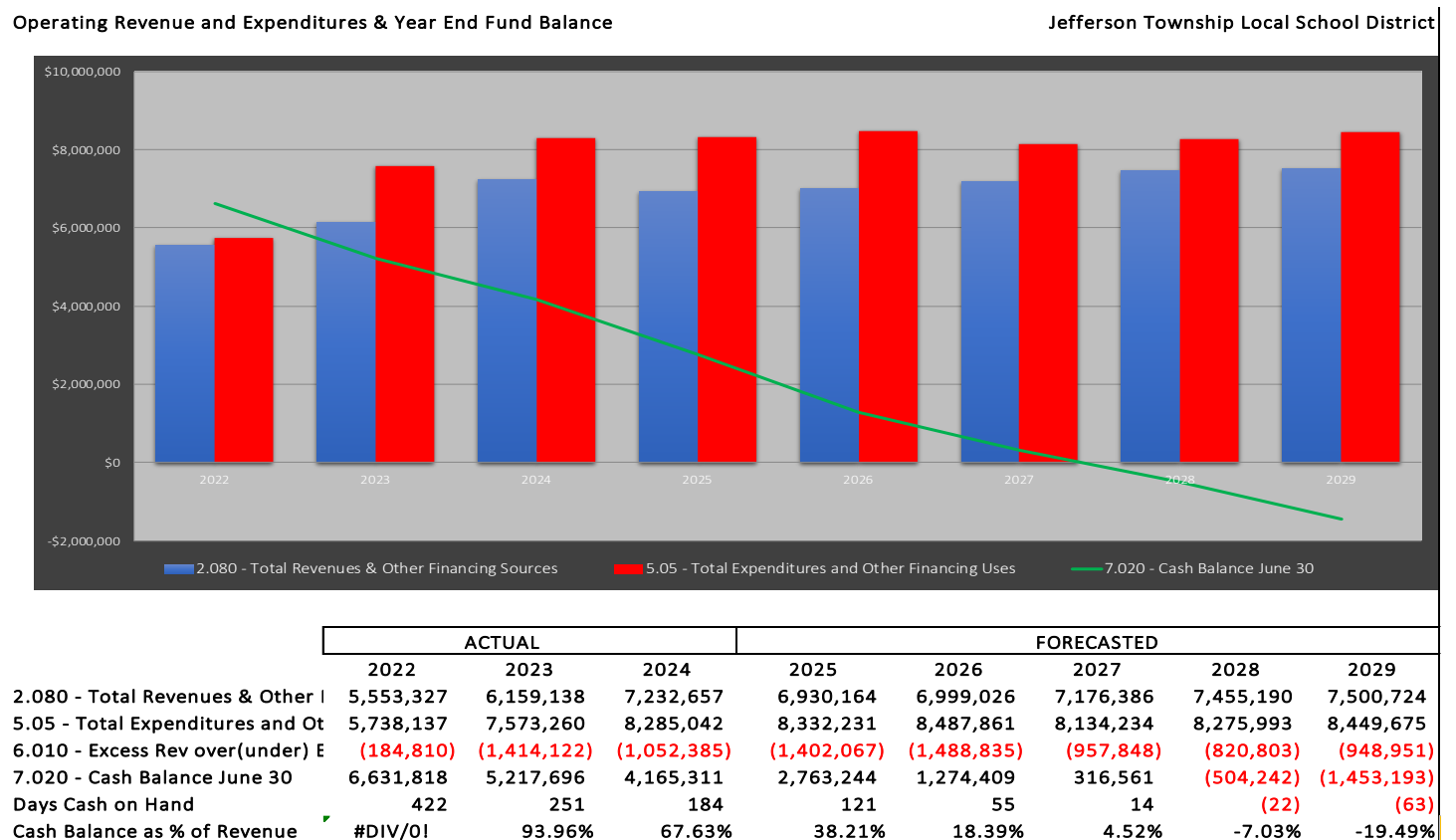
On December 12, 2024, in accordance with Ohio Revised Code 5705.391, the ODEW notified the district and the Auditor of State that a potential for deficit exists. The ODEW considers the district to be in a “precautionary” financial state, and OAC 3301-92-04 requires the district to submit a BOE approved written plan, by February 28, 2025, to eliminate any current year deficit and avoid any “flagged” future deficits.

