SHEFFIELD-SHEFFIELD LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS ENDED JUNE 30, 2024, 2025, and 2026 ACTUAL FORECASTED FISCAL YEARS ENDING JUNE 30, 2027, THROUGH JUNE 30, 2031

Forecast Provided By
Sheffield-Sheffield Lake City School District
Treasurer's Office
Adam Hines, Treasurer/CFO
August 27, 2026

Sheffield-Sheffield Lake City School District
Lorain County
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2024, 2025 and 2026 Actual;
Forecasted Fiscal Years Ending June 30, 2027 Through 2031

		Actual				Forecasted				
		Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Average Change	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031
	Revenues									
1.010	General Property Tax (Real Estate)	$14,257,489	$14,159,876	$16,948,982	9.5%	$15,080,536	$15,748,891	$15,976,604	$15,978,889	$16,069,900
1.020	Public Utility Personal Property Tax	$0	$669,881	$868,450	0.0%	$865,925	$896,545	$927,467	$963,653	$994,294
1.030	Income Tax	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
1.035	Unrestricted State Grants-in-Aid	$4,919,243	$4,999,987	$5,072,358	1.5%	$5,180,446	$5,179,914	$5,179,384	$5,178,858	$5,178,334
1.040	Restricted State Grants-in-Aid	$673,282	$744,477	$533,188	-8.9%	$459,499	$459,500	$459,500	$459,500	$459,500
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	$1,290,626	$1,420,138	$1,563,596	10.1%	$2,546,102	$2,605,890	$1,960,724	$2,054,683	$2,125,219
1.060	All Other Revenues	$892,131	$1,624,933	$1,292,877	30.9%	$1,261,119	$1,218,246	$1,181,804	$1,150,829	$1,124,500
1.070	*Total Revenues*	$22,032,771	$23,619,292	$26,279,451	9.2%	$25,393,627	$26,108,986	$25,685,483	$25,786,412	$25,951,747
	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	$485,688	$0	$12,953	0.0%	$0	$0	$0	$0	$0
2.050	Advances-In	$0	$56,400	$50,000	0.0%	$5,408	$5,408	$5,408	$5,408	$5,408
2.060	All Other Financing Sources	$1,775	$0	$5,000	0.0%	$0	$0	$0	$0	$0
2.070	*Total Other Financing Sources*	$487,463	$56,400	$67,953	-34.0%	$5,408	$5,408	$5,408	$5,408	$5,408
2.080	*Total Revenues and Other Financing Sources*	$22,520,234	$23,675,692	$26,347,404	8.2%	$25,399,035	$26,114,394	$25,690,891	$25,791,820	$25,957,155
	Expenditures									
3.010	Personal Services	$13,725,604	$13,522,710	$14,439,778	2.7%	$14,643,389	$15,167,453	$15,774,835	$16,407,254	$17,066,902
3.020	Employees' Retirement/Insurance Benefits	$5,666,127	$6,342,727	$5,675,149	0.7%	$6,245,177	$6,706,825	$7,242,711	$7,829,173	$8,470,448
3.030	Purchased Services	$3,614,060	$3,563,421	$3,481,292	-1.9%	$4,122,745	$3,941,767	$4,016,461	$4,093,504	$4,172,972
3.040	Supplies and Materials	$600,159	$394,923	$357,724	-21.8%	$598,537	$742,427	$1,085,395	$917,442	$679,570
3.050	Capital Outlay	$26,480	$25,881	$43,332	32.6%	$43,332	$43,332	$43,332	$43,332	$43,332
3.060	Intergovernmental	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
	Debt Service:				0.0%					
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	$453,595	$500,568	$534,138	8.5%	$544,820	$555,716	$566,830	$578,167	$589,731
4.500	*Total Expenditures*	$24,086,025	$24,350,230	$24,531,413	0.9%	$26,198,000	$27,157,520	$28,729,564	$29,868,872	$31,022,955
	Other Financing Uses									
5.010	Operating Transfers-Out	$547,688	$0	$192,960	0.0%	$250,000	$375,000	$315,000	$315,000	$315,000
5.020	Advances-Out	$56,400	$50,000	$5,408	-50.3%	$5,408	$5,408	$5,408	$5,408	$5,408
5.030	All Other Financing Uses	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
5.040	*Total Other Financing Uses*	$604,088	$50,000	$198,368	102.5%	$255,408	$380,408	$320,408	$320,408	$320,408
5.050	*Total Expenditures and Other Financing Uses*	$24,690,113	$24,400,230	$24,729,781	0.1%	$26,453,408	$27,537,928	$29,049,972	$30,189,280	$31,343,363
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Uses*	($2,169,879)	($724,538)	$1,617,623	-194.9%	($1,054,373)	($1,423,534)	($3,359,081)	($4,397,460)	($5,386,208)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	$7,330,255	$5,160,376	$4,435,838	-21.8%	$6,053,461	$4,999,088	$3,575,554	$216,473	($4,180,987)
7.020	*Cash Balance June 30*	$5,160,376	$4,435,838	$6,053,461	11.2%	$4,999,088	$3,575,554	$216,473	($4,180,987)	($9,567,195)
8.010	*Estimated Encumbrances June 30*	$785,018	$220,157	$209,018	-38.5%	$209,018	$209,018	$209,018	$209,018	$209,018

Sheffield-Sheffield Lake City School District
Lorain County
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2024, 2025 and 2026 Actual;
Forecasted Fiscal Years Ending June 30, 2027 Through 2031

		Actual				Forecasted				
		Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Average Change	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031
	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	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
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*	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
10.010	*Fund Balance June 30 for Certification of Appropriations*	$4,375,358	$4,215,681	$5,844,443	17.5%	$4,790,070	$3,366,536	$7,455	($4,390,005)	($9,776,213)
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
11.020	Property Tax - Renewal or Replacement	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
11.300	Cumulative Balance of Renewal Levies	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	$4,375,358	$4,215,681	$5,844,443	17.5%	$4,790,070	$3,366,536	$7,455	($4,390,005)	($9,776,213)
	Revenue from New Levies									
13.010	Income Tax - New	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
13.020	Property Tax - New	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
13.030	Cumulative Balance of New Levies	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
14.010	Revenue from Future State Advancements				0.0%	$0	$0	$0	$0	$0
15.010	*Unreserved Fund Balance June 30*	$4,375,358	$4,215,681	$5,844,443	17.5%	$4,790,070	$3,366,536	$7,455	($4,390,005)	($9,776,213)
	ADM Forecasts									
20.010	Kindergarten - October Count	94	84	97		98	95	98	97	98
20.015	Grades 1-12 - October Count	1,363	1,284	1,275		1,254	1,236	1,223	1,184	1,223

Sheffield-Sheffield Lake City School District
Notes to the Five-Year Forecast
General Fund Only

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.

As noted below the current state budget approved in HB96 changed the forecast based on what the state Ohio and the Ohio Department of Education and Workforce will require, however the Board of Education will continue to plan over a five-year period. Our district leadership believes that the five-year forecast is a crucial management tool. A five-year planning horizon 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.

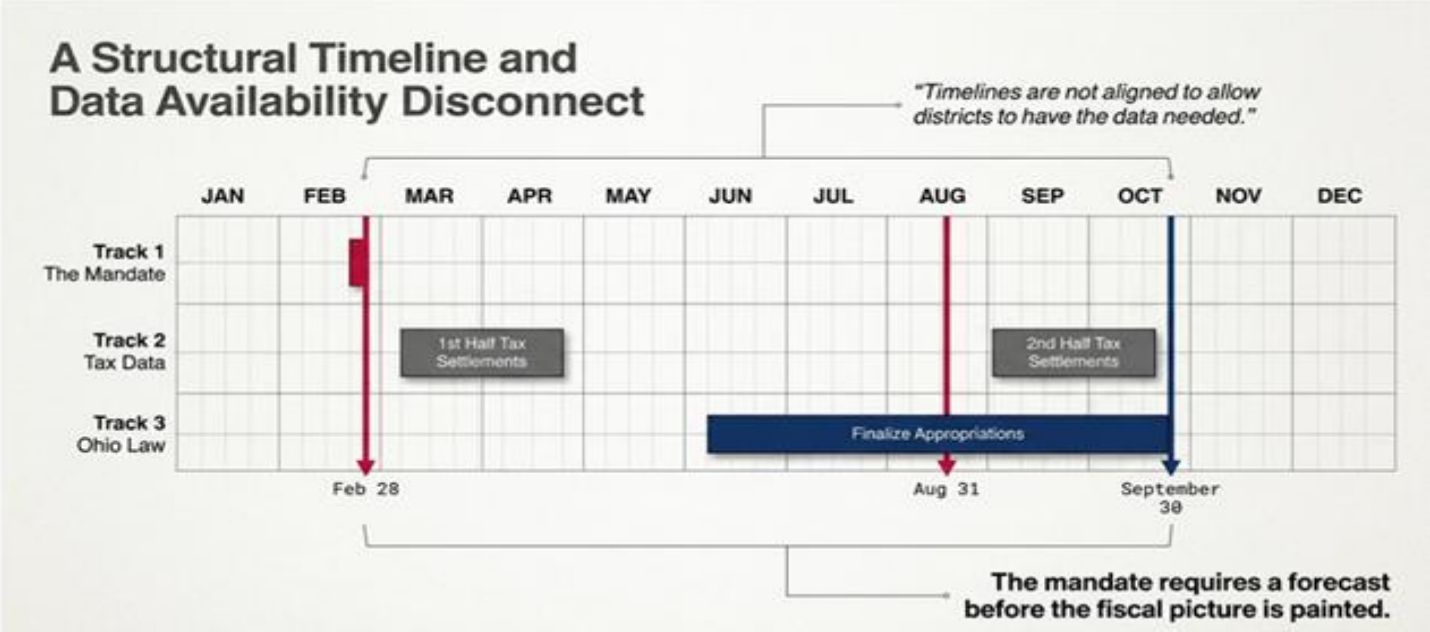
In a financial forecast, the numbers only tell a small part of the story. For the numbers to be meaningful, the reader must review and consider the Assumptions of the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are fundamental to 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 essential purposes or objectives of the 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. The filing deadlines of February and August are out of alignment with when final 1st half and 2nd half tax settlements will actually be received, and the August 31 deadline is out of alignment with when school districts statutorily have to make final fiscal year appropriations.



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 August 2026 filing.

Forecast Risks and Uncertainty:
This financial forecast has risks and uncertainty due to economic changes, new property tax laws noted below that were signed by the Governor on December 19, 2025, and also due to state legislative changes that will occur in the spring of 2027 and 2029 due to deliberation of the 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:

1) On December 19, 2025, Governor DeWine signed into law several pieces of legislation that became law March 19, 2026, and are the most sweeping changes to Ohio property tax law since 1976 when HB920 was passed. The laws that were approved are: HB129, HB186, HB309 and HB335. Subsequently HB479 the state budget correction bill was signed June 24, 2026, and becomes law September 23, 2026, that made needed corrections to HB335 inside millage. Of particular concern is HB186 which implements new property tax caps 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. .

   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 implements new requirements for and restores fixed sum levies. It will also include fixed sum levy millage in the 20-mill floor calculation beginning in the next reappraisal or triennial update cycle of any county that contains district territory, but no later than Tax Year 2028 collect in calendar 2029. For some districts this will result in a loss due to a change in the 20-mill floor. Our district is on the 20-mill floor. Our district has fixed sum levies and has been on the 20-mill floor but will move off the 20-mill floor in the Tax Year 2027 revaluation due to HB129 including fixed sum levies in our general fund effective millage. Moving off the 20-mill floor is estimated to lower our future Class I tax collections by $2.07 million through FY31. OR Our district is not on the 20-mill floor and is not anticipating any impact from HB129.

- HB186 establishes Inflation Cap Credits, if applicable, following reappraisals and triennial updates for school district property taxes, preventing increases beyond the Gross Domestic Product Deflation Factor (GDP DF). HB186 also includes Temporary Tax Credits (claw back) provision that takes back tax revenue that has already been collected by school districts beginning with 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. Our district was on the 20-mill floor under prior law and is anticipated to lose $748,730 a year in inflationary cap credits. The loss in FY27 is expected to be $1.12 million due to delayed implementation of the new law which results in one and a half years loss in the fiscal year. Anticipated losses due to inflationary cap credits through FY31 is estimated at $4.12 million. HB129, as noted above, will take the district off the 20-mill floor as a result of the Tax Year 2027 revaluation. Future additional HB186 inflation cap credits will not occur as long as the district is not on the 20-mill floor as HB920 reduction factors will buffer any inflationary increases

- 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 valuation reappraisals or triennial updates to no more than the Gross Domestic Product Deflation Factor (GDP DF). HB479 that becomes law September 23, 2026, corrected inside millage language in HB335 so than any inside mileage adjustment occurs only in the home county during revaluations if districts are in multiple counties. Any future inside millage adjustment is indeterminable at this time. Our district plans to project at or below anticipated GDP DF to avoid inflation cap credits on inside millage.

Because the new accelerated August filing deadline for school district forecasts and the enormity of the property tax law changes, second half property tax bills have been delayed along with later final due dates. This will delay second half final actual tax settlement data with which to update our forecast with and will be beyond the August filing date. We have estimated revenues and expenses based on the data available and understanding of the new property tax laws. 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.

2) Property tax collections are the largest single revenue 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 and HB335 Gross Domestic Product Deflation Factor (GDP DF) and new construction growth. The effects

of HB186 and HB335 will be to limit property tax growth following reappraisals and updates. Total local revenues, predominately local taxes, equate to 67.76% 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 reductions in Tax Year 2026 collected in calendar year 2027 taxes will also result. We have included any estimated adjustment for HB186 and HB335 in Line 1.01 assumptions below.

3) Lorain County experienced a reappraisal in tax year 2024 for collection in 2025. The 2024 reappraisal increased assessed values for Class I by $91.5 million, or 32.71% and for Class II $13.3 million or 10.8%. Overall values rose $113.2 million or 28.09%, including reappraisal and new construction for all property classes. A reappraisal update will occur in the tax year 2027 for collection in 2028. We anticipate value increases for Class I (Residential/Agriculture) and Class II (Commercial/Industrial) property within the Gross Domestic Product Deflation Factor range of 7% to 9%. HB335 and HB129 will become effective for our reappraisal 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 HB186 or HB335 on our future tax projections due to our estimates for future growth in revaluations being in line with anticipated GDP DF.

4) The state budget represents 32.24% of district revenues and is an area of risk to revenue. The future risk comes in FY28 and beyond due to uncertainty that the Fair School Funding Plan is not continued and 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 FY31. We have projected our state funding in FY27 based the July #2 state foundation payment. This forecast reflects state revenue to align with the FY27 funding levels through FY31, 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.

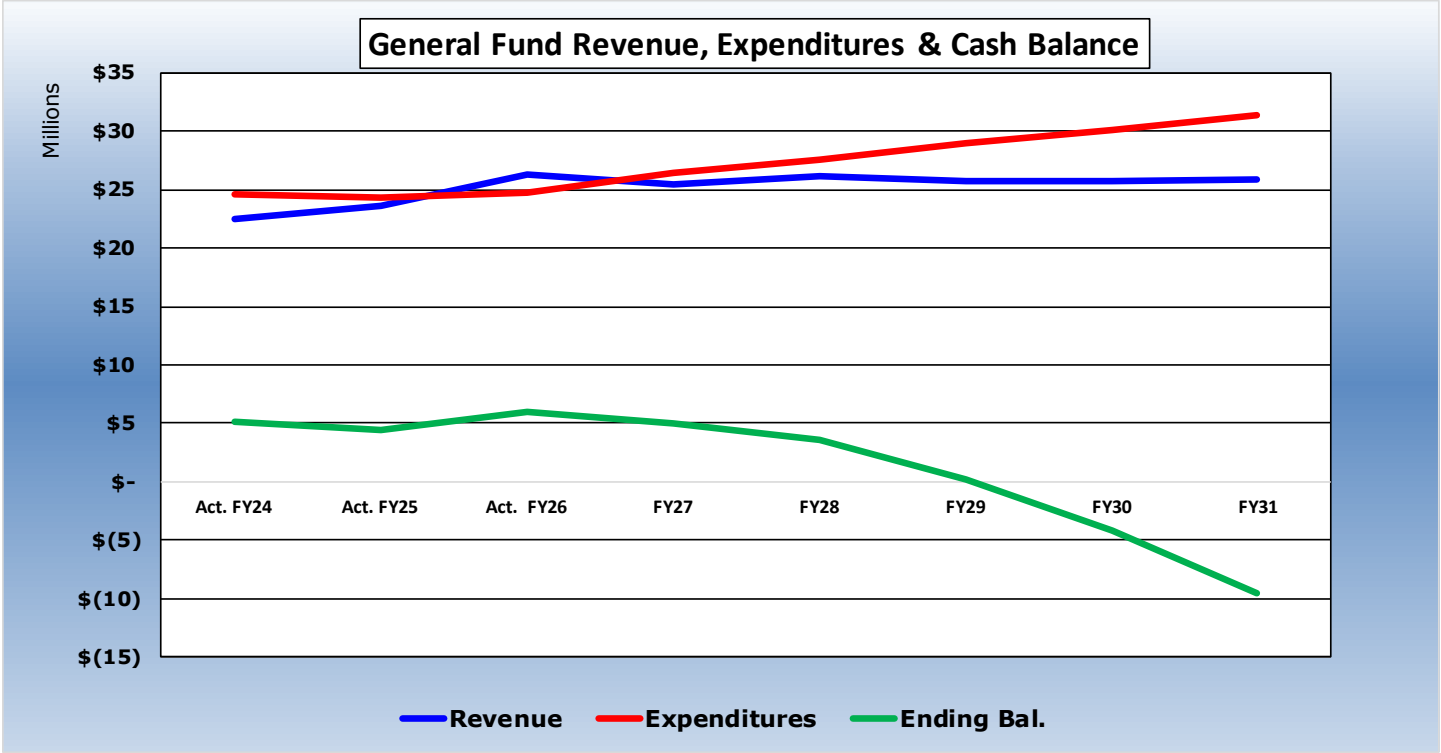
5) HB96, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY27. FY27 reflects 100% of the implementation cost of the (FSFP). HB96 did not increase the base cost inputs (no increase from the state on formula funding) while allowing local 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 foundation payment published by the Department of Education and Workforce for our forecasted revenues in FY27-FY31. We are considered a guarantee district and do not anticipate increases in state aid.

6) 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 <u>are reimbursed</u> to the district from the state of Ohio. These expanded "Piggyback Property Tax Exemptions" will NOT be reimbursed. Lorain County Commissioners approved the Piggyback exemption for both owners occupied credit and homestead exemption for tax year 2025 collect in calendar year 2026. This will result in estimated tax reductions for FY26 and FY27 noted in Line 1.01 Property Tax Estimates below. Our county commissioners did not vote by July 1, 2026 to approve Piggyback Property Tax Exemptions for tax year 2026 for reductions in calendar year 2027 which would reduce tax collections in FY27 and FY28

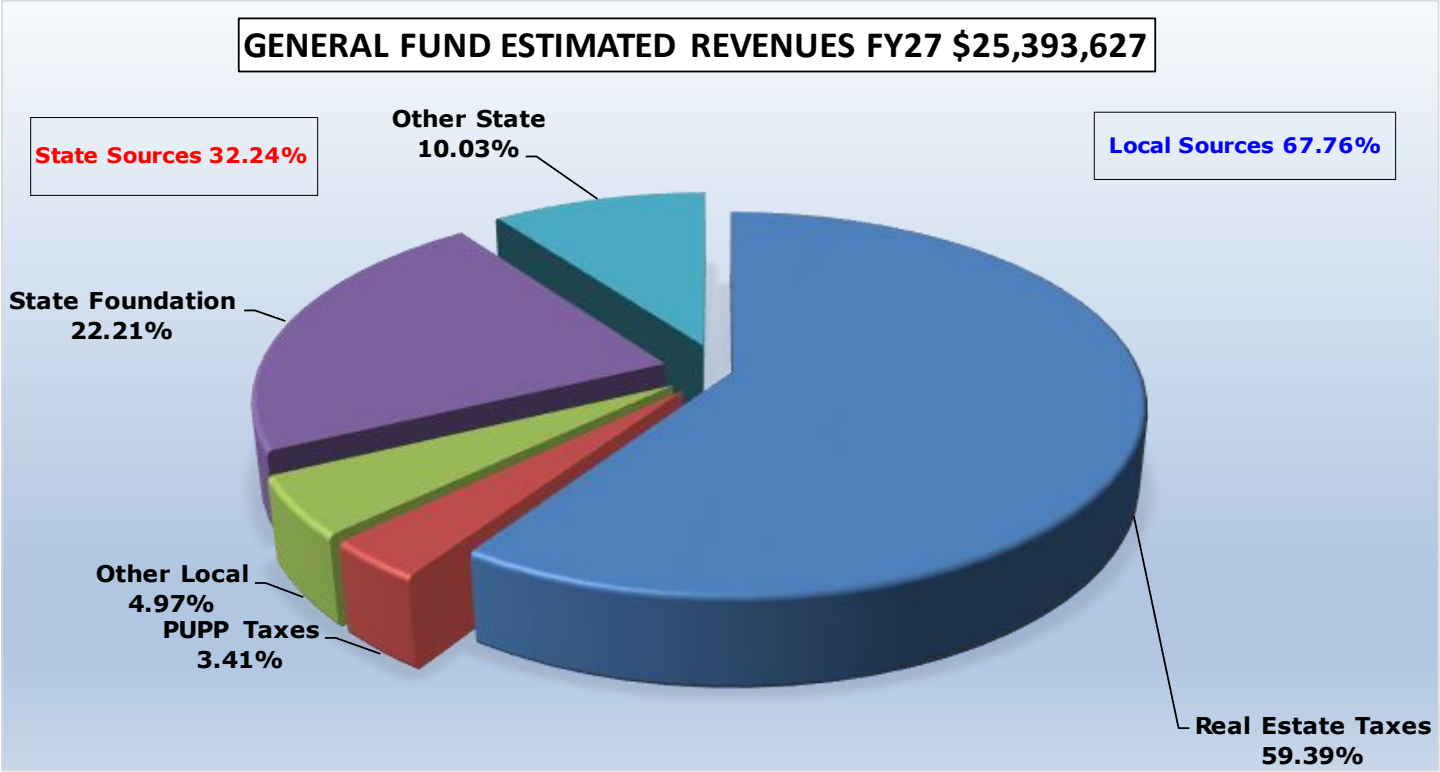
The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to

review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information, please feel free to contact Adam Hines, Treasurer/CFO.

General Fund Revenue, Expenditures and Ending Cash Balance Actual FY24-26 and Estimated FY27-31
The graph below captures in one snapshot the operating scenario facing the district over the next few years.



Revenue Assumptions



Real Estate Value Assumptions – Line # 1.010
Property Values are established each year by the Lorain County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. The new HB186 allows new construction growth in property taxes irrespective of GDP DF. Lorain County experienced a sexennial reappraisal for the 2024 tax year to be collected in 2025. Residential/agricultural or Class I values increased 32.71% or $91.49 million due to the update led by an improving housing market. The Commercial/Industrial or Class II values increased by 10.80% or $13.33 million due to the reappraisal.

The district has received information from the Lorain County Auditor's office on the amount of the partial completion the Ford plant, the new construction increases the values by 47,878,060 in tax year 2026, we have included this amount in the Class II valuations for TY2025 collect in 2026.

A triennial update will occur in 2027 for collection in 2028. Due to legislative changes that slow the impact of rapid property tax growth in Ohio, we have estimated a 8% increase in Class I and 1% increase in Class II. This should be in line with GDP DF rates and HB186 and HB335 should not impact our property tax projections

Public Utility Personal Property (PUPP) values change annually as the values are not included in the reappraisal or update years, which make them very difficult to forecast. Public Utility Personal Property (PUPP) values increased by $1.49 million in Tax Year 2025. We expect our values to continue to grow by $650,000 each year of the forecast.

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

Classification	Estimated TAX YEAR 2026 COLLECT 2027	Estimated TAX YEAR 2027 COLLECT 2028	Estimated TAX YEAR 2028 COLLECT 2029	Estimated TAX YEAR 2029 COLLECT 2030	Estimated TAX YEAR 2030 COLLECT 2031
Res./Ag.	$386,856,160	$420,624,653	$423,044,653	$425,464,653	$457,667,178
Comm./Ind.	$188,878,402	$190,967,186	$190,867,186	$190,767,186	$192,574,858
Public Utility Personal Property (PUPP)	$15,755,780	$16,405,780	$17,055,780	$17,705,780	$18,355,780
Total Assessed Value	$591,490,342	$627,997,619	$630,967,619	$633,937,619	$668,597,816

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 55.93 mills while the Class I effective millage rate is 20.00 mills and Class II millage rate is 20.05 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 on the 20-mill floor for Class I but very close to the 20-mill floor for Class II property. Any emergency or substitute emergency levy approved is not included in the 20-mill floor, the district has two continuous substitute emergency levies for a total of 12.83 mills that are included in the total voted millage rate.

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 2026 reappraisal update. Our district is expected to be impacted by including fixed sum (formerly emergency) levies in our 20-mill floor calculation starting for collection in calendar year 2027. This is expected to result in a loss of $516,441in calendar year 2028 and reduce future projected taxes by $2.07 million through FY31 on the forecast of taxes on Line 1.01 below.

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. Lorain County Commissioners approved the Piggyback exemption for both owners occupied credit and homestead exemption for tax year 2025 collect in calendar year 2026. This will result in estimated tax reductions for FY26 of $296,647 and FY27 of $296,647 noted in Line 1.01 Estimated Real Estate Tax Estimates below. Our county commissioners did not vote by July 1, 2026, to approve Piggyback Property Tax Exemptions for tax year 2026 for reductions in calendar year 2027 which would reduce tax collections in FY27 and FY28.

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 takes back property tax revenue that has already been collected. For impacted districts this starts with their 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.

Our district is anticipating a negative claw back impact to our forecast due to HB186. We are anticipating adjustments noted on the table below for Line 1.01. This is based on recently obtained Department of Tax Equalization (DTE) Form 186 amounts and DTE HB186 Certified Tax Credit Factors. For planning purposes,

we believe this is likely the worst-case scenario removing additional revenue of $4.12 million through FY31, but final second half tax settlements will not be received before this forecast filing deadline. When HB129 takes our district off the 20-mill floor for the tax year 2026 and 2029 revaluations there should not be additional inflationary cap credits.

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 revaluations above anticipated GDP DF, thus no adverse impact to the forecasted property tax revenue is anticipated from this new law.

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.

Estimated Real Estate Tax – Line #1.010
Property tax levies are estimated to be collected at 93.5% of the annual amount. This allows a 6.5% delinquency factor. In general, 52.02% of the Class I and Class II property taxes are expected to be collected in the February tax settlement and 47.98% in the August tax settlement. We are anticipating a significant adjustment to our second half settlement in 2026 in August/September due to HB186.

Source	FY27	FY28	FY29	FY30	FY31
Est. Real Estate Taxes	$16,500,277	$16,497,621	$16,725,334	$16,727,619	$16,818,630
HB96 Piggyback Exemption Adjustment	($296,647)	$0	$0	$0	$0
HB186 Tax Adjustments	($1,123,094)	($748,730)	($748,730)	($748,730)	($748,730)
Total Line #1.01 Real Estate Taxes	$15,080,536	$15,748,891	$15,976,604	$15,978,889	$16,069,900

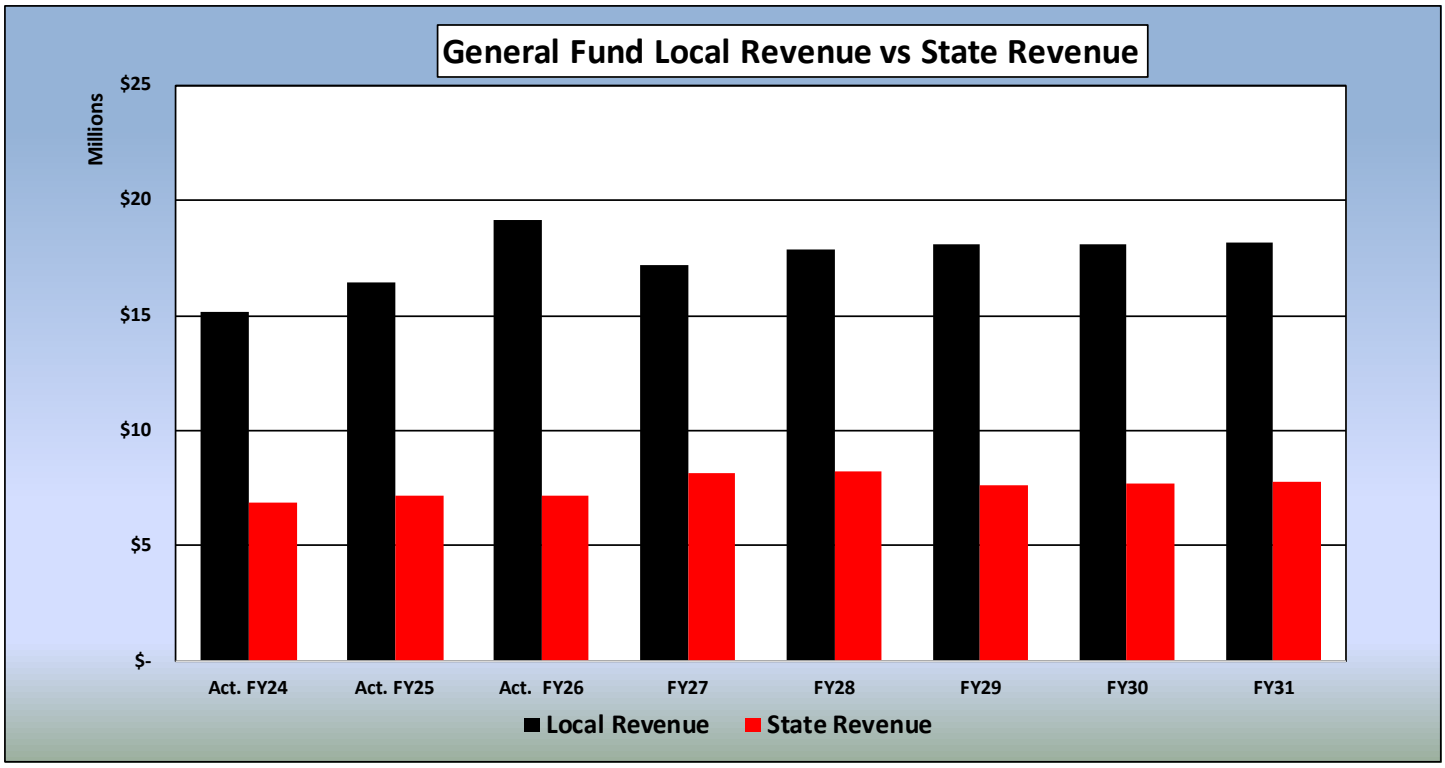
Estimated Tangible Personal Tax & PUPP Taxes – Line #1.020
The amounts below are public utility personal property (PUPP) tax payments from public utilities. The values for PUPP are noted in the table below, which are $15.1 million in assessed values in 2025 and are collected at the district's gross voted millage rate. Collections are typically 51.85% in March and 48.15% in August, along with the real estate settlements from the county auditor.

Source	FY27	FY28	FY29	FY30	FY31
Public Utility Personal Property	$865,925	$896,545	$927,467	$963,653	$994,294
Total PUPP Tax Line #1.020	$865,925	$896,545	$927,467	$963,653	$994,294

New Tax Levies – Line #13.030 - No new levies are modeled in this forecast.

School District Income Tax – Line #1.030
The district does not have a school district income tax.

Comparison of Local Revenue and State Revenue
Note that local revenues are being decreased in FY27 through FY31 due to HB129 and HB186.



State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045
Current State Funding Model per HB96 through June 30, 2027

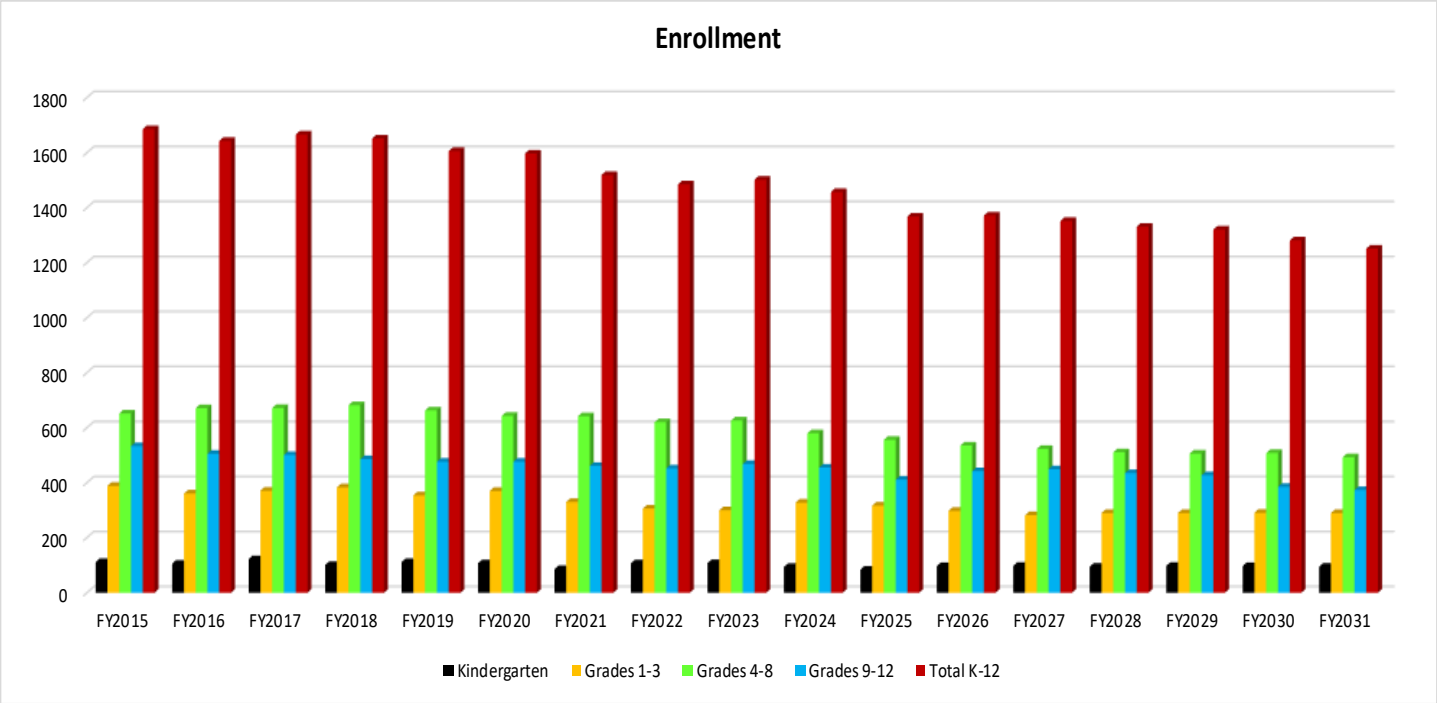
A) Unrestricted State Foundation Revenue – Line #1.035
HB96, the current state budget, continued the Fair School Funding Plan for FY26 and FY27, which funds students where they are educated rather than where they live. We have projected FY27 funding based on the July #2 foundation settlement and funding factors.

Our district is currently a guarantee district in FY27 and is expected to continue to be on the guarantee in FY27-FY31 on the new Fair School Funding Plan (FSFP).

HB96 included a base funding supplement for all districts. The funding supplement per pupil of $27 in FY26 and $40 in FY27.

A detailed overview of how foundation funding is calculated including all of the HB96 changes on the Ohio Department of Education and Workforce. The detailed analysis 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.

A 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. The district will not this additional funding in FY27.



Future State Budget Projections beyond FY27

Our funding status for FY28-FY31 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 processes; therefore, our state funding estimates are reasonable, and we will adjust the forecast when we have authoritative date to work with. For this reason, funding is held constant in the forecast for FY28-FY31.

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.

In FY26, the funding totaled $108.29 million or $68.14 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.

Source	FY27	FY28	FY29	FY30	FY31
Basic Aid-Unrestricted	$4,802,421	$4,802,421	$4,802,421	$4,802,421	$4,802,421
Additional Aid Items	$277,599	$277,599	$277,599	$277,599	$277,599
Basic Aid-Unrestricted Subtotal	$5,080,020	$5,080,020	$5,080,020	$5,080,020	$5,080,020
Ohio Casino Commission & Credential Reim.	$100,426	$99,894	$99,364	$98,838	$98,314
Total Unrestricted State Aid Line #1.035	$5,180,446	$5,179,914	$5,179,384	$5,178,858	$5,178,334

B) Restricted State Revenues – 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 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.

Source	FY27	FY28	FY29	FY30	FY31
DPIA	$156,282	$156,282	$156,282	$156,282	$156,282
Career Tech - Restricted	$1,030	$1,030	$1,030	$1,030	$1,030
Gifted	$18,272	$18,272	$18,272	$18,272	$18,272
English Learners	$4,195	$4,195	$4,195	$4,195	$4,195
Student Wellness	$53,376	$53,376	$53,376	$53,376	$53,376
Other Restricted State & Catastrophic Costs	$226,345	$226,345	$226,345	$226,345	$226,345
Total Restricted State Revenues Line #1.040	$459,499	$459,500	$459,500	$459,500	$459,500

C) Restricted Federal Grants in Aid – line #1.045

There are no federal restricted grants projected during this forecast.

SUMMARY	FY27	FY28	FY29	FY30	FY31
Unrestricted Line #1.035	$5,180,446	$5,179,914	$5,179,384	$5,178,858	$5,178,334
Restricted Line #1.040	$459,499	$459,500	$459,500	$459,500	$459,500
Rest. Federal Funds #1.045	$0	$0	$0	$0	$0
Total State Foundation Revenue	$5,639,945	$5,639,414	$5,638,884	$5,638,358	$5,637,834

State Taxes Reimbursement/Property Tax Allocation
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. And Homestead Exemptions are credits paid to the district from the state of Ohio for qualified elderly and disabled.

HB96 began a phase down of the 10% rollback credit that has been in effect since 1971 and an equal phase up of the Owner Occupied Credit (OOC) that has been in effect since 1978. In addition, HB96 increased the OOC by 2.88% by phasing it in over four (4) years starting in tax year 2026. The table below shows the phasing of these changes. Eventually there will be some amount of 10% rollback for non-timber farmland but we will need tax settlement sheets to determine that amount. But these amounts are fully reimbursed to the school district when deducted from Class I property tax bills. Homestead credits vary annually based on applicants and eligibility.

The state of Ohio passed HB479 was signed June 24, 2026, and becomes effective September 23, which included a one-time doubling of the homestead exemption credit to start with tax bills in calendar 2027. This is a one-time only increase to help homeowners and is estimated to provide $350 million in taxpayer relief for qualified Homestead applicants and will be reimbursed to local governments from a $2.0 billion surplus in the state budget at the end of May 2026. There were also technical adjustments that if HB186 inflationary tax credits are present, they will be applied after the homestead credits are determined to maximize the credit for homeowners. This will cost the state an additional $44 million annually which will also be reimbursed to local governments if applicable. The $44 million increase is ongoing.

HB186 10% Phase down OOC Phase up					
	TY25	TY26	TY27	TY28	TY29
	Coll CY26	Coll CY27	Coll CY28	Coll CY29	Coll CY30
10% Rollback *	10.00%	7.50%	5.00%	2.50%	0.00%
2.5% OOC	2.50%	5.00%	7.50%	10.00%	12.50%
Inc. OOC	0.00%	0.70%	1.42%	2.15%	2.88%
Total	12.50%	13.20%	13.92%	14.65%	15.38%
Homestead	varies	2x	varies	varies	varies
*- non-timber farm land will still keep 10% rollback					

Partial HB186 Guarantee

New HB186 authorizes payments to school districts and JVSDs 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. The district has received the HB186 Section 5 payment of $697,843 for non-business property, which is for residential/agriculture or Class I.

Summary of State Tax Reimbursement – Line #1.050

Source	FY27	FY28	FY29	FY30	FY31
Rollback and Homestead	$1,848,259	$2,047,616	$1,960,724	$2,054,683	$2,125,219
HB186 Partial Reimbursement	$697,843	$558,274	$0	$0	$0
Total Tax Reimbursements #1.050	$2,546,102	$2,605,890	$1,960,724	$2,054,683	$2,125,219

Other Local Revenues – Line #1.060

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, student fees, Payment In Lieu of Taxes, and general rental fees.

Interest income is based on the district's cash balances and increased interest rates due to the Federal Reserve raising rates to curb inflation. While interest income in FY27 should remain steady due to laddered investment strategies, however, due to lower cash balances we are decreasing the amount by 10% annually. We will continue to monitor the investments for the district.

Source	FY27	FY28	FY29	FY30	FY31
Tuition Related Payments	$376,514	$376,514	$376,514	$376,514	$376,514
Class & Sports Oriented Fees	$2,138	$2,138	$2,138	$2,138	$2,138
Revenues In Lieu of Taxes	$364,992	$364,992	$364,992	$364,992	$364,992
Interest Earnings	$285,818	$242,945	$206,503	$175,528	$149,199
Medicaid	$206,841	$206,841	$206,841	$206,841	$206,841
Miscellaneous	$24,816	$24,816	$24,816	$24,816	$24,816
Total Other Local Revenue Line #1.060	$1,261,119	$1,218,246	$1,181,804	$1,150,829	$1,124,500

Short-Term Borrowing – Lines #2.010 & Line #2.020

There is no short-term borrowing projected in this forecast.

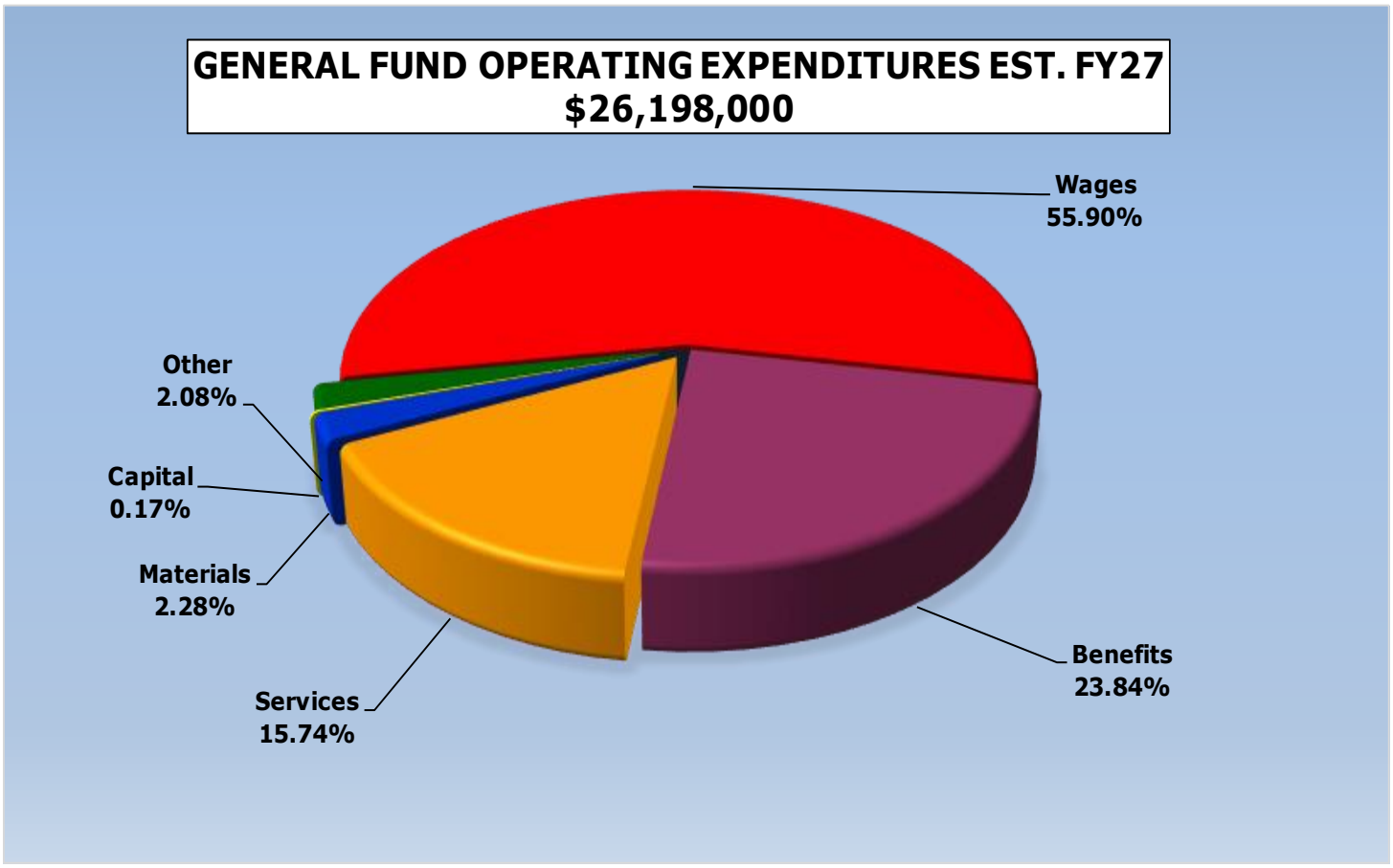
Transfers In / Return of Advances – Line #2.040 & Line #2.050
These are non-operating revenues which are the repayment of short-term loans to other funds over the previous fiscal year and reimbursements for expenses received for a previous fiscal year in the current fiscal year. The advances out in FY25 will be repaid in FY26 with no other advances planed throughout the forecast.

Source	FY27	FY28	FY29	FY30	FY31
Transfers In - Line #2.040	$0	$0	$0	$0	$0
Advance Returns - Line #2.050	$5,408	$5,408	$5,408	$5,408	$5,408
Total Transfer & Advances In	$5,408	$5,408	$5,408	$5,408	$5,408

All Other Financial Sources – Line #2.060
This funding source is typically a refund of prior year expenditures that is very unpredictable. These revenues are inconsistent year to year; we do not anticipate any refunds of prior year expenditures during the forecast.

Expenditures Assumptions

The district's leadership team is always looking at ways to improve the education of the students whether it be with changes in staffing, curriculum, or new technology needs. As the administration of the district reviews expenditures, the education of the students is always the main focus for resource utilization.



Wages – Line #3.010
The negotiations for FY26 and FY27 were finalized for the classified staff with a 3.25% increase each year, certified negotiated agreement will end in FY26 that includes a 2.5% increase for the current year. For

forecasting purposes, we are including 2.5% base increase in years that have not been negotiated through FY31. Steps for academic training and experience at the normal 1.88% annual level are planned for FY27-31. FY27 staffing changes will be a decrease in staff of two and one-half (2.5) teachers that retired and one (1) secretary with no replacement for those positions, the retirement of the transportation supervisor, the retirement of three (3) teachers that will be replaced, the retirement of one (1) secretary that will be replaced, along with the addition of one para-pro for special education and the addition of a salary for one staff member that was paid from Title I.

Source	FY27	FY28	FY29	FY30	FY31
Base Wages	$13,283,189	$13,568,046	$14,092,110	$14,699,492	$15,331,911
Based Pay Increase	$431,704	$339,201	$352,303	$367,487	$383,298
Steps & Academic Training	$249,724	$249,724	$255,079	$264,932	$276,350
Staff Increases/Replacements	$248,856	$39,558	$0	$0	$0
Substitutes	$566,973	$566,973	$566,973	$566,973	$566,973
Supplementals	$459,098	$459,098	$459,098	$459,098	$459,098
Severance	$49,272	$49,272	$49,272	$49,272	$49,272
Grant Adjustments	$0	$0	$0	$0	$0
Staff Resignations/Retirements/RIF	($645,427)	($104,419)	$0	$0	$0
Total Wages Line #3.010	$14,643,389	$15,167,453	$15,774,835	$16,407,254	$17,066,902

Fringe Benefits Estimates

This area of the forecast captures all costs associated with benefits and retirement costs. These payments along with HSA costs are included in the table below.

A) STRS/SERS will increase as Wages Increase

As the law requires, the BOE pays 14% of all employee wages to STRS or SERS. The district is also required to pay SERS Surcharge, an additional employer charge based on the salaries of lower-paid members. It is exclusively used to fund health care.

B) Insurance

The district is on a self-insured medical insurance plan. We are estimating a 10.5% increase in FY27 through FY31 which reflects trend on our current employee census and claims data. The district does not expect to have a premium holiday in FY27. With the changes in the employees' contributions the district is expecting to save $116,000 annually beginning in FY27.

C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to be approximately .0034% of wages FY27– FY31. The district does not expect any unemployment claims for the remainder of the forecast.

D) Medicare

Medicare will continue to increase at the rate of increases in wages and as new employees are hired. Contributions are 1.45% for all new employees to the district on or after April 1, 1986. These amounts are growing at the general growth rate of wages.

Summary of Fringe Benefits – Line #3.020

Source	FY27	FY28	FY29	FY30	FY31
STRS/SERS	$2,242,424	$2,320,065	$2,412,960	$2,510,609	$2,612,447
Insurance's	$3,740,805	$4,115,429	$4,547,549	$5,025,042	$5,552,671
Workers Comp/Unemployment	$49,620	$51,402	$53,467	$55,617	$57,860
Medicare	$212,328	$219,929	$228,735	$237,905	$247,470
Total Fringe Benefits Line #3.020	$6,245,177	$6,706,825	$7,242,711	$7,829,173	$8,470,448

Purchased Services – Line #3.030

College Credit Pus, excess costs and other tuition costs will continue to draw funds away from the district, which will continue in this area and have been adjusted based on historical trend.

We are estimating a 3% increase in utilities for FY27 and a 4% in FY28 through FY31.

Professional services will increase by the new technology agreement in FY27 for five years with a one-time upfront charge of $161,000. We are also increasing this line for additional legal expenses of $36,000, additional cost for nursing of $20,000 and $100,000 for the catch-up payment for special education services of FY26. With the retirement of the transportation supervisor the district is contracting with Lorain City Schools in entering into an agreement for transportation services for $120,000 in FY27.

Source	FY27	FY28	FY29	FY30	FY31
Professional & Technical Services, ESC	$1,605,575	$1,392,742	$1,434,524	$1,477,560	$1,521,887
Maintenance, Insurance & Garbage Removal	$360,798	$368,014	$375,374	$382,881	$390,539
Professional Development	$27,138	$27,138	$27,138	$27,138	$27,138
Communications, Postage, & Telephone	$74,778	$75,526	$76,281	$77,044	$77,814
Utilities	$470,935	$489,772	$509,363	$529,738	$550,928
Contracted Trades & Services	$13,022	$13,022	$13,022	$13,022	$13,022
Tuition and Excess Costs	$131,436	$131,436	$131,436	$131,436	$131,436
College Credit Plus	$995,043	$995,043	$995,043	$995,043	$995,043
Contract Transportation	$168,469	$173,523	$178,729	$184,091	$189,614
Miscellaneous Purchased Services	$275,551	$275,551	$275,551	$275,551	$275,551
Total Purchased Services Line #3.030	$4,122,745	$3,941,767	$4,016,461	$4,093,504	$4,172,972

Supplies and Materials – Line #3.040

Expenses which are characterized by curricular supplies, testing supplies, copy paper, maintenance and custodial supplies, materials, and bus fuel. The district is projecting 2% annual increase for facility supplies and materials and for transportation supplies throughout the forecast. The district will increase technology supplies by $174,000 in FY27, by$314,000 in FY28, by $414,000 in FY29 and by $198,000 in FY30. The district will also increase curriculum in FY29 by $242,00.

Source	FY27	FY28	FY29	FY30	FY31
General Office Supplies & Materials	$361,069	$501,069	$598,069	$184,069	$184,069
Textbooks & Instructional Supplies	$41,319	$41,319	$283,319	$525,319	$283,319
Facility Supplies & Materials	$71,267	$72,692	$74,146	$75,629	$77,142
Transportation Fuel & Supplies	$123,231	$125,696	$128,210	$130,774	$133,389
Other adjustments SWSF, ESSER, Etc.	$1,651	$1,651	$1,651	$1,651	$1,651
Total Supplies Line #3.040	$598,537	$742,427	$1,085,395	$917,442	$679,570

Equipment – Line # 3.050
The district does not anticipate costs increasing significantly in this line because most capital outlay is paid by the Permanent Improvement Fund.

Source	FY27	FY28	FY29	FY30	FY31
Capital Outlay & Maintenance	$43,332	$43,332	$43,332	$43,332	$43,332
Technology/Curriculum Purchases	$0	$0	$0	$0	$0
Busses & Other Vehicles	$0	$0	$0	$0	$0
Other adjustments SWSF, ESSER, Etc.	$0	$0	$0	$0	$0
Total Equipment Line #3.050	$43,332	$43,332	$43,332	$43,332	$43,332

Principal and Interest Payment – Lines # 4.05 and 4.06
There are no borrowings planned in the forecast period.

Other Expenses – Line #4.300
The category of Other Expenses consists primarily of Auditor & Treasurer fees, our annual audit, and other miscellaneous expenses. A rate of 2% increase is projected in this area.

Source	FY27	FY28	FY29	FY30	FY31
County Auditor & Treasurer Fees	$245,490	$250,400	$255,408	$260,516	$265,726
ESC Deduction	$239,619	$244,411	$249,299	$254,285	$259,371
Annual Audit Costs	$32,866	$33,523	$34,193	$34,877	$35,575
Dues, Fees & other Expenses	$26,845	$27,382	$27,930	$28,489	$29,059
Total Other Expenses Line #4.300	$544,820	$555,716	$566,830	$578,167	$589,731

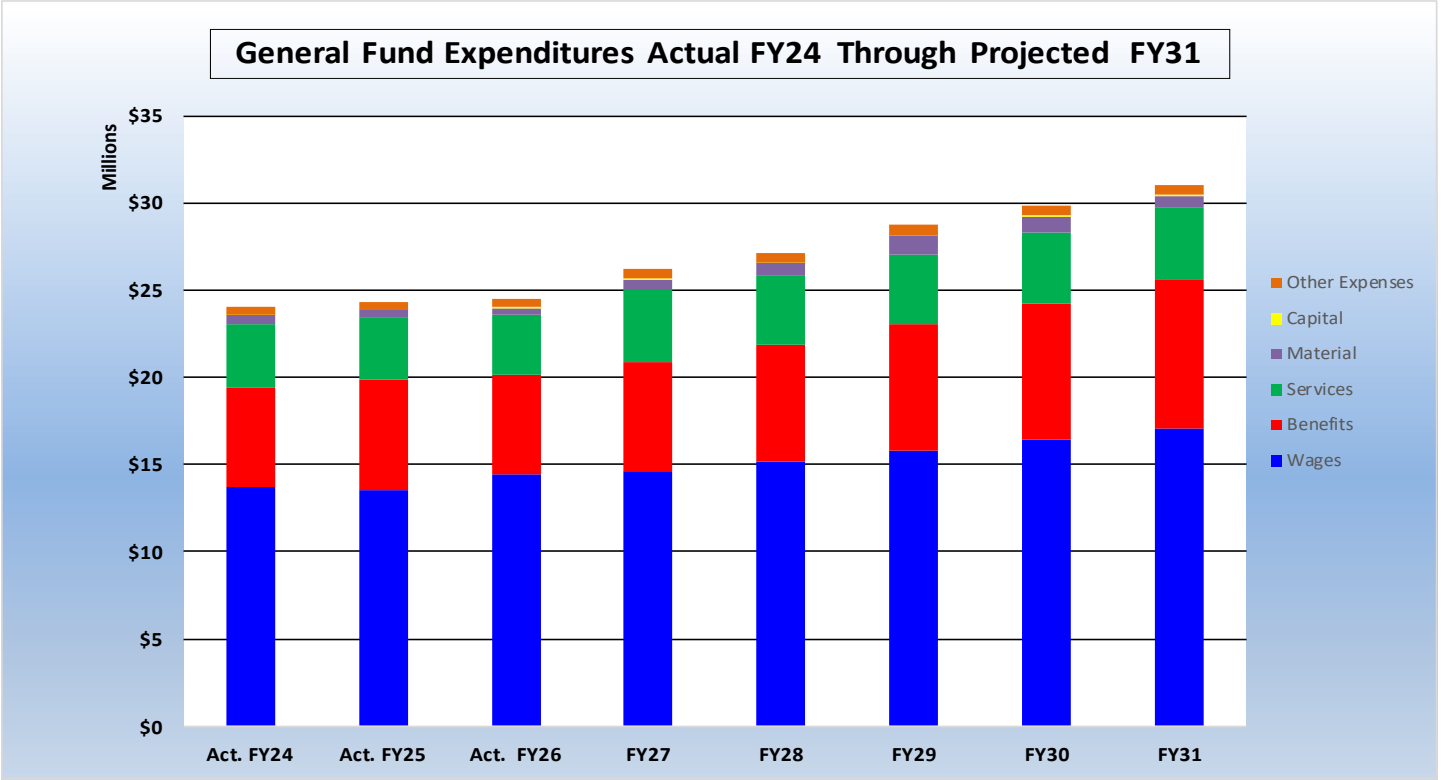
Transfers Out/Advances Out – Lines # 5.010 and 5.020
This account group covers fund to fund transfer and end of year short term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. The district plans to transfer $250,000 annually to be split between the athletic and the cafeteria fund in FY27, transfers in FY28 of $285,000 to the cafeteria, $30,000 to Athletics and $60,000 of CKLA; in FY29 through FY31 we expect the transfer of $315,000 to be split between the athletics and cafeteria. There are minor advances to other funds planned during the forecast.

Source	FY27	FY28	FY29	FY30	FY31
Operating Transfers Out Line #5.010	$250,000	$375,000	$315,000	$315,000	$315,000
Advances Out Line #5.020	$5,408	$5,408	$5,408	$5,408	$5,408
Total Transfer & Advances Out	$255,408	$380,408	$320,408	$320,408	$320,408

