

**Gahanna-Jefferson City School District
Franklin County**

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2023, 2024, and 2025 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2026 THROUGH JUNE 30, 2030**



**Financial Forecast Provided By
Gahanna-Jefferson City School District
Cliff Hetzel, MBA, LSSBB
Treasurer/CFO**

Presented:

***Board of Education Meeting – October 9, 2025
Gahanna-Jefferson City School District –Franklin County***

GAHANNA-JEFFERSON PUBLIC SCHOOLS

Franklin County

Schedule of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Years Ended June 30, 2023, 2024, 2025

Forecasted Fiscal Year Ending June 30, 2026 through 2030

		Actual				Forecasted				
		Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Average Change	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
Revenues										
1.010	General Property Tax (Real Estate)	\$68,553,097	\$69,652,828	\$70,199,856	1.2%	\$71,044,499	\$72,418,026	\$73,544,846	\$73,546,147	\$74,250,713
1.020	Public Utility Personal Property Tax	6,565,465	7,071,229	7,266,224	5.2%	8,267,701	8,710,962	8,868,242	9,025,522	9,182,802
1.035	Unrestricted State Grants-in-Aid	13,174,656	16,570,014	15,382,156	9.3%	14,891,283	15,368,482	15,257,856	15,266,934	15,276,136
1.040	Restricted State Grants-in-Aid	1,079,339	1,768,978	1,590,163	26.9%	980,829	928,183	928,183	928,183	928,183
1.045	Restricted Federal Grants In Aid	-	-	-	0.0%	0	0	0	0	0
1.050	State Reimbursement for Property Tax Credits	6,584,750	6,714,852	6,773,266	1.4%	6,795,699	6,866,156	6,956,818	6,974,182	7,046,086
1.060	All Other Revenues	16,693,051	18,363,860	20,188,460	10.0%	20,687,191	20,016,993	19,533,244	19,262,295	19,236,405
1.070	Total Revenues	112,650,358	120,141,761	121,400,125	3.8%	122,667,202	124,308,802	125,089,189	125,003,263	125,920,325
Other Financing Sources										
2.040	Operating Transfers-In	571,396	525,864	40,000	-50.2%	39,019	5,000,000	10,045,853	46,190	46,528
2.050	Advances-In	9,556	17,579	114,263	317.0%	-	200,000	200,000	200,000	200,000
2.060	All Other Financing Sources	493,305	56,654	71,687	-30.99%	65,000	65,000	65,000	65,000	65,000
2.070	Total Other Financing Sources	1,074,257	600,097	225,950	-53.2%	104,019	5,265,000	10,310,853	311,190	311,528
2.080	Total Revenues and Other Financing Sources	113,724,615	120,741,858	121,626,075	3.5%	122,771,221	129,573,802	135,400,042	125,314,453	126,231,853
Expenditures										
3.010	Personal Services	\$64,100,222	\$68,485,401	\$76,297,655	9.1%	\$80,860,099	\$85,340,536	\$89,222,149	\$93,303,081	\$97,817,303
3.020	Employees' Retirement/Insurance Benefits	22,209,355	23,296,408	24,783,325	5.6%	26,314,542	28,626,432	30,601,784	32,713,851	35,064,196
3.030	Purchased Services	11,317,570	12,847,971	12,540,194	5.6%	13,134,831	13,528,876	13,934,742	14,352,785	14,783,368
3.040	Supplies and Materials	2,749,742	2,518,343	2,837,797	2.1%	2,922,931	3,010,619	3,100,937	3,193,965	3,289,784
3.050	Capital Outlay	848,761	1,082,443	1,215,169	19.9%	928,300	956,149	984,833	1,014,378	1,044,810
4.060	Interest and Fiscal Charges	-	-	-	0.0%	0	0	0	0	0
4.300	Other Objects	1,679,605	1,740,317	1,864,512	5.4%	1,945,310	2,003,669	2,063,779	2,125,693	2,189,464
4.500	Total Expenditures	102,905,255	109,970,883	119,538,652	7.8%	126,106,013	133,466,281	139,908,226	146,703,753	154,188,925
Other Financing Uses										
5.010	Operating Transfers-Out	3,154,443	1,149,744	17,795,301	692.1%	2,227,929	2,197,249	2,240,596	1,871,593	396,528
5.020	Advances-Out	17,579	6,173	108,306	794.8%	200,000	200,000	200,000	200,000	200,000
5.030	All Other Financing Uses	-	-	-	0.0%	0	0	0	0	0
5.040	Total Other Financing Uses	3,172,022	1,155,917	17,903,607	692.7%	2,427,929	2,397,249	2,440,596	2,071,593	596,528
5.050	Total Expenditures and Other Financing Uses	106,077,277	111,126,800	137,442,259	14.2%	128,533,942	135,863,530	142,348,822	148,775,346	154,785,453
6.010	Sources over (under) Expenditures and Other Financing Uses	7,647,338	9,615,058	(15,816,184)	-119.4%	(5,762,721)	(6,289,728)	(6,948,780)	(23,460,893)	(28,553,600)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	\$35,492,818	\$43,140,156	\$52,755,214	21.9%	\$36,939,030	\$31,176,309	\$24,886,581	\$17,937,801	-\$5,523,092
7.020	Cash Balance June 30	43,140,156	52,755,214	36,939,030	-3.8%	\$31,176,309	\$24,886,581	\$17,937,801	(5,523,092)	(34,076,691)
8.010	Estimated Encumbrances June 30	2,197,523	2,814,079	1,876,073	-2.6%	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Reservation of Fund Balance										
9.030	Budget Reserve	5,472,179	6,133,360	6,215,440	6.7%	\$6,254,459	\$6,250,163	\$6,296,016	\$6,342,206	\$6,388,734
9.080	Subtotal	5,472,179	6,133,360	6,215,440	6.7%	\$6,254,459	\$6,250,163	\$6,296,016	\$6,342,206	\$6,388,734
10.010	Fund Balance June 30 for Certification of Appropriations	35,470,454	43,807,775	28,847,517	-5.3%	22,921,850	16,636,418	9,641,785	(13,865,298)	(42,465,425)
Revenue from Replacement/Renewal Levies										
11.010	Income Tax - Renewal				0.0%	-	-			
11.020	Property Tax - Renewal or Replacement				0.0%	-	-	-	-	-
11.300	Cumulative Balance of Levies				0.0%	-	-	-	-	-
12.010	Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	35,470,454	43,807,775	28,847,517	-5.3%	22,921,850	16,636,418	9,641,785	(13,865,298)	(42,465,425)
Revenue from New Levies										
13.010	Income Tax - New				0.0%	\$0	\$0	\$0	\$0	\$0
13.020	Property Tax - New				0.0%	-	-	-	-	-
13.030	Cumulative Balance of New Levies	-	-	-	0.0%	-	-	-	-	-
15.010	Unreserved Fund Balance June 30	\$35,470,454	\$43,807,775	\$28,847,517	-5.3%	\$22,921,850	\$16,636,418	\$9,641,785	(\$13,865,298)	(\$42,465,425)

**Notes to the “Five-Year Forecast”
General Fund Only
October 9,2025**

Forecast Purpose/Objectives in accordance with the Ohio Department of Education and Workforce (ODEW):

1. To engage the local board of education and community in the 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 ODEW and Auditor of State to identify school districts with potential financial problems. ODEW examines all forecast submissions. If the Department determines a district has the potential to incur a deficit during the first three years of the submission, the district will be required to submit a written plan to eliminate the “flagged” deficit(s). This determination is based off of the following:
 - In FY26 and FY27, the Department uses Line 10.010 to identify potential deficits. In FY28, the Department will use Line 12.010 to identify potential deficits, thereby assuming any projected renewal levies will pass. Districts projecting deficits at Line 10.010 in FY26 may be placed into fiscal oversight.
4. A submission of a forecast is required by ODEW no less than two times per fiscal year. New in the state operating budget for FY26-FY27 (House Bill 96), changes have been made to the timing and requirements for school and district forecasts:
 - HB96 prescribes a new submission schedule provided here:

Forecast Submission Type	Forecast Submission Windows			
	FY2026		FY2027	
	Open	Close	Open	Close
Initial Required	9/1/2025	10/15/2025	8/1/2026	8/31/2026
Initial Optional	10/16/2025	1/31/2026	9/1/2026	1/31/2027
Required Update	2/1/2026	2/28/2026	2/1/2027	2/28/2027
Final Optional	3/1/2026	7/31/2026	3/1/2027	7/31/2027

- ODEW has shifted the financial reporting to a four-year submission (current budget year plus three forecast years), rather than a Five-Year Forecast (current budget year plus four forecast years) as in past years. While the District will comply with all submission requirements, the Gahanna-Jefferson City School District Board of Education retains its policy and support for the continued use of a Five-Year forecast as a prudent exercise in financial planning and decision-making.

