

GAHANNA-JEFFERSON PUBLIC
SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025





65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

Board of Education
Gahanna-Jefferson Public School District
630 Morrison Road
Suite 200
Gahanna, Ohio 43230

We have reviewed the *Independent Auditor's Report* of the Gahanna-Jefferson Public School District, Franklin County, prepared by Rea & Associates, Inc., for the audit period July 1, 2024 through June 30, 2025. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Gahanna-Jefferson Public School District is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

March 27, 2026

This page intentionally left blank.

Gahanna-Jefferson Public School District
Franklin County, Ohio
June 30, 2025

Table of Contents

	<i>Page</i>
Independent Auditor’s Report	1
Prepared by Management:	
Management’s Discussion and Analysis	5
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	13
Statement of Activities.....	14
Fund Financial Statements:	
Balance Sheet – Governmental Funds	15
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	16
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) - General Fund.....	19
Statement of Net Position – Proprietary Fund	20
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund	21
Statement of Cash Flows – Proprietary Fund	22
Notes to the Basic Financial Statements	23

**Gahanna-Jefferson Public School District
Franklin County, Ohio
June 30, 2025**

*Table of Contents
(Continued)*

Page

Required Supplementary Information:

Schedule of the District's Proportionate Share of the Net Pension Liability.....	65
Schedule of District's Proportionate Share of the Net OPEB (Asset)/Liability	66
Schedule of District Contributions.....	67
Notes to Schedules of Required Supplementary Information.....	68
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	72
Independent Auditor's Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance.....	74
Schedule of Expenditures of Federal Awards	77
Notes to the Schedule of Expenditures of Federal Awards	78
Schedule of Findings and Questioned Costs	79

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Gahanna-Jefferson Public School District
Franklin County, Ohio
630 Morrison Road, Suite 200
Gahanna, OH 43230

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Gahanna-Jefferson Public School District, Franklin County, Ohio, (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Gahanna-Jefferson Public School District, Franklin County, Ohio, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the general fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension and other post-employment benefit schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an

opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Expenditures of the Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Rea & Associates, Inc.

Rea & Associates, Inc.
Dublin, Ohio
December 29, 2025

Gahanna-Jefferson Public School District
Franklin County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

As management of the Gahanna-Jefferson Public School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements themselves to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2025 are as follows:

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$85.6 million.
- The District's total net position increased by \$14.7 million in comparison with the prior fiscal year.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$155.8 million, a decrease of \$68.4 million in comparison with the prior fiscal year.

Using the Annual Report

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District as a whole entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position and Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund and building fund are the most significant funds.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While the basic financial statements contain the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2025?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

These two statements report the District's net position and changes in the position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio which restrict revenue growth, facility conditions, required educational programs, and other factors.

In the *Statement of Net Position* and the *Statement of Activities*, Governmental Activities include the District's programs and services, including instruction, support services, extracurricular activities, and non-instructional services, i.e., food service operations.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions; however, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general and building funds.

Governmental Funds Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds. Proprietary funds use the accrual basis of accounting; the same as on the entity-wide statements. Internal service funds are used to accumulate and allocate costs internally among the District's various funds. The District uses an internal service fund to account for workers compensation and dental claims and premiums. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the governmental-wide financial statements.

This space is intentionally left blank.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

Government-Wide Financial Analysis

Recall that the Statement of Net Position provides the perspective of the District as a whole. Table 1 provides a summary of the District's net position for 2025 compared to 2024:

Table 1
Net Position

	Governmental Activities		
	2025	2024	Change
Assets			
Current & Other Assets	\$ 269,389,796	\$ 335,571,389	\$ (66,181,593)
Net OPEB Asset	8,158,807	8,166,453	(7,646)
Capital Assets, net	294,230,049	223,942,315	70,287,734
<i>Total Assets</i>	<u>571,778,652</u>	<u>567,680,157</u>	<u>4,098,495</u>
Deferred Outflows of Resources			
Deferred Charges	153,423	191,779	(38,356)
Pension & OPEB	28,749,465	30,113,682	(1,364,217)
<i>Total Deferred Outflows of Resources</i>	<u>28,902,888</u>	<u>30,305,461</u>	<u>(1,402,573)</u>
Liabilities			
Current & Other Liabilities	26,784,357	26,039,874	744,483
Long-Term Liabilities:			
Due Within One Year	7,255,305	9,028,811	(1,773,506)
Due In More Than One Year:			
Pension & OPEB	104,203,478	115,092,283	(10,888,805)
Other Amounts	269,839,193	276,423,095	(6,583,902)
<i>Total Liabilities</i>	<u>408,082,333</u>	<u>426,584,063</u>	<u>(18,501,730)</u>
Deferred Inflows of Resources			
Property Taxes	63,615,932	60,917,634	2,698,298
Payments in Lieu of Taxes	13,200,000	13,128,392	71,608
Leases	8,211,199	8,356,459	(145,260)
Pension & OPEB	21,973,777	18,064,027	3,909,750
<i>Total Deferred Inflows of Resources</i>	<u>107,000,908</u>	<u>100,466,512</u>	<u>6,534,396</u>
Net Position			
Net Investment in Capital Assets	82,423,569	78,359,799	4,063,770
Restricted	43,401,979	35,936,022	7,465,957
Unrestricted	(40,227,249)	(43,360,778)	3,133,529
<i>Total Net Position</i>	<u>\$ 85,598,299</u>	<u>\$ 70,935,043</u>	<u>\$ 14,663,256</u>

Gahanna-Jefferson Public School District
Franklin County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

The net pension liability (NPL) reported by the District at June 30, 2025, is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. In a prior period, the District also adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension/OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the District's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
- 2 Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of these assets/liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment

Gahanna-Jefferson Public School District
Franklin County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

exchange with notice as to the law. For STRS, the plan's fiduciary net OPEB position was sufficient to cover the plan's total OPEB liability resulting in a net OPEB asset that is allocated to each school based on its proportionate share. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability reported by the retirement boards. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB asset/liability, respectively, not accounted for as deferred inflows/outflows.

Capital assets include land, construction in progress, land improvements, buildings and improvements, equipment and fixtures, and vehicles. These capital assets are used to provide services to students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position is a deficit balance and is primarily the result of GASB 68 and 75 accruals.

There was a significant change in net pension/OPEB liability/asset and related accruals for the District. These fluctuations are due to changes in the actuarial liabilities/assets and related accruals that are passed through to the District's financial statements. All components of pension and OPEB accruals contribute to the fluctuations in deferred outflows/inflows and NPL/NOL/NOA and are described in more detail in their respective notes.

Current and other assets declined significantly primarily from spending debt proceeds on construction in progress for a new high school and athletic facilities and reduced amounts due from other governments, including the absence of federal ESSER grant funds receivable present in the prior year. Net capital assets increased significantly as construction progress and additions outpaced depreciation and disposals.

Regular debt payments and debt maturing in the current fiscal year were the primary reasons for the decrease in long-term liabilities due within one year.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2025 and 2024.

Table 2
Changes in Net Position

	Governmental Activities		
	2025	2024	Change
Revenues			
<i>Program Revenues</i>			
Charges for Services	\$ 4,568,996	\$ 4,714,303	\$ (145,307)
Operating Grants	8,766,630	12,796,450	(4,029,820)
<i>Total Program Revenues</i>	<u>13,335,626</u>	<u>17,510,753</u>	<u>(4,175,127)</u>
General Revenues			
Property Taxes	94,285,778	96,329,528	(2,043,750)
Grants & Entitlements	24,392,876	25,811,499	(1,418,623)
Payments in Lieu of Taxes	14,769,278	13,689,544	1,079,734
Investment Earnings	9,178,771	12,927,062	(3,748,291)
Miscellaneous	740,669	773,281	(32,612)
<i>Total General Revenues</i>	<u>143,367,372</u>	<u>149,530,914</u>	<u>(6,163,542)</u>
<i>Total Revenues</i>	<u>156,702,998</u>	<u>167,041,667</u>	<u>(10,338,669)</u>
Program Expenses			
Instruction:			
Regular	59,633,207	57,642,182	1,991,025
Special	22,971,000	21,149,992	1,821,008
Vocational	544,309	402,393	141,916
Student Intervention Services	191,132	99,319	91,813
Other	9,227	65,853	(56,626)
Support Services:			
Pupils	9,004,177	9,130,046	(125,869)
Instructional Staff	5,369,055	4,633,676	735,379
Board of Education	441,343	592,212	(150,869)
Administration	9,265,110	9,091,855	173,255
Fiscal	2,844,171	2,835,153	9,018
Business	693,997	738,820	(44,823)
Operation and Maintenance of Plant	6,752,600	5,723,898	1,028,702
Pupil Transportation	6,628,453	5,278,936	1,349,517
Central	3,090,718	2,777,009	313,709
Operation of Non-Instructional Services	5,284,576	4,633,364	651,212
Extracurricular Activities	2,536,364	2,330,642	205,722
Interest Expense	6,780,303	6,979,837	(199,534)
<i>Total Expenses</i>	<u>142,039,742</u>	<u>134,105,187</u>	<u>7,934,555</u>
<i>Change in Net Position</i>	<u>14,663,256</u>	<u>32,936,480</u>	<u>(18,273,224)</u>
<i>Net Position Beginning of Year</i>	<u>70,935,043</u>	<u>37,998,563</u>	<u>32,936,480</u>
<i>Net Position End of Year</i>	<u>\$ 85,598,299</u>	<u>\$ 70,935,043</u>	<u>\$ 14,663,256</u>

Gahanna-Jefferson Public School District
Franklin County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

The dependence upon general revenues for governmental activities is apparent. The community, as a whole, is by far the primary support for the District students.

Operating grants decreased significantly mainly due to the absences of federal ESSER funding in the current fiscal year as compared to the prior fiscal year. Investment earnings decreased compared to the prior fiscal year, primarily due to lower cash and cash equivalents balances available for investment following the expenditure of debt proceeds on construction projects.

Increased wages and benefits for instructional staff and pupil transportation personnel was the primary reason for the increase in those program expenses. The increase in operation and maintenance of plant was mainly driven by higher compensated absences payable and non-capitalized expenditures for equipment.

Table 3
Fund Balance

<u>Funds:</u>	<u>Fund Balance</u> <u>June 30, 2025</u>	<u>Fund Balance</u> <u>June 30, 2024</u>	<u>Increase/</u> <u>(Decrease)</u>
General	\$ 63,844,848	\$ 79,166,446	\$ (15,321,598)
Building	59,756,250	128,887,625	(69,131,375)

Governmental Funds

The District's major funds are accounted for using the modified accrual basis of accounting.

A \$15,000,000 transfer from the general fund to the capital projects fund is the reason for the significant decrease in the fund balance of the general fund.

As previously discussed, the spending down of debt proceeds for the construction in progress led to a decrease in the fund balance of the building fund.

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund.

During the course of the fiscal year the District amended its general fund budget. The District uses site-based budgeting and budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

The difference between the District's original and the final estimated revenues and appropriations were insignificant except for an increase for instructional staff wages and benefits and an increase in transfers out, mainly for the transfer to the capital projects fund as previously discussed.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

Although the District had less cash and cash equivalents, its actual investment earnings outpaced the final expected interest on investments due to favorable market conditions. Actual payments in lieu of taxes were higher than the final amount expected also due to conditions favorable to the District. Final budgeted expenditures for instructional staff were higher than expected due to the increased wages and benefits previously discussed.

Capital Assets and Debt Administration

Capital Assets

The increase in capital assets was attributable primarily to additions to construction in progress. See Note 9 for more information.

