

**FAIRVIEW PARK CITY SCHOOL DISTRICT-CUYAHOGA COUNTY  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES  
IN FUND BALANCES FOR THE FISCAL YEARS ENDED  
JUNE 30, 2023, 2024, and 2025 ACTUAL  
FORECASTED FISCAL YEARS ENDING  
JUNE 30, 2026, THROUGH JUNE 30, 2030**



**Forecast Provided By  
Fairview Park City School District  
Treasurer's Office  
Mr. Robert Showalter, Treasurer  
October 14, 2025**

# Fairview Park City School District

Cuyahoga County

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2023, 2024, 2025 Actual;  
Forecasted Fiscal Years Ending June 30, 2026 through 2030

	Actual				Average Change	Forecasted				
	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025			Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
<b>Revenues</b>										
1.010 General Property Tax (Real Estate)	\$19,530,124	\$19,263,685	\$19,801,550	0.7%	\$19,819,914	\$19,761,581	\$19,810,323	\$19,858,944	\$19,885,508	
1.020 Public Utility Personal Property Tax	781,806	861,452	851,885	4.5%	818,945	886,422	884,944	884,582	884,548	
1.030 Income Tax	0	0	0	0.0%	0	0	0	0	0	
1.035 Unrestricted State Grants-in-Aid	2,489,364	2,488,776	2,599,251	2.2%	2,744,131	2,819,962	2,820,451	2,821,337	2,822,896	
1.040 Restricted State Grants-in-Aid	129,173	220,718	254,015	43.0%	134,149	120,921	120,921	121,346	121,346	
1.045 Restricted Federal Grants-in-Aid	0	0	0	0.0%	0	0	0	0	0	
1.050 State Reimbursement for Property Tax Credits	2,404,601	2,367,093	2,444,298	0.9%	2,440,024	2,384,632	2,391,726	2,399,283	2,402,912	
1.060 All Other Revenues	1,361,165	1,948,163	2,201,779	28.1%	2,081,402	2,014,328	1,950,607	1,890,073	1,832,565	
1.070 <b>Total Revenues</b>	<b>\$26,696,233</b>	<b>\$27,149,887</b>	<b>\$28,152,778</b>	<b>2.7%</b>	<b>\$28,038,565</b>	<b>\$27,987,846</b>	<b>\$27,978,972</b>	<b>\$27,975,565</b>	<b>\$27,949,775</b>	
<b>Other Financing Sources</b>										
2.010 Proceeds from Sale of Notes	0	0	0	0.0%	0	0	0	0	0	
2.020 State Emergency Loans	0	0	0	0.0%	0	0	0	0	0	
2.040 Operating Transfers-In	0	0	0	0.0%	0	0	0	0	0	
2.050 Advances-In	90,000	47,650	49,557	-21.5%	114,535	50,000	50,000	50,000	50,000	
2.060 All Other Financing Sources	3,689	4,239	378	-38.1%	294,082	500	500	500	500	
2.070 <b>Total Other Financing Sources</b>	<b>\$93,689</b>	<b>\$51,889</b>	<b>\$49,935</b>	<b>-24.2%</b>	<b>\$408,617</b>	<b>\$50,500</b>	<b>\$50,500</b>	<b>\$50,500</b>	<b>\$50,500</b>	
2.080 <b>Total Revenues and Other Financing Sources</b>	<b>\$26,789,922</b>	<b>\$27,201,776</b>	<b>\$28,202,713</b>	<b>2.6%</b>	<b>\$28,447,182</b>	<b>\$28,038,346</b>	<b>\$28,029,472</b>	<b>\$28,026,065</b>	<b>\$28,000,275</b>	
<b>Expenditures</b>										
3.010 Personal Services	\$13,693,757	\$12,603,636	\$14,834,300	4.9%	\$15,371,105	\$15,791,159	\$16,247,208	\$16,716,557	\$17,199,631	
3.020 Employees' Retirement/Insurance Benefits	5,031,435	5,049,888	5,171,308	1.4%	5,536,432	5,782,912	6,039,533	6,309,020	6,592,026	
3.030 Purchased Services	3,225,046	3,672,059	3,773,703	8.3%	4,151,074	4,566,182	5,022,800	5,525,080	6,077,588	