Introduction to the Five-Year Forecast

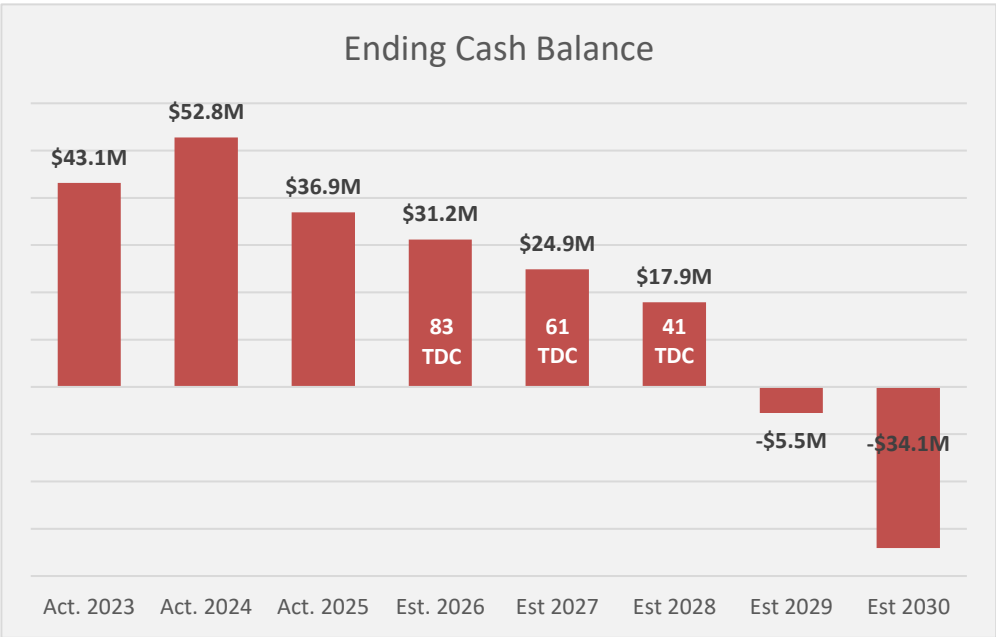
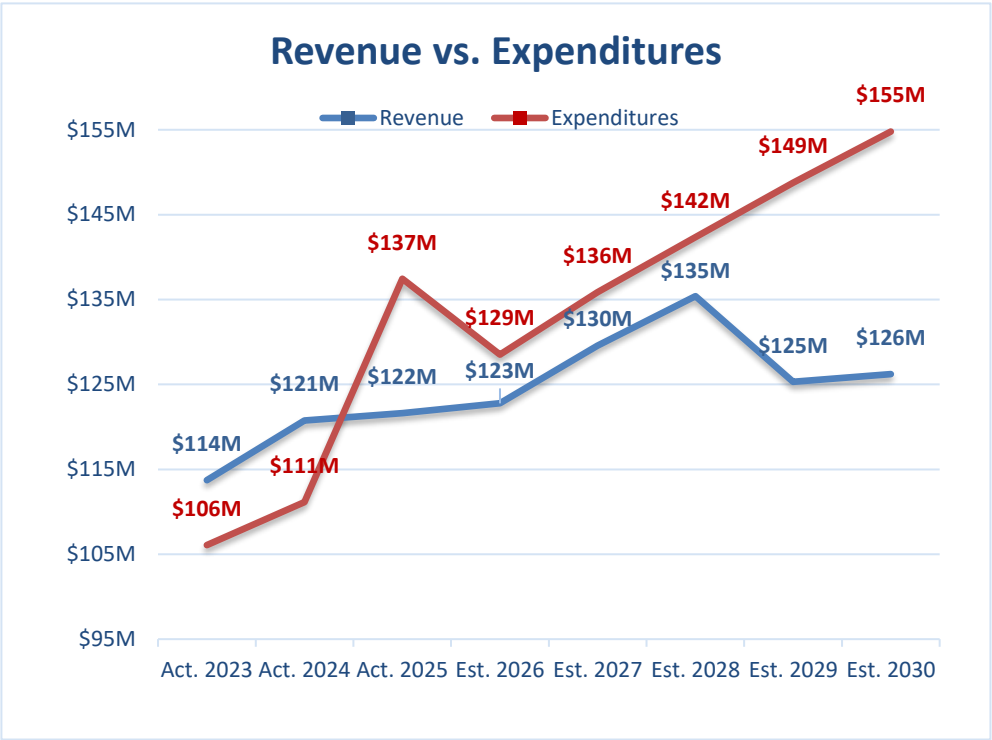
The five-year forecast is a planning tool that uses current available data and reasonable assumptions to form a hypothetical representation of Gahanna-Jefferson City School’s financial future. Forecasts, by their nature, are not designed to be exact, but rather serve as a tool to provide information to assist the community and stakeholders in the planning and assessment of the financial condition of the District.

The five-year forecast is a working document based on a set of assumptions that adjust as economic, political, and educational conditions change. Various events will ultimately impact the latter years of the forecast, such as state budgets (adopted every two years), tax levies (new/renewal), salary increases, enrollment variances, and businesses moving in or out of the district.

Gahanna currently receives 58.53% of its revenues from real estate taxes, 16.86% from other local revenue made up primarily of investment earnings and payments in lieu of taxes (known as PILOTs), and 6.06% from public utility personal property taxes, making us heavily reliant on local taxpayers. Due to current state law, as a protection to tax payers, we do not receive inflationary increases on our

voted levies on existing real estate property. This results in the growth of our largest revenue source to be minimal (1.19% from last year), with our overall revenue slightly up from FY25 by 0.94%. When coupling this situation with reduced funding of over \$1.1 million this year and reduced or flat funding in the future from the State, our projections for overall revenues are assumed to be relatively flat for the forecast period. Starting in this fiscal year, we see expenditures outpacing revenues now and through the balance of the five-year forecast. *See our Revenue section for further details.*

Fortunately, created in our levy-cycle planning, Gahanna-Jefferson City Schools currently has a positive cash balance of 83 True Days Cash (TDC) to cover the revenue shortfall in the short term. However, if this



forecasted trend continues, we will need to add revenue and/or cut costs to stay in the positive. The Board has also committed to fulfilling capital improvement and has set aside funds in a dedicated account of \$15 million, with that transfer being reflected in the FY25 cash balance. This forecast re-inserts those funds back into the operating budget over the next two years. The district was able to refinance its debt service to allow for the support of critical capital improvement needs without increasing a financial burden to the general fund.

Gahanna Jefferson Public Schools (GJPS) focuses on providing dollars to the classroom. In fact, we have one of the highest percentages of revenue allocation to classroom resources in the state. By focusing resources to support teaching and learning, we can help our students achieve at the highest levels. This strategy has resulted in GJPS exceeding State standards and being rated as a 4 Star District. New to this year's ODEW foundation funding is the addition of a Performance Supplement – this is eligible for Districts that perform at a 4 Star level or higher and is included in this forecast in anticipation of the District's continued academic excellence.

