

**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
May 19, 2026**

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
Revenues										
1.010 General Property Tax (Real Estate)	\$19,530,124	\$19,263,685	\$19,801,550	0.7%	\$19,853,850	\$20,277,437	\$19,858,259	\$19,902,256	\$19,922,971	
1.020 Public Utility Personal Property Tax	781,806	861,452	851,885	4.5%	989,571	994,794	1,042,951	1,052,017	1,061,467	
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%	2,811,633	2,920,501	2,921,997	2,923,508	2,925,047	
1.040 Restricted State Grants-in-Aid	129,173	220,718	254,015	43.0%	116,142	117,517	117,517	117,517	117,517	
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%	2,453,168	2,401,150	2,393,986	2,400,897	2,403,713	
1.060 All Other Revenues	1,361,165	1,948,163	2,201,779	28.1%	2,123,859	2,019,867	1,958,678	1,900,548	1,845,325	
1.070 Total Revenues	\$26,696,233	\$27,149,887	\$28,152,778	2.7%	\$28,348,223	\$28,731,266	\$28,293,388	\$28,296,743	\$28,276,040	
Other Financing Sources										
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%	295,039	500	500	500	500	
2.070 Total Other Financing Sources	\$93,689	\$51,889	\$49,935	-24.2%	\$409,574	\$50,500	\$50,500	\$50,500	\$50,500	
2.080 Total Revenues and Other Financing Sources	\$26,789,922	\$27,201,776	\$28,202,713	2.6%	\$28,757,797	\$28,781,766	\$28,343,888	\$28,347,243	\$28,326,540	
Expenditures										
3.010 Personal Services	\$13,693,757	\$12,603,636	\$14,834,300	4.9%	\$15,136,105	\$16,180,122	\$16,953,894	\$17,770,893	\$18,274,456	
3.020 Employees' Retirement/Insurance Benefits	5,031,435	5,049,888	5,171,308	1.4%	5,255,626	5,652,758	6,034,969	6,433,504	6,806,130	
3.030 Purchased Services	3,225,046	3,672,059	3,773,703	8.3%	4,498,178	4,947,994	5,442,794	5,987,075	6,585,783	
3.040 Supplies and Materials	458,626	383,632	660,451	27.9%	467,006	490,356	514,874	540,618	567,649	
3.050 Capital Outlay	2,921	9,055	6,916	93.2%	3,742	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%	416,060	436,864	458,707	481,641	505,722	
4.500 Total Expenditures	\$22,804,724	\$22,048,300	\$24,769,315	4.5%	\$25,776,717	\$27,714,094	\$29,411,238	\$31,219,731	\$32,745,740	
Other Financing Uses										
5.010 Operating Transfers-Out	\$1,700,000	\$1,700,000	\$17,300,000	458.8%	\$0	\$0	\$0	\$0	\$1,800,000	
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 Total Other Financing Uses	\$1,747,650	\$1,749,557	\$17,414,535	447.7%	\$50,000	\$50,000	\$50,000	\$50,000	\$1,850,000	
5.050 Total Expenditures and Other Financing Uses	\$24,552,374	\$23,797,857	\$42,183,850	37.1%	\$25,826,717	\$27,764,094	\$29,461,238	\$31,269,731	\$34,595,740	
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Uses										
6.010	\$2,237,548	\$3,403,919	(\$13,981,137)	-229.3%	\$2,931,080	\$1,017,672	(\$1,117,350)	(\$2,922,488)	(\$6,269,200)	
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	\$12,466,290	\$13,483,962	\$12,366,612	\$9,444,124	
7.020 Cash Balance June 30	\$20,112,428	\$23,516,347	\$9,535,210	-21.3%	\$12,466,290	\$13,483,962	\$12,366,612	\$9,444,124	\$3,174,924	
8.010 Estimated Encumbrances June 30	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	
Reservation of Fund Balance										
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 Subtotal Reservations of fund Balance	\$373,830	\$373,830	\$373,830	0.0%	\$373,830	\$373,830	\$373,830	\$373,830	\$373,830	
Fund Balance June 30 for Certification of Appropriations										
10.010	\$19,738,598	\$23,142,517	\$9,161,380	-21.6%	\$12,092,460	\$13,110,132	\$11,992,782	\$9,070,294	\$2,801,094	

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
Revenue from Replacement/Renewal Levies										
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%	\$12,092,460	\$13,110,132	\$11,992,782	\$9,070,294	\$2,801,094	\$2,801,094
Revenue from New Levies										
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%	\$12,092,460	\$13,110,132	\$11,992,782	\$9,070,294	\$2,801,094	\$2,801,094

Fairview Park City School District – Cuyahoga County
Notes to the Five-Year Forecast
General Fund Only
May 19, 2026

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 this May 2026 forecast.