Debt

The decrease in debt during the fiscal year was due to regularly scheduled debt payments. See Note 10 for more information.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact the treasurer's office, Gahanna-Jefferson Public School District, 630 Morrison Road, Suite 200, Gahanna, Ohio 43230.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Statement of Net Position
June 30, 2025

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	\$ 142,546,832
Accounts Receivable	46,909
Due from Other Governments	1,160,182
Property Taxes Receivable	103,615,113
Payments in Lieu of Taxes Receivable	13,392,188
Leases Receivable	8,628,572
Net OPEB Asset	8,158,807
Capital Assets Not Being Depreciated/Amortized	148,806,573
Capital Assets Being Depreciated/Amortized, net	145,423,476
<i>Total Assets</i>	<u>571,778,652</u>
Deferred Outflows of Resources	
Deferred Charges on Refunding	153,423
Pension	25,022,719
OPEB	3,726,746
<i>Total Deferred Outflows of Resources</i>	<u>28,902,888</u>
Liabilities	
Accounts Payable	802,297
Accrued Wages and Benefits	8,994,715
Contracts Payable	6,727,578
Retainage Payable	7,207,250
Payroll Withholdings Payable	13,006
Due to Other Governments	2,069,044
Accrued Interest Payable	600,774
Claims Payable	180,283
Matured Compensated Absences Payable	5,021
Unearned Revenue	184,389
Long-Term Liabilities:	
Due Within One Year	7,255,305
Due In More Than One Year:	
Net Pension Liability	100,620,283
Net OPEB Liability	3,583,195
Other Amounts Due in More Than One Year	269,839,193
<i>Total Liabilities</i>	<u>408,082,333</u>
Deferred Inflows of Resources	
Property Taxes Levied for the Next Year	63,615,932
Payments in Lieu of Taxes	13,200,000
Leases	8,211,199
Pension	11,149,291
OPEB	10,824,486
<i>Total Deferred Inflows of Resources</i>	<u>107,000,908</u>
Net Position	
Net Investment in Capital Assets	82,423,569
Restricted for:	
Capital Outlay	17,957,184
Debt Service	8,954,162
Permanent Improvements	4,342,576
Locally Funded Programs	105,063
Scholarships	144,170
Extracurricular Activities	1,264,749
State Funded Programs	89,060
Federally Funded Programs	154,459
Food Service	2,231,749
OPEB	8,158,807
Unrestricted	(40,227,249)
<i>Total Net Position</i>	<u>\$ 85,598,299</u>

See accompanying notes to the basic financial statements.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2025

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Governmental Activities
Governmental Activities				
Instruction:				
Regular	\$ 59,633,207	\$ 1,136,809	\$ 581,401	\$ (57,914,997)
Special	22,971,000	821,223	2,798,926	(19,350,851)
Vocational	544,309	-	55,674	(488,635)
Student Intervention Services	191,132	8,776	60,128	(122,228)
Other	9,227	1,477	-	(7,750)
Support Services:				
Pupils	9,004,177	60,343	604,473	(8,339,361)
Instructional Staff	5,369,055	-	231,443	(5,137,612)
Board of Education	441,343	-	-	(441,343)
Administration	9,265,110	42,558	888	(9,221,664)
Fiscal	2,844,171	-	-	(2,844,171)
Business	693,997	-	-	(693,997)
Operation and Maintenance of Plant	6,752,600	-	1,129,271	(5,623,329)
Pupil Transportation	6,628,453	2,363	1,812	(6,624,278)
Central	3,090,718	53,265	57,324	(2,980,129)
Operation of Non-Instructional Services	5,284,576	1,839,763	3,164,476	(280,337)
Extracurricular Activities	2,536,364	602,419	80,814	(1,853,131)
Interest Expense	6,780,303	-	-	(6,780,303)
<i>Total</i>	<u>\$ 142,039,742</u>	<u>\$ 4,568,996</u>	<u>\$ 8,766,630</u>	<u>(128,704,116)</u>
General Revenues				
Property Taxes Levied for:				
General Purposes				77,832,938
Debt Service				10,753,958
Permanent Improvement				5,698,882
Grants and Entitlements not Restricted to Specific Programs				24,392,876
Payments in Lieu of Taxes				14,769,278
Investment Earnings				9,178,771
Miscellaneous				740,669
<i>Total General Revenues</i>				<u>143,367,372</u>
<i>Change in Net Position</i>				14,663,256
<i>Net Position Beginning of Year</i>				<u>70,935,043</u>
<i>Net Position End of Year</i>				<u>\$ 85,598,299</u>

See accompanying notes to the basic financial statements.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Balance Sheet
Governmental Funds
June 30, 2025

	General	Building Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Investments	\$ 42,869,416	\$ 73,347,758	\$ 25,374,015	\$ 141,591,189
Accounts Receivable	46,909	-	-	46,909
Interfund Receivable	367,018	-	-	367,018
Due from Other Governments	389,569	-	770,613	1,160,182
Property Taxes Receivable	83,090,180	-	20,524,933	103,615,113
Payments in Lieu of Taxes Receivable	13,392,188	-	-	13,392,188
Leases Receivable	8,628,572	-	-	8,628,572
<i>Total Assets</i>	<u>\$ 148,783,852</u>	<u>\$ 73,347,758</u>	<u>\$ 46,669,561</u>	<u>\$ 268,801,171</u>
Liabilities				
Accounts Payable	\$ 509,239	\$ 107,369	\$ 185,689	\$ 802,297
Accrued Wages and Benefits	8,554,029	-	440,686	8,994,715
Contracts Payable	-	6,290,409	437,169	6,727,578
Retainage Payable	-	7,193,730	13,520	7,207,250
Payroll Withholdings Payable	13,006	-	-	13,006
Due to Other Governments	1,978,559	-	90,485	2,069,044
Interfund Payable	-	-	367,000	367,000
Matured Compensated Absences Payable	5,021	-	-	5,021
Unearned Revenue	111,242	-	-	111,242
<i>Total Liabilities</i>	<u>11,171,096</u>	<u>13,591,508</u>	<u>1,534,549</u>	<u>26,297,153</u>
Deferred Inflows of Resources				
Property Taxes Levied for the Next Year	51,014,366	-	12,601,566	63,615,932
Payments in Lieu of Taxes	13,200,000	-	-	13,200,000
Unavailable Revenue	1,342,343	-	314,006	1,656,349
Leases	8,211,199	-	-	8,211,199
<i>Total Deferred Inflows of Resources</i>	<u>73,767,908</u>	<u>-</u>	<u>12,915,572</u>	<u>86,683,480</u>
Fund Balances				
Restricted	-	59,756,250	17,320,537	77,076,787
Committed	5,334,237	-	15,000,000	20,334,237
Assigned	6,305,407	-	-	6,305,407
Unassigned	52,205,204	-	(101,097)	52,104,107
<i>Total Fund Balance</i>	<u>63,844,848</u>	<u>59,756,250</u>	<u>32,219,440</u>	<u>155,820,538</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 148,783,852</u>	<u>\$ 73,347,758</u>	<u>\$ 46,669,561</u>	<u>\$ 268,801,171</u>

See accompanying notes to the basic financial statements.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2025

Total Governmental Fund Balances		155,820,538
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		294,230,049
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Delinquent Property Taxes	\$ 948,466	
Payments in Lieu of Taxes	192,188	
Due from Other Governments	<u>515,695</u>	1,656,349
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets, liabilities, deferred outflows/inflows of resources of the internal service fund are included in governmental activities in the statement of net position.		702,195
Accrued interest payable is not due and payable in the current period and therefore not reported in the funds.		(600,774)
Unamortized loss on refunding represents deferred outflows, which do not use current financial resources and, therefore, are not reported in the funds.		153,423
The net pension liability and net OPEB liability (asset) are not due and payable in the current period, therefore, the liability (asset) and related deferred inflows/outflows are not		
Net OPEB Asset	8,158,807	
Deferred Outflows - Pension	25,022,719	
Deferred Outflows - OPEB	3,726,746	
Net Pension Liability	(100,620,283)	
Net OPEB Liability	(3,583,195)	
Deferred Inflows - Pension	(11,149,291)	
Deferred Inflows - OPEB	<u>(10,824,486)</u>	(89,268,983)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Bonds and Notes Payable	(252,850,000)	
Bond and Note Premiums	(16,873,935)	
Leases Payable	(415,637)	
Subscriptions Payable	(42,643)	
Compensated Absences	<u>(6,912,283)</u>	(277,094,498)
<i>Net Position of Governmental Activities</i>		<u><u>85,598,299</u></u>

See accompanying notes to the basic financial statements.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2025

	General	Building Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Property and Other Local Taxes	\$ 77,501,594	\$ -	\$ 16,431,912	\$ 93,933,506
Intergovernmental	23,824,148	-	9,723,485	33,547,633
Investment Income	3,835,504	5,308,346	112,735	9,256,585
Tuition and Fees	1,768,689	-	-	1,768,689
Extracurricular Activities	113,477	-	593,465	706,942
Charges for Services	27,305	-	1,833,019	1,860,324
Rent	233,041	-	-	233,041
Contributions and Donations	44,666	-	106,562	151,228
Payments in Lieu of Taxes	14,735,253	-	-	14,735,253
Lease Revenue	145,260	-	-	145,260
Miscellaneous	378,733	-	216,676	595,409
<i>Total Revenues</i>	<u>122,607,670</u>	<u>5,308,346</u>	<u>29,017,854</u>	<u>156,933,870</u>
Expenditures				
Current:				
Instruction:				
Regular	56,079,778	9,735	1,670,260	57,759,773
Special	20,907,928	-	2,880,852	23,788,780
Vocational	436,600	-	111,175	547,775
Student Intervention Services	70,911	-	120,069	190,980
Other	9,227	-	-	9,227
Support Services:				
Pupils	8,586,053	-	672,255	9,258,308
Instructional Staff	5,491,406	39,701	215,103	5,746,210
Board of Education	386,817	-	-	386,817
Administration	8,963,268	-	1,773	8,965,041
Fiscal	2,614,015	22,901	203,206	2,840,122
Business	597,640	-	-	597,640
Operation and Maintenance of Plant	6,225,580	252,107	1,241,994	7,719,681
Pupil Transportation	5,735,180	-	656,496	6,391,676
Central	2,765,478	-	71,359	2,836,837
Operation of Non-Instructional Services				
Food Service Operations	1,148	-	4,488,904	4,490,052
Community Services	25,780	-	719,817	745,597
Extracurricular Activities	1,667,609	-	903,153	2,570,762
Capital Outlay	-	74,115,277	1,484,947	75,600,224
Debt Service				
Principal Retirement	235,539	-	7,367,838	7,603,377
Interest and Fiscal Charges	13,184	-	7,325,573	7,338,757
<i>Total Expenditures</i>	<u>120,813,141</u>	<u>74,439,721</u>	<u>30,134,774</u>	<u>225,387,636</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,794,529</u>	<u>(69,131,375)</u>	<u>(1,116,920)</u>	<u>(68,453,766)</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Assets	13,084	-	-	13,084
Transfers In	-	-	17,129,211	17,129,211
Transfers Out	(17,129,211)	-	-	(17,129,211)
<i>Total Other Financing Sources (Uses)</i>	<u>(17,116,127)</u>	<u>-</u>	<u>17,129,211</u>	<u>13,084</u>
<i>Net Change in Fund Balances</i>	<u>(15,321,598)</u>	<u>(69,131,375)</u>	<u>16,012,291</u>	<u>(68,440,682)</u>
<i>Fund Balances Beginning of Year</i>	<u>79,166,446</u>	<u>128,887,625</u>	<u>16,207,149</u>	<u>224,261,220</u>
<i>Fund Balances Beginning of Year, as Adjusted</i>	<u>79,166,446</u>	<u>128,887,625</u>	<u>16,207,149</u>	<u>224,261,220</u>
<i>Fund Balances End of Year</i>	<u>\$ 63,844,848</u>	<u>\$ 59,756,250</u>	<u>\$ 32,219,440</u>	<u>\$ 155,820,538</u>

See accompanying notes to the basic financial statements.