At its January 22, 2025 special meeting the board of education passed a resolution to proceed with the proposition of levying a 1.50% earned school district income tax for additional revenue at the May 6, 2025 primary election. Revenue projections for the yet to be approved levy is shown on Line 13.01.

At its February 24, 2025 regular meeting the board of education approved the written plan workbook and narrative which eliminated the deficit on line 12.010 in year 3 (FY2027) of the forecast as required by the OAC. The board of education also approved this revised forecast and notes which reflect the changes in assumptions, revenue enhancements and expenditure reductions included in the written plan workbook. The written plan workbook and narrative can be found at <https://www.jeffersonwp.k12.oh.us/treasurers-office>.

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

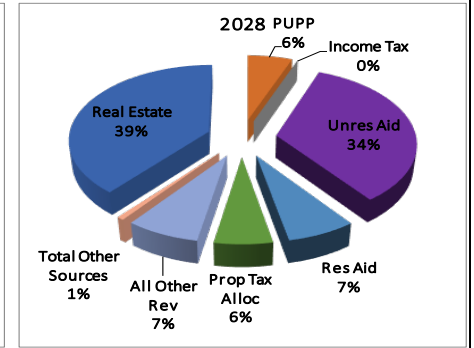
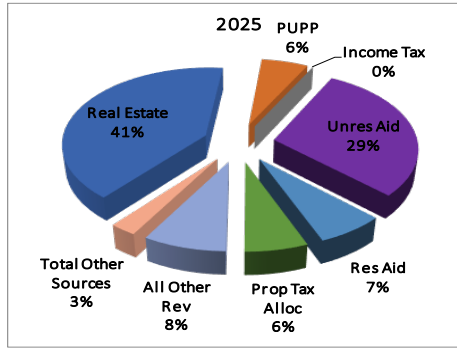
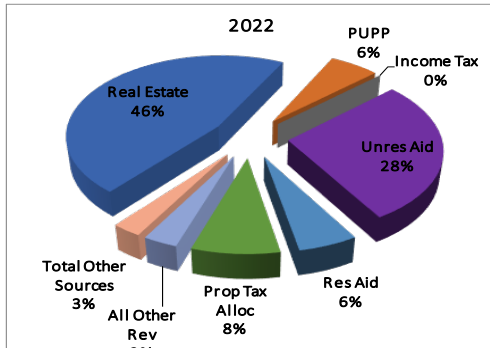
The executive summary chart below presents three years of actual and five years of forecasted revenue, expenditures, cash balance at June 30, days cash on hand and cash balance as a percentage of revenue.



**REVENUE**

Operating Revenue Summary

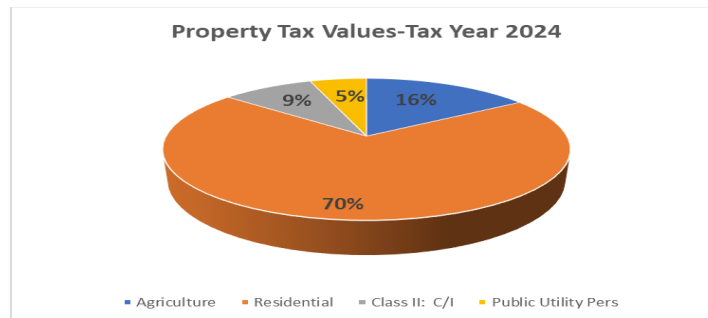
Jefferson Township Local School District