3.040 Supplies and Materials	458,626	383,632	660,451	27.9%	512,723	538,359	565,277	593,541	623,218	
3.050 Capital Outlay	2,921	9,055	6,916	93.2%	6,000	6,000	6,000	6,000	6,000	
3.060 Intergovernmental	0	0	0	0.0%	0	0	0	0	0	
Debt Service:										
4.010 Principal-All (Historical Only)	0	0	0	0.0%	0	0	0	0	0	
4.020 Principal-Notes	0	0	0	0.0%	0	0	0	0	0	
4.030 Principal-State Loans	0	0	0	0.0%	0	0	0	0	0	
4.040 Principal-State Advancements	0	0	0	0.0%	0	0	0	0	0	
4.050 Principal-HB 264 Loans	0	0	0	0.0%	0	0	0	0	0	
4.055 Principal-Other	0	0	0	0.0%	0	0	0	0	0	
4.060 Interest and Fiscal Charges	0	0	0	0.0%	0	0	0	0	0	
4.300 Other Objects	392,939	330,030	322,637	-9.1%	338,306	355,221	372,982	391,631	411,213	
4.500 <b>Total Expenditures</b>	<b>\$22,804,724</b>	<b>\$22,048,300</b>	<b>\$24,769,315</b>	<b>4.5%</b>	<b>\$25,915,640</b>	<b>\$27,039,833</b>	<b>\$28,253,800</b>	<b>\$29,541,829</b>	<b>\$30,909,676</b>	
<b>Other Financing Uses</b>										
5.010 Operating Transfers-Out	\$1,700,000	\$1,700,000	\$17,300,000	458.8%	\$750,000	\$0	\$0	\$0	\$0	
5.020 Advances-Out	47,650	49,557	114,535	67.6%	50,000	50,000	50,000	50,000	50,000	
5.030 All Other Financing Uses	0	0	0	0.0%	0	0	0	0	0	
5.040 <b>Total Other Financing Uses</b>	<b>\$1,747,650</b>	<b>\$1,749,557</b>	<b>\$17,414,535</b>	<b>447.7%</b>	<b>\$800,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	
5.050 <b>Total Expenditures and Other Financing Uses</b>	<b>\$24,552,374</b>	<b>\$23,797,857</b>	<b>\$42,183,850</b>	<b>37.1%</b>	<b>\$26,715,640</b>	<b>\$27,089,833</b>	<b>\$28,303,800</b>	<b>\$29,591,829</b>	<b>\$30,959,676</b>	
<i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Uses</i>										
6.010	\$2,237,548	\$3,403,919	(\$13,981,137)	-229.3%	\$1,731,542	\$948,513	(\$274,328)	(\$1,565,764)	(\$2,959,401)	
Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies										
7.010	\$17,874,880	\$20,112,428	\$23,516,347	14.7%	\$9,535,210	\$11,266,752	\$12,215,265	\$11,940,937	\$10,375,173	
7.020 <b>Cash Balance June 30</b>	<b>\$20,112,428</b>	<b>\$23,516,347</b>	<b>\$9,535,210</b>	<b>-21.3%</b>	<b>\$11,266,752</b>	<b>\$12,215,265</b>	<b>\$11,940,937</b>	<b>\$10,375,173</b>	<b>\$7,415,772</b>	
8.010 <b>Estimated Encumbrances June 30</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>Reservation of Fund Balance</b>										
9.010 Textbooks and Instructional Materials	0	0	0	0.0%	0	0	0	0	0	
9.020 Capital Improvements	0	0	0	0.0%	0	0	0	0	0	
9.030 Budget Reserve	373,830	373,830	373,830	0.0%	373,830	373,830	373,830	373,830	373,830	
9.040 DPIA	0	0	0	0.0%	0	0	0	0	0	
9.045 Fiscal Stabilization	0	0	0	0.0%	0	0	0	0	0	
9.050 Debt Service	0	0	0	0.0%	0	0	0	0	0	
9.060 Property Tax Advances	0	0	0	0.0%	0	0	0	0	0	
9.070 Bus Purchases	0	0	0	0.0%	0	0	0	0	0	
9.080 <b>Subtotal Reservations of fund Balance</b>	<b>\$373,830</b>	<b>\$373,830</b>	<b>\$373,830</b>	<b>0.0%</b>	<b>\$373,830</b>	<b>\$373,830</b>	<b>\$373,830</b>	<b>\$373,830</b>	<b>\$373,830</b>	
<i>Fund Balance June 30 for Certification of Appropriations</i>										
10.010	\$19,738,598	\$23,142,517	\$9,161,380	-21.6%	\$10,892,922	\$11,841,435	\$11,567,107	\$10,001,343	\$7,041,942	