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:

This financial forecast has risks and uncertainty due to economic changes, new property tax laws signed by Governor DeWine on December 19, 2025, and also 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, all of which affect this forecast. 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. The items below give a short description of the current issues and how they may affect our forecast in the long term:

- I. On December 19, 2025, Governor DeWine signed into law several pieces of legislation that are the most sweeping changes to Ohio property tax law since 1976 when HB920 was passed. The legislation approved are: HB129, HB186, HB309, and HB335. These laws become effective March 19, 2026, which is after the February filing deadline for this forecast. Of particular concern is HB186, which implements new caps on property tax increases, applied retroactively, for property reappraisal and triennial updates that occurred in tax year 2023, 2024, and 2025. Due to the complexity of these calculations, the Ohio Department of Taxation (ODT) has been charged with calculating the effects of this legislation and notifying Ohio's 88 county auditors as to the impact on property tax bills and subsequent tax settlements to local governments. The ODT has not released calculation results for any tax reductions that impact school districts.

A brief summary of the impact of each piece of legislation is noted below with specific anticipated impacts to this forecast noted in Estimated Real Estate Tax Line 1.01 section of these assumptions below:

- HB129 restores fixed sum levies and implements new requirements. It will also include fixed sum levy millage in the 20-mill floor calculation beginning in the next sexennial reappraisal or triennial update cycle of any county that contains district territory, but no later than Tax Year 2028, which will collect in calendar year 2029. For some districts, this will result in a loss due to a change in the 20-mill floor. Fairview Park Schools is not on the 20-mill floor.
- HB186 establishes Inflation Cap Credits and Temporary Tax Credits (claw back). Following reappraisals and triennial updates for school district property taxes, the Inflation Cap Credits prevent increases beyond the Gross Domestic Product Deflation Factor (GDP DF). The Temporary Tax Credits (claw back) provision refunds tax revenue that has already been collected by school districts beginning with sexennial reappraisals and triennial updates that occurred before the effective date of the law, retroactive back to tax year 2023, 2024, and 2025. These are funds that have already been realized and have been spent and/or included in future educational planning. While skyrocketing home values resulted in the need for property tax reform that limits tax growth for taxpayers, the retroactive claw back of taxes already paid is very detrimental to districts at the 20-mill floor. Fairview Park Schools is not on the 20-mill floor.
- HB309 allows County Budget Commissions (CBC's) to reduce any voter-approved levy (except debt) to bring taxes levied within levels the CBC finds reasonable and prudent to avoid unnecessary collections. This law gives locally elected CBC officials the power to override voter-approved levies and local school board fiscal decisions. The impact of this new law is indeterminable and can be administered inconsistently in 88 counties across Ohio.
- HB335 limits revenue growth from inside millage due to sexennial valuation reappraisals or triennial updates to no more than the Gross Domestic Product Deflation Factor (GDP DF). Our district plans to

project at or below anticipated GDP DF to avoid inflation cap credits on inside millage.

Authoritative data concerning HB186's official impact on our district has not been received as of the filing of this forecast. We have estimated revenues and expenses based on the limited data available and our understanding of this legislation. As authoritative data concerning HB186 is made available to the district, changes may need to be made to the forecast that may or may not be significant.