	ACTUAL		FORECASTED				6 Year Projected % Change
	2022	% of Revenue	2025	% of Revenue	2028	% of Revenue	
1.010 - General Property Tax (Real Estate)	2,570,070	46.28%	2,816,149	40.64%	2,903,102	38.94%	12.96%
1.020 - Public Utility Personal Property	326,698	5.88%	406,509	5.87%	429,976	5.77%	31.61%
1.030 - Income Tax	-	0.00%	-	0.00%	-	0.00%	0.00%
1.035 - Unrestricted Grants-in-Aid	1,561,432	28.12%	2,039,488	29.43%	2,530,067	33.94%	62.04%
1.040 & 1.045 - Restricted Grants-in-Aid	308,397	5.55%	473,088	6.83%	528,199	7.08%	71.27%
1.050 - State Share of Local Property Taxes	456,065	8.21%	436,186	6.29%	447,905	6.01%	-1.79%
1.060 - All Other Operating Revenues	177,747	3.20%	574,472	8.29%	562,408	7.54%	216.41%
1.070 - Total Revenue	5,400,409	97.25%	6,745,892	97%	7,401,657	99%	37.06%
2.070 - Total Other Financing Sources	152,918	2.75%	184,272	2.66%	53,533	0.72%	-64.99%
2.080 - Total Revenues & Other Financing Sour	5,553,327	100.00%	6,930,164	100%	7,455,190	100%	34.25%

**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 \$	YOY %
Tax Year	Agriculture	Residential	Class II: C/I	Public Utility Pers	Total	Change	Change	
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 Estimated	\$20,080,109	\$89,041,842	\$11,121,198	\$6,818,488	\$127,061,637	\$68,347	0.05%	
2025 Estimated	\$19,998,548	\$89,079,504	\$11,213,246	\$6,838,686	\$127,129,984	\$68,347	0.05%	
2026 Estimated	\$20,610,378	\$96,881,850	\$12,439,766	\$7,218,793	\$137,150,787	\$10,020,803	7.31%	
2027 Estimated	\$20,528,817	\$96,919,512	\$12,531,814	\$7,238,991	\$137,219,134	\$68,347	0.05%	
2028 Estimated	\$20,528,817	\$96,919,512	\$12,531,814	\$7,238,991	\$137,219,134	\$0	0.00%	
2029 Estimated	\$20,528,817	\$96,919,512	\$12,531,814	\$7,238,991	\$137,219,134	\$0	0.00%	

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	2023 Full Voted/ Amount/Millage	2023 Class I Effective	2023 Class II Effective
1976	Continuing	1976	25.80	6.372109	14.481617
1981	Continuing	1981	7.00	2.195186	3.982237
1990	Continuing	2014	9.50	3.656635	6.558800
1992	Continuing	2011	5.50	2.332000	4.278972
2008	Continuing	2008	5.00	3.509595	4.498595

**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%
- ✓ The actual 3-year average annual change was 1.5%.
- ✓ The projected 5-year average annual change is 2.0%.

**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 voted 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%
- ✓ The actual 3-year average annual change was 4.7%.
- ✓ The projected 5-year average annual change is 3.9%.

**Line 1.035 Unrestricted Grants-in-Aid**

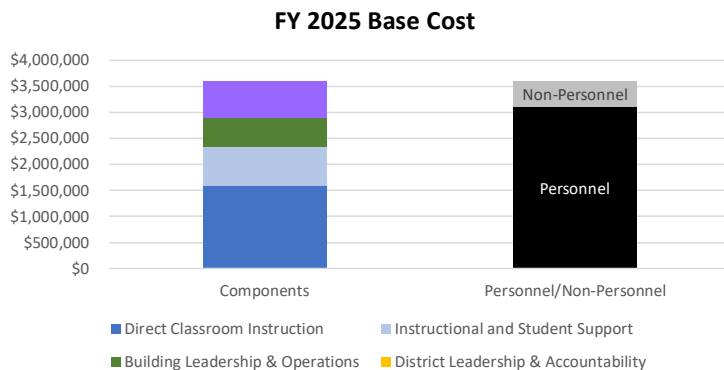
The funding of K-12 public elementary and secondary schools in Ohio is a joint effort between the state and local school districts. State foundation funding distributions to school districts are determined by the biennial budget bill. The state budget is adopted in odd numbered years and implemented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

The 135th General Assembly adopted the FY 2024-2025 biennium budget as Amended Substitute House Bill 33 (HB 33). The new school funding formula model, often called the Fair School Funding Plan (FSFP), 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.