# Fairview Park City School District

Cuyahoga County

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2023, 2024, 2025 Actual;  
Forecasted Fiscal Years Ending June 30, 2026 through 2030

	Actual				Average Change	Forecasted				
	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025			Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
<b>Revenue from Replacement/Renewal Levies</b>										
11.010	0	0	0	0.0%	0	0	0	0	0	0
11.020	0	0	0	0.0%	0	0	0	0	0	0
11.300	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	\$0
<i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>										
12.010	\$19,738,598	\$23,142,517	\$9,161,380	-21.6%	\$10,892,922	\$11,841,435	\$11,567,107	\$10,001,343	\$7,041,942	\$7,041,942
<b>Revenue from New Levies</b>										
13.010	0	0	0	0.0%	0	0	0	0	0	0
13.020	0	0	0	0.0%	0	0	0	0	0	0
13.030	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	\$0
14.010				0.0%	-	-	-	-	-	-
15.010	\$19,738,598	\$23,142,517	\$9,161,380	-21.6%	\$10,892,922	\$11,841,435	\$11,567,107	\$10,001,343	\$7,041,942	\$7,041,942

**Fairview Park City School District – Cuyahoga County**  
**Notes to the Five-Year Forecast**  
**General Fund Only**  
**October 14, 2025**

**Introduction to the Five-Year Forecast**

A forecast is a snapshot of today. Based on historical trends, what we know and future assumptions. That snapshot, however, will be adjusted because the further into the future the forecast extends, the more likely it is that the projections will deviate from experience. Various events will ultimately impact the latter years of the forecast, such as state budgets (adopted every two years), tax levies (new/renewal/replacement), salary increases, enrollment variances, or businesses moving in or out of the district. The five-year forecast is a crucial management tool and must be updated periodically. The five-year forecast enables district management teams to examine future years' projections and identify when challenges will arise. This helps district management to be proactive in meeting those challenges. School districts are encouraged to update their forecasts with the Ohio Department of Education and Workforce (ODEW) when events materially change their forecast or, at a minimum, when required under the statute.

In a financial forecast, the numbers only tell a small part of the story. For the numbers to be meaningful, the reader must review and consider the Assumptions of the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are fundamental to understanding the rationale of the numbers, particularly when a significant increase or decrease is reflected.

Since the preparation of a meaningful five-year forecast is as much an art as it is a science and entails many intricacies, it is recommended that you contact the Treasurer/Chief Fiscal Officer of the school district with any questions you may have. The Treasurer/CFO submits the forecast, but the Board of Education is recognized as the official owner of the forecast.

Here are three (3) essential purposes or objectives of the five-year forecast:

- (1) To engage the local board of education and the community in long-range planning and discussions of financial issues facing the school district.
- (2) To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate".
- (3) To provide a method for the Ohio Department of Education and Workforce and the Auditor of State to identify school districts with potential financial problems.

Ohio HB96 was passed in June 2025 which amended O.R.C. 5705.391 and O.A.C. 3301-92.04 requiring a Board of Education (BOE) to file their current years budgeted revenue and expenses, and three additional years. This is essentially a four (4) year forecast. Beginning in fiscal year 2026 (July 1 to June 30) the financial forecast must be filed by October 15, and the end of February. The filing deadlines will change in fiscal year 2027 to August 31, and end of February each fiscal year thereafter. While the legislative requirement is to file a four-year forecast, as noted above, we believe it is a prudent business practice to continue to develop a five-year forecast for planning purposes. The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The first year of the financial forecast is considered the current year budget and is used as the base for future years projections. Our forecast is updated to reflect the most current economic data available for the October 2025 filing.

**Economic Outlook**

The current global economic condition is marked by a mix of recovery and uncertainty. While some regions, particularly advanced economies, are experiencing stable growth, inflation rates remain high in several parts of the world, driven by supply chain disruptions, rising energy costs, and labor shortages. Central banks, notably the Federal Reserve, have raised interest rates to combat inflation, which has slowed economic activity in some sectors. Meanwhile, emerging markets face unique challenges, such as fluctuating commodity prices and currency depreciation, exacerbating debt burdens. Overall, the outlook is cautious, with geopolitical tensions, particularly around energy and trade, adding further complexity to the global economic landscape.

Data and assumptions noted in this forecast are based on the best and most reliable data available to us as of the date of this forecast.

**Forecast Risks and Uncertainty:**

A five-year financial forecast has risks and uncertainty not only due to economic delays noted above but also due to state legislative changes that will occur in the spring of 2027 and 2029 due to deliberation of the following two (2) state biennium budgets for FY28-29 and FY30-31, both of which affect this five-year forecast. We have estimated revenues and expenses based on the best data available and the laws currently in effect. The items below give a short description of the current issues and how they may affect our forecast in the long term:

- I. Property tax collections are the largest single revenue source for the school system. The housing market in our district is stable. We project stability in appraised values every three (3) years and new construction growth with modest increases in local taxes. Total local revenues, which are predominately local taxes, equate to 81.2% of the district’s resources. We believe there is a low risk that local collections would fall below projections throughout the forecast.
  
- II. Cuyahoga County experienced a sexennial reappraisal in the 2024 tax year to be collected in 2025. The 2024 reappraisal increased overall assessed values by \$117.2 million or an increase of 24%. A triennial update will occur in tax year 2027 for collection in 2028. We anticipate Class I and II property values to increase \$12 million, or 2%; however, there is always a minor risk that the district could sustain a reduction in values in the next appraisal update, but we do not anticipate that at this time.
  
