

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

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2024, 2025, and 2026 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2027 THROUGH JUNE 30, 2031**



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

Presented:

Board of Education Meeting – August 20, 2026
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, 2024, 2025, 2026
Forecasted Fiscal Year Ending June 30, 2027 through 2031

	Actual				Average Change	Forecasted				
	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026			Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031
Revenues										
1.010 General Property Tax (Real Estate)	\$69,652,828	\$70,199,856	\$71,406,103	1.3%		\$72,704,361	\$73,714,563	\$73,790,591	\$73,923,291	\$74,619,358
1.020 Public Utility Personal Property Tax	7,071,229	7,266,224	7,652,637	4.0%		7,821,511	7,978,791	8,136,071	8,293,351	8,450,631
1.035 Unrestricted State Grants-in-Aid	16,570,014	15,382,156	14,842,928	-5.3%		17,414,806	15,397,909	15,407,247	15,416,713	15,426,309
1.040 Restricted State Grants-in-Aid	1,768,978	1,590,163	1,106,989	-20.2%		864,739	864,739	864,739	864,739	864,739
1.050 State Reimbursement for Property Tax Credits	6,714,852	6,773,266	6,884,915	1.3%		7,255,145	7,614,390	7,735,379	8,137,089	8,420,076
1.060 All Other Revenues	18,363,860	20,188,460	17,478,413	-1.7%		19,701,993	18,033,616	17,788,223	17,765,587	17,879,021
1.070 <i>Total Revenues</i>	120,141,761	121,400,125	119,371,985	-0.3%		125,762,555	123,604,008	123,722,250	124,400,770	125,660,134
Other Financing Sources										
2.040 Operating Transfers-In	525,864	40,000	111,739	43.5%		15,000,000	100,000	100,000	100,000	100,000
2.050 Advances-In	17,579	114,263	108,306	272.4%		559,216	275,000	200,000	200,000	200,000
2.060 All Other Financing Sources	56,654	71,687	95,027	29.55%		75,000	75,000	75,000	75,000	75,000
2.070 <i>Total Other Financing Sources</i>	600,097	225,950	315,072	-11.5%		15,634,216	450,000	375,000	375,000	375,000
2.080 <i>Total Revenues and Other Financing Sources</i>	120,741,858	121,626,075	119,687,057	-0.4%		141,396,771	124,054,008	124,097,250	124,775,770	126,035,134
Expenditures										
3.010 Personal Services	\$68,485,401	\$76,297,655	\$79,694,216	7.9%		\$84,348,484	\$87,737,064	\$91,252,075	\$94,909,705	\$98,715,299
3.020 Employees' Retirement/Insurance Benefits	23,296,408	24,783,325	25,832,672	5.3%		28,131,384	30,611,230	32,568,860	34,672,018	36,932,683
3.030 Purchased Services	12,847,971	12,540,194	13,803,660	3.8%		14,227,131	14,653,945	15,093,563	15,546,370	16,012,761
3.040 Supplies and Materials	2,518,343	2,837,797	2,554,622	1.4%		2,877,245	2,963,562	3,052,469	3,144,043	3,238,364
3.050 Capital Outlay	1,082,443	1,215,169	795,130	-11.2%		900,780	926,056	952,090	978,905	1,006,525
4.060 Interest and Fiscal Charges	-	-	-	0.0%		0	0	0	0	0
4.300 Other Objects	1,740,317	1,864,512	1,994,116	7.0%		2,035,437	2,096,500	2,159,395	2,224,176	2,290,902
4.500 <i>Total Expenditures</i>	109,970,883	119,538,652	124,674,416	6.5%		132,520,460	138,988,356	145,078,451	151,475,217	158,196,534
Other Financing Uses										
5.010 Operating Transfers-Out	1,149,744	17,795,301	2,575,860	681.1%		2,149,249	2,194,743	1,825,403	350,000	350,000
5.020 Advances-Out	6,173	108,306	559,216	1000.0%		275,000	200,000	200,000	200,000	200,000
5.030 All Other Financing Uses	-	-	-	0.0%		0	0	0	0	0
5.040 <i>Total Other Financing Uses</i>	1,155,917	17,903,607	3,135,076	683.2%		2,424,249	2,394,743	2,025,403	550,000	550,000
5.050 <i>Total Expenditures and Other Financing Uses</i>	111,126,800	137,442,259	127,809,492	8.3%		134,944,708	141,383,100	147,103,854	152,025,217	158,746,534
6.010 <i>Sources over (under) Expenditures and Other Financing Uses</i>	9,615,058	(15,816,184)	(8,122,435)	-156.6%		6,452,063	(17,329,092)	(23,006,604)	(27,249,447)	(32,711,400)
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	\$43,140,158	\$52,755,216	\$36,939,032	-3.8%		\$28,816,597	\$35,268,660	\$17,939,568	-\$5,067,037	-\$32,316,484
7.020 <i>Cash Balance June 30</i>	52,755,216	36,939,032	28,816,597	-26.0%		\$35,268,660	\$17,939,568	(\$5,067,037)	(32,316,484)	(65,027,884)
8.010 <i>Estimated Encumbrances June 30</i>	2,814,079	1,876,073	1,502,509	-26.6%		\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Reservation of Fund Balance										
9.030 Budget Reserve	6,313,658	6,180,200	6,186,113	-1.0%		\$0	\$0	\$0	\$0	\$0
9.080 <i>Subtotal</i>	6,313,658	6,180,200	6,186,113	-1.0%		\$0	\$0	\$0	\$0	\$0
10.010 <i>Fund Balance June 30 for Certification of Appropriations</i>	43,627,479	28,882,759	21,127,975	-30.3%		33,768,660	16,439,568	(6,567,037)	(33,816,484)	(66,527,884)
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 <i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>	43,627,479	28,882,759	21,127,975	-30.3%		33,768,660	16,439,568	(6,567,037)	(33,816,484)	(66,527,884)
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 <i>Unreserved Fund Balance June 30</i>	\$43,627,479	\$28,882,759	\$21,127,975	-30.3%		\$33,768,660	\$16,439,568	(\$6,567,037)	(\$33,816,484)	(\$66,527,884)
ADM Forecasts				0						
20.010 Kindergarten - October Count	540	580	580	0.0%		580	580	580	580	580
20.015 Grades 1-12 - October Count	7,225	7,423	7,423	0.0%		7,423	7,423	7,423	7,423	7,423
True Day Cash Ratio (TDC) (9.030 + 15.010)	-	93	78			91	42	(16)	(81)	(153)

**Notes to the Financial Forecast
General Fund Only
August 20, 2026**

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 assess the district's levy needs, including the timing, size, and duration.
4. To serve as a resource for negotiations.
5. To provide a basis for credit rating agencies to assess the financial health of a district.
6. To guide yearly budgeting for buildings and departments.
7. 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 FY27 the Department will use 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 FY27 may be placed into fiscal oversight.