**Ohio's Fair School Funding Plan Base Cost State Share Overview - FY 2025**



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 \$3,594,126 in FY 2025.

There are four Base Cost component areas: Direct Classroom Instruction \$1,589,180, Instructional and Student Support \$746,602, Building Leadership and Operations \$567,483, Leadership and Accountability \$690,861. Of the total base cost about 86% is estimated for personnel related cost. Note: Calculations are based upon Financial Planning Software - Assumption Assist.

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 – Sum of lines A through G.
- I. Temporary Transitional Aid Guarantee
- J. Supplemental Targeted Assistance
- K. Transportation
- L. Formula Transition Supplement
- M. Total Formula Funding – Sum of lines H, I, J, K and L.

**Additional Aid Items**

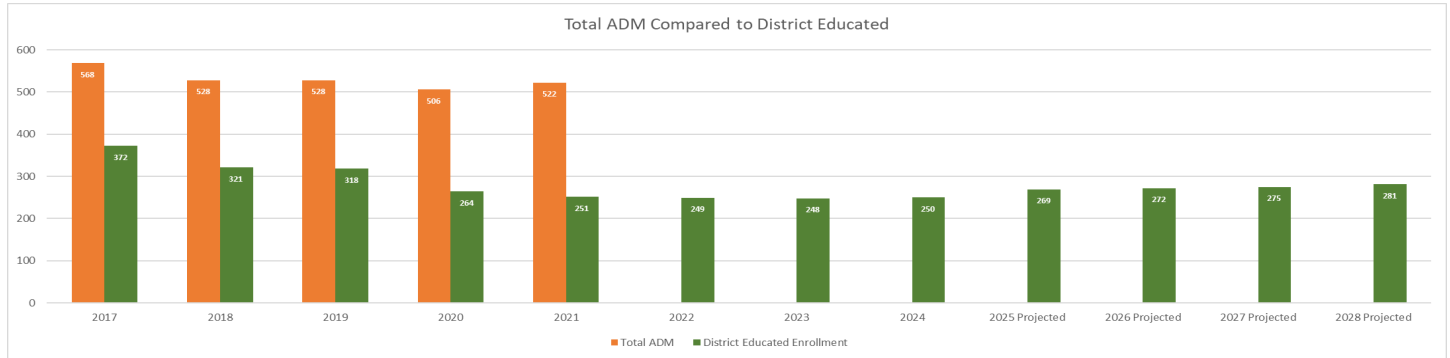
- N. Preschool Special Education
- O. Special Education Transportation
- P. Total State Support – Sum of lines M, N and O.

**Transfers**

- Q. Educational Service Center
- R. Other Adjustments
- S. Total Transfers – Sum of lines Q and R.
- T. **Net State Funding – Sum of lines P and S.**

- Base Cost calculations for FY 2024 and FY 2025 utilize FY 2022 statewide average staff salaries and per pupil expenditures.
- Funding elements for lines ‘A’ through ‘G’ are phased-in at 66.67%.
- Funding elements and guarantees for lines ‘I’ through ‘L’ are not subject to a phase-in.
- Supplement additional aid items for lines ‘N’ through ‘O’ are outside any phase-in or guarantee.
- State Share Percentage is 42.26%
- The Formula Transition Supplement ensures that districts do not receive less in FY 2025 than what they received in FY 2021. The FY21 Funding Base is \$1,807,139.75.

Historical and projected Total ADM and District Educated Enrollment follows:



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

- ❖ 2025=\$71.59; 2026=\$72.30; 2027=\$73.03; 2028=\$73.76; 2029=\$74.49

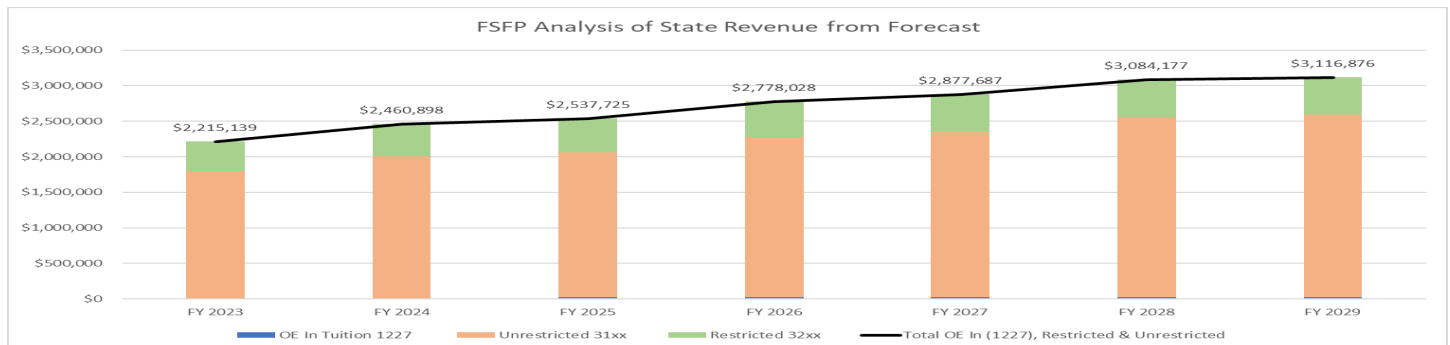
- ✓ The actual 3-year average annual change was 13.4%.
- ✓ The projected 5-year average annual change is 5.1%.

**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)

- ✓ The actual 3-year average annual change was 22.1%.
- ✓ The projected 5-year average annual change is 2.8%.



**Line 1.050 State Share of Local Property Taxes**

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.

- ✓ The actual 3-year average annual change was -1.6%.
- ✓ The projected 5-year average annual change is 0.3%.

**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.

- ✓ The actual 3-year average annual change was 95.2%.
- ✓ The projected 5-year average annual change is -3.6%.

**Lines 2.010 through 2.060 Other Financing Sources**

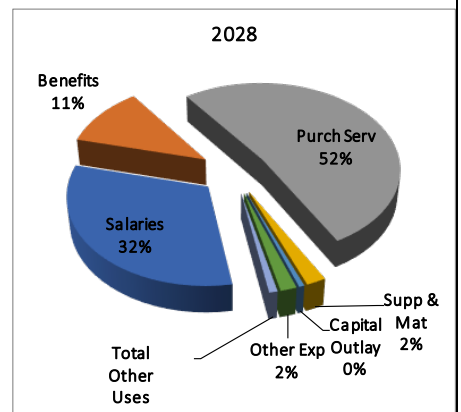
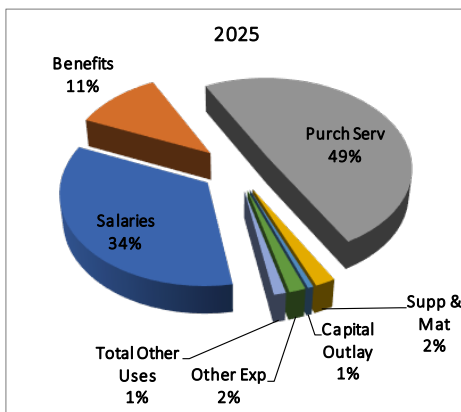
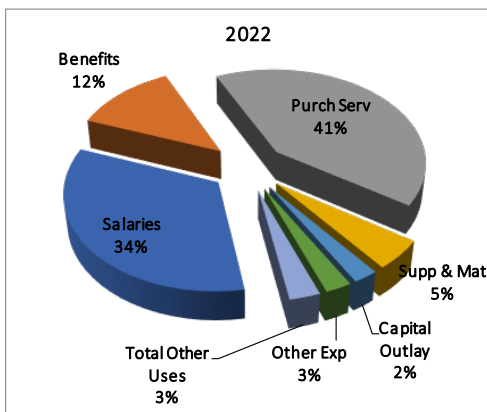
Included in this category are operating transfers-in and advances-in. Advances-in include returns of money advanced by the General Fund to other funds to cover a short-term end of year deficit balance.

- ✓ The actual 3-year average annual change was 307.4%.
- ✓ The projected 5-year average annual change is -29.2%.