- III. Due to historic property value increases in reappraisal and update years the Ohio Legislature has considered various proposals since 2023 to help reduce non-voted tax increases on taxpayers. HB96 the current state biennium budget passed in June which included several proposals that would have ultimately reduced districts’ cash balances and placed severe restrictions on increasing local tax revenues. The Governor vetoed four (4) property tax measures that he said would jeopardize the financial stability of public schools. The Ohio House of Representatives pulled three (3) of the Governor’s vetoes addressing school district to attempt to override them. They included: 1) County Budget Commission Authority; 2) manipulates the calculation of the 20-mill floor to include emergency, substitute and other levies in the calculation; and 3) the elimination of various levies including emergency, replacement and renewal levies

The Ohio House of Representatives met on July 21, 2025 and voted (61-58) in favor of overriding the elimination of various levy types - only. As of this forecast filing, the Senate has not met to vote on any of the vetoes thus the Governor’s vetoes remain in effect.

As part of the Governors’ vetoes, he created a property tax reform working group co-chaired by former legislators. The governor appointed 11 members including the co-chairs. The working group is tasked with thoroughly examining issues related to how to provide meaningful property tax relief to homeowners and businesses while ensuring that funding for local schools, local governments, fire, police, EMS, libraries, and developmental disabilities is adequate. The Governor has asked the working group to issue a report with concrete proposals by September 30, 2025

The legislature has introduced several other bills that would limit real estate tax growth or eliminate real estate tax collections completely. Many of these bills are still in committee. We are watching legislation closely for any impact on our local revenues

- IV. The state budget represented 18.8% of district revenues, which means it is a significant risk to the revenue. The future risk comes in FY28 and beyond if the state economy stalls due to a possible recession or the last two (2) years of the Fair School Funding Plan is not funded in the next state biennium budget. In this forecast, there are two unknown future State Biennium Budgets covering FY28-29 and FY30-31. Future uncertainty in the state

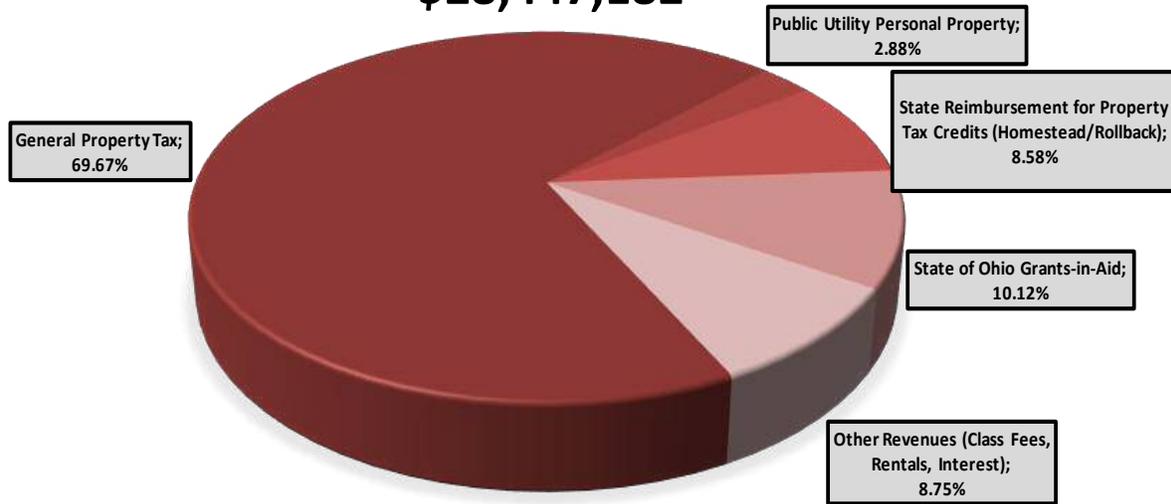
foundation funding formula and the state's economy makes this area an elevated risk to district funding long-range through FY30. We have projected our state funding in FY26 based on HB96 legislation with the Governor's vetoes in place. This forecast reflects state revenue to align with the FY28 funding levels through FY30, which we feel is conservative and should be close to what the state approves for the next two biennium budgets. We will adjust the forecast in future years as we have data to make an informed decision.

- V. HB96, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY26 and FY27. FY26 reflects 83.33% of the implementation cost at year five of a six-year phase-in plan, which increases by 16.66% each year. FY27 will result in 100% funding of (FSFP). HB96 did not increase the cost inputs while allowing revenue inputs to increase. This causes more districts to appear to have greater local ability to fund their schools thus reducing the amount of State Aid they receive. We have used the most recent simulations published by the Department of Education and Workforce for our forecasted revenues in FY26.
- VI. HB96, the current state biennium budget also enacted a new provision called "Piggyback Property Tax Exemptions". This provision allows county commissioners in each county in Ohio to double the current Homestead Exemption and owner occupied 2.5% tax credit. The extended tax credits for qualifying taxpayers would result in reduced property tax collections for the school district of roughly \$783 thousand from current operating levies, if our County Commissioners implement this. This new law creates a potential risk to our local tax collections.
- VII. Labor relations in our district have been amicable with all parties working for the best interest of students and realizing the resource challenges we face. We believe that as we move forward our positive working relationship will continue and will only grow stronger.