Gahanna-Jefferson Public School District
Franklin County, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2025*

Net Change in Fund Balances - Total Governmental Funds		\$ (68,440,682)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.		
Capital Asset Additions	\$ 78,740,142	
Current Year Depreciation/Amortization	<u>(6,713,510)</u>	72,026,632
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
		(1,738,898)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent Property Taxes	194,107	
Payments in Lieu of Taxes	192,188	
Intergovernmental	<u>(617,167)</u>	(230,872)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Bonds and Notes Principal Payments	7,367,838	
Lease Principal Payments	220,314	
Subscription Principal Payments	<u>15,225</u>	7,603,377
Amortization of bond premium/discount on bonds are not reported in the fund but are allocated as an expense over the life of the debt in the statement of activities.		
		578,816
In the statement of activities, interest is accrued on outstanding bonds, and bond premium and the gain/loss on refunding are amortized over the term of the bonds, whereas in governmental funds, an interest expenditure is reported when bonds are issued.		
Accrued Interest Payable	17,994	
Amortization of Refunding Loss	<u>(38,356)</u>	(20,362)
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	11,451,776	
OPEB	<u>250,997</u>	11,702,773
Except for amount reported as deferred inflows/outflows, changes in the net pension/OPEB liability (asset) are reported as pension/OPEB expense in the statement of activities.		
Pension	(8,494,169)	
OPEB	<u>2,398,588</u>	(6,095,581)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
		(77,162)
Some expenses reported in the statement of activities, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated Absences		<u>(644,785)</u>
<i>Change in Net Position of Governmental Activities</i>		<u><u>\$ 14,663,256</u></u>

See accompanying notes to the basic financial statements.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Property and Other Local Taxes	\$ 79,311,988	\$ 79,311,988	\$ 77,466,080	\$ (1,845,908)
Intergovernmental	23,905,839	24,772,048	24,080,604	(691,444)
Interest on Investments	1,100,000	1,100,000	2,934,287	1,834,287
Tuition and Fees	1,809,343	1,811,343	1,646,393	(164,950)
Extracurricular Activities	11,000	11,000	8,990	(2,010)
Charges for Services	20,900	20,900	20,597	(303)
Rent	260,000	260,000	254,593	(5,407)
Contributions and Donations	52,700	52,700	40,898	(11,802)
Payments in Lieu of Taxes	13,158,335	13,158,335	14,735,253	1,576,918
Miscellaneous	287,668	290,168	271,036	(19,132)
<i>Total Revenues</i>	<u>119,917,773</u>	<u>120,788,482</u>	<u>121,458,731</u>	<u>670,249</u>
Expenditures				
Current:				
Instruction:				
Regular	55,953,743	57,160,617	56,069,921	1,090,696
Special	20,547,615	19,675,669	20,795,210	(1,119,541)
Vocational	448,318	440,694	435,281	5,413
Student Intervention Services	103	103	16,086	(15,983)
Support Services:				
Pupils	8,526,098	8,414,245	8,470,318	(56,073)
Instructional Staff	5,246,684	6,454,183	5,636,535	817,648
Board of Education	506,495	612,954	504,541	108,413
Administration	9,150,695	9,433,408	9,010,178	423,230
Fiscal	2,557,795	2,605,607	2,656,743	(51,136)
Business	724,877	744,032	617,044	126,988
Operation and Maintenance of Plant	6,521,535	6,896,985	6,557,691	339,294
Pupil Transportation	5,745,531	6,067,972	5,885,441	182,531
Central	3,028,325	3,105,790	2,808,717	297,073
Community Services	78,260	86,230	34,784	51,446
Extracurricular Activities	1,618,797	1,580,952	1,667,526	(86,574)
Debt Service				
Principal Retirement	235,539	235,539	235,539	-
Interest and Fiscal Charges	13,184	13,184	13,184	-
<i>Total Expenditures</i>	<u>120,903,594</u>	<u>123,528,164</u>	<u>121,414,739</u>	<u>2,113,425</u>
<i>Excess of Receipts Over (Under) Expenditures</i>	<u>(985,821)</u>	<u>(2,739,682)</u>	<u>43,992</u>	<u>2,783,674</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	12,200	12,200	13,084	884
Advances In	400,000	400,000	114,263	(285,737)
Advances Out	-	-	(108,306)	(108,306)
Transfers In	49,589	89,589	40,000	(49,589)
Transfers Out	-	(17,797,369)	(17,795,301)	2,068
<i>Total Other Financing Sources (Uses)</i>	<u>461,789</u>	<u>(17,295,580)</u>	<u>(17,736,260)</u>	<u>(440,680)</u>
<i>Net Change in Fund Balance</i>	<u>(524,032)</u>	<u>(20,035,262)</u>	<u>(17,692,268)</u>	<u>2,342,994</u>
<i>Fund Balance Beginning of Year</i>	49,941,165	49,941,165	49,941,165	-
Prior Year Encumbrances Appropriated	2,814,078	2,814,078	2,814,078	-
<i>Fund Balance End of Year</i>	\$ 52,231,211	\$ 32,719,981	\$ 35,062,975	\$ 2,342,994

See accompanying notes to the basic financial statements.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Statement of Fund Net Position
Proprietary Fund
June 30, 2025

	Governmental Activities
	Internal Service Fund
Assets	
<i>Current Assets:</i>	
Equity in Pooled Cash and Investments	\$ 955,643
 <i>Current Liabilities:</i>	
Interfund Payable	18
Unearned Revenue	73,147
Claims Payable	180,283
<i>Total Current Liabilities</i>	253,448
 Net Position	
Unrestricted	702,195
Total Net Position	\$ 702,195

See accompanying notes to the basic financial statements.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2025

	Governmental Activities
	Internal Service Fund
Operating Revenues	
Charges for Services	\$ 1,095,346
Operating Expenses	
Purchased Services	124,329
Claims	1,048,179
<i>Total Operating Expenses</i>	1,172,508
<i>Operating Income (Loss) and Change in Net Position</i>	(77,162)
<i>Net Position Beginning of Year</i>	779,357
<i>Net Position End of Year</i>	\$ 702,195

See accompanying notes to the basic financial statements.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2025

	Governmental Activities
	Internal Service Fund
Cash Flows from Operating Activities	
Cash Received from Charges for Services	\$ 1,106,623
Cash Payments for Contract Services	(124,329)
Cash Payments for Claims	(925,215)
Other Cash Payments	(15,213)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>41,866</u>
Cash Flows from Noncapital Financing Activities	
Advances In	<u>18</u>
<i>Net Increase (Decrease) in Cash and Investments</i>	41,884
<i>Cash and Investments Beginning of Year</i>	<u>913,759</u>
<i>Cash and Investments End of Year</i>	<u><u>\$ 955,643</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Operating Income (Loss)	\$ (77,162)
Adjustments:	
Increase (Decrease) in Liabilities:	
Claims Payable	107,751
Unearned Revenue	11,277
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u><u>\$ 41,866</u></u>

See accompanying notes to the basic financial statements.

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Gahanna Jefferson Public School District (the “District”) is located in Franklin County, Ohio. The District operates under a locally-elected Board form of government and provides educational services as authorized or mandated by state and/or federal agencies. This Board controls the District’s instructional/support facilities.

Reporting Entity

The reporting entity has been defined by GASB Standards. The reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the basic financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization’s governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization’s resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. The District had no component units for the current fiscal year.

Jointly Governed Organizations

The District participates in the Metropolitan Educational Technology Association (META). META is composed of over 200 members which includes school districts, joint vocational schools, educational service centers, and libraries covering 37 counties in Central Ohio. The META helps its members purchase services, insurances, supplies, and other items at a discounted rate. The governing board of META is composed of either the superintendent, a designated representative or a member of the board of education for each participating school district in Franklin County and one representative from each county outside of Franklin County. Each year, the participating school districts pay a membership fee to META to cover the costs of administering the program. Financial information may be obtained from the Metropolitan Educational Technology Association Chief Financial Officer, at 2100 Citygate Dr., Columbus, OH 43219.

The District is a member of the Eastland-Fairfield Career and Technical School (School), a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating district’s elected boards, which possesses its own budgeting and taxing authority. Financial information can be obtained from Dawn Lemley, who serves as Treasurer, at 4300 Amalgamated Place, Groveport, Ohio 43125.

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Undivided Interest in Joint Operations

On February 21, 1996, a contract was entered into between the District and the City of Gahanna (City), a separate legal entity, to construct and operate a vehicle maintenance facility. Based on the terms of the agreement, the entities equally bore the cost related to the construction of the maintenance facility. In exchange for 4.699 acres of land that the City deeded to the District, the City received a credit of \$187,960 toward their share of the cost related to construction. The land was recorded in the District's governmental activities in fiscal year 1996. In 2000, the District's share of construction costs, totaling \$1,234,694, was recorded in the District's governmental activities as a capital asset. Each entity is responsible for managing the operations of their portion of the vehicle maintenance facility.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting entity for establishing governmental accounting and financial reporting principles. The most significant of the District's accounting policies are described below.

Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements The government-wide financial statements report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods or services provided by a given program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The District has no enterprise funds.

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are grouped into the categories governmental, proprietary, and fiduciary. The District has two types of funds: governmental and proprietary.

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Governmental funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance.

The following are the District's major governmental funds:

General Fund The general fund is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Building Fund The building fund is used to account for transactions related to the school building construction projects.

Other Governmental Funds of the District are used to account for grants and other resources whose use is restricted or committed for a particular purpose.

Proprietary Funds The proprietary fund focuses on the determination of the changes in net assets, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service; the District has no enterprise funds.

The District has an internal service fund to account for money received from other funds as payment for providing vision, dental and workers' compensation insurance. Payments for claims, claims administration, stop-loss coverage, and medical insurance premiums are made to a third-party administrator. The principal operating revenues of the funds are charges for sales and services. Operating expenses for the internal service fund include the claims and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements. However, the activity for interfund services in the internal service funds are consolidated with the Governmental Activities on the government-wide financial statements.

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of the District are included on the statement of net position.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting, and proprietary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

Revenue - Exchange and Non-exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which taxes are levied (See Note 5). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, investment earnings, tuition, grants and entitlements, student fees, and rentals.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expenses/expenditure) until then. For the District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refundings and for pensions and other postemployment benefits (OPEB). A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 12 and 13.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, payment in lieu of taxes, unavailable revenue, leases, pension, and OPEB. Property taxes and payment in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2025, but which were levied to finance fiscal year 2026 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Deferred inflows of resources related to leases are reported on both the government-wide statement of net position and the governmental fund financial statements. The deferred inflows related to leases are explained in Note 8. Unavailable revenue includes delinquent property taxes, intergovernmental revenues, and interest income. These amounts are only reported on the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (See Notes 12 and 13).

Expenditures/Expenses On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the fund financial statements as intergovernmental revenue and an expenditure of food service operations. In addition, this amount is reported on the statement of activities as an expense with a like amount reported within the “operating grants, contributions and interest” program revenue account.

Under the modified accrual basis of accounting, the measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budget documents within an established timetable. The major documents prepared are the Five-Year Forecast, the Certificate of Estimated Resources, and the Appropriations Resolution, all of which are prepared on the budgetary cash basis of accounting. All funds are required to be budgeted and appropriated. The legal level of budgetary control is at the fund level for all funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

The Certificate of Estimated Resources and the Appropriations Resolution are subject to amendment throughout the year with legal restriction that the appropriations cannot exceed estimated resources, as certified. The amount reported as the original budgeted revenues in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted revenues in the budgetary statement reflect the amounts in the amended certificate that was in effect at the time the final appropriations were passed by the Board of Education. The amounts reported as the original budgeted expenditures reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted expenditures represent the final appropriation amounts passed by the Board during the year.

