

Fairview Park City Schools

Five-Year Forecast
Spring Update
May 19, 2026



Rob Showalter, Treasurer

What is a Five Year Forecast?

- It is a three year look back and five year look ahead
- It has two parts: the numbers, and the assumptions (the story)
- It only covers the General Fund
- It is a snapshot in time of the big picture of what we currently know and what we think will happen, it is a living document
- It will change. The forecast is compiled using the best information available at the time the forecast is made
- It is updated every six months and presented to the BOE for approval before being submitted to the ODEW
- It will focus on the present (FY26) with an eye on the future (FY27-30)

Five Year Forecast - Outline

- Topics we are going to cover tonight:
 - General Fund
 - Revenues
 - Assumptions
 - Expenditures
 - Assumptions
 - Five Year Forecast Summary

Five Year Forecast - Outline

Reviewing Fiscal Year 2025

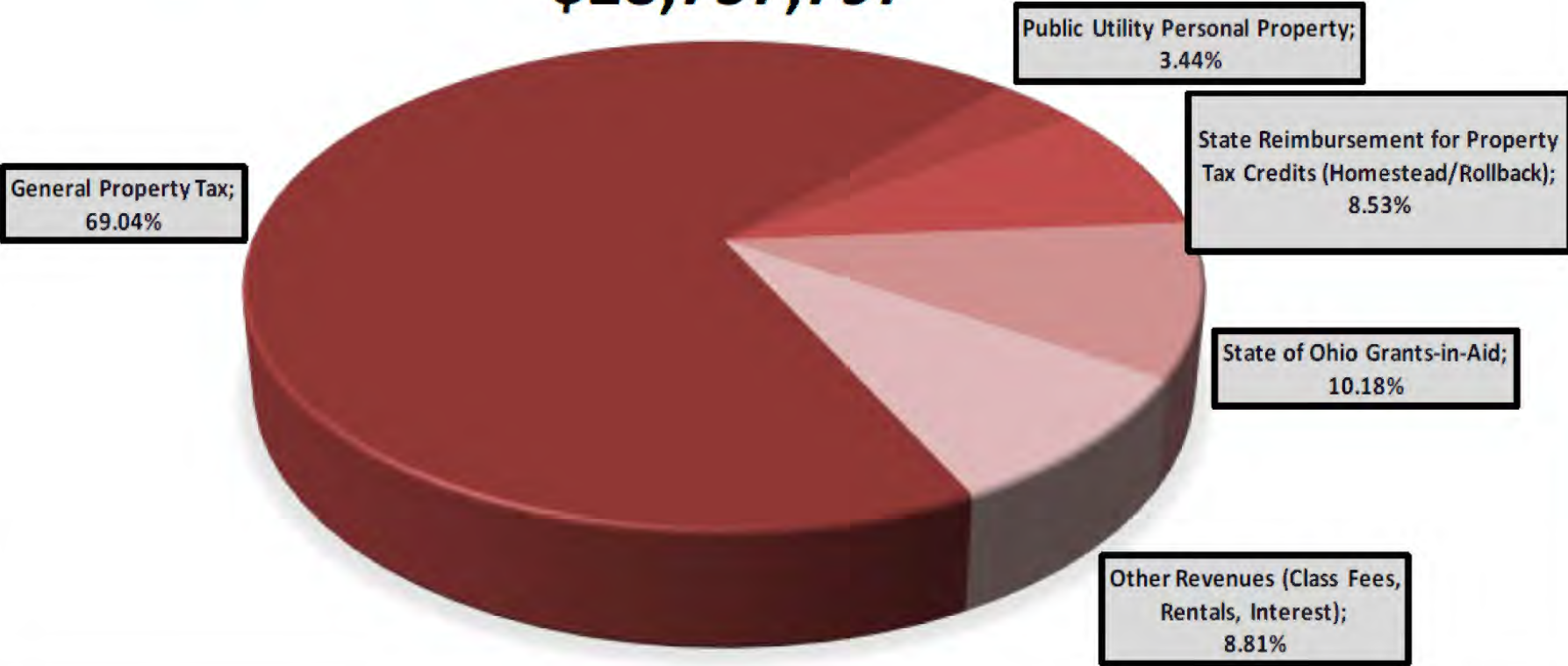
- A large portion of the district's cash balance was targeted by HB96's proposed 40% cash carryover limit.
- On June 11, the district held a special meeting to discuss options.
- On June 30, the district transferred an additional \$15,300,000 from the general fund, which will be used in future years to help support capital projects and to pay down the district's long-term debt.

- Transfers were executed to the following funds:

070-9025 Facilities Capital Project	\$5,000,000
300-9027 Athletic Department	\$300,000
003-0000 Permanent Improvement	\$6,250,000
003-9001 Bus/Transportation	\$750,000
003-9004 Technology	\$2,200,000
035-0000 Severance Benefits	\$800,000

General Fund Revenues

**FY26 - WHERE THE MONEY COMES FROM:
\$28,757,797**



Revenue Assumptions

Revenue:

- General Property (Real Estate) Taxes (Line 1.010) = **\$19,853,850**
 - Fairview Park's property tax revenue is predicted to remain steady throughout the forecast, assuming that HB96 legislation continues as the Governor intended. We are watching legislation closely for any impact on our local revenues.
- Public Utility Personal Property (PUPP) (Line 1.020) = **\$989,571**
 - Generated from telephone, natural gas, electric, and water lines and equipment. Values are determined by Ohio Department of Taxation.

Revenue Assumptions - Continued

Revenue:

- Grants-in-Aid (Lines 1.035 + 1.040) = **\$2,927,775**
 - The district is currently on a funding guarantee
 - For this reason, funding is predicted to be relatively constant for FY26 through FY30.
 - Restricted grants-in-aid spiked in FY24 and FY25 due to High Quality Instructional Materials and Science of Reading reimbursements, respectively.
- State Reimbursement for Property Tax Credits (Line 1.050) = **\$2,453,168**
 - Formerly known as Homestead & Rollback
 - This represents reimbursements paid from the State of Ohio to the district for tax credits given to homeowners.
 - Projected to remain relatively flat throughout the forecast.

Revenue Assumptions - Continued

Revenue:

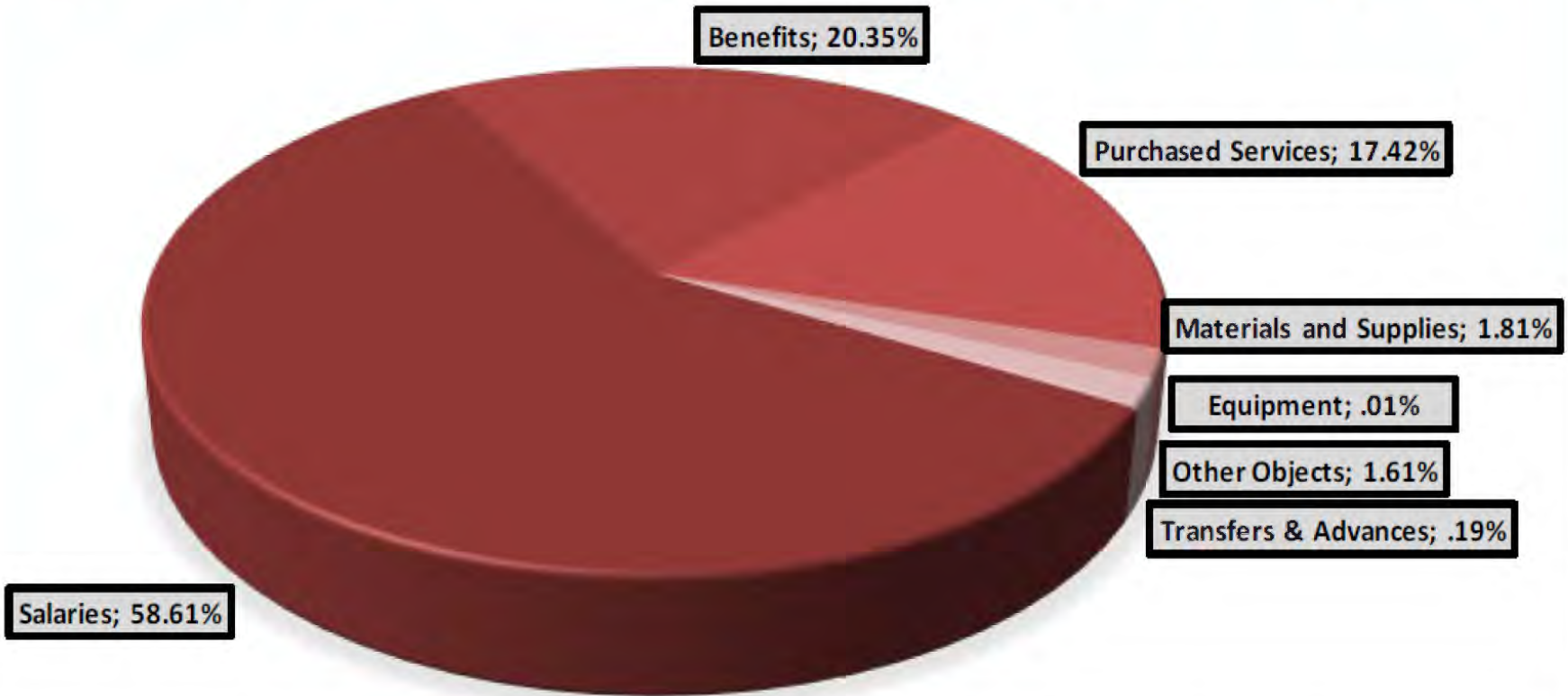
- All Other Operating Revenue (Lines 1.060 + 2.050 + 2.060) = **\$2,533,433**
 - FY26 is projecting an 8% drop in interest revenue from FY25
 - Interest rate cuts have started taking place, which would decrease this line item moving forward.
 - Additionally, Cuyahoga County has changed its practice and will no longer be advancing tax receipts to the district months ahead of the settlement payments, which will now lead to lower interest revenue for the district.
 - A ~\$294k spike in line 2.060 for FY26 is due to a [refund that was issued from Cuyahoga County](#) for unused real estate assessment funds.
 - This last happened in 2018, when the district received ~\$92k

Revenue Assumptions - Continued



General Fund Expenditures

FY26 - WHERE THE MONEY GOES: \$25,826,717



Expenditure Assumptions

Expenditures:

- Salaries and Wages (Line 3.010) = **\$15,136,105**
 - FY24 experienced an offset of expenses to ESSER funding of ~\$1.5 million. This is one-time funding, and that amount came back into FY25 and beyond.
 - Increases in this line are due to base salary increases, steps, and column changes.
 - The district is projecting a 3% base salary increase for each year FY27, FY28, and FY29.
 - FY26-30 does not have any attrition built in, because it is difficult to predict when exactly employees will retire in these times – people are working later into their lives now more than ever before.

Expenditure Assumptions - Continued

Expenditures:

- Employees' Retirement/Insurance Benefits (Line 3.020) = **\$5,255,626**
 - We are a service organization – our biggest expense will always be salaries and benefits.
 - Health insurance costs had dipped, but are now on the rise:
 - 6% increase in FY24
 - 3% increase in FY25
 - 1.51% increase in FY26
 - 9.1% increase in FY27
 - 8.5% increases assumed for FY28-30
 - Increases had slowed due to a recent run of low claims. However, as previously predicted, claims can change overnight, and we will continue to project cautiously.

Expenditure Assumptions - Continued

Expenditures:

- Purchased Services (Line 3.030) = **\$4,498,178**
 - This line has been highly impacted by inflation and will need to be watched closely for any savings opportunities.
 - History of yearly increases since FY22: 15.72%, 13.86%, 2.77%, 19.20%
 - FY26's increase (19.20%) is the direct result of inflation along with out-district placement costs rising.
 - Going forward, 10% yearly increases are assumed but can hopefully be avoided as inflation is brought back under control.
 - Substitute teachers are a purchased service (not a salary line expense)

Expenditure Assumptions - Continued

Expenditures:

- Supplies and Materials (Line 3.040) = **\$467,006**
 - This line had a sharp increase in FY25 that reflected the purchase of a new reading curriculum at Gilles-Sweet of ~\$181,000. Approximately \$65,000 of this cost was offset from the ODEW on a separate line.
 - Going forward beyond FY26, 5% yearly increases are assumed but can hopefully be avoided as inflation is brought back under control.

Expenditure Assumptions - Continued

Expenditures:

- Capital Outlay (Line 3.050), Other (Line 4.300) and Transfers/Advances (Lines 5.010 & 5.020) = **\$469,802**
 - Capital Outlay covers General Fund (GF) equipment purchases.
 - GF capital purchases are minimal, because the District transfers money to a Permanent Improvement Fund and other funds for those expenditures.
 - At the end of FY25, the district transferred out \$17.3M. This will allow the transfers-out line to be put on hold until FY30.
 - These transfers help cover costs such as permanent improvements, debt, technology, buses, and severances.



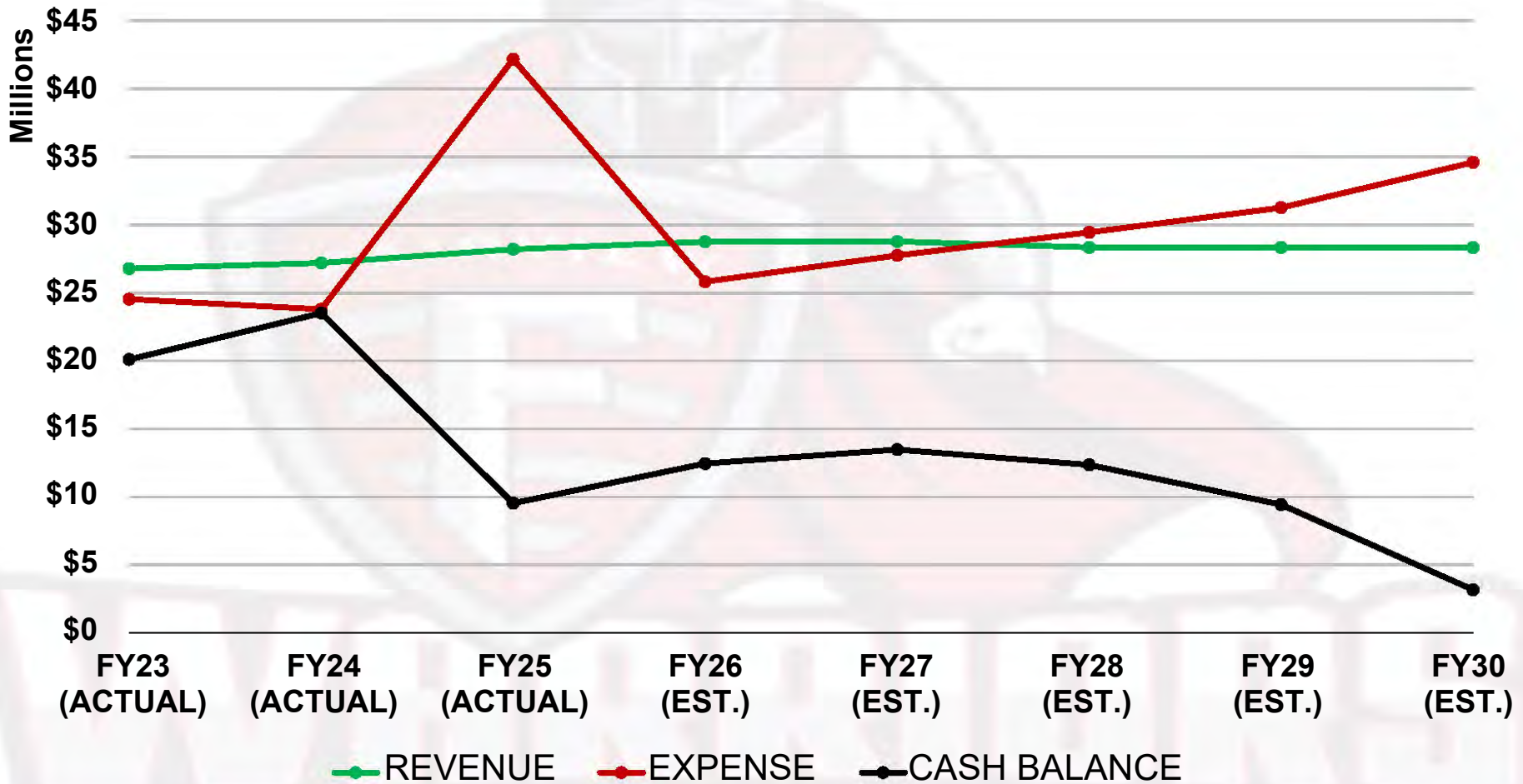
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General Fund Summary

- Total annual revenue is estimated to remain steady throughout the remainder of the forecast, while expenses are estimated to grow by an average of 5.4% per year.
- Due to historic property value increases in reappraisal and update years, the Ohio Legislature has considered various proposals to help reduce non-voted tax increases on taxpayers. HB96 included several such proposals, with the Governor vetoing four (4) that he said would jeopardize the financial stability of public schools.

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General Fund Revenue & Expenditure Outlook



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Board Policy 6220

- FY30's ending cash balance is a cause for small concern.
- Although it is many years away, per new board policy 6220:
- *"As part of its commitment to sound fiscal management, the Board affirms that tax levies shall be pursued and/or the District's finances otherwise managed to ensure a General Operating Fund unencumbered unreserved cash balance equivalent to at least ninety (90) days of operating expenditures. The Board directs the Treasurer/CFO to maintain such a cash reserve. Promptly upon receiving any indication that such cash balance may not be achieved within any year of the fiscal forecast, the Treasurer/CFO shall report such a finding to the Board. Upon such notification by the Treasurer/CFO, the Superintendent and Treasurer/CFO will prepare and propose options that the Board may consider to forestall such an eventuality."*

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May 2026 Five-Year Forecast

(in millions of dollars)

	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Beginning Cash	17.9	20.1	23.5	9.5	12.5	13.5	12.4	9.5
Total Revenues	26.8	27.2	28.2	28.8	28.8	28.3	28.3	28.3
Total Expenses	24.6	23.8	42.2	25.8	27.8	29.4	31.2	34.6
Revenue over Expenses	2.2	3.4	(14.0)	3.0	1.0	(1.1)	(2.9)	(6.3)
Ending Cash	20.1	23.5	9.5	12.5	13.5	12.4	9.5	3.2
Budget Reserve	0.37	0.37	0.37	0.37	0.37	0.37	0.37	0.37
Unencumbered Balance	19.7	23.1	9.1	12.1	13.1	12.0	9.1	2.8

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Helpful Information

Contact:

- Rob Showalter, Treasurer
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- (440) 331-5500 x 1119
- ☒ @FPSTreasurer
- This presentation will be available on the district website:
 - www.fairviewparkschools.org
 - -> Departments
 - -> Treasurer
 - -> Financial Reports

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Discussion