This forecast takes into consideration Year 2 of the Board's Strategic Plan with an emphasis on Operational Efficiency in order to improve resource allocation and operations by:

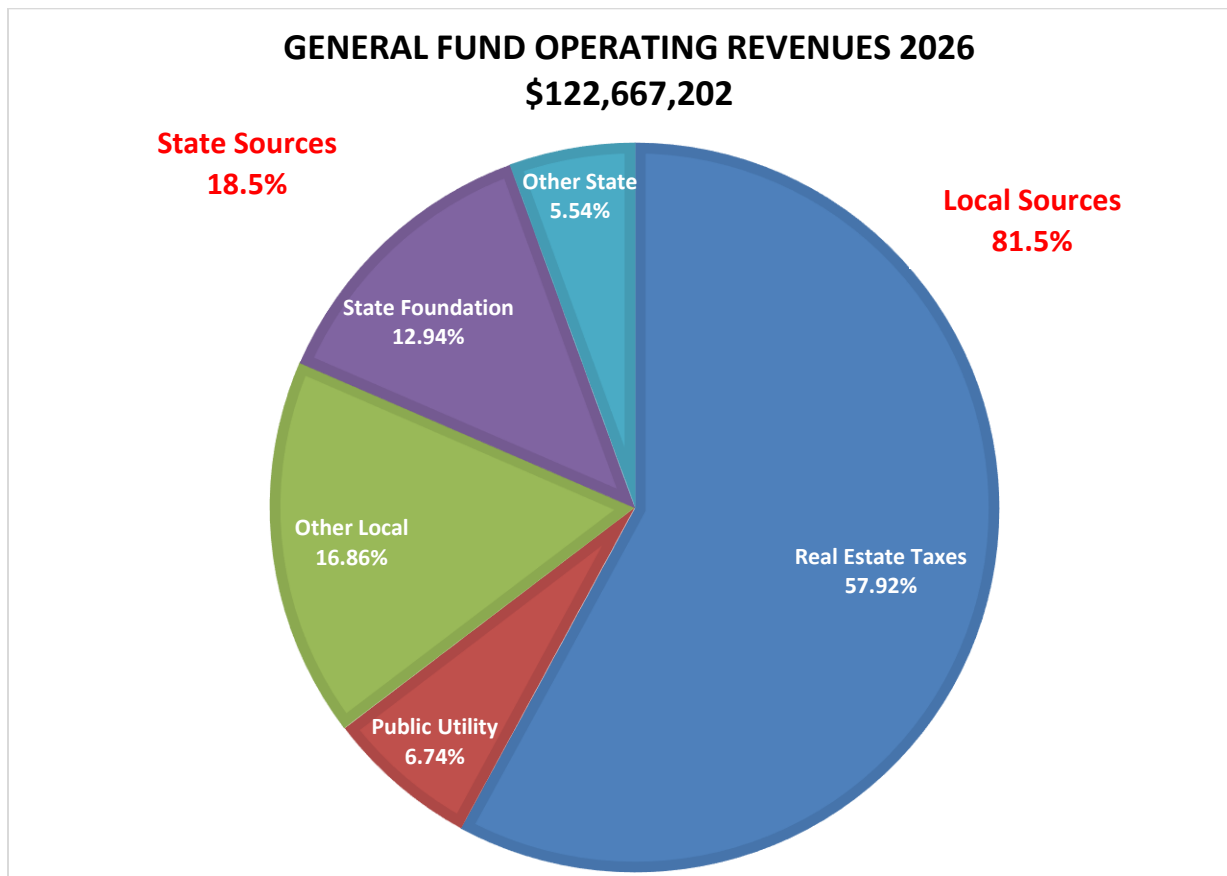
- Optimizing processes for accessibility and distribution of resources
- Leveraging technology to improve district systems and operations
- Collecting and using relevant data as a basis for decision making

The forecast is a snapshot of today, based on historical trends and what we know now; along with future assumptions. The snapshot, however, will be adjusted because the further into the future the forecast extends, the more likely it is that the projections will deviate from experience. The five-year forecast enables district management teams to examine future years' projections and identify when challenges may arise so that they can be proactive in meeting those challenges.

The district administration will continue to monitor future state budgets to understand how the full amount of the Fair School Funding Plan will be implemented within this budget and forecast cycle as there is no certainty of future increases in state budgets for FY28-FY29. Since the preparation of a meaningful five-year forecast considers assumptions based on past experience and market trends, it is recommended that you contact the Treasurer/Chief Financial Officer of the school district with any questions you may have. The Treasurer/CFO submits the forecast, but the Board of Education is recognized as the official owner of the forecast.

REVENUES

The District receives the majority of its operating funds through real estate taxes and other local sources. This is driven by the property wealth of the district as reflected in the real estate values. As a result, the district receives less than 19% of its general operating revenues from the state.



Operating revenues are expected to increase by approximately 1% each year of the forecast, except for FY29 when they are expected to decrease slightly. This slight decline in overall operating revenues in FY29 is due to an anticipated decline in interest income. Other revenue sources are forecasted to remain relatively stagnant for the forecast period.

General Property Tax and Public Utility Personal Property Tax (Line 1.010 and Line 1.020)

Property Values

Both General and Public Utility Tax revenues are based on the property values of the District. Property values are established each year by the County Auditor. New construction, demolitions, Board of Revision (BOR)/Board of Tax Appeals (BTA) adjustments and complete reappraisals or updates are all components of the values.

Franklin County experienced a reappraisal in the 2023 tax year to be collected part in FY24 and part in FY25. The 2023 reappraisal increased assessed values overall by \$633.4 million or 33.96%, including reappraisal and new construction for all property classes. An update will occur in the tax year 2026 for collection in FY27 and FY28. We anticipate value increases for both Class I and Class II property including new construction of \$277 million for an overall increase of 11%. This will not translate to the District's bottom line, as only tax collections on inside millage (4.4 Mills) is affected by reappraisal and triennial update.

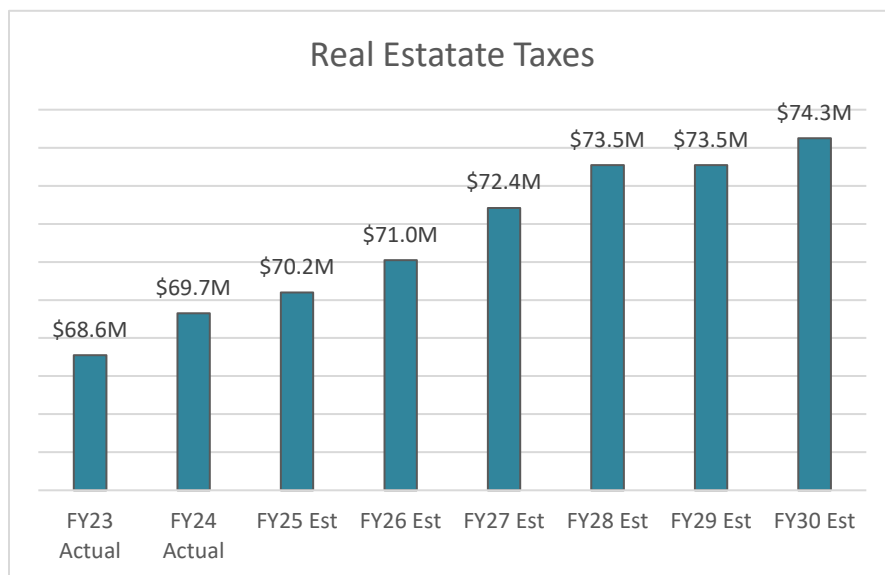


Tax Rates

The county auditor sets tax rates for each voted levy to provide tax revenues for the school district. Ohio law provides for “reduction factors” of all voted property tax levies to adjust the millage rates lower for each voted levy so as not to increase the tax burden on tax payers due to inflation of property values. The reduction factors are applied separately to Residential/Agriculture (Class I) and Commercial/Industrial (Class II) property resulting in different effective millage rates for each class. The district-voted rate for all general fund levies is 78.64 mills, while the Class I effective millage rate is 29.40 mills and the Class II effective millage rate is 40.86 mills for Calendar Year 2025 collections. Ohio law has a provision that the reduction factors cannot lower the total millage rate for each class to below 20 mills (excluding emergency and substitute emergency levies). This is called the “20-Mill Floor”. Currently, our district is not on the floor for either Class I or Class II property.

