Finance Committee Meeting

Monday, August 17, 2026 9:00 a.m.
Agenda Items
Monthly Report: July 2026 Board Report.pdf ● The July 31, 2026 General Fund ending cash balance was $39 million compared to $58.8 million at June 30, 2025.
Health Insurance: ● The insurance fund (024) ended the month of July 2026 with a negative $1.5 million balance. We paid our first Great Lakes COG premium in July plus Medical Mutual and Express Script runoff claims. Cash Summary Report - 2026-08-17T144202.136.pdf
Fund Balances: Cash Summary Report - 2026-07-02T092834.768.pdf ● Funds beginning with a number 5 are federal funds. These funds have to be spent first and then request to be reimbursed from the state of Ohio. These funds are typically negative throughout the year due to the timing difference. ● Funds beginning with a number 4 are state funds. These funds are typically positive. Fund 401 (Auxiliary Fund) are funds given to parochial schools used for non-secular purposes. The schools receive their allocations based on the number of students enrolled.
Investments: ● Our weighted average yield for our investments is 3.84%. ● 73%of our investments are in US Treasuries which are safe, highly liquid, government-backed debt instruments. They are backed by the full faith and credit of the US governments and are considered virtually risk-free regarding default. July 2026 Review.pdf
Five Year Forecast: Parma_044636 Notes.pdf Parma Forecast 082026.pdf

In attendance: Sean Nuccio, Amy Popik, Scott Hunt, Tammie Sebastian
Absent: Ashley McTaggart, Amy Cruse, Nick Reyes

FY 2027 FINANCIAL STATUS REPORT AS OF:

AUGUST 31, 2026

PCSD

Parma City School District

Sean Nuccio, CPA
Treasurer/CFO

PARMA CITY SCHOOL DISTRICT

GENERAL FUND - COMPARATIVE FORCAST VS. ACTUAL REPORT

For the period August 1, 2026 -August 31, 2026

		COMPARING FY26 VS. FY27				FY27 FORECAST vs. ACTUAL	
	REVENUES	**FY TO DATE 26**	**FY TO DATE 27**	**$ Difference**	**Variance**	**FY27 Forecast**	**% of Forecast (16.67% of year)**
	From Local Sources						
01.010	General Property Taxes (Real Estate)	$ 47,643,645	$ 4,434,033	$ (43,209,612)	-90.69%	$ 95,936,012	4.62%
01.020	Personal Utility Property Tax	2,473,118	1,055,962	(1,417,156)	-57.30%	5,979,829	17.66%
01.035	Unrestricted Grants-in-Aid (Fndtn. & Fixed Rate Reimb.)	2,629,254	2,947,746	318,492	12.11%	16,158,610	18.24%
01.040	Restricted Grants-in-Aid (Parity Aid & Bus Subsidy)	1,565,853	1,211,048	(354,805)	-22.66%	8,377,444	14.46%
01.050	State Share of Property Taxes (Homestead/Rollback)	-	-	-	0.00%	13,600,035	0.00%
01.060	All Other Operating Revenue	2,252,193	613,175	(1,639,018)	-72.77%	8,460,112	7.25%
01.070	Total Revenue	$ 56,564,063	$ 10,261,964	$ (46,302,099)	-81.86%	$ 148,512,042	6.91%
02.040	Operating Transfers-In	-	-	-	0.00%	-	#DIV/0!
02.050	Advances-In	2,139,564	4,205,205	2,065,641	96.54%	500,000	841.04%
02.060	All Other Financial Sources	1,652	131,769	130,117	7876.33%	28,000	470.60%
02.080	Total Revenues and Other Financing Sources	$ 58,705,279	$ 14,598,938	$ (44,106,341)	-75.13%	$ 149,040,042	9.80%
	EXPENDITURES						
03.010	Personal Services (Salaries/Wages)	$ 13,881,042	$ 13,850,464	$ (30,578)	-0.22%	101,675,607	13.62%
03.020	Employees' Retirement/Insurance Benefits	6,982,999	7,494,662	511,663	7.33%	46,409,960	16.15%
03.030	Purchased Services	3,400,946	2,690,787	(710,159)	-20.88%	13,931,587	19.31%
03.040	Supplies and Materials	873,289	770,251	(103,038)	-11.80%	3,242,039	23.76%
03.050	Capital Outlay (Equipment)	19,084	12,908	(6,176)	-32.36%	202,603	6.37%
04.300	Other Objects	684,550	360,949	(323,601)	-47.27%	1,946,743	18.54%
04.500	Total Expenditures	$ 25,841,910	$ 25,180,021	$ (661,889)	-2.56%	$ 167,408,539	15.04%
	Other Financing Uses						
05.010	Operational Transfers - Out	-	-	-	0.00%	-	#DIV/0!
05.020	Advances - Out	-	-	-	0.00%	500,000	0.00%
05.030	All Other Financing Uses	-	-	-	0.00%	-	#DIV/0!
05.040	Total Other Financing Uses	-	-	-	0.00%	500,000	0.00%
05.050	Total Expenditures and Other Financing Uses	$ 25,841,910	$ 25,180,021	$ (661,889)	-2.56%	$ 167,908,539	15.00%
06.010	Excess Revenues Over (Under) Expenditures	$ 32,863,369	$ (10,581,083)			$ (18,868,497)	
07.010	Beginning Cash Balance at July 1	$ 57,082,691	$ 41,923,142	$ (15,159,549)	-26.56%		
07.020	Ending Cash Balance at August 31	$ 89,946,060	$ 31,342,059	$ (58,604,001)	-65.15%		

General Property Taxes: The Cuyahoga County Budget Commission pushed back the property taxes due date from July 17th to August 13th resulting in smaller advances.

PARMA CITY SCHOOL DISTRICT

August 1, 2026 – August 31, 2026 Financial Report

SUMMARY

The following table shows the revenue and expenditures by month for the General Fund as of August 31, 2026. The total revenue forecasted in the revised February 2026 five-year forecast is $154,266,704. The adopted budget approved by the Board on June 25, 2026 was $168,104,895 plus carryover encumbrances of $1,618,706 for a total appropriation of $169,723,601. The five-year forecast can be viewed at https://education.ohio.gov/Topics/Finance-and-Funding/Five-Year-Forecasts/Submissions-of-Traditional-and-JVSDs.

	July	August	September	October	November	December
Revenues:						
Property Taxes	$ 4,153,013	$ 1,336,982				
State Funding	1,927,402	2,231,392				
State Property Allocation	-	-				
Other	4,730,900	219,249				
Total Revenues	10,811,315	3,787,623	-	-	-	-
Expenditures:						
Salaries	6,989,368	6,861,096				
Benefits	3,702,056	3,792,606				
Purchased Services	2,306,427	384,360				
Materials and Supplies	443,939	326,312				
Capital Outlay	5,160	7,749				
Other Objects	287,029	73,919				
Total Expenditures	13,733,979	11,446,042	-	-	-	-
Net Change in Cash	$ (2,922,664)	$ (7,658,419)	$ -	$ -	$ -	$ -

	January	February	March	April	May	June	Total
Revenues:							
Property Taxes							$ 5,489,995
State Funding							4,158,794
State Property Allocation							-
Other							4,950,149
Total Revenues	-	-	-	-	-	-	14,598,938
Expenditures:							
Salaries							13,850,464
Benefits							7,494,662
Purchased Services							2,690,787
Materials and Supplies							770,251
Capital Outlay							12,909
Other Objects							360,948
Total Expenditures	-	-	-	-	-	-	25,180,021
Net Change in Cash	$ -	$ -	$ -	$ -	$ -	$ -	$ (10,581,083)

PARMA CITY SCHOOL DISTRICT

August 1, 2026 – August 31, 2026 Financial Report

REVENUE

The Parma City School District forecasted **$148,522,042** in revenue within the General Fund in the fiscal year 2027 as shown in Figure 1.

As of **August 31, 2026** the District received revenue in the amount of **$14,598,938**. The five-year forecast can be viewed at reports.education.ohio.gov/report/finance-forecast-submissions.

Figure 1

	FY27 FORECASTED BUDGET		FY27 ACTUAL TO DATE	ACTUAL VERSUS FORECASTED
REVENUES				
GENERAL PROPERTY (REAL ESTATE)	$95,936,012		$ 4,434,033	($ 91,501,979)
PERSONAL PROPERTY UTILITY TAXES	$ 5,979,829		$ 1,055,962	($ 4,923,867)
UNRESTRICTED GRANTS-IN-AID	$ 16,158,610		$ 2,947,746	($ 13,210,864)
RESTRICTED GRANTS-IN-AID	$ 8,387,444		$ 1,211,048	($ 7,176,393)
PROPERTY TAX ALLOCATION	$ 13,600,035		$ 0	($ 13,600,035)
OTHER REVENUE	$ 8,460,112		$ 613,175	($ 7,846,937)

Figure 2 compares current revenue sources to the prior two years as of August 31st. The three years of data is beneficial for trend analysis performed throughout the year.

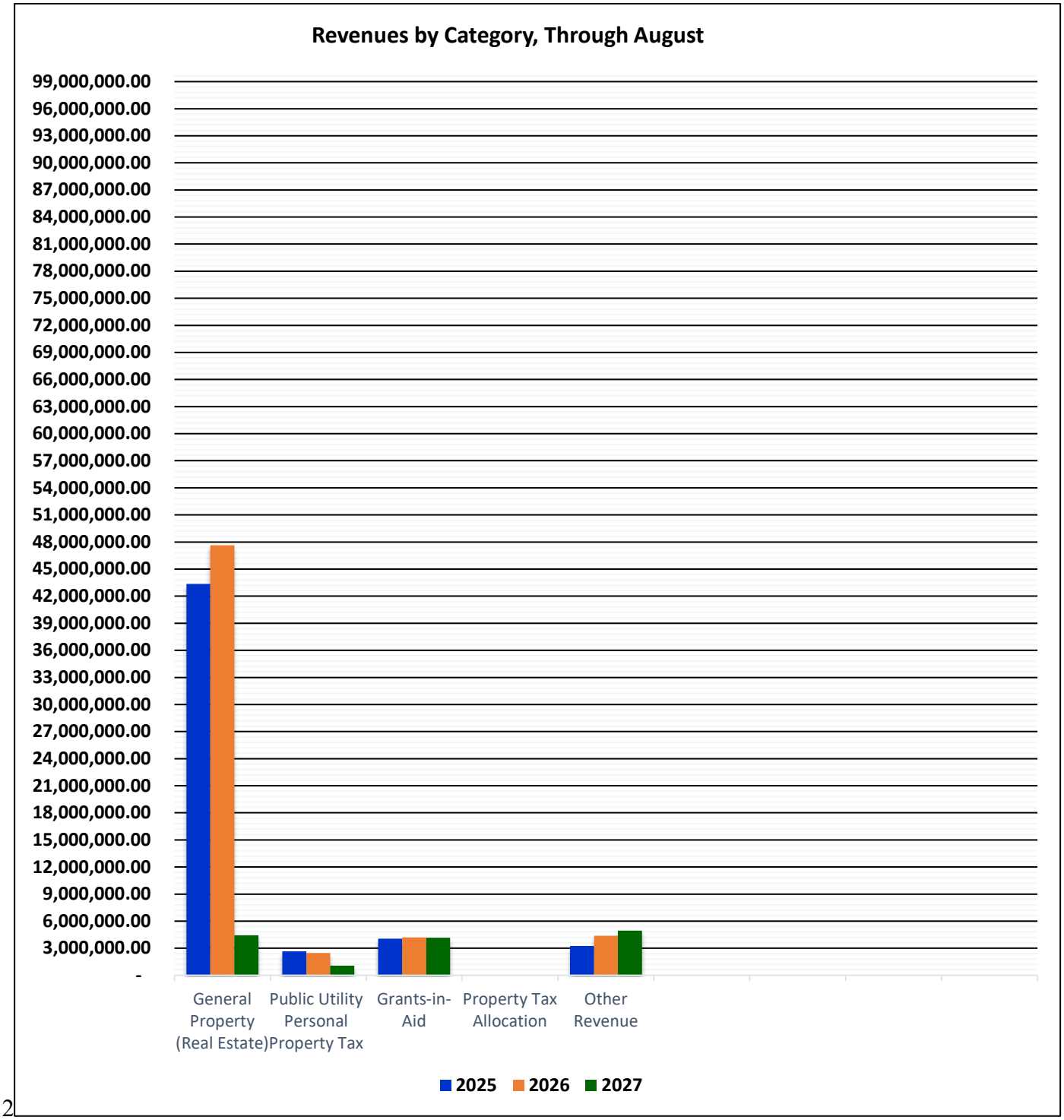


Figure 2

PARMA CITY SCHOOL DISTRICT

August 1, 2026 – August 31, 2026 Financial Report

EXPENDITURES

The fiscal year 2027 adopted General Fund budget for the District is $**168,104,895**. This budget, coupled with carryover encumbrances of $**1,618,706** resulted in a $16**9,723,601** General Fund appropriation for FY27. The General Fund appropriations have been modified throughout the fiscal year. The following information is a financial update of the status of this appropriation through August 31, 2026.