Cash and Investments

To improve cash management, cash received by the District is pooled and invested. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through District records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments of the District's cash management pool and investments with an original maturity of three months or less at the time they are purchased by the District are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

STAR Ohio (the State Treasury Asset Reserve of Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, Certain External Investment Pools and Pool Participants. The District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

STAR Ohio reserves the right to limit participant transactions to \$250 million per day. Transactions in all of a participant's accounts will be combined for this purpose. Twenty-four hours advance notice to STAR Ohio is appreciated for purchases or redemptions of \$100 million or more. For fiscal year 2025, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest receipts credited to the General Fund during fiscal year 2025 was \$3,835,504, which included \$1,150,839 assigned from other District funds.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Capital Assets

General capital assets are those related to governmental activities. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by proprietary funds are reported on both statement types.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at acquisition values as of the date received. The District's capitalization threshold is \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an assets life are not.

Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	20 years
Buildings and improvements	20-50 years
Equipment and fixtures	5-20 years
Vehicles	8 years
Textbooks	6 years

The District is reporting intangible right to use assets related to a leased building, equipment and subscription assets. These intangible assets are being amortized in a systematic and rational manner over the shorter of the term or the useful life of the underlying asset.

Interfund Balances

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds.

On fund financial statements, receivables and payables resulting from short-term interfund loans between governmental funds are classified as "interfund receivable/payable." Advances to/from other funds are long-term advances made between governmental funds that are not expected to be repaid within one year. These amounts are eliminated in the governmental activities column on the statement of net position.

Compensated Absences

For the District, compensated absences cover leave for which employees may receive cash payments either when used as time off or as a payout for unused leave upon termination of employment. These payments may occur during employment or at termination. Generally, compensated absences do not follow a fixed payment schedule.

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Liabilities should be recognized for unused leave if it is attributable to services already rendered, the leave accumulates, and it is more likely than not that it will be used or paid out in cash. For the District, this includes sick and vacation leave.

Liabilities for compensated absences should be recognized in financial statements prepared using the economic resources measurement focus for leave that has not been used and leave that has been used but not yet paid or settled.

A key component in determining the estimate of the amount of accumulated compensated absences that will be used as time off is the flows assumption. The flows assumption determines whether leave used by employees will be attributed first to (a) the recognized liability at the date of the financial statements (a first-in, first-out (FIFO) flows assumption) or (b) the leave earned in the next reporting period (a last-in, first-out (LIFO) flows assumption). The District uses the LIFO flows assumption.

The amount of compensated absences recognized as expenditures in financial statements prepared using the current financial resources measurement focus should be the amount that normally would be liquidated with expendable available financial resources.

Unearned Revenue

Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset by a corresponding liability for unearned revenue.

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide and proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences and net pension liability that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, leases, subscriptions and other long-term obligations are recognized as a liability on the fund financial statements when due.

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension liability/net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Fund Balance

In accordance with Governmental Accounting Standards Board Statements No. 54, Fund Balance Reporting, the District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The following categories were used:

Nonspendable The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed Fund balance is reported as committed when there are resources constrained for specific purposes that are internally imposed by formal action (resolution) of the government at the highest level of decision making authority, Board of Education.

Assigned Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria as restricted or committed. Although no specific resolution has been made, the District Board of Education authorizes the Treasurer to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget.

Unassigned Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when disbursements are incurred for purposes for which both restricted and unrestricted (committed, assigned and unassigned) fund balance is available. The District considers assigned and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization, reduced by outstanding balances of borrowing used for acquisition, construction or improvement of the assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes represent restricted grants and contributions held at fiscal year-end. The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Bond Premiums

On government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds. On the governmental fund financial statements, bond premiums are recognized in the current period.

Extraordinary and Special Items

Extraordinary items are transactions of events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. During the fiscal year, the District did not incur any transactions that would be classified as an extraordinary item or special item.

Estimates

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance in accordance with GAAP, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The Statement of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis).
- (d) Advances-In and Advance-Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the General Fund is as follows:

GAAP Basis	\$ (15,321,598)
Net Adjustment for Revenue Accruals	(878,339)
Net Adjustment for Expenditure Accruals	758,523
Funds Budgeted Elsewhere**	(374,781)
Adjustment for Encumbrances	<u>(1,876,073)</u>
Budget Basis	<u>\$ (17,692,268)</u>

**As part of Governmental Accounting Standards Board No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the uniform school supplies, rotary, public school support, and termination benefits funds.

NOTE 4 – DEPOSITS AND INVESTMENTS

Monies held by the District are classified by State statute into three categories.

Active deposits are public deposits determined to be necessary to meet current demands upon the District treasury. Active monies must be maintained either as cash in the District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies may be invested or deposited in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed 30 days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).
8. Certain bankers' acceptances (for a period not to exceed 180 days) and commercial paper notes (for a period not to exceed 270 days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the District and must be purchased with the expectation that it will be held to maturity.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year end, \$9,718,483 of the District's bank balance of \$9,970,983 was exposed to custodial credit risk because it was uninsured and collateralized.

The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Investments

As of fiscal year-end, the District had the following investments:

S&P Global Ratings	Investment Type	Measurement Value	Investment Maturities			Percent of Total
			12 Months or Less	12 to 36 Months	More Than 36 Months	
	Net Asset Value (NAV):					
AAAm	STAR Ohio	\$ 19,798,916	\$ 19,798,916	\$ -	\$ -	14.90%
N/A	Money Market	2,931,156	2,931,156	-	-	2.21%
	Fair Value:					
AA	Federal Securities	13,868,033	5,842,247	5,317,421	2,708,365	10.44%
AAA	Municipal Bonds	26,408,874	26,408,874	-	-	19.88%
AA	US Treasury Note	49,257,613	29,577,761	16,071,785	3,608,067	37.08%
AA	Negotiable Certificate of Deposit	247,931	-	-	247,931	0.19%
A-1	Commercial Paper	20,325,345	20,325,345	-	-	15.30%
	Total Investments	\$ 132,837,868	\$ 104,884,299	\$ 21,389,206	\$ 6,564,363	100.00%

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

The above table identifies the District's recurring fair value measurements as of June 30, 2025. The District's fair value investments are Level 2 since valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data.

Interest Rate Risk Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The District's investment policy addresses interest rate risk by requiring that the District's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity, and limits investment portfolio maturities to five years or less, unless matched to a specific obligation or debt of the District.

Credit Risk The District has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAR Ohio as of June 30, 2025, is 30 days.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Concentration of Credit Risk The District places no limit on the amount it may invest in any one issuer.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 5 – PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the District fiscal year runs from July through June. First half tax collections are received by the District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real and public utility property located in the District. Real property tax revenue received in calendar 2025 represents collections of calendar year 2024 taxes. Real property taxes received in calendar year 2025 were levied after April 1, 2024, on the assessed value listed as of January 1, 2024, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2025 represents collections of calendar year 2024 taxes. Public utility real and tangible personal property taxes received in calendar year 2025 became a lien December 31, 2023, were levied after April 1, 2024, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The District receives property taxes from Franklin County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2025, are available to finance fiscal year 2025 operations. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

The assessed values upon which fiscal year 2025 taxes were collected are:

	2024 Second-Half Collections		2025 First-Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$ 2,498,667,030	96%	\$ 2,481,479,030	96%
Public Utility Personal Property	94,140,990	4%	107,770,120	4%
Total Assessed Values	<u>\$ 2,592,808,020</u>	<u>100%</u>	<u>\$ 2,589,249,150</u>	<u>100%</u>
Tax rate per \$1,000 of assessed valuation	<u>\$ 86.66</u>		<u>\$ 86.66</u>	

NOTE 6 – PAYMENTS IN LIEU OF TAXES

The District has entered into several Compensation Agreements with other local government entities resulting in the receipt of payments in lieu of taxes. The Compensation Agreements relate to the use of property tax abatements to encourage economic development. The District receives payments in lieu of taxes for projects at Broad Street, Easton, Creekside and other locations. For these projects, the District is to receive payments equal to the amount that the District would otherwise have received as real property tax payments derived from the improvements, absent the passage of the agreement. The District receives the payments directly from the County which collects the amounts for the agreements.

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

The District also receives payments in lieu of taxes from the City of Columbus, which has declared improvements to certain parcels of real property for the Stelzer-Stygler Community Reinvestment Area 100 percent exempt from property taxes. The District is to receive 46 percent of real property tax payments derived from the improvements had the exemption not been declared for improvements before March 25, 2002. For projects completed after March 25, 2002, the District will receive payments of 58 percent of real property tax payments derived from the improvements had the exemption not been declared and 50 percent of income tax collected for new employee payroll attributable to employment at each such project.

The District also receives payments in lieu of taxes from the City of Gahanna, whereas the City of Gahanna has declared improvements to certain parcels of real property within the City 100 percent exempt from property taxes. The District is to receive 50 percent of the amount of income taxes levied and collected by the City on employee payroll for that year, not to exceed 100 percent of the real property taxes foregone by the District for that year.

NOTE 7 – TAX ABATEMENTS

Under Community Reinvestment Area (CRA) and other property tax abatements entered into by the City of Gahanna and the City of Columbus, the District's property tax revenues were reduced by \$1,509,832 and \$928,732 during the fiscal year, respectively. Compensation payments received from the cities during the fiscal year totaled \$54,181.

NOTE 8 – LEASE AGREEMENTS

In August 2011, the District opened Clark Hall, a state-of-the-art learning facility that serves as an extension to the nearby Lincoln High School. In addition, the District entered into the following agreement related to Clark Hall.

On February 24, 2012, the District entered into a ground lease agreement with Wagenbrenner Development, Inc., for design and construction of 24,000 square feet of new commercial space on the remaining undeveloped land adjacent to Clark Hall titled "The Commons at Clark Hall". The term of the lease is for a period of 85 years. The rent payable under the lease, per annum, for the first ten years is \$132,000. The rent payable will be adjusted every 10th year of the term. The lease commenced in fiscal year 2012 and concludes in fiscal year 2097. Payments are made monthly.

In January 2023, the District entered into an agreement with T-Mobile USA Tower LLC for the use of a cell tower. The term of the lease is for a period of 20 years. The monthly rent payable under the lease is \$3,000 with a three percent increase per year as well as a one-time initial payment of \$50,000. The lease commenced in fiscal year 2023 and concludes in fiscal year 2043.

The District is reporting leases receivable of \$8,628,572 in the governmental funds. This amount represents the discounted future lease payments. This discount is being amortized using the interest method. The District reported lease revenue of \$145,260 and interest revenue of \$194,039 during the fiscal year.

