

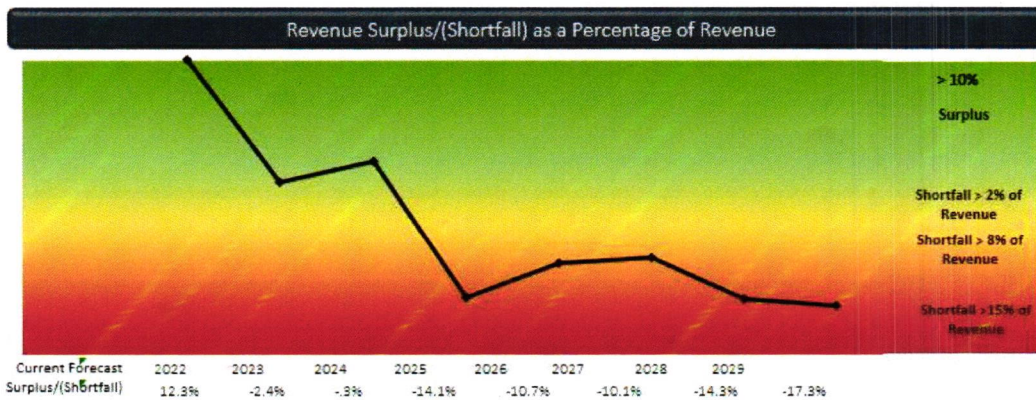
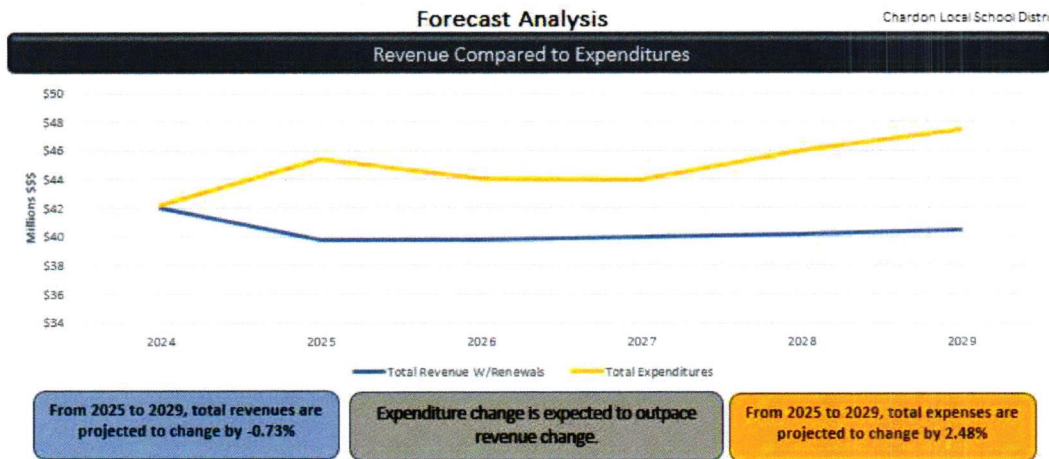


CHARDON LOCAL SCHOOLS

TAX BUDGET 2026

EXECUTIVE SUMMARY

NOVEMBER 2024 STATE FILED FIVE-YEAR FORECAST ADJUSTED WITH DTE93 VALUATION ADJUSTMENTS PROVIDED BY GEAUGA COUNTY AUDITORS OFFICE