Ohio Revised Code (ORC) §5705.391 and Ohio Administrative Code (OAC) 3301-92-04 mandate that the board of education (BOE) submit a projection of operational revenues and expenditures, including assumptions, to the Ohio Department of Education and Workforce (DEW) twice a year: an initial financial forecast by August 31 and an update by the end of February. In addition, an updated financial forecast must be submitted when any significant changes occur:

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

The financial forecast consists of four components: 1) three years of historical data; 2) the current fiscal year budget; 3) the projected three succeeding fiscal years; and 4) accompanying notes that explain each forecast line, including the assumptions used for the projections. 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 Financial Forecast

A district's financial forecast projects its financial position at a specific point in time, using the best available data, including revenue sources, expenditure trends, enrollment patterns, and economic conditions. However, financial forecasts are inherently subject to change due to dynamic factors like legislative changes, economic shifts, unexpected expenses, and enrollment fluctuations. The district maintains accuracy and relevance by regularly reviewing and updating it as new information becomes available.

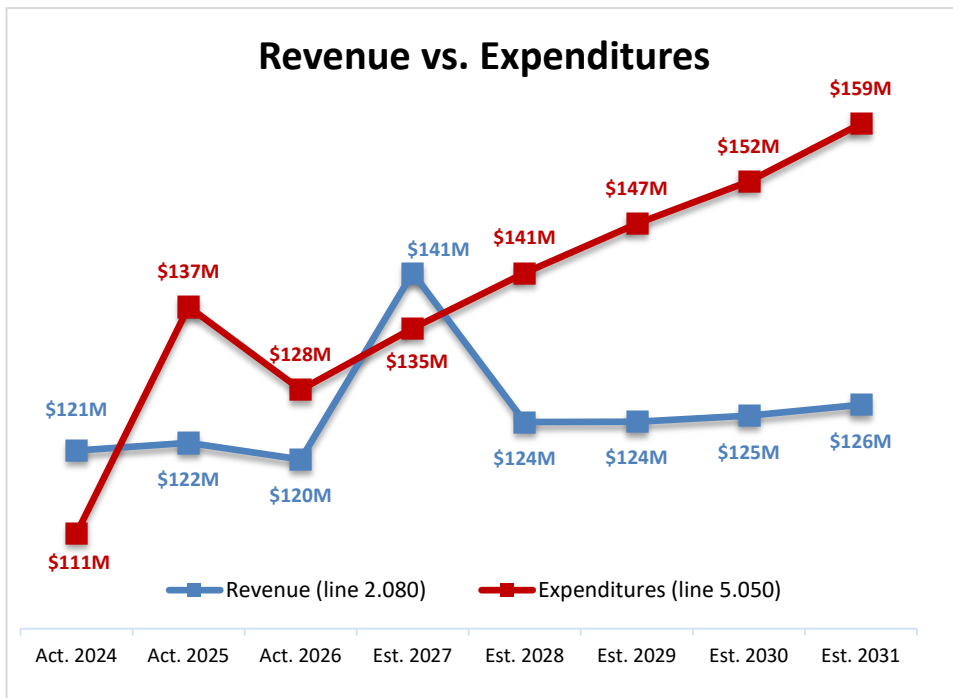
Certain unknowns are particularly relevant to the later years of the financial forecast. For the financial forecast to be meaningful, its assumptions must adjust as economic, political, and educational conditions change. Various events will ultimately impact the latter years of the forecast, such as state budgets (adopted every two years), tax levies (new/renewal), salary increases, enrollment variances, and businesses moving in or out of the district.

This financial forecast identifies a cash balance deficit in FY29 (year 3 of the forecast); and because of that limitation it is necessary to establish revenue and expenditure plans that support the continued academic performance, student programming and workforce stability undergirding the district's high standards and transformative goals set by the Board of Education to perform as a Top 5% district in Ohio.

Two areas of focus will impact this upcoming year that address the FY29 cash balance deficit while supporting our strategic and personnel priorities:

1. Long-term contracts will need to be reviewed in light of the anticipated deficit. Any contract that includes FY29 cannot be certified under the mandatory fiscal requirements of the 412 certificate. This will include software subscriptions, purchased services, curriculum and staffing agreements.
2. The district passed its last operating levy in 2020 and intends to place a new issue on the ballot in May of 2027 for collection to begin in 2028. This required a practical spending mindset by the district that was supported with highly transparent and thorough reporting to the public by way of the Finance and Facilities Committee. We will continue our commitment to reduce or freeze expenditures when prudent. A final review process before determining the size of the May levy request will likely require an amendment to this forecast in the fall of 2026. At that time, more definitive information will be available.

Gahanna currently receives 58% of its revenues from real estate taxes, 16% from other local revenue made up primarily of investment earnings and payments in lieu of taxes (known as PILOTs), and 6% 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 relatively flat over time. Unique to FY26 was a delay in real estate tax collections due to new legislation that caused the postponement of FY26 collections and pushed them into FY27. This gives the look of a higher than typical revenue increase when comparing the two years; but in actuality, the revenues remained relatively consistent with trends. This shift in revenue collections from FY26 (causing those revenues to be lower) to FY27 (causing those revenues to look higher) is important to note when interpreting forecasting trends.

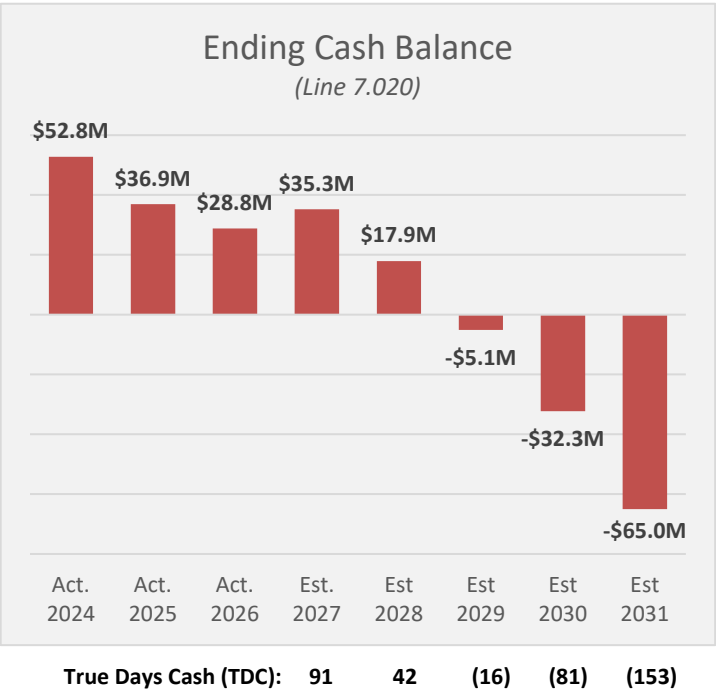


Another important note this year is related to the planned transfer of \$15 Million dollars from the 070 Capital Fund back to the General Fund. Those funds were held as a reserve to ensure all capital planning goals could be achieved. Because the district is able to meet the improvement goals set, these funds will not be needed for capital improvements and can instead support the operations of the district. This is another one-time adjustment that makes FY27 revenue look much higher than it typically would.

