

FAIRPORT HARBOR EX. VILLAGE SD - LAKE COUNTY
Schedule Of Revenue, Expenditures and Change in Fund Balances
Actual and Forecasted Operating Fund

		ACTUAL			FORECASTED			
		Actual 2023	Actual 2024	Actual 2025	Current Year Budget FY2026	Forecast YR1 FY2027	Forecast YR2 FY2028	Forecast YR3 FY2029
Revenue:								
1.010	General Property Tax (Real Estate)	2,576,339	2,411,063	2,493,888	2,619,832	2,619,963	2,620,094	2,620,225
1.020	Tangible Personal Property Tax	433,287	443,074	434,160	412,581	412,581	412,581	412,581
1.030	Income Tax	-	-	-	-	-	-	-
1.035	Unrestricted Grants-in-Aid	4,446,917	4,976,697	4,844,134	5,490,917	5,621,125	5,621,125	5,621,125
1.040	Restricted Grants-in-Aid	419,721	562,119	876,726	746,518	766,309	766,309	766,309
1.045	Restricted Federal Grants-in-Aid	-	-	-	-	-	-	-
1.050	State Reimbursement for Property Tax Credits	318,226	285,531	291,303	286,278	287,709	289,148	290,594
1.060	All Other Revenues	454,871	509,494	700,152	656,654	612,721	568,348	574,031
1.070	Total Revenues	8,649,361	9,187,979	9,640,363	10,212,780	10,320,409	10,277,605	10,284,866
Other Financing Sources:								
2.010	Proceeds from Sale of Notes	-	-	-	-	-	-	-
2.020	State Emergency Loans and Advancements	-	-	-	-	-	-	-
2.040	Operating Transfers-In	-	-	-	-	-	-	-
2.050	Advances-In	11,795	5,028	0	139	50,000	50,000	50,000
2.060	All Other Financing Sources	712	18,929	11,017	1,000	1,000	1,000	1,000
2.070	Total Other Financing Sources	12,507	23,957	11,017	1,139	51,000	51,000	51,000
2.080	Total Revenues and Other Financing Sources	8,661,868	9,211,936	9,651,380	10,213,919	10,371,409	10,328,605	10,335,866
Expenditures:								
3.010	Personnel Services	3,778,082	3,771,108	4,172,126	4,295,770	4,516,986	4,626,675	4,739,096
3.020	Employees' Retirement/Insurance Benefits	1,442,414	1,599,189	1,762,959	2,156,097	2,202,385	2,302,705	2,552,266
3.030	Purchased Services	1,456,575	1,721,475	2,115,582	2,496,308	2,995,569	3,295,126	3,624,639
3.040	Supplies and Materials	219,650	172,086	349,421	359,305	395,236	434,759	478,235
3.050	Capital Outlay	28,685	54,436	87,484	274,356	114,824	120,565	126,593
3.060	Intergovernmental	-	-	-	-	-	-	-
Debt Service:								
4.010	Principal-All (History Only)	-	-	-	-	-	-	-
4.020	Principal-Notes	-	-	-	-	-	-	-
4.030	Principal-State Loans	-	-	-	-	-	-	-
4.040	Principal-State Advancements	-	-	-	-	-	-	-
4.050	Principal-HB 264 Loans	-	-	-	-	-	-	-
4.055	Principal-Other	-	-	-	-	-	-	-
4.060	Interest and Fiscal Charges	-	-	-	-	-	-	-
4.300	Other Objects	144,016	140,748	124,200	127,926	131,763	135,716	139,788
4.500	Total Expenditures	7,069,423	7,459,043	8,611,771	9,709,762	10,356,764	10,915,547	11,660,818
Other Financing Uses								
5.010	Operating Transfers-Out	362,901	365,015	1,125,967	1,390,000	400,000	411,000	423,100
5.020	Advances-Out	5,028	0	139	50,000	50,000	50,000	50,000
5.030	All Other Financing Uses	-	-	-	-	-	-	-
5.040	Total Other Financing Uses	367,929	365,015	1,126,106	1,440,000	450,000	461,000	473,100
5.050	Total Expenditures and Other Financing Uses	7,437,351	7,824,058	9,737,877	11,149,762	10,806,764	11,376,547	12,133,718
Excess of Rev & Other Financing Sources over (under) Expenditures and Other Financing Uses		1,224,517	1,387,878	-86,498	-935,843	-435,355	-1,047,942	-1,797,852
Cash Balance July 1 - Excl Proposed Renewal/ Replacement and New Levies		3,797,747	5,022,264	6,410,142	6,323,645	5,387,802	4,952,447	3,904,505
7.020	Cash Balance June 30	5,022,264	6,410,142	6,323,645	5,387,802	4,952,447	3,904,505	2,106,653
8.010	Estimated Encumbrances June 30	172,575	189,805	318,403	150,000	150,000	150,000	150,000
Reservation of Fund Balance								
9.010	Textbooks and Instructional Materials	-	-	-	-	-	-	-
9.020	Capital Improvements	-	-	-	-	-	-	-
9.030	Budget Reserve	-	-	-	-	-	-	-
9.040	DPIA	-	-	-	-	-	-	-
9.045	Fiscal Stabilization	-	-	-	-	-	-	-
9.050	Debt Service	-	-	-	-	-	-	-
9.060	Property Tax Advances	-	-	-	-	-	-	-
9.070	Bus Purchases	-	-	-	-	-	-	-
9.080	Subtotal	-	-	-	-	-	-	-
Fund Balance June 30 for Certification of Appropriations		4,849,690	6,220,337	6,005,242	5,237,802	4,802,447	3,754,505	1,956,653
Rev from Replacement/Renewal Levies								
11.010	Income Tax - Renewal			0	0	0	0	0
11.020	Property Tax - Renewal or Replacement			0	0	0	0	0
11.300	Cumulative Balance of Replacement/Renewal Levies			0	0	0	0	0
Fund Balance June 30 for Certification of Contracts, Salary and Other Obligations		4,849,690	6,220,337	6,005,242	5,237,802	4,802,447	3,754,505	1,956,653
Revenue from New Levies								
13.010	Income Tax - New			0	0	0	0	0
13.020	Property Tax - New			0	0	0	0	0
13.030	Cumulative Balance of New Levies			0	0	0	0	0
14.010	Revenue from Future State Advancements							
15.010	Unreserved Fund Balance June 30	4,849,690	6,220,337	6,005,242	5,237,802	4,802,447	3,754,505	1,956,653
Comments: See accompanying notes for assumptions.				90 Days Unencumbered Expenditures	\$ 2,787,440	\$ 2,701,691	\$ 2,844,137	\$ 3,033,479