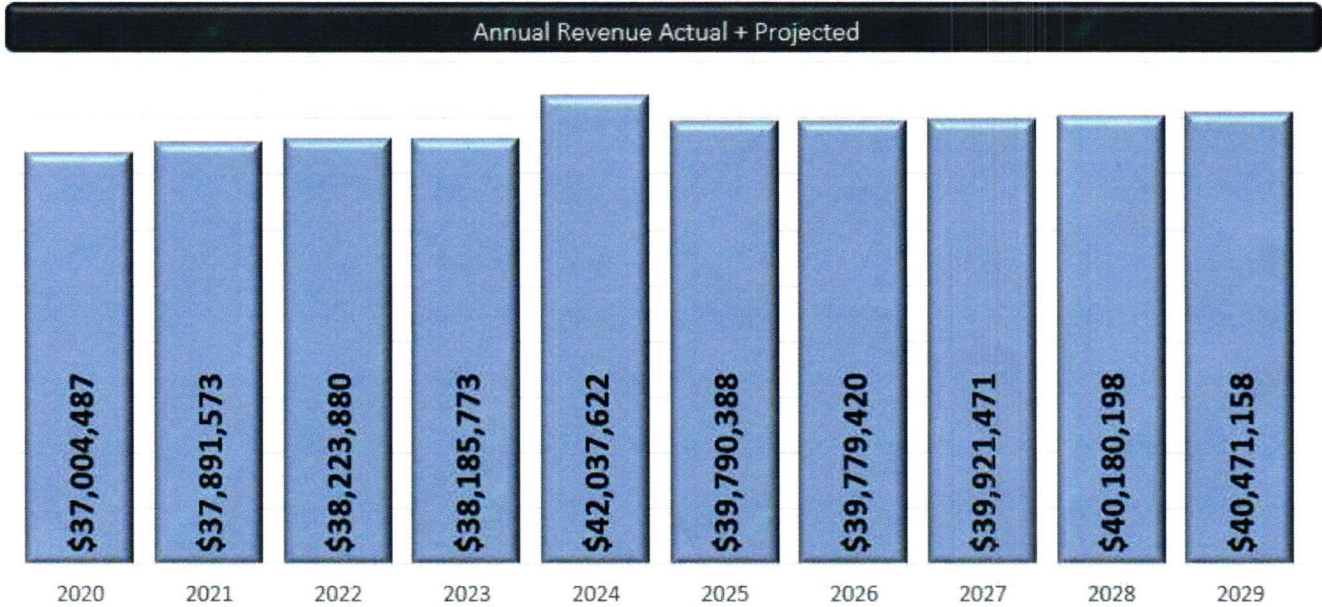
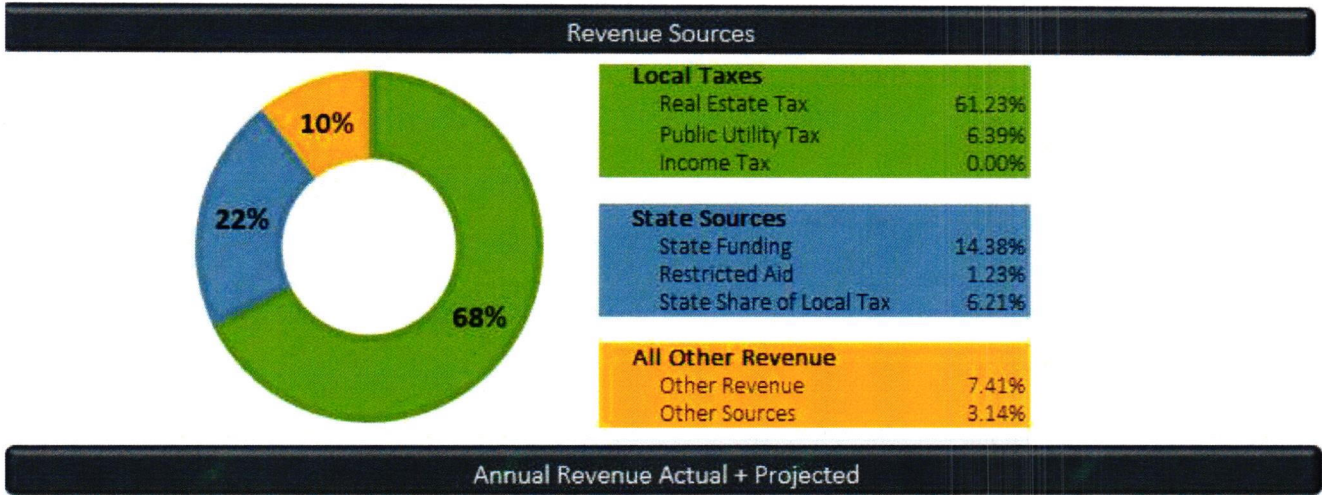