The district also benefits this year from a funding formula model that features performance and growth-based awards from the State in the form of: 1) an Enrollment Growth Supplement (EGS) to support the on-going need required of an increased student population in the estimated one-time amount of over \$2 Million; and 2) an Academic Performance Supplement (APS) of over \$400,000.

Because we do not know what the future funding formula will prioritize when legislated next year, we will remove the large one-time adjustment for EGS after this fiscal year, causing funding levels to drop measurably. This results in our assumption for operating revenues to be relatively flat for the remaining forecast period. *See our Revenue section for further details.*

Fortunately, created in our levy-cycle planning, Gahanna Jefferson Public Schools currently has a positive cash balance of 91 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 projects and had set aside funds in a dedicated account of \$15 million, with that transfer being reflected in the FY25 cash balance. As mentioned earlier, this forecast re-inserts those funds back into the operating budget in the upcoming year. 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. For a second year in a row, GJPS will receive ODEW’s Academic Performance Supplement – this is for Districts that perform at a 4 Star level or higher and is carried in this forecast in anticipation of the district’s continued academic excellence.

This forecast takes into consideration Year 3 of the Board’s Strategic Plan with an emphasis on Operational Efficiency in order to improve resource allocation and operations by:

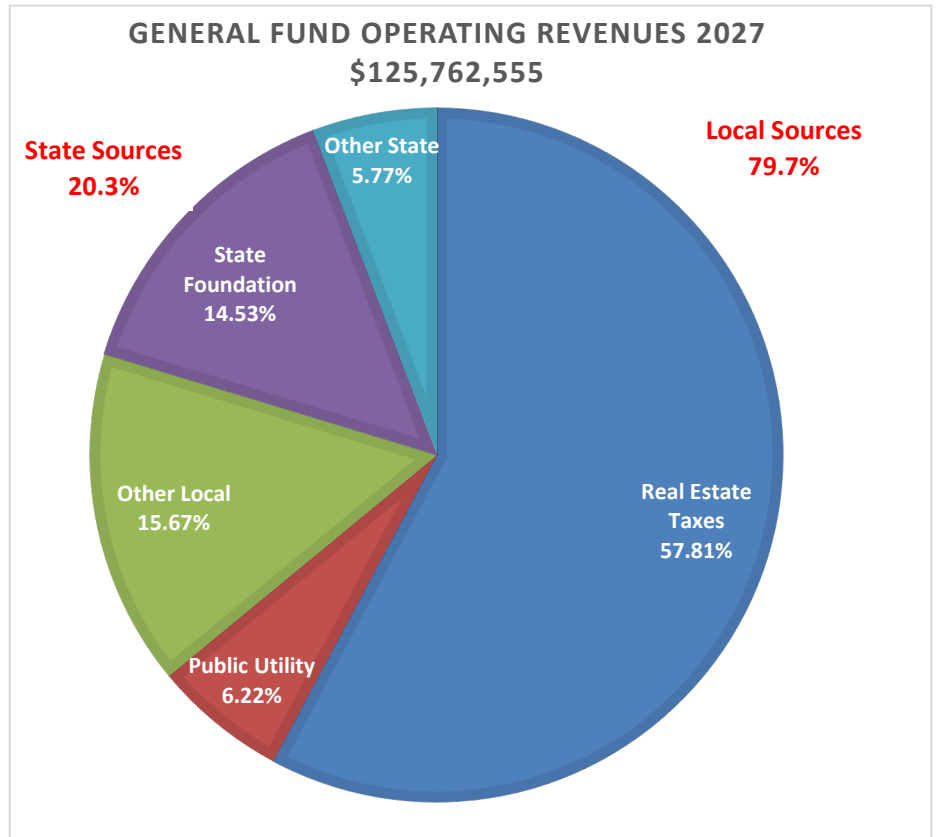
- Optimizing processes for accessibility and distribution of resources
- Leveraging technology to improve district systems and operations
- Collecting and using relevant data as a basis for decision making

Using a five-year forecast policy 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 only 20% of its general operating revenues from the state. Operating revenues are expected to increase in FY27 due to the State Enrollment Growth Supplement (EGS) and triennial update, however they are projected to slightly decline after this. This decline in overall operating revenues beginning in FY28 is due to an anticipated reduction in state revenues due to the removal of EGS plus a decline in interest earnings due to a lower cash balance and lower interest rates.



In addition, local revenues are artificially higher in FY27 due to the aforementioned \$1.2M of FY26 local revenue that was not received until July of FY27. This timing difference is due to a software update required by legislative change at the county auditor's office.

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

Property Values

Both Real Estate 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 triennial updates are all components of the values.

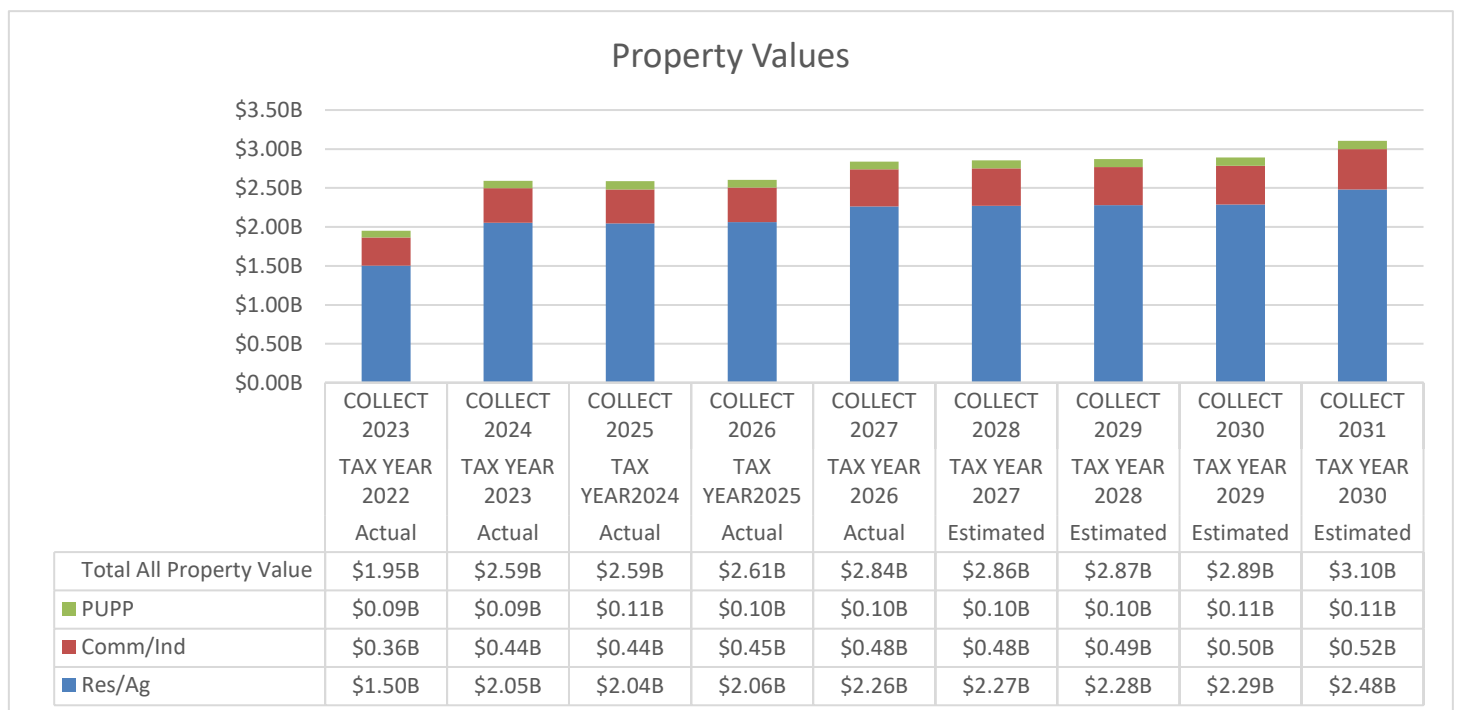
On December 19, 2025, Governor DeWine signed into law several pieces of legislation that make several changes to Ohio property tax law. The legislative changes are: HB129, HB186, HB309 and HB335.