**EXPENDITURES**

Operating Expenditure Summary

Jefferson Township Local School District



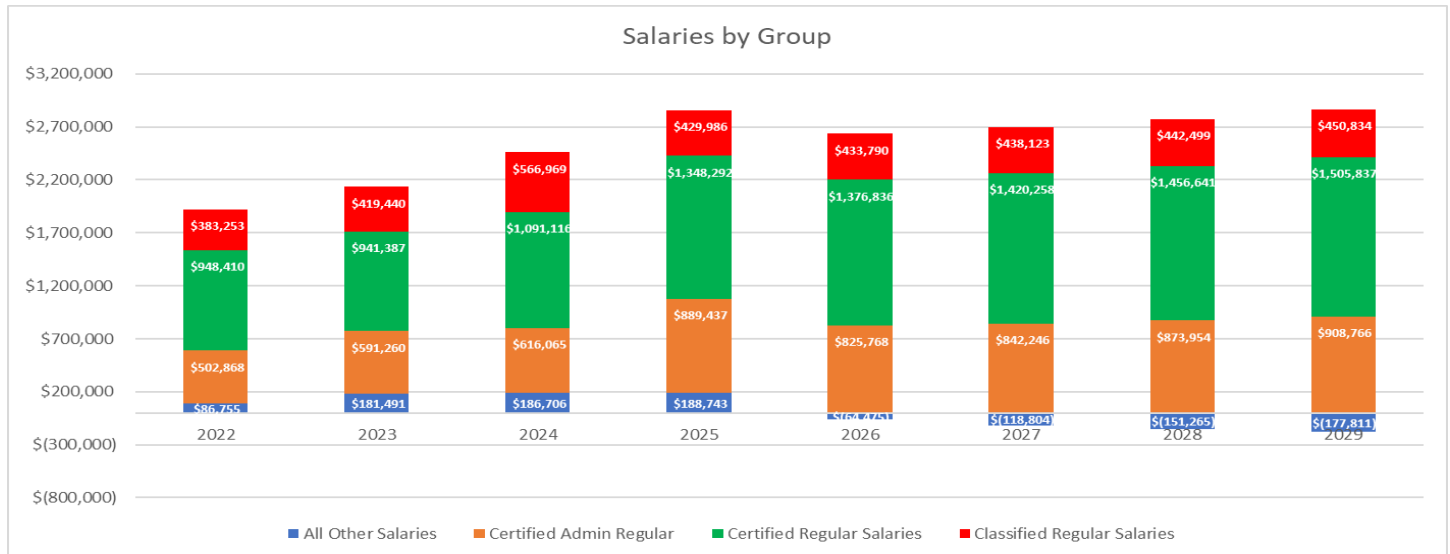
	ACTUAL		FORECASTED				6 Year Projected % Change
	2022	% of Budget	2025	% of Budget	2028	% of Budget	
3.010 - Personnel Services	1,921,286	33.48%	2,856,458	34.28%	2,621,829	31.68%	36.46%
3.020 - Employees' Retirement/Insurance Bene	709,019	12.36%	912,657	10.95%	922,592	11.15%	30.12%
3.030 - Purchased Services	2,371,648	41.33%	4,112,847	49.36%	4,299,281	51.95%	81.28%
3.040 - Supplies and Materials	290,538	5.06%	167,862	2.01%	171,236	2.07%	-41.06%
3.050 - Capital Outlay	135,225	2.36%	46,224	0.55%	47,153	0.57%	-65.13%
3.060-4.300 - Other Expenditures	142,244	2.48%	136,183	1.63%	140,727	1.70%	-1.07%
<b>4.500 - Total Expenditures</b>	<b>5,569,960</b>	<b>97.07%</b>	<b>8,232,231</b>	<b>98.80%</b>	<b>8,202,818</b>	<b>99.12%</b>	<b>47.27%</b>
5.04 - Total Other Financing Uses	168,177	2.93%	100,000	1.20%	73,175	0.88%	-56.49%
<b>5.05 - Total Expenditures and Other Financing</b>	<b>5,738,137</b>	<b>100.00%</b>	<b>8,332,231</b>	<b>100.00%</b>	<b>8,275,993</b>	<b>100.00%</b>	<b>44.23%</b>