- ▀ The district is trending toward revenue shortfall with the expenditures growing faster than revenue.
- ▀ A revenue increase of 17.32% is needed to balance the budget in fiscal year 2029, or a \$7,008,049 reduction in expenditures.
- ▀ - The largest contributor to the projected revenue trend is the change in Real Estate.
- ▀ - The expenditure most impacting the changing trend is Capital Outlay.

REVENUE

Revenue Overview

Chardon Local School District



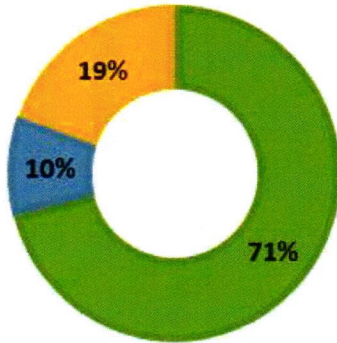
Over the past five years, revenue increased by 3.56% (\$1,327,354 annually). However, it is projected to decrease by .73% (\$313,293 annually) through fiscal year 2029. Notably, all Real Estate revenue is expected to be \$574,063 less per year compared to history, and due to the 1 mill move to the Permanent Improvement fund, is the biggest driver of trend change on the revenue side. The second largest decline is in interest which is projected to be \$550,221 less per year compared to history. Fiscal year 2024 shows increased revenue due to the past due collection of Public Utility that was due in fiscal year 2023 and collected in fiscal year 2024.