House bills 129 and 186 affect districts on the 20-mill floor. Since Gahanna's effective operating millage is 29 mills, it will not have an impact on our property taxes.

HB309 allows County Budget Commissions (CBC's) to reduce any voter-approved levy (except debt) to bring taxes levied within levels the CBC finds reasonable and prudent to avoid unnecessary collections. This law gives locally elected CBC officials the power to override voter-approved levies and local school board fiscal decisions. We do not anticipate this having an impact on our District based on meetings held with the Franklin County Auditor's office.

HB335 limits revenue growth from inside millage due to valuation reappraisals or triennial updates to no more than the Gross Domestic Product Deflation Factor (GDPDF). Our projections for property value increases from triennial update are at or below the current GDPDF of 9.75%

Franklin County experienced a reappraisal in the 2023 tax year that was collected part in FY24 and part in FY25. The 2023 reappraisal increased assessed values overall by \$640 million or 33%, including reappraisal and new construction for all property classes. Triennial update for Franklin County is currently underway for Tax Year 2026. Final property values will be certified by the Ohio Department of Taxation in December 2026. Taxes on these properties will be collected, part in FY27 and part in FY28. We anticipate value increases for both Class I and Class II property including new construction of \$233 million for an overall increase of 8.6%. 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.



In addition, the Ohio Department of Taxation changed the reappraisal and triennial update schedule. While Franklin County was scheduled for reappraisal in TY29, reappraisal has now been moved back to TY30. After

this one-time schedule adjustment, reappraisal will continue to be every 6 years, with triennial update every 3rd year in between.

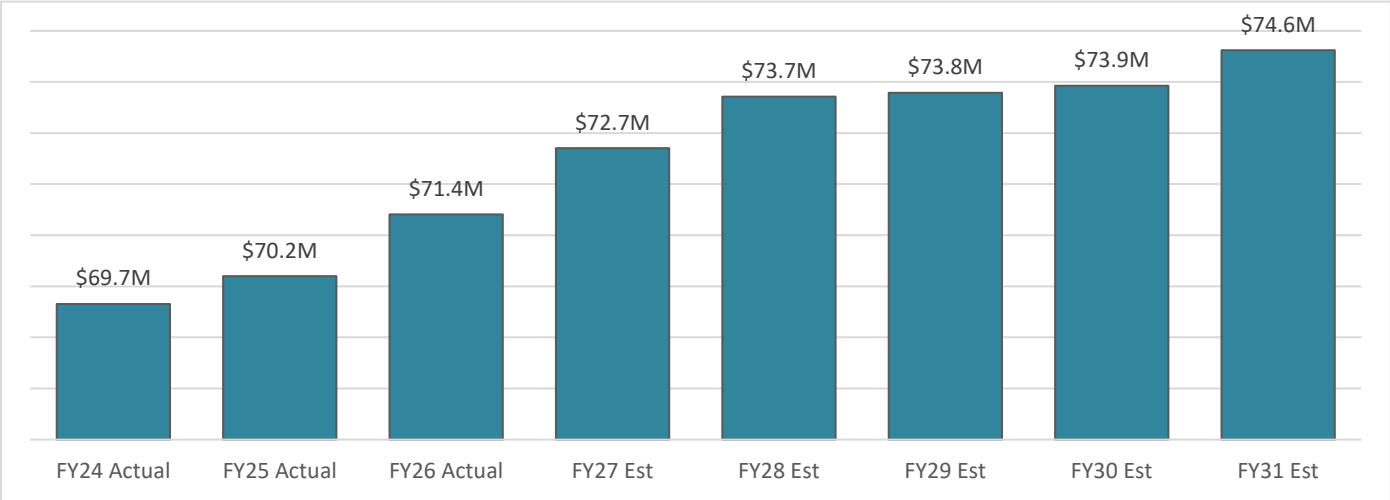
Tax Rates

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 29.39 mills and the Class II effective millage rate is 41.32 mills for Calendar Year 2026 collections. Ohio law has a provision that the reduction factors cannot lower the total millage rate for each class to below 20 mills. 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 an estimated 58% of General Fund revenue in FY27, and when combined with the state reimbursement of property tax credits, the amount is 64%. The heavy reliance on real estate taxes combined with the small annual increases in this revenue source (averaging 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.

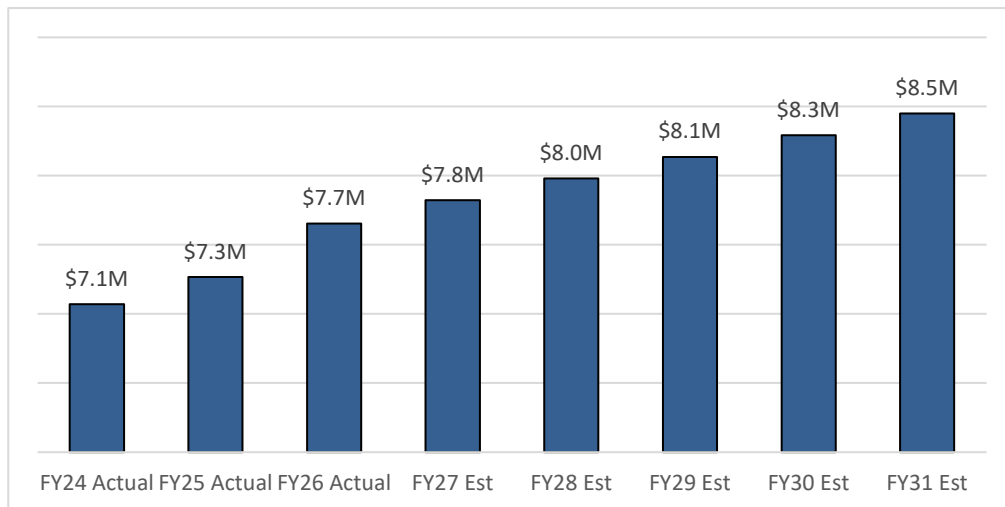


Public Utility Personal Property Tax Revenue (Line 1.020)

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 estimated to increase roughly 2% per year for the forecast period. This represents a

slower growth for future local tax revenue than experienced in the past due. Historically, whenever utility companies built new power lines, upgraded substations, or expanded gas pipelines within district borders, that new infrastructure was taxed at assessment rates up to 88%. House Bill 15 was passed in 2025 and reduces those assessment rates down to 25% for new transmission and distribution lines, any future utility expansions within the district will bring in significantly less new tax revenue than the district would have received under the old law.