- II. Property tax collections are largest single source for the school system and a significant risk to the forecast. We project growth in appraised values every three (3) years that aligns with the new HB186 Gross Domestic Product Deflation Factor (GDP DF) and new construction growth. The effects of HB186 will be to limit property tax growth following sexennial reappraisals and triennial updates. Total local revenues, predominately local taxes, equate to 81% of the district's resources. As noted above, HB186 indicates any adjustment for prior year appraisals and updates that exceeded GDP DF in reappraisals and triennial updates that occurred in tax years 2023, 2024 and 2025 will result in possible, significant reductions (claw back) in the second half property tax collections that typically occur in August to September 2026. If the Ohio Department of Taxation (ODT) determines adjustments are required due to HB186, further revenue reductions in Tax Year 2026 collected in calendar year 2027 taxes will also result. We have included any estimated adjustment for HB186 in Line 1.01 assumptions below, but only the ODT will have actual authoritative data when it is released after this forecast filing deadline.
- III. Cuyahoga County experienced a sexennial reappraisal in tax year 2024 for collection in FY25. We experienced value increases for Class I and II property by \$115.8 million for an overall increase of 23.8%. A triennial update will occur in tax year 2027 for collection in FY28. We anticipate value increases for Class I (Residential/Agriculture) and Class II (Commercial/Industrial) property within the Gross Domestic Product Deflation Factor range of 2% to 9%. HB335 inside millage cap will become effective for any reappraisal and update beginning in tax year 2026, and HB129 will become effective for our district in the next update in tax year 2027. We have anticipated any 20-mill floor adjustment at that time in Line 1.01 assumptions below. We do not anticipate any impact of HB335 on our tax projections due to our estimates for future growth in reappraisal being in line with anticipated GDP DF.
- IV. The state budget represented 19% 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 and the Fair School Funding Plan is not continued and/or 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 recent formula calculations and use of the Ohio Department of Education and Workforce (ODEW) funding simulator for FY27 projections. This forecast reflects state revenue to align with the FY27 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 base cost inputs (no increase from the state on formula funding) while allowing local capacity 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 FY27 simulations published by the Department of Education and Workforce for our forecasted revenues in FY27-FY30.
- 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. Current Homestead and 2.5% owner occupied credits are reimbursed to the district from the state of Ohio. These expanded "Piggyback Property Tax Exemptions" will not

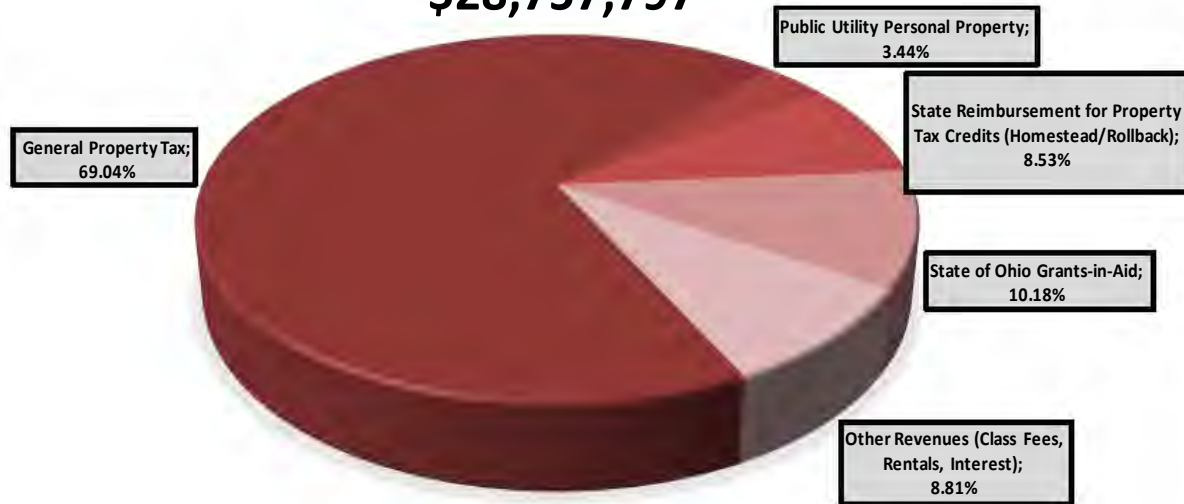
be reimbursed. Our county commissioners did not vote to approve further Piggyback Property Tax Exemptions for tax year 2025. HB96 would allow this to occur every year, and if they were to be approved could result in reduced property tax collections for the school district of roughly \$760 thousand from current operating levies. This new law creates a potential risk to our local tax collections every year. County auditors have until December 2026 to implement this tax credit for tax year 2026. We will adjust the forecast in the future accordingly.