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

A summary of future payments to be received is as follows:

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2026	\$ 23,176	\$ 167,389	\$ 190,565
2027	24,871	166,858	191,729
2028	26,638	166,288	192,926
2029	28,482	165,678	194,160
2030	30,405	165,026	195,431
2031-2035	183,824	887,769	1,071,593
2036-2040	245,478	903,964	1,149,442
2041-2045	149,781	962,337	1,112,118
2046-2050	-	1,003,778	1,003,778
2051-2055	-	1,101,646	1,101,646
2056-2060	237,149	917,195	1,154,344
2061-2065	435,684	831,208	1,266,892
2066-2070	553,134	774,362	1,327,496
2071-2075	752,091	704,835	1,456,926
2076-2080	916,602	610,019	1,526,621
2081-2085	1,178,300	497,166	1,675,466
2086-2090	1,404,242	351,372	1,755,614
2091-2095	1,746,260	180,525	1,926,785
2096-2097	692,455	14,178	706,634
Total	<u>\$ 8,628,572</u>	<u>\$ 10,571,593</u>	<u>\$ 19,200,166</u>

This space intentionally left blank

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 9 – CAPITAL ASSETS

Capital asset activity for the fiscal year was as follows:

Governmental Activities	Beginning Balance	Additions	Disposals and Transfers	Ending Balance
Nondepreciable Capital Assets				
Land	\$ 7,701,290	\$ -	\$ -	\$ 7,701,290
Construction in Progress	144,173,045	73,198,034	(76,265,796)	141,105,283
Total Nondepreciable Assets	151,874,335	73,198,034	(76,265,796)	148,806,573
Capital Assets Being Depreciated/Amortized				
Land Improvements	9,544,180	17,361,485	(3,365,808)	23,539,857
Buildings and Improvements	106,115,511	62,144,930	(17,264,754)	150,995,687
Equipment and Fixtures	17,090,791	1,528,694	(7,127,318)	11,492,167
Intangible Right to Use Building	610,061	-	-	610,061
Intangible Right to Use Equipment	353,815	-	(289,323)	64,492
Intangible Right to Use Technology	178,162	-	(90,352)	87,810
Vehicles	8,375,008	772,795	(899,027)	8,248,776
Textbooks	1,383,320	-	(1,383,320)	-
Total Capital Assets Being Depreciated/Amortized	143,650,848	81,807,904	(30,419,902)	195,038,850
Less Accumulated Depreciation/Amortization				
Land Improvements	(7,188,843)	(1,264,352)	5,196,903	(3,256,292)
Buildings and Improvements	(48,852,465)	(3,333,204)	15,946,020	(36,239,649)
Equipment and Fixtures	(8,087,288)	(982,224)	4,876,059	(4,193,453)
Intangible Right to Use Building	(16,946)	(203,354)	-	(220,300)
Intangible Right to Use Equipment	(299,213)	(33,105)	289,323	(42,995)
Intangible Right to Use Technology	(101,240)	(19,218)	90,352	(30,106)
Vehicles	(5,653,553)	(878,053)	899,027	(5,632,579)
Textbooks	(1,383,320)	-	1,383,320	-
Total Accumulated Depreciation/Amortization	(71,582,868)	(6,713,510)	28,681,004	(49,615,374)
Capital Assets, Net of Accumulated Depreciation/Amortization	72,067,980	75,094,394	(1,738,898)	145,423,476
Capital Assets, Net	\$ 223,942,315	\$ 148,292,428	\$ (78,004,694)	\$ 294,230,049

This space intentionally left blank

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Depreciation/amortization was charged to governmental functions as follows:

	Amount
Instruction:	
Regular	\$ 4,743,837
Special	1,328
Vocational	6,871
Support Services:	
Pupil	733
Instructional Staff	88,736
Board of Education	20,678
School Administration	247,294
Business	37,087
Operations and Maintenance	493,450
Pupil Transportation	865,815
Central	175,421
Food Service	18,250
Community Service	2,265
Extracurricular Activities	11,745
Total Depreciation/Amortization Expense	<u>\$ 6,713,510</u>

NOTE 10 – LONG-TERM OBLIGATIONS

During the fiscal year, the following changes occurred in long-term obligations:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
<i>General Obligation Debt</i>					
2010C Learning Center Bonds	\$ 383,184	\$ -	\$ (383,184)	\$ -	\$ -
2014 Stadium Facility Note	264,654	-	(264,654)	-	-
2017 Refunding Bonds	8,025,000	-	(1,295,000)	6,730,000	1,715,000
2018 School Facilities Bonds	26,535,000	-	(625,000)	25,910,000	640,000
2021 School Facilities Bonds	182,725,000	-	(3,785,000)	178,940,000	3,065,000
<i>Total General Obligation Debt</i>	<u>217,932,838</u>	<u>-</u>	<u>(6,352,838)</u>	<u>211,580,000</u>	<u>5,420,000</u>
<i>Financed Purchase Agreement</i>					
2021 Certificates of Participation	42,285,000	-	(1,015,000)	41,270,000	1,045,000
<i>Other Long Term Obligations</i>					
Net Pension Liability	109,504,560	-	(8,884,277)	100,620,283	-
Net OPEB Liability	5,587,723	-	(2,004,528)	3,583,195	-
Unamortized Premium	17,452,751	-	(578,816)	16,873,935	-
Leases Payable	635,951	-	(220,314)	415,637	225,256
Subscriptions Payable	57,868	-	(15,225)	42,643	15,643
Compensated Absences*	6,267,498	644,785	-	6,912,283	549,406
<i>Total Other Long-Term Debt</i>	<u>139,506,351</u>	<u>644,785</u>	<u>(11,703,160)</u>	<u>128,447,976</u>	<u>790,305</u>
2015A Tax Anticipation Notes	820,000	-	(820,000)	-	-
Total Governmental Activities	<u>\$ 400,544,189</u>	<u>\$ 644,785</u>	<u>\$ (19,890,998)</u>	<u>\$ 381,297,976</u>	<u>\$ 7,255,305</u>

*The change in compensated absences is a net change for the fiscal year.

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

2010 Learning Center Clark Hall Bonds

On February 16, 2010, the District issued \$14,682,770 in Learning Center Clark Hall Bonds for the purpose of school facilities construction in the Ohio School Facilities Commission program. The Series 2010A Bonds were issued in the amount of \$2,435,000 with interest costs increasing each year from 3.65 to 4.15 percent. The bonds were issued at a discount in the amount of \$34,897. This discount is amortized over the life of the bond, on a straight-line basis. Payments on the bonds are made from the debt service fund. In fiscal year 2018, the Bonds were advance refunded with the Series 2017 Bonds.

The Series 2010C Bonds were issued in the amount of \$5,747,770 with interest costs 1.50 percent. This issuance was issued as Qualified School Construction Bonds. The bonds matured during fiscal year 2025.

2014 Stadium Facility Construction and Improvement Note

On May 27, 2014, the District borrowed \$700,000 for the purpose of construction, improvement, furnishings, and equipping of stadium bleacher facilities, with related site improvements. The note is paid from the debt service fund and has an interest rate of 3.00 percent. The note has a term of 180 months. Payments in the amount of \$4,835 are due on the 27th of every month with the final payment due on May 27, 2029. The note was paid in full during the current fiscal year.

2017 Refunding Bonds

On December 11, 2017, the District issued \$9,405,000 in various purpose bonds for the purpose of advance refunding the remaining Series 2010 A Bonds and a portion of the Series 2013 A Bonds. The bonds are paid from the debt service fund and have an interest rate of 2.110 percent. As a result of the advance refunding, the District reduced its total debt service requirements by \$523,300, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new (debt) of \$468,308). The refunded bonds have been fully defeased as of fiscal year-end.

2018 School Facilities Construction and Improvement Bonds

On August 14, 2018, the District issued \$32,000,000 in School Facilities Construction and Improvement Bonds for the purpose of school facilities construction, including a new elementary school, and renovating, improving, and constructing additions to school facilities; furnishing and equipping the same; and improving sites thereof. The Bonds were issued with interest rates ranging from 3.00 to 5.00 percent. The bonds were issued with a premium in the amount of \$2,511,937. This premium is amortized over the life of the bond on a straight-line basis. Payments on the bonds are made from the debt service fund. The bonds mature on December 1, 2048.

This space intentionally left blank

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

2021 School Facilities Construction and Improvement Bonds

On March 17, 2021, the District issued \$205,665,000 in School Facilities Construction and Improvement Bonds for the purpose of school facilities construction, including a new high school, and renovating, improving, and constructing improvements and additions to existing school facilities, buildings and infrastructure, including additional classroom and learning space capacity to accommodate student population growth; furnishing and equipping the same; improving sites thereof; and acquiring land and interests in land. The Bonds were issued with interest rates ranging from 2.00 to 4.00 percent. The bonds were issued with a premium in the amount of \$14,050,465. This premium is amortized over the life of the bond, on a straight-line basis. Payments on the bonds are made from the debt service fund. The bonds mature on December 1, 2057.

The following is a summary of future annual debt service requirements for maturity for the general obligation bonds:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 5,420,000	\$ 5,974,653	\$ 11,394,653
2027	5,575,000	5,834,366	11,409,366
2028	5,710,000	5,699,236	11,409,236
2029	5,470,000	5,551,521	11,021,521
2030	4,140,000	5,427,118	9,567,118
2031-2035	22,400,000	25,322,690	47,722,690
2036-2040	26,220,000	21,423,735	47,643,735
2041-2045	30,780,000	16,708,565	47,488,565
2046-2050	36,930,000	10,581,471	47,511,471
2051-2055	41,555,000	6,047,212	47,602,212
2056-2058	27,380,000	1,098,695	28,478,695
Total	<u>\$ 211,580,000</u>	<u>\$ 109,669,262</u>	<u>\$ 321,249,262</u>

Financed Purchase Agreements

The following agreement meets the criteria of a financed purchase, defined as a financed purchase that transfers ownership to the lessee. The payments are reported as debt service expenditures in fund financial statements.

2021 Certificates of Participation On March 15, 2021, the District issued \$48,000,000 in certificates of participation for the purpose of constructing, improving, furnishing, and equipping of school facilities, including but not limited to constructing a new high school. The maturity date for the bonds is December 1, 2050 with interest costs increasing each year from 2.00 to 4.00 percent. The certificates were issued with a premium in the amount of \$3,252,007. The proceeds of the certificates issued were reported in the capital project/building fund. Payments on the certificates will be made from the debt service fund.

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

The following is a summary of future base rent payments for the certificates of participation:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,045,000	\$ 1,145,287	\$ 2,190,287
2027	1,075,000	1,113,487	2,188,487
2028	1,110,000	1,080,712	2,190,712
2029	1,140,000	1,041,262	2,181,262
2030	1,185,000	1,000,687	2,185,687
2031-2035	6,620,000	4,280,310	10,900,310
2036-2040	7,825,000	3,089,135	10,914,135
2041-2045	9,020,000	1,897,456	10,917,456
2046-2050	10,095,000	820,407	10,915,407
2051	2,155,000	24,244	2,179,244
Total	<u>\$ 41,270,000</u>	<u>\$ 15,492,987</u>	<u>\$ 56,762,987</u>

Leases Payable

The District has outstanding agreements to lease a building and copier equipment. The building lease commenced in June 2024 and has a term of 36 months. The copier equipment lease commenced in June 2023 and has a term of 36 months. The future lease obligations were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 225,256	\$ 6,944
2027	190,381	2,120
Total	<u>\$ 415,637</u>	<u>\$ 9,064</u>

Subscription Liabilities

The District has an outstanding subscription-based information technology arrangements for optical fiber use. The future subscription payments are discounted based on the interest rate implicit in the lease or by using the District's incremental borrowing rate. The discount is amortized using the straight-line method over the life of the arrangement.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 15,643	\$ 956
2027	16,072	605
2028	2,518	245
2029	2,656	189
2030	2,802	129
2031	2,952	66
Total	<u>\$ 42,643</u>	<u>\$ 2,190</u>

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Compensated Absences

The District recognizes a liability for compensated absences for the leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment under the last-in-first-out flow assumption. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements.

2015A Permanent Improvement Levy Tax Anticipation Notes

On April 14, 2015, the District issued \$7,400,000 in permanent improvement levy tax anticipation notes. The source of revenue to retire the special obligation notes will be derived from voted property tax levies recorded in the permanent improvement fund. The notes are paid from the debt service fund and have interest costs ranging from 2.00 to 3.00 percent. The notes were issued at a premium in the amount of \$231,321. This amortization is being amortized over the life of the notes, on a straight-line basis. The notes had a final maturity date of December 1, 2024.

NOTE 11 – RISK MANAGEMENT

Comprehensive

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has been no significant reduction in insurance coverage from the prior fiscal year.

Employee Group Life, Medical, Dental and Vision Insurance

The District provides health insurance to employees. The District pays 80% of the monthly premiums for a family plan and 85% for a single plan. The District also provides dental insurance to employees. The Board pays 80% of the monthly premiums for a family plan and 90% for a single plan.