Comments: See accompanying notes for assumptions.



FAIRPORT HARBOR

EXEMPTED VILLAGE SCHOOL DISTRICT

Anchored in Community & Illuminating Futures

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Financial Forecast Assumptions Summary: FY2026–FY2029

Submitted: October 2025

District Overview

Fairport Harbor Schools has a proud legacy of educational excellence dating back to 1876. Today, it remains a close-knit, student-centered district that offers a personalized, high-quality educational experience. With small class sizes and dedicated educators, the district continues to adapt to meet the academic, social, and emotional needs of its diverse student body. As Fairport prepares for the future—including the opening of a new PK-12 facility—it remains committed to fiscal responsibility, academic rigor, and strategic planning.

Forecast Overview

This financial forecast is submitted in accordance with Ohio House Bill 96 (HB96), which revised the former five-year forecast model into a four-year financial projection: the current budget year plus three forecasted years. This document includes:

- Three years of actual financial data (FY23–FY25)
- The current fiscal year budget (FY26)
- Forecasts for FY27 through FY29

The assumptions herein reflect management’s best estimates under current economic and legislative conditions and are designed to provide a comprehensive understanding of the district’s financial position.

Legislative and Policy Updates

- **House Bill 96 (HB96):** Signed into law in June 2025, HB96 restructured school forecast submissions to include only four years (rather than five) and changed submission deadlines to August 31 and the last day of February. The first FY26 forecast is due October 15, 2025.
 - **Veto Activity:** Several property tax reforms were vetoed by Governor DeWine due to concerns over school funding stability. One major veto (Item #66) was overridden by the Ohio House but awaits Senate action.
 - **New Legislative Proposals:**
 - **HB421:** Would allow voters to reduce or eliminate inside millage.
 - **HB187 (Homeowners Relief Act):** Expanded homestead exemption eligibility, offering tax relief to more residents.
 - **Carryover Provision (40% Rule):** Although vetoed, the provision could resurface through legislative override. The district currently exceeds this threshold in two out of four forecast years but can justify it due to planned capital improvements and healthcare cost volatility.
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Revenue Assumptions

- **Property Valuation:** Following a 30.93% increase in valuations from the 2024 Lake County sexennial update, the district's assessed value is \$92.74 million. Estimates are based on 94% of certified value.
 - **Millage:** Of the 80.88 total voted mills, the district collects on 33.44 effective mills due to HB920 tax reduction factors.
 - **Inside Millage:** The district receives 5.24 inside mills, equating to approximately \$485,963 annually. Proposed HB421 could impact this revenue.
 - **State Foundation Funding:** FY26–27 projections are based on current funding formulas. FY28–29 are held flat due to expected legislative uncertainty.
 - **Fair School Funding Plan:** Currently in Year 5 of a 6-year phase-in, this plan provides a more equitable distribution of state aid and includes direct funding for Community and STEM schools, reducing revenue volatility.
 - **Student Wellness and Casino Revenue:** Now included in general fund lines as restricted funds.
 - **Other Revenues:** Includes rental income, interest earnings (significantly increased due to favorable rates), and miscellaneous sources.
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Expenditure Assumptions

- **Salaries & Benefits:** Reflect current negotiated agreement through FY27. Projections show a 2.96% increase in salaries and a 22.3% increase in benefits for FY26. Future

years assume 2.5% salary growth and 15% benefit increases due to rising healthcare premiums.

- **Healthcare Costs:** LCSC Consortium projects mid-year premium increases: 22% (July–Dec 2025) and 19.67% (Jan–June 2026), with ongoing 15% annual increases.
 - **Purchased Services:** Reflect increased costs due to inflation, transition activities related to building moves, and operational changes associated with the new school facility. Estimated increases: 18% in FY26, 20% in FY27, and 10% annually thereafter.
 - **Supplies & Materials:** FY26 increases by 3%, while FY27–29 include 10% increases for inflation and ongoing textbook adoption cycles.
 - **Capital Outlay:** FY26 includes one-time purchases (2 student vans) and technology upgrades, resulting in a 214% increase over FY25. FY27–29 reflect stabilized, inflation-adjusted capital needs.
 - **Other Expenses:** Include liability insurance, audit fees, dues, and miscellaneous costs.
 - **Transfers & Advances:** Used to manage year-end deficits and ensure balanced fund accounting. Net impact is zero due to repayment in the following fiscal year.
 - **Enrollment Impact:** Ongoing enrollment decline remains a critical concern under the state’s funding model. The district’s small size makes mid-year staffing changes difficult without disrupting educational quality.
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Fiscal Sustainability and Risk Factors

The district is currently projected to maintain at least 90 days of unencumbered expenditures for four of the five forecast years, in line with Board policy. However, key risk factors include:

- **Uncertain Legislative Changes** (e.g., override of HB96 vetoes)
- **Rising Healthcare Costs**
- **Enrollment Decline**
- **Operational Needs of the New PK-12 School**

Despite these challenges, the district maintains a stable financial outlook due to conservative budgeting, proactive planning, and a strong commitment to educational quality.