



CHARDON LOCAL SCHOOLS

May 2024 ASSUMPTIONS

Financial Summary – The Chardon Local Schools May 2024 Five-Year Forecast is aligned with the 2023-2028 district Success Plan adopted in January 2023. The concentration aligns with the goals set for safety and security, facilities and operations, communications, resources and fiscal responsibilities, and engaged student learning.

The Ohio Department of Education's purposes/objectives for the five-year 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 service as a basis for determining the school district's ability to sign the certificate required by O.R.C., 4705.412, 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.

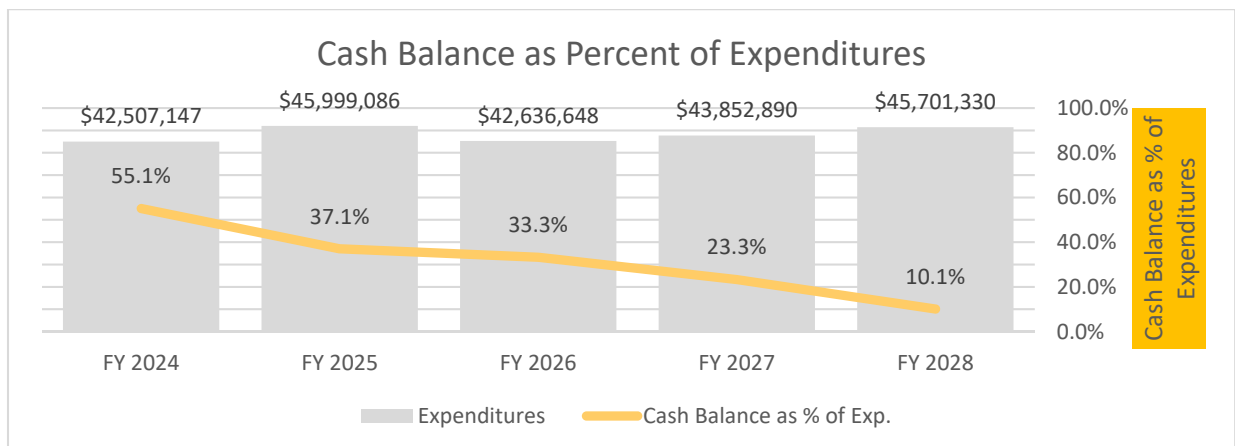
It is important to note that the five-year forecast is an **ESTIMATE** which is based on historical trends and current factors. This information is then extrapolated into estimates for subsequent years. The forecast variables can change multiple times throughout the fiscal year and while cash flow monitoring 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 decisions aimed at encouraging financial sustainability and stability. **This five-year forecast is based on information we have at the time it was created and subject to change with any considerable change to the economy.**

This forecast includes the Fair School Funding Plan (FSFP) adopted by Ohio starting in fiscal year 2022. The plan was continued with increasing phase-in of the formula results. In fiscal year 2024 the per pupil base cost calculations were updated from the fiscal year 2018 cost data to Fiscal Year 2022. As information changes the estimates will be updated. The district is considered a guarantee district in fiscal year 2024. Tax revenue collections continues at the three-year average of 100.27% collection rate and expenditures include a concentration on safety, security, facilities, and operations.

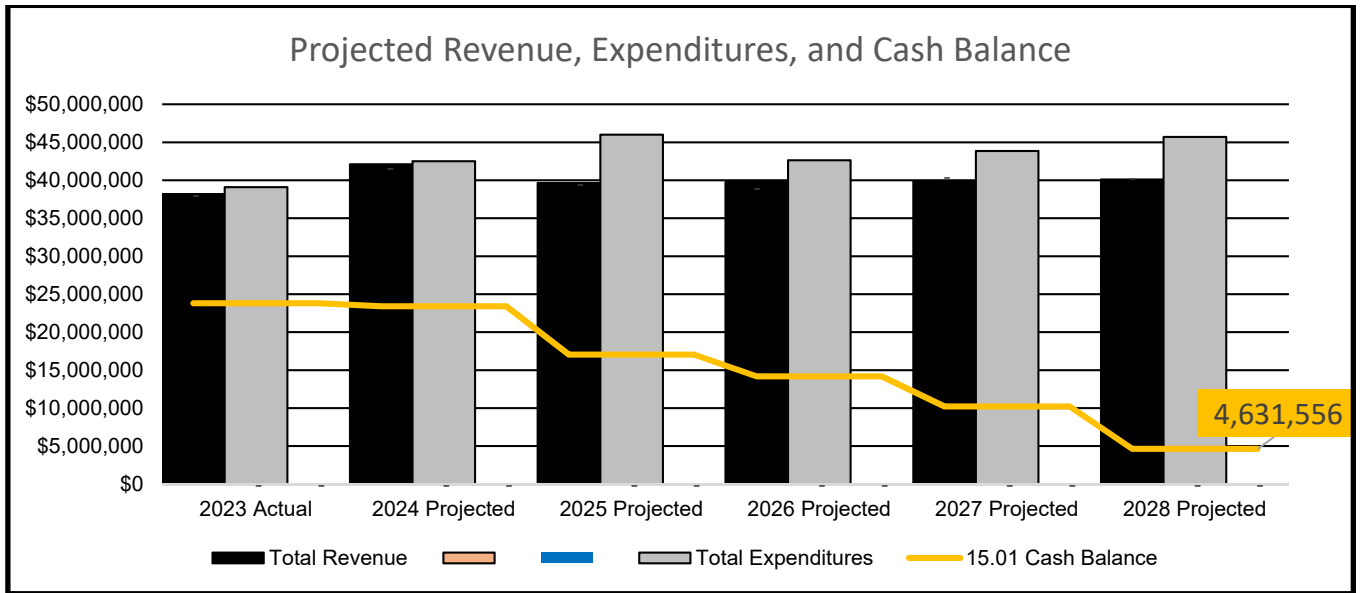
The November 2023 five-year forecast projected an ending cash balance for fiscal year 2024 at \$23,331,429 (before open encumbrances). The adjusted cash balance for fiscal year 2024 is \$23,406,366. The Geauga County Auditor's office certified a 98% collection rate for calendar year 2023. The collection rate came in at 100.04% to show increased revenues for Chardon Local Schools. Secondly, interest rates were increased in fiscal year 2024 and are currently at five percent (5.58%). Interest received in 2023 was \$1,293,804 which increased to \$1,534,625 in fiscal year 2024. Finally, expenditures were within budget including additional Capital Outlay for High School Windows and Stadium Lighting at Memorial Field, negotiated agreements for both district unions, and increased inflation primarily in insurance, purchase services, and supplies.

In fiscal year 2024 a revenue shortfall is expected. This means the expenditures are expected to be greater than revenue by **\$407,519** by the end of 2024. By the last year of the forecast, fiscal year 2028, the district is expected to have a revenue shortfall where expenditures are projected to be greater than revenue by **\$5,590,008**. The district would need to cut its fiscal year 2028 projected expenses by 12.23% in order to balance its budget without additional revenue.

The district's cash balance is positive at year-end in fiscal year 2024 and its projected to worsen by fiscal year 2028, but still remain positive. A worsening cash balance can erode the district's financial stability over time. The district's cash balance is projected to be \$4,631,556 in fiscal year 2028 or 10.13% of the budget that year.



Forecast Summary May 2024



Financial Forecast

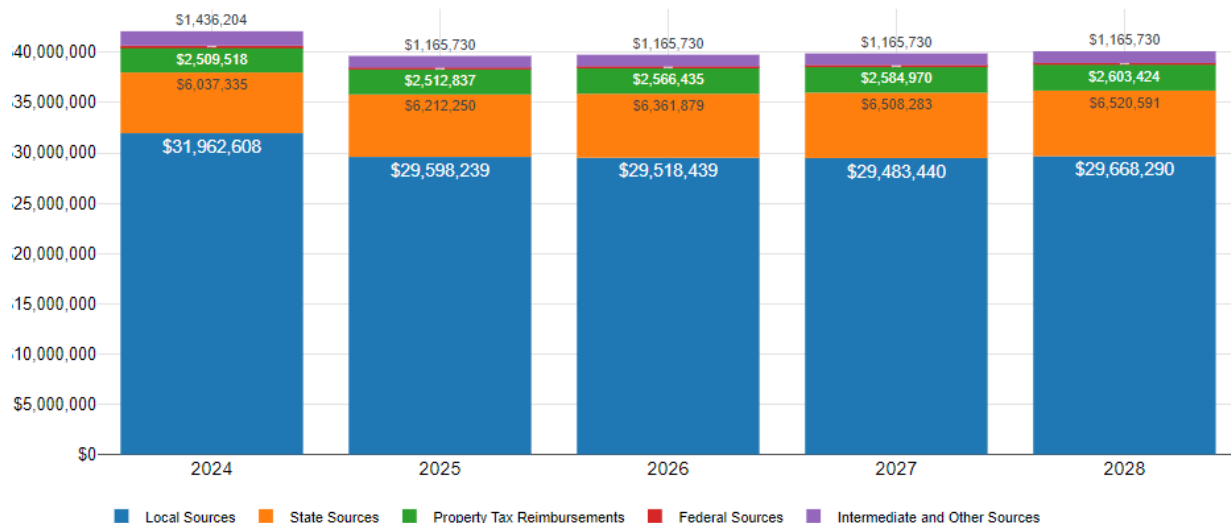
	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
Beginning Balance (Line 7.010) Plus Renewal/New Levies Modeled	23,813,885	23,406,366	17,049,622	14,178,744	10,221,564
+ Revenue	42,099,629	39,642,344	39,765,771	39,895,712	40,111,323
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(42,507,148)	(45,999,087)	(42,636,649)	(43,852,892)	(45,701,331)
= Revenue Surplus or Deficit	(407,519)	(6,356,743)	(2,870,878)	(3,957,180)	(5,590,008)
Line 7.020 Ending Balance with renewal/new levies	23,406,366	17,049,622	14,178,744	10,221,564	4,631,556

Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	(407,519)	(6,356,743)	(2,870,878)	(3,957,180)	(5,590,008)
Ending Balance w/o Levies	23,406,366	17,049,622	14,178,744	10,221,564	4,631,556

REVENUES

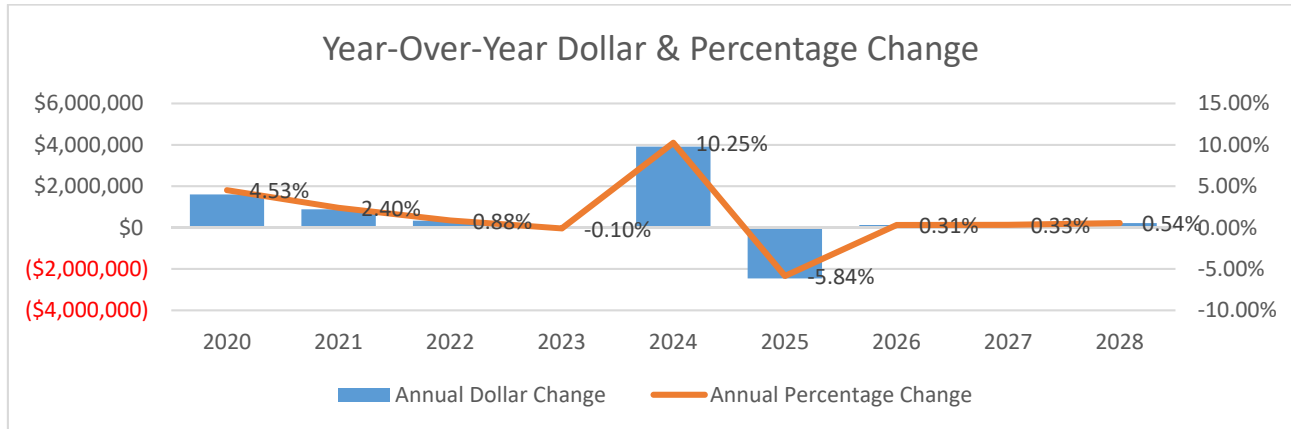
Forecasted General Fund Revenues by Source



Total General Fund Revenue

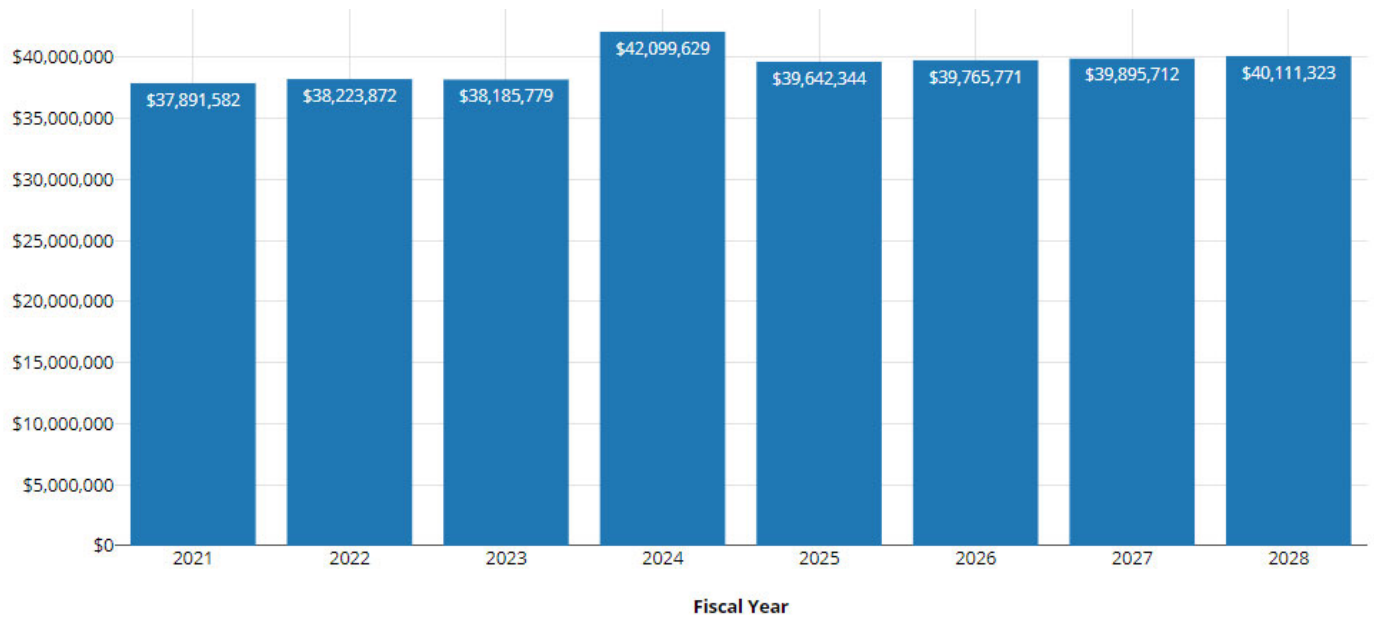
Total revenue increased 1.93% or \$696,231 annually during the past four year period and is projected to increase 1.12% or \$385,109 annually through fiscal year 2028. Real estate has the greatest projected average annual variance compared to the historical average at \$573,066.