EXPENDITURES

Expenditure Overview

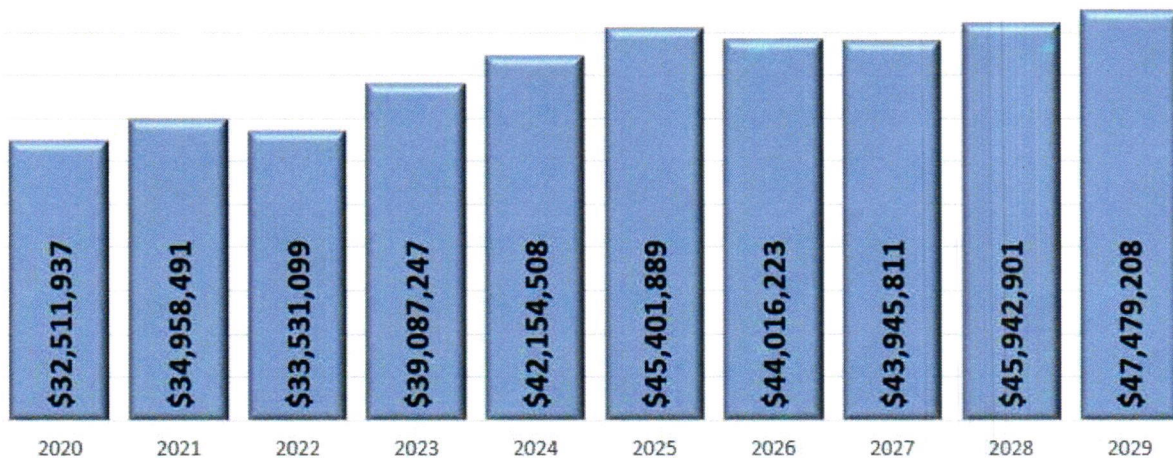
Chardon Local School District

Expenditure Categories



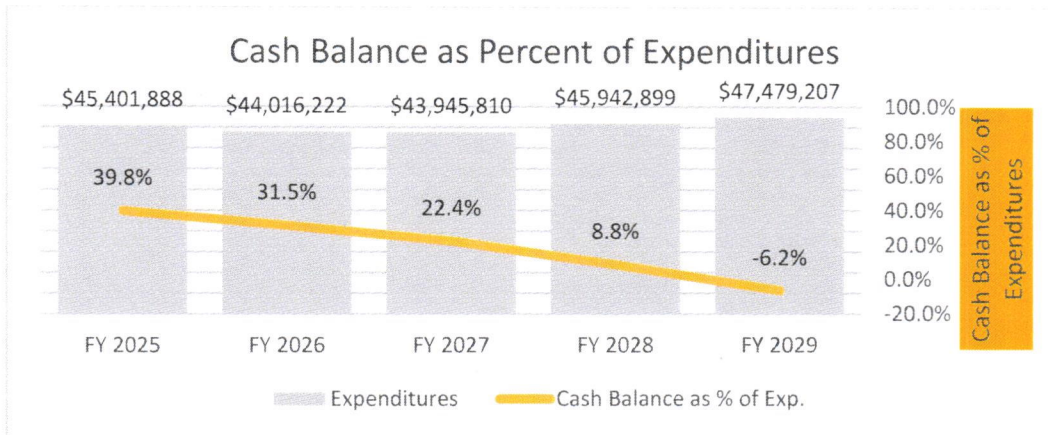
Personnel Costs	
Salaries	50.13%
Benefits	20.82%
Purchased Services	
	9.56%
All Other Expenditures	
Supplies, Capital, Debt, Other Obj	15.49%
Other Uses	4.01%

Annual Expenditures Actual + Projected

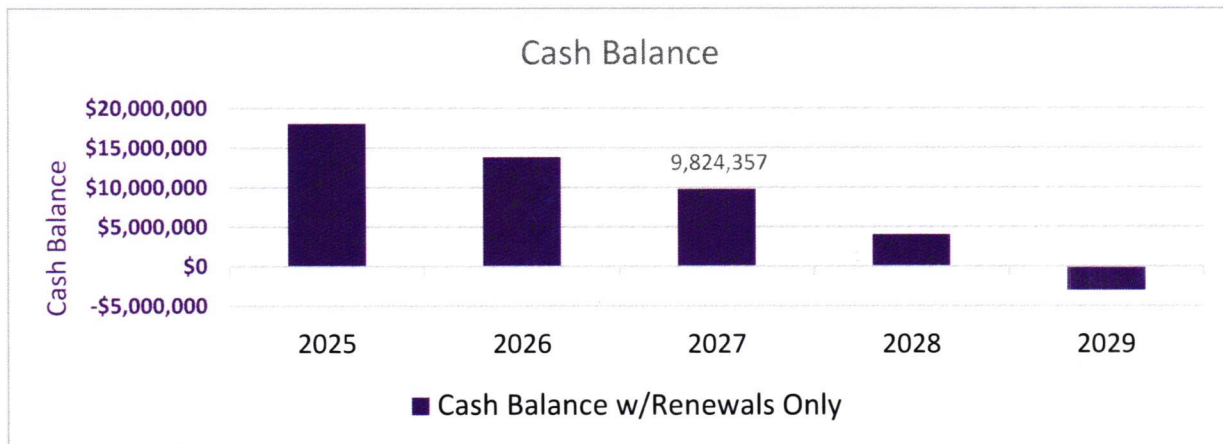


Total expenditures projected for fiscal year 2026 are \$44,016,223. Fiscal year 2026 includes expenditures for negotiated contracts with both district unions, inflation within purchase services and supplies, additional text books, and Capital Outlay expenditures to cover \$1.4M of phase-TWO renovations for the Transportation/Business Affairs compound located on Washington Street in Chardon. Important note, Chardon Local Schools has negotiated agreements in place certified by 412 certificate for both the CEA Teachers Union, and the CACE Classified Staff. This agreement is built into the forecast through 2028.