**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 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, 2025. 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 1.5% and 2.1%.
- **Assumption for future FY2026 thru FY2029 COLA increases has been revised from 1% to 0%.**
- **Certified Staff Reduction in Force (RIF) of 4 FTE.**
- **Classified Staff Reduction in Force (RIF) of 2 FTE.**

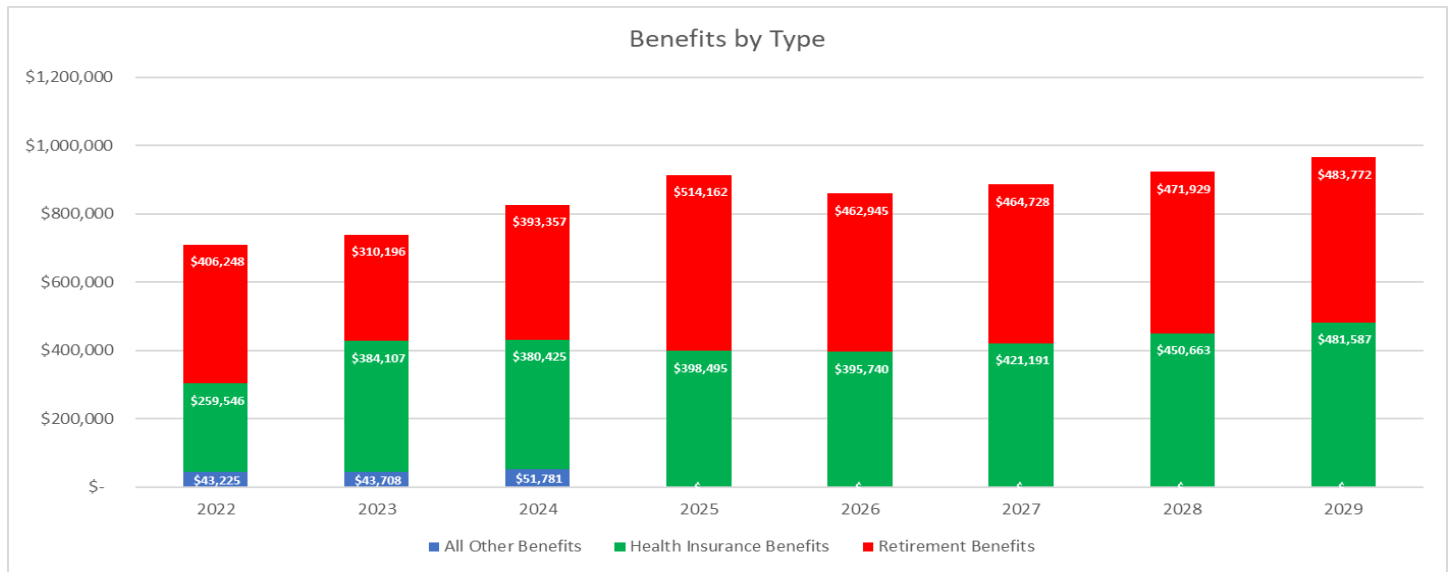


- ✓ The actual 3-year average annual change was 13.2%.
- ✓ The projected 5-year average annual change is 4.6%.

**Line 3.020 Employees’ Retirement and Insurance Benefits**

Employee benefits include the following:

- **The certified and classified reduction in force (RIF) results in savings on both lines 3.010 personal services and 3.020 benefits as some benefits calculated as a percentage of personal services.**
- Health and dental coverage are through the Southwestern Ohio Educational Purchasing Council.
  - ❖ The calendar year 2025 health increase is 4% and future increases are projected at 7%.
  - ❖ The calendar year 2025 dental increase is 0% and future increases are projected at 1%.
- 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.