General Property (Real Estate) Tax Revenue (Line 1.010)

Real estate tax revenues represent our most significant source of income at 58% of General Fund revenue in FY26, and when combined with the state reimbursement of property tax credits, the amount is 65%.



The heavy reliance on real estate taxes combined with the small annual increases in this revenue source (around 1% annually during the forecast period) results in the District needing to go back to taxpayers on a regular basis to fund the operations of the District.

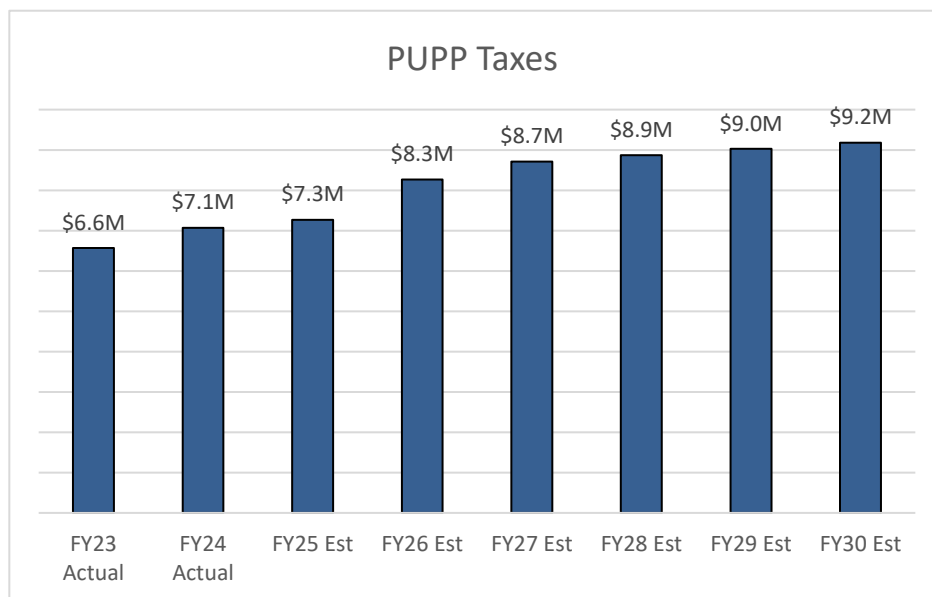
Property tax levies are estimated to be collected at 97.5% of the annual amount. This allows for a 2.5%

delinquency factor. The revenue presented in the graph is an 8 year snapshot that does not include any new tax levy funding, as our last operating levy was passed on November 3, 2020 for 4.26 mills.

Public Utility Personal Property Tax Revenue (Line 1.020)

Public utility personal property tax revenues (PUPP) are generated from electric and gas company tangible personal property. Unlike real estate taxes, these taxes are collected at the gross tax rate.

PUPP collections are up approximately \$1 million from FY25. The supporting assumption is based on a reduced prior year valuation in conjunction with continued infrastructure growth that is consistent with historical infrastructure improvements and collection levels supporting demand for more electricity. We anticipate PUPP values to grow at roughly 2-5% per year for the forecast period.



State School Funding - Unrestricted State Grants-in-Aid (Line 1.035)

HB96, the current state budget, continued the Fair School Funding Plan for FY26 and FY27, which funds students where they are educated rather than where they live. We have projected FY26 funding based on the August 2025 foundation settlement and funding factors.

Our district is currently a guarantee district in FY26 and is expected to continue to be on the guarantee in FY27 through FY30.

A detailed overview of how foundation funding is calculated including all of the HB96 changes on the Ohio Department of Education and Workforce is not available at this time. When a detailed analysis is available please visit the Ohio Department of Education and Workforce at: <https://education.ohio.gov/Topics/Finance-and-Funding/Overview-of-School-Funding>.

State Funding FY26-FY27

The Fair School Funding Plan was presented as a six (6) year phase-in plan, the state legislature approved the final two (2) years of the funding plan in HB96 phasing in funding at 83.33% in FY26 and then 100% in FY27. However, the legislature did not increase the funding base inputs from FY25. In other words, the legislature did not increase funding in the foundation formula. They did increase transportation funding's state share percentage to 45.83% in FY26, and 50% in FY27, which could increase funding, and; they added three (3) Supplemental Payments outside the formula: a Base Funding Supplement, Enrollment Growth Supplement and Performance Supplement.

The Base Funding Supplement will be paid to all districts. The funding supplement per pupil is \$27 in FY26 and \$40 in FY27.

The Enrollment Growth Supplement is paid to eligible districts based on the current FY26 enrolled ADM multiplied by \$225 per student, and in FY27 based on FY27 enrolled ADM multiplied by \$250. To be eligible enrolled ADM growth between FY22 and FY25 must equal or exceed 5% growth, and FY27 enrolled ADM growth between FY23 and FY26 must equal or exceed 3%. While the District experienced growth, it does not qualify for this payment.

The Performance Supplement was included in HB96. The eligibility for the supplement payment uses data from the state report card for the 2024-2025 school year for FY26 and 2025-2026 school year for FY27; the payment will be a separate payment of \$13 per pupil in FY26 and FY27. Our district should qualify to receive this additional funding and it has been included in the forecast as an assumption in FY26 and FY27.

The funding formula eliminated the Supplemental Targeted Assistance guarantee beginning in FY26, but still includes two (2) primary guarantees: 1) Formula Transition Aid, and 2) Formula Transition Supplement. The two (2) guarantees in both temporary and permanent law ensure that no district will get fewer funds in FY26

and FY27 than they received in FY21. A key basis for needing this gap funding is provided for school districts who realize high property value appraisals. Our district is on the Temporary Transition Guarantee as a result.

The estimated revenue from the State in FY26 is estimated to be roughly \$1.1 million less than what was received in FY25.

Casino Revenue

On November 3, 2009, Ohio voters passed the Ohio casino ballot issue. This issue allowed four (4) casinos to open in Cleveland, Toledo, Columbus, and Cincinnati. Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts receive 34% of the 33% of Gross Casino taxes.

In FY25, the District received \$539,016 or \$65.78 per pupil. We expect the Casino revenues to have resumed their historical growth rate and are assuming a 1% annual growth rate for the remainder of the forecast.

	FY23 Act	FY24 Act	FY25 Act	FY26 Est	FY27 Est	FY28 Est	FY29 Est	FY30 Est
<i>Basic Aid - Unrestricted</i>	\$11.6M	\$14.8M	\$13.6M	\$12.4M	\$12.7M	\$12.6M	\$12.6M	\$12.6M
<i>Additional Aid Items</i>	\$1.1M	\$1.3M	\$1.3M	\$2.0M	\$2.1M	\$2.1M	\$2.1M	\$2.1M
<i>Basic Aid - Unrestricted Subtotal</i>	\$12.7M	\$16.0M	\$14.8M	\$14.3M	\$14.8M	\$14.7M	\$14.7M	\$14.7M
<i>Ohio Casino Commission</i>	\$0.5M	\$0.5M	\$0.5M	\$0.5M	\$0.6M	\$0.6M	\$0.6M	\$0.6M
<i>Total Unrestricted State Line # 1.035</i>	\$13.2M	\$16.6M	\$15.4M	\$14.9M	\$15.4M	\$15.3M	\$15.3M	\$15.3M
<i>Annual % Change</i>	0.3%	25.8%	-7.2%	-3.2%	3.2%	-0.7%	0.1%	0.1%

State School Funding - Restricted State Revenues (Line 1.040)

HB96 has continued Disadvantaged Pupil Impact Aid, Career Technical funding, Gifted, English Learners (ESL), and Student Wellness funding. We have estimated revenues for these new restricted funding lines using the most current funding factors available. For fiscal years 2026 and 2027, HB96 modifies how DPIA is calculated by factoring in both directly certified and economically disadvantaged students. The new formula modified the weight given to these student groups over the biennium. We will not see the specific impact of this until after the October Forecast has been filed. Updated information will be reflected in the February Forecast.