The significant lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should assist the reader in reviewing the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information, please contact Mr. Robert Showalter, Treasurer.

**Revenue Assumptions**  
**All Operating Revenue Sources General Fund FY26**

**FY26 - WHERE THE MONEY COMES FROM:**  
**\$28,447,182**



**General Property Tax (Real Estate) – Line #1.010 (70.60%)**

*Property Values* – These are established each year by the County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. Cuyahoga County experienced a sexennial reappraisal for the 2024 tax year to be collected in FY25. Residential/agricultural values increased 26.3%, or \$114.7 million, due to the update, led by an improving housing market. Commercial/industrial values increased 4.9%, or \$2.5 million, in the update.

For tax year 2024, new construction in residential property was up 0.4% or \$1.8 million in assessed value and commercial/industrial values remained constant. Overall values increased by \$117.2 million, or 24%, which includes new construction for all classes of property. Please note the Tax Year 2024 collections came in slightly higher than anticipated due to Emergency Levies not being rolled back by the county auditor. This may result in future year refunds.

A triennial update will occur in 2027 for collection in 2028, for which we are estimating a 2% increase in residential and a 1% increase for commercial/industrial property. We anticipate Residential/Agricultural and Commercial/Industrial values to increase \$12 million, or 2%, overall.

The following table shows the recent assessed valuations of property subject to ad valorem taxes levied by the School District. ([Source: County Fiscal Officer](#))

Collection Year	Real Property	Public Utility	Total Assessed Valuation
2019(a)	402,415,890	5,625,260	408,041,150
2020	402,026,340	6,040,490	408,066,830
2021	400,640,380	6,341,500	406,981,880
2022(b)	483,535,720	6,786,630	490,322,350
2023	487,111,840	8,258,950	495,370,790
2024	486,793,620	8,997,010	495,790,630
2025(a)	604,030,410	9,374,690	613,405,100

- (a) Reflects sexennial reappraisal.
- (b) Reflects triennial update

*Operating Levy* - On November 3, 2020, a new continuous operating levy for 7.9 mill was passed. This levy began generating \$1.6 million in FY21 and \$3.2 million annually starting in FY22.

*Fixed-Sum (Emergency) Levy* - The district successfully renewed its \$2.69 million fixed-sum (emergency) levy on the November 8, 2022 ballot for a period of 10 years. Renewing this levy that was set to expire at the end of 2023 was critical to the financial stability of the district's operations. Renewing this levy did not increase taxes.

We have been conservative with any future value increases for reappraisal or updates due to uncertainty over pending legislation as noted in the Forecast Risks and Uncertainty above.

### **Tax Rate Assumptions**

The county auditor sets tax rates for each levy voted on to provide tax revenues for the school district. Ohio law provides for "reduction factors" of all voted property tax levies to adjust the millage rates lower for the levy to not increase from inflation of property values for the taxes received by a district to that of the actual amount of the levy at the time of the election. The reduction factors are applied separately to Residential/Agriculture (Class I) and Commercial/Industrial (Class II) resulting in different effective millage rates. The district-voted rate for all levies is 90.57 mills while the Class I effective millage rate is 30.58 mills, and the Class II effective millage rate is 50.13 mills. The Ohio law has a provision that the reduction factors cannot lower the total millage rate for each class less than 20 mills, which includes both the voted and the non-voted millage rates; this is called the "20-Mill Floor". Currently, our district is not on the floor for either Class I or Class II. Any emergency levy that is voted on is not included in the 20-mill floor, the district has one emergency levy of 5.85 mills that was voted on for an annual amount of \$2.69 million of taxes, as the values increase the millage rate will decrease to only collect the annual amount that was approved by the voters.

### **Public Utility Personal Tax – Line #1.020 (2.89%)**

Public Utility-Personal Property Tax (PUPP) revenue is generated from telephone, natural gas, electric and water lines and equipment. PUPP values are determined by the Ohio Department of Taxation. PUPP values decreased by \$178 thousand in tax year 2024. The district expects PUPP values to be stable throughout the forecasted period.

### **School District Income Tax – Line#1.030 (0.00%)**

No school district income taxes are modeled in this forecast.

### **Renewal and Replacement Levies – Lines #11.010-11.030**

Tax levies that are not continuous by law cannot be included with the property taxes; therefore, there are no levies that will appear in this line until FY34 when the emergency levy will need to be renewed. Thank you to the community for their continued trust and support.