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

State school funding is set every two years as part of the biennium budget. 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 FY27 funding based on the July 2026 foundation calculation and funding factors.

Our district is currently a guarantee district and is expected to be through FY31 if the Fair School Funding Plan (FSFP) is still in use.

A detailed overview of how foundation funding is calculated including all of the HB96 changes is available at the link below. 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 (Current Biennium Budget)

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 \$40 in FY27.

The Enrollment Growth Supplement is paid to eligible districts based on the FY27 enrolled ADM multiplied by \$250 per student. To be eligible, enrolled ADM growth between FY23 and FY26 must equal or exceed 3% growth. The district's growth for that period was 4.3%. This supplement was not included in future years of the forecast as it is not known if it will be continued in the next biennium budget or if the district will qualify beyond this year.

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

The funding formula eliminated the Supplemental Targeted Assistance guarantee beginning in FY26, but still includes two (2) primary guarantees: 1) Temporary Transition Aid guarantees a district's funding will not fall below its FY20 baseline, and 2) Formula Transition Supplement guarantees a district's funding will not fall below its FY21 baseline. A key basis for needing this gap funding is provided for school districts who realize high property value appraisals. Gahanna is on the Temporary Transition Aid Guarantee for FY27.

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 FY26, the District received \$565,092 in Casino revenue. We expect these revenues to continue their historical growth rate at 1% annually.

	FY24 Act	FY25 Act	FY26 Act	FY27 Est	FY28 Est	FY29 Est	FY30 Est	FY31 Est
<i>Basic Aid - Unrestricted</i>	\$14.8M	\$13.6M	\$12.2M	\$14.6M	\$12.6M	\$12.6M	\$12.6M	\$12.6M
<i>Additional Aid Items</i>	\$1.3M	\$1.3M	\$2.1M	\$2.3M	\$2.3M	\$2.3M	\$2.3M	\$2.3M
<i>Subtotal</i>	\$16.0M	\$14.8M	\$14.3M	\$16.8M	\$14.8M	\$14.8M	\$14.8M	\$14.8M
<i>Ohio Casino Commission</i>	\$0.5M	\$0.5M	\$0.6M	\$0.6M	\$0.6M	\$0.6M	\$0.6M	\$0.6M
<i>Total Unrestricted Funding</i>	\$16.6M	\$15.4M	\$14.8M	\$17.4M	\$15.4M	\$15.4M	\$15.4M	\$15.4M

Differences due to rounding

State School Funding - Restricted State Revenues (Line 1.040)

HB96 has continued Disadvantaged Pupil Impact Aid, Career Technical, Gifted, English Learners (ESL), and Student Wellness funding. We have estimated revenues for these 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 formula modified the weight given to these student groups over the biennium.

	FY27	FY28	FY29	FY30	FY31
<i>Disadvantaged Pupil Impact Aid (DPIA)</i>	\$285,524	\$285,524	\$285,524	\$285,524	\$285,524
<i>Career Tech - Restricted</i>	\$34,217	\$34,217	\$34,217	\$34,217	\$34,217
<i>Gifted</i>	\$132,148	\$132,148	\$132,148	\$132,148	\$132,148
<i>English Learners</i>	\$98,833	\$98,833	\$98,833	\$98,833	\$98,833
<i>Student Wellness & Success Funds</i>	\$314,017	\$314,017	\$314,017	\$314,017	\$314,017
Total Restricted State Line #1.040	\$864,739	\$864,739	\$864,739	\$864,739	\$864,739

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.

Homestead Exemptions are credits paid to the district from the state of Ohio for qualified elderly and disabled residents.

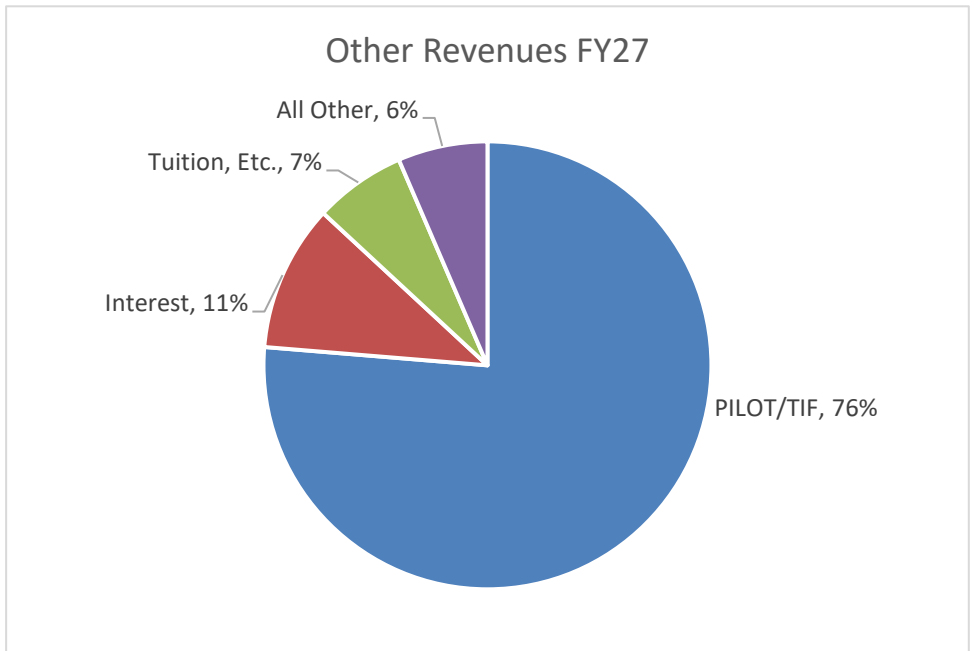
Under HB96, the current state biennium budget also enacted a new provision called "Piggyback Property Tax Exemptions". This provision allows county commissioners in each county in Ohio to double the current Homestead Exemption and owner occupied 2.5% tax credit. The Franklin County Commissioners have chosen not to implement this.

HB479 was passed in 2026 to allocate a state budget surplus that includes a one-time property tax reduction for those enrolled in the Homestead Exemption program. While the district will not gain any new funding, a slight one-time uptick in revenue is estimated that matches the full tax credit provided.