	FY26	FY27	FY28	FY29	FY30
<i>Disadvantaged Pupil Impact Aid (DPIA)</i>	\$244,372	\$275,253	\$275,253	\$275,253	\$275,253
<i>Career Tech - Restricted</i>	\$52,106	\$33,470	\$33,470	\$33,470	\$33,470
<i>Gifted</i>	\$178,523	\$128,101	\$128,101	\$128,101	\$128,101
<i>English Learners</i>	\$113,249	\$98,780	\$98,780	\$98,780	\$98,780
<i>Student Wellness & Success Funds</i>	\$392,579	\$392,579	\$392,579	\$392,579	\$392,579
<i>Total Restricted State Line #1.040</i>	\$980,829	\$928,183	\$928,183	\$928,183	\$928,183

State Share of Local Property Taxes (Line 1.050)

This line item of the forecast includes reimbursement for the Rollback and Homestead deductions which are deducted from taxpayers' property tax bills.

Rollback funds are reimbursements paid to the district from the State of Ohio for tax credits given to owner-occupied residences. Credits equal 12.5% of the gross property taxes charged to residential taxpayers on levies passed before September 29, 2013. HB59 eliminated the rollback on new levies approved after that date.

Under HB96, the current state biennium budget also enacted a new provision called “Piggyback Property Tax Exemptions”. This provision allows county commissioners in each county in Ohio to double the current Homestead Exemption and owner occupied 2.5% tax credit. The extended tax credits for qualifying taxpayers would result in reduced annual property tax collections for the school district of roughly \$1.66 million from current operating levies, if the Franklin County Commissioners implemented this. This new law creates another variation in the planning process outside of the District’s control that could quickly change the financial health of the District.

Homestead Exemptions are credits paid to the district from the state of Ohio for qualified elderly and disabled residents. The forecast levels anticipated revenue in this category due to the unforeseen impact of recent legislation:

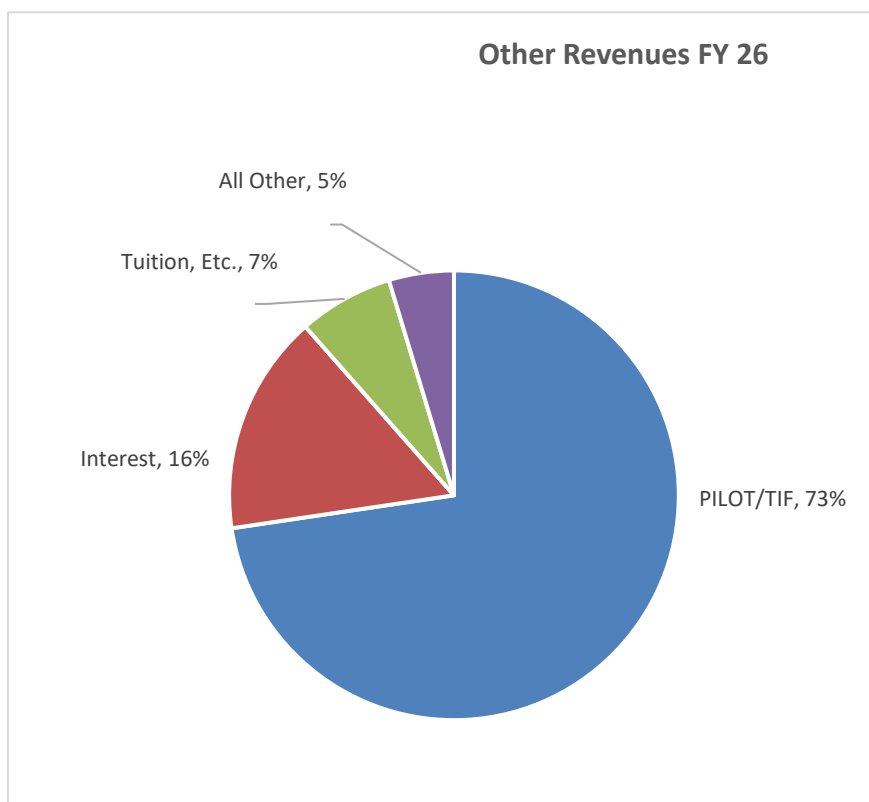
	FY26	FY27	FY28	FY29	FY30
<i>Rollback & Homestead</i>	\$6.8M	\$6.9M	\$7.0M	\$7.0M	\$7.0M

All Other Revenues (Line 1.060)

All other local revenue encompasses any type of revenue that does not fit into the other categories. Revenues from all other sources are projected based on historical patterns and known compensation agreements. Other revenues are forecasted to start declining after FY26, due to lower interest earnings. The largest revenue sources are:

PILOT Payments

Payment in Lieu of Taxes (PILOT) payments are for abatements due to Tax Increment Financing and Community Reinvestment Area agreements for property tax abatements in Franklin County, the City of Gahanna and Jefferson Township.