As previously reported, our revenue budget was passed prior to the State of Ohio passing their budget. The new state budget has a new funding formula which funds charter schools and scholarship differently from fiscal year 2021. Our revenues are expected to be significantly lower than fiscal year 2021. However, our expenditures are expected to be equally lower as well.

Through August 31, 2026 the District expended **$25,180,021** and had outstanding encumbrances of **$9,668,334.** A statistical spending range for the District is based on two analyses: first, time elapsed is two months (or 16.67%) of the fiscal year has passed. Secondly, 4 of 26 (or 15.38%) of the total payroll periods have passed.

Overall, the District's encumbrance/expenditure level through June 30th is in line with expectations. As an examination of the categories of expenditures is performed, cyclical variances are noted between categories which relate specifically to school operations.

Figure 3 compares the various expenditure categories to the expected level of 16.67% and also compares these percentages spent to the prior two fiscal years through August 31st.

Figure 3

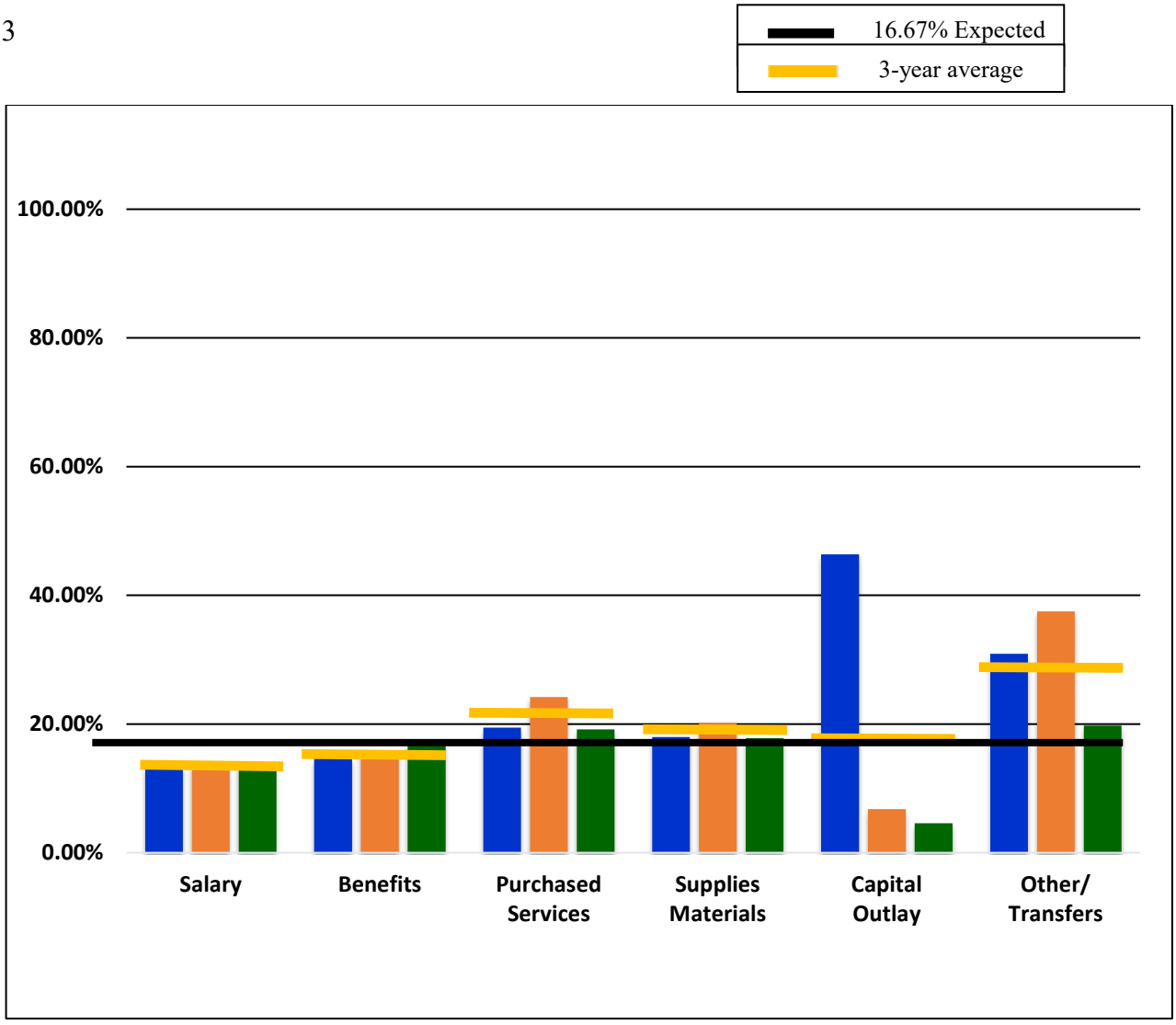
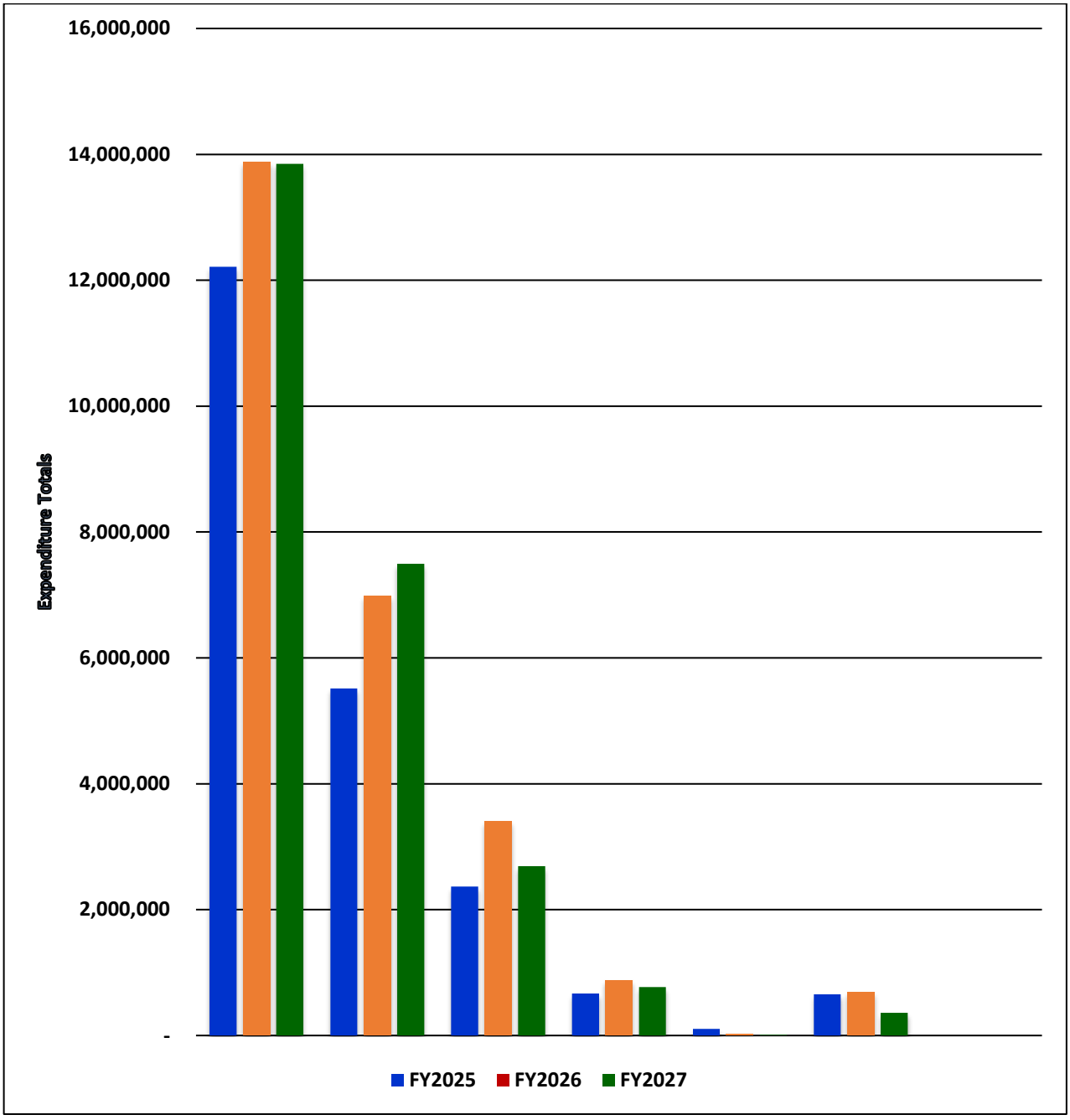


Figure 4 shows the various expenditure amounts as dollars spent through August 31st of the last three fiscal years. The three years of data are beneficial for trend analysis performed throughout the year.

Figure 4



PARMA CITY SCHOOL DISTRICT

August 1, 2026 – August 31, 2026 Financial Report

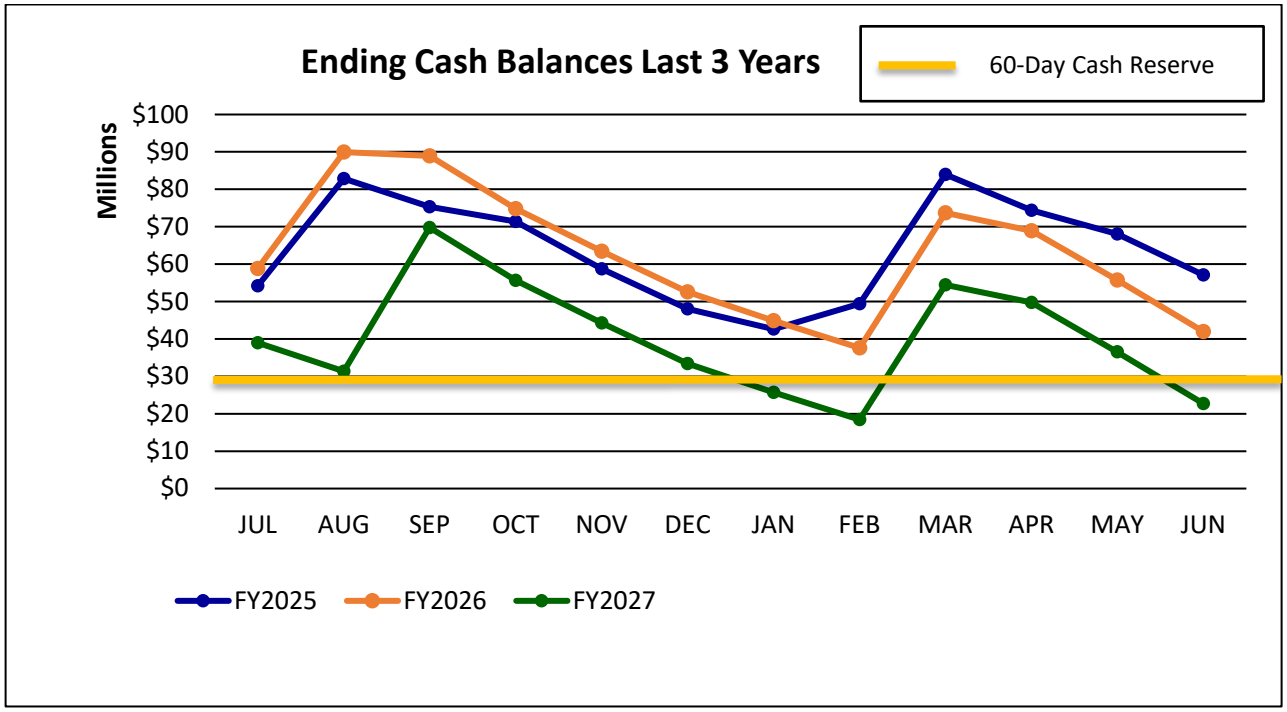
CASH BALANCE

The cash balance as of August 31, 2026 is **$31,342,059.** The unencumbered balance as of August 31, 2026 is **$21,673,725.** See Figure 5 for the cash balance calculation. See Figure 6 for a monthly history of ending cash balances. A standard cash reserve benchmark for school districts is having 60 days of operating cash on hand, which at this point in time is approximately **$28** million dollars. Currently, the District's ending cash is above this benchmark.