	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Rollback & Homestead	\$6.7M	\$6.8M	\$6.9M	\$7.3M	\$7.6M	\$7.7M	\$8.1M	\$8.4M
<i>Differences due to rounding</i>								

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 FY27, due in part to lower interest earnings. While the markets have remained high, it is realistic that they will lower in the future along with a decreasing cash balance to invest.



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 Columbus, the City of Gahanna and Jefferson Township.

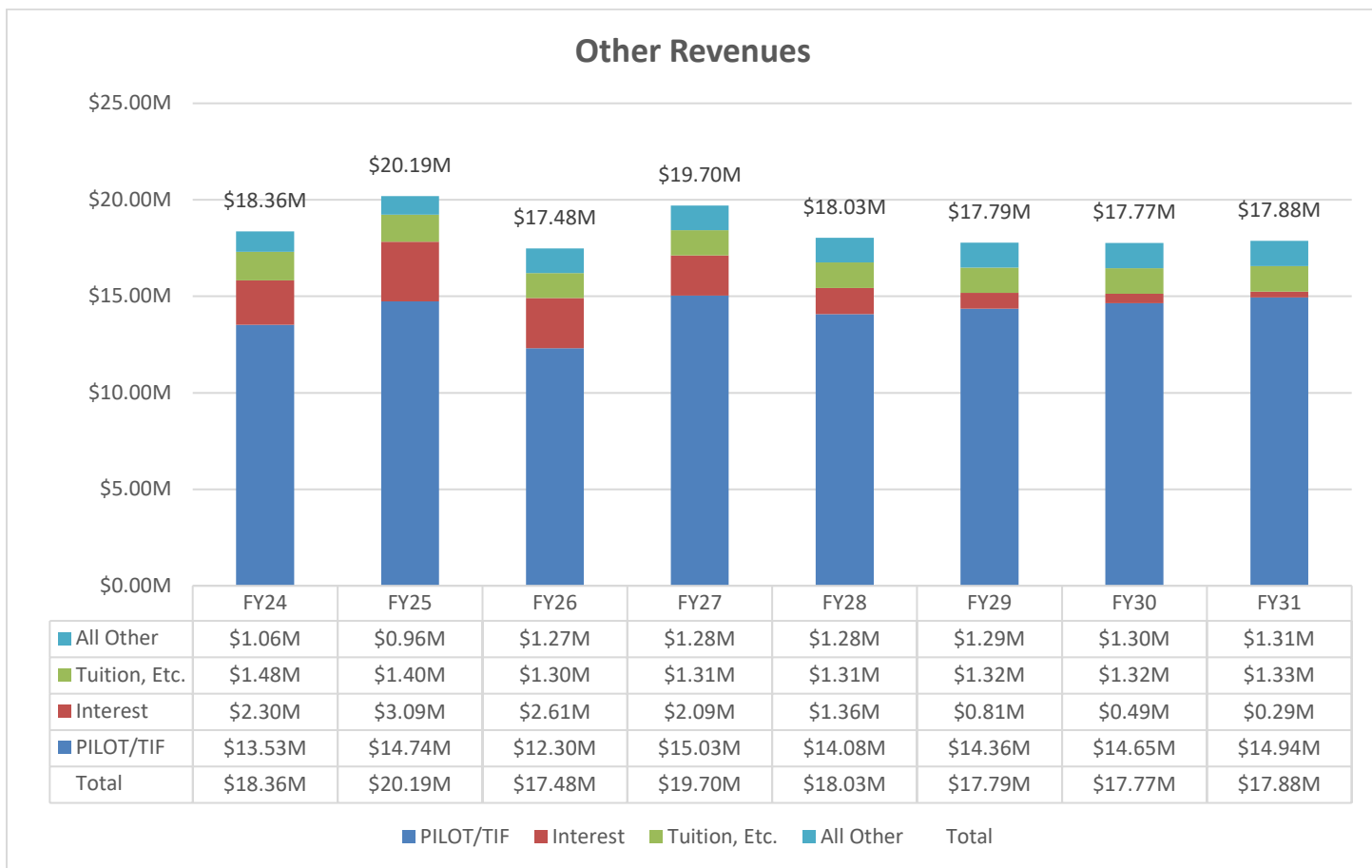
Due to legislation changes that required a software update at the County Auditor's office, tax settlements for spring of 2026 were later than usual. This resulted in PILOT payments from Jefferson Township and the City of Columbus to be paid in July 2026 (FY27) rather than June 2026 (FY26). Therefore, PILOT payments for FY26 are lower than usual and PILOT payments in FY27 are higher than what they would have been.

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 is predicted to remain steady through FY27 due to laddered investment strategies, any rate cuts in addition to the projected decline in the district's cash balances shows a negative 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 (advances) to other funds in the current or previous fiscal year(s) and the transfer back to the general fund for monies that were previously transferred out to pay for capital projects.

The Board previously identified capital improvements for two buildings at the Middle School level due to increased capacity needs resulting in 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. The \$15M will be transferred back to the general fund in FY27.

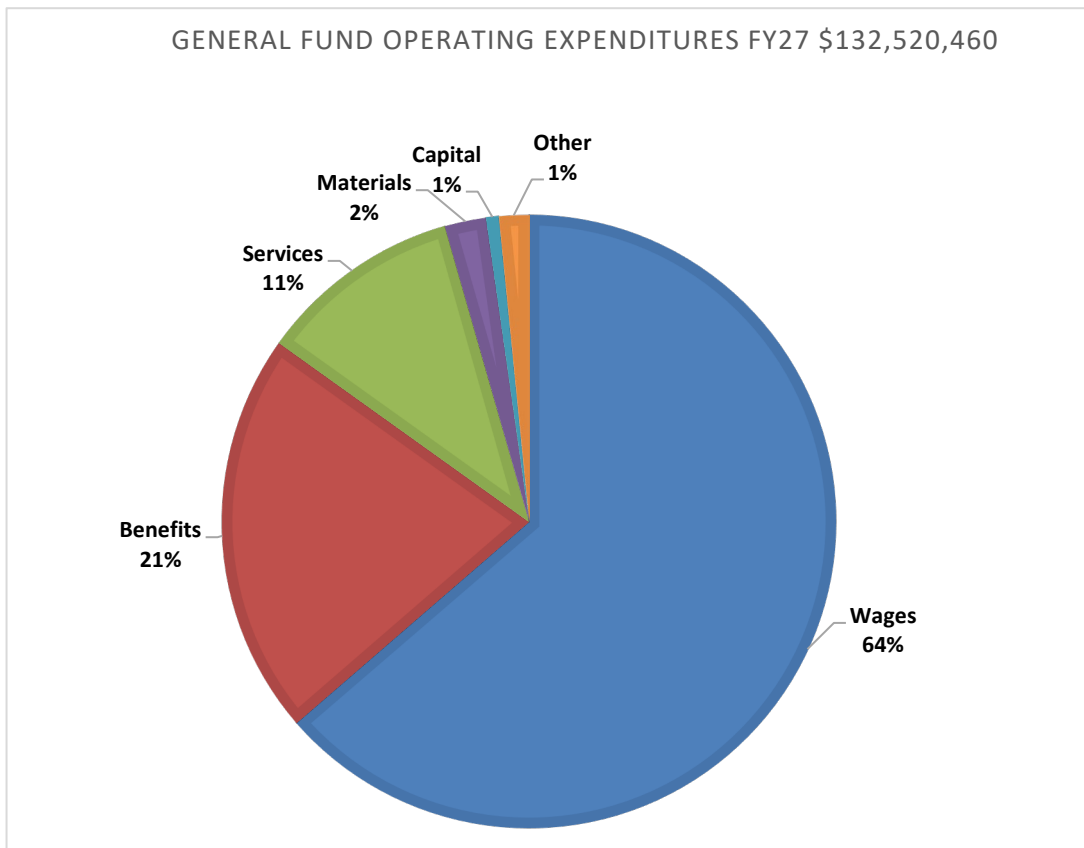
	<i>FY27</i>	<i>FY28</i>	<i>FY29</i>	<i>FY30</i>	<i>FY31</i>
<i>Transfers In</i>	15,000,000	100,000	100,000	100,000	100,000
<i>Advances In</i>	559,216	275,000	200,000	200,000	200,000
<i>Total</i>	15,559,216	375,000	300,000	300,000	300,000

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 85% of the District's operating expenditures in FY27. 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. Budgetary planning also considers if a line item can be frozen, is experiencing inflation, has market-driven factors, or requires an upgrade or replacement with a percentage increase or actual dollar figure assigned over the long-range cycle. 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.

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 driven by student enrollment and programming needs. Woolpert completed a projection of future enrollment for the District in February of 2026. We are basing annual staffing increases on these projections along with any specialized program need or regulatory requirement. There is a reduction in trend from past growth that awarded the District a supplement from the State.

Projected Enrollment - MODERATE				
Source: Woolpert -2/2026				
	2026-27	2027-28	2028-29	2029-30
District-Wide	8,339	8,383	8,423	8,479
<i>Percent Increase</i>	<i>1.02%</i>	<i>0.05%</i>	<i>0.05%</i>	<i>0.07%</i>

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 FY31 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, among others. 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 FY31 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. Due to the projected stability in our enrollment, staffing increases are capped at 5 certified and 5 classified for FY27 and none for FY28-FY30. The forecast also includes estimates for overtime, substitutes directly hired by the district, and supplemental pay.

Employees' Retirement/Insurance Benefits (Line 3.020)

In addition to health insurance, 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 FY27– FY31.

Unemployment Compensation

The cost of unemployment is likely to remain low for FY27-FY31. 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 increases in Medicare costs are due to increases in wages during the forecast period.

Insurance

The District offers two 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 13.5% increase for the first half of the fiscal year and a 9% increase starting January 1, 2027 and every January thereafter for 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 a uniform allowance.

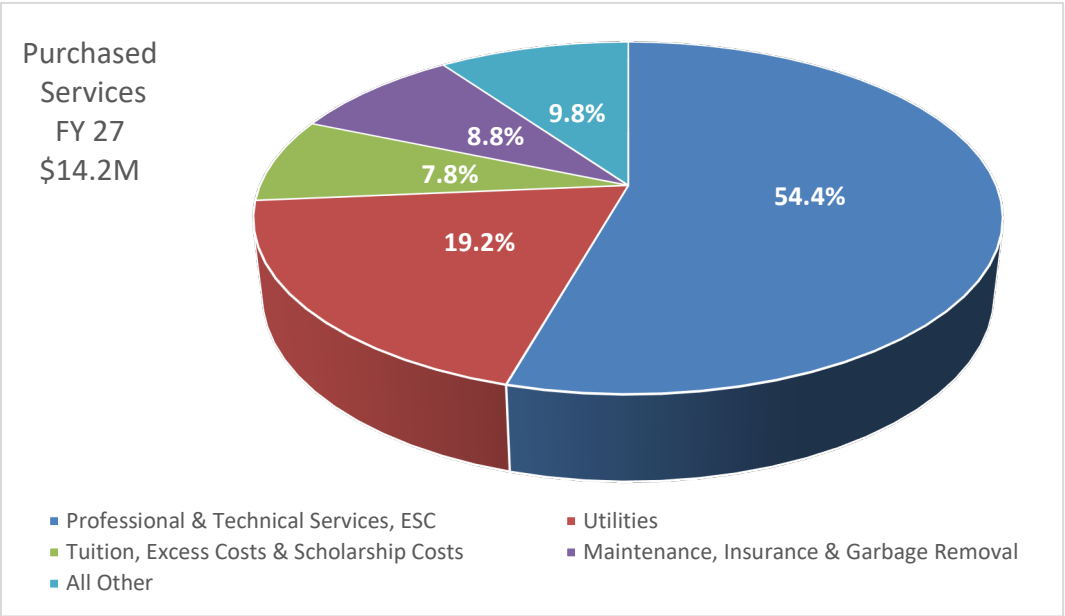
Summary of fringe benefits:

	FY27	FY28	FY29	FY30	FY31
<i>STRS/SERS</i>	\$13.3M	\$13.8M	\$14.4M	\$15.0M	\$15.6M
<i>Insurance's</i>	\$13.0M	\$14.9M	\$16.2M	\$17.7M	\$19.3M
<i>Workers Comp/Unemployment</i>	\$0.3M	\$0.3M	\$0.3M	\$0.3M	\$0.4M
<i>Medicare</i>	\$1.3M	\$1.3M	\$1.4M	\$1.4M	\$1.5M
<i>Other/Tuition</i>	\$0.2M	\$0.2M	\$0.2M	\$0.2M	\$0.2M
<i>Total Fringe Benefits Line #3.020</i>	\$28.1M	\$30.6M	\$32.6M	\$34.7M	\$36.9M

Purchased Services (Line 3.030)

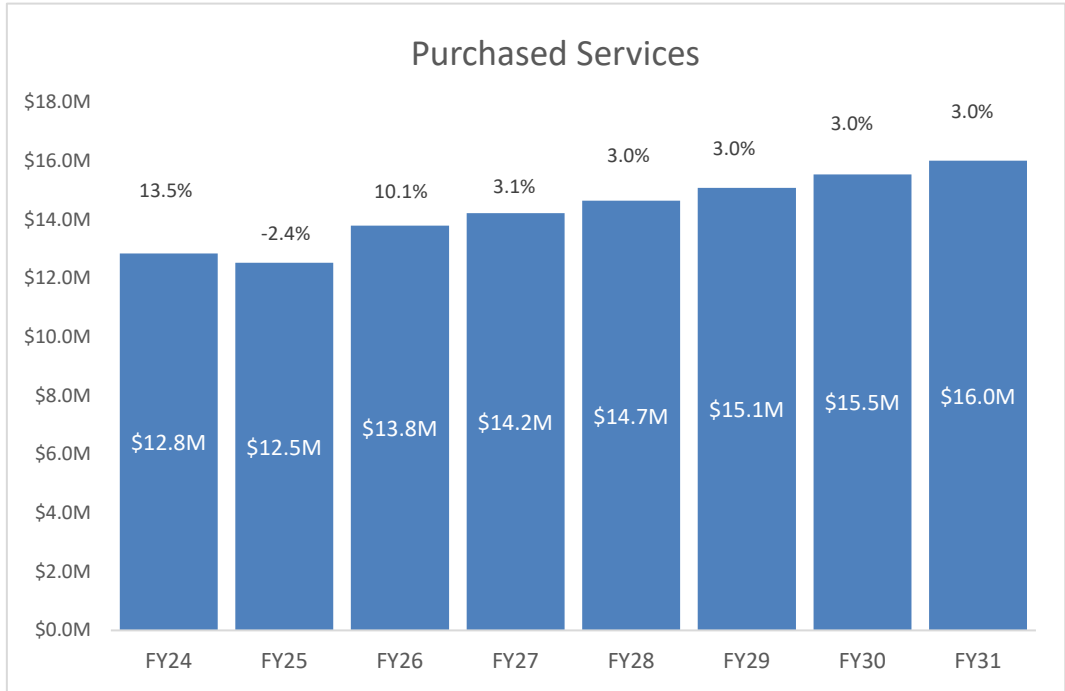
This category includes payments for contracted staff and services (that includes extensive support through the Educational Service Center of Central Ohio), utilities, special education services, special education student transportation, and legal fees.

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, services for substitutes teachers, and other specialized services. The largest expenditure categories forecasted for FY27 are professional/technical services.



This year’s budget process included a focus on our purchased services and as a result, we are limiting increases in FY27-FY31.

The large increase in FY24 was due in part to an increase in electricity, legal fees and special education transportation costs. Beginning in FY26, some expenditures that were paid for out of grants are now in the general fund. Copier services are also a part of this category. We continue to see increased needs for professional specialty services and educational technologies that support our students. 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 high need for substitute employees. For the first time in several years, we will not have substantial electricity consumption tied to construction in progress that had us essentially operating two high schools at the same time. With the change in demand and supported by a billing review, we reduced our increases to 3% per year in the forecast.



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.

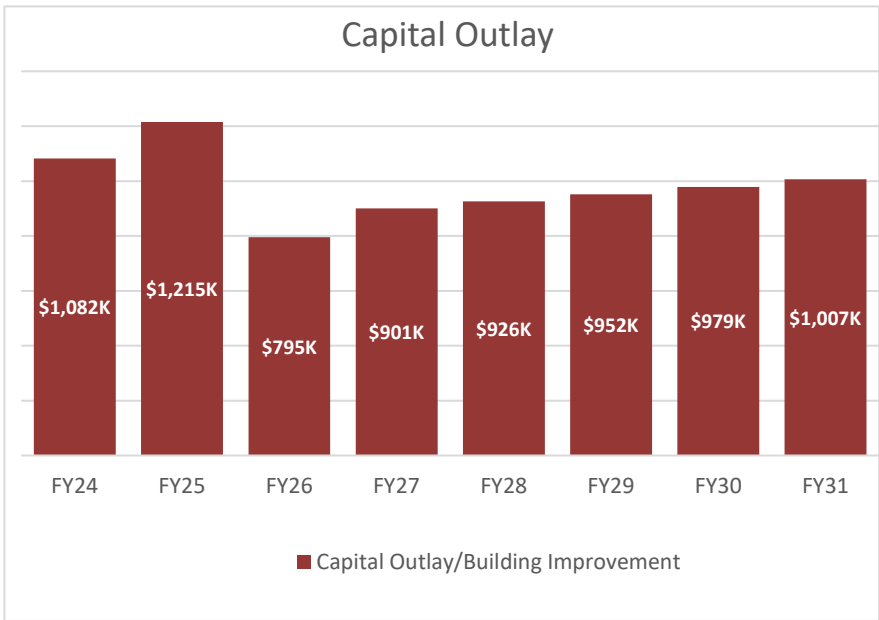
We continue to purchase curriculum on a replacement cycle per subject. This too will be reviewed at the midpoint to determine if reductions can be made in traditional or special education expenditures for this line item.



Capital Outlay (Line 3.050)

General Fund expenditures for capital outlay dropped by 53% in FY26. This reduction was 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.

While FY27 is expected to see a 12% increase, projections for the remaining forecasted years are anticipated to be around 3% annually.



Computer and network equipment and replacements along with typical building maintenance needs represent the majority of the General Fund Capital Outlay 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 property/casualty and liability insurance, bank charges, ESC funding per Ohio law, audit fees and any other expenditures not categorized elsewhere.

	FY27	FY28	FY29	FY30	FY31
<i>County Auditor Fees</i>	\$1.30M	\$1.34M	\$1.38M	\$1.42M	\$1.46M
<i>County ESC</i>	\$0.05M	\$0.06M	\$0.06M	\$0.06M	\$0.06M
<i>Other</i>	\$0.68M	\$0.70M	\$0.72M	\$0.74M	\$0.76M
<i>Total Other Expenses Line #4.300</i>	\$2.04M	\$2.10M	\$2.16M	\$2.22M	\$2.29M

Differences due to rounding

Other Financing Uses (Lines 5.010 and Line 5.020)

This account group covers transfers and advances out of the General Fund. 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 payments 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.

	FY27	FY28	FY29	FY30	FY31
<i>Various Purpose Refunding Bonds, Series 2017</i>	\$1.85M	\$1.84M	\$1.48M	\$0.00M	\$0.00M
<i>Other transfers out</i>	\$0.30M	\$0.35M	\$0.35M	\$0.35M	\$0.35M
<i>Operating Transfers Out Line #5.010</i>	\$2.15M	\$2.19M	\$1.83M	\$0.35M	\$0.35M
<i>Advances Out Line #5.020</i>	\$0.28M	\$0.20M	\$0.20M	\$0.20M	\$0.20M
<i>Total Transfers and Advances Out</i>	\$2.43M	\$2.39M	\$2.03M	\$0.55M	\$0.55M

The Various Purpose Refunding Bonds, Series 2017 are the only debt that is paid out of the general fund. The final payment is due December 1, 2028. The district has two COP's issues which are being paid out of the Permanent Improvement fund and two voted bond issues, which are being paid out of the bond funds.

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. The district maintained a budget reserve through FY26. However, with the district's forecast showing a trend of deficit spending, the reserve was used in FY27 to shore up the available cash balance.

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 sixty (60) days cash balance, which is about \$21.8 million for our district, and will be further evaluated through policy recommendations.

True Cash Days Ending Balance

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 91 TDC for FY27.

FINAL REMARKS

Despite the 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.

Because a deficit exists in year 3 of this forecast, a recommendation for a levy has been made with the development of plans as required by the State to reduce expenditures underway. More detailed information will be provided in an upcoming financial forecast.

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