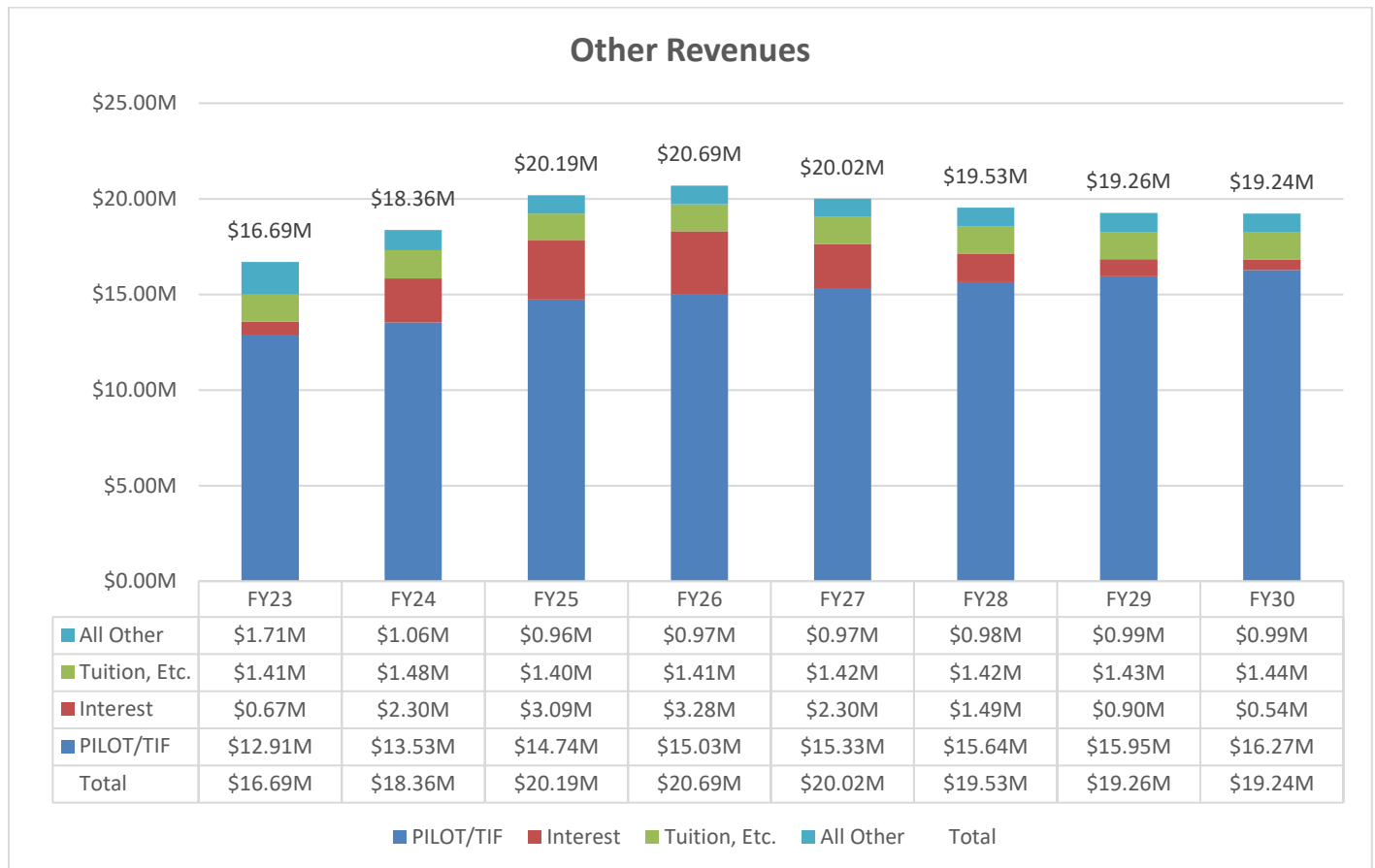


Interest Income

Interest income is based on the district's cash balances and interest rates. In FY24 interest income rose sharply due to an increase in interest rates. While interest income should remain steady through FY26 due to laddered investment strategies, any rate cuts in addition to the projected decline in the District's cash balances will begin to have an impact on earnings in future years.

Tuition

Tuition is from other districts for court placed/foster students who attend Gahanna Jefferson Public Schools but whose parent(s) reside in another district.



Operating Transfers In / Advances-In (Line 2.040 & Line 2.050)

These are non-operating revenues which are the repayment of short-term loans to other funds over the previous fiscal year and reimbursements for expenses received for a prior fiscal year in the current fiscal year. The advances out in the prior fiscal year are expected to be repaid in the current year, as noted in the table below.

The Board previously identified capital improvements for two buildings at the Middle School level due to

increased capacity needs resulting and related to building renovations that support on-going student programming and safety enhancements. A dedicated fund was established in the amount of \$15M as a set-aside in support of completing this work. However, the District was able to secure other funding for these projects. Other project needs are currently being assessed, but it is anticipated that the \$15M will be transferred back to the general fund in FY27 and FY28.

	<i>FY26</i>	<i>FY27</i>	<i>FY28</i>	<i>FY29</i>	<i>FY30</i>
<i>Transfers In</i>	39,019	5,000,000	10,045,853	46,190	46,528
<i>Advances In</i>	0	200,000	200,000	200,000	200,000
<i>Total</i>	39,019	5,200,000	10,245,853	246,190	246,528

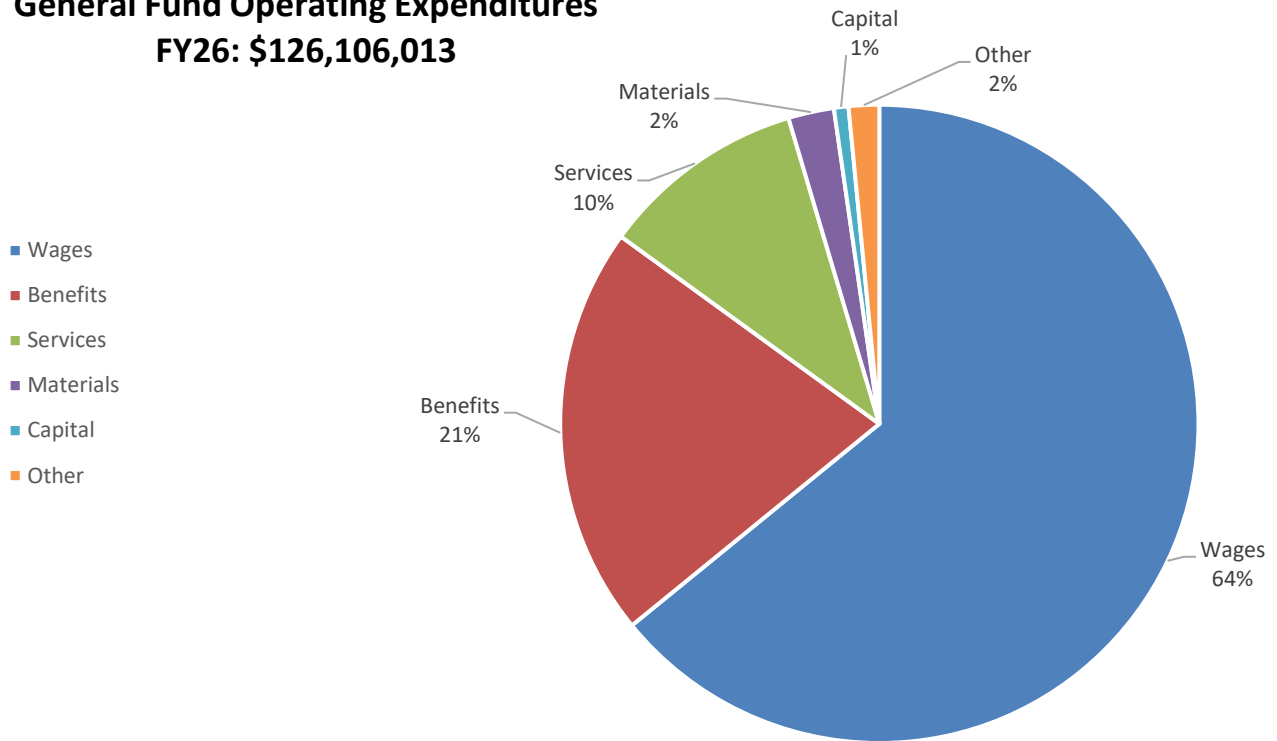
All Other Financing Sources (Line 2.060)

This revenue consists of refunds from prior years' expenses and the sale of assets.

EXPENDITURES

The largest expenditures are for personnel cost with wages and benefits accounting for over 85% of the District's operating expenditures in FY26. Non-personnel expenditures are determined during the district's program-driven budget process. The non-personnel forecast is based on the district's 5-year budget process, not a "last year plus" methodology. The budget document is the result of several months of work by staff developing plans and identifying needs not only for the upcoming fiscal year but for an additional 4 years for a total of 5 fiscal years. By preparing the long-term budget, data is maintained for use during future budget preparation cycles allowing preparers to easily update the information based on revised plans rather than reinventing the budget wheel altogether each year.

General Fund Operating Expenditures FY26: \$126,106,013



Personal Services (Line 3.010)

Personal Services represents all wages for the employees of the school district paid by the General Fund. Staffing levels are determined by student enrollment and programming needs. Cooperative Strategies completed a projection of future enrollment for the District in February 2024. We are basing annual staffing increases on these projections.

Projected Enrollment				
Source: Cooperative Strategies-2/2024				
	2025-26	2026-27	2027-28	2028-29
District-Wide	8,134	8,231	8,305	8,382
<i>Percent Increase</i>	<i>1.08%</i>	<i>1.19%</i>	<i>0.89%</i>	<i>0.92%</i>

The District is planning for another enrollment study for this fall (2025) to gauge the growth potential in Gahanna and surrounding areas, especially in light of the limited progress made on the Intel project.

Certified (Teacher) Negotiated Agreement

The District approved a three-year contract with teaching staff effective 8/1/2024 – 7/31/2027. The contract includes a base salary increase of 4%, which was effective for FY25, and an increase of 3% for FY26 and FY27. For FY28 through FY30 the forecast includes an estimated base increase for planning purposes of 2%. In addition to the base increases, the forecast also includes estimated increases for steps and degree changes.

Classified Negotiated Agreement

Classified staff include bus drivers, custodians, building secretaries, paraprofessionals, foodservice, maintenance, etc. The District approved a three-year contract with classified staff effective 8/1/2024 – 7/31/2027. There are four (4) classified bargaining units, each with separate contracts that include a base salary increase of 3% for FY26 and FY27. For FY28 through FY30 the forecast includes an estimated base increase for planning purposes of 2% plus an estimate for step increases.

Additional Staff

The forecast was developed with a limitation on added staff. Justifiable reasons for adding staff include programming needs or enrollment growth. These additions are capped at 5 FTEs each for classified and certified per year. Our numbers held true this year in FY25 as we were within 0.4% of our overall personnel costs, and have limited our forecast to reflect those restrictions. The forecast also includes estimates for overtime, substitutes directly hired by the District, and supplemental pay.

Currently the District has hired 7 classified positions (4 of which were for bus drivers needed to serve the ever-growing transportation requirements placed on public school districts), and 3 certified positions. This still puts the District at a total of 10 positions and in line with requested budget plans.

Employees' Retirement/Insurance Benefits (Line 3.020)

Benefits include employer contributions to the School Employees Retirement System, State Teacher Retirement System, Medicare, and Workers' Compensation.

STRS/SERS

As state law requires, the District pays a minimum of 14% of all employee wages to STRS or SERS. Increases for retirement pickup per the Administrative Wage & Benefits Guidelines, approved by the Board of Education, are also included. The district is also required to pay the SERS Surcharge, which is an additional employer charge based on the salaries of lower-paid staff. It is exclusively used to fund SERS health care.

Workers Compensation

Workers' Compensation is expected to be approximately .35% of wages in FY26– FY30. Increases in Workers' Compensation are due to increases in wages during the forecast period.

Unemployment Compensation

The cost of unemployment is likely to remain low for FY26-FY30. The district is a direct reimbursement employer, meaning unemployment costs are only incurred and due if the district has eligible former employees that draw unemployment.

Medicare

Medicare contributions are 1.45% of wages of all staff hired after April 1, 1986. The increase in Medicare costs are due to increases in wages during the forecast period.

Insurance

The District offers two insurance health insurance plans to its employees in addition to dental, vision, and life insurance.

The medical insurance rates renew every January 1st. The forecast includes a negotiated medical rate increase of 8% for FY26 (16% for ½ year) and 16% for FY27. The impact of this increase in the general fund will be partially offset by utilizing insurance reserves. A 9% annual increase is estimated for the remainder of the forecast period. In addition to rate increases, employees adding, dropping, or changing coverage in addition to the number of staff affects overall insurance costs.

Benefits also include tuition reimbursement and uniform allowance.

Summary of fringe benefits:

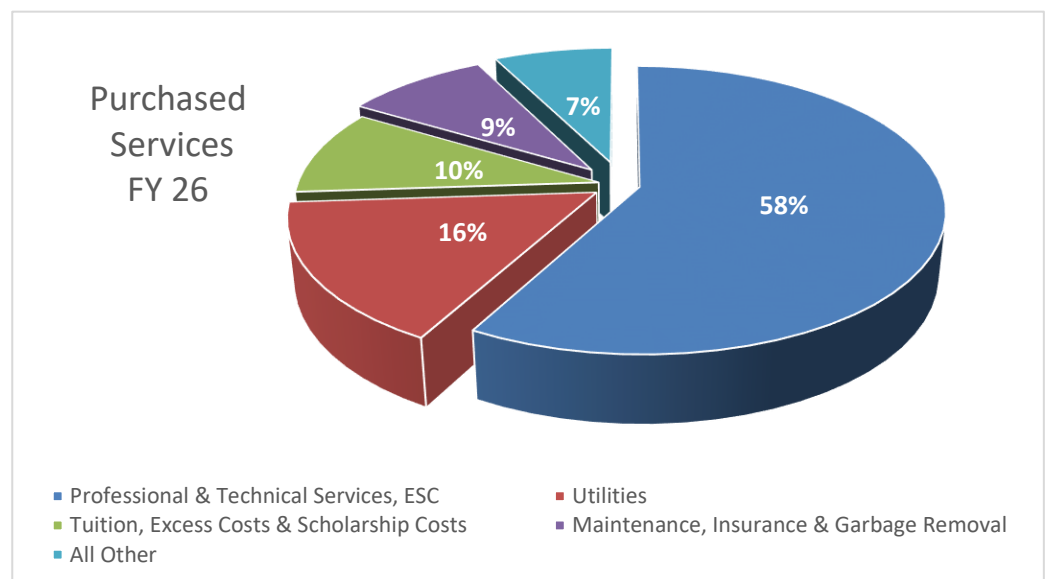
	FY26	FY27	FY28	FY29	FY30
<i>STRS/SERS</i>	\$12.7M	\$13.4M	\$14.1M	\$14.7M	\$15.4M
<i>Insurance's</i>	\$11.8M	\$13.4M	\$14.6M	\$16.0M	\$17.6M
<i>Workers Comp/Unemployment</i>	\$0.3M	\$0.3M	\$0.3M	\$0.3M	\$0.4M
<i>Medicare</i>	\$1.2M	\$1.3M	\$1.4M	\$1.4M	\$1.5M
<i>Other/Tuition</i>	\$0.2M	\$0.2M	\$0.2M	\$0.2M	\$0.2M
Total Fringe Benefits Line #3.020	\$26.3M	\$28.6M	\$30.6M	\$32.7M	\$35.1M

Purchased Services (Line 3.030)

This category includes payments for contracted staff and services (that includes extensive support through the Educational Service Center of Central Ohio), utilities, property insurance, special education, special education student transportation, and legal fees. The tuition category is comprised of programs for students placed outside of our district as well as College

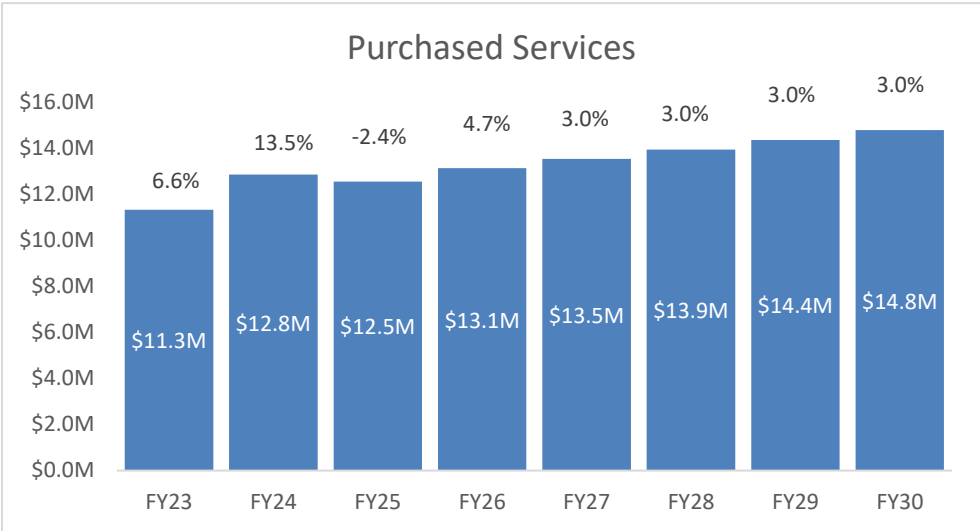
Credit Plus costs. ESC services are for preschool aide services, other special education related services, and services for substitutes teachers.

The largest expenditure categories forecasted for FY26 are professional/technical services.



This year’s budget process included a focus on our purchased services and as a result, we are limiting increases FY26-FY30. The District saw a decrease in expenditures for open enrollment and community schools due to a change in the way those students are funded. Rather than have the funds flow into the District of residence through state revenues and then out to the district of enrollment through District expenditures, these funds directly follow the students.

The large increase in FY24 was due in part to an increase in electricity, legal fees and special education transportation costs. Copier services are also a part of this category. We are developing strategies now that align with our strategic plan that will improve efficiencies directly impacting this category; and while we have scaled those categories back for the future, we are still expecting a 15% increase in electricity in each this fiscal year, as well a high need for substitute employees.

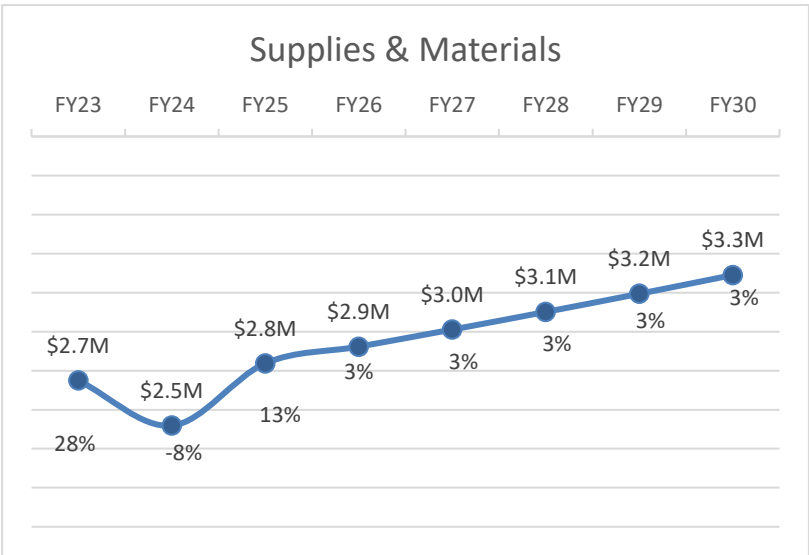


We are approaching this year in similar fashion as last year. We have established a budget that covers potential purchased services needs based on the information gathered at the start of the year. It is our objective to see this reduce in the February Forecast, once we have operated for half of the year and can identify real savings opportunities without compromising student service quality.

Supplies and Materials (Line 3.040)

Supplies and materials are expenses for items such as classroom supplies, textbooks, maintenance supplies, custodial supplies, curriculum material, office supplies, bus parts and fuel.

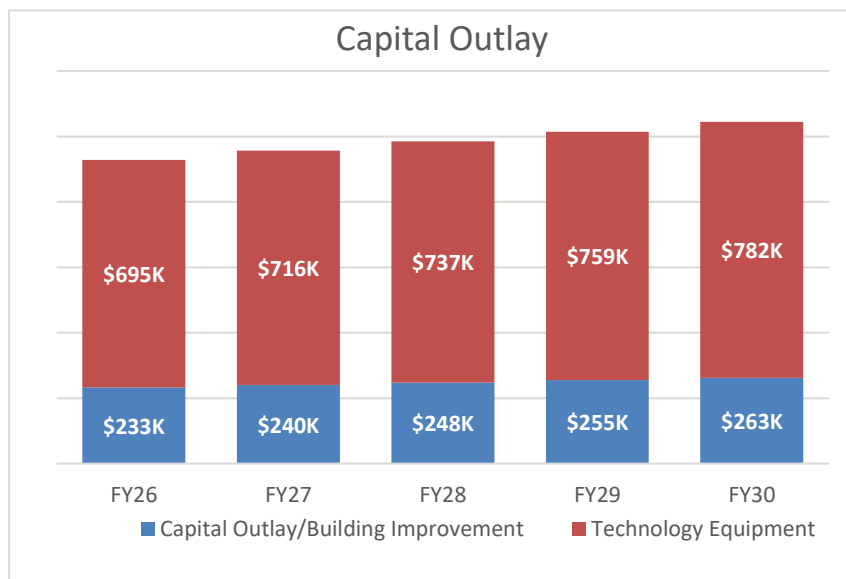
We continue to purchase curriculum on a replacement cycle per subject. This too will be reviewed at the midpoint to determine if reductions can be made in traditional of special education expenditures for this line item.



Capital Outlay (Line 3.050)

General Fund expenditures for capital outlay are forecast at \$928K for FY26 which is a 24% reduction from the previous year. This reduction is due to a strategic realignment of the Permanent Improvement fund which will now absorb the cost of student transport vehicles and other capital projects previously paid for out of the General Fund. The Permanent Improvement fund pays for most of the capital needs in the District.

Computer and network equipment and replacements represent the majority of the General Fund expenditures. In FY18, the district began implementing a one-to-one initiative with Chromebooks.



Other Objects (Line 4.300)

The category of Other Objects consists primarily of the County Auditor & Treasurer fees paid to the Franklin County Auditor for the collection of school district property taxes. It also includes expenditures for liability insurance, bank charges, ESC funding per Ohio law, audit fees and any other expenditures not categorized elsewhere.

	FY26	FY27	FY28	FY29	FY30
<i>County Auditor Fees</i>	\$1.20M	\$1.24M	\$1.27M	\$1.31M	\$1.35M
<i>County ESC</i>	\$0.06M	\$0.06M	\$0.06M	\$0.06M	\$0.06M
<i>Other</i>	\$0.69M	\$0.71M	\$0.73M	\$0.75M	\$0.78M
<i>Total Other Expenses Line #4.300</i>	\$1.95M	\$2.00M	\$2.06M	\$2.13M	\$2.19M

Other Financing Uses (Lines 5.010 and Line 5.020)

This account group covers transfers and advances. Transfers are permanent reallocations of General Fund monies to other District funds and advances are short-term loans from the General Fund to other District funds.

The transfers are primarily for debt payment on capital improvement projects that are not supported by a dedicated bond levy, but rather by General Fund monies. These funds are transferred to a debt service fund to cover the loan payments. The last debt payments out of the General Fund will be in FY29 – this clears off all debt service carried by our general fund and results in a measurable improvement to our bottom line. Other transfers are to the Severance Fund to set-aside monies for future retirements, to the budget reserve fund, and for other miscellaneous needs.

	FY26	FY27	FY28	FY29	FY30
<i>Various Purpose Refunding Bonds, Series 2017</i>	\$1.84M	\$1.85M	\$1.84M	\$1.48M	\$0.00M
<i>Budget Reserve</i>	\$0.04M	\$0.00M	\$0.05M	\$0.05M	\$0.05M
<i>Other transfers out</i>	\$0.35M	\$0.35M	\$0.35M	\$0.35M	\$0.35M
<i>Operating Transfers Out Line #5.010</i>	\$2.23M	\$2.20M	\$2.24M	\$1.88M	\$0.40M
<i>Advances Out Line #5.020</i>	\$0.20M	\$0.20M	\$0.20M	\$0.20M	\$0.20M
<i>Total Transfers and Advances Out</i>	\$2.43M	\$2.40M	\$2.44M	\$2.08M	\$0.60M

Encumbrances (Line 8.010)

Encumbrances are outstanding purchase orders that were not paid prior to June 30th. Typically, these are for ongoing summer work, materials ordered or services contracted but not received and/or paid by the end of the fiscal year. They are expected to remain constant through the forecast period.

Reservation of Fund Balance (Line 9.030)

State law allows school districts to maintain a budget reserve equal to 5% of the prior year's line 1.07 revenues. We anticipate maintaining this budget reserve level at the present time, which is in compliance with the Ohio Revised Code.

Ending Unencumbered Cash Balance "The Bottom-line" (Line 15.010)

This amount must not go below \$0, or the district General Fund will violate Ohio Budgetary Laws. It is recommended that a district maintains a minimum of thirty (30) day cash balance, which is about \$10.4 million for our district, and will be further evaluated through policy recommendations.

True Cash Days Ending Balance – With Reserve Cash Balance Included

Another way to look at ending cash is to state it in 'True Cash Days'. This is how many days the district could operate at year-end if no additional revenues were received. We calculate it as the Current Years Ending Cash Balance divided by (Current Years Expenditures/365 days) = the number of days the district could operate without additional resources. The government finance officers association (GFOA) recommends that no less than two (2) months or 60 days of cash is on hand at year-end. More could be needed based on a district's complexity and risk factors for revenue collection. The District is forecasted to end at 83 TDC for FY26.

Despite the potential for financial challenges in the next few years, the Board is committed to prioritizing student needs and providing a high-quality educational experience. As you read through the notes and review the forecast, remember that the forecast is based on the best information available to us at the time of preparation. Any change in revenue sources and/or expenditures can have an effect on the financial projections.

For additional information, please contact Cliff Hetzel, Treasurer, Gahanna-Jefferson City Schools at hetzelc@gjps.org.