For fiscal year 2026, revenue projection is \$39,779,402 while expenditures are \$44,016,223. The result is deficit spending at (\$4,236,803). This includes one-time costs for the completion of the Transportation Compound, and the Park Elementary security vestibule. This also includes, for the third year, reduced student fees, saving the District community parents roughly \$560K in tax dollars.



In responding to the recommendations of the Geauga County Budget Commission to address the cash balance, one time purchases were made to increase safety and security including security vestibules in all buildings (to be completed by 2026), weapons detection, safety crossings, new doors and locks, and the moving of buses from the High School to the Washington location (to be completed by 2026). These one-time expenditures drew down the cash balance to be under the recommended 40% percent of cash to expenditures in 2025, and is further lowering to 31.5% in fiscal year 2026. Due to inflation and negotiated agreements in place through 2028, the cash balance is projected to decline quickly.



This decline is typical for a school district on the backside of a levy cycle where salaries and benefits are roughly 80% of expenditures and contracts are negotiated and set through 2028.

An operating levy projection is estimated for fiscal year 2027 to be collected in fiscal year 2028. Without additional revenue or budget cuts by fiscal year 2029 the District will be flagged for fiscal caution from the Ohio Department of Education and Workforce as soon as fiscal year 2026. Fiscal caution designations are a result of the five-year forecast submission to the state and districts incurring a deficit in year three are sited.

For more information, the Five-Year Forecast, and Forecast Assumptions can be found on the Chardon website. These documents show the plan in detail on revenue and spending for the next five years (<https://www.chardonschools.org/Treasurer.aspx>)

ALTERNATIVE TAX BUDGET INFORMATION

Name of School District Chardon Local School District

For the Fiscal Year Commencing July 1, 2025

Treasurer's/CFO Signature _____ Date January 6, 2024 (Board Approved)

COUNTY OF GEAUGA

Background

Substitute House Bill No. 129 (HB129) effective June 3, 2002, was enacted by the 124th General Assembly in part to allow a county budget commission to waive the requirement that a taxing authority adopt a tax budget for a political subdivision or other taxing unit, pursuant to Ohio Revised Code (ORC) Section 5705.281.

Under the law in effect prior to June 3, 2002, the budget commission could only waive the tax budget for a subdivision or other taxing unit that was receiving a share of the county undivided local government fund or the county undivided local government revenue assistance fund under an alternative method or formula pursuant to ORC Sections 5747.53 and 5747.63. Thus, tax budgets could be waived only for counties, municipalities, townships, and park districts. This restriction is now removed.

Ohio Revised Code Section 5705.281

Under the amended version of this section pursuant to HB 129, a county budget commission, by an affirmative vote of a majority of the commission, including an affirmative vote by the county auditor, may waive the tax budget for any subdivision or other taxing unit. However, the commission may require the taxing authority to provide any information needed by the commission to perform its duties, including the division of the tax rates as provided under ORC Section 5705.04.

County Budget Commission Duties

The county budget commission must still certify tax rates to each subdivision or other taxing unit, by March 1 for school districts and by September 1 for all other taxing authorities under ORC Section 5705.35, even when a tax budget is waived. Also, the commission is still required to issue an official certificate of estimated resources under ORC Section 5705.35 and amended official certificates of estimated resources under ORC Section 5705.36.

Therefore, when a budget commission is setting tax rates based on a taxing unit's need, for purposes of ORC Sections 5705.32, 5705.34, and 5705.341, its determination must be based on that other information the commission asked the taxing authority to provide under ORC Section 5705.281, when the tax budget was waived. Also, an official certificate must be based on that other information the commission asked the taxing authority to provide.