Figure 5

Beginning Cash Balance 7.01.26	**$41,923,142**
Total FYTD Revenues	14,598,938
Total FYTD Expenditures	-25,180,021
Revenue Over/Under Expenditures	-10,581,083
Ending Cash Balance 8.31.26	31,342,059
Encumbrances	-9,668,334
Unencumbered Balance 8.31.26	**$21,673,725**

Figure 6



PARMA CITY SCHOOL DISTRICT

Cash Summary Report

		Initial Cash	MTD Received	FYTD Received	MTD Expended	FYTD Expended	Fund Balance	Encumbrance	Unencumbered Balance
Fund:	001	$ 41,923,142.09	$ 3,787,622.84	$ 14,598,937.88	$ 11,446,042.42	$ 25,180,021.76	$ 31,342,058.21	$ 9,668,333.92	$ 21,673,724.29
Fund:	002	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Fund:	003	$ 4,510,432.38	$ 108,072.28	$ 341,291.50	$ 78,296.50	$ 272,066.80	$ 4,579,657.08	$ 3,256,436.59	$ 1,323,220.49
Fund:	004	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Fund:	005	$ 126,699.19	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 126,699.19	$ 0.00	$ 126,699.19
Fund:	006	$ 1,241,444.03	$ 15,912.78	$ 560,032.42	$ 131,461.96	$ 253,691.56	$ 1,547,784.89	$ 660,066.40	$ 887,718.49
Fund:	007	$ 5,812.77	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 5,812.77	$ 0.00	$ 5,812.77
Fund:	008	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Fund:	011	$ 97,673.86	$ 0.00	$ 0.00	$ 1,293.97	$ 1,700.08	$ 95,973.78	$ 21,242.35	$ 74,731.43
Fund:	012	$ 45.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 45.00	$ 0.00	$ 45.00
Fund:	014	$ 149,686.59	$ 45.00	$ 45.00	$ 1,104.66	$ 1,085.46	$ 148,646.13	$ 5,991.81	$ 142,654.32
Fund:	018	$ 469,716.79	$ 873.86	$ 1,695.84	$ 943.22	$ 9,718.17	$ 461,694.46	$ 60,577.53	$ 401,116.93
Fund:	019	$ 55,692.68	$ 8,400.00	$ 8,400.00	$ 899.95	$ 1,119.95	$ 62,972.73	$ 19,934.67	$ 43,038.06
Fund:	020	$ 602,998.85	$ 54,918.46	$ 55,072.29	$ 10,007.75	$ 22,149.09	$ 635,922.05	$ 10,694.43	$ 625,227.62
Fund:	022	$ 108,526.96	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 108,526.96	$ 200.00	$ 108,326.96
Fund:	024	$ 3,128,868.59	$ 2,513,071.22	$ 5,112,305.07	$ 4,276,427.78	$ 11,568,780.44	$ (3,327,606.78)	$ 17,385,636.24	$ (20,713,243.02)
Fund:	027	$ 2,108,680.67	$ 34,734.38	$ 70,306.79	$ 350.00	$ 800.00	$ 2,178,187.46	$ 88,126.00	$ 2,090,061.46
Fund:	032	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Fund:	200	$ 182,601.64	$ 1,468.57	$ 1,468.57	$ 0.00	$ 592.19	$ 183,478.02	$ 17,024.23	$ 166,453.79
Fund:	300	$ 797,254.67	$ 76,485.36	$ 76,845.36	$ 58,952.25	$ 68,235.30	$ 805,864.73	$ 143,513.64	$ 662,351.09
Fund:	401	$ 744,107.16	$ 827,710.40	$ 827,704.23	$ 28,802.93	$ 252,070.29	$ 1,319,741.10	$ 469,271.14	$ 850,469.96
Fund:	413	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Fund:	416	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Fund:	432	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Fund:	440	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Fund:	450	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Fund:	451	$ 1,727.28	$ 0.00	$ 0.00	$ 0.00	$ (1,315.80)	$ 3,043.08	$ 0.00	$ 3,043.08
Fund:	452	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Fund:	459	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Fund:	460	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Fund:	461	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Fund:	463	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Fund:	466	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Fund:	467	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Fund:	494	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Fund:	495	$ 110,816.68	$ 0.00	$ 0.00	$ 15,814.37	$ 15,814.37	$ 95,002.31	$ 94,108.34	$ 893.97
Fund:	499	$ 395,832.96	$ 0.00	$ (300,753.03)	$ 3,797.11	$ 44,160.64	$ 50,919.29	$ 2,160.00	$ 48,759.29
Fund:	501	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Fund:	506	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Fund:	507	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Fund:	509	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00

PARMA CITY SCHOOL DISTRICT

Cash Summary Report

		Initial Cash	MTD Received	FYTD Received	MTD Expended	FYTD Expended	Fund Balance	Encumbrance	Unencumbered Balance
Fund:	510	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Fund:	516	$ 599,485.35	$ 309,799.33	$ 610,552.36	$ 58,135.70	$ 1,266,298.39	$ (56,260.68)	$ 573,293.11	$ (629,553.79)
Fund:	524	$ 48,696.05	$ 0.00	$ 0.00	$ 5,543.51	$ 60,308.80	$ (11,612.75)	$ 94,888.09	$ (106,500.84)
Fund:	533	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Fund:	536	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Fund:	537	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Fund:	551	$ 12,727.88	$ 0.00	$ 6,924.37	$ 0.00	$ 19,652.25	$ 0.00	$ 28,784.88	$ (28,784.88)
Fund:	571	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Fund:	572	$ 119,449.41	$ 230,073.22	$ 590,286.58	$ 216,404.95	$ 851,248.07	$ (141,512.08)	$ 318,067.00	$ (459,579.08)
Fund:	573	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Fund:	584	$ 49,491.52	$ 32,614.62	$ 32,614.62	$ 54,620.69	$ 144,707.93	$ (62,601.79)	$ 57,371.28	$ (119,973.07)
Fund:	587	$ 3,574.87	$ 5,846.45	$ 14,870.93	$ 6,851.08	$ 23,451.62	$ (5,005.82)	$ 8,729.62	$ (13,735.44)
Fund:	590	$ 51,791.12	$ 311.91	$ 67,662.82	$ 23,937.15	$ 144,180.79	$ (24,726.85)	$ 66,176.11	$ (90,902.96)
Fund:	599	$ 37,966.82	$ 0.00	$ 0.00	$ 0.00	$ 12,478.41	$ 25,488.41	$ 0.00	$ 25,488.41
Grand Total		**$ 57,684,943.86**	**$ 8,007,960.68**	**$ 22,676,263.60**	**$ 16,419,687.95**	**$ 40,213,016.56**	**$ 40,148,190.90**	**$ 33,050,627.38**	**$ 7,097,563.52**

Fiscal Year		2027		2026		2025
FY Beg. Balance (cash)	**$**	**678,979.12**	**$**	**2,345,135.09**	**$**	**5,996,606.30**
Premiums						
Employees - Med/Rx	$	602,947.28	$	4,213,378.16	$	3,562,713.30
Vision - Emp	$	179.02	$	(123,794.60)	$	1,219.19
Board of Education - Med/Rx	$	4,484,380.60	$	27,556,902.42	$	22,558,574.57
Vision - BoE	$	24,797.67	$	99,293.30	$	127,556.01
Misc	$	-	$	4,229.70	$	86,789.14
Total Revenue	***$***	***5,112,304.57***	***$***	***31,750,008.98***	***$***	***26,336,852.21***
Total Expense	***$***	***9,118,890.97***	***$***	***33,416,164.95***	***$***	***29,988,323.42***
Reserve Gain/(Loss)	***$***	***(4,006,586.40)***	***$***	***(1,666,155.97)***	***$***	***(3,651,471.21)***
Claims						
Medical	$	8,376,726.04	$	21,733,747.53	$	19,231,963.84
Prescription	$	558,339.08	$	8,415,700.47	$	7,243,294.84
Vision	$	39,987.83	$	(41,544.68)	$	103,618.71
Fixed Costs & Other						
Administration Fee	$	103,358.06	$	681,843.49	$	684,268.35
Stop Loss Premiums	$	-	$	2,349,743.48	$	2,428,395.73
Grail	$	-	$	424.50	$	-
Consultant/Legal Fees	$	27,053.98	$	258,369.83	$	255,276.79
Subrogation	$	-	$	1,688.20	$	7,378.17
Health Fair/Wellness	$	-	$	-	$	5,950.48
ACA Fees	$	8,180.98	$	7,165.13	$	7,323.15
Misc	$	5,245.00	$	9,027.00	$	20,853.36
FY Ending Balance (cash)	**$**	**(3,327,607.28)**	**$**	**678,979.12**	**$**	**2,345,135.09**

FY 2027 Insurance Fund by Month

Total FYTD			July	August
	Premiums			
$ 602,947.28	Employees	(3)	$ 306,941.78	$ 296,005.50
$ 179.02	Vision - Emp	(5)	$ 98.18	$ 80.84
$ 4,484,380.60	Board of Education	(2)	$ 2,279,594.39	$ 2,204,786.21
$ 24,797.67	Vision - BOE	(4)	$ 12,599.50	$ 12,198.17
$ -	Misc	(1)	$ -	
$ 5,112,304.57	***Total Revenue***		*$ 2,599,233.85*	*$ 2,513,070.72*
$ 9,118,890.97	***Total Expense***		*$ 4,842,463.19*	*$ 4,276,427.78*
$ (4,006,586.40)	***Reserve Gain/(Loss)***		*$ (2,243,229.34)*	*$ (1,763,357.06)*
	Claims			
$ 8,376,726.04	Medical	(1)	$ 4,224,122.97	$ 4,152,603.07
$ 558,339.08	Prescription	(2)	$ 517,050.77	$ 41,288.31
$ 39,987.83	Vision	(5)	$ 18,320.75	$ 21,667.08
	Fixed Costs & Other			
$ 103,358.06	Administration Fee	(4)	$ 53,589.88	$ 49,768.18
$ -	Stop Loss Premiums	(3)	$ -	
$ -	Grail		$ -	
$ 27,053.98	Consultant/Legal Fees	(6)	$ 21,197.84	$ 5,856.14
$ -	Subrogation	(7)	$ -	
$ -	Health Fair/Wellness	(9)	$ -	
$ 8,180.98	ACA Fees	(8)	$ 8,180.98	
$ 5,245.00	Misc	(10)	$ -	$ 5,245.00