- VII. The Ohio Department of Taxation, on January 15, 2026, announced an updated state property tax sexennial reappraisal and triennial update schedule. Sixteen counties will have their reappraisal moved back by one year in accordance with the new schedule. Our county will be impacted by this change.
- VIII. 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:
\$28,757,797



General Property Tax (Real Estate) – Line #1.010 (69.04%)

Property Values – Property Values are established each year by the County Auditor based on new construction, demolitions, Board of Revisions (BOR) or Bureau of Tax Appeals (BTA) activity, and complete reappraisal or updated values. New to this forecast, HB186 allows new construction growth in property taxes irrespective of GDP DF. Cuyahoga County experienced a sexennial reappraisal in tax year 2024 for collection in 2025, which increased our residential values by 25.9% and increased our commercial/industrial property by 5.6%. Overall, total values for Residential/Agricultural and Commercial/Industrial increased \$115.8 million, or 23.8% overall.

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 1.97%, 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
2026	606,525,440	10,960,660	617,486,100

(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 30.61 mills, and the Class II effective millage rate is 50.40 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 fixed sum (formerly emergency) levy that is voted on is now included in the 20-mill floor, the district has one fixed sum levy of 4.35 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.

HB129 is a new law that restores fixed sum levies and now includes them in the 20-mill floor calculation. HB129 will be in effect following the tax year 2027 triennial update. Our district is expected to be impacted by including fixed sum (formerly referred to as emergency) levies in our 20-mill floor calculation starting for collection in calendar year 2026.

Estimated Real Estate Tax Collection Assumptions & New Tax Laws

HB96 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. Our county commissioners did not vote to approve further Piggyback Property Tax Exemptions for tax year 2025. County auditors have until December 2026 to implement this tax credit for tax year 2026. We will adjust the forecast in the future accordingly.

HB186 is a new law that establishes an Inflation Cap Credit for school district property taxes, preventing increases beyond the Gross Domestic Product Deflation Factor (GDP DF) in reappraisal and triennial updates. HB186 also includes Temporary Tax Credits (claw back) provision that retroactively refunds property tax revenue that has already been collected by school districts for impacted districts starting in their sexennial reappraisal or triennial updates in tax years 2023, 2024, and 2025. These funds have already been realized and have been spent and/or included in future educational planning. The Ohio Department of Taxation is charged, as the authoritative source, with calculating the adjustments due to HB186 by April 20, 2026; however, as of this forecast, has not yet released the results.

Fairview Park is not at the 20-mill floor and all operating levies are affected by HB920 reduction factors which inflation proofs these current expense levies. We do not anticipate any claw back of previously paid taxes.

HB335 is a new law that limits revenue growth from inside millage due to valuation reappraisals or triennial updates to the Gross Domestic Product Deflation Factor (GDP DF) for future real estate tax revenue growth. We have not forecasted any increases for future reappraisals/triennial updates above anticipated GDP DF, thus no adverse impact to the forecasted property tax revenue is anticipated from this new law.

As noted in the Forecast Risks and Uncertainty section above, there is no authoritative data for school districts that has been released by the Ohio Department of Taxation (ODT) on HB186. The ODT is the authority in HB186 tasked to calculate all of the temporary tax credits and inflation cap credits to be used in tax year 2025 to collect in calendar year 2026. We will continue to monitor guidance as it is released and will update our forecast accordingly.

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

General Property Tax (Real Estate) – Line #1.010

Property tax levies are estimated to be collected at 97.5% of the annual amount. This allows a 2.5% delinquency factor. In general, 51% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 49% in the August tax settlement.

Public Utility Personal Tax – Line #1.020 (3.44%)

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 increased by \$1.5 million in tax year 2025. The district expects PUPP values to be stable throughout the forecasted period.

The values for PUPP are noted in the table above, under Public Utility (PUPP), which was \$10.9 million in assessed values in 2025 and is collected at the district’s total voted millage rate. Collections are typically 57% in March and 43% in August, along with the real estate settlements from the county auditor. The values in tax year 2025 rose by 16.9% or \$1.5 million and are expected to decrease by \$25 thousand in tax year 2026, then grow by \$100 thousand the remaining years of the forecast.