Workers' Compensation

The District maintains an internal service “self-insurance” workers’ compensation insurance fund in connection with formalized risk management programs in an effort to minimize risk exposure and control claims and premium costs. A claims liability of \$158,535 at fiscal year-end in the workers’ compensation self-insurance internal service fund reflects an estimate of incurred but unpaid claims liability. This liability was estimated by a third party based on claims experience. The District, effective January 1, 2014, contracted with Hunter Consulting Co. to be the third party administrator for the District’s insurance program. The District has purchased stop loss coverage for individual employee claim amounts exceeding \$400,000.

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

A summary of the changes in the self-insurance claims liability for the years ended June 30 is as follows:

	Workers' Compensation		Dental Insurance		Total	
	2025	2024	2025	2024	2025	2024
Claims Liability at July 1	\$ 52,741	\$ 65,342	\$ 19,791	\$ 16,401	\$ 72,532	\$ 81,743
Incurred Claims	296,062	54,982	752,117	728,718	1,048,179	783,700
Claims Paid	(190,268)	(67,583)	(750,160)	(725,328)	(940,428)	(792,911)
Claims Liability at June 30	<u>\$ 158,535</u>	<u>\$ 52,741</u>	<u>\$ 21,748</u>	<u>\$ 19,791</u>	<u>\$ 180,283</u>	<u>\$ 72,532</u>

NOTE 12 - DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Net OPEB Liability (Asset)

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

The net pension/OPEB liability (asset) represent the District's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the District does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients.

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension/OPEB liability (asset)* on the accrual basis of accounting. Any liability for the contractually required pension contribution outstanding at the end of the year is included in *due to other governments* on both the accrual and modified accrual bases of accounting.

The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

Plan Description – District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on years of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 2.5 percent COLA for calendar year 2024.

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2025, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2025, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$2,298,431 for fiscal year 2025.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – School licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. The calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of credited service. Effective August 1, 2023, any member can retire with unreduced benefits with 34 years of services credit at any age; or five years of service credit and age 65. Effective June 1, 2025 - July 1, 2027, any member can retire with unreduced benefits with 33 years of service credit at any age; or five years of service credit and age 65. Effective on or after August 1, 2027, any member can retire with unreduced benefits with 34 years of service credit at any age; or five years of service credit and age 65.

In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a permanent 1 percent COLA of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019.

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Eligibility changes for DB Plan members who retire with actuarially reduced benefits effective August 1, 2023, can retire with 29 years of service credit at any age; or five years of service credit and age 60. Effective June 1, 2025 - July 1, 2027, retirement eligibility for reduced benefits is 28 years of service credit at any age; or five years of service credit and age 60. Effective on or after August 1, 2027, retirement eligibility for reduced benefits is 29 years of service credit at any age; or five years of service credit and age 60.

The DC Plan allows members to place all their member contributions and 11.09 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 2.91 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age fifty and after termination of employment.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 2025 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2025, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was \$9,153,345 for fiscal year 2025.

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

The net pension liability (asset) was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.3490440%	0.43013331%	
Prior Measurement Date	0.3453000%	0.41989886%	
Change in Proportionate Share	<u>0.0037440%</u>	<u>0.01023445%</u>	
Proportionate Share of the Net			
Pension Liability	\$ 17,855,684	\$ 82,764,599	\$ 100,620,283
Pension Expense	\$ 2,234,357	\$ 6,259,812	\$ 8,494,169

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in pension expense beginning in the current period, using a straight-line method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five-year period.

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between Expected and			
Actual Experience	\$ 681,715	\$ 5,212,007	\$ 5,893,722
Changes of Assumptions	159,732	3,814,249	3,973,981
Changes in Proportion and Differences between			
District Contributions and Proportionate			
Share of Contributions	401,760	3,301,480	3,703,240
District Contributions Subsequent to the			
Measurement Date	<u>2,298,431</u>	<u>9,153,345</u>	<u>11,451,776</u>
Total Deferred Outflows of Resources	<u>\$ 3,541,638</u>	<u>\$ 21,481,081</u>	<u>\$ 25,022,719</u>
Deferred Inflows of Resources			
Differences between Expected and			
Actual Experience	\$ -	\$ 45,322	\$ 45,322
Net Difference between Projected and			
Actual Earnings on Pension Plan Investments	1,116,864	7,116,073	8,232,937
Changes of Assumptions	-	2,871,032	2,871,032
Total Deferred Inflows of Resources	<u>\$ 1,116,864</u>	<u>\$ 10,032,427</u>	<u>\$ 11,149,291</u>

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

\$11,451,776 reported as deferred outflows of resources related to pension resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2026	\$ (674,662)	\$ (3,573,193)	\$ (4,247,855)
2027	1,255,158	8,439,644	9,694,802
2028	(125,736)	(1,257,694)	(1,383,430)
2029	(328,417)	(1,313,448)	(1,641,865)
Total	<u>\$ 126,343</u>	<u>\$ 2,295,309</u>	<u>\$ 2,421,652</u>

Actuarial Assumptions – SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Future benefits for all current plan members were projected through 2137.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2024, are presented below:

Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of System expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
COLA or Ad Hoc COLA	2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The most recent experience study was completed for the five-year period ended June 30, 2020.

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. ORC 3309.15 and the SERS Board-adopted Investment Policy govern investment activity. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. As of June 30, 2024:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (geometric)
Cash	3.00 %	0.97 %
US Equity	22.00	4.68
Non-US Equity Developed	12.00	4.96
Non-US Equity Emerging	6.00	5.66
Fixed Income/Global Bonds	18.00	2.38
Private Equity	14.00	7.10
Real Estate	13.00	3.64
Infrastructure	7.00	4.80
Private Debt/Private Credit	5.00	5.86
Total	<u>100.00 %</u>	

Discount Rate The total pension liability for 2024 was calculated using the discount rate of 7.00 percent. The discount rate determination did not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 20-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate for fiscal year 2024 was 14 percent. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. The annual money-weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2024 was 9.31 percent.

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent), or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
District's Proportionate Share of the Net Pension Liability	\$ 27,316,722	\$ 17,855,684	\$ 9,889,997

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2024, actuarial valuation are presented below:

Inflation	2.50 percent
Salary Increases	From 2.5 percent to 8.5 percent, based on service
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Payroll Increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0.00 percent, effective July 1, 2017

Post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2024, valuation are based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation *	Long-Term Expected Rate of Return **
Domestic Equity	26.00%	6.90%
International Equity	22.00	7.70
Alternatives	19.00	9.10
Fixed Income	22.00	4.50
Real Estate	10.00	5.10
Liquidity Reserves	1.00	2.40
Total	<u>100.00%</u>	

**Final target weights reflected at October 1, 2022.*

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

***10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and is net of investment expenses. Over a 30-year period, STRS investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.*

Discount Rate The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2024. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2024. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2024.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00 percent) or one-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
District's Proportionate Share of the Net Pension Liability	\$ 133,513,801	\$ 82,764,599	\$ 39,839,492

NOTE 13 – DEFINED BENEFIT OPEB PLANS

See Note 12 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981, do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

The Health Care program is financed through a combination of employer contributions, recipient premiums, investment returns, and any funds received on behalf of SERS' participation in Medicare programs. The System's goal is to maintain a health care reserve account with a 20-year solvency period in order to ensure that fluctuations in the cost of health care do not cause an interruption in the program. However, during any period in which the 20-year solvency period is not achieved, the System shall manage the Health Care Fund on a pay-as-you-go basis.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2025, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2025, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2025, the District's surcharge obligation was \$250,997, which is reported as a due to other governments payable.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was equal to its surcharge obligation for fiscal year 2025.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Health care premiums were reduced by a Medicare Part B premium credit beginning in 2023. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Medicare Part D is a federal program to help cover the costs of prescription drugs for Medicare beneficiaries. This program allows STRS Ohio to recover part of the cost for providing prescription coverage since all eligible STRS Ohio health care plans include creditable prescription drug coverage.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2025, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liability (Asset)

The net OPEB liability (asset) was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability (asset) was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.3518126%	0.43013331%	
Prior Measurement Date	0.3391750%	0.41989886%	
Change in Proportionate Share	<u>0.0126376%</u>	<u>0.01023445%</u>	
Proportionate Share of the Net			
OPEB Liability (Asset)	\$ 3,583,195	\$ (8,158,807)	
OPEB Expense	\$ (459,668)	\$ (1,938,920)	\$ (2,398,588)

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in OPEB expense beginning in the current period, using a straight-line method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five-year period.

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	\$ -	\$ 354,680	\$ 354,680
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	17,492	-	17,492
Changes of Assumptions	1,537,908	1,004,229	2,542,137
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	557,215	4,225	561,440
District Contributions Subsequent to the Measurement Date	250,997	-	250,997
Total Deferred Outflows of Resources	<u>\$ 2,363,612</u>	<u>\$ 1,363,134</u>	<u>\$ 3,726,746</u>

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

	SERS	STRS	Total
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	\$ 3,863,613	\$ 879,260	\$ 4,742,873
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	-	350,316	350,316
Changes of Assumptions	1,645,988	3,679,570	5,325,558
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	223,477	182,262	405,739
Total Deferred Inflows of Resources	\$ 5,733,078	\$ 5,091,408	\$ 10,824,486

\$250,997 reported as deferred outflows of resources related to OPEB resulting from School contributions subsequent to the measurement date will be recognized as a reduction/addition to the net OPEB liability/asset in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2026	\$ (984,124)	\$ (1,321,653)	\$ (2,305,777)
2027	(648,675)	(567,340)	(1,216,015)
2028	(462,213)	(722,587)	(1,184,800)
2029	(389,820)	(673,788)	(1,063,608)
2030	(384,554)	(549,289)	(933,843)
Thereafter	(751,077)	106,383	(644,694)
Total	\$ (3,620,463)	\$ (3,728,274)	\$ (7,348,737)

Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2024, are presented below:

	<u>June 30, 2024</u>
Inflation	2.40 percent
Future Salary Increases, including Inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Fiduciary Net Position is Projected to be Depleted	2059
Municipal Bond Index Rate	
Measurement Date	3.93 percent
Prior Measurement Date	3.86 percent
Single Equivalent Interest Rate	
Measurement Date	4.88 percent
Prior Measurement Date	4.27 percent
Health Care Cost Trend Rate	
Medical Trend Assumption	
Measurement Date	7.00 to 4.40 percent
Prior Measurement Date	6.75 to 4.40 percent

Mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table. Mortality rates are projected using a fully generational projection with Scale MP-2020.

The most recent experience study was completed for the five-year period ended June 30, 2020.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board on April 15, 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. As of June 30, 2024:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (geometric)
Cash	3.00 %	0.97 %
US Equity	22.00	4.68
Non-US Equity Developed	12.00	4.96
Non-US Equity Emerging	6.00	5.66
Fixed Income/Global Bonds	18.00	2.38
Private Equity	14.00	7.10
Real Estate	13.00	3.64
Infrastructure	7.00	4.80
Private Debt/Private Credit	5.00	5.86
Total	<u>100.00 %</u>	

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2024, was 4.88 percent. The discount rate used to measure total OPEB liability prior to June 30, 2024, was 4.27 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2059 by SERS' actuaries. The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination of the single equivalent interest rate for both the June 30, 2023, and the June 30, 2024, total OPEB liability. The Municipal Bond Index Rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate was 3.93 percent at June 30, 2024, and 3.86 percent at June 30, 2023.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.88%) and higher (5.88%) than the current discount rate (4.88%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
District's Proportionate Share of the Net OPEB Liability	\$ 4,778,063	\$ 3,583,195	\$ 2,633,711
	1% Decrease	Current Trend Rate	1% Increase
District's Proportionate Share of the Net OPEB Liability	\$ 2,422,106	\$ 3,583,195	\$ 5,109,353

Gahanna-Jefferson Public School District
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2024, actuarial valuation compared to the prior year are presented below:

	June 30, 2024	June 30, 2023
Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	Varies by service from 2.5 percent to 8.5 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	7.50 percent initial 3.94 percent ultimate	7.50 percent initial 4.14 percent ultimate
Medicare	-112.22 percent initial 3.94 percent ultimate	-10.94 percent initial 4.14 percent ultimate
Prescription Drug		
Pre-Medicare	8.00 percent initial 3.94 percent ultimate	-11.95 percent initial 4.14 percent ultimate
Medicare	-15.14 percent initial 3.94 percent ultimate	1.33 percent initial 4.14 percent ultimate

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

Healthy retirees post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2024, valuation are based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Asset Class	Target Allocation *	Long-Term Expected Rate of Return **
Domestic Equity	26.00%	6.90%
International Equity	22.00	7.70
Alternatives	19.00	9.10
Fixed Income	22.00	4.50
Real Estate	10.00	5.10
Liquidity Reserves	1.00	2.40
Total	100.00%	

**Final target weights reflected at October 1, 2022.*

***10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and is net of investment expenses. Over a 30-year period, STRS investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.*

Discount Rate The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2024. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2024.