### **New Tax Levies – Lines #13.010-13.030**

No new levies are modeled in this forecast.

### **State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045 (10.15%)**

#### **Current State Funding Model per HB96 through June 30, 2027**

#### **Unrestricted State Foundation Revenue – Line #1.035**

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

Our district is currently a guarantee district in FY26 and is expected to continue to be on the guarantee in FY27-FY30 on the new Fair School Funding Plan (FSFP).

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

### **State Funding FY26-FY27**

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

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

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

The Performance Supplement was included in HB96. The eligibility for the supplement payment uses data from the state report card for the 2024-2025 school year for FY26 and 2025-2026 school year for FY27; the payment will be a separate payment of \$13 per pupil in FY26 and FY27. We will not know until later in FY26 if we will receive this additional funding.

The funding formula eliminated the Supplemental Targeted Assistance guarantee beginning in FY26, but still includes two (2) primary guarantees: 1) Formula Transition Aid, and 2) Formula Transition Supplement. The two (2) guarantees in both temporary and permanent law ensure that no district will get fewer funds in FY26 and FY27 than they received in FY21.

### **Future State Budget Projections beyond FY27**

Our funding status for FY28-FY30 will depend on unknown two (2) new state budgets. There is no guarantee that the current Fair School Funding Plan will be continued in future biennial budget process; therefore, our state funding estimates are reasonable, and we will adjust the forecast when we have authoritative data to work with. For this reason, funding is held constant in the forecast for FY28 through FY30.

### **Credential Reimbursement**

The Department of Education and Workforce (DEW) credits the district with students receiving qualifying credentials for workforce readiness.

### **Casino Revenue**

On November 3, 2009, Ohio voters passed the Ohio casino ballot issue. This issue allowed four (4) casinos to open in Cleveland, Toledo, Columbus, and Cincinnati. Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% of Gross Casino Revenue that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31st of January and August each year, beginning for the first time on January 31, 2013.

Total casino funding in FY24 was \$113.1 million or \$64.90 per pupil. In FY25, the funding totaled \$114.18 million or \$65.44 per pupil. We expect the Casino revenues to have resumed their historical growth rate and are assuming a 1.5% annual growth rate for the remainder of the forecast.

### **Restricted State Foundation Revenue – Line #1.040**

HB96 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding), Career Technical, Gifted, English Learners (ESL), and Student Wellness funding. We have estimated revenues for these new restricted funding lines using the most current funding factors available. For fiscal years 2026 and 2027, HB96 modifies how DPIA is calculated by factoring in both directly certified and economically disadvantaged students. The new formula modifies the weight given to these student groups over the biennium.

### **State Reimbursement for Property Tax Credits – Line 1.050 (8.61%)**

#### **Rollback and Homestead Reimbursement**

Rollback funds are reimbursements paid to the district from the State of Ohio for tax credits given to owner-occupied residences. Credits equal 12.5% of the gross property taxes charged to residential taxpayers on levies passed before September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013.

Homestead Exemptions are credits paid to the district from the state of Ohio for qualified elderly and disabled. In 2007, HB119 expanded the Homestead Exemption for all seniors 65 years or older or disabled, regardless of income. Effective September 29, 2013, HB59 changed the requirement for Homestead Exemptions. Individual taxpayers who still need to get their Homestead Exemption approved or those who did not get a new application approved for the tax year 2013 and who become eligible after that will only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who had their Homestead Exemption as of September 29, 2013, will not lose it and will not have to meet the new income qualification. This will generally reduce homestead reimbursements to the district over time, and as with the rollback reimbursements above, the state is increasing the tax burden on our local taxpayers.

HB96, the current state biennium budget also enacted a new provision called “Piggyback Property Tax Exemptions”. This provision allows county commissioners in each county in Ohio to double the current Homestead Exemption and owner occupied 2.5% tax credit. The extended tax credits for qualifying taxpayers would result in reduced property tax collections for the school district of roughly \$783 thousand from current operating levies, if our County Commissioners implemented this.

### **All Other Operating Revenue – Line #1.060 and Other Financing Sources – Lines #2.010-2.060 (7.75%)**

All other local revenue encompasses any revenue that does not fit the above lines. The primary sources of revenue in this area have been; interest on investments, tuition for court-placed students, Manufactured Homes, rental income, and Medicaid reimbursements. Since FY22, any open-enrolled students since have been counted in our Enrolled ADM numbers for state funding and are not separately funded.

Interest income is based on the district cash balances and increased interest rates due to the Federal Reserve raising rates to curb inflation. The Federal Reserve Bank cut interest rates by 50 basis point in September 2024 and an additional 25 basis points in December 2024. While interest income in FY26 should remain steady, the rate cuts will begin to have an impact on earnings in FY27 and future years. We will continue to monitor the investments for the district.