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 fixed sum (formerly 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 (10.18%)
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 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 now 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 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 are estimated to receive \$78 thousand in FY26.

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 were notified in January that the state of Ohio overspent their Science of Reading Appropriation and will be reducing funding to recover funds previously paid. 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. The new DPIA formula

modified the weight given to these student groups over the biennium, which has resulted in calculated DPIA state funding in FY26 being \$86.6 million less than in FY25.

State Reimbursement for Property Tax Credits – Line 1.050 (8.53%)

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.

Partial HB186 Guarantee

New HB186 authorizes payments to school districts and JVSs that are located in a county that underwent a reappraisal or triennial update in tax years 2023 and 2024 and that, due to the act's temporary credit, would otherwise receive less property tax revenue in tax year 2025 than in tax year 2024. The revenue guarantee applies to tax year 2025, in the case of 2023 reappraisal or update counties, and to tax years 2025 and 2026, in the case of 2024 reappraisal and update counties. Under the act, the Tax Commissioner will calculate the difference between a district's real property tax revenue in tax year 2024 and its revenue in 2025 and, if applicable, 2026. We do not anticipate a hold harmless payment for HB186, but since the ODT has not released authoritative data on HB186 calculations, we cannot be certain of this. We will adjust the forecast as data from the ODT becomes available.

All Other Operating Revenue – Line #1.060 and Other Financing Sources – Lines #2.010-2.060 (8.81%)

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 25 basis point in September 2025, another 25 basis points in October 2025, and an additional 25 basis points in December 2025. 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.

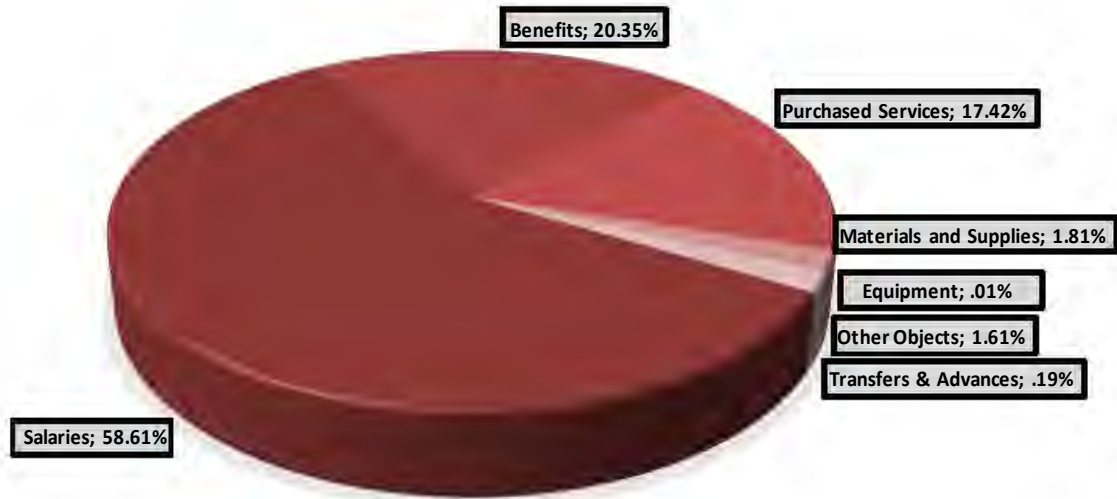
All Other Financing Sources – This includes transfers in, advances in, and refunds. The district's advance-in revenue is based on the advance-out line item expended in the prior year.

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: \$25,826,717



Employee Salaries and Wages – Line #3.010 (58.61%)

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 3% pay increase for FY27-29 and a 1% increase in FY30 for planning purposes only at this time. This forecast reflects supplemental contracts receiving step increases yearly.

Employee Retirement and Insurance Benefits – Line #3.020 (20.35%)

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. Looking into FY27, rates for monthly premiums are increasing 9.1% for medical and 8.0% for dental, and will be as follows for FY27:

Coverage	Current	New Rates (Effective July 1, 2026)
MEDICAL & PRESCRIPTION (Single)	\$ 741.81	\$ 809.31
MEDICAL & PRESCRIPTION (2 Person)	\$ 1,415.38	\$ 1,544.18
MEDICAL & PRESCRIPTION (Family)	\$ 2,458.26	\$ 2,681.96
DENTAL (Single)	\$ 41.62	\$ 44.95
DENTAL (2 Person)	\$ 75.85	\$ 81.92
DENTAL (Family)	\$ 127.85	\$ 138.08

BASIC VISION (Single)	\$ 3.24	\$ 3.24
BASIC VISION (2 Person)	\$ 6.15	\$ 6.15
BASIC VISION (Family)	\$ 10.71	\$ 10.71
SUPERIOR VISION (Single)	\$ 5.84	\$ 5.84
SUPERIOR VISION (2 Person)	\$ 11.10	\$ 11.10
SUPERIOR VISION (Family)	\$ 16.29	\$ 16.29

Per the current 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, 8.5% 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 decreased significantly after FY24 due to the most recent negotiated agreement.

Purchased Services – Line #3.030 (17.42%)

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 (1.81%)

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 (0.01%)

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 (1.61%)

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 (0.19%)

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.

During fiscal year 2025, the School District authorized interfund transfers totaling **\$17,300,000** from the General Fund to various special revenue and capital funds to support debt-related commitments, capital maintenance, technology infrastructure, transportation needs, severance obligations, and athletic programming.

On May 20, 2025, the Board of Education approved an interfund transfer totaling **\$2,000,000** from the General Fund to align resources with anticipated operational and capital obligations, including Certificates of Participation (COPs) debt payments, upkeep and care of permanent improvements, technology leases and related expenses, current and future severance obligations, transportation needs, and athletic programming support.

The May 20 transfers included:

- \$2,000,000 to Permanent Improvement, Transportation, Technology, Severance, and Athletic funds
 - Fund 300-9027 Athletic Department: \$39,500
 - Fund 300-9027 Middle School Drama Club: \$5,000
 - Fund 003-0000 Permanent Improvement: \$1,300,000
 - Fund 003-9001 Bus/Transportation: \$80,500
 - Fund 003-9004 Technology Fund: \$500,000
 - Fund 035-0000 Severance Benefits Fund: \$75,000

Additional transfers totaling **\$15,300,000** were discussed at the June 11, 2025 Special Board Meeting and formally approved by Board resolution on June 30, 2025.

At the time of discussion and approval, state legislation (HB96), as enacted by the General Assembly, included provisions that would have imposed a 40 percent limitation on General Fund carryover balances with accelerated implementation deadlines beginning in fiscal year 2026. In consideration of the legislation and associated statutory timelines, the Board authorized the Treasurer to reposition General Fund resources into purpose-specific funds aligned with existing and anticipated district obligations in order to preserve financial flexibility and mitigate potential exposure related to the proposed carryover limitation.

The June 30 transfers included:

- \$10,300,000 to Permanent Improvement, Transportation, Technology, Severance, and Athletic funds
 - Fund 300-9027 – Athletic Department: \$300,000
 - Fund 003-0000 – Permanent Improvement: \$6,250,000
 - Fund 003-9001 – Bus/Transportation: \$750,000
 - Fund 003-9004 – Technology: \$2,200,000
 - Fund 035-0000 – Severance Benefits: \$800,000
- \$5,000,000 to a newly established Facilities Capital Projects Fund (Fund 070) for the acquisition, construction, renovation, installation, improvement, and equipping of School District transportation facilities
 - Fund 070-9025 Facilities Capital Project Fund (Transportation Facility): \$5,000,000

Subsequent to these actions, the Governor issued line-item vetoes eliminating the proposed General Fund carryover limitation. Although the statutory provision was not ultimately implemented, the transfers remain within district-controlled funds and are designated for debt-related commitments, permanent improvements, transportation infrastructure, technology expenditures, severance obligations, and athletic support. The reallocation of resources

reduces future General Fund exposure to capital and non-operating expenditures and supports long-term financial stability.

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 \$4.2 million for our district.

General Fund Outlook