From the growth chart below fiscal year 2023 shows a .10% decrease in revenue, this is due to late payments by three primary utility companys which put over \$1.1M into delinquent status. The growth in fiscal year 2024, shows the collection of the late utility payments, and the drop in fiscal year 2025 reflects a one (1) mill shift in taxes approved by the Chardon Board of Education on March 20, 2023 from the General Fund to the Permanent Improvement Fund. The Permanent Improvement Fund is not included within this forecast, but is dedicated to the facailities and operations of the district.



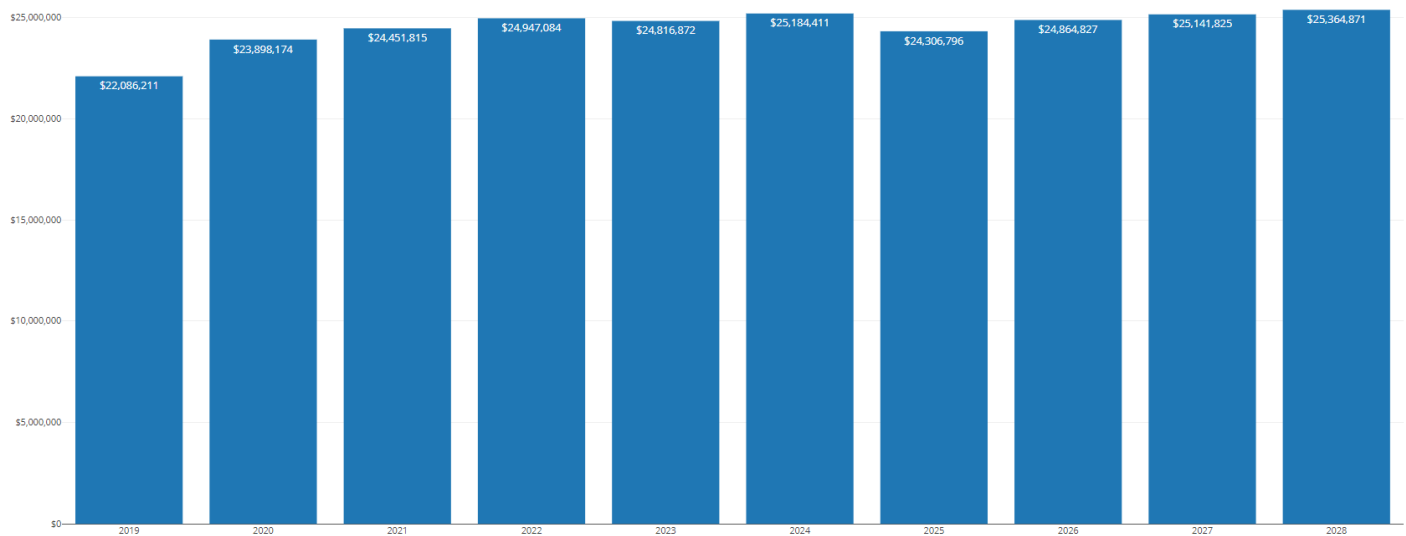
Year-Over-Year Dollar & Percent Change all Revenue

Revenue Sources and Forecast Year-Over-Year Projected Overview



Total of all Revenue

1.010 – General Property Tax – Real estate property tax revenue accounts for roughly 64.99% of the district’s total revenue. Class I or residential/agricultural taxes make up approximately 82.81% of the real estate property tax revenue. The Class I tax rate is 28.34 mills in tax year 2023. Projected tax revenue for fiscal year 2024 is estimated at \$25,184,411.

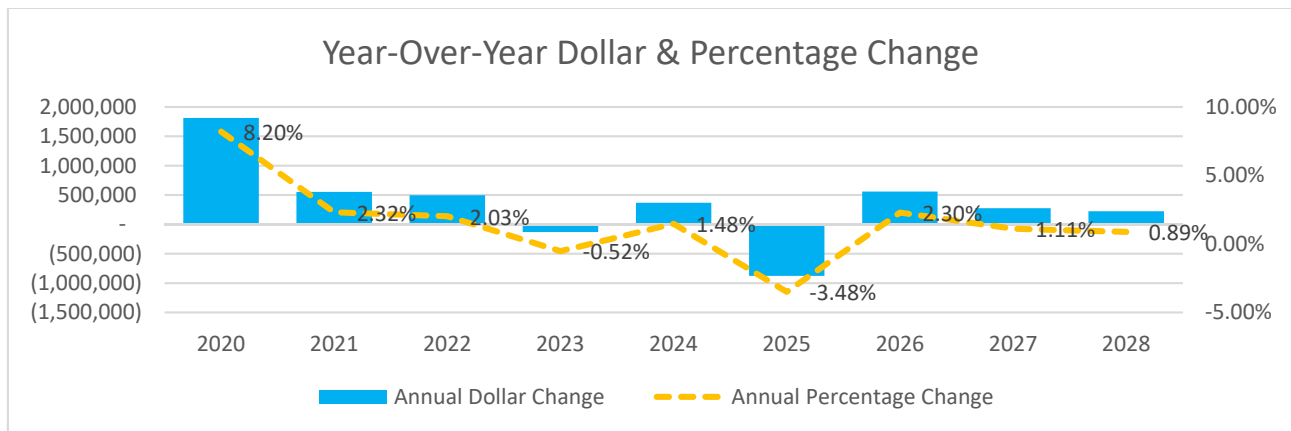


1.010 Property Tax Revenue

The Geauga County Budget Commission set the collection rate for 2024 to 98%. The projections in this forecast reflect an average gross collection rate of 98.7% annually through tax year 2028. The revenue changed at an average annual historical rate of

3.01% and is project to change at an average annual rate of 0.46% through fiscal year 2028.

Future considerations include the Thistle Creek Development on North Hambden which has completed 17 of the 33 projected homes at approximately \$380,000/unit with a three to five year build out projection. Maple Trace subdivision which is located behind Shiffler Equipment on State Route 44 will begin construction in spring of 2024. The projection is for ninety-six (96) homes to be completed within the next three to five years. The estimated cost per home is \$350,000-\$400,000 per unit. Lastly, the City of Chardon has reported the Willow-Tree development which is located on an extension of Meadowlands Drive south of US-6. This development is projected to start in 2025 with 120 homes ranging from \$300,000-\$400,000 per unit. The remaining Thistle Creek homes, the Maple Trace Subdivision, and the Willow-Tree development are not yet included in this forecast due to uncertainty of construction completion dates.



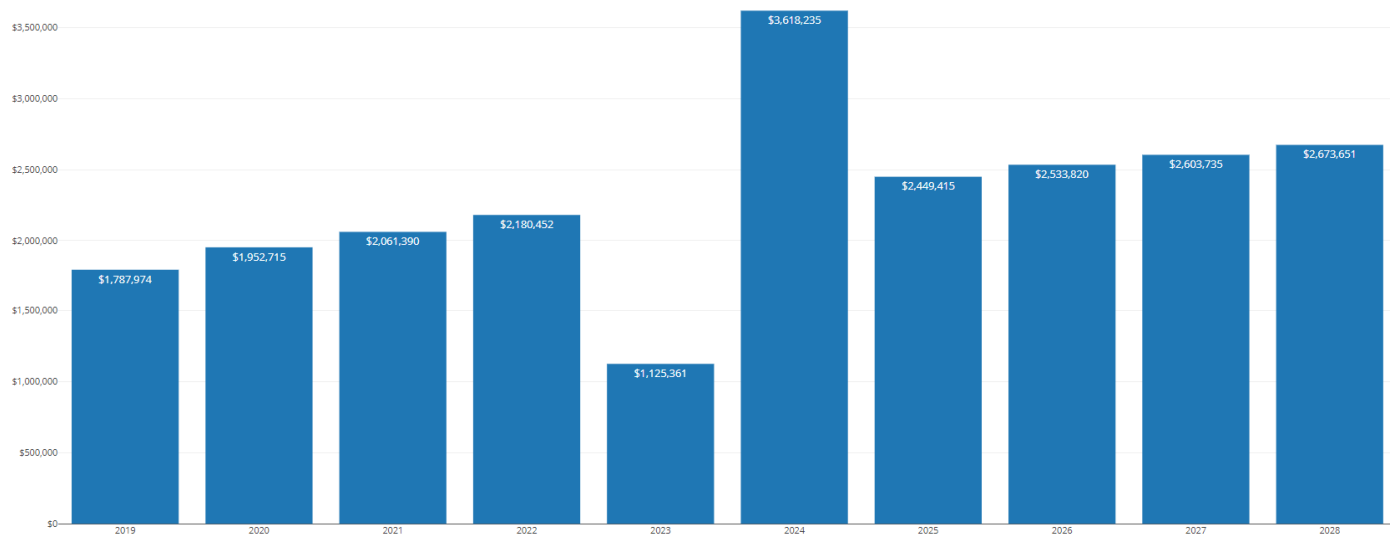
Year-Over-Year Dollar & Percent Change Tax Revenue

Calendar year 2023 was a reappraisal year for valuations by the Geauga County Auditor. Property value rate changes came in at a 23.8% increase in residential properties, which was higher than anticipated. From the model above, the 2023 reappraisal shows a 1.48% increase in tax revenue for fiscal year 2024.

House Bill 920 is a key factor in revenue generated from property tax. Each levy has a maximum amount of collections associated with the levy. For example, if a levy were to generate \$2 million dollars, it would remain fixed or constant at \$2 million dollars for the district no matter how high property valuations increase. In effect, the millage is reduced "effective millage" so that the dollar amount of revenue does not exceed the initial \$2-million-dollar amount. There is a small percentage of taxes (3.5 mill) that are collected on what is called "inside-millage". This amount does increase from year to year, showing a slight increase in taxes on the forecast. Inside-millage is not protected by House Bill 920 and revenue can decline if property values were to plummet.

1.020 – Public Utility – Public Utility Personal Property Tax revenue is generated from the personal property values, additions, and depreciation reported by the utility companies. This category currently makes up 2.95% of the total district revenue. The property is taxed at the full voted tax rate which in tax year 2023 is 77.68 mills. Total Public Utility Personal Property tax projected for 2024 is \$3,618,235.

The forecast is modeling an average gross collection rate of \$100% from fiscal year 2024 through fiscal year 2028. The revenue changed historically at an average annual dollar amount of **\$165,653** and is projected to change at an average annual dollar amount of \$309,658 through fiscal year 2028.



1.020 – Public Utility Personal Property Revenue

The 100% model has not always been the case for Chardon Local Schools due to the Orwell Trumbull Pipeline. The Orwell Trumbull Pipeline filed for bankruptcy and the assets were sold separately from the liabilities. This issue is affecting all school districts that are associated with the pipeline. The Public Utility valuations were reduced by **\$2,624,880** after the 2020 Geauga County triennial appraisal and the Orwell Trumbull Pipeline values were completely removed. This reduction changed the Public Utility collection rate from 86.0% to its current state of 100% reducing any chance of revenue from the **\$2,624,880** in property valuations. In addition to the lost revenue, delinquent tax amounts are held at by the County Treasurer with amounts totaling \$5,717,007 (includes interest and fees) for the Chardon taxing entities from Orwell Trumbull Pipeline. This revenue shortfall was not expected and ultimately promoted reconfiguration and the request for future tax levies.

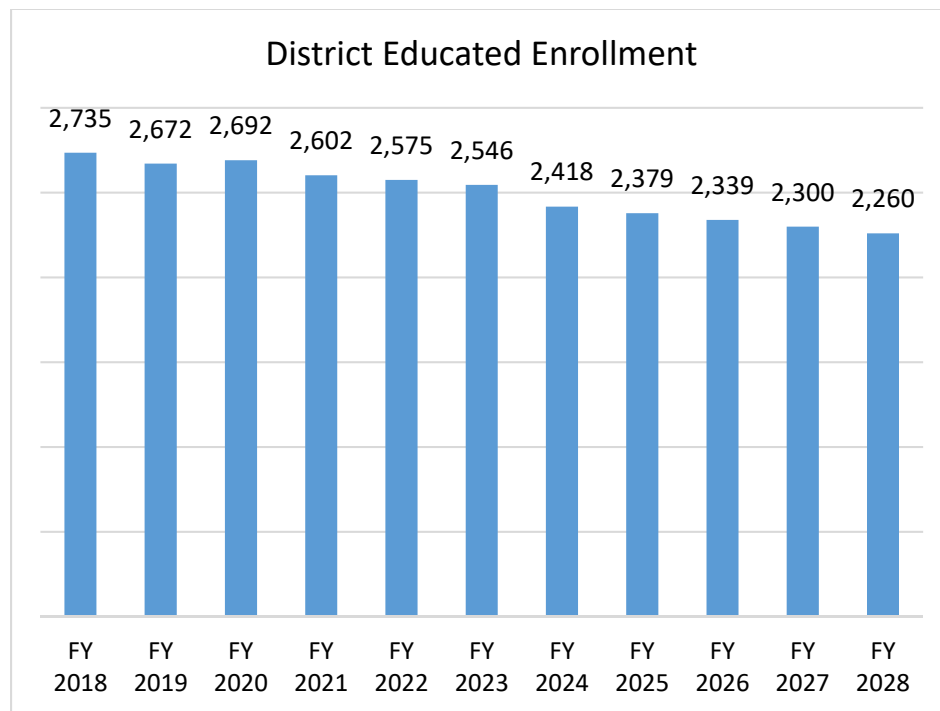
In addition, several public utility companies did not pay their taxes in fiscal year 2023 in time causing nearly \$1.1M into additional delinquent status. Fiscal year 2024 includes the payment of the \$1.1M in delinquent status from the utilities, but does not include revenue

from the district share of the \$5,717,007 delinquent pipeline taxes until further instruction from the Geauga County Treasurer. This model does not take into consideration the possibility of increased valuations which may have resulted in the sale of the pipeline assets. Most of the assets were purchased by Northeast Ohio Gas which appears to be operating the pipeline.

1.030 – Income Tax – Chardon Local District does not have an income tax in place.

1.035 – Unrestricted Grants-in-Aid – Beginning in fiscal year 2022 the state legislatures adopted the Fair School Funding Plan (FSFP). Funding is driven by a base cost methodology that incorporates four components identified as necessary to the education process. The base cost is currently calculated for two years using a statewide average from historical actual data. For Chardon Local Schools the calculated base cost total is \$20,778,341 in fiscal year 2024. The state’s share of the calculated base cost total is \$1,951,323 or \$807 per pupil.

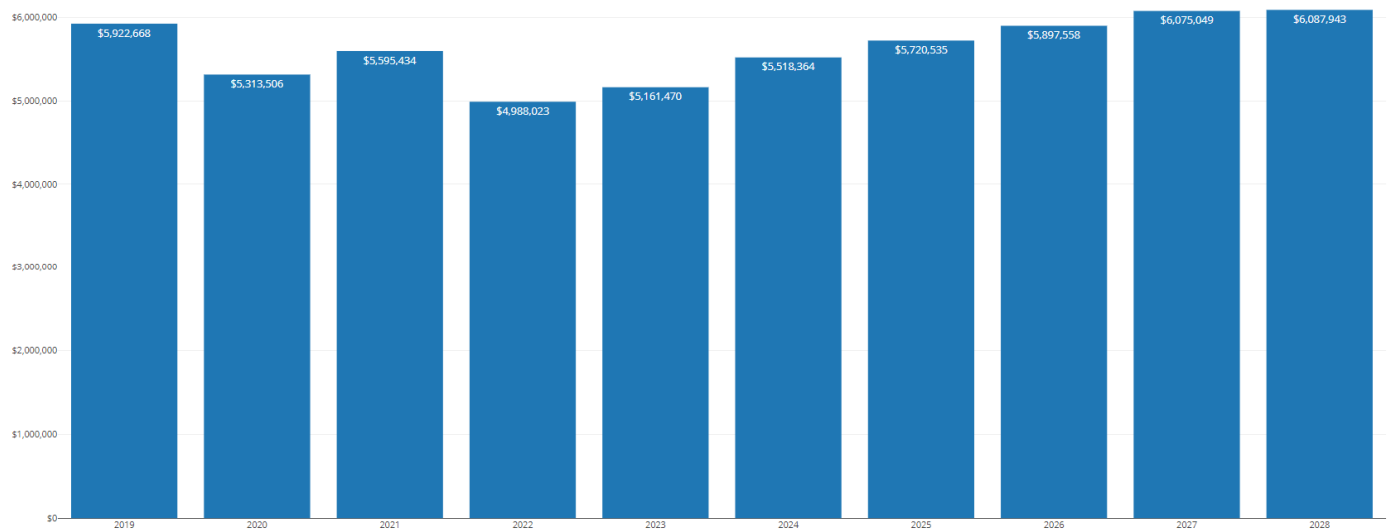
The FSFP also started funding students where they attended school. Therefore, district educated enrollment is now used for per pupil funding. At the same time, the FSFP eliminated tuition transfer payments from school districts.



1.035 – Chardon ADM - Number of Students

Unrestricted Revenue total for fiscal year 2024 is projected at \$5,518,364. This total includes Casino Tax, which averages \$64 per student in fiscal year 2024. With the changes in the funding formula, state revenue is projected to increase over the next two years even though the district is experiencing a decline in student ADM. The forecast

includes a CFO adjusted trend calculation of the FSFP impact using current information. As information changes the estimates will be updated. The district is considered a guarantee district in FY 2024 which guarantees the district the same amount of funding as fiscal year 2020. If the state were to eliminate the guarantee the district would lose roughly \$2M per year creating an unexpected revenue shortfall. The assumption for this forecast is to remain on the guarantee for the next five years with slight increases in the phase-in process. The FSFP is approved through fiscal year 2025, the assumption is calculated based on the FSFP for a five-year period using 2022 base cost and moving to a 50.0% phase-in for fiscal year 2024 and a phase-in of 66.6% for the remainder of the forecast.

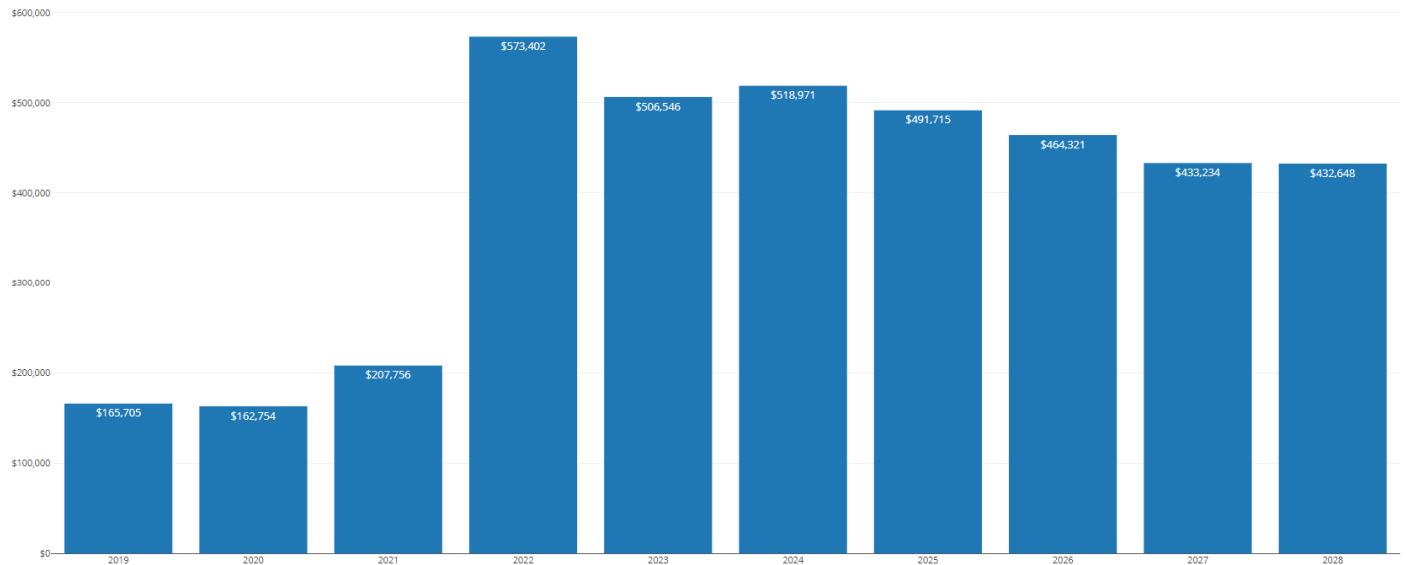


1.035 – Unrestricted Grants-in-Aid Revenue

1.040 & 1.045 – Restricted Grants-in-Aid – Restricted aid is the portion of state per pupil funding that must be classified as restricted use. Historically, the district’s restricted state aid changed annually on an average by \$114,597 and is projected to change annually on average by **\$14,780**. Restricted funds represent 1.33% of the total revenue. Starting in fiscal year 2022 the district’s Success and Wellness funding is considered restricted, the state’s share of this funding is recorded as at \$138,203. This funding has implications on General Fund expenditures in that certain spending now occurring in a fund external to the General Fund could shift to the General Fund. The expenditures in this forecast (3.030) are adjusted to reflect this change. The total projected amount for fiscal year 2023 is \$518,971 which has slightly increased from fiscal year 2023 and projected to continually decrease through fiscal year 2028.

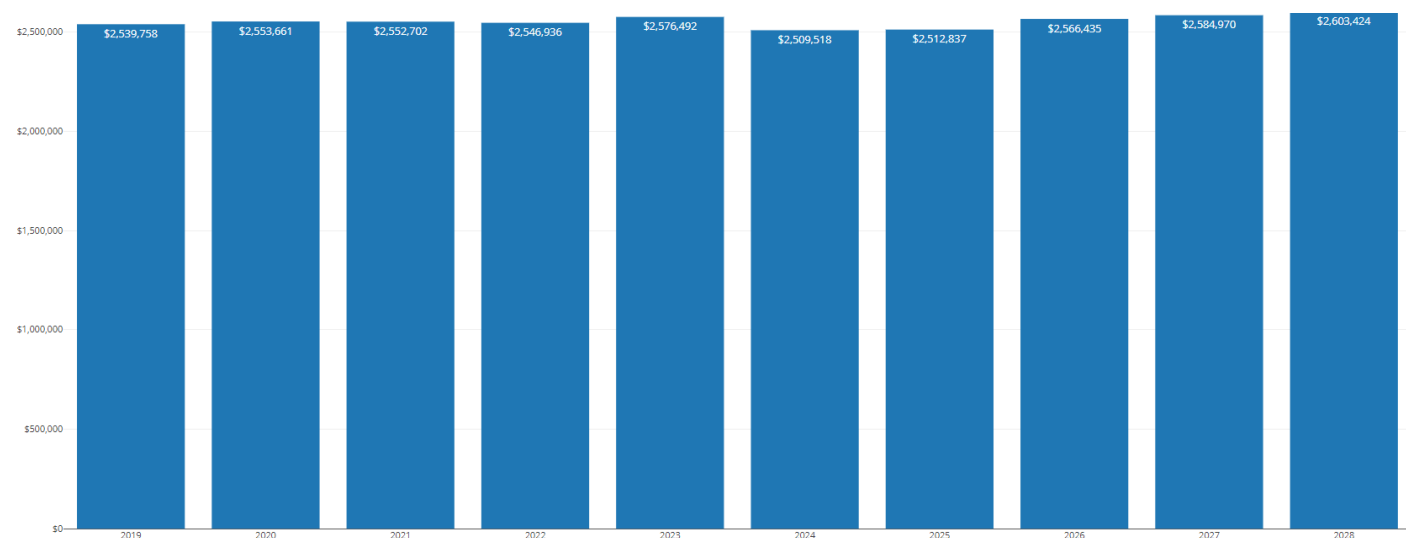
Also included in restricted revenue is the Ohio Department of Education catastrophic special education reimbursements (changing to threshold costs), economically

disadvantaged funding, and career tech funding. Threshold special education costs has nearly doubled since fiscal year 2022 and the assumptions is that it will slightly increase for fiscal year 2024 then decrease for the next four years. Threshold costs is divided among all the districts in the state, and is reduced as more districts apply for this funding.



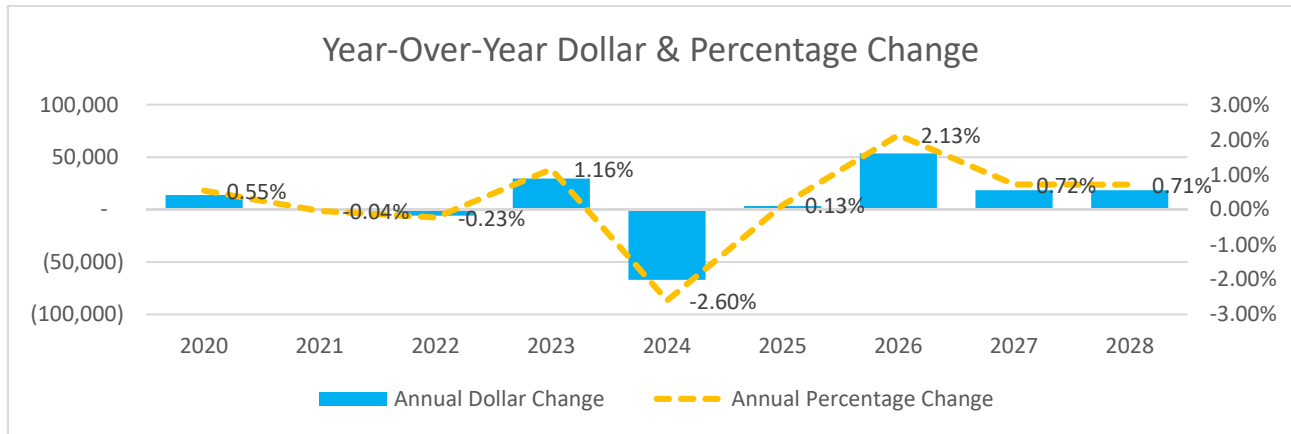
1.040 & 1.045 – Restricted Grants-in-Aid Revenue

1.050 – State Share of Local Property Taxes – State Share of Local Property Taxes primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. The state reduces the local taxpayer’s tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In fiscal year 2024, approximately 9.0% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 1.9% will be reimbursed in the form of qualifying homestead exemption credits. A slight decrease has been noted in homestead exemption credits which has holding steady since 2019. The forecasted projection for 2024 is \$2,509,518.



1.050 – Property Tax Allocation Revenue

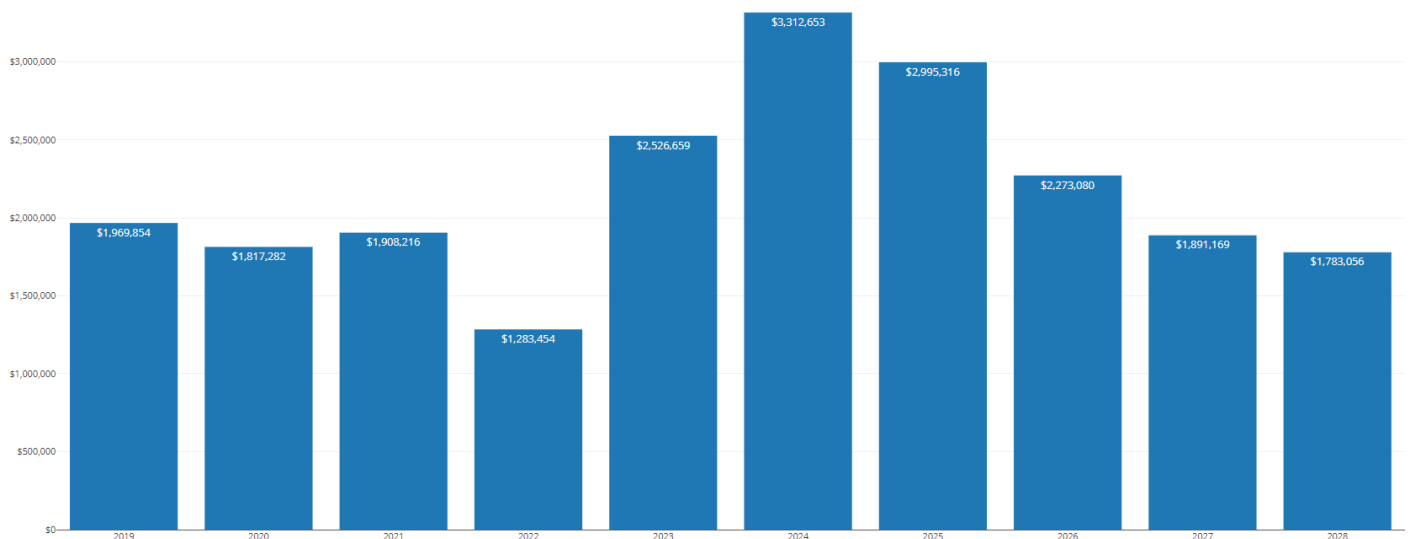
After dropping in 2024, this amount is expected to level off with variables countering possible increases and declines.



1.050 – Year-Over-Year Dollar & Percentage Change

1.060 – All Other Operating Revenues – Other revenue includes tuition received by the district for non-resident students educated by the district. It also includes interest income payments in lieu of taxes, and miscellaneous revenue. For fiscal year 2024 the projection is to end at \$3,312,653.

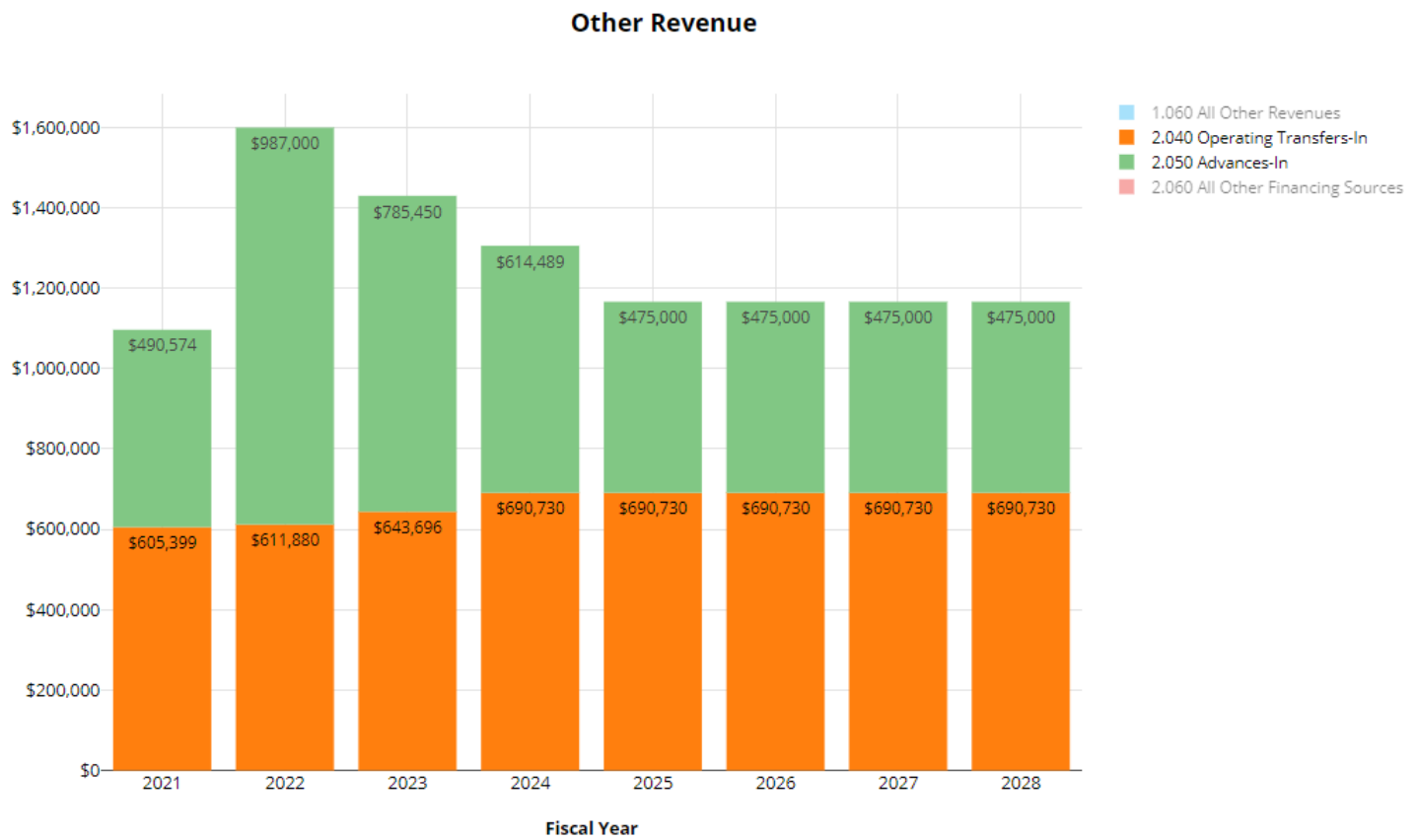
The assumption is that interest will hold steady through fiscal year 2024 and then decline each year for the next five years. Other Operating Revenue has fluctuated over the years but is typically never under a million dollars. The recorded increase from fiscal year 2022 to 2023 shows an increase in interest and investments of over \$1,100,000. Again in 2024, an additional interest increase is estimated at \$500,000.



1.060 - All Other Operating Revenues

2.070 – Total Other Financing sources – Other sources include revenue that is generally classified as non-operating including transfers-in, advances-in, and all other financing sources like sale and loss of assets and refund of prior year expenditures. Advances-in are the repayment of temporary loans made from the General Fund to other district funds. In fiscal year 2023, the district received \$785,450 as advances-in from grant funds and the projection is \$614,489 in returned advances for fiscal year 2024. The district also receives other financing sources such as refund of prior year expenditures in this category. The amount projected is \$1,437,477 in fiscal year 2024 and an average of \$1,165,730 annually through fiscal year 2028.

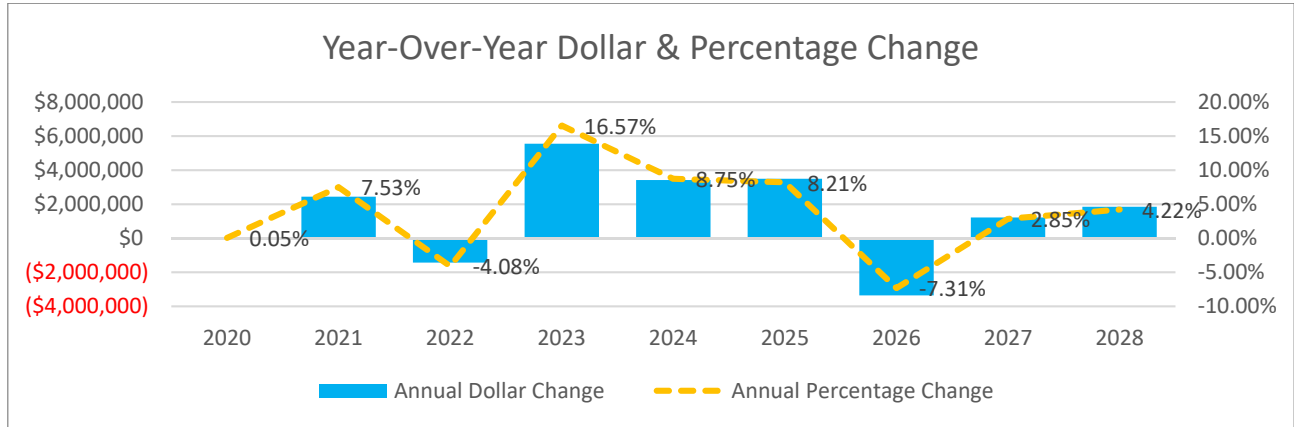
The reason for the increase in 2019 is due to the moving of preschool to an in-house service. A transfer-in is made in an average amount of \$650,000 to cover the cost of preschool within this fund each year. This inter-fund transfer helps us monitor the cost of preschool and reassures that running this service in-house is economical. Increases shown in fiscal years 2020 through 2023 are due to ESSER grants, where the money is used first then reimbursed. To bring the accounts into compliance at year end a much larger advance is required, this advance is returned to the General Fund in the next fiscal year.



2.070 – Total Other Financing sources Revenue

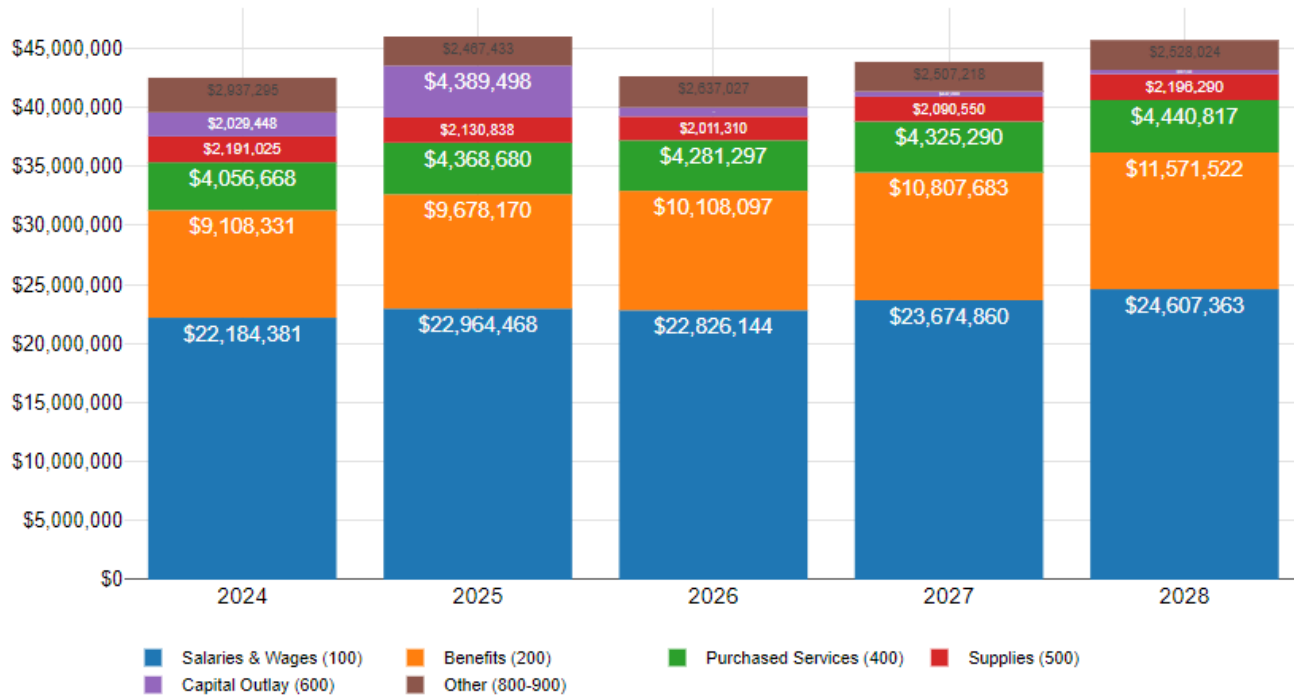
EXPENDITURES

Total expenditures increased 5.02% or \$1,648,266 annually during the past four years and is projected to increase 3.38% or \$1,322,798 annually through fiscal year 2028. Capital Outlay has the largest projected average annual variance compared to the historical average at **\$916,172**.



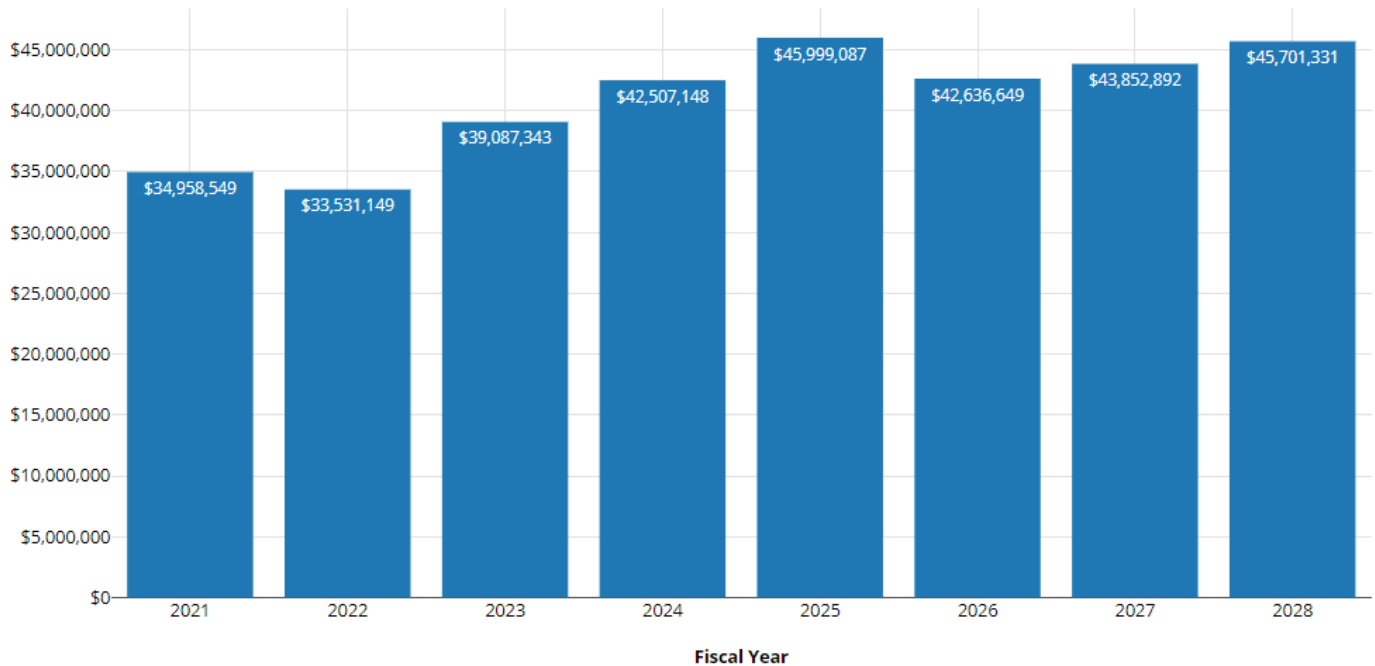
Year-Over-Year Dollar & Percent Change All Expenditures

Forecasted General Fund Expenses by Object



Forecasted Expenditures by Object

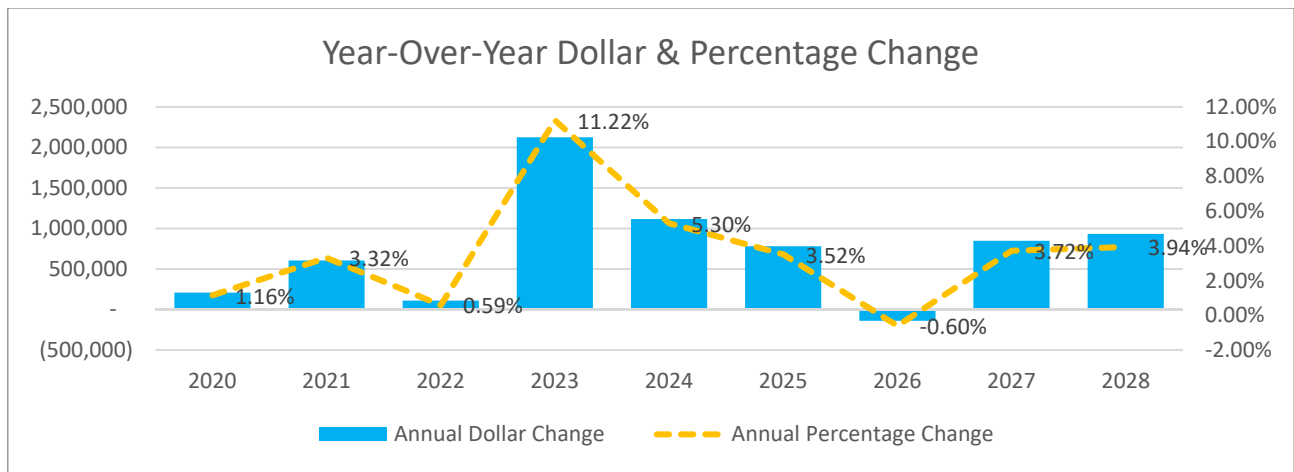
Total General Fund Expenditures



Expenditure Categories and Forecast Year-Over-Year All Expenditures

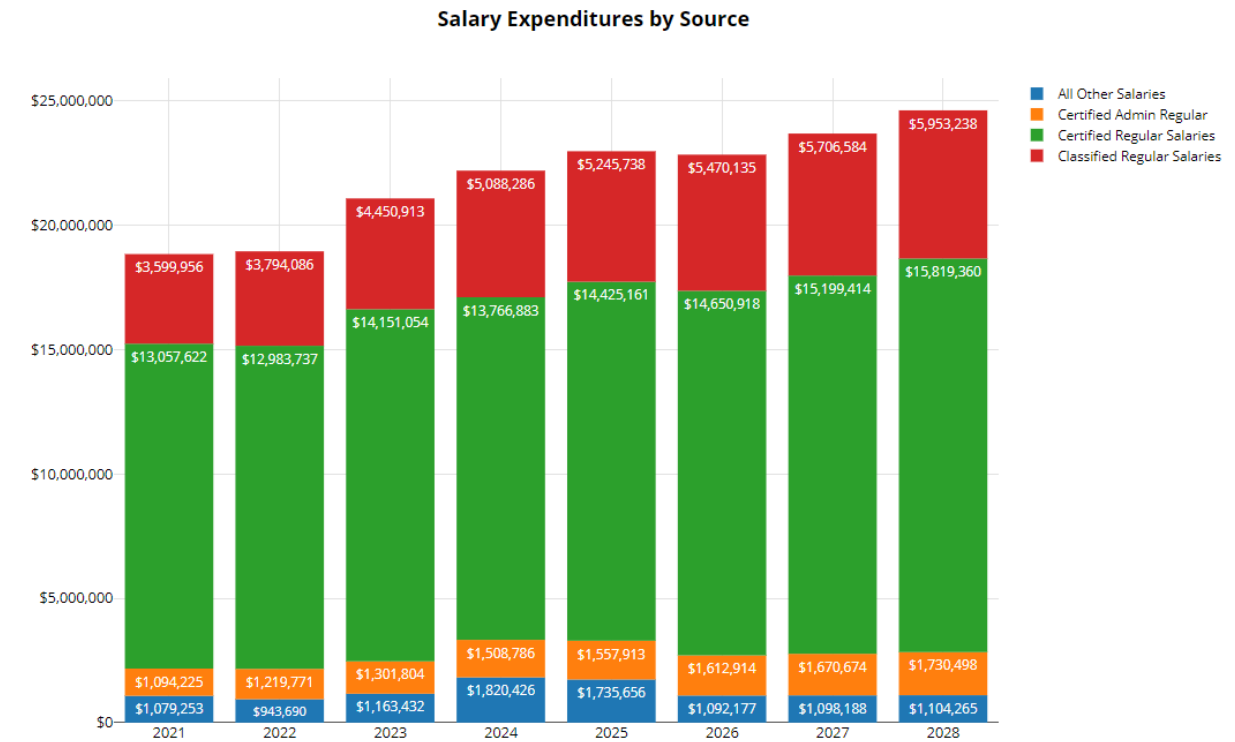
Total expenditures projected for fiscal year 2024 is \$42,507,148. Fiscal year 2024 shows an increase in expenditures due the negotiated contracts with both district unions, inflation within purchase services and supplies, and \$2,029,448 in capital outlay interactive flat panels, additional text books, high school windows, and stadium lighting. Increases continue in 2025 for additional costs associated with the Washington Street property, and a 10 – 15% increase in supplies and purchase services.

3.010 – Personnel Services – This line item represents employee salaries and wages, including extended time and non-athletic supplemental contracts. Salaries represent 53.9% of the total expenditures and has increased at a historical average annual rate of 4.07% or \$762,311. This category of expenditure is projected to grow at an annual average rate of 3.17% or \$708,032 through fiscal year 2028. The projected average annual rate of change is 0.90% less than the five-year historical annual average.



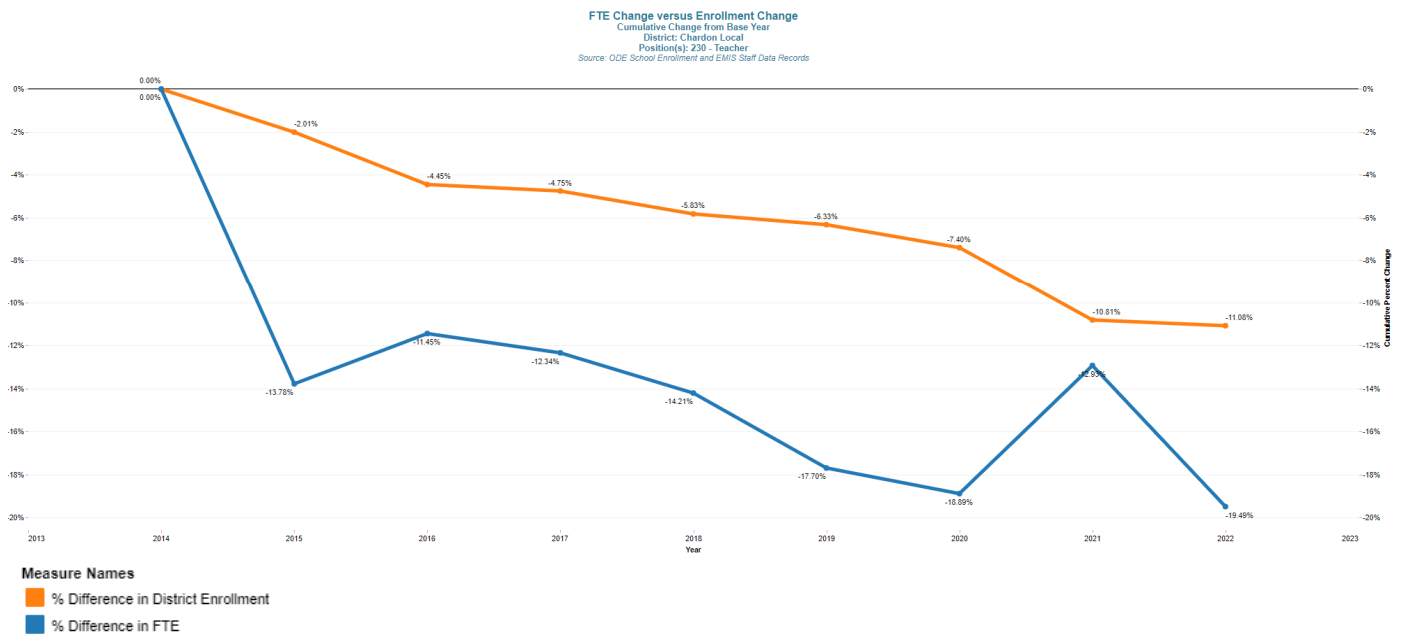
Year-Over-Year Dollar & Percent Change Personnel Services

The fiscal year 2024 estimate is \$22,184,381. This amount includes EPC retirement buyout incentive for certified teachers of \$1M, and the second of a three-year contract for both certified and classified staff at 2.25%. The forecast includes the negotiated agreement for the certified and classified unions until the final year of the contract in 2025 at 2.25% for 2025. In addition, new three-year negotiated agreements have been ratified for both unions to include 2.6% in 2026, 2.6% for 2027, and 2.6% for 2028. These percentages have been included in this forecast. Fiscal year 2025 includes the remainder of the EPC retirement buyout incentive for teachers along with ODEW (Ohio Department of Education and Workforce) mandatory stipends for the Science of Reading professional training. Personnel Services continues to be the largest expenditure for Chardon Local Schools and the average teacher salary is in the middle range for Geauga County.



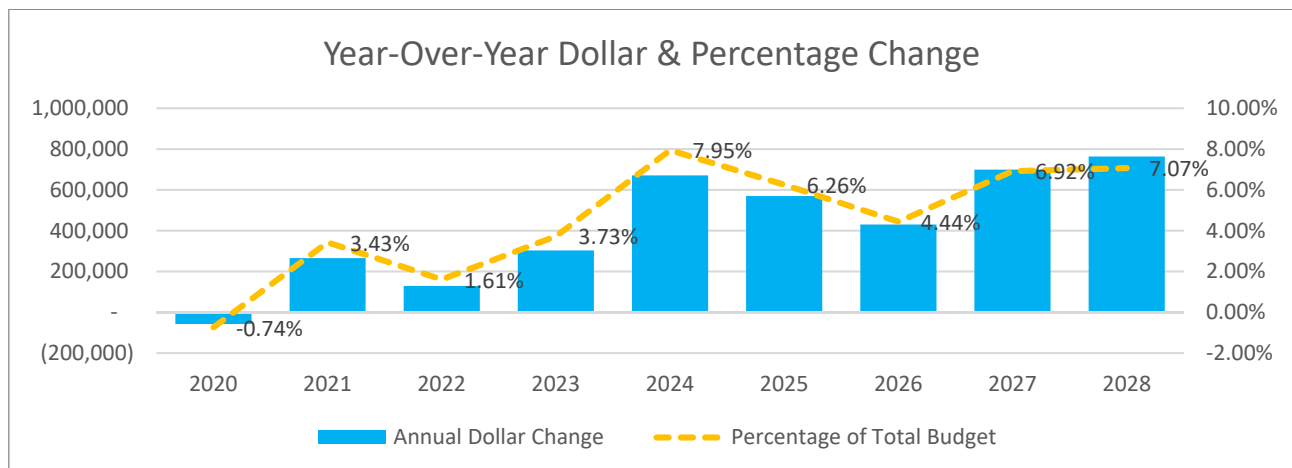
3.010 - Personnel Services Expenditures

Each year staffing is analyzed to make certain the district is running at the most efficient levels of staffing while maintaining a quality education for the students. As student ADM has declined so has the FTE (staff counts) within the district. Only in fiscal year 2021 was staff increased to maintain in-class instruction for the students during COVID-19 when many districts were remote.



3.010 – Staff Analysis per Student ADM

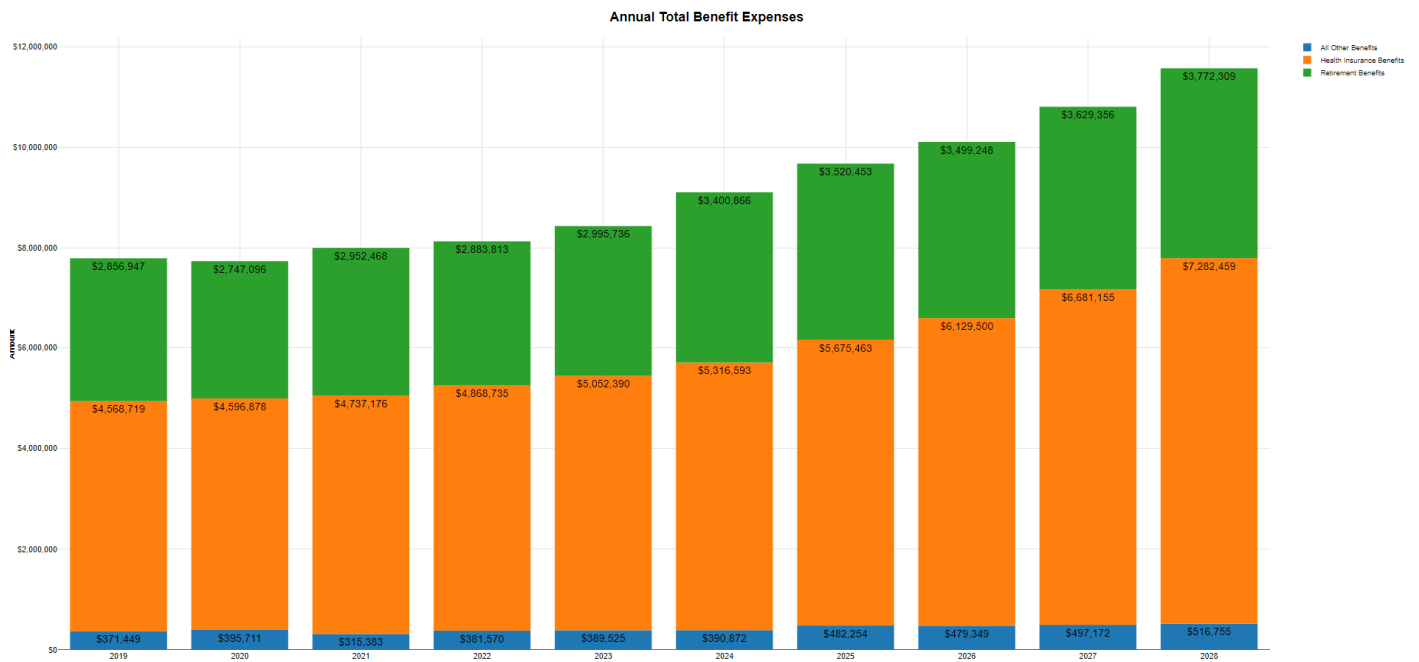
3.020 – Employee Benefits – Employee Benefits represent 21.59% of the total expenditures and increased at a historical average annual rate of 2.01%. This category of expenditure is projected to grow at an annual average rate of 6.53% through fiscal year 2028. The projected average annual rate is 4.52% more than the five-year historical annual average. The projection for fiscal year 2024 is \$9,108,331 and is expected to increase alongside salary increases through fiscal year 2028.



3.020 – Year-Over-Year Dollar & Percentage Change Benefits

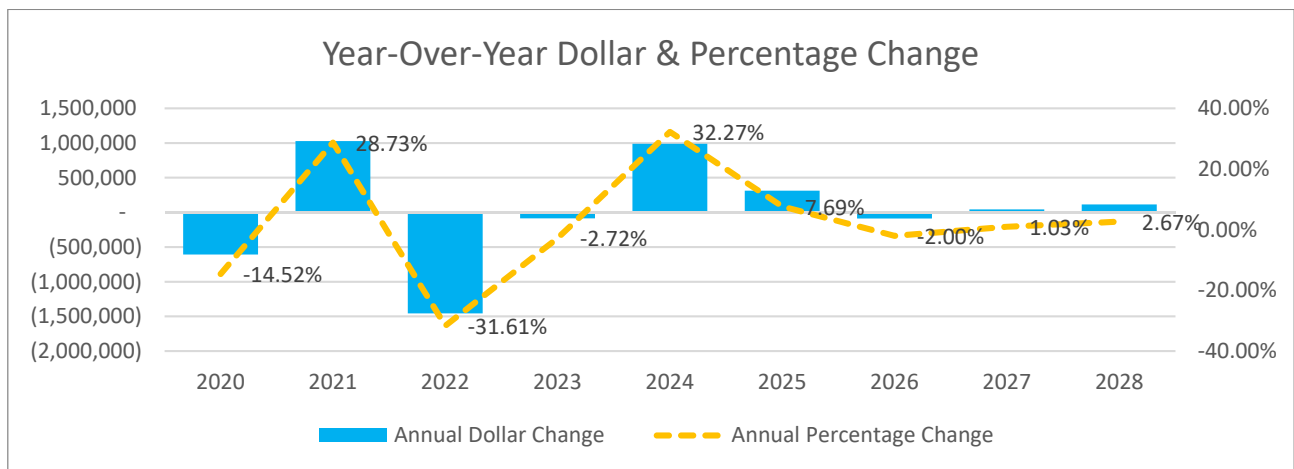
The self-insurance fund cash balance is currently at \$2,459,955 which is above the new reserve total for 2024 of \$1,866,769. Although this fund is not included in the General Fund, the purpose is to pay for medical and dental claims. The General Fund would be responsible to transfer into this fund if the funds were not sufficient to cover the costs. This is not a concern at this time.

The Employee Benefit line item includes a total of employee insurances (health, dental, and life), Medicare, Worker's Compensation, and retirement costs for the district. The assumption includes a 6.5% increase for fiscal year 2024, an 7.0% increase for fiscal year 2025 and an 8.0% increase for fiscal years 2026 and 9.0% for fiscal years 2027 and 2028. This is a conservative estimate based on rising insurance costs.



3.020 - Employee Benefits

3.030 – Purchased Services – Purchased Services represent amounts paid for personal 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 represents 7.85% of the total expenditures and decreased at a historical average annual rate of 5.03%. This category of expenditure is projected to grow at an annual average rate of 8.33% through FY 2028.



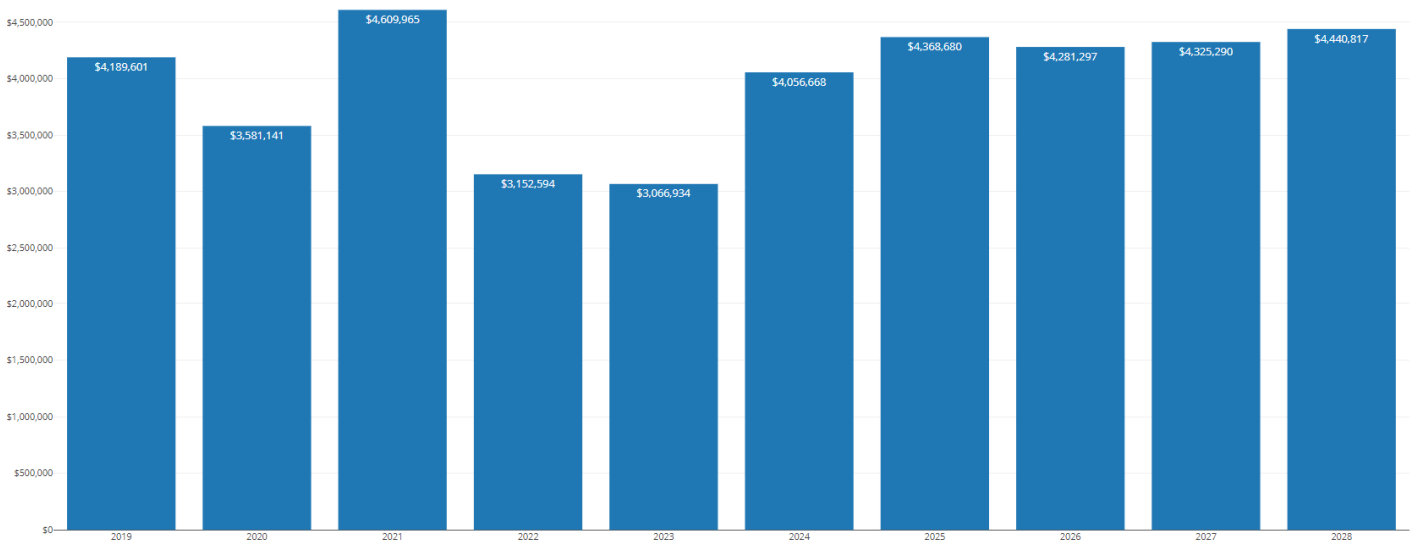
Total Formula ADM Compared to District Educated

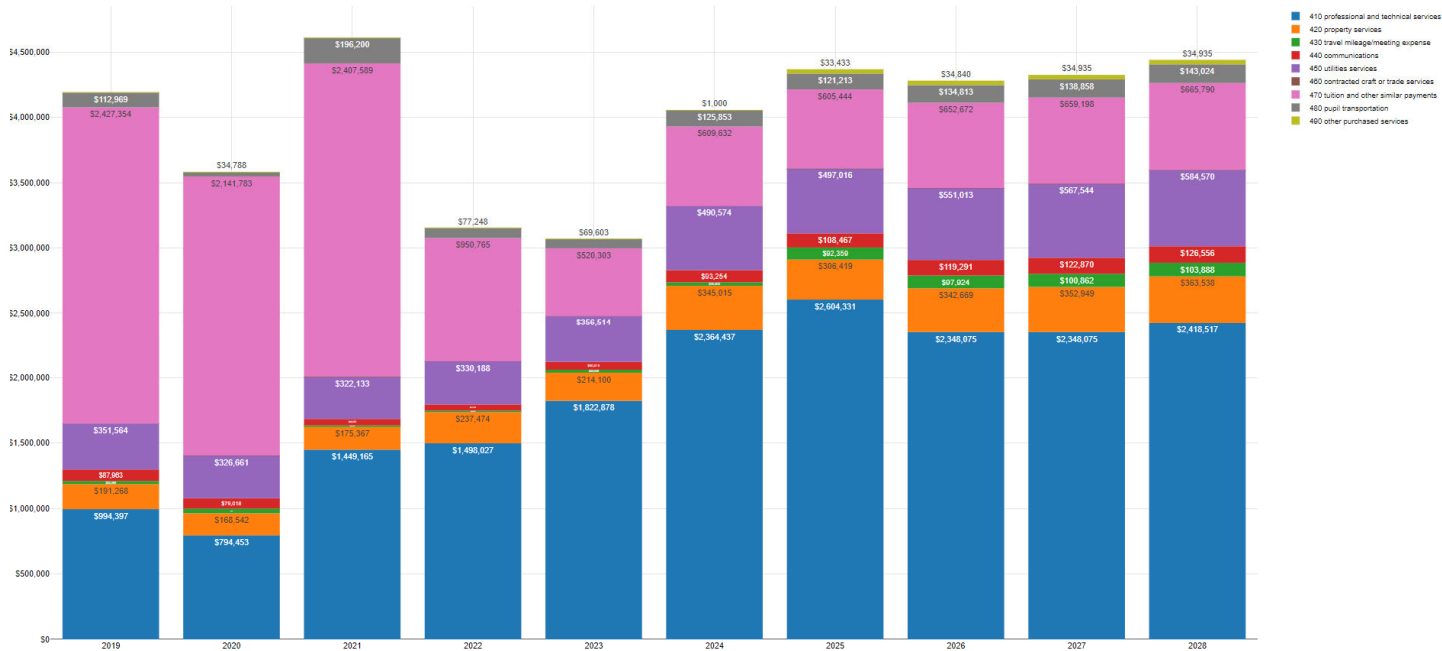
The FSFP funds only district-educated enrollment thereby reducing tuition cost for open enrollment out, community schools, STEM schools, and scholarships starting in fiscal year 2022. This change resulted in lower district costs but also less per pupil state revenue

since per pupil state revenue since per pupil funding was paid directly by the state to the attending

The projection for fiscal year 2024 is \$4,056,668. This amount includes Student Success and Wellness expenditures that were moved to the General Fund as part of the FSFP formula, increased insurance costs, increased utilities, and increased special education support. For fiscal years 2024 and 2025 an estimated \$300K in architect costs is included for the new Transportation/Business Affairs Compound on Washington Street.

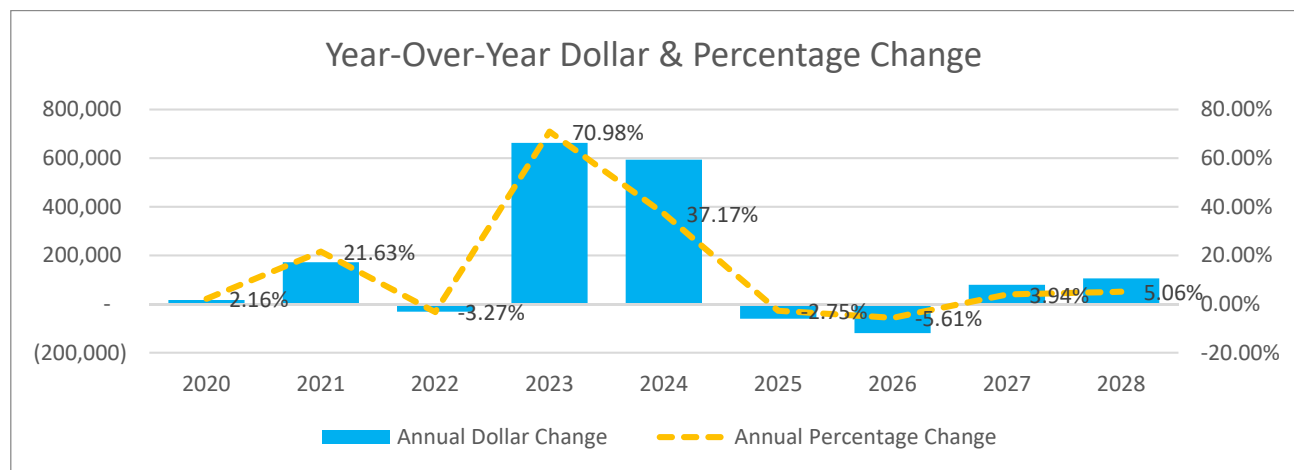
Each object code was reviewed with the Superintendent to allow for expenditures for continued program operations. The assumption for the five-year forecast includes all of the increases and decreases listed above along with a 3-5% increase to allow for inflation in this line item from 2025 through 2028.





3.030 - Purchased Services

3.040 – Supplies & Materials – This line item represents expenditures for general supplies, instruction materials including textbooks, media material, bus fuel, tires, and all other maintenance supplies. Supplies and Materials represents 4.09% of the total expenditures and have increased at a historical average annual rate of 22.88%. This category of expenditure is projected to grow at an annual average rate of 7.56% through fiscal year 2028 to allow for inflation. The projected average annual rate of change is **15.31%** less than the five-year historical annual average.



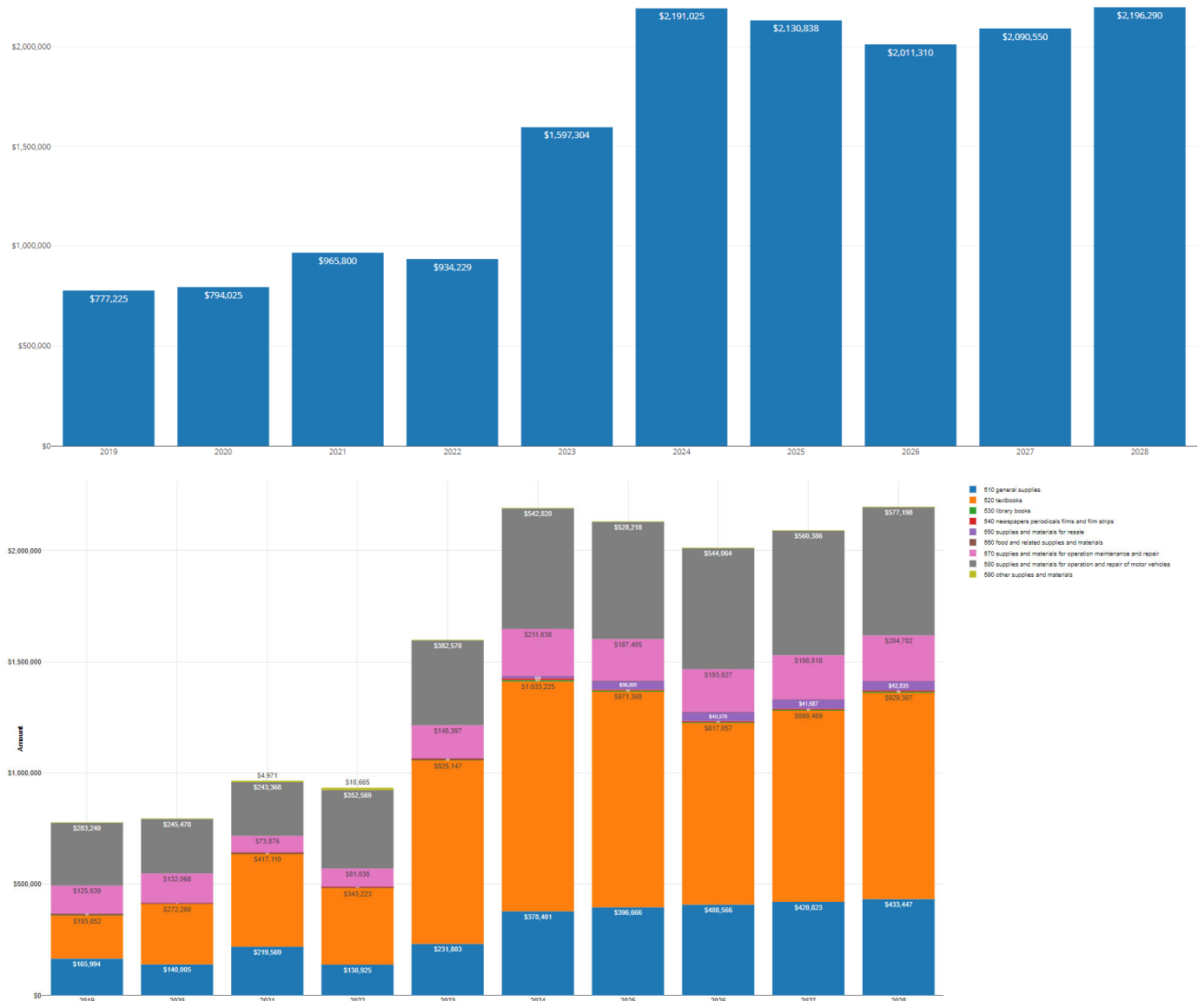
3.040 - Supplies and Materials

The fiscal year 2024 projection for this line item is \$2,191,025. Assumption increases expenditures from 2022 to 2023 to include increased costs of textbooks, auto parts for all

vehicles, gas, and the moving of supplies for buildings from the Permanent Improvement Fund to the General Fund.

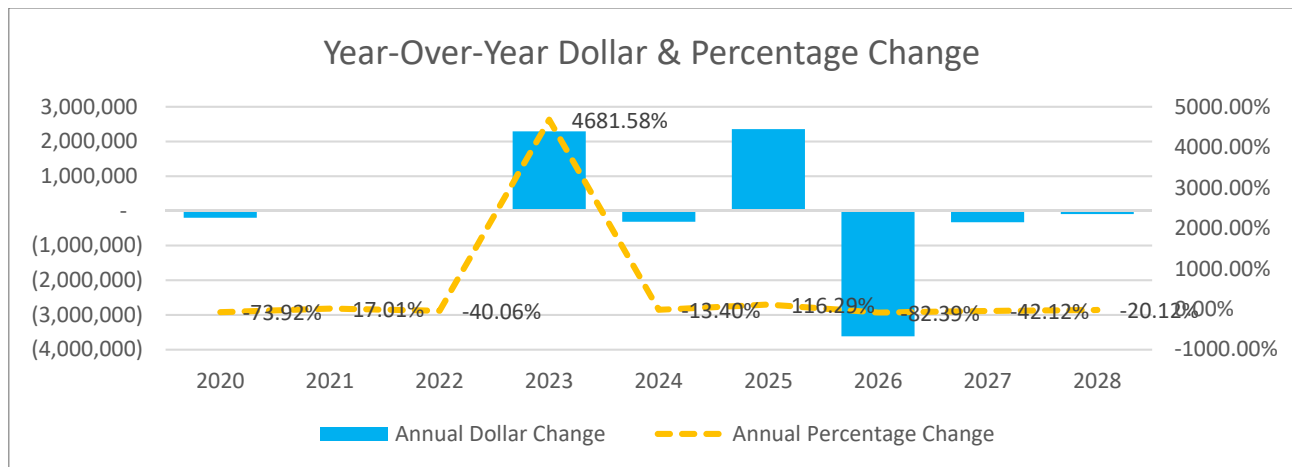
In 2023 classroom fees for supplies have been added to this line item, and all student fees District wide have been reduced. Supply fee reductions continue in fiscal year 2024 with continued relief of school fees, including no-cost for activities and athletics beginning in fiscal year 2024 through fiscal year 2028.

The purchase of textbooks for fiscal year 2024 had to be moved to fiscal year 2023 due to long lead times for delivery, this was a necessary adjustment to assure textbooks were in place for the 2023/2024 school year. The textbook plan moving forward will be more robust than this history shows to include electronic subscriptions and increased reviews for up-to-date materials to enhance the education of students. College Credit Plus class have been added to the High School curriculum for increased opportunities for students.



3.040 - Supplies and Materials

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, and furnishings. Capital Outlay represents 6.0% of the total expenditures and increased at a historical average annual amount of \$518,916. This category of expenditure is projected to decrease at an annual average rate of **\$397,256** through fiscal year 2028.



3.050 - Capital Outlay

Grant Funds were used to purchase Chromebooks for fiscal years 2021 and 2022 which explains the decline in the graph below for these years. Chromebooks are planned to be purchased from the 023, Chromebook Insurance Fund, for fiscal year 2024. The assumption for 2025 through 2028 includes the purchase of Chromebooks for all students (1:1) from this line item.

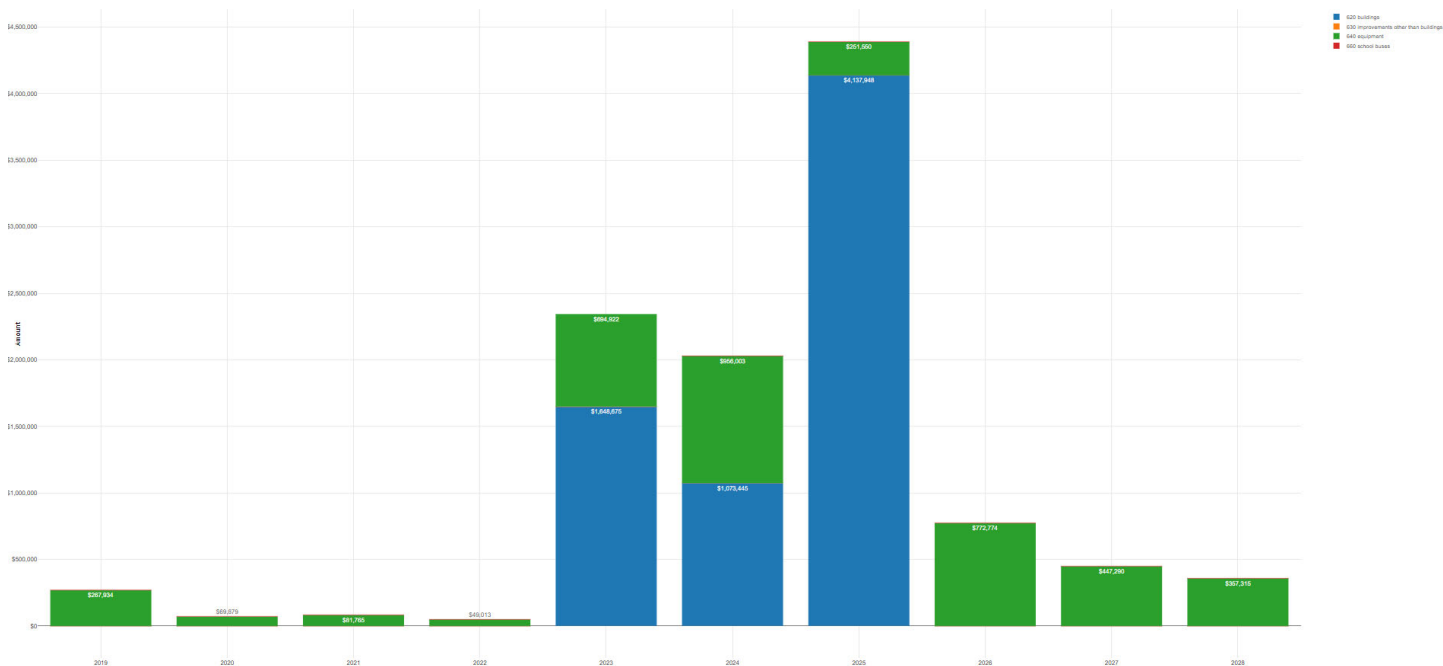
Also in fiscal year 2023, the district approved property acquisitions on Washington Street. This acquisition will allow Chardon Schools to pursue a multi-year relocation project that consolidates the district's transportation and maintenance operations from the high school campus, and Business Affairs offices from the Hambden campus to one shared location on Washington Street. Fiscal year 2025 includes an estimated \$3.5M to cover site work and phase one of this project.

Interactive Flat Panels (IFP) are incorporated into fiscal years 2024 and 2025. The IFP's will replace the projector smartboards district wide. Additional network and technology expenditures have also been moved from the Permanent Improvement Fund for fiscal year 2025 to the General Fund in this category. Fiscal year 2025 includes a district update to the outdated phone system in the amount of \$50K.

The district purchased copiers at the end of fiscal year 2023 within this category. Previously the district leased copy equipment expended from the Permanent

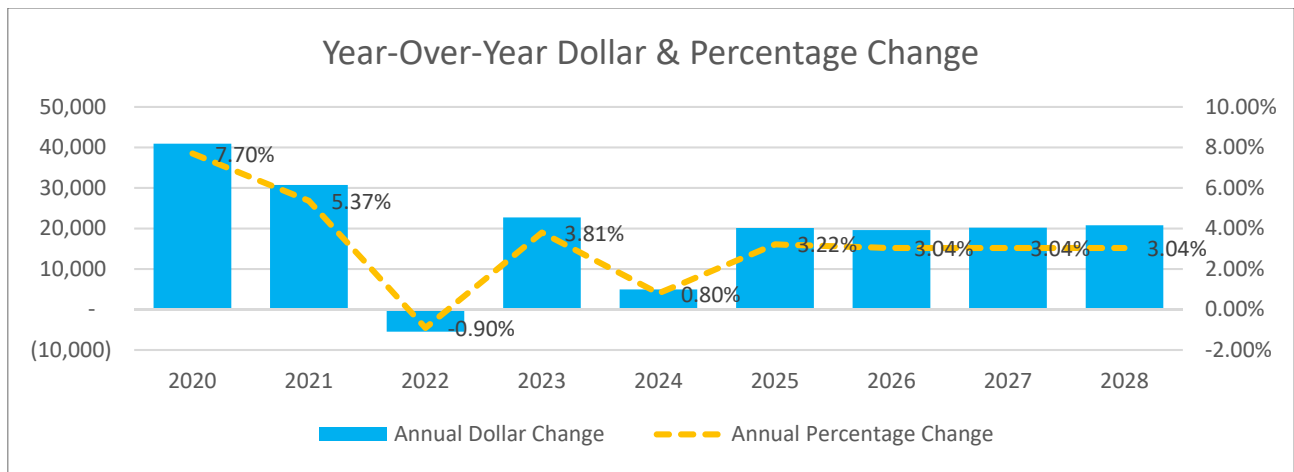
Improvement Fund. The last district lease ended two years ago extending the life of the equipment to seven years.

The projected amount for Capital Outlay for fiscal year 2024 is \$4,389,498. In addition to the items mentioned above this amount includes upgrades to the High School Science rooms, and additional costs associated with the reconstruction of the Park Tunnel. The assumption for this forecast is to remove the additional capital improvement projects from the General Fund by fiscal year 2026 and forecast them within the Permanent Improvement fund to use the one mill of inside-mill explained under Property Taxes above. A 4.0% inflationary increase is included from fiscal years 2025 through 2028.



3.050 - Capital Outlay

4.300 – Other Objects – Primary components for this expenditure line are membership dues and fees, Educational Service Center contract deductions, County Auditor/Treasurer fees, and audit expenses. Other objects represent 1.59% of the total expenditures and increased at a historical average annual rate of 3.99%. This category of expenditure is projected to grow at an annual average rate of 2.63% through FY 2028. This includes a 3.0% cost-of-living increase in this line item from 2025 through 2028.



4.300 – Other Objects

The assumption includes increased charges in fiscal year 2024 for fees, including County Auditor fees in the amount of \$562,577 to collect district Property tax for fiscal year 2024. Bank fees are recorded in this line item and have dropped from fiscal year 2023 to fiscal year 2024 alongside the reduction of student fees. Added for fiscal year 2025 is a robust awards and prizes plan to offer recognition to staff and students. The assumption is for this plan to continue through fiscal year 2028.

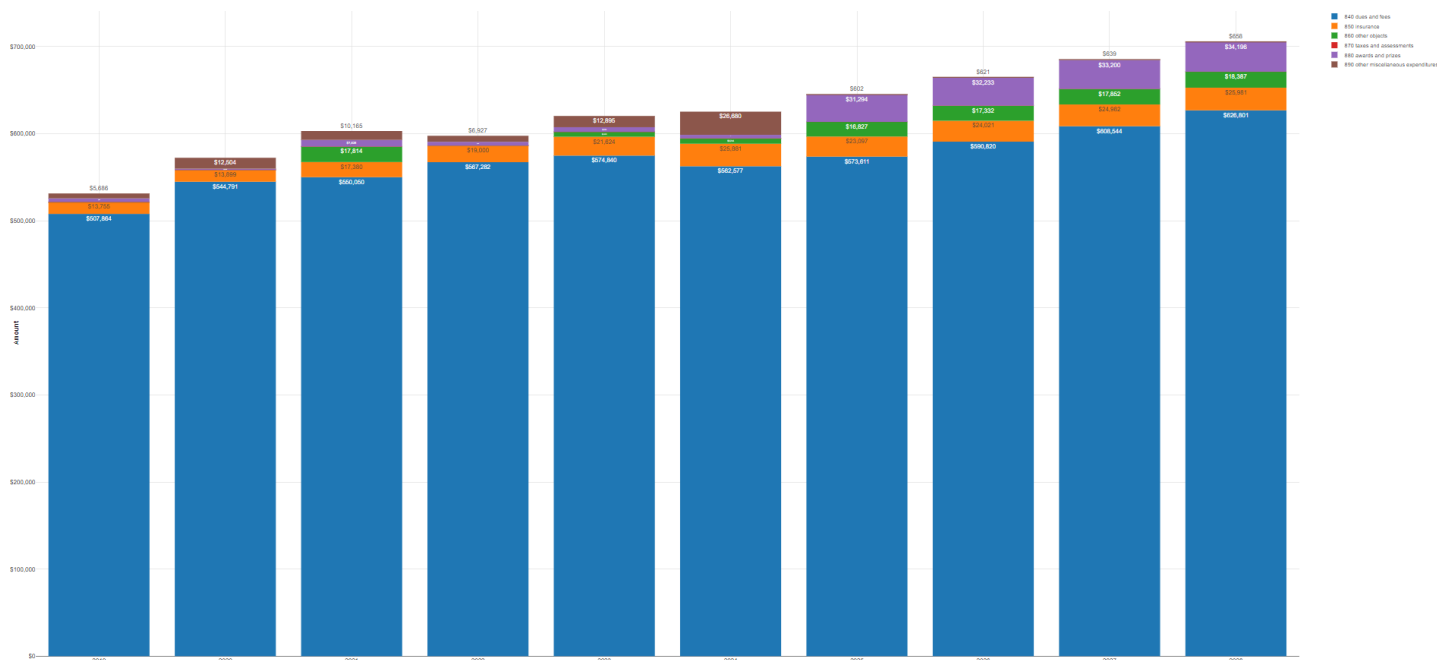
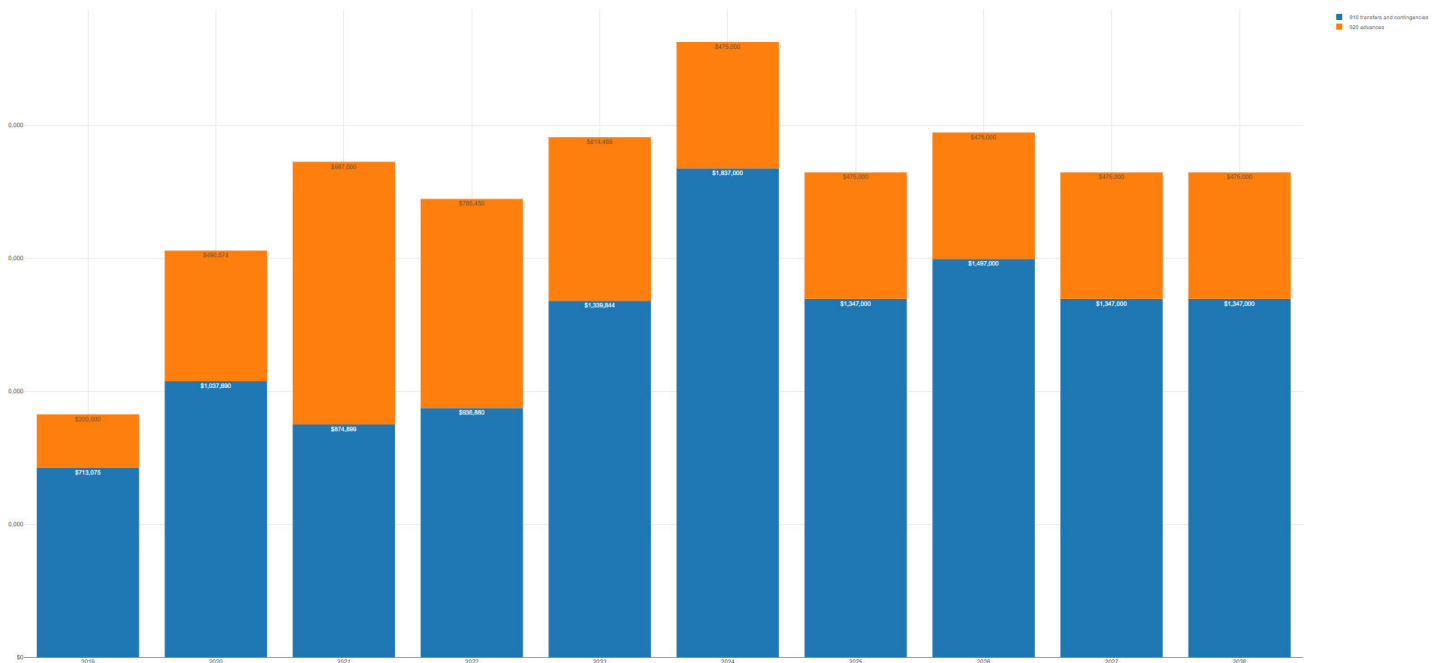


Figure 27 - Other Objects

5.010 to 5.040 – Total Other Financing Uses – Other uses include expenditures that are generally classified as non-operating. It is typically in the form of advances-out which are then repaid into the General Fund from the other district funds. Other uses are a

combination of transfers-out and advances-out of the General Fund to other district funds. Projected transfers for 2024 are total \$2,312,001. This amount is scheduled for the athletic fund, the 009 fees fund, the Permanent Improvement fund, and an inter-fund transfer to preschool. Advances are assumed at \$475,000 for the grant accounts to bring them into a positive status prior to the end of the fiscal year. Advance amounts are paid back to the General Fund at the beginning of the next fiscal year.

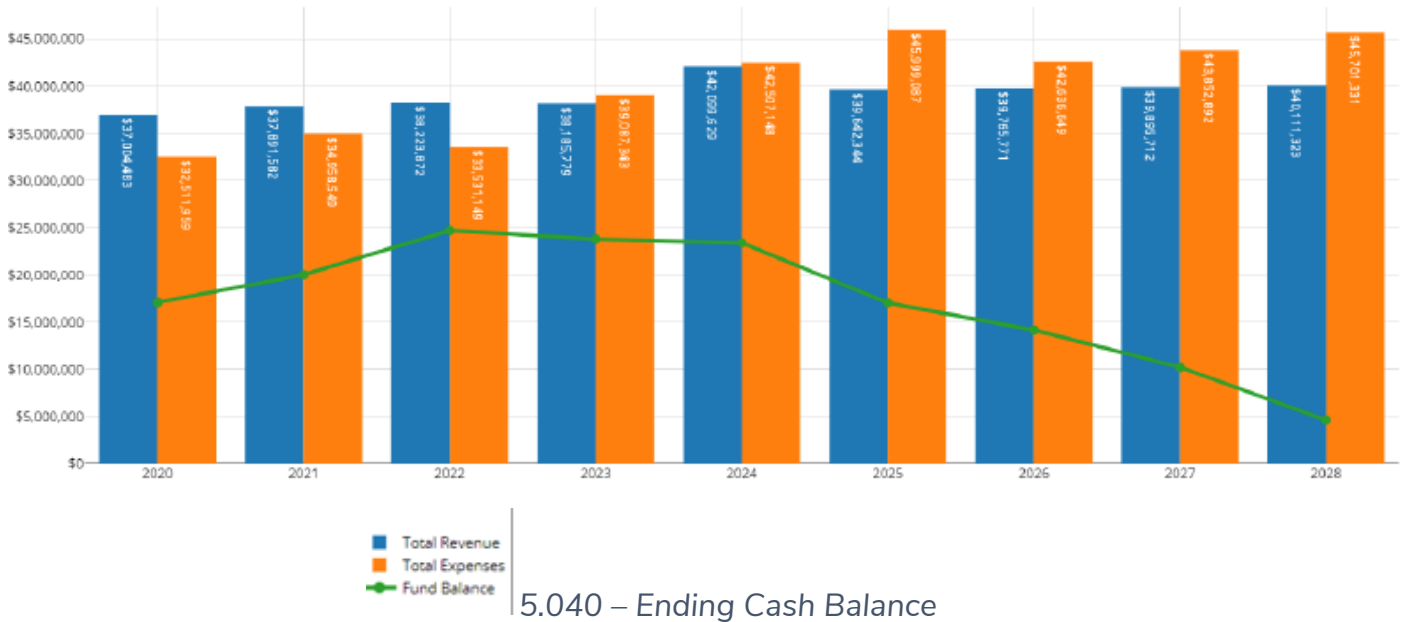
The advance amounts were increased in 2023 for athletics to allow for the reduction of athletic fees where a High School sport was \$150 each. Drama and Band remained at \$100 each, and a Middle School sport was reduced to \$100 each. This reduction is continued in 2024 where Drama, Band, Middle School sports and High School sports are budgeted at no cost to the student and will be included in this transfer. Also included for 2024 is a transfer to the Permanent Improvement Fund of \$400,000. This is to cover the first half the move of taxes from inside-mill because that will not occur until half way through the fiscal year. Transfers resume in 2025 for preschool and athletics through 2028 with an increase in 2026 for an additional transfer to the retirement fund of \$250,000.



5.040 - Total Other Financing Uses

Ending Cash Balance – the projected ending cash balance for this model is **\$4,631,556** with a reduction to **\$4,131,556** with open purchase orders (encumbrances). The assumptions mirror expenditures to the district Success Plan to achieve district goals in each category. Personnel Services has the largest increase with the approval of three-year term agreements with both classified and certified unions. Benefits are the second largest expenditure followed by purchase services.

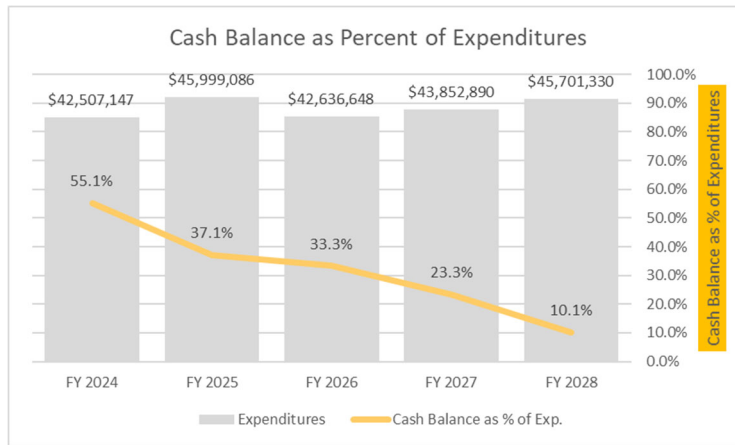
General Fund Revenues, Expenditures, and Cash Balance



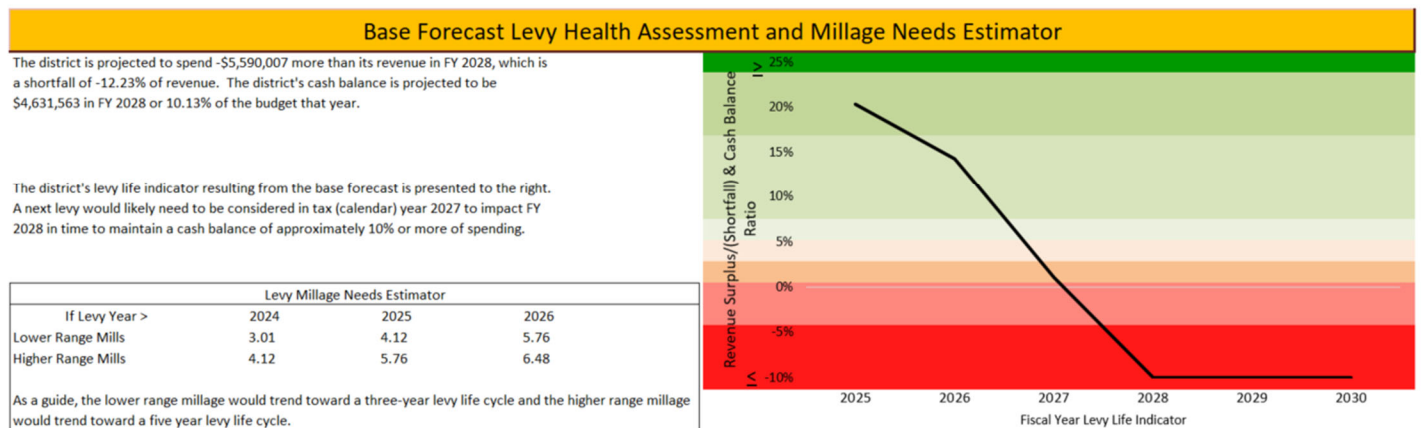
This model shows that deficit spending will continue to occur in 2024 in the amount of **\$407,519**. This occurs when expenses are larger than revenue for the given year. Deficit spending continues to occur through 2028, but it is important to understand the cash balance is still positive in 2028. Expenditures have increased in Salaries, Benefits, Purchase Services, Supplies, Capital Outlay, and Other Expenses. Inflation and supply chain demands are built into this model for all five years.

Chardon Local School Districts primary form of revenue is property tax, and unlike other government offices the school district does not collect sales tax or income tax. Sales tax and income tax have been increasing with the current economy due to inflation and increased wages. Possible catastrophic changes to this forecast can occur with the state legislation, or with a reduction in state funding during this forecast cycle. Projections are not included in this forecast due to uncertainty of legislative changes.

Future levy projections for this forecast model indicate an operating levy may be needed by the end of fiscal year 2028 to continue with the current levels of quality education for our students.



Base Forecast Results							
Base Forecast From 5Cast	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
Beginning Balance	23,813,885	23,406,367	17,049,625	14,178,748	10,221,570	4,631,563	(1,917,507)
+ Revenue	42,099,629	39,642,344	39,765,771	39,895,712	40,111,323	40,526,945	40,972,088
+ Proposed Renew/Replacement Levies	-	-	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-	-	-
- Expenditures	42,507,147	45,999,086	42,636,648	43,852,890	45,701,330	47,076,015	48,518,529
= Revenue Surplus or Deficit	(407,518)	(6,356,742)	(2,870,877)	(3,957,178)	(5,590,007)	(6,549,070)	(7,546,442)
Ending Balance	23,406,367	17,049,625	14,178,748	10,221,570	4,631,563	(1,917,507)	(9,463,948)



Levy Indicators

The district is projected to spend \$5,590,007 more than its revenue in Fiscal Year 2028, which is a shortfall of **12.23%** of revenue. The district's cash balance is projected to be \$4,631,563 in fiscal year 2028 or 10.13% of the budget that year.

The district's levy life indicator resulting from the base forecast is shown above. A next levy would likely need to be considered in tax (calendar) year **2027** to impact Fiscal Year 2028 in time to maintain a cash balance of approximately 10% or more of spending.

In conjunction with increased expenditures, Chardon receives minimal revenue increases due to House Bill 920. Projections of 1.93% revenue increases are included for the small portion of inside-mill on property tax increases, a slight increase in state funding, and the increase in interest on investments. The Board of Education at Chardon Local Schools continues to analyze all funds to determine the effects of the economy and/or any direct

impacts on the financial picture. The Board of Education also carefully analyzes each expenditure category to assure funds are expended in an effective and efficient manner.

Chardon Local School District will provide an updated five-year forecast if conditions should vary significantly from this model and assumptions.

Chardon Local School District
Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2023	2024	2025	2026	2027	2028
Revenue:						
1.010 - General Property Tax (Real Estate)	24,816,872	25,184,411	24,306,796	24,864,827	25,141,825	25,364,871
1.020 - Public Utility Personal Property	1,125,361	3,618,235	2,449,415	2,533,820	2,603,735	2,673,651
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants in Aid	5,161,470	5,518,364	5,720,535	5,897,558	6,075,049	6,087,943
1.040 - Restricted Grants in Aid	506,546	518,971	491,715	464,321	433,234	432,648
1.050 - State Share Local Property Taxes	2,576,492	2,509,518	2,512,837	2,566,435	2,584,970	2,603,424
1.060 - All Other Operating Revenues	2,526,659	3,312,653	2,995,316	2,273,080	1,891,169	1,783,056
1.070 - Total Revenue	36,713,401	40,662,152	38,476,614	38,600,041	38,729,982	38,945,593
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers In	643,696	690,730	690,730	690,730	690,730	690,730
2.050 - Advances In	785,450	614,489	475,000	475,000	475,000	475,000
2.060 - All Other Financing Sources	43,233	132,258	-	-	-	-
2.070 - Total Other Financing Sources	1,472,379	1,437,477	1,165,730	1,165,730	1,165,730	1,165,730
2.080 - Total Rev & Other Sources	38,185,779	42,099,629	39,642,344	39,765,771	39,895,712	40,111,323
Expenditures:						
3.010 - Personnel Services	21,067,202	22,184,381	22,964,468	22,826,144	23,674,860	24,607,363
3.020 - Employee Benefits	8,437,651	9,108,331	9,678,170	10,108,097	10,807,683	11,571,522
3.030 - Purchased Services	3,066,934	4,056,668	4,368,680	4,281,297	4,325,290	4,440,817
3.040 - Supplies and Materials	1,597,304	2,191,025	2,130,838	2,011,310	2,090,550	2,196,290
3.050 - Capital Outlay	2,343,597	2,029,448	4,389,498	772,774	447,290	357,315
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	620,322	625,294	645,432	665,026	685,217	706,023
4.500 - Total Expenditures	37,133,010	40,195,147	44,177,086	40,664,648	42,030,891	43,879,331
Other Financing Uses						
5.010 - Operating Transfers Out	1,339,844	1,837,000	1,347,000	1,497,000	1,347,000	1,347,000
5.020 - Advances Out	614,489	475,000	475,000	475,000	475,000	475,000
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	1,954,333	2,312,001	1,822,001	1,972,001	1,822,001	1,822,001
5.050 - Total Exp and Other Financing Uses	39,087,343	42,507,148	45,999,087	42,636,649	43,852,892	45,701,331
6.010 - Excess of Rev Over/(Under) Exp	(901,564)	(407,519)	(6,356,743)	(2,870,878)	(3,957,180)	(5,590,008)
7.010 - Cash Balance July 1 (No Levies)	24,715,448	23,813,885	23,406,366	17,049,622	14,178,744	10,221,564
7.020 - Cash Balance June 30 (No Levies)	23,813,885	23,406,366	17,049,622	14,178,744	10,221,564	4,631,556
		Reservations				
8.010 - Estimated Encumbrances June 30	500,000	500,000	500,000	500,000	500,000	500,000
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	23,313,885	22,906,366	16,549,622	13,678,744	9,721,564	4,131,556
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	23,313,885	22,906,366	16,549,622	13,678,744	9,721,564	4,131,556
Revenue from New Levies						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	23,313,885	22,906,366	16,549,622	13,678,744	9,721,564	4,131,556