Rentals have returned to pre-pandemic levels. All other revenues are expected to continue on historical trends.

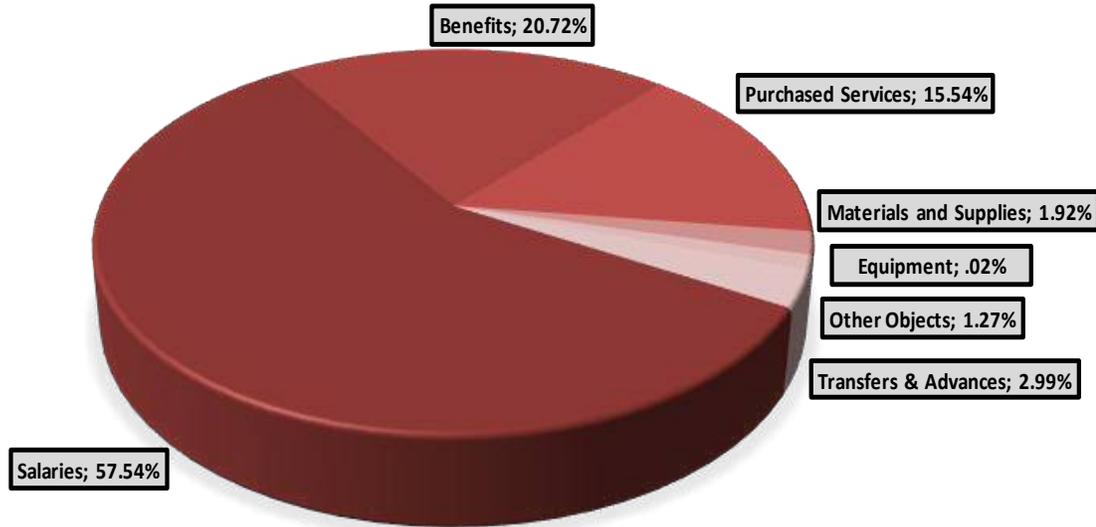
*All Other Financing Sources* – This includes transfers in, advances in, and refunds. The district’s advance-in revenue is based on the advance out line item expended in the prior year.

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

This funding source also includes refunds of prior year expenditures that is very unpredictable. For future years we are estimating an amount of refunds that are in line with historical collections. The district had a one-time increase in FY26 due to the Cuyahoga County refunding real estate assessment funds of \$294 thousand for the district.

**Expenditure Assumptions  
Estimated General Fund Expense for FY26**

**FY26 - WHERE THE MONEY GOES: \$26,715,640**



**Employee Salaries and Wages – Line #3.010 (57.54%)**

This line of the forecast is made up primarily of wages or salaries paid to staff. Some substitute costs and supplemental extracurricular contracts, as well as payments for the Board of Education can also be found here.

FY26 includes a 3% base increase. We are including an estimated 1% pay increase for planning purposes only at this time in FY27-30. This forecast reflects supplemental contracts receiving step increases yearly.

**Employee Retirement and Insurance Benefits – Line #3.020 (20.72%)**

Benefits include: the employer's share of retirement (14% of salary), Medicare, workers' compensation, and health care insurance, which includes hospitalization, major medical, prescription drugs, vision, and dental insurance. Rates for monthly premiums are increasing 1.51% for medical and 4.5% for dental, and will be as follows for FY26:

Coverage	Current Rate	New Rate (Effective July 1, 2025)
MEDICAL / PRESCRIPTION (single)	\$ 730.85	\$ 741.81
MEDICAL / PRESCRIPTION (2 person)	\$ 1,394.46	\$ 1,415.38
MEDICAL / PRESCRIPTION (family)	\$ 2,421.93	\$ 2,458.26
DENTAL (single)	\$ 39.83	\$ 41.62
DENTAL (2 person)	\$ 72.58	\$ 75.85
DENTAL (family)	\$ 122.34	\$ 127.85
VISION (single)	\$ 3.24	\$ 3.24
VISION (2 person)	\$ 6.15	\$ 6.15
VISION (family)	\$ 10.71	\$ 10.71

Per the negotiated agreements, full-time members are required to pay the following monthly premium for medical coverage: Certified and Administrative Employees: 15.0%, Classified and Exempt Employees: 10.2%. The required employee contribution for dental insurance is \$5.00 per month regardless of coverage. If any employee elects to have

family coverage and they are less than full-time but work more than four hours a day, their required contribution is calculated on a sliding scale.

In FY25, the district had lower health insurance claims which resulted in too much of a health insurance fund balance. The district was able to have a premium “holiday” in December 2025. This resulted in a savings of approximately \$250 thousand. Looking forward, 6% yearly increases have been estimated for FY27-FY30.

