

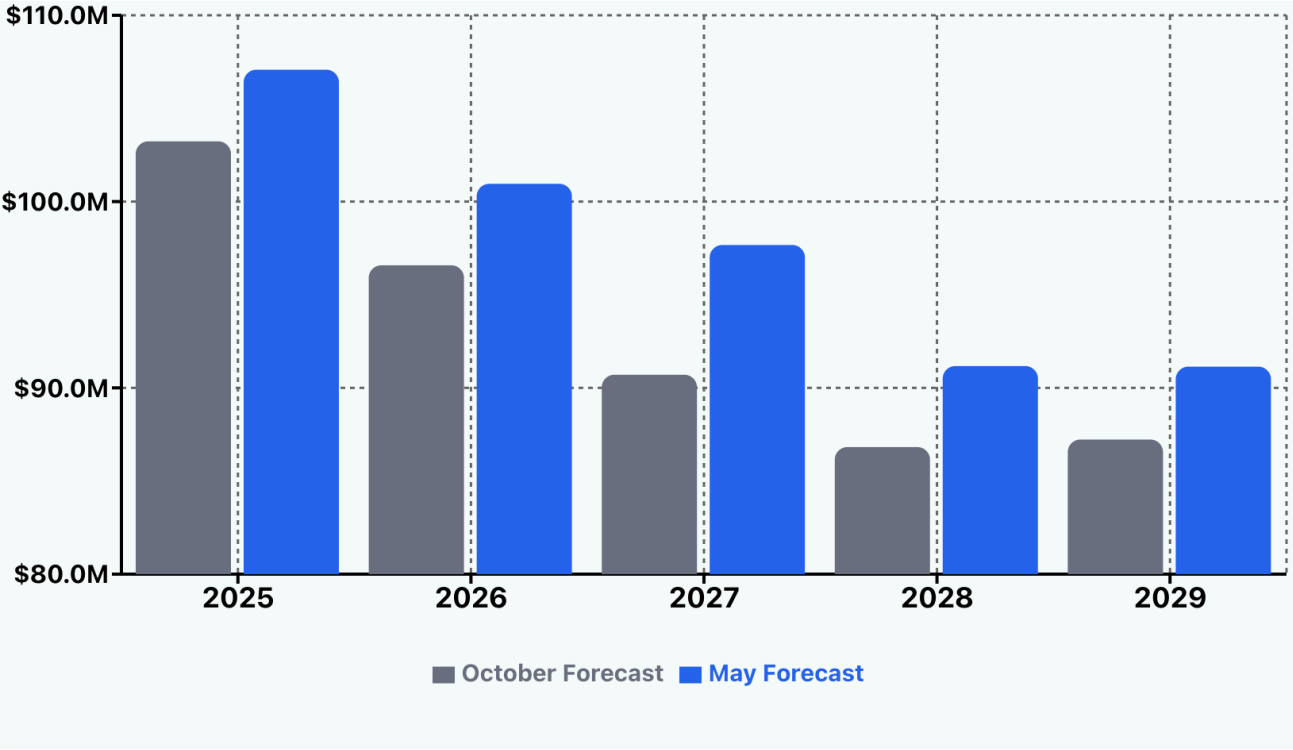


October Forecast

Fiscal Year 2026



What Has Changed in Revenue Since May?



Forecast	2025	2026	2027	2028	2029
October Forecast	\$103,232,261	\$96,578,365	\$90,703,776	\$86,820,382	\$87,226,205
May Forecast	\$107,077,729	\$100,953,599	\$97,669,077	\$91,169,975	\$91,138,359
Difference	-\$3,845,468	-\$4,375,234	-\$6,965,301	-\$4,349,593	-\$3,912,154

Increases:

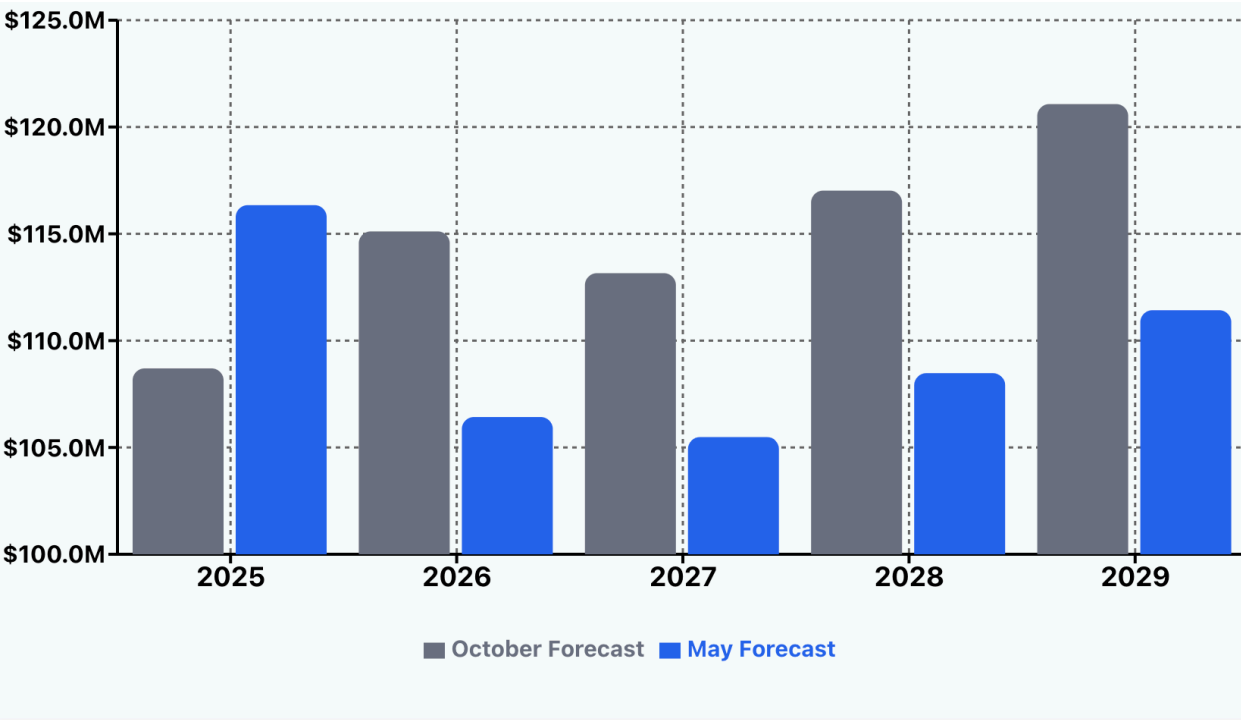
- \$170K - FY25 - Threshold Reimbursement
- \$155K - FY26 - Per Pupil Supplement

Decreases:

- \$2.5M – FY25 - Final ESSER Continuity of Services Transfer
- \$900K – FY26 - Proposed Funding Not Included in Final Budget
- \$3.5M – FY26 - Supplemental Targeted Assistance Eliminated
- \$1M – FY26 – HB96 - Lorain County Homestead & Owner Occupancy “Piggyback” Exemptions
- \$200K – FY26 – HB186 Impact
- \$400K – FY26 – HB129 Impact



What Has Changed in Expenditures Since May?



Forecast	2025	2026	2027	2028	2029
October Forecast	\$108,701,023	\$115,113,306	\$113,158,718	\$117,022,706	\$121,073,125
May Forecast	\$116,342,173	\$106,423,854	\$105,490,671	\$108,480,431	\$111,423,357
Difference	-\$7,641,150	+\$8,689,452	+\$7,668,047	+\$8,542,275	+\$9,649,768

Decreases:

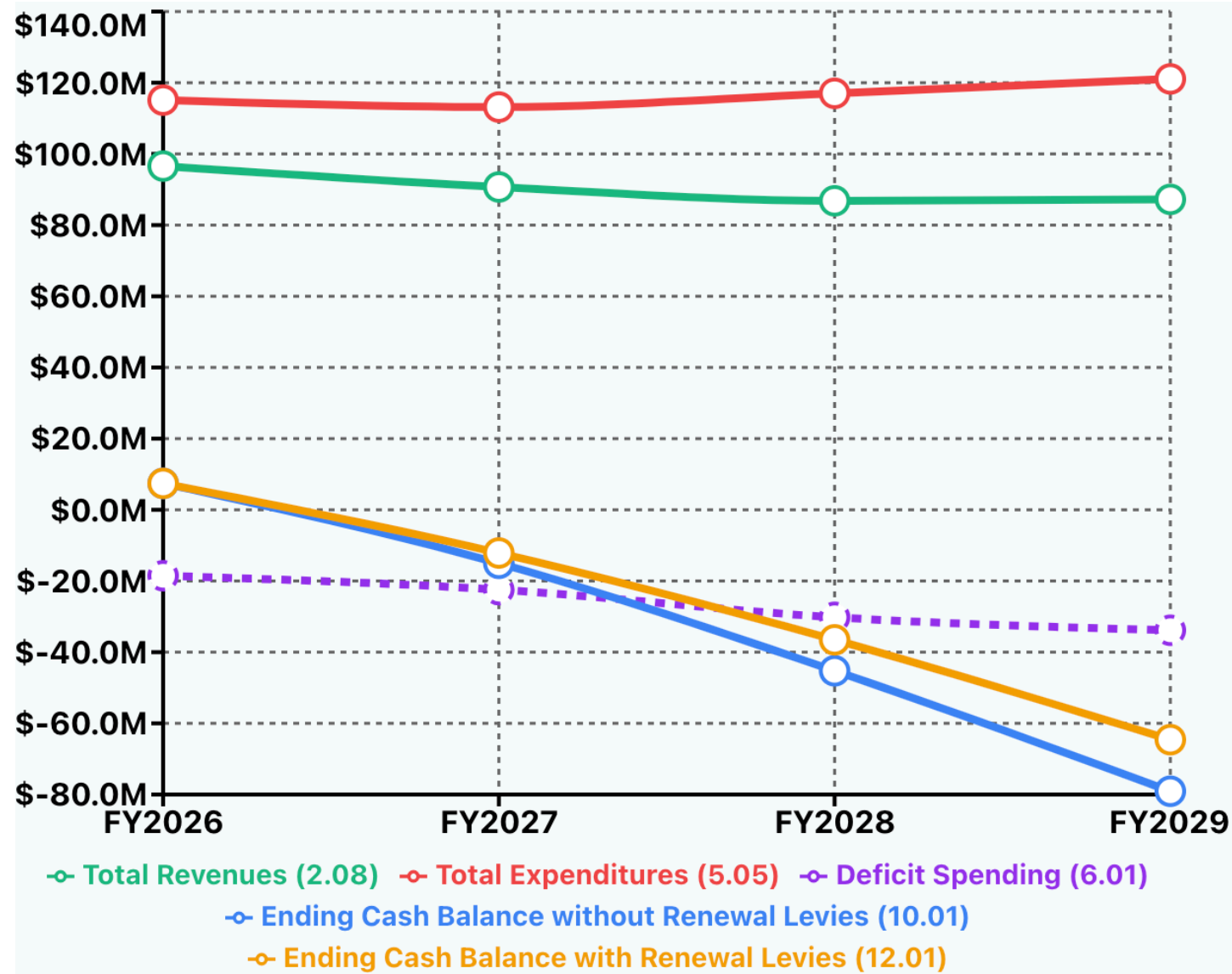
- \$1.3M – FY25 – Buses Purchased in FY26
- \$7M – FY25 – Change in Funding Source for Completed Capital Projects

Increases:

- \$3.95M – FY26 – Severance & Incentive Payments
 - One lump sum payment to vendor, rather than payments over 3 years
- \$3M – FY26 - Personnel Changes
- \$1.3M – FY26 – Buses Purchased



Projected Revenues, Expenditures, and Cash Balances



Fiscal Oversight

State Oversight Levels

Fiscal Caution

Trigger: Cannot meet obligations within 2 years
Action: Written corrective plan required

Fiscal Watch

Trigger: Deficit > 8% of prior-year revenue
Action: Financial recovery plan, increased oversight

Fiscal Emergency

Trigger: Deficit > 15% or plan non-compliance
Action: State commission assumes control

Lorain Projections

Year	Balance	Status
FY25	\$25.9M	Stable
FY26	\$7.4M	Caution
FY27	-\$12.1M	Watch
FY28	-\$36.5M	Emergency

- FY25: Positive carryover from budget adjustments
- FY26: Deficit spending begins, negative balance by FY27
- FY27: Deficit equals ~13% of revenue (Watch threshold)
- FY28: Deficit exceeds 15% - triggers state control



Critical Action Required

Without new revenue or expenditure cuts, district will lose local control to state commission by FY28





Levy Renewals and Expirations

- Expiring Bond
 - Last Collection - Calendar Year 2025
- Expired Maintenance Levy
 - Last Collection – Calendar Year 2024
- Renewals
 - November Election (No Additional Cost to Taxpayers)
 - Operating Expense Levy – \$11M/year
 - Emergency Levy – \$3M/year
 - Last chance to pass this levy with exemptions for homeowners (HB 129)





Planning Ahead: Future Forecasts

- Forecast Changes
 - Future Forecasts will be due in February and August Each Fiscal Year
 - New Format
 - Current Year Budget w/ 3 Years of Projections
- State Budget
 - Possible Vetoes or New Laws
- Ongoing Review
 - Programs, Services, and Initiatives
- Our Commitment
 - Transparency, Collaboration, and Responsible Financial Management.