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2024, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
District's Proportionate Share of the Net OPEB (Asset)	\$ (6,634,079)	\$ (8,158,807)	\$ (9,486,027)
	1% Decrease	Current Trend Rate	1% Increase
District's Proportionate Share of the Net OPEB (Asset)	\$ (9,575,679)	\$ (8,158,807)	\$ (6,454,834)

Gahanna-Jefferson Public School District
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 14 – INTERFUND TRANSACTIONS

Interfund balances at fiscal year-end, as reported on the fund financial statements, consist of the following individual interfund receivables and payables:

Fund	Receivable	Payable
General Fund	\$ 367,018	\$ -
Nonmajor Governmental Funds	-	367,000
Self-Insurance Fund	-	18
Total	<u>\$ 367,018</u>	<u>\$ 367,018</u>

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year.

The District transferred \$2,109,211 and \$20,000 from the general fund to the debt service and student managed student activities funds for debt payments and additional support, respectively. The general fund transferred \$15,000,000 to the capital projects fund to support the District's capital improvement projects.

NOTE 15 – STATUTORY RESERVES

The District is required by state law to set-aside certain general fund revenue amounts, as defined by statute, into various reserves. These reserves are calculated and presented on a cash basis. During the current fiscal year, the reserve activity was as follows:

	Capital Acquisition	Budget Stabilization
Set-aside cash balance as of July 1, 2024	\$ -	\$ 1,000,303
Current fiscal year set-aside requirement	1,945,424	-
Offset Credits	<u>(5,757,069)</u>	<u>-</u>
Total	<u>(3,811,645)</u>	<u>1,000,303</u>
Set-aside balance at June 30, 2025	<u>\$ -</u>	<u>\$ 1,000,303</u>

The District had offset credits during the year that reduced the set-aside amounts below zero for the capital acquisition reserves. This extra amount may not be used to reduce the set-aside requirement in future fiscal years. Although Senate Bill 345 eliminated the required budget stabilization set-aside effective April 10, 2001, the District has opted to maintain their designation to offset any budget deficit the District may experience in future fiscal years.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 16 – SIGNIFICANT COMMITMENTS

Encumbrances

The District encumbers funds with purchase orders to assign funds for those purchases of goods and services. The District had the following outstanding encumbrances as of fiscal year-end:

<u>Fund</u>	<u>Amount</u>
General	\$ 1,392,650
Building	49,855,199
Nonmajor Governmental	1,031,962
	<u>\$52,279,811</u>

Contractual Commitments

At fiscal year-end, the District’s significant contractual commitments consisted of:

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Completed</u>	<u>Balance at 6/30/2025</u>
High School and Athletic Complex	\$ 181,825,739	\$ 129,591,959	\$ 52,233,780
Gahanna Schools Paving	790,300	-	790,300
Total	<u>\$ 182,616,039</u>	<u>\$ 129,591,959</u>	<u>\$ 53,024,080</u>

NOTE 17 – CONTINGENCIES

Grants

The District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2025, if applicable, cannot be determined at this time.

Litigation

The District is a defendant in various lawsuits. The outcome and possible impact of these litigations is not presently determinable.

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 18 – FUND BALANCE, ACCOUNTABILITY, AND COMPLIANCE

Fund balance can be classified as nonspendable, restricted, committed, assigned and/or assigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in governmental funds. The constraints placed on fund balance for major governmental funds and all other governmental funds are presented as follows:

	General	Building	Other Governmental Funds	Total
Restricted for:				
Capital Outlay	\$ -	\$ 59,756,250	\$ -	\$ 59,756,250
Debt Service	-	-	9,321,761	9,321,761
Food Service	-	-	2,329,122	2,329,122
Federally Funded Programs	-	-	129,430	129,430
State Funded Programs	-	-	89,060	89,060
Extracurricular Activities	-	-	1,264,749	1,264,749
Locally Funded Programs	-	-	249,233	249,233
Permanent Improvements	-	-	3,937,182	3,937,182
Total Restricted	-	59,756,250	17,320,537	77,076,787
Committed for:				
Health Benefits	5,334,237	-	-	5,334,237
Capital Outlay	-	-	15,000,000	15,000,000
Total Committed	5,334,237	-	15,000,000	20,334,237
Assigned for:				
Instruction	509,824	-	-	509,824
Support Services	845,358	-	-	845,358
Community Services	12,244	-	-	12,244
Extracurricular	1,089	-	-	1,089
Subsequent Year Appropriations	4,556,276	-	-	4,556,276
Public School Support	297,930	-	-	297,930
Class Size Stipend	738	-	-	738
Uniform Supplies	45,204	-	-	45,204
Rotary	36,744	-	-	36,744
Total Assigned	6,305,407	-	-	6,305,407
Unassigned	52,205,204	-	(101,097)	52,104,107
Total Fund Balance	\$ 63,844,848	\$ 59,756,250	\$ 32,219,440	\$ 155,820,538

Gahanna-Jefferson Public School District
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Fund balances at fiscal year-end included the following individual deficits:

	<u>Deficit</u>
<i>Non-Major Governmental Funds</i>	
IDEA, Part B Special Education	67,433
Title I Disadvantaged Children	33,333
Improving Teacher Quality	<u>331</u>
Total	<u>\$ 101,097</u>

The GAAP basis deficit balances in the Other Governmental Funds are a result of the application of accounting principles generally accepted in the United States of America. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

NOTE 19 – IMPLEMENTATION OF NEW ACCOUNTING PRONOUNCEMENTS

For the fiscal year ended June 30, 2025, the District has implemented GASB Statement No. 101, *Compensated Absences* and GASB Statement No. 102, *Certain Risk Disclosures*.

GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences to promote consistency and better meet the information needs of financial statement users. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. The implementation of GASB Statement No. 101 was incorporated into the financial statements of the District; however, there was no effect on beginning net position.

GASB Statement No. 102 provides users of governmental financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints as concentrations and constraints may limit a government's ability to acquire resources or control spending. The implementation of GASB Statement No. 102 did not have an effect on the financial statements of the District.

NOTE 20 – SUBSEQUENT EVENT

In July 2025, the District issued \$15,000,000 of certificates of participation for the purpose of constructing, improving, furnishing, and equipping of school facilities, including but not limited to constructing a new high school. The maturity date for the bonds is December 1, 2055 with interest costs increasing from 5.00 to 5.50 percent.

Gahanna-Jefferson City School District
Franklin County, Ohio
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
<i>School Employees Retirement System (SERS)</i>					
2025	0.3490440%	\$ 17,855,684	\$ 14,684,464	121.60%	78.52%
2024	0.3453000%	19,079,601	13,829,114	137.97%	76.06%
2023	0.3347951%	18,108,323	12,734,800	142.20%	75.82%
2022	0.3115784%	11,496,339	10,634,136	108.11%	82.86%
2021	0.3063905%	20,265,313	10,867,857	186.47%	68.55%
2020	0.3082324%	18,442,085	10,464,318	176.24%	70.85%
2019	0.3114004%	17,834,478	10,488,669	170.04%	71.36%
2018	0.3304801%	19,745,456	10,674,897	184.97%	69.50%
2017	0.2984075%	21,840,676	9,259,397	235.88%	62.98%
2016	0.2945631%	16,808,056	8,648,310	194.35%	69.16%
<i>State Teachers Retirement System (STRS)</i>					
2025	0.43013331%	\$ 82,764,599	\$ 60,366,271	137.10%	82.55%
2024	0.41989886%	90,424,959	60,771,543	148.79%	80.02%
2023	0.40467075%	89,958,818	52,930,093	169.96%	78.90%
2022	0.39944076%	51,072,091	49,438,214	103.30%	87.80%
2021	0.39603601%	95,826,623	48,046,950	199.44%	75.50%
2020	0.38879934%	85,980,638	45,751,189	187.93%	77.40%
2019	0.39886196%	87,700,789	45,496,546	192.76%	77.30%
2018	0.41340619%	98,205,527	44,747,347	219.47%	75.30%
2017	0.39767846%	133,114,968	42,692,134	311.80%	66.80%
2016	0.39503147%	109,175,144	42,275,986	258.24%	72.10%

The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

See accompanying notes to the required supplementary information.

Gahanna-Jefferson City School District
Franklin County, Ohio
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net OPEB Liability (Asset)
Last Nine Fiscal Years (1)

Year	District's Proportion of the Net OPEB Liability (Asset)	District's Proportionate Share of the Net OPEB Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
<i>School Employees Retirement System (SERS)</i>					
2025	0.3518126%	\$ 3,583,195	\$ 14,684,464	24.40%	44.50%
2024	0.3391750%	5,587,723	13,829,114	40.41%	30.02%
2023	0.3360426%	4,718,073	12,734,800	37.05%	30.34%
2022	0.3108930%	5,883,903	10,634,136	55.33%	24.08%
2021	0.3036900%	6,660,175	12,734,800	52.30%	18.17%
2020	0.3068680%	7,717,080	10,867,857	71.01%	15.57%
2019	0.3114182%	8,639,582	10,464,318	82.56%	13.57%
2018	0.3287591%	8,823,030	10,488,669	84.12%	12.46%
2017	0.3092040%	8,813,459	10,674,897	82.56%	11.49%
2016	n/a	n/a	n/a	n/a	n/a
<i>State Teachers Retirement System (STRS)</i>					
2025	0.43013331%	\$ (8,158,807)	\$ 60,366,271	-13.52%	158.01%
2024	0.41989886%	(8,166,453)	60,771,543	-13.44%	168.52%
2023	0.40467075%	(10,478,273)	52,930,093	-19.80%	230.73%
2022	0.39944100%	(8,421,886)	52,930,093	-15.91%	174.73%
2021	0.39603600%	(6,960,325)	49,438,214	-14.08%	182.10%
2020	0.38879900%	(6,439,445)	48,046,950	-13.40%	174.70%
2019	0.39886196%	(6,409,305)	45,751,189	-14.01%	176.00%
2018	0.41340619%	16,129,585	45,496,546	35.45%	47.10%
2017	0.39767846%	21,267,946	44,747,347	47.53%	37.30%
2016	n/a	n/a	n/a	n/a	n/a

The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

(1) Information prior to 2017 is not available.

See accompanying notes to the required supplementary information.