The district’s projections for retirement benefits, Medicare, and workers’ compensation expenses were based on 15.90% of the salary expenses. Tuition reimbursement payments are also reflected in this section and are projected to decrease significantly after FY24 due to the most recent negotiated agreement.

**Purchased Services – Line #3.030 (15.54%)**

Purchased Services includes various services and supports that the district acquires from external providers to enhance educational operations and student well-being. These expenses also include all professional and technical services (including substitute teacher costs), legal, data processing, health/nurses, all utilities, garbage collection, telephones, postage, electricity, natural gas to heat the buildings, all travel and meeting expenses, and craft and trade services. College Credit Plus, excess fees, and other tuition costs will continue to draw funds away from the district, which will continue in this area and has been adjusted based on historical trends. Beginning in FY25, the district partnered with the City of Fairview Park to provide a School Resource Officer at the district. This cost is shared evenly and is considered a purchased service.

**Supplies and Materials – Line #3.040 (1.92%)**

These expenses include all textbooks, office supplies, cleaning supplies, bus fuel, consumable products, and any educational material, as well as any product that has a life expectancy of less than five years. The district purchased a new K-5 reading curriculum for \$181 thousand in FY25.

*Classroom Fee Related Supplies-* At the beginning of the fiscal year, each building and their associated departments submit purpose statements that estimate the revenue and expenditures for each fee that would be collected and spent throughout the year.

**Capital Outlay (Equipment) – Line #3.050 (0.02%)**

Capital Outlay is distinct from Supplies and Materials, as these purchases are for assets with a longer lifespan and higher cost, such as land, buildings, equipment, and vehicles. The district does not anticipate costs increasing significantly in this line because the Permanent Improvement Fund pays most capital outlay.

**Other Expenses – Line #4.300 (1.27%)**

This category of expenses is primarily fees to the county auditors and treasurers for collecting property taxes and the Ohio Department of Taxation to collect and manage the districts income tax collection and settlement. The other expense category is several small expenses with the largest being district liability insurance, annual audit, and dues and fees to organizations such as The Ohio School Boards Association (OSBA). An annual increase of 5% is projected in this area.

**Transfers Out/Advances Out – Lines #5.010 & 5.020 (2.99%)**

This account group covers fund-to-fund transfers and end of year short-term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. Advanced funds (if needed) are anticipated to be paid back in full in the next fiscal year.

*Transportation Fund -* This fund is used to track capital and maintenance expenses related to transportation. This is funded by transferring funds from the General Fund. The district purchased one (1) bus in FY21, and with the assistance of a \$90,000 state grant, ordered two (2) more buses in FY22, which were delivery in FY23. We purchased a bus in FY24 and there are plans to purchase one (1) bus in FY26.

*Technology Fund* - Starting in FY10, the District established a separate, Non-General Fund Technology Fund to purchase computer-related technology items. Rather than pay for this equipment out of the Capital Outlay line item, the funds are transferred from the General Fund to the Technology Fund each fiscal year. This enables the district to accurately account for and track technology purchases in relation to the district-wide technology plan.

*Severance Fund* - Also in FY10, the District established a Severance Fund separate from the General Fund. This fund enables the district to “set aside” funds for the purpose of paying severance to future retiring employees. \$50,000 was transferred in FY22, \$125,000 was transferred in FY23 and FY24; it is anticipated that \$125,000 will continue to be transferred.

*Certificate of Participation Payment* - As part of the HS/MS and Parkview construction project which began in FY18, the District issued Certificate of Participations (COPS). The resources to pay this debt are general fund monies. The district transfers the funds from the General fund to the Capital Improvement Fund to pay the principal and interest for the COPS.

**Encumbrances – Line #8.010**

Encumbrances represent purchase authorizations and contracts for goods or services that are pending vendor performance and those purchase commitments, which have been performed, are awaiting invoicing and payment. Encumbrances, on a budget basis of accounting, are treated as the equivalent of expenditure at the time authorization is made to maintain compliance with spending restrictions established by Ohio law. For presentation in the forecast, outstanding encumbrances are presented as a reduction of the general fund cash balance.

**General Fund Cash Balance**

**Reservation of Fund Balance – Lines #9.010-9.080**

The district maintains a reservation of fund balance on Line #9.03 for budget reserves. The district does not anticipate expending these funds at this time.

**Ending Unencumbered Cash Balance – Line #10.010**

This amount must not go below \$-0- or the district general fund will violate all Ohio Budgetary Laws. Any multi-year contract, which is knowingly signed, and which results in a negative unencumbered cash balance, is a violation of O.R.C. §5705.412, which is punishable by personal liability of \$10,000; unless an alternative 412 certificate, as permitted by HB153, effective September 30, 2011, could be issued. It is recommended by the Government Finance Officers Association (GFOA) and other authoritative sources that a district maintains a minimum of sixty (60) day cash balance, which is approximately \$4.3 million for our district.

**General Fund Outlook**