FY 2026 Insurance Fund by Month

Total FYTD			July	August
	Premiums			
$ 4,213,378.16	Employees	(3)	$ 279,078.08	$ 279,692.52
$ (123,794.60)	Vision - Emp	(5)	$ 86.40	$ 81.43
$ 27,556,902.42	Board of Education	(2)	$ 1,973,086.39	$ 1,965,193.53
$ 99,293.30	Vision - BOE	(4)	$ 9,827.71	$ 9,774.03
$ 4,229.70	Misc	(1)	$ -	$ -
$ 31,750,008.98	***Total Revenue***		*$ 2,262,078.58*	*$ 2,254,741.51*
$ 33,416,164.95	***Total Expense***		*$ 4,332,759.39*	*$ 3,330,770.77*
$ (1,666,155.97)	***Reserve Gain/(Loss)***		*$ (2,070,680.81)*	*$ (1,076,029.26)*
	Claims			
$ 21,733,747.53	Medical	(1)	$ 3,188,788.55	$ 2,287,310.26
$ 8,415,700.47	Prescription	(2)	$ 804,509.98	$ 804,032.29
$ (41,544.68)	Vision	(5)	$ 10,432.37	$ 5,111.76
	Fixed Costs & Other			
$ 681,843.49	Administration Fee	(4)	$ 111,809.03	$ 6,851.60
$ 2,349,743.48	Stop Loss Premiums	(3)	$ 194,173.70	$ 194,012.56
$ 424.50	Grail		$ -	$ 424.50
$ 258,369.83	Consultant/Legal Fees	(6)	$ 10,757.63	$ 28,698.40
$ 1,688.20	Subrogation	(7)	$ 108.00	$ 317.40
$ -	Health Fair/Wellness	(9)	$ -	$ -
$ 7,165.13	ACA Fees	(8)	$ 7,165.13	$ -
$ 9,027.00	Misc	(10)	$ 5,015.00	$ 4,012.00

FY 2025 Insurance Fund by Month

Total FYTD			July	August
	Premiums			
$ 3,297,431.72	Employees	(3)	$ 251,585.16	$ 356,767.04
$ 1,126.61	Vision - Emp	(5)	$ 82.29	$ 124.76
$ 20,590,967.02	Board of Education	(2)	$ 1,653,749.57	$ 1,634,594.86
$ 116,526.20	Vision - BOE	(4)	$ 9,927.18	$ 9,610.08
$ 86,789.14	Misc	(1)	$ 35,742.30	$ -
$ 24,092,840.69	***Total Revenue***		*$ 1,951,086.50*	*$ 2,001,096.74*
$ 28,409,299.73	***Total Expense***		*$ 3,159,805.35*	*$ 3,002,281.93*
$ (2,209,904.04)	***Reserve Gain/(Loss)***		*$ (1,208,718.85)*	*$ (1,001,185.19)*
	Claims			
$ 17,853,526.87	Medical	(1)	$ 1,718,660.69	$ 2,059,783.12
$ 7,084,759.57	Prescription	(2)	$ 897,494.95	$ 630,277.54
$ 94,235.76	Vision	(5)	$ -	$ 15,592.20
	Fixed Costs & Other			
$ 679,436.35	Administration Fee	(4)	$ 148,603.01	$ 51,705.32
$ 2,428,395.73	Stop Loss Premiums	(3)	$ 364,408.60	$ 203,042.08
$ -	Grail		$ -	
$ 227,967.79	Consultant/Legal Fees	(6)	$ 18,488.60	$ 34,430.30
$ 6,850.67	Subrogation	(7)	$ 330.02	$ 829.44
$ 5,950.48	Health Fair/Wellness	(9)	$ 5,950.48	$ -
$ 7,323.15	ACA Fees	(8)	$ -	$ -
$ 20,853.36	Misc	(10)	$ 5,869.00	$ 6,621.93

FY 2024 Insurance Fund by Month

Total FYTD			July	August
	Premiums			
$ 2,944,092.16	Employees	(3)	$ 120,560.46	$ 220,801.46
$ 1,076.05	Vision - Emp	(5)	$ 43.27	$ 71.27
$ 18,836,943.85	Board of Education	(2)	$ 1,569,487.28	$ 1,565,495.84
$ 112,590.69	Vision - BOE	(4)	$ 9,315.53	$ 9,343.94
$ 41,107.73	Misc	(1)	$ 27,500.00	$ -
$ 21,935,810.48	***Total Revenue***		*$ 1,726,906.54*	*$ 1,795,712.51*
$ 23,416,796.24	***Total Expense***		*$ 2,871,508.45*	*$ 1,722,770.95*
$ (1,480,985.76)	***Reserve Gain/(Loss)***		*$ (1,144,601.91)*	*$ 72,941.56*
	Claims			
$ 14,424,179.46	Medical	(1)	$ 1,647,810.33	$ 998,270.12
$ 5,774,409.29	Prescription	(2)	$ 679,501.89	$ 460,869.05
$ 86,664.90	Vision	(5)	$ 7,856.01	$ 8,508.26
	Fixed Costs & Other			
$ 610,412.86	Administration Fee	(4)	$ 101,228.17	$ 51,310.04
$ 2,249,365.34	Stop Loss Premiums	(3)	$ 374,946.17	$ 186,461.16
$ 2,547.00	Grail		$ -	$ -
$ 217,297.33	Consultant/Legal Fees	(6)	$ 31,360.12	$ 12,915.66
$ 6,548.94	Subrogation	(7)	$ 319.30	$ 296.66
$ 11,709.66	Health Fair/Wellness	(9)	$ -	$ -
$ -	ACA Fees	(8)	$ -	$ -
$ 33,661.46	Misc	(10)	$ 28,486.46	$ 4,140.00

Current Portfolio

Parma CSD Operating portfolio as of 7/31/2026

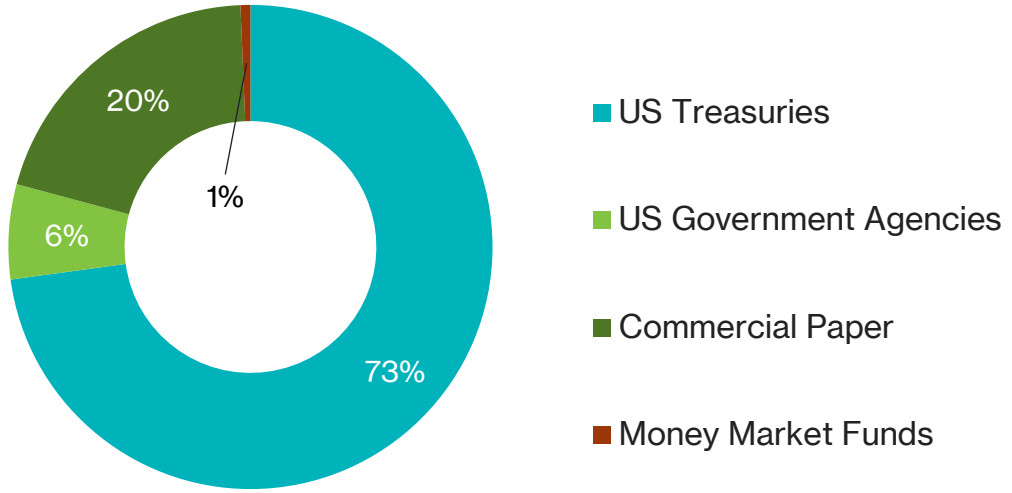
Your Portfolio

Cash	$12,139,030
Securities	$33,181,082
Total Portfolio	$45,320,111

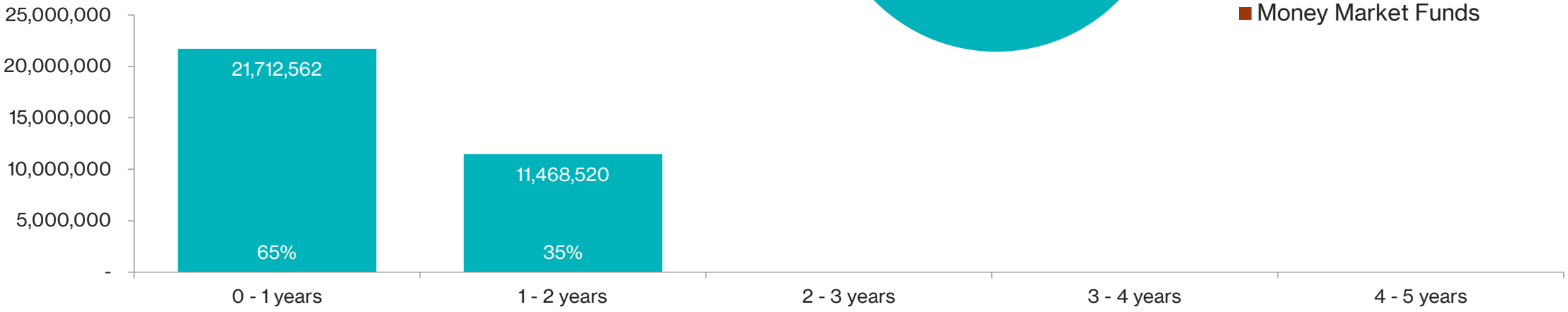
Your Securities

Weighted Average Maturity	0.75 years
Weighted Average Yield	3.84%
Estimated Annual Income	$1,274,154

Your Asset Allocation



Your Maturity Distribution



YIELD AND INTEREST INCOME INFORMATION IS ANNUALIZED. ALL YIELD INFORMATION IS SHOWN GROSS OF ANY ADVISORY AND CUSTODY FEES AND IS BASED ON YIELD TO MATURITY AT COST.
PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE RESULTS.

PARMA CITY SCHOOL DISTRICT-CUYAHOGA 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
Parma City School District
Treasurer's Office
Mr. Sean Nuccio, CPA, Treasurer/CFO
August 20, 2026

Parma City School District

Cuyahoga 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)	$94,397,008	$102,045,148	$99,610,095	2.9%	$94,048,213	$96,062,827	$98,240,832	$97,601,408	$92,889,327
1.020	Public Utility Personal Property Tax	5,309,809	5,594,645	4,257,242	-9.3%	5,979,829	6,119,197	6,242,725	6,399,867	6,416,213
1.030	Income Tax	0	0	0	0.0%	0	0	0	0	0
1.035	Unrestricted State Grants-in-Aid	20,274,488	19,128,393	16,004,077	-11.0%	16,425,457	16,427,981	16,430,494	16,432,998	16,435,492
1.040	Restricted State Grants-in-Aid	4,633,506	9,724,822	8,941,019	50.9%	8,817,100	8,823,654	8,823,654	8,823,654	8,823,654
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	13,543,511	14,450,723	14,334,167	2.9%	15,280,052	14,733,774	12,760,949	13,417,671	13,154,525
1.060	All Other Revenues	8,908,962	9,301,533	10,202,656	7.0%	8,152,884	7,896,539	7,643,709	7,389,889	7,136,579
1.070	*Total Revenues*	$147,067,284	$160,245,264	$153,349,256	2.3%	$148,703,535	$150,063,972	$150,142,363	$150,065,487	$144,855,790
	Other Financing Sources									
2.040	Operating Transfers-In	$500,000	$500,000	$0	-50.0%	$0	$0	$0	$0	$0
2.050	Advances-In	2,760,682	2,037,582	2,139,564	-10.6%	4,205,205	500,000	500,000	500,000	500,000
2.060	All Other Financing Sources	237,620	27,923	1,470,275	999.9%	28,000	28,000	28,000	28,000	28,000
2.070	*Total Other Financing Sources*	$3,498,302	$2,565,505	$3,609,839	7.0%	$4,233,205	$528,000	$528,000	$528,000	$528,000
2.080	*Total Revenues and Other Financing Sources*	$150,565,586	$162,810,769	$156,959,095	2.3%	$152,936,740	$150,591,972	$150,670,363	$150,593,487	$145,383,790
	Expenditures									
3.010	Personal Services	$85,938,232	$97,108,496	$99,404,555	7.7%	$100,586,334	$101,824,780	$103,080,059	$104,352,410	$105,642,076
3.020	Employees' Retirement/Insurance Benefits	36,670,683	38,221,373	46,338,693	12.7%	47,880,789	44,798,741	44,320,878	46,453,306	48,702,500
3.030	Purchased Services	11,885,706	13,527,168	15,912,007	15.7%	15,896,471	16,134,073	16,375,784	16,621,681	16,871,838
3.040	Supplies and Materials	3,517,916	3,124,691	3,776,692	4.8%	3,841,106	3,906,964	3,974,304	4,043,167	4,113,591
3.050	Capital Outlay	267,729	194,736	297,235	12.7%	303,180	309,243	315,428	321,737	328,171
4.300	Other Objects	1,914,561	1,920,796	2,184,257	7.0%	2,194,625	2,205,097	2,215,673	2,226,355	2,237,144
4.500	*Total Expenditures*	$140,194,827	$154,097,260	$167,913,439	9.4%	$170,702,505	$169,178,898	$170,282,126	$174,018,656	$177,895,320
	Other Financing Uses									
5.010	Operating Transfers-Out	$500,000	$550,000	$0	-45.00%	$0	$0	$0	$0	$0
5.020	Advances-Out	2,037,582	2,139,564	4,205,205	50.78%	500,000	500,000	500,000	500,000	500,000
5.030	All Other Financing Uses	(267)	(1,000)	0	87.27%	0	0	0	0	0
5.040	*Total Other Financing Uses*	$2,537,315	$2,688,564	$4,205,205	31.19%	$500,000	$500,000	$500,000	$500,000	$500,000
5.050	*Total Expenditures and Other Financing Uses*	$142,732,142	$156,785,824	$172,118,644	9.81%	$171,202,505	$169,678,898	$170,782,126	$174,518,656	$178,395,320
6.010	*Excess of Revenues and Other Sources over (under) Expenditures and Other Financing Uses*	$7,833,444	$6,024,945	($15,159,549)	-187.3%	($18,265,765)	($19,086,926)	($20,111,763)	($23,925,169)	($33,011,530)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	$43,224,300	$51,057,744	$57,082,689	15.0%	$41,923,140	$23,657,375	$4,570,449	($15,541,314)	($39,466,483)
7.020	*Cash Balance June 30*	$51,057,744	$57,082,689	$41,923,140	-7.4%	$23,657,375	$4,570,449	($15,541,314)	($39,466,483)	($72,478,013)
8.010	*Estimated Encumbrances June 30*	$457,364	$2,030,358	$1,618,706	161.8%	$550,000	$550,000	$550,000	$550,000	$550,000
	Reservation of Fund Balance									
9.030	Budget Reserve	$2,500,000	$3,000,000	$0	-40.00%	$0	$0	$0	$0	$0
9.060	Property Tax Advances	0	0	0	0.00%	0	0	0	0	0
9.080	Subtotal	$2,500,000	$3,000,000	$0	-40.0%	$0	$0	$0	$0	$0
10.010	*Fund Balance June 30 for Certification of Appropriations*	$48,100,380	$52,052,331	$40,304,434	-7.2%	$23,107,375	$4,020,449	($16,091,314)	($40,016,483)	($73,028,013)
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal	$0	$0	$0	0.00%	$0	$0	$0	$0	$0
11.020	Property Tax - Renewal or Replacement	0	0	0	0.00%	0	0	0	0	5,149,452
11.300	Cumulative Balance of Replacement/Renewal Levies	$0	$0	$0	0.0%	$0	$0	$0	$0	$5,149,452
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	$48,100,380	$52,052,331	$40,304,434	-7.2%	$23,107,375	$4,020,449	($16,091,314)	($40,016,483)	($67,878,561)
	Revenue from New Levies									
13.010	Income Tax - New	$0	$0	$0	0.00%	$0	$0	$0	$0	$0
13.020	Property Tax - New	0	0	0	0.00%	0	0	0	0	0
13.030	Cumulative Balance of New Levies	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
15.010	*Unreserved Fund Balance June 30*	$48,100,380	$52,052,331	$40,304,434	-7.2%	$23,107,375	$4,020,449	($16,091,314)	($40,016,483)	($67,878,561)

Parma City School District – Cuyahoga County
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), new state mandates, tax levies, property reappraisals and updates, salary increases, health insurance increases, enrollment variances, or changes to property valuations due to 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 of Ohio and the Ohio Department of Workforce and Education 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 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. 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 in most cases, and the August 31 deadline is out of alignment with when school districts statutorily have to make final fiscal year appropriations which is September 30th of each year.

Requirement vs. Reality: A Structural Diagnostic

The new filing timelines are fundamentally unaligned with the natural availability of key data needed to make accurate projections.

Data Requirement	HB96 Deadline	Real-World Availability
Baseline Appropriations	August 31	September 30 (Statutory Law)
1st Half Property Tax Settlement	February 28	After Feb 28
2nd Half Property Tax Settlement	August 31	After Aug 31

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, 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:

I. 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. 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:

Primary Legislative Drivers of Fiscal Risk

Legislation	Core Provision	District Financial Impact
HB129	Reclassifies fixed-sum (emergency/substitute) levies to be included in "20-mill floor" calculations.	Forces the district off the 20-mill floor for Class I in TY2027, suppressing future tax collections estimated cost through FY31 $10,110,326
HB186	Establishes "Inflation Cap Credits" and a retroactive "claw back" of realized revenues.	No Impact At this time.
HB309	Empowers County Budget Commissions (CBCs) to reduce voter-approved levies.	Shifts fiscal authority to CBC officials, creating an unpredictable risk to local levy yields.
HB335	Limits revenue growth from inside millage to the GDP Deflation Factor (GDP DF).	Restricts the district's ability to realize revenue gains from property valuation reappraisals.

Revenue Risk Loss Assessment of HB129 and HB186 To Our Forecast

- 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. For some districts this will result in a loss due to a change in the 20-mill floor calculation. Our district is on the 20-mill floor for Class I and when this new law goes into effect in our Tax Year 2027 update the new 20-mill floor calculation will result in an estimated loss of $2.89 million a year in lower Class I tax collections, and result in lower tax collections of $10,110,326 through FY31.

- 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. Parma CSD is not going to be affected by this legislation on our Tax Year 2024 reappraisal and will project increases in values lower than anticipated GDP DF in future reappraisal/triennial updates.

Evaluation of Emerging Risks: HB309, HB335, and Piggyback Exemptions

- HB309 indicates an erosion of local fiscal autonomy, shifting power from elected school boards to County Budget Commissions (CBC's) and County Commissioners. HB309 allows a CBC 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 Ohio's 88 counties.

- HB335 limits revenue growth from "inside millage" to the GDP Deflation Factor at property reevaluation cycles. To mitigate this, the district has adopted a defensive strategy of projecting at or below the anticipated GDP DF. This is a critical tactical move to prevent the state from applying further downward inflationary adjustments to the district's remaining growth potential. HB479 corrected inside millage language in HB335 so that 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.

- HB96 Expanded Piggyback Option introduces a significant *local political* risk through "Piggyback" exemptions. Unlike standard Homestead and 2.5% owner-occupied credits—which the state reimburses—Piggyback exemptions are **not reimbursed**. Cuyahoga County Council did not approve the Piggyback exemption for owner occupied credit or homestead exemption for tax year 2025 collect in calendar year 2026. Also, our county council 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. If both owner occupied, and homestead were approved every year this could result in reduced property tax collections for the school district of roughly $4.59 million each year from current operating levies. This new law creates an unpredictable potential risk to our local tax collections every year. We will adjust the forecast in the future accordingly.

  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 actual key data. 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.

II. 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 Gross Domestic Product Deflation Factor (GDP DF) and new construction growth. The effects of HB186 will be to limit property tax growth following reappraisals and updates. Total local revenues, predominately local taxes, equate to 72.75% of the district's resources.

III. Cuyahoga County experienced a full reappraisal for all property values in the 2024 tax year to be collected in FY25. The 2024 update increased assessed values by $639.14 million, or 29.66%. Overall values rose $696.33 million or 27.11%, including reappraisal and new construction for all property classes. A reappraisal update will occur in the 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 7% 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 reappraisal 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 HB186 or 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 27.25% of district revenues, which means it is a significant risk to the revenue. 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 on recent formula calculations and use of the Ohio Department of Education and Workforce (ODEW) most recent funding settlement. 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.

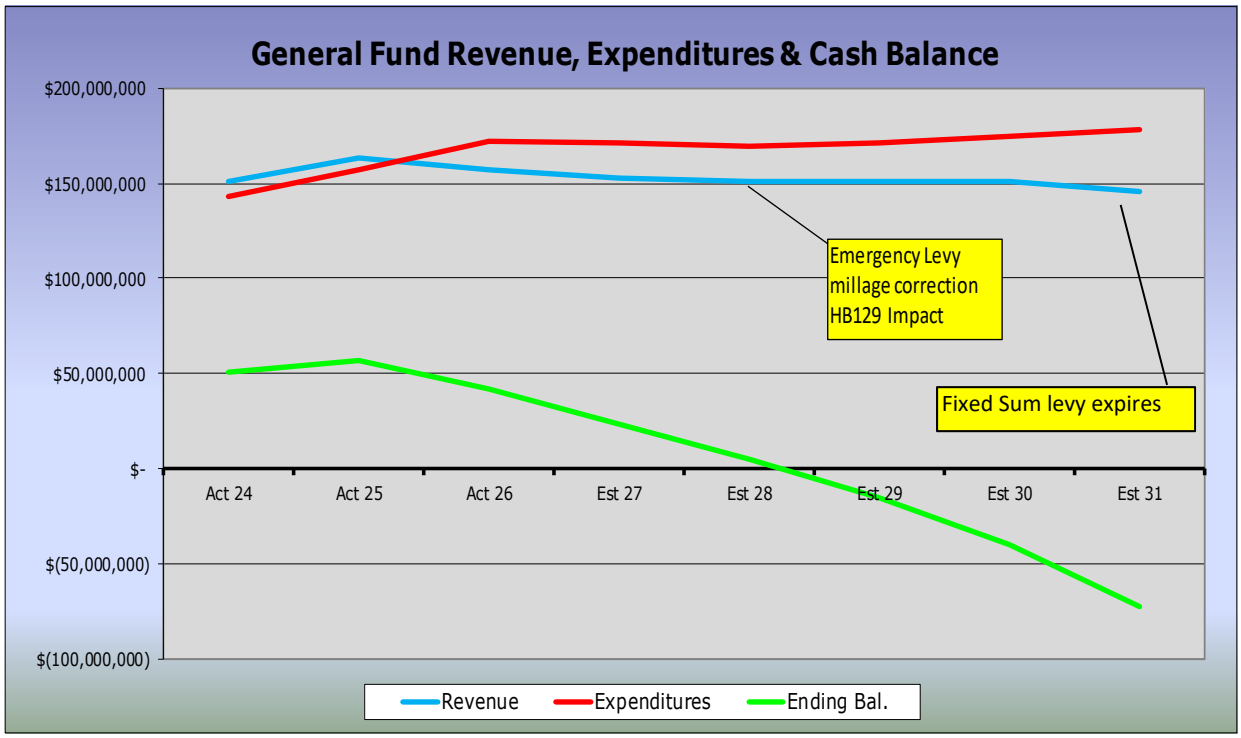
V. HB96, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY27. FY27 reflects 100% of the implementation cost of the (FSFP). HB96 did not increase the base cost inputs (no increase from the state on formula funding) while allowing local 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 receiving $1.298 million in temporary transitional aid and we do not anticipate increases in state aid.

VI. The Ohio Department of Taxation on January 15, 2026 announced an updated state property tax reappraisal and triennial update schedule. Sixteen counties will have their reappraisal moved back by one year in accordance with the new schedule. Cuyahoga County will be impacted by this change. This will move the Tax Year 2030 reappraisal to Tax Year 2031 for collection in Calendar year 2032. This move is estimated to cost our district a one-year loss of $1.07 million in Class I taxes on 20 mill growth, and $71,762 in Class II taxes on inside millage growth, that was anticipated for calendar year 2031.

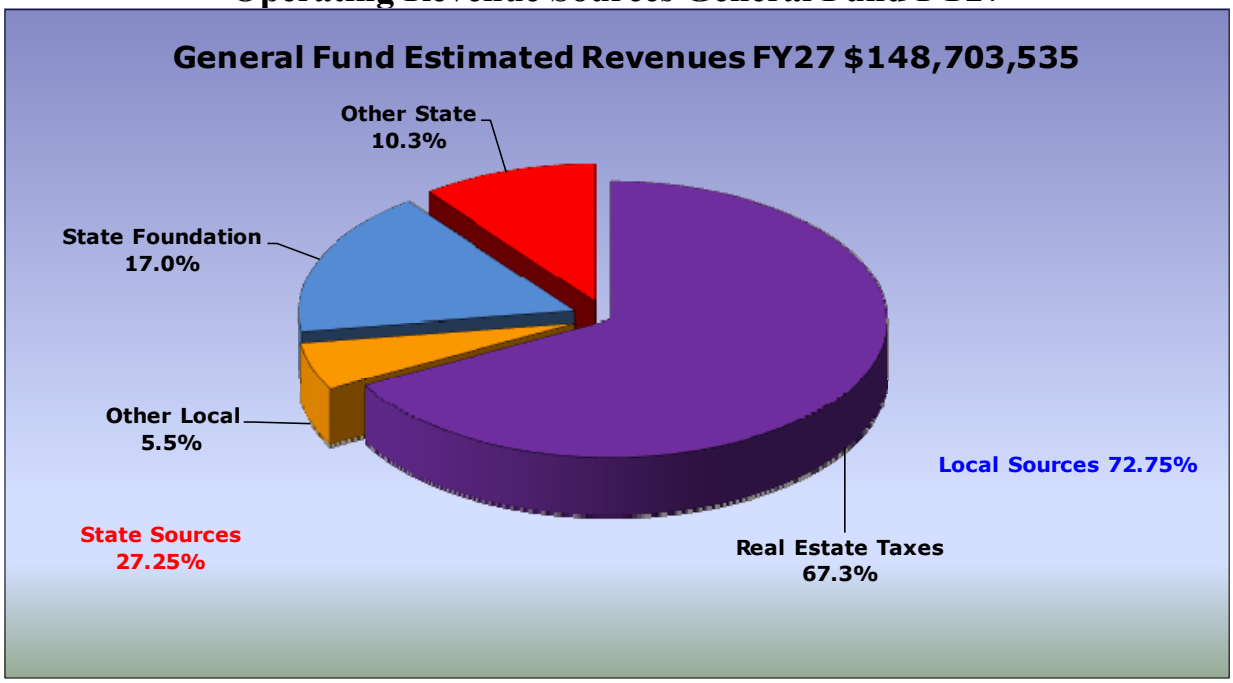
The significant lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should assist the reader in reviewing the assumptions noted below to understand the overall financial forecast for our district. If you want further information, please contact Sean Nuccio, CPA, Parma CSD Treasurer/CFO at 440.885.2324.

General Fund Revenue, Expenditure and Ending Cash Balance

The graph captures in one snapshot the operating scenario facing the district over the next few years.



Revenue Assumptions
Operating Revenue Sources General Fund FY27



General Property Tax and Property Value Assumptions (Real Estate) – Line #1.010
Property Values are established annually by the County Fiscal Officer based on new construction, demolitions, BOR/BTA activity, and complete reappraisal or updated values. New HB186 allows new construction growth in property taxes irrespective of GDP DF. Cuyahoga County experienced a reappraisal for the 2024 tax year to be collected in 2025. Due to the reappraisal led by an improving housing market, residential/agricultural values increased 29.66% or $639.14 million.

For the tax year 2024, residential property values were up primarily due to home sale prices by 29.66% or $639.14 million in assessed value, and commercial/industrial values increased by 9.22% or $38.13 million. Overall values rose $696.33 million or 27.11%, including new construction for all property classes. Our Class I tax rates were not yet at 20-mills which allowed HB920 to reduce effective rates which resulted in no Temporary Tax Credits under HB186 for that update.

A reappraisal 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 7% increase in residential and a 3% increase for commercial/industrial property. We anticipate Residential/Agricultural and Commercial/Industrial values to increase by $209.6 million or 6.42% overall. 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 increased by $4.74 million in Tax Year 2025. We expect our values to continue to grow by $2.5 million 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.

Tax Rate Assumptions
The county Fiscal Officer 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 general fund levies is 63.54 mills while the Class I effective millage rate is 31.94 mills and the Class II effective millage rate is 40.56 mills. Current Ohio law has a provision that the reduction factors cannot lower the total millage rate for each class less than 20 mills (excluding emergency and substitute emergency levies), which includes both the voted and the non-voted millage rates; this is called the "20-Mill Floor". Our district is on the floor for Class I but not Class II. The district in Tax Year 2025 has three (3) emergency levies totaling 11.94 mills that was voted on for an annual amount of $40.488 million of taxes.

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 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 2028. This is expected to result in a loss of $2,888,600 in calendar year 2027 and reduce future projected taxes by $10,110,326 through FY31 on the forecast of taxes on Line 1.01 below.

Emergency Levy Millage Adjustment

The districts 16.60 mills of emergency millage were left unchanged following the $696.33 million increase in values in Tax Year 2024, which caused actual tax collections to be much higher than what we estimated. We have worked out an agreement with the county Fiscal Officer to reduce emergency millage over three years to get back to the correct millage rates. The adjustment in Tax Year 2025 reduced millages from 16.6 mills to 11.94 mills which will lower collections in FY26 and through the forecast to the correct amount.

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 commissioners 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. Our district was not at the 20-mill floor in the tax year 2024 reappraisal and all operating levies were affected by HB920 reduction factors which inflation proofs these current expense levies. We do not anticipate any claw back of previously paid taxes and will project increases in future reappraisals and triennial updates at or below Gross Domestic Product Deflation Factor.

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.

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 ASSESSED VALUE (AV) BY COLLECTION YEARS

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.	$2,796,524,870	$2,992,181,611	$2,992,081,611	$2,991,981,611	$2,991,881,611
Comm./Ind.	469,036,308	483,007,397	482,907,397	482,807,397	482,707,397
Public Utility Personal Property (PUPP)	95,067,880	97,567,880	100,067,880	102,567,880	105,067,880
Total Assessed Value	$3,360,629,058	$3,572,756,888	$3,575,056,888	$3,577,356,888	$3,579,656,888

Estimated Real Estate Tax (Line #1.010)

Source	FY27	FY28	FY29	FY30	FY31
General Property Taxes	$94,048,213	$96,062,827	$98,240,832	$97,601,408	$92,889,327
Piggyback Exemption HB96	0	0	0	0	0
Other Tax Adjustments-HB186	0	0	0	0	0
Total General Property Taxes	$94,048,213	$96,062,827	$98,240,832	$97,601,408	$92,889,327

Property tax levies are estimated to be collected at 96.4% of the annual amount. This allows a 3.6% delinquency factor. In general, 54.40% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 45.60% in the August tax settlement.

Estimated Public Utility Personal Property (PUPP) Taxes – Line #1.020

The amounts below are public utility tangible personal property (PUPP) tax payments from public utilities. The values for PUPP were $92.57 million in assessed values in 2025 and were collected at the district's full voted millage rate. Collections are typically 50% in March and 50% in August, along with the real estate settlements from the county auditor. The values in 2025 rose by 5.39% or $4.74 million and are expected to grow by $2.5 million each year of the forecast.

Source	FY27	FY28	FY29	FY30	FY31
Public Utility Personal Property (Line #1.020)	$5,979,829	$6,119,197	$6,242,725	$6,399,867	$6,416,213

Levy Renewal –Line #11.020

The district renewed the $7.6 million emergency levy and the $8.1 million emergency levy November 7, 2024, merging them into a 10 year $15,665,500 levy that will expire December 31, 2034. The renewal of these levies merged into one is no new tax increase to the district or to the taxpayers. HB129 will allow emergency levies (now called Fixed Sum levies) to be renewed when they expire for a maximum of five (5) years if they were in existence prior to 2026. There are essentially no new fixed sum levies allowed for districts unless is fiscal distress.

In this forecast, we have a $9,197,860 emergency levy that will expire on December 31, 2030. The revenue from renewal levies is required to be removed from all revenue lines on the forecast and moved to Line 11.02 where it can be factored into the ending cash balance.

Source	FY27	FY28	FY29	FY30	FY31
Emergency ($9,197,860) last collect 12/31/30	$0	$0	$0	$0	$5,149,452
Emergency ($15,624,693) last collect 12/31/31	$0	$0	$0	$0	$0
Emergency ($15,665,500) last collected 12/31/34	0	0	0	0	0
Total Line #11.020	$0	$0	$0	$0	$5,149,452

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

Current State Funding Model per HB96 through June 30, 2027

State Foundation Revenue Estimates

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

Our district is currently has fallen to the guarantee in FY27 and is expected to remain on the guarantee for through FY31 on the Fair School Funding Plan (FSFP). We now receive $1.3 million in temporary transition state aid. State foundation fell sharply in FY26 due to the state not funding the formula in FY26 and FY27, while allowing our local capacity to increase to current levels reflecting our most recent reappraisal. Funding bases in the formula were frozen at FY22 levels, which were left unchanged since FY24. This exposes districts on the foundation formula to radical reductions in state aid year over year when no additional funds are put forth by the legislature in the formula. This action pushes more districts from the formula to the guarantee.

A detailed overview of how foundation funding is calculated including all of the HB96 changes is available at the link below. Please visit the Ohio Department of Education and Workforce at:
https://education.ohio.gov/Topics/Finance-and-Funding/Overview-of-School-Funding.

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

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

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

The Performance Supplement was included in HB96. The eligibility for the supplement payment uses data from the state report card for the 2024-2025 school year for FY26 and 2025-2026 school year for FY27; the payment will be a separate payment of $13 per pupil in FY26 and FY27. We are estimated to receive $441,200 in FY27.

The funding formula eliminated the Supplemental Targeted Assistance guarantee beginning in FY26, but still includes two (2) primary guarantees: 1) Temporary 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. We just moved to the Temporary Transition Guarantee in FY26. One year earlier than anticipated.

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 through 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.

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	$12,286,270	$12,286,270	$12,286,270	$12,286,270	$12,286,270
Additional Aid Items	3,540,023	3,540,023	3,540,023	3,540,023	3,540,023
Basic Aid-Unrestricted Subtotal	$15,826,293	$15,826,293	$15,826,293	$15,826,293	$15,826,293
Credential	0	0	0	0	0
Ohio Casino Commission ODT	599,164	601,688	604,201	606,705	609,199
Total Unrestricted State Aid - Line #1.035	$16,425,457	$16,427,981	$16,430,494	$16,432,998	$16,435,492

B) Restricted State Revenues – Line #1.040

HB96 has continued Disadvantaged Pupil Impact Aid, Career Technical, Gifted, English Learners (ESL), and Student Wellness funding. We were also notified that Threshold reimbursements starting in FY26, and future years, are likely to be reduced by 30% from FY25 levels due to fixed state appropriations.

We have estimated revenues for these new restricted funding lines using the most current funding factors available. For fiscal years 2026 and 2027, HB96 modified 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 & FY27 being $86.6 million less than in FY25. Our calculated DPIA is being phased in through FY27, but our full calculated DPIA funding dropped from $9.5 million in FY25 to $7.29 million in FY26, then again to $6.59 in FY27. This represents a cumulative loss of a $5.12 million due to this formula change.

Source	FY27	FY28	FY29	FY30	FY31
DPIA	$6,496,535	$6,496,535	$6,496,535	$6,496,535	$6,496,535
Career Tech	228,467	228,467	228,467	228,467	228,467
Gifted	93,812	91,402	91,402	91,402	91,402
ESL	127,976	136,940	136,940	136,940	136,940
Student Wellness	328,787	328,787	328,787	328,787	328,787
Other Restricted State Funds	0	0	0	0	0
Threshold Aid	1,541,523	1,541,523	1,541,523	1,541,523	1,541,523
Total Restricted State Revenues - Line #1.040	$8,817,100	$8,823,654	$8,823,654	$8,823,654	$8,823,654

C) Restricted Federal Grants in Aid – Line #1.045

There are no federal restricted grants projected during this forecast.

Summary of State Foundation Revenues	FY27	FY28	FY29	FY30	FY31
Unrestricted Line #1.035	$16,425,457	$16,427,981	$16,430,494	$16,432,998	$16,435,492
Restricted Line #1.040	8,817,100	8,823,654	8,823,654	8,823,654	8,823,654
Restricted Fed. Grants Line #1.045	0	0	0	0	0
Total State Foundation Revenue	$25,242,557	$25,251,635	$25,254,148	$25,256,652	$25,259,146

State Reimbursement of Property Tax Credits – Line #1.050

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 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 addition $44 million annually which will also be reimbursed to local governments if applicable. The $44 million increase is ongoing.

HB186 10% Phase down and OCC Phase up					
	TY25	TY26	TY27	TY28	TY29
	Collect CY26	Collect CY27	Collect CY28	Collect CY29	Collect 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%
HB96 Inc. OCC	0.00%	0.72%	1.44%	2.16%	2.88%
Total	12.50%	13.22%	13.94%	14.66%	15.38%
Homestead	varies	2x	varies	varies	varies
*Non-timber farm land will still keep 10% rollback					

Tangible Personal Property Reimbursements – Fixed Rate
The district does not receive TPP Fixed Rate reimbursements. A cut in funding from the state eliminated these payments.

Partial HB186 Guarantee
We do not anticipate a hold harmless payment for HB186 impact on our Tax Year 2024 reappraisal as there are no temporary tax credits expected to be reduced from our 2nd half tax year 2025 settlements.

Summary of State Tax Reimbursement – Line #1.050

Source	FY27	FY28	FY29	FY30	FY31
Rollback and Homestead	$15,280,052	$14,733,774	$12,760,949	$13,417,671	$13,154,525
TPP Reimbursement - Fixed Rate	0	0	0	0	0
HB186 Partial Reimbursement	0	0	0	0	0
Total Tax Reimb/Prop Tax Allocations - Line #1.05	$15,280,052	$14,733,774	$12,760,949	$13,417,671	$13,154,525

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.

In FY26 we will begin receiving PILOT payments for the Quarry Square development which should increase slightly each year of the forecast.

Interest income is based on the district's cash balances and increased interest rates due to the Federal Reserve raising rates to curb inflation. Interest income remained steady in FY26 due to laddered investment strategies, expected Federal Reserve rate cuts and declining cash balances will begin to have an impact on earnings in FY27and future years. We will continue to monitor the investments for the district. Rentals are expected to return to pre-pandemic levels over time. All other revenues are expected to continue historical trends.

Legislative actions have hurt our ability to collect the amount of taxes due our district. An example of that is HB126 which passed at the end of FY22 and has severely curtail all districts in Ohio from contesting valuation adjustments which are sought by businesses, often times without adequate supporting documentation showing a fair value. This legislation is severely one sided and will likely end in other commercial taxpayers paying higher taxes when these values for some are lowered unjustly. This is an example of legislation that is passed that

significantly impacts our local revenues. From FY20 to FY22, BOR/BTA revenue has represented an average of $1,454,098 of revenue annually which we are no longer receiving.

Source	FY27	FY28	FY29	FY30	FY31
Tuitions, SF14, SF6	$2,492,988	$2,517,918	$2,543,097	$2,568,528	$2,594,213
Interest	2,787,850	2,487,850	2,187,850	1,887,850	1,587,850
Medicaid	1,606,696	1,622,760	1,638,985	1,655,372	1,671,923
Service Fees & Rentals	189,944	191,843	193,761	195,699	197,656
PILOT Payments	76,204	76,966	80,814	83,238	85,735
Other Income	999,202	999,202	999,202	999,202	999,202
Total Other Local Revenue Line #1.060	$8,152,884	$7,896,539	$7,643,709	$7,389,889	$7,136,579

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. For FY27, advances returned to the General Fund are estimated at $4,205,205. For subsequent fiscal years, return of advances are projected at $500,000 FY28 through FY31. Ohio Revised Code Section 5705.10 prohibits funds from having a negative fund balance. Federal and state grant funds require that PCSD spend the funds first and then request reimbursement from the Ohio Department of Education. In order to avoid negative fund balance at fiscal year-end due to the timing of the reimbursement, the General Fund advances funds to the negative grant funds. After the beginning of the new fiscal year, the grant funds return the advances to the General Fund.

Source	FY27	FY28	FY29	FY30	FY31
Transfers In - Line #2.040	$0	$0	$0	$0	$0
Advance Returns - Line #2.050	4,205,205	500,000	500,000	500,000	500,000
Total Transfer & Advances In	$4,205,205	$500,000	$500,000	$500,000	$500,000

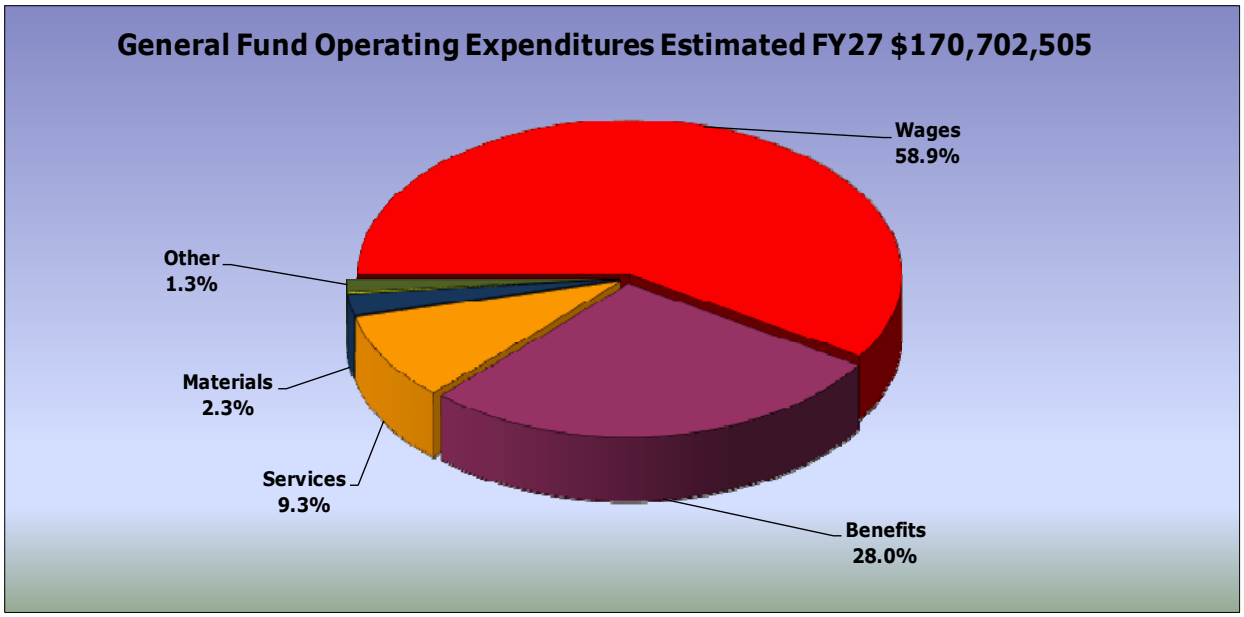
All Other Financial Sources – Line #2.060
This funding source is typically a refund of prior year expenditures that is very unpredictable. These revenues are inconsistent year to year, and we will not project that occurring in the remainder of the forecast.

Source	FY27	FY28	FY29	FY30	FY31
Refund of prior years expenditures	$28,000	$28,000	$28,000	$28,000	$28,000

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.

All Operating Expense Categories – General Fund FY27



Wages – Line #3.010

The salaries expense category represents the largest portion of the district's budget at 58.9% of total general fund operating expenses in FY27. The General Fund payroll increased beginning in FY21 and continued through the end of September 30, 2024 when all ESSER federal funds were spent. This represents $4,400,000 of wages that was brought back to the general fund in FY25 when those funds were spent, and continues through the forecast period.

Certified substitute services were moved from personnel services to purchased services since the district contracted North Coast Shared Services Alliance now the Ohio Substitute Teacher Service. In fiscal year 2018, the district obtained subs using in-house services. The fill rate using in-house services was not an acceptable level. For FY27 to FY31, changes in the salary line item have been projected using estimated increases resulting from staff progression on the salary schedule, degree changes and increases due to inflationary pressures. In FY23, negotiations with bargaining unit members resulted in an agreement to include base increases at 2.25% for FY26 and for planning purposes wage estimates of 0.0% for FY27-31 have been factored in the forecast.

In FY24 staff reductions and building consolidation savings of $3,358,114 in wages have been factored into the forecast as ongoing savings.

Source	FY27	FY28	FY29	FY30	FY31
Base Wages	$94,819,823	$96,041,672	$97,280,118	$98,535,397	$99,807,748
Steps & Training	1,517,117	1,536,667	1,556,482	1,576,566	1,596,924
Substitutes	1,467,000	1,467,000	1,467,000	1,467,000	1,467,000
Supplementals	2,777,662	2,777,662	2,777,662	2,777,662	2,777,662
Staff Reductions	(295,268)	(298,221)	(301,203)	(304,215)	(307,258)
Severence	300,000	300,000	300,000	300,000	300,000
Total Wages Line #3.010	$100,586,334	$101,824,780	$103,080,059	$104,352,410	$105,642,076

Fringe Benefits Estimates Line #3.020
This area of the forecast captures all benefits and retirement costs. These payments are in the table below.

A) STRS/SERS
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
We experienced a 5.5% increase in health care costs for FY25, but due to high claims we will incur an increase of 18.6% for FY26. For planning purposes, we are estimating 6% for FY27 through FY31 which reflects trend and moderate claims we are seeing. This is based on our current employee census and claims data.

C) Workers Compensation & Unemployment Compensation
Workers' Compensation is expected to be approximately 0.49% FY27– FY31. Unemployment is likely to remain at a shallow level FY27-FY31. The district is a direct reimbursement employer, meaning unemployment costs are only incurred and due if we have eligible employees and draw unemployment.

D) Medicare
Medicare will continue to increase at the rate of wage increases 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
A) STRS/SERS	$15,841,663	$16,038,261	$16,237,531	$16,439,510	$16,644,238
B) Insurance's	29,383,437	31,080,834	32,879,419	34,785,257	36,804,775
C) Workers Comp/Unemployment	488,286	494,285	500,365	506,529	512,775
D) Medicare	1,392,605	1,410,562	1,428,764	1,447,212	1,465,913
Other/Tuition	774,799	(4,225,201)	(6,725,201)	(6,725,201)	(6,725,201)
Total Fringe Benefits - Line #3.020	$47,880,789	$44,798,741	$44,320,878	$46,453,306	$48,702,500

Purchased Services – Line #3.030
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. In FY26 there was a new electric Capacity Charge that was assessed on all electric bills to help expand Ohio's electric generating ability. This charge began June 2025 and ended June 2026. It is anticipated it increased electric costs for that twelve (12) month period.

Certified substitute services were moved from personnel services to purchased services since the district contracted North Coast Shared Services Alliance now the Ohio Substitute Teacher Service. In fiscal year 2018, the district obtained subs using in-house services. The fill rate using in-house services was not an acceptable level. The sub rates increased to $150 a day beginning in November 2021 which is a 50% increase in the daily rate. Additional ESSER II and III funds have been allocated to our district that can be used through September 2023 and September 2024 which will continue to offset the COVID expenses noted above and help with academic support for lost learning due to school closures as a result of the pandemic. These funds were exhausted after September 30, 2024 and are now a part of the General Fund cost structure.

Contract transportation costs are expected to stabilize in FY26 after sharp increases in FY25 due to the shortage of bus drivers and increased service.

In FY26 we estimate ongoing savings from reduction in building maintenance and utilities due to building consolidation of $662,000. Costs are estimated to increase at an average of 1.5% annually in these line items.

Source	FY27	FY28	FY29	FY30	FY31
Base Services	$800,865	$800,865	$800,865	$800,865	$800,865
Transportation	1,962,545	2,001,796	2,041,832	2,082,669	2,124,322
Tuition Inc. Ed. Choice & Scholarships-471-479	3,564,858	3,636,155	3,708,878	3,783,056	3,858,717
Professional Support 41x	6,430,979	6,495,289	6,560,242	6,625,844	6,692,102
Building Maintanence & Services 42x	1,397,717	1,425,671	1,454,184	1,483,268	1,512,933
Utilities	1,739,507	1,774,297	1,809,783	1,845,979	1,882,899
Total Purchased Services - Line #3.030	$15,896,471	$16,134,073	$16,375,784	$16,621,681	$16,871,838

Supplies and Materials – Line #3.040

Instructional and general supply costs represent the largest portion of all supplies and material expenses. During the current fiscal year, the district renewed up-front licenses for educational programs that have expired. Also, the district in planning on purchasing textbooks at a General Fund cost of $1,235,245. Transportation related supply expenses now represent one of the smallest portions of all supplies and materials. Bus repairs are expected to decrease with the purchase of 34 new busses in FY19 and 10 new busses in FY20, which replaced older buses. As our bus fleet ages these costs will increase again to keep busses safe and operational.

In FY27 we anticipate ongoing savings from reduction of building maintenance expenses of $46,331 as a result of the building consolidation.

Source	FY27	FY28	FY29	FY30	FY31
Supplies	$1,372,377	$1,413,548	$1,455,954	$1,499,633	$1,544,622
Textbooks	1,235,245	1,247,597	1,260,073	1,272,674	1,285,401
Building Maintenance	492,406	497,330	502,303	507,326	512,399
Transportation	741,078	748,489	755,974	763,534	771,169
Total Supplies - Line #3.040	$3,841,106	$3,906,964	$3,974,304	$4,043,167	$4,113,591

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	$248,800	$253,776	$258,852	$264,029	$269,310
Technology	54,379	55,467	56,576	57,708	58,862
Total Equipment - Line #3.050	$303,180	$309,243	$315,428	$321,737	$328,171

Principal and Interest Payment – Lines #4.050 and 4.060
Per the District's Fiscal Recovery Plan submitted to the Ohio Department of Education, the District began paying these expenses from the Permanent Improvement Fund beginning in FY18.

Other Expenses – Line #4.300
The category of Other Expenses consists primarily of Auditor & Treasurer fees, our annual audit and other miscellaneous expenses.

Source	FY27	FY28	FY29	FY30	FY31
County Auditor & Treasurer Fees	$988,461	$998,346	$1,008,329	$1,018,412	$1,028,596
County ESC	58,698	59,285	59,878	60,477	61,082
Other expenses	1,147,466	1,147,466	1,147,466	1,147,466	1,147,466
Total Other Expenses - Line #4.300	$2,194,625	$2,205,097	$2,215,673	$2,226,355	$2,237,144

Transfers Out/Advances Out – Line #5.010
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. In FY27-FY31 we do not anticipate transferring funds to our budget reserve.

Source	FY27	FY28	FY29	FY30	FY31
Operating Transfers Out - Line #5.010	$0	$0	$0	$0	$0
Advances Out - Line #5.020	500,000	500,000	500,000	500,000	500,000
Total Transfer & Advances Out	$500,000	$500,000	$500,000	$500,000	$500,000

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	$550,000	$550,000	$550,000	$550,000	$550,000

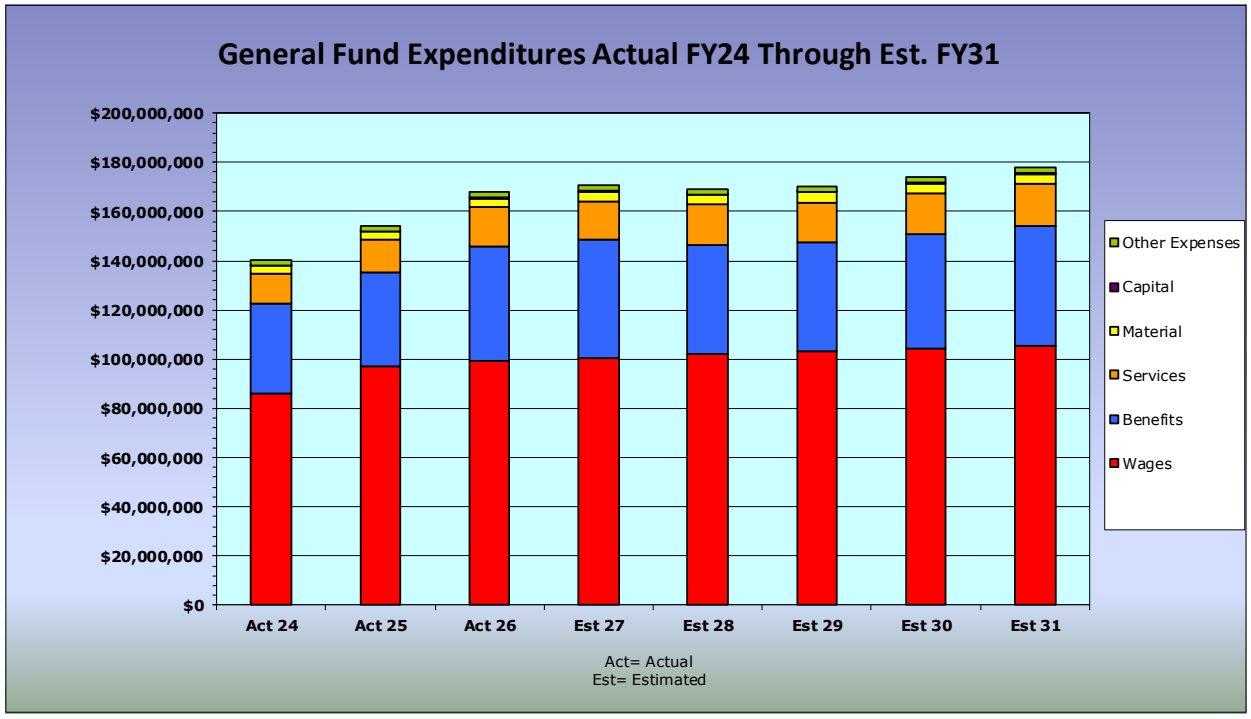
Budget Reserve – Line #9.080
In May 2019, the board passed a resolution to maintain a general fund reserve of a minimum of $500,000 beginning in FY20. Due to ongoing deficits all budget reserves are eliminated beginning in FY26 as deficits are sufficient enough to overwhelm the budget reserve level we originally planned to maintain largely due to a lack of state funding. In FY25 we established a reserve due to the over payment of taxes that occurred in calendar year 2025 and impacted FY25 and FY26. This resulted in the error in calculated emergency millage amounts

following the Tax Year 2024 reappraisal. Millage rate adjustments over a three-year period have been agreed to and millage rates are set and a reserve amount is not needed to payback these amounts.

Source	FY27	FY28	FY29	FY30	FY31
Budget Reserve - Line #9.030	$0	$0	$0	$0	$0
Property Tax Advanced - Line #9.060	0	0	0	0	0
Total Reservations of Balance - Line #9.080	$0	$0	$0	$0	$0

Total Expenditure Categories Actual Fiscal Year 2024 through Fiscal Year 2026 and Estimated Fiscal Year 2027 through Fiscal Year 2031

As the graph on the following page indicates, we have diligently contained costs due to lower and flat state revenues. We control our expenses while balancing students' academic needs to enable them to excel and perform well on state performance standards.



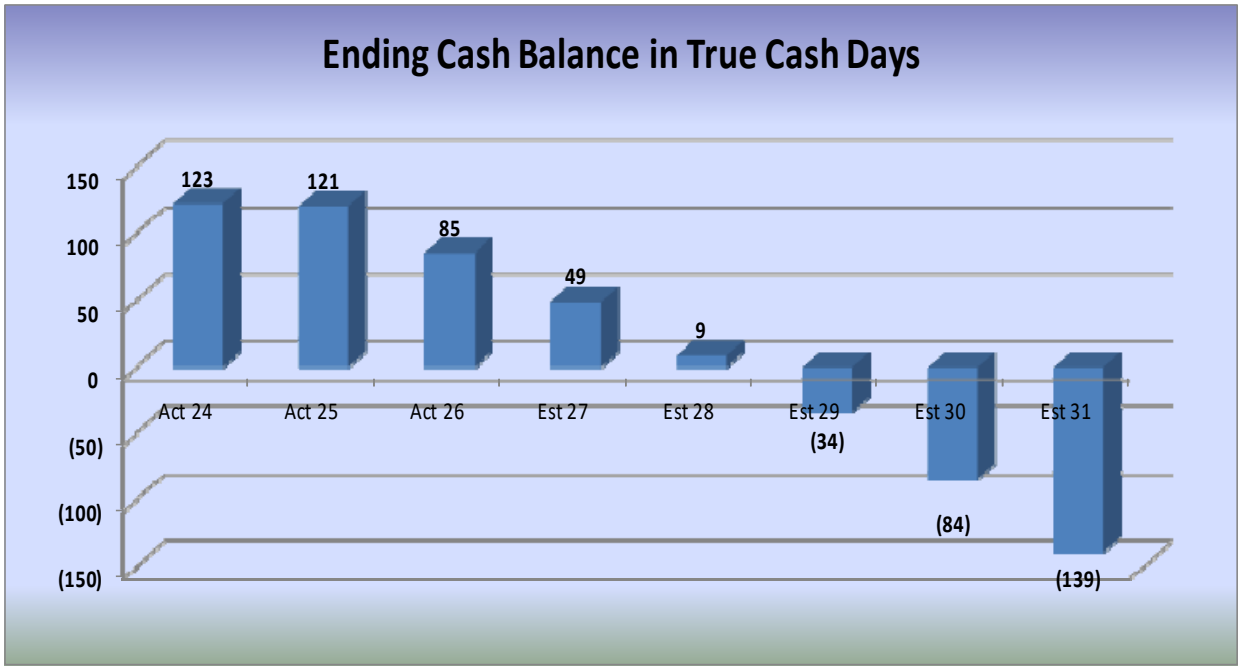
Ending Unencumbered Cash Balance – Including All Levy Renewals– Line #15.010

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, 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 that a district maintains a minimum of thirty (30) day cash balance, which is about $13.7 million for our district. The district falls below the thirty (30) day rate in FY28. With a deficit in FY29 the district will be declared in Fiscal Precaution by the Ohio Department of Education and Workforce.

	FY27	FY28	FY29	FY30	FY31
Ending Unencumbered Cash Balance Line #15.010	$23,107,375	$4,020,449	($16,091,314)	($40,016,483)	($67,878,561)

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 365 (Current Years Expenditures/365 days) = the number of days the district could operate without additional resources or a severe resource interruption. The Government Finance Officers Association recommends that no less than two (2) months or 60 days of cash is on hand at year-end. Still, it 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, athletics, and severance reserves. The district is not projecting being able to maintain a sixty (60) day true cash day balance anytime during the forecast period.



Conclusion

The new tax laws effective March 19, 2026, especially HB129, are anticipated to severely reduce our local property taxes from prior projections based on current laws. The new laws have helped drive us into a negative ending cash balance position in FY29.

As you read through the notes and review the forecast, remember that the forecast is based on the best information that is available to us at the time the forecast is prepared.