Gahanna-Jefferson City School District
Franklin County, Ohio
Required Supplementary Information
Schedule of District Contributions
Last Ten Fiscal Years

Year	Contractually Required Contribution - Pension (1)	Contractually Required Contribution - OPEB (1)(2)	District's Covered Payroll	Pension Contributions as a Percentage of Covered Payroll	OPEB Contributions as a Percentage of Covered Payroll (2)
<i>School Employees Retirement System (SERS)</i>					
2025	\$ 2,298,431	\$ 250,997	\$ 16,417,364	14.00%	1.53%
2024	2,055,825	230,688	14,684,464	14.00%	1.57%
2023	1,936,076	160,871	13,879,129	14.00%	1.57%
2022	1,782,872	187,292	12,734,800	14.00%	1.16%
2021	1,488,779	151,770	10,634,136	14.00%	1.35%
2020	1,521,500	127,693	10,867,857	14.00%	1.19%
2019	1,412,683	197,399	10,464,318	13.50%	1.17%
2018	1,415,971	201,089	10,488,669	13.50%	1.89%
2017	1,494,485	148,645	10,674,897	14.00%	1.92%
2016	1,296,316	151,648	9,259,397	14.00%	1.39%
<i>State Teachers Retirement System (STRS)</i>					
2025	\$ 9,153,345	\$ -	\$ 65,381,036	14.00%	0.00%
2024	8,451,278	-	60,366,271	14.00%	0.00%
2023	8,508,016	-	60,771,543	14.00%	0.00%
2022	7,410,213	-	52,930,093	14.00%	0.00%
2021	6,921,350	-	49,438,214	14.00%	0.00%
2020	6,726,573	-	48,046,950	14.00%	0.00%
2019	6,405,166	-	45,751,189	14.00%	0.00%
2018	6,369,516	-	45,496,546	14.00%	0.00%
2017	6,264,629	-	44,747,347	14.00%	0.00%
2016	5,976,899	-	42,692,134	14.00%	0.00%

(1) The contributions in relation to the contractually required contributions are equal to the contractually required contributions, resulting in zero contribution deficiency/excess.

(2) SERS contributions include surcharge

See accompanying notes to the required supplementary information.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025

There were no changes in assumptions or benefit terms for the fiscal years reported unless otherwise stated below:

NOTE 1 - NET PENSION LIABILITY

Changes in Assumptions - SERS

Amounts reported in 2022 incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in prior years are presented as follows:

	<u>Fiscal Years 2025-2022</u>	<u>Fiscal Years 2021-2017</u>	<u>Fiscal Years 2016 and Prior</u>
Wage Inflation	2.40%	3.00%	3.25%
Future Salary Increases, including inflation	3.25% to 13.58%	3.50% to 18.20%	4.00% to 22.00%
Investment Rate of Return	7.00% net of system expenses	7.50% net of investment expenses, including inflation	7.75% net of investment expenses, including inflation

Beginning in 2022, amounts reported use mortality rates based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP2020 projection scale generationally.

Beginning in fiscal year 2018, on each anniversary of the initial retirement, the allowance of all retirees and survivors may be increased by the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0 percent nor greater than 2.5 percent.

Amounts report for 2017 through 2021 use mortality rates that are based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

Changes in Benefit Terms - SERS

For fiscal year 2022, COLA was increased from 2.00 percent to 2.50 percent.

For fiscal year 2021, COLA was reduced from 2.50 percent to 2.00 percent.

For fiscal year 2018, the cost-of-living adjustment was changed from a fixed 3.00 percent to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.50 percent with a floor of zero percent beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025

Changes in Assumptions – STRS

Beginning with fiscal year 2022, amounts reported incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal years 2018-2021 and fiscal year 2017 and prior are presented as follows:

	<u>Fiscal Years 2025-2022</u>	<u>Fiscal Years 2021-2018</u>	<u>Fiscal Years 2017 and Prior</u>
Inflation	2.50%	2.50%	2.75%
	Varies by service from	From 12.50% at age 20 to	From 12.25% at age 20 to
Projected Salary Increases	2.50% 8.50%	2.50% at age 65	2.75% at age 70
Investment Rate of Return, net of investment	7.00%	7.45%	7.75%
Payroll Increases	3.00%	3.00%	3.50%

Beginning with fiscal year 2022, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Beginning with fiscal year 2018, post-retirement mortality rates for healthy retirees were based on the RP2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For fiscal year 2017 and prior actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Changes in Benefit Terms - STRS

For fiscal year 2023, the Board approved a one-time 3 percent COLA effective on the anniversary of a benefit recipient's retirement date for those eligible during fiscal year 2023 and eliminated the age 60 requirement to receive unreduced retirement that was scheduled to go into effect August 1, 2026.

For fiscal year 2018, the COLA was reduced to zero.

Fiscal year 2017 and prior, COLA was 2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013 or later, 2 percent COLA commences on fifth anniversary of retirement date.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025

NOTE 2 - NET OPEB LIABILITY (ASSET)

Changes in Assumptions – SERS

Amounts reported incorporate changes in assumptions and changes in benefit terms used by SERS in calculating the total OPEB liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2021 and prior are presented below:

	<u>Fiscal Years 2025-2022</u>	<u>Fiscal Years 2021-2017</u>
Inflation	2.40%	3.00%
Future Salary Increases, including inflation	3.25% to 13.58%	3.50% to 18.20%
Investment Rate of Return, net of investment expenses, including inflation	7.00%	7.50%

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

	<u>Fiscal Year</u>									
<u>Assumption</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	
Municipal Bond Index Rate	3.93%	3.86%	3.69%	1.92%	2.45%	3.13%	3.62%	3.56%	2.92%	
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	4.88%	4.27%	4.08%	2.27%	2.63%	3.22%	3.70%	3.63%	2.98%	

Changes in Assumptions – STRS

For fiscal year 2023, the projected salary increases were changed from age based (2.5 percent to 12.50 percent) to service based (2.5 percent to 8.5 percent).

For fiscal year 2022, the discount rate was decreased from 7.45 percent to the long-term expected rate of return of 7.00.

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45.

For fiscal year 2018, the blended discount rate was increased from 3.26 percent to 4.13 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025

Changes in Benefit Terms – STRS

For fiscal year 2025, healthcare trends were updated to reflect emerging claims and recoveries experience.

For fiscal year 2024, healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024.

For fiscal year 2023, health care trends were updated to reflect emerging claims and recoveries experience

For fiscal year 2022, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2022, premium based on June 30, 2021, enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2022, from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in calendar year 2022. The Part B monthly reimbursement elimination date was postponed indefinitely

For fiscal year 2021, there were no changes to the claims costs process. Claim curves were updated to reflect the projected fiscal year 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984 percent to 2.055 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to .1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

For fiscal year 2020, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944 percent to 1.984 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021

For fiscal year 2019, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. This was subsequently extended, see above paragraph.

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

To the Board of Education
Gahanna-Jefferson Public School District
Franklin County, Ohio
630 Morrison Road, Suite 200
Gahanna, OH 43230

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gahanna-Jefferson Public School District, Franklin County, Ohio (the “District”) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated December 29, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rea & Associates, Inc.

Rea & Associates, Inc.
Dublin, Ohio
December 29, 2025

INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Education
Gahanna-Jefferson Public School District
Franklin County, Ohio
630 Morrison Road, Suite 200
Gahanna, OH 43230

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Gahanna-Jefferson Public School District’s, Franklin County, Ohio, (the “District”) compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2025. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The District’s management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District’s federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Rea & Associates, Inc." in a cursive script.

Rea & Associates, Inc.
Dublin, Ohio
December 29, 2025

Gahanna-Jefferson Public School District
Franklin County, Ohio
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

Federal Grantor/ Pass Through Grantor/ Program Title	Assistance Listing Number	Award Number/ Grant Year	Federal Expenditures	Amount Paid to Subrecipients
U.S. Department of Agriculture				
<i>Passed Through Ohio Department of Education and Workforce</i>				
<i>Child Nutrition Cluster</i>				
School Breakfast Program	10.553	2025	\$ 383,995	\$ -
National School Lunch Program	10.555	2025	1,679,186	-
National School Lunch Program (Non-Cash)	10.555	2025	322,802	-
Total School Lunch Program			2,001,988	-
<i>Total Child Nutrition Cluster</i>			2,385,983	-
Total U.S. Department of Agriculture			2,385,983	-
U.S Department of the Treasury:				
<i>Passed Through Ohio Facilities Construction Commission</i>				
COVID-19: Coronavirus State and Local Fiscal Recovery - K-12 School Safety Grant	21.027	2022 - Round III	1,116,151	-
Total U.S. Department of Treasury			1,116,151	-
U.S. Department of Education				
<i>Passed Through Ohio Department of Education and Workforce</i>				
Title I Grants to Local Educational Agencies - Improving Basic Programs	84.010A	2024	161,935	-
Title I Grants to Local Educational Agencies - Improving Basic Programs	84.010A	2025	873,117	-
Total Title I Grants to Local Educational Agencies			1,035,052	-
<i>Special Education Cluster</i>				
Special Education - Grants to States	84.027A	2024	250,194	-
Special Education - Grants to States	84.027A	2025	1,983,648	-
Total Special Education - Grants to States			2,233,842	-
Special Education - Preschool Grant	84.173A	2025	43,106	-
Total Special Education - Preschool Grant			43,106	-
<i>Total Special Education Cluster</i>			2,276,948	-
English Language Acquisition State Grants - Title III	84.365A	2024	11,254	-
English Language Acquisition State Grants - Title III	84.365A	2025	74,524	-
English Language Acquisition State Grants - Title III Immigrant	84.365A	2025	8,873	-
Total English Language Acquisition State Grants			94,651	-
Supporting Effective Instruction State Grants - Title II-A	84.367A	2024	31,766	-
Supporting Effective Instruction State Grants - Title II-A	84.367A	2025	101,001	-
Supporting Effective Instruction State Grants - Ohio Teacher of the Year	84.367A	2024	4,008	-
Total Supporting Effective Instruction State Grants			136,775	-
Student Support and Academic Enrichment Program - Stronger Connections	84.424A	2024	875	-
Student Support and Academic Enrichment Program - Title IV-A	84.424A	2025	112,626	-
Total Student Support and Academic Enrichment Program			113,501	-
COVID-19: Education Stabilization Fund - ARP ESSER	84.425U	2024	2,221,198	-
COVID-19: Education Stabilization Fund - ARP Homeless II	84.425W	2024	3,619	-
Total Education Stabilization Fund			2,224,817	-
Total U.S. Department of Education			5,881,744	-
Total Federal Assistance			\$ 9,383,878	\$ -

See accompanying notes to the schedule of expenditures of federal awards.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Notes to the Schedule of Expenditures of Federal Awards
2 CFR §200.510(b)(6)
For the Fiscal Year Ended June 30, 2025

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Gahanna-Jefferson Public School District (the District) under programs of the federal government for the year ended June 30, 2025. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The District has elected not to use the 10-percent (or 15-percent, if applicable) de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D- CHILD NUTRITION CLUSTER

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

NOTE E – FOOD DONATION PROGRAM

The District reports commodities consumed on the Schedule at the entitlement value. The District allocated donated food commodities to the respective programs that benefitted from the use of those donated food commodities.

NOTE F - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2024 to 2025 programs:

Program Title	Assistance	
	Listing Number	Amount Transferred
Title I Grants to Local Education Agencies - Improving Basic Programs	84.010A	\$ 77,873
Supporting Effective Instruction - Title II-A	84.367A	39,640
English Language Acquisition State Grants - Title III	84.365A	19,835
English Language Acquisition State Grants - Title III Immigrant	84.365A	6,582
Student Support and Academic Enrichment - Title IV-A	84.424A	68,972
Special Education - Grants to States	84.027A	44,691

Gahanna-Jefferson Public School District
Franklin County, Ohio
Schedule of Findings and Questioned Costs
2 CFR Section 200.515
June 30, 2025

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	None Reported
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	None Reported
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list): Nutrition Cluster	Assistance Listing # 10.553; 10.555
	COVID-19: Coronavirus State and Local Fiscal Recovery – K-12 School Safety Grant	21.027
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR §200.520?	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None were noted.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None were noted.

OHIO AUDITOR OF STATE KEITH FABER



GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 4/9/2026

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov