Lorain City School District

Fiscal Year 2027 August Financial Forecast Report



Prepared By:

Treasurer/CFO

Lorain City School District

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August Forecast

Fiscal Year 2027

Lorain City Schools

August 2026

1

LORAIN CITY SCHOOLS

Forecast Overview

Major improvement from the new levy and spending reductions. Available fund balance remains positive through FY30.

FY27 REVENUE	FY27 EXPENDITURES	FY27 DEFICIT SPENDING	FY27 AVAILABLE FUND BALANCE
$101.7M	$106.2M	$4.5M	$4.1M
		Spending exceeds revenue by $4.5M	Forecast Line 10.010

Available Fund Balance

FY27 through FY31

Forecast Line 10.010.



Source: FY27 August Forecast and Assumptions

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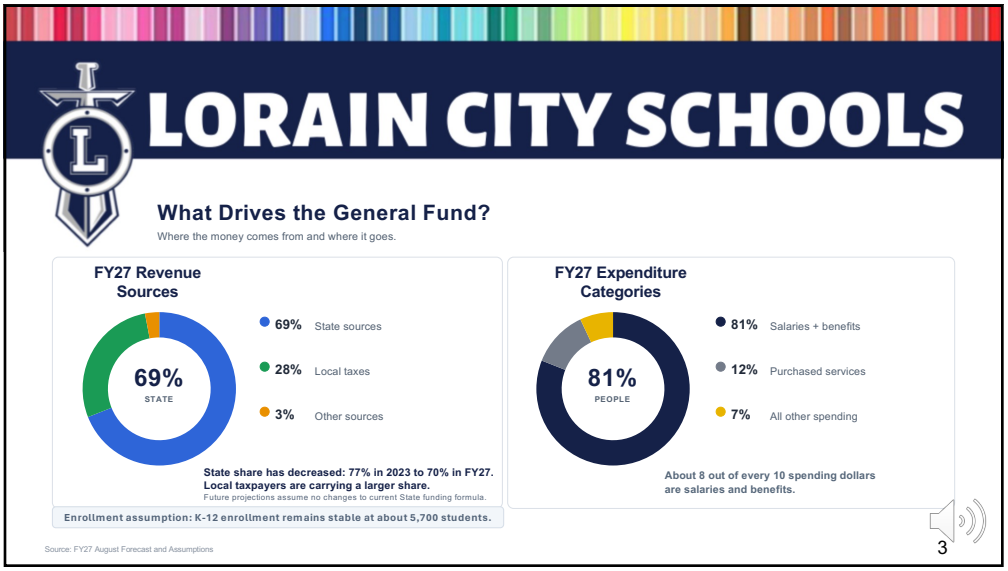
LORAIN CITY SCHOOLS
What Drives the General Fund?
Where the money comes from and where it goes.
FY27 Revenue Sources
69%
STATE
69% State sources
28% Local taxes
3% Other sources
State share has decreased: 77% in 2023 to 70% in FY27. Local taxpayers are carrying a larger share.
Future projections assume no changes to current State funding formula.
FY27 Expenditure Categories
81%
PEOPLE
81% Salaries + benefits
12% Purchased services
7% All other spending
About 8 out of every 10 spending dollars are salaries and benefits.
Enrollment assumption: K-12 enrollment remains stable at about 5,700 students.
Source: FY27 August Forecast and Assumptions
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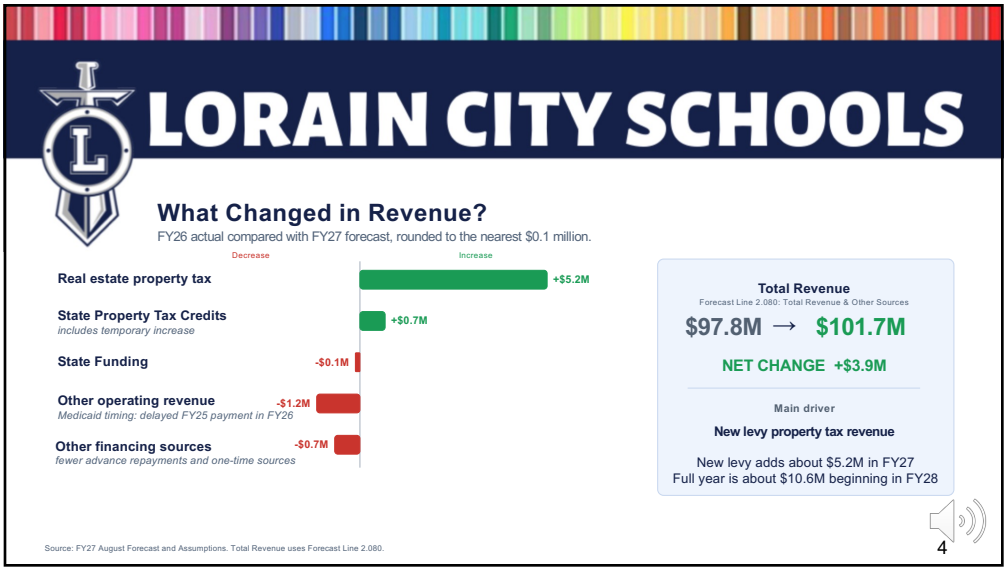
LORAIN CITY SCHOOLS
What Changed in Revenue?
FY26 actual compared with FY27 forecast, rounded to the nearest $0.1 million.
Decrease
Increase
Real estate property tax +$5.2M
State Property Tax Credits
includes temporary increase
+$0.7M
State Funding -$0.1M
Other operating revenue -$1.2M
Medicaid timing: delayed FY25 payment in FY26
Other financing sources -$0.7M
fewer advance repayments and one-time sources
Total Revenue
Forecast Line 2.080: Total Revenue & Other Sources
$97.8M → $101.7M
NET CHANGE +$3.9M
Main driver
New levy property tax revenue
New levy adds about $5.2M in FY27
Full year is about $10.6M beginning in FY28
Source: FY27 August Forecast and Assumptions. Total Revenue uses Forecast Line 2.080.
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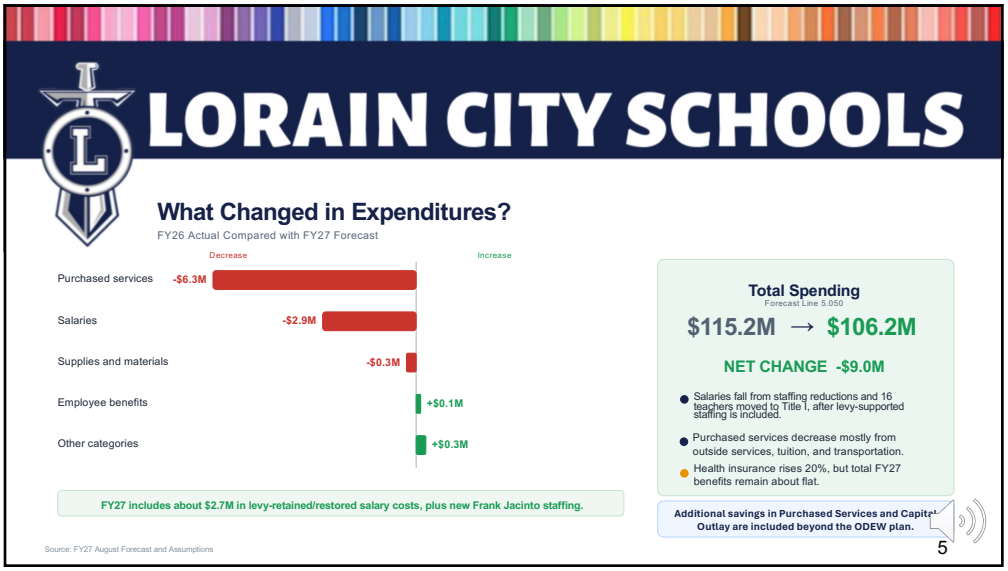
LORAIN CITY SCHOOLS
What Changed in Expenditures?
FY26 Actual Compared with FY27 Forecast
Decrease
Increase
Purchased services
-$6.3M
Salaries
-$2.9M
Supplies and materials
-$0.3M
Employee benefits
+$0.1M
Other categories
+$0.3M
FY27 includes about $2.7M in levy-retained/restored salary costs, plus new Frank Jacinto staffing.
Source: FY27 August Forecast and Assumptions
Total Spending
Forecast Line 5.050
$115.2M → $106.2M
NET CHANGE -$9.0M
Salaries fall from staffing reductions and 16 teachers moved to Title I, after levy-supported staffing is included.
Purchased services decrease mostly from outside services, tuition, and transportation.
Health insurance rises 20%, but total FY27 benefits remain about flat.
Additional savings in Purchased Services and Capital Outlay are included beyond the ODEW plan.
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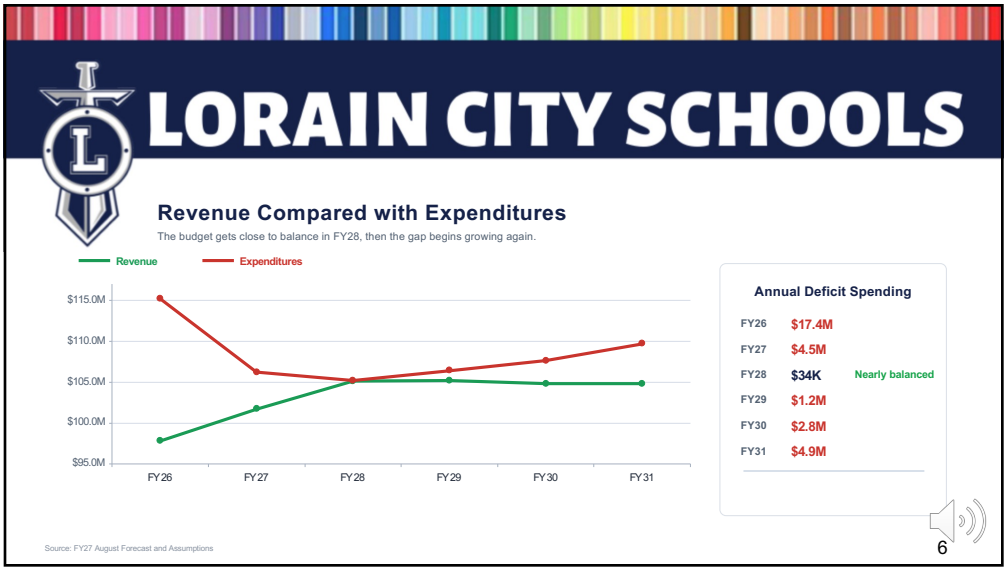
LORAIN CITY SCHOOLS
Revenue Compared with Expenditures
The budget gets close to balance in FY28, then the gap begins growing again.
Revenue
Expenditures
$115.0M
$110.0M
$105.0M
$100.0M
$95.0M
FY26
FY27
FY28
FY29
FY30
FY31
Annual Deficit Spending
FY26 $17.4M
FY27 $4.5M
FY28 $34K Nearly balanced
FY29 $1.2M
FY30 $2.8M
FY31 $4.9M
Source: FY27 August Forecast and Assumptions
6

6


LORAIN CITY SCHOOLS
Planning Ahead
The forecast has improved, but future projections will change as new information becomes available.
1
Next Forecast
Due to the State in February
Compare actual results to the forecast throughout the year
2
Revenue Watch
Track State funding and property tax changes
Next State budget expected by June 2027
3
Cost Drivers
Manage staffing, salaries, and health insurance
4
Programs & Purchased Services
Review quality, effectiveness, and costs
Bring work in house when it makes financial and operational sense
Major progress has been made, but continued planning and decisions will be needed to keep the General Fund stable in the years ahead.
Source: FY27 August Forecast and Assumptions
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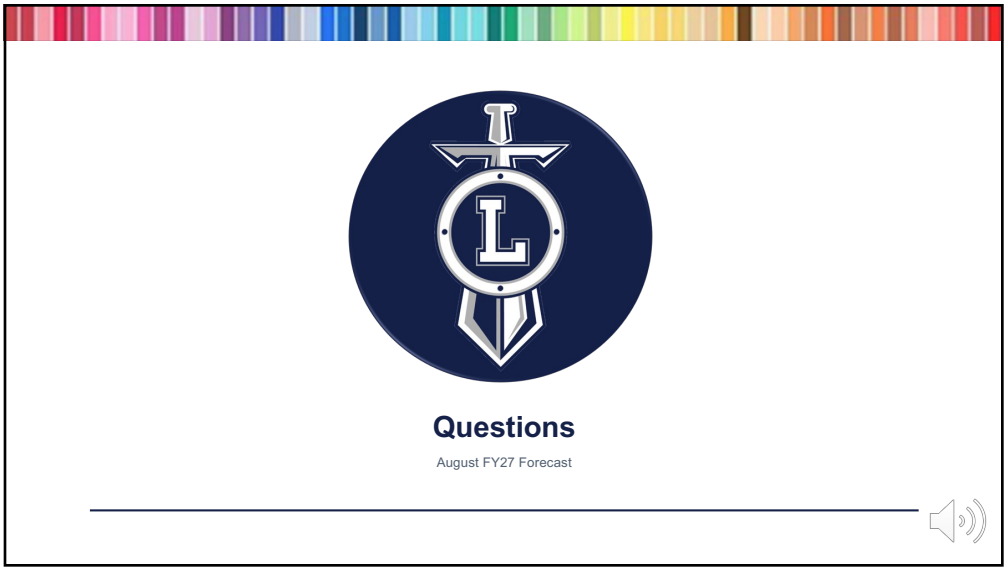

Questions
August FY27 Forecast

8

Table of Contents

Forecast Summary 3

Forecast Analysis 4

Revenue Overview 5
- 1.010 - General Property Tax (Real Estate) 6
- 1.020 - Public Utility Personal Property 7
- 1.030 - Income Tax 8
- 1.035 - Unrestricted Grants-in-Aid 9
- 1.040 & 1.045 - Restricted Grants-in-Aid 10
- 1.050 - State Reimb Prop Tax Credits 11
- 1.060 - All Other Operating Revenues 12
- 2.070 - Total Other Financing Sources 13

Expenditures Overview 14
- 3.010 - Personnel Services 15
- 3.020 - Employee Benefits 16
- 3.030 - Purchased Services 17
- 3.040 - Supplies and Materials 18
- 3.050 - Capital Outlay 19
- 3.060 - 4.060 - Intergovernmental & Debt 20
- 4.300 - Other Objects 21
- 5.040 - Total Other Financing Uses 22

Five Year Forecast 23

Appendix
- Financial Health Indicators 24
- Current to Prior Forecast Compare 25

Forecast Purpose/Objectives

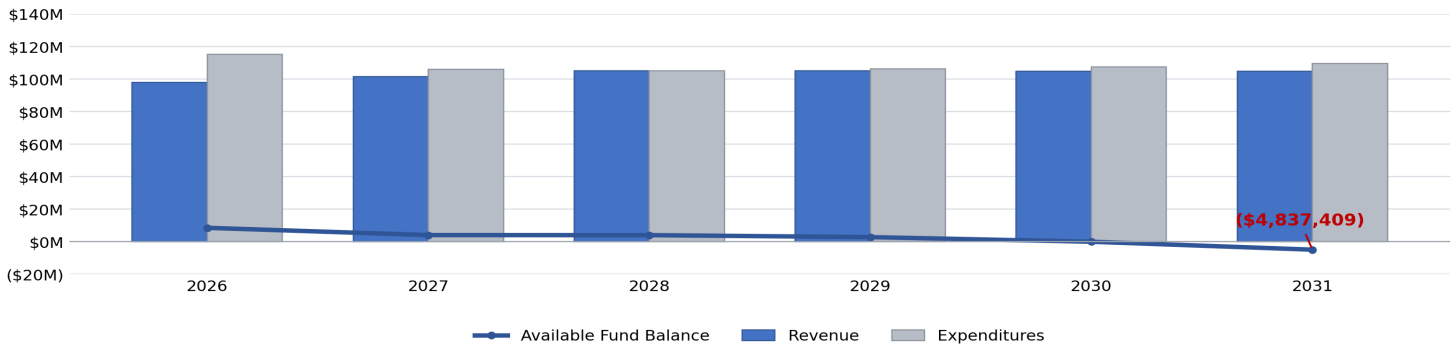
Ohio Department of Education and Workforce's purposes/objectives for the financial forecast are:

1. To engage the local board of education and the community in the 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 Department of Education and Auditor of State to identify school districts with potential financial problems.

Forecast Methodology

This forecast is prepared based upon historical trends and current factors. This information is then extrapolated into estimates for subsequent years. The forecast variables can change multiple times throughout the fiscal year, and while cash flow monitoring helps to identify unexpected variances, no process is guaranteed. The intent is to provide the district's financial trend over time and a roadmap for

Forecast Summary



Financial Forecast Summary

	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031
Total Revenue & Other Financing Sources (2.080)	$101,683,034	$105,131,658	$105,177,678	$104,785,875	$104,838,178
Total Expenditures & Other Financing Uses (5.050)	($106,158,137)	($105,165,408)	($106,387,007)	($107,616,411)	($109,715,221)
Revenue Surplus or (Deficit) (6.010)	($4,475,103)	($33,750)	($1,209,329)	($2,830,536)	($4,877,043)
Estimated Encumbrances (8.010)	($1,500,000)	($1,500,000)	($1,500,000)	($1,500,000)	($1,500,000)
Available Fund Balance (12.010)	$4,113,248	$4,079,498	$2,870,170	$39,633	($4,837,409)

Available Fund Balance reflects Line 12.010 after estimated encumbrances.

Financial Summary Notes

The forecast reflects significant improvement from passage of the May 2026 levy, the District's cost reduction plan, and other expenditure savings. Revenue increases to approximately $105 million annually, while expenditures decrease significantly in FY2027.

FY2028 is nearly balanced; however, expenditures begin growing faster than revenue in later years. Annual deficits increase from approximately $1.2 million in FY2029 to $4.9 million in FY2031.

After estimated encumbrances (money that is already committed but has not yet been paid), the District's available fund balance declines to approximately $40,000 in FY2030 and a projected $4.8 million deficit in FY2031. Additional long term changes will be needed to maintain financial stability.

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Revenue Compared to Expenditures

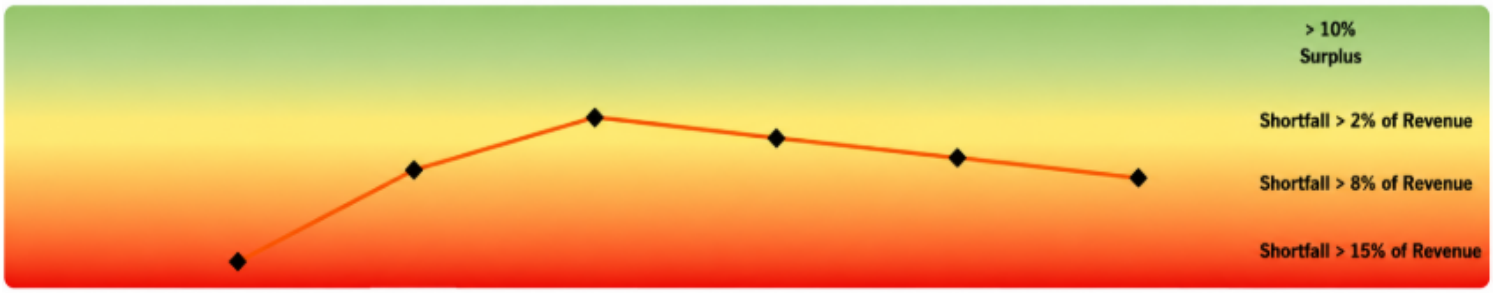


Revenue increases from $97.8 million in FY2026 to about $104.8 million by FY2031.

FY2028 is nearly balanced, but spending begins to grow faster than revenue after that.

By FY2031, expenditures are projected to exceed revenue by about $4.9 million.

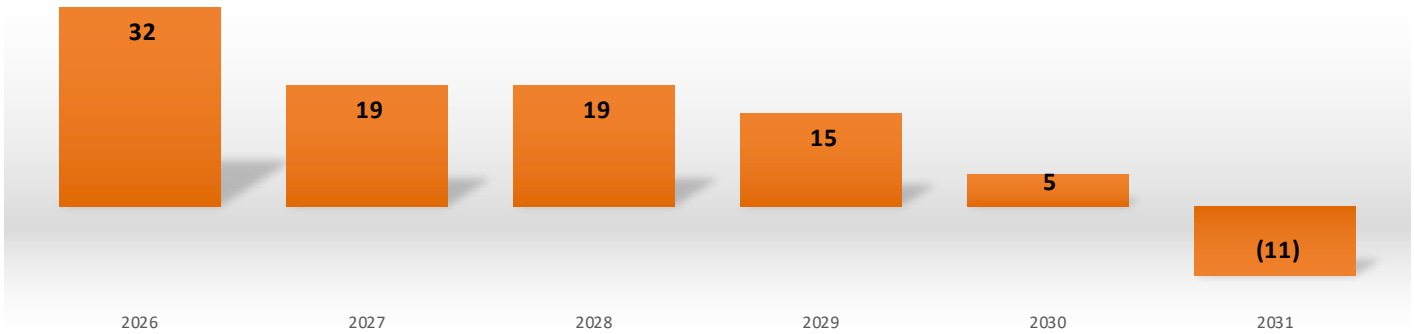
Revenue Surplus/(Shortfall) as a Percentage of Revenue



Revenue Surplus / (Shortfall)	2026	2027	2028	2029	2030	2031
	-17.8%	-4.4%	0.0%	-1.1%	-2.7%	-4.7%

- The shortfall improves from 17.8% in FY2026 to nearly balanced in FY2028.
- After FY2028, spending again grows faster than revenue, increasing the shortfall each year.
- By FY2031, the shortfall is projected at about 4.7% of revenue, or about $4.9 million.

Days Cash on Hand at Fiscal Year-end



*based on 365 days

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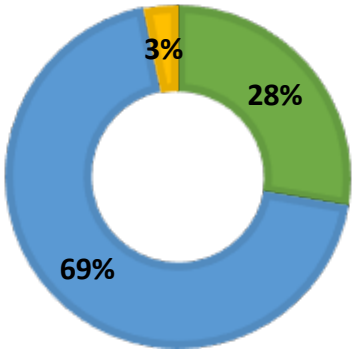
Revenue Overview

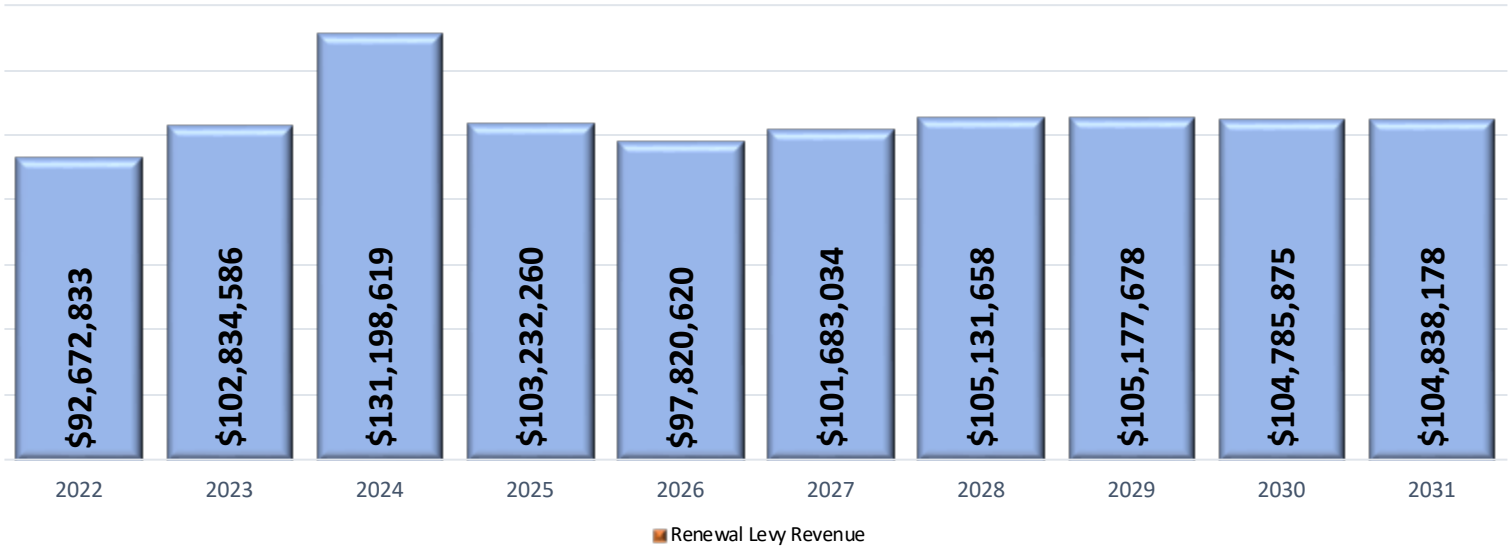
Lorain City School District

Revenue Sources



Local Taxes	
Real Estate Tax	24.93%
Public Utility Tax	2.76%
Income Tax	0.00%
State Sources	
State Funding	56.30%
Restricted Aid	9.41%
State Reimb Prop Tax Credits	3.36%
All Other Revenue	
Other Revenue	3.00%
Other Sources	0.25%

Annual Revenue Actual + Projected



Historic Revenue Change versus Projected Revenue Change

	Historical Average Annual $$ Change	Projected Average Annual $$ Change	Projected Compared to Historical Variance
Real Estate	$309,390	$2,356,871	$2,047,481
Public Utility	$176,458	$69,036	($107,422)
Income Tax	$0	$0	$0
State Funding	($4,889,769)	($566,771)	$4,322,998
State Reimb Prop Tax Credits	$4,903	($160,478)	($165,381)
All Othr Op Rev	$460,467	($152,508)	($612,975)
Other Sources	($182,914)	($142,639)	$40,275
Total Average Annual Change	($4,121,465)	$1,403,512	$5,524,977
	-1.95%	1.41%	3.36%

General Fund revenue is projected to increase from approximately $97.8 million in FY2026 to $105.1 million in FY2028, then remain near $105 million annually through FY2031. The primary driver is additional real estate property tax revenue from the new levy approved in May 2026. Approximately 69% of General Fund revenue comes from State sources, 28% from local taxes, and 3% from other sources, making the District highly dependent on State funding.

Overall, revenue is projected to grow by an average of approximately $1.4 million, or 1.41%, annually. Real estate taxes provide the largest increase, while State funding and several smaller revenue sources are projected to decline. The unusually high FY2024 revenue included one time ESSER funding that has ended.

For Comparison:

Expenditure average annual change is projected to be > ($1,095,260)

On an annual average basis, expenditures are projected to contract while revenue grows

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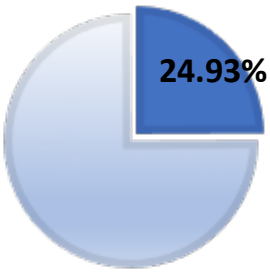
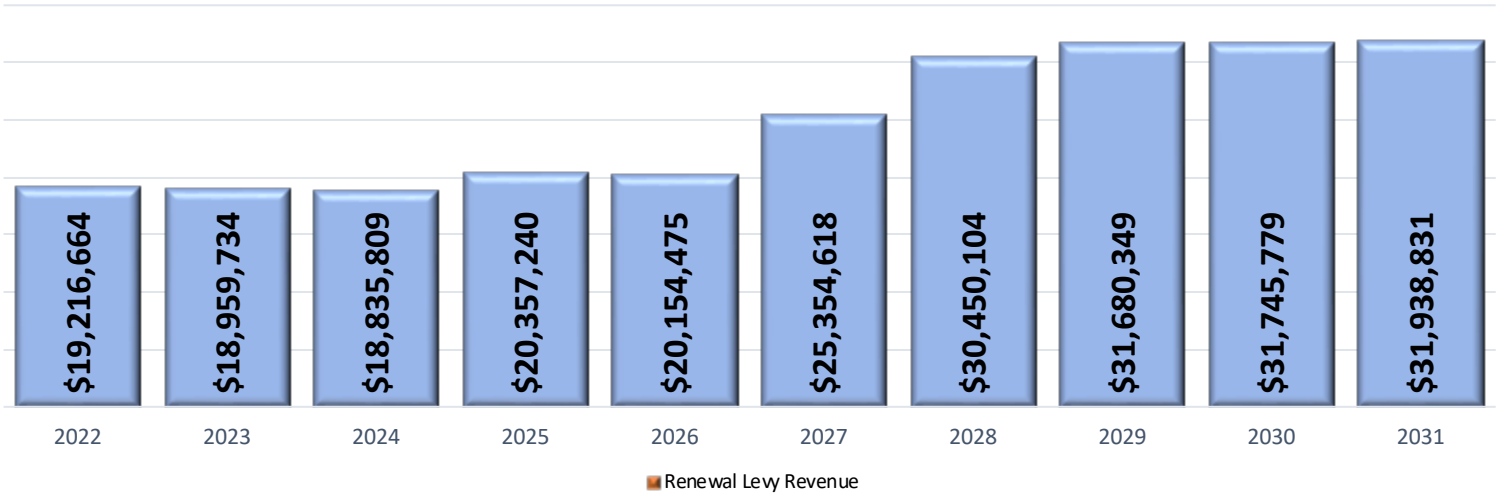
1.010 - General Property Tax (Real Estate)

Revenue collected from taxes levied by a school district by the assessed valuation of real property using effective tax rates for class I (residential/agricultural) and class II (business).



Real estate property tax revenue accounts for 24.93% of total district general fund revenue.



Key Assumptions & Notes

Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class 2 Rate	Change	
2025	924,230,192	(4,997,508)	23.57	-	38.26	-	99.6%
2026	926,430,192	2,200,000	34.54	10.97	49.30	11.05	99.6%
2027	1,064,430,192	138,000,000	30.14	(4.41)	44.81	(4.50)	99.6%
2028	1,066,630,192	2,200,000	30.12	(0.02)	44.86	0.06	99.6%
2029	1,068,830,192	2,200,000	30.10	(0.02)	44.92	0.06	99.6%
2030	1,167,830,192	99,000,000	27.83	(2.27)	41.28	(3.65)	99.6%

General Property Tax revenue remains near $20 million through FY2026, then increases significantly in FY2027 and FY2028 due to the new levy approved in May 2026. FY2027 reflects about half a year of new levy collections and FY2028 reflects a full year. Once fully collected, the levy is expected to generate approximately $10.6 million annually. Class I residential and agricultural property accounts for approximately 71.24% of real estate tax revenue, with the remainder primarily from commercial and business property, or Class II. The forecast assumes a 99.6% collection rate.

Future revenue is also affected by changes in property values and tax rates, including Lorain County's 2027 triennial update and 2030 full reappraisal.

In the prior tax year(2025), the County's Commissioners extended an additional homestead exemption and 2.5% owner occupied credit, which reduced District revenue by approximately $909,000,compared with the $1.02 million originally estimated. The County Commissioners voted to not extend the additional homestead exemption or the owner occupied credit in tax year 2026. The forecast assumes the homestead credit being extended in tax year 2027 and after, which reduces property tax revenue by approximately $1,000,000 annually.

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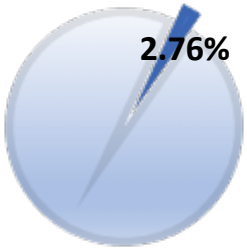
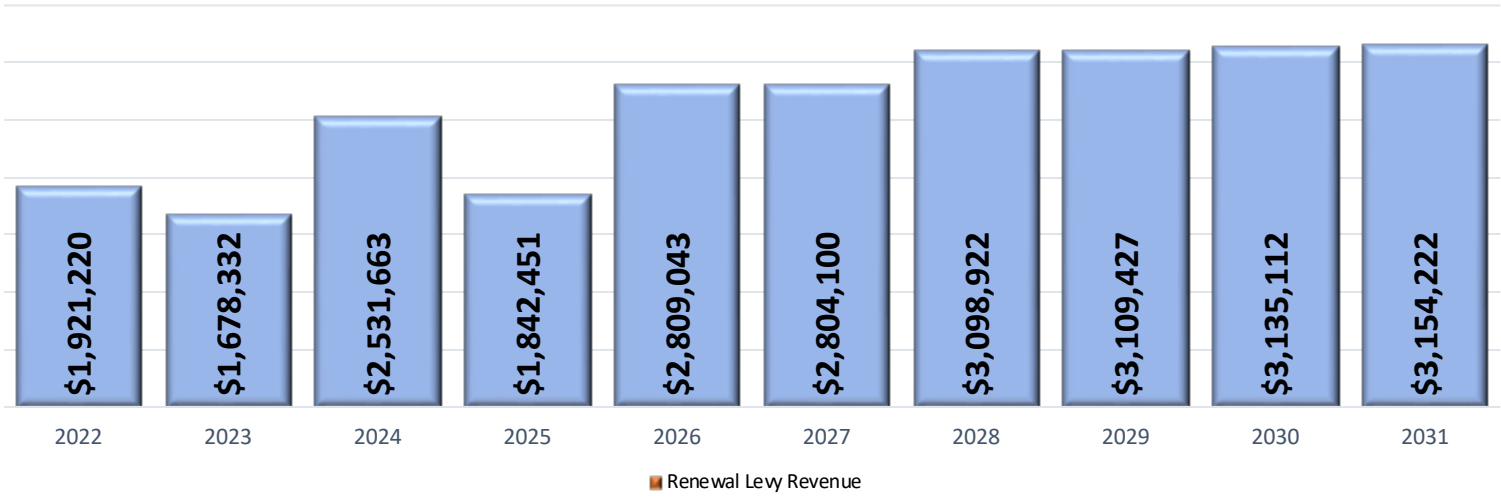
1.020 - Public Utility Personal Property

Revenue generated from public utility personal property valuations multiplied by the district's full voted tax rate.



Public Utility Personal Property tax revenue accounts for 2.76% of total district general fund revenue.



Key Assumptions & Notes

Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2025	42,775,030	2,179,730	59.05	0.42	100.0%
2026	44,275,030	1,500,000	70.04	10.99	100.0%
2027	44,650,030	375,000	69.36	(0.67)	100.0%
2028	45,025,030	375,000	69.36	(0.01)	100.0%
2029	45,400,030	375,000	69.35	(0.01)	100.0%
2030	45,775,030	375,000	69.05	(0.30)	100.0%

Public utility personal property includes taxable property owned by utility companies and located within the District. For example, an electric company may own utility poles, power lines, transformers, substations, and other taxable equipment. The public utility personal property tax revenue is generated from the personal property values, additions, and depreciation reported by the utility companies. Based on those reported values, the property is assessed and the District receives property tax revenue using the applicable voted tax rate.

Public Utility Personal Property tax revenue is generated from taxable utility property located within the District. Revenue is projected to increase as the new levy approved in May 2026 is reflected in the District's full voted tax rate. The full voted rate increases from approximately 59.05 mills to 70.04 mills in Tax Year 2026. Public utility valuation is projected to increase from approximately $42.8 million in Tax Year 2025 to $45.8 million by Tax Year 2030, with modest annual growth assumed after 2026. The forecast assumes a 100% collection rate.

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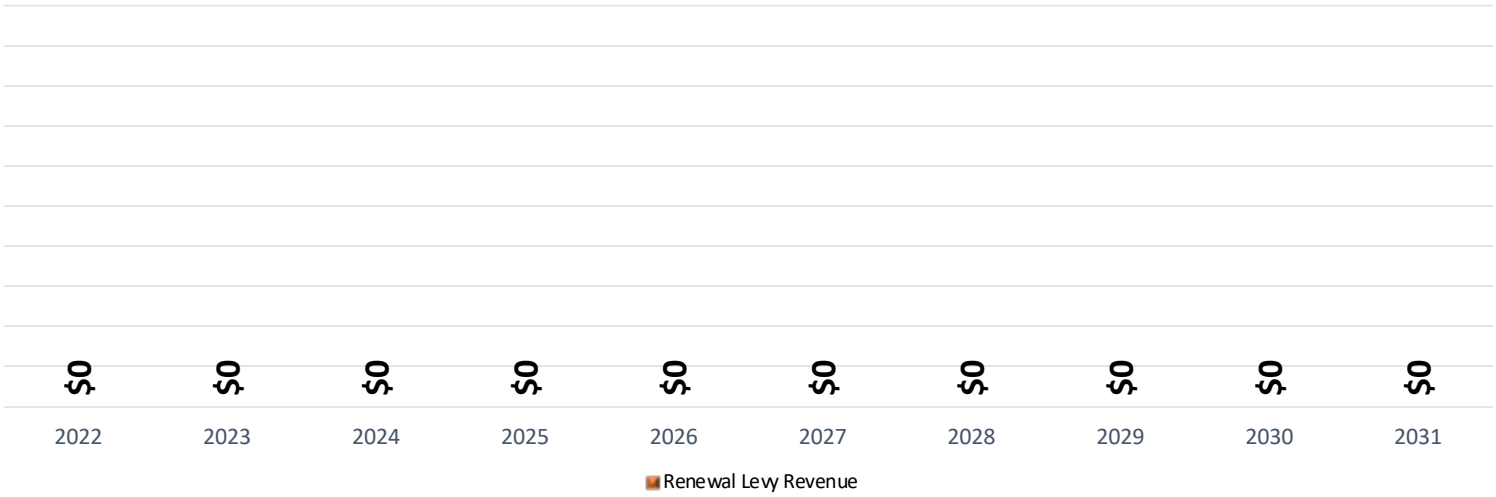
1.030 - School District Income Tax

Revenue collected from income tax earmarked specifically to support schools with a voter approved tax by residents of the school district; separate from federal, state and municipal income taxes.



The district does not have a School District Income Tax levy.



Key Assumptions & Notes

The district does not have an income tax levy.

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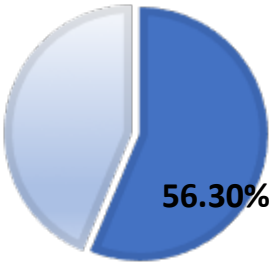
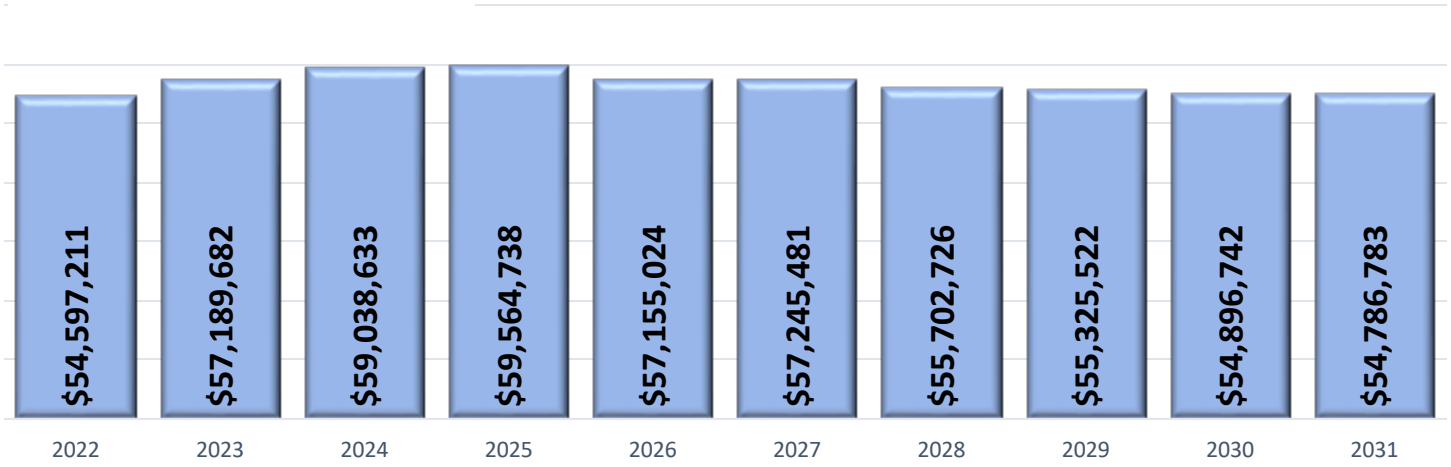
1.035 - Unrestricted Grants-in-Aid

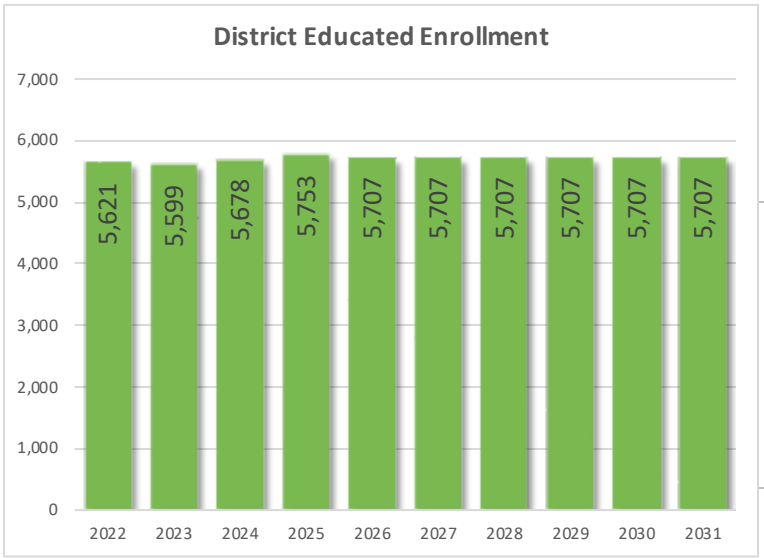
Funds received through the State Foundation Program with no restriction.



Unrestricted State Aid revenue accounts for 56.30% of total district general fund revenue.



Key Assumptions & Notes



Unrestricted State Aid is the District's largest General Fund revenue source, accounting for approximately 56.3% of total General Fund revenue. The current state biennium budget, signed into law on June 30, 2025, eliminated Supplemental Targeted Assistance, resulting in a loss of more than $3.5 million annually. Increases in other parts of the funding formula partially offset this loss.

Under the Fair School Funding Plan, funding follows students based on where they are educated rather than where they live. As part of this change, during 2022, tuition transfer payments between school districts were eliminated, reducing a related forecast expense. The enrollment shown in the forecast represents the District's K-12 full-time equivalent, or FTE, enrollment used by the State for funding and does not include preschool students. K-12 FTE enrollment is projected to remain stable at approximately 5,700 students. For FY2027, the District's base cost is approximately $46.8 million, with the State funding about $32.6 million, or $5,718 per pupil.

State aid is projected at approximately $57.2 million in FY2026 and FY2027. Amounts beyond FY2027 are estimates based on current law and may change with future state budgets.

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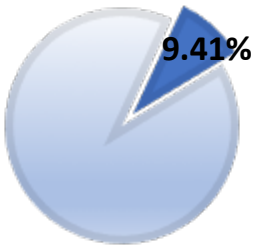
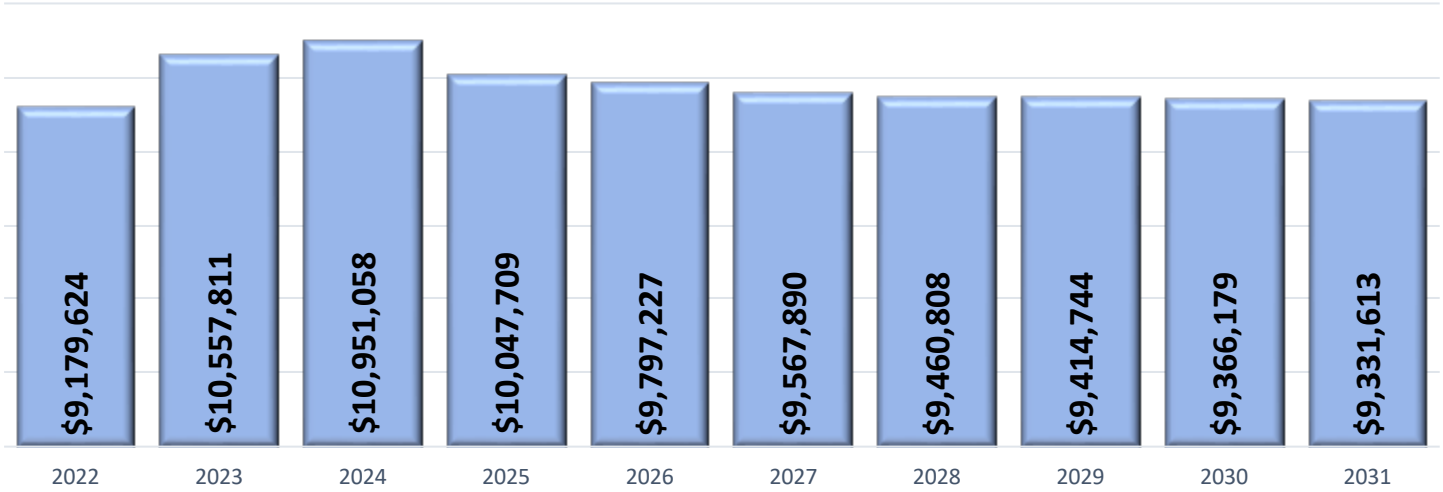
1.040 & 1.045 - Restricted Grants-in-Aid

Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



Restricted State Aid revenue accounts for 9.41% of total district general fund revenue.



Key Assumptions & Notes

Restricted State Aid is funding received through the State's school funding formula that must be used for specific purposes. It accounts for approximately 9.41% of total General Fund revenue. Examples include funding for student wellness and mental health services, special education, English learner services, and programs for economically disadvantaged students.

Beginning in FY2022, Success and Wellness funding became restricted, with the State's share currently totaling approximately $1.54 million. Because this funding is restricted, related expenditures must be used for allowable purposes. If restricted funding decreases, some costs may need to shift to the General Fund if the District continues those programs or services.

Restricted State Aid is projected to gradually decrease from approximately $9.8 million in FY2026 to $9.3 million in FY2031 based on the current state funding formula.

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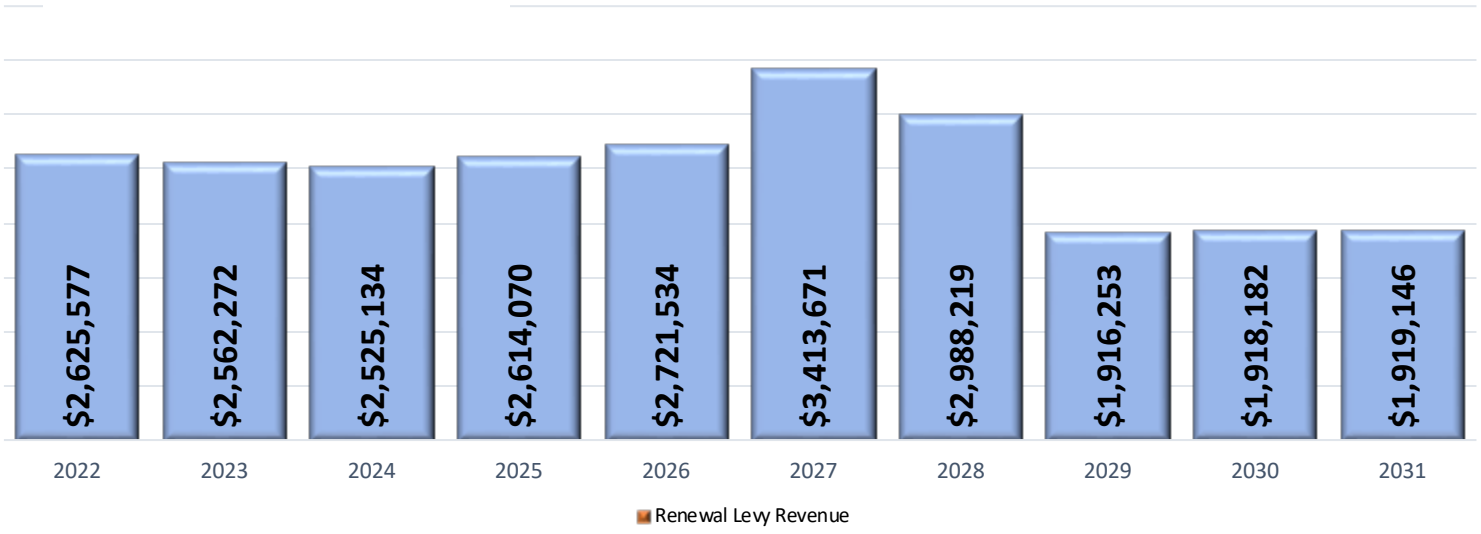
1.050 - State Reimbursement Property Tax Credits

Includes funds received for Tangible Personal Property Tax Reimbursement, Electric Deregulation, Homestead and Rollback.



State Reimbursement of Property Tax Credit revenue accounts for 3.36% of total district general fund revenue.



Key Assumptions & Notes

State Reimbursement of Property Tax Credits is money the State provides to replace certain property tax reductions received by homeowners. These include the 10% rollback credit, the 2.5% owner occupancy credit, and the homestead exemption for qualifying seniors, individuals with disabilities, and veterans. For FY2027, approximately 7.9% of residential property taxes are projected to be reimbursed through rollback credits and approximately 3.8% through homestead credits.

House Bill 479 affects this revenue in two ways. First, it provides an additional one-time homestead credit for Tax Year 2026, funded by $350 million from the State. This temporarily increases the District's State reimbursement revenue in FY2027 and FY2028. Because the additional credit is one time, that portion of the reimbursement ends in later years unless State law changes.

HB 479 also permanently changes the calculation of the regular homestead exemption, resulting in additional ongoing State reimbursements. Statewide, this change is estimated to increase homestead reimbursements by approximately $44 million annually. The regular owner occupancy credit continues and is not affected by this change.

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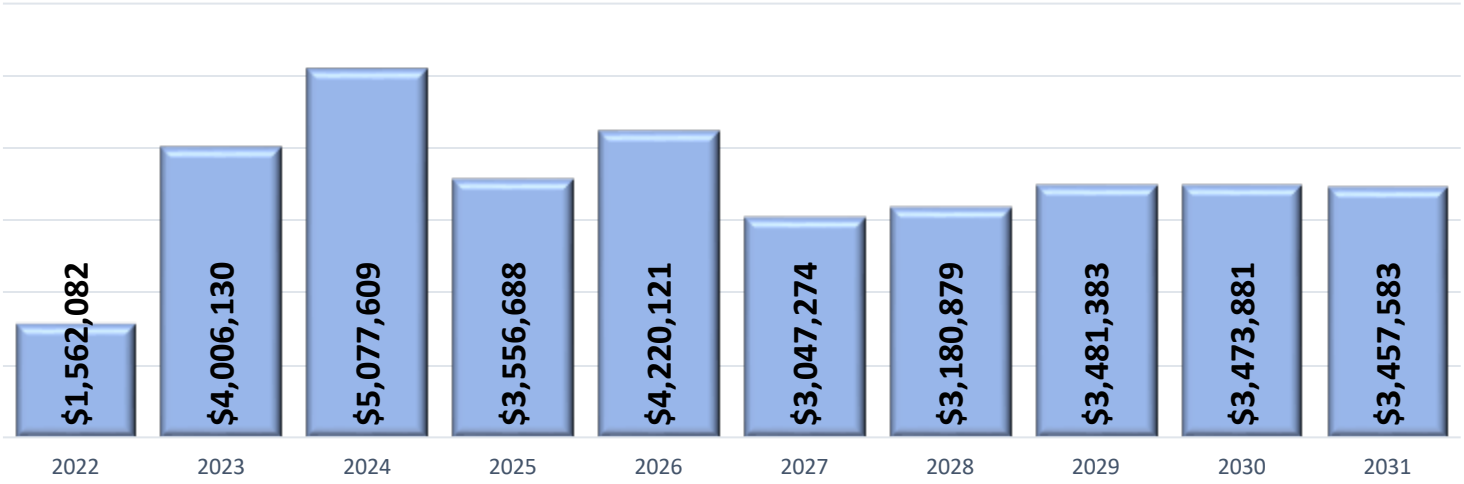
1.060 - All Other Operating Revenues

Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.



All Other Revenue accounts for 3.00% of total district general fund revenue.



Key Assumptions & Notes

All Other Operating Revenue includes smaller General Fund revenue sources such as tuition, investment earnings, fees, miscellaneous local revenue, and other payments not included elsewhere in the forecast. These revenues account for approximately 3.0% of total General Fund revenue.

Revenue decreases from approximately $4.2 million in FY2026 to $3.0 million in FY2027, primarily because unrestricted federal revenue decreases from approximately $2.4 million to $790,000. Most of this change is related to Medicaid reimbursement. FY2026 included approximately $2.3 million in Medicaid revenue because a reimbursement that should have been received in FY2025 was delayed until FY2026. This higher amount is not expected to continue. JROTC reimbursement is also included in this category and has historically remained relatively stable at approximately $37,000 to $71,000 annually.

Tuition revenue is projected to increase from approximately $500,000 in FY2026 to $1.9 million by FY2031. Most of this increase is related to the opening of the Frank Jacinto Center for Autism & Exceptional Learning, which allows the District to serve students from other school districts and charge tuition for those services.

The District also entered into a Board approved transportation management agreement with Sheffield-Sheffield Lake Schools. The agreement is expected to generate $120,000 annually in management fees, plus additional revenue for services provided as needed.

Investment earnings are projected to decrease from approximately $1.1 million in FY2026 to $200,000 by FY2031. Overall, this revenue category is projected to remain relatively stable between approximately $3.2 million and $3.5 million annually beginning in FY2028.

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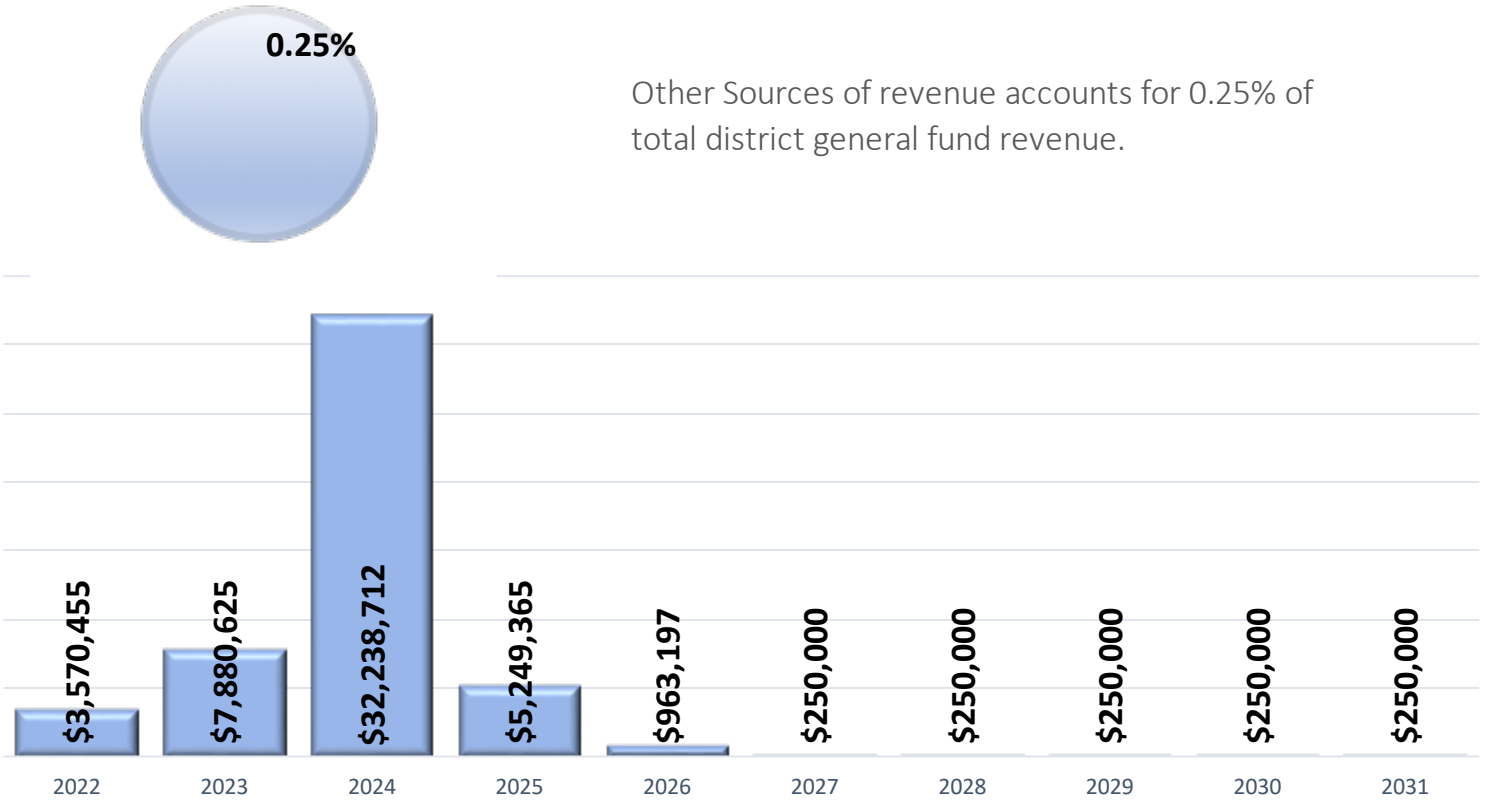
2.070 - Total Other Financing Sources

Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.



Key Assumptions & Notes

		FORECASTED				
	2026	2027	2028	2029	2030	2031
Transfers In	-	-	-	-	-	-
Advances In	542,245	250,000	250,000	250,000	250,000	250,000
All Other Financing Sources	420,952	-	-	-	-	-

Total Other Financing Sources includes non-operating revenue such as transfers into the General Fund, repayment of cash advances, and refunds or adjustments from prior years.
The unusually high amount in FY2024 was primarily related to one-time federal ESSER continuity of services funding transferred to the General Fund as pandemic relief programs were closed out. This funding has ended and is not expected to return.
Advances In are repayments of cash that the General Fund temporarily provides to other District funds, such as federal grant funds, while they wait for reimbursement. Advances Out in one year are generally repaid as Advances In in a later year. Updated accounting procedures, beginning in FY25, have reduced the need for these advances.
The forecast includes approximately $963,000 in FY2026, consisting of $542,000 in Advances In and $421,000 in other financing sources. Beginning in FY2027, the forecast assumes approximately $250,000 annually in Advances In and no other financing sources.

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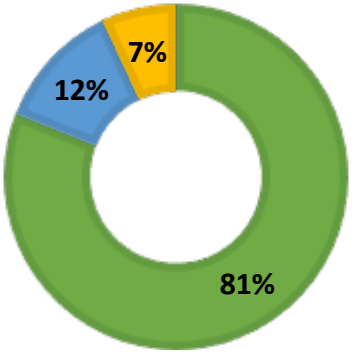
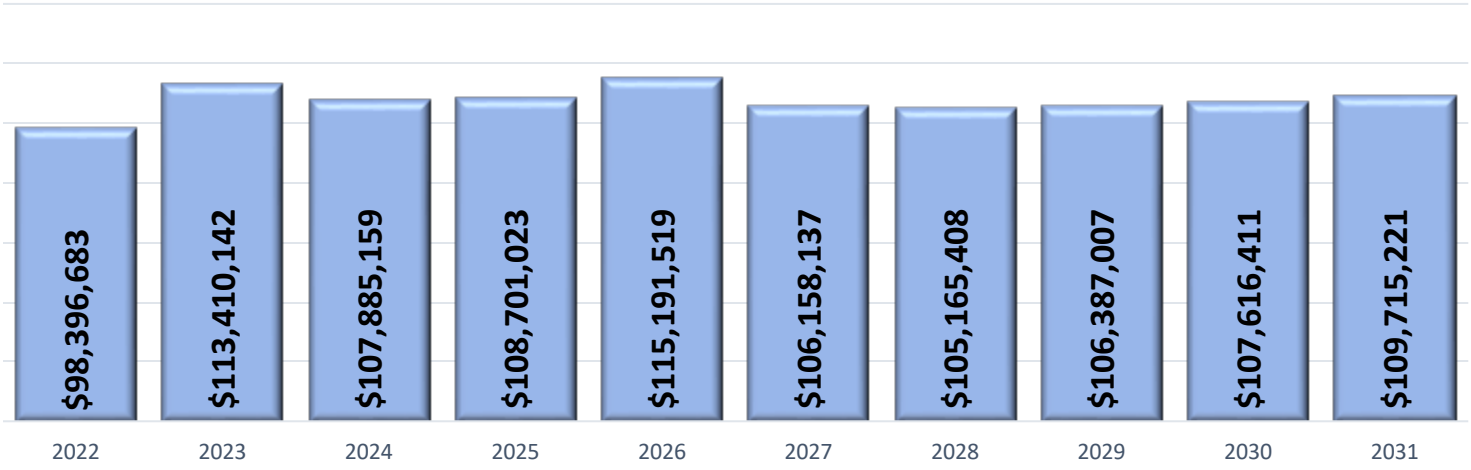
Expenditure Overview

Expenditure Categories



Personnel Costs	
Salaries	60.61%
Benefits	20.39%
Purchased Services	12.05%
All Other Expenditures	
Supplies, Capital, Debt, Other Obj	5.78%
Other Uses	1.16%

Annual Expenditures Actual + Projected



Historic Expenditures Change versus Projected Expenditures Change

	Historical Average Annual $$ Change	Projected Average Annual $$ Change	Projected Compared to Historical Variance
Salaries	$10,542,974	($57,869)	($10,600,843)
Benefits	$3,203,554	$589,428	($2,614,126)
Purchased Services	($4,776,290)	($1,545,386)	$3,230,904
Supplies & Materials	$243,848	($149,952)	($393,800)
Capital Outlay	$230,795	($16,406)	($247,200)
Intergov & Debt	$0	$0	($0)
Other Objects	$75,431	$23,514	($51,917)
Other Uses	($10,383,627)	$61,412	$10,445,038
Total Average Annual Change	($863,379)	($1,095,260)	($231,881)
	-0.11%	-0.90%	-0.79%

General Fund expenditures are projected to decrease from $115.2 million in FY2026 to $106.2 million in FY2027, mainly from staffing reductions and lower Purchased Services costs. Spending then remains relatively stable, reaching $109.7 million by FY2031.

Salaries and benefits make up about 81% of General Fund spending. The forecast also reflects positions retained or restored after the May 2026 levy, new Frank Jacinto Center staffing, and higher General Fund preschool costs.

Purchased Services decline as more services are brought in house. Health insurance growth is a key cost driver.

For Comparison:		
Revenue average annual change is projected to be >	$1,403,512	On an annual average basis, revenues are projected to grow faster than expenditures.

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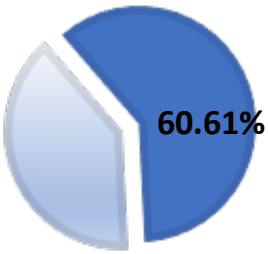
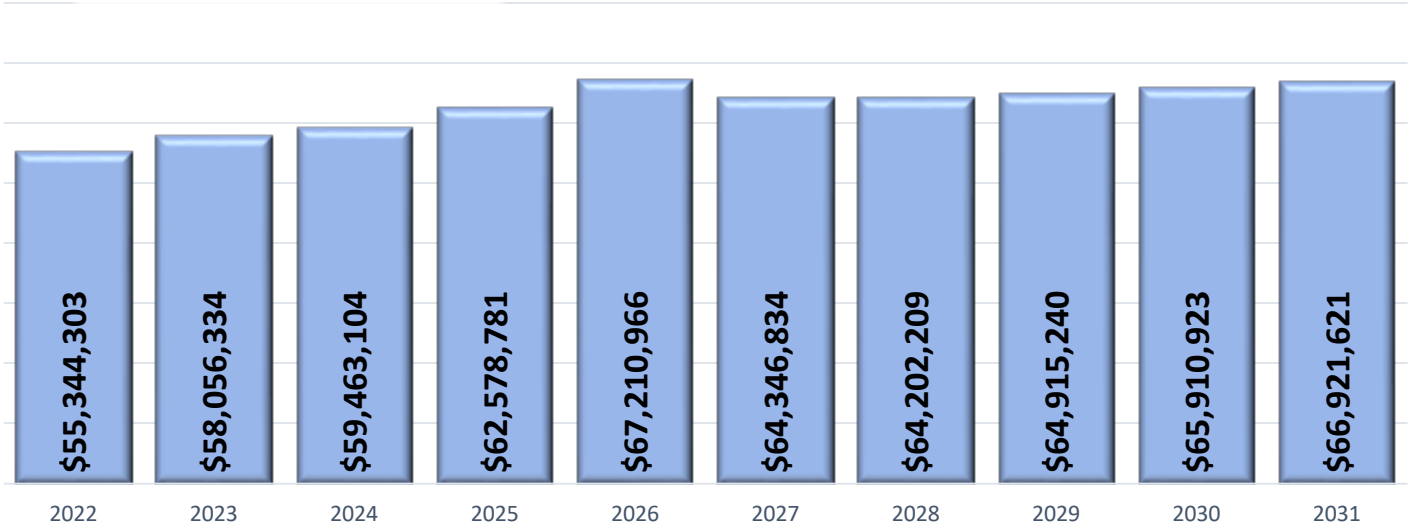
3.010 - Personnel Services

Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.



Salaries account for 60.61% of the district's total general fund spending.



Key Assumptions & Notes

Personnel Services includes salaries, wages, supplemental contracts, extended time, severance, substitute pay, and other compensation. Salaries represent approximately 60.61% of General Fund spending.

Salary costs are projected to decrease from $67.2 million in FY2026 to $64.3 million in FY2027, reflecting staffing reductions and the shift of 16 classroom teacher positions from the General Fund to Title I. FY2027 also includes applicable base and contractual salary increases.

Passage of the May 2026 levy allowed the District to retain or restore full day preschool staffing of 7 teachers and 16 paraprofessionals, 4 elementary counselors, 3 middle school dance teachers, 1 assistant principal, 7 kindergarten paraprofessionals, a Registrar/Executive Secretary, and approximately $585,000 in supplemental positions and activities. These retained or restored items represent approximately $2.7 million in salary costs.

The General Fund will also absorb approximately $200,000 in lost Early Childhood Education grant funding. New staffing for the Frank Jacinto Center for Autism & Exceptional Learning includes 8 teachers, 16 paraprofessionals, 1 Speech Language Pathologist, and 1 Health Professional, at an estimated cost of $1.2 million. The principal and secretary were already included in the February 2026 forecast.

The General Fund will also support a Transportation Trip Coordinator at approximately $58,000, plus benefits, to assist with transportation services provided to other districts, and the Titan Virtual Tech Principal at approximately $144,000 plus benefits.

Beginning in FY2029, the forecast assumes 0% base salary increases. Salary costs may still change due to step increases, staffing changes, supplemental pay, and other contractual obligations.

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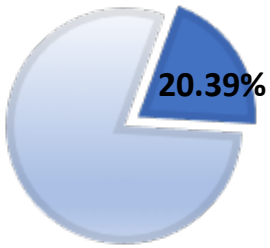
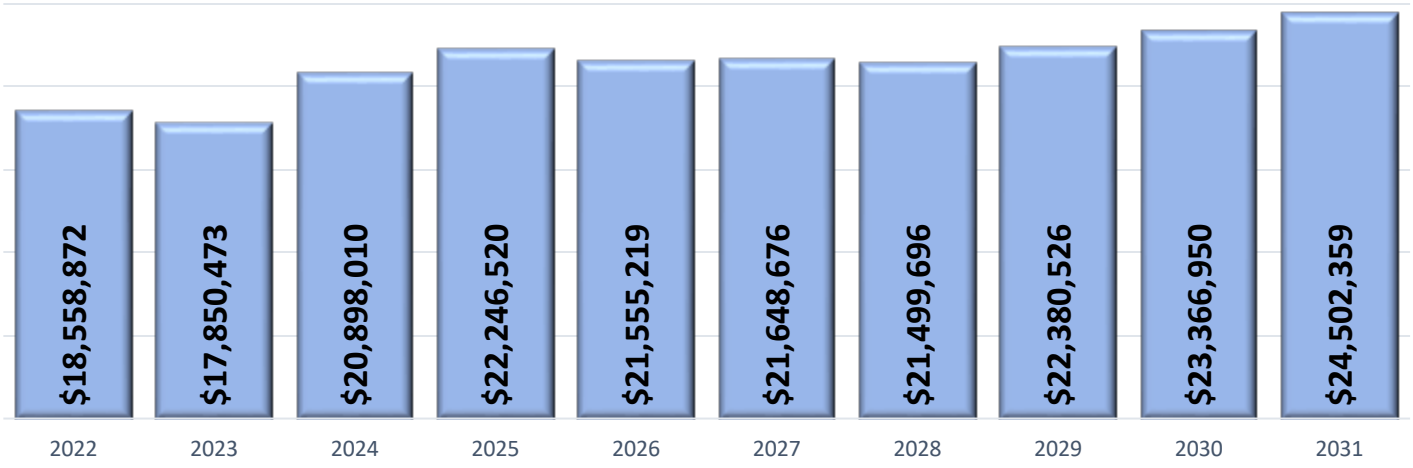
3.020 - Employees' Benefits

Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.



Benefits account for 20.39% of the district's total general fund spending.



Key Assumptions & Notes

Employee Benefits include retirement contributions, health insurance, Medicare, workers' compensation, unemployment, and other employee benefits. Benefits account for approximately 20.39% of total General Fund spending.

The forecast includes benefit costs for positions retained or restored following passage of the May 2026 levy, as well as new positions at the Frank Jacinto Center for Autism & Exceptional Learning, Titan Virtual Tech, and the Transportation Trip Coordinator. These amounts will be updated as final staffing costs are available, but the current estimates are almost $2M.

For FY2027, the District experienced an unanticipated 20% increase in health insurance costs due to high claims and inflation. This increase is partially offset by staffing reductions and the decision to discontinue coverage of GLP 1 medications used only for weight loss beginning January 1, 2027, with initial estimated savings of approximately $1.4 million annually. Medically necessary coverage, such as treatment for diabetes, will continue.

Beginning in FY2029, the forecast assumes an 8% annual increase in health insurance costs. Total benefit costs are projected to increase from approximately $21.6 million in FY2026 to $24.5 million by FY2031.

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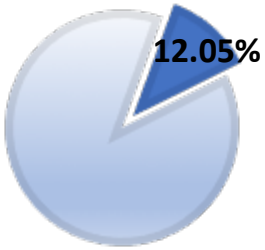
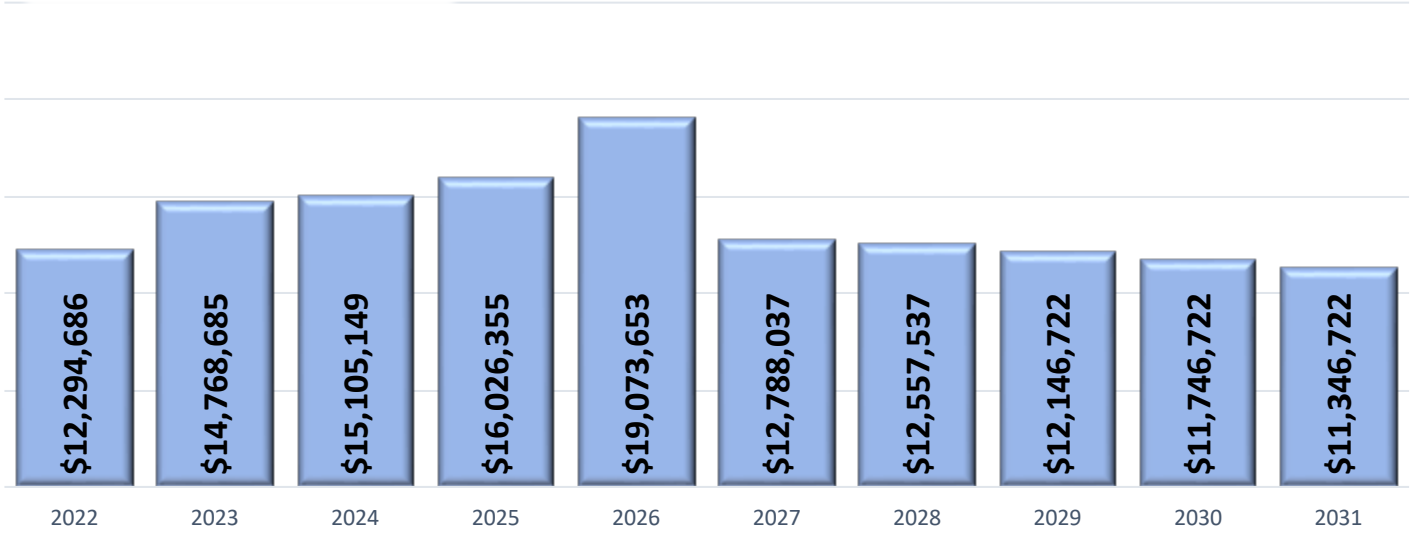
3.030 - Purchased Services

Amounts paid for services rendered by personnel who are not on the payroll of the school district, expenses for tuition paid to other districts, utility costs and other services which the school district may purchase.



Purchased Services account for 12.05% of the district's total general fund spending.



Key Assumptions & Notes

Purchased Services include costs paid to outside vendors and organizations for professional services, utilities, transportation, tuition for students educated outside the District, and other contracted services. These costs represent approximately 12.05% of total General Fund spending.

Purchased Services are projected to decrease from approximately $19.1 million in FY2026 to $12.8 million in FY2027. The decrease includes reductions in professional and technical services, other purchased services, tuition, and transportation.

Beginning in FY2027, the District will provide private and charter school transportation in-house, eliminating the Auxilio contract and saving approximately $620,000 annually. The opening of the Frank Jacinto Center for Autism & Exceptional Learning is also expected to reduce tuition and transportation costs by allowing more students to receive specialized services within the District rather than through outside placements.

Purchased Services are projected to continue gradually decreasing to approximately $11.3 million by FY2031.

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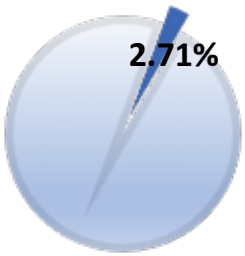
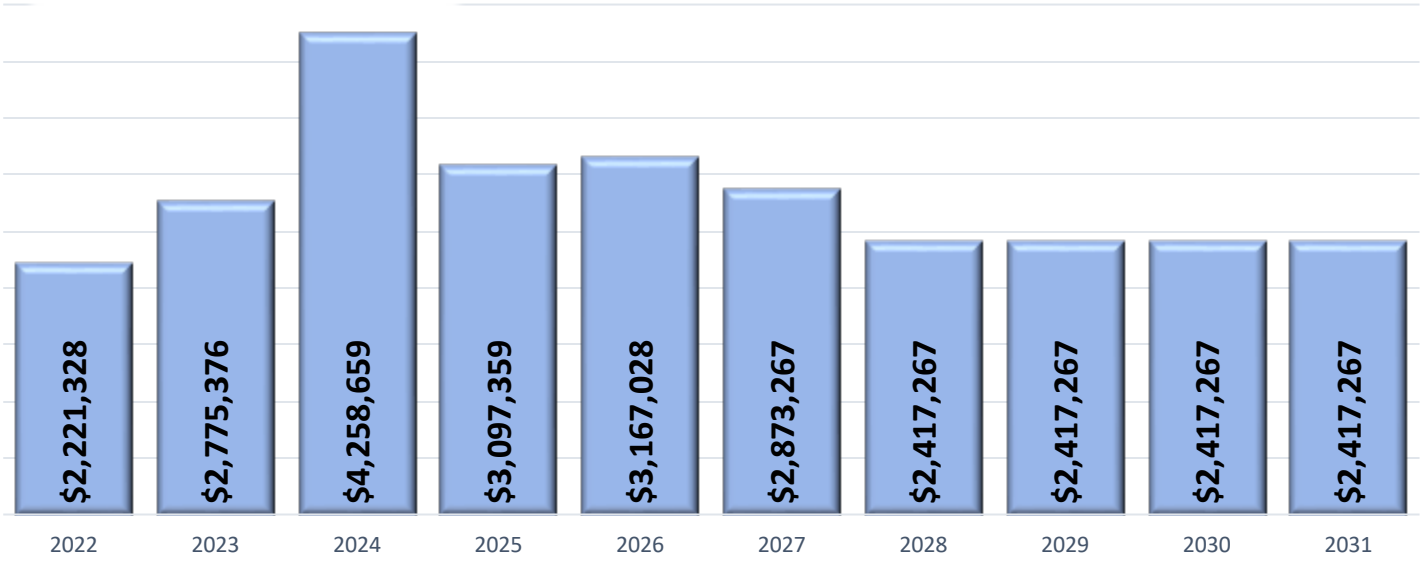
3.040 - Supplies & Materials

Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



Supplies and Materials account for 2.71% of the district's total general fund spending.



Key Assumptions & Notes

Supplies and Materials include general classroom and office supplies, textbooks and electronic instructional materials, maintenance supplies, vehicle supplies, fuel, tires, and other materials. These costs represent approximately 2.71% of total General Fund spending.

Spending is projected to decrease from approximately $3.2 million in FY2026 to $2.9 million in FY2027, primarily due to a reduction in spending for textbooks, supplies, and materials. Costs decrease further to approximately $2.4 million in FY2028 and are projected to remain at that level through FY2031.

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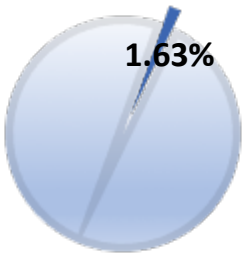
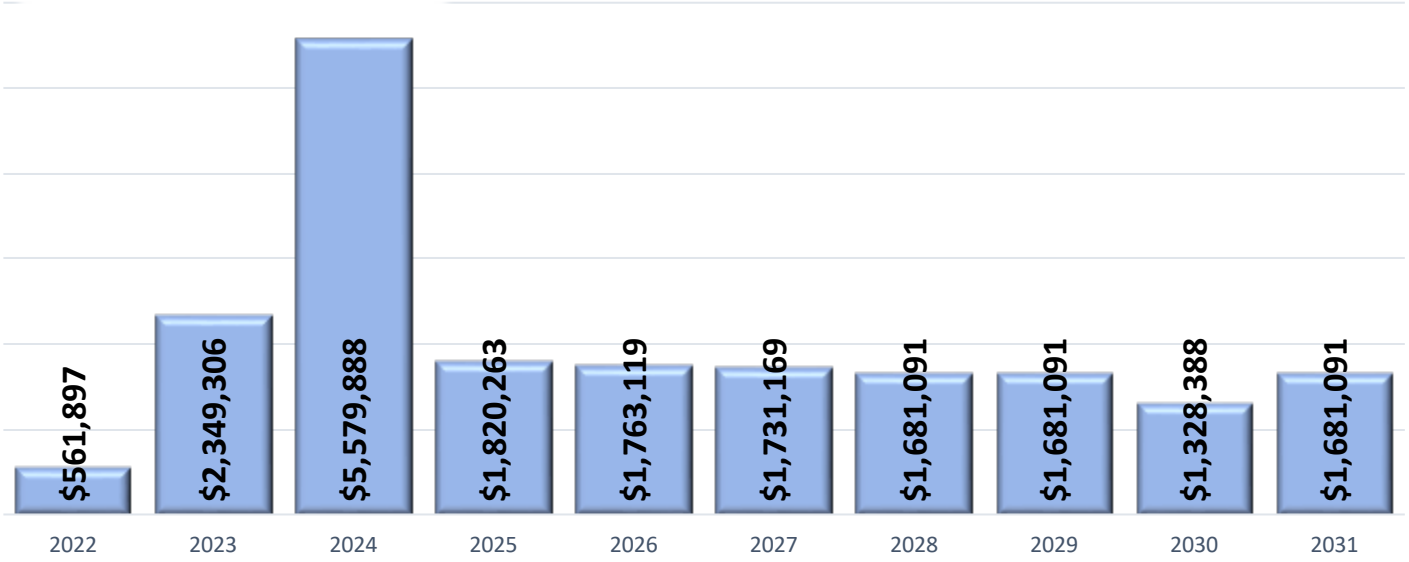
3.050 - Capital Outlay

This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



Capital Outlay account for 1.63% of the district's total general fund spending.



Key Assumptions & Notes

Capital Outlay includes larger purchases and improvements expected to last at least five years, such as buildings, equipment, technology, vehicles, buses, and facility improvements. These costs represent approximately 1.63% of total General Fund spending.

Capital spending can vary significantly from year to year based on the timing of major purchases and projects. The higher amounts in FY2023 and FY2024 included significant bus, building, and equipment purchases.

Beginning in FY2027, Capital Outlay is projected to remain relatively stable between approximately $1.3 million and $1.7 million annually, primarily for buildings, equipment, and scheduled bus purchases.

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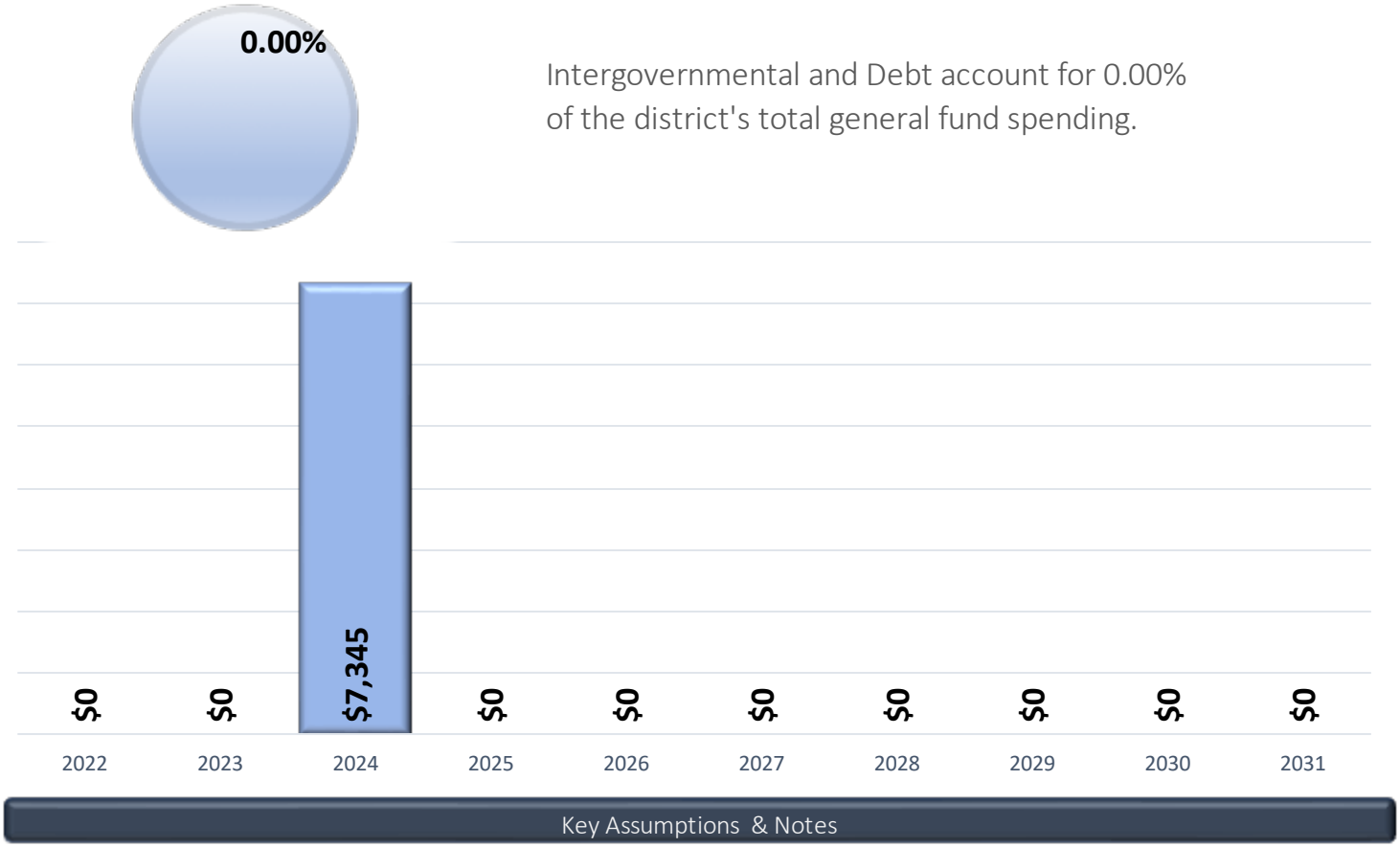
3.060-4.060 - Intergovernmental & Debt

These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.



Key Assumptions & Notes

Intergovernmental and Debt expenditures may include pass through payments to other governmental entities and principal or interest payments on General Fund debt. The District had only $7,345 of expense in this category in FY2024.

The forecast assumes no Intergovernmental or General Fund debt expenditures from FY2026 through FY2031. As a result, this category represents 0.00% of projected General Fund spending.

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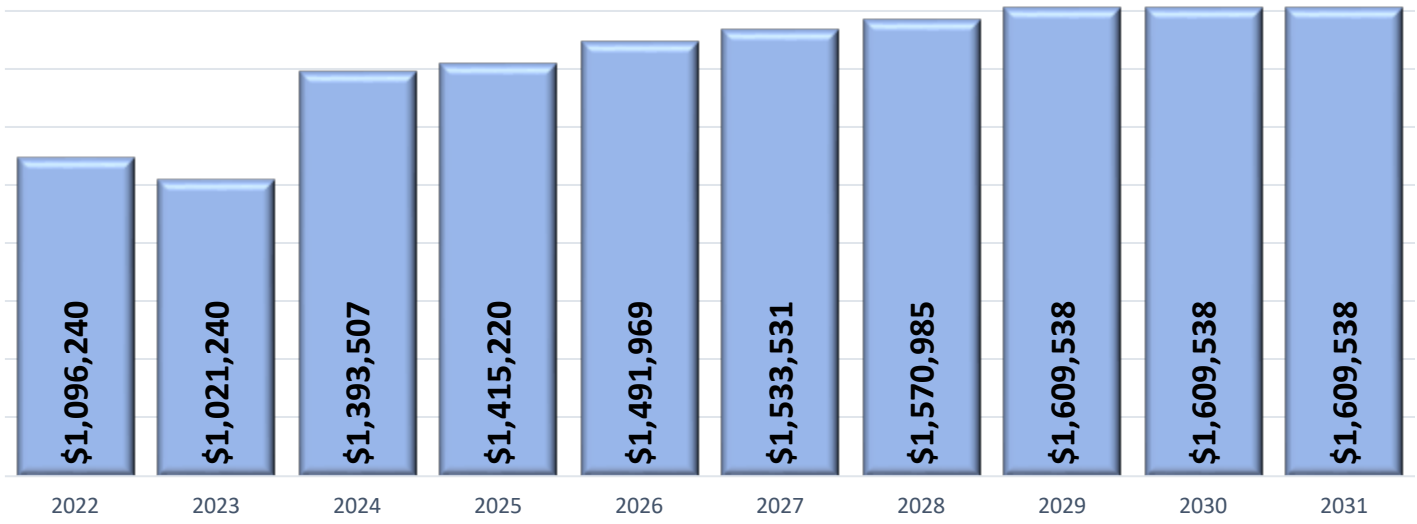
4.300 - Other Objects

Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



Other Objects account for 1.44% of the district's total general fund spending.



Key Assumptions & Notes

Other Objects include membership dues and fees, insurance, ESC deductions, County Auditor and Treasurer fees, audit expenses, election expenses, and other miscellaneous costs. These expenditures represent approximately 1.44% of total General Fund spending.

Costs are projected to increase gradually from approximately $1.49 million in FY2026 to $1.61 million in FY2029, primarily due to increases in dues and fees. Insurance costs are projected to remain relatively stable. Total spending is then projected to remain at approximately $1.61 million annually through FY2031.

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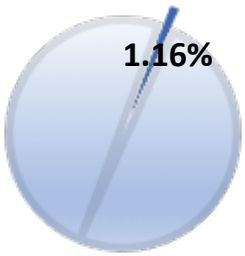
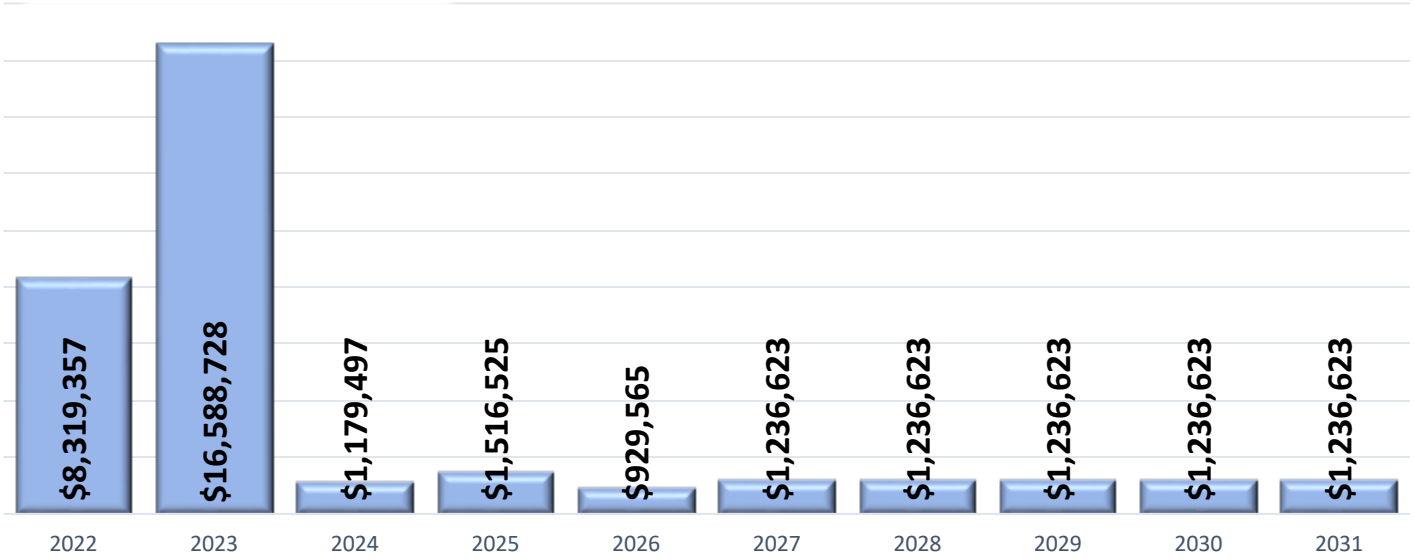
5.040 - Total Other Financing Uses

Operating transfers-out, advances out to other funds, and all other general fund financing uses.



Other Uses account for 1.16% of the district's total general fund spending.



Key Assumptions & Notes

		FORECASTED				
	2026	2027	2028	2029	2030	2031
Transfers Out	909,528	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Advances Out	20,037	236,623	236,623	236,623	236,623	236,623
Other Financing Uses	-	-	-	-	-	-

Total Other Financing Uses include transfers from the General Fund to other District funds and temporary cash advances to other funds. Transfers generally remain in the receiving fund, while advances are expected to be repaid to the General Fund. Advances are commonly used to provide temporary cash to federal grant funds while reimbursement is pending. Updated accounting procedures and guidance from the Ohio Auditor of State have significantly reduced the need for the large advances used in prior years. Beginning in FY2027, the forecast assumes $1.0 million annually in transfers and approximately $237,000 in temporary advances.

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Lorain City School District

Five Year Forecast

August Fiscal Year 2027

	Actual	FORECASTED				
Fiscal Year:	2026	2027	2028	2029	2030	2031
Revenue:						
1.010 - General Property Tax (Real Estate)	20,154,475	25,354,618	30,450,104	31,680,349	31,745,779	31,938,831
1.020 - Public Utility Personal Property	2,809,043	2,804,100	3,098,922	3,109,427	3,135,112	3,154,222
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	57,155,024	57,245,481	55,702,726	55,325,522	54,896,742	54,786,783
1.040 - Restricted Grants-in-Aid	9,797,227	9,567,890	9,460,808	9,414,744	9,366,179	9,331,613
1.050 - State Reimb Prop Tax Credits	2,721,534	3,413,671	2,988,219	1,916,253	1,918,182	1,919,146
1.060 - All Other Operating Revenues	4,220,121	3,047,274	3,180,879	3,481,383	3,473,881	3,457,583
1.070 - Total Revenue	96,857,423	101,433,034	104,881,658	104,927,678	104,535,875	104,588,178
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-
2.050 - Advances-In	542,245	250,000	250,000	250,000	250,000	250,000
2.060 - All Other Financing Sources	420,952	-	-	-	-	-
2.070 - Total Other Financing Sources	963,197	250,000	250,000	250,000	250,000	250,000
2.080 - Total Rev & Other Sources	97,820,620	101,683,034	105,131,658	105,177,678	104,785,875	104,838,178
Expenditures:						
3.010 - Personnel Services	67,210,966	64,346,834	64,202,209	64,915,240	65,910,923	66,921,621
3.020 - Employee Benefits	21,555,219	21,648,676	21,499,696	22,380,526	23,366,950	24,502,359
3.030 - Purchased Services	19,073,653	12,788,037	12,557,537	12,146,722	11,746,722	11,346,722
3.040 - Supplies and Materials	3,167,028	2,873,267	2,417,267	2,417,267	2,417,267	2,417,267
3.050 - Capital Outlay	1,763,119	1,731,169	1,681,091	1,681,091	1,328,388	1,681,091
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	1,491,969	1,533,531	1,570,985	1,609,538	1,609,538	1,609,538
4.500 - Total Expenditures	114,261,954	104,921,514	103,928,785	105,150,384	106,379,788	108,478,598
Other Financing Uses						
5.010 - Operating Transfers-Out	909,528	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
5.020 - Advances-Out	20,037	236,623	236,623	236,623	236,623	236,623
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	929,565	1,236,623	1,236,623	1,236,623	1,236,623	1,236,623
5.050 - Total Exp and Other Financing Uses	115,191,519	106,158,137	105,165,408	106,387,007	107,616,411	109,715,221
6.010 - Excess of Rev Over/(Under) Exp	(17,370,899)	(4,475,103)	(33,750)	(1,209,329)	(2,830,536)	(4,877,043)
7.010 - Cash Balance July 1 (No Levies)	27,459,249	10,088,351	5,613,248	5,579,498	4,370,170	1,539,633
7.020 - Cash Balance June 30 (No Levies)	10,088,351	5,613,248	5,579,498	4,370,170	1,539,633	(3,337,409)
		Reservations				
8.010 - Estimated Encumbrances June 30	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	8,588,351	4,113,248	4,079,498	2,870,170	39,633	(4,837,409)
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Renewal Levies		-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-
12.010 - Fund Bal June 30 for Cert of Obligations	8,588,351	4,113,248	4,079,498	2,870,170	39,633	(4,837,409)
Revenue from New Levies						
13.010 & 13.020 - New Levies		-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	8,588,351	4,113,248	4,079,498	2,870,170	39,633	(4,837,409)

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