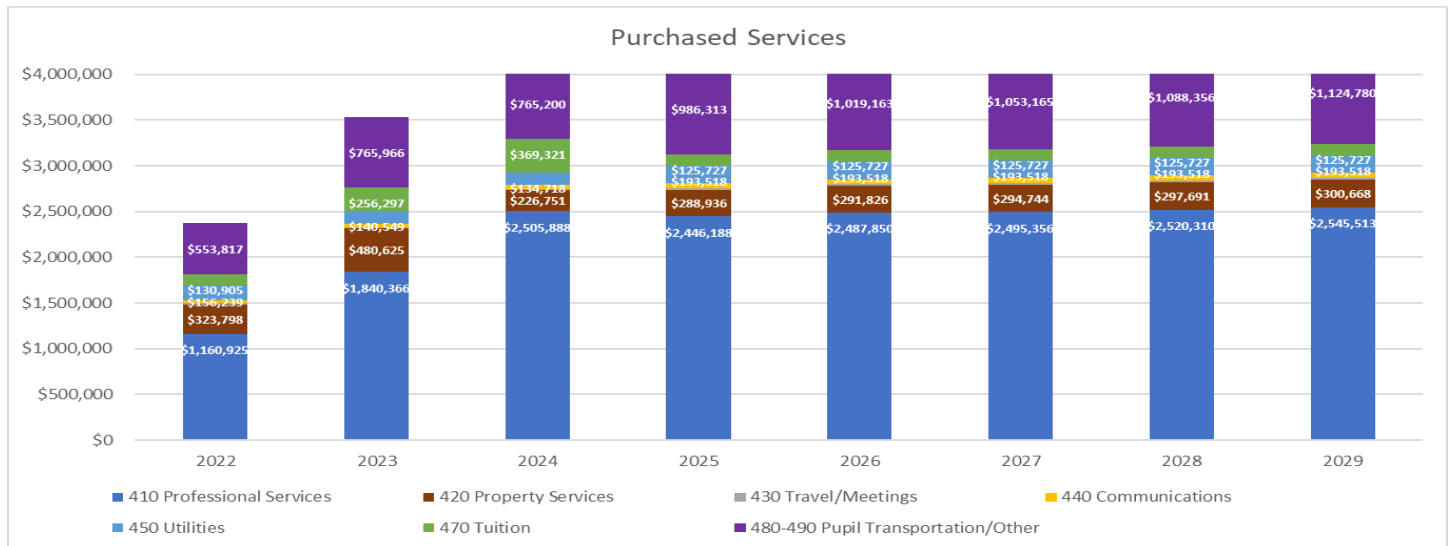
- ✓ The actual 3-year average annual change was 8.0%.
- ✓ The projected 5-year average annual change is 5.3%.

**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.

➤ **Waste Water Treatment Plant Design:**

The district has been notified by the Ohio Environmental Protection Agency (EPA) that the current wastewater treatment plant is out of compliance and needs to be replaced. The quote for design was received after approval of the Nov2024 five-year forecast and therefore will increase the cost in fiscal 2026.



- ✓ The actual 3-year average annual change was 31.9%.
- ✓ The projected 5-year average annual change is 1.5%.

### **Line 3.040 Supplies and Materials**

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

- ✓ The actual 3-year average annual change was -3.7%.
- ✓ The projected 5-year average annual change is -6.9%.

### **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:**

The district has been notified by the Ohio Environmental Protection Agency (EPA) that the current wastewater treatment plant is out of compliance and needs to be replaced. The quote for replacement was received after approval of the Nov2024 five-year forecast and therefore will increase the cost in fiscal 2026.

- ✓ The actual 3-year average annual change was 342.5%.
- ✓ The projected 5-year average annual change is -16.2%.

### **Line 4.300 Other Objects**

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

- ✓ The actual 3-year average annual change was -1.2%.
- ✓ The projected 5-year average annual change is 0.4%.

### **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.

- ✓ The actual 3-year average annual change was 144.0%.
- ✓ The projected 5-year average annual change is 0.0%.

### **Line 8.010 Estimated Encumbrances**

Encumbrances are legal financial obligations incurred but not paid at fiscal year-end. They are not projected.

### **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 2025 may deviate significantly.