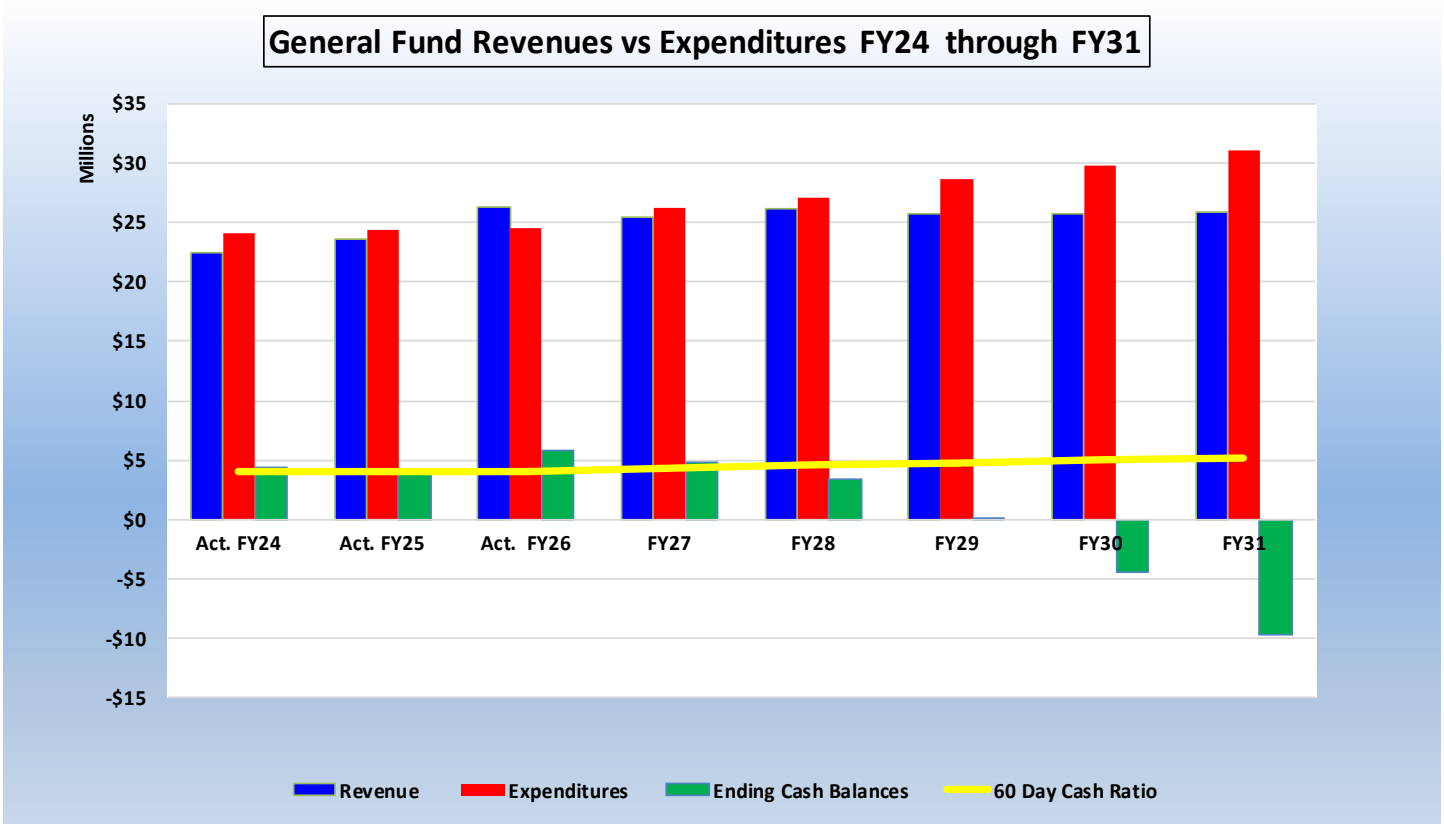
Encumbrances – Line #8.010
Encumbrances represent purchase authorizations and contracts for goods or services that are pending vendor performance and those purchase commitments, which have been performed, are awaiting invoicing and payment. Encumbrances, on a budget basis of accounting, are treated as 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.

	FY27	FY28	FY29	FY30	FY31
Estimated Encumbrances Line #8.010	$209,018	$209,018	$209,018	$209,018	$209,018

Operating Expenditures Actual FY24 through FY26 and Estimated FY27-FY31
The graph below shows a quick overview of actual and estimated expenses by proportion to the total for the General Fund expenditures.



Revenues vs Expenditures with Deficit Spending.
The graph below shows that the district has been deficit spending in each year since FY23 except FY26 which will cause a negative cash balance in FY30.



Deficit spending affects the amount of carryover that the district will have for future planning. When reviewing the needs of the district we review the amount of spending and what would be needed to remove any deficit spending to have positive cash balances in the forecast. The chart below, shows the amount of deficit spending that is included on Line 6.010 of the forecast and the millage for each year that would be needed to erase the deficit spending.

	FY27	FY28	FY29	FY30	FY31
Excess Revenues over/(under) Expenditures	($1,054,373)	($1,423,534)	($3,359,081)	($4,397,460)	($5,386,208)
Millage equivalent for deficit spending	2.61	3.46	8.07	8.29	9.16

Ending Unencumbered Cash Balance "The Bottom-line"– Line#15.010

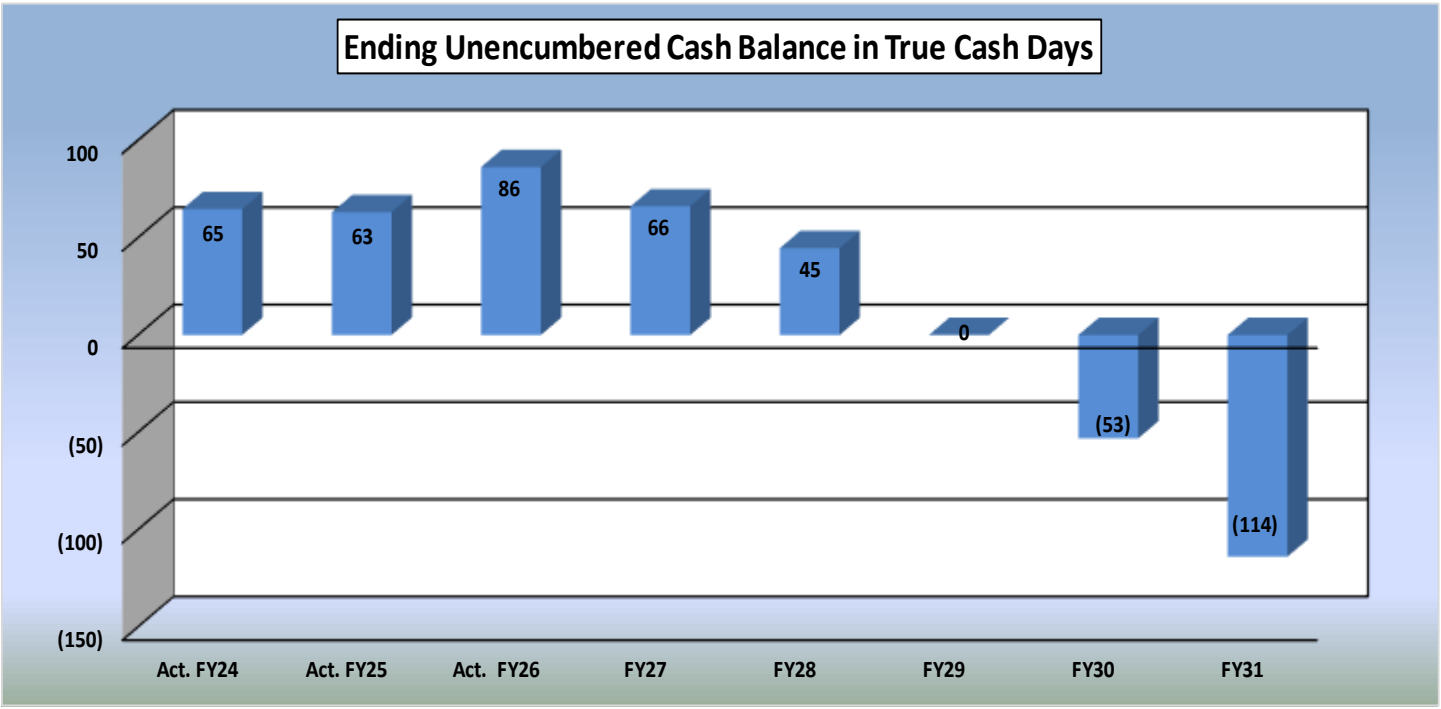
This amount must not go below $0 or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of $10,000; unless an alternative 412 certificate, as permitted by HB153 effective September 30, 2011, could be issued**.**

	FY27	FY28	FY29	FY30	FY31
Ending Unreserved Cash Balance Line #15.01	$4,790,070	$3,366,536	$7,455	($4,390,005)	($9,776,213)

True Cash Days Ending Balance

Another way to look at ending cash is to state it in 'True Cash Days". In other words, how many days could the district operate at year end if no additional revenues were received. This is the Current Years Ending Cash Balance divided by (Current Years Expenditures/365 days) = number of days the district could operate without additional resources or a severe resource interruption. The government finance officers association recommends no less than two (2) months or 60 days cash is on hand at year end but could be more depending

on each district's complexity and risk factors for revenue collection. This is calculated including transfers as this is a predictable funding source for other funds such as capital outlay and athletics.



Conclusion

Sheffield-Sheffield Lake Local School District receives 32.24% of its funding for the district from state dollars which is very beneficial to the overall operations for the education of our students.

The district is expected to see a reduction in property tax revenue due to the recent legislation. The full extent of the impact is unknown and the estimated impacts are based on limited data that has been provided as there is no definitive information from the Ohio Department of Taxation at this time.

As the administration plans for the future, they will need to make sure that the district is able to obtain a positive cash balance throughout the forecast. They will need to review the expenditures based on the current revenues in order to obtain this.

As you read through the notes and review the forecast, remember that the forecast is based on the information that is known at the time that it is prepared.