Alternative Tax Budget Information Filing Deadline

The fiscal officer for each school district must file one copy of this document with the County Auditor on or before January 15, 2024. [Note: The traditional deadline for submission of the tax budget has been January 15. There is the potential for flexibility on this date as a result of HB 129 depending on the needs of the Budget Commission, but in order for them to be on track with the certificate of available resources, the date may need to be very close to January 15].

GUIDELINES FOR COMPLETING THE ALTERNATIVE TAX BUDGET INFORMATION*

SCHEDULE 1

The general purpose of schedule 1 is to meet the requirement of Ohio Revised Code (ORC) Section 5705.04 which requires the taxing authority of each subdivision to divide the taxes levied into separate levies. For help use the schedule B issued by the budget commission for the current year and add any new levies. This will help to ensure that no levies are missed.

In column 1 list only those individual funds which are requesting general property tax revenue. In column 2 purpose refers to the following terms, inside, current expenses, and special levy for example. In column 4 levy type refers to renewal, additional, and replacement for example. In column 9 identify the amount of general property tax you wish to request.

NOTE:

The general purpose of column 9 is to demonstrate the need to produce property tax revenues to cover the estimated expenditures for the budget year. ORC Section 5705.341 states in part;

"Nothing in this section or any section of the ORC shall permit or require the levying of any rate of taxation, whether within the 10 mill limitation or whether the levy has been approved by the electors, the political subdivision or the charter of a municipal corporation in excess of such 10 mill limitation, unless such rate of taxation for the ensuing fiscal year is clearly required by a budget properly and lawfully, adopted under this chapter or by other information required per ORC 5705.281."

Property tax revenue includes real estate taxes, personal property taxes, homestead and rollback, and the personal property 10,000 exempt monies.

SCHEDULE 2

The general purpose of schedule 2 is to produce an Official Certificate of Estimated Resources for all funds. In column 3, total estimated receipts should include all revenues plus transfers in. All taxing authorities, except school districts, must submit a list of all tax transfers.

SCHEDULE 3

The general purpose of schedule 3 is to provide inside/charter millage for debt service. The basic security for payment of general obligation debt is the requirement of the levy of ad valorem property taxes within the 10 mill limitation imposed by Ohio law. Ohio law requires a levy and collection of ad valorem property tax to pay debt service on general obligation debt as it becomes due, unless that debt service is paid from other sources.

SCHEDULE 4

The general purpose of schedule 4 is to provide for the proper amount of millage to cover debt service requirements on voted bond issues. Major capital improvement projects are sometimes financed through the use of voted bonds. The taxing authority seeks voter approval of general obligation bonds and of the levy of property taxes outside the indirect debt limitation in whatever amount is necessary to pay debt service on those bonds.

SCHEDULE 5

The general purpose of schedule 5 is to properly account for tax anticipation notes. See schedule 5 for more details.

*** Please reproduce all pages as necessary.**

Additional Exhibits provided by district for explanation purposes only.

DIVISION OF TAXES LEVIED

(Levies Inside & Outside 10 Mill Limitation, Inclusive Of Debt Levies)
(List All Levies Of The Taxing Authority)

Chardon Local Schools 2026 Tax Budget

% of total
Reduced Millage

Funds (General, Permanent Im., Library, Other)

SCHEDULE 1

I	II	III	IV	V	VI	VII	VIII	IX
Fund	Purpose	Authorized By Voters On MM/DD/YY	Levy Type	Number Of Years Levy To Run	Tax Year Begins/ Ends	Collection Year Begins/ Ends	Maximum Rate Authorized	Rate Requested- to be Reduced by HB920
General	Inside Millage						3.50	3.50
Permanent Improvement	Inside Millage						1.00	1.00
General	Current Expenses		Gen. Oper.	Continuing	prior 1976		26.60	26.60
General	Current Expenses	1977	Gen. Oper.	Continuing	1977	1978	5.50	5.50
General	Current Expenses	1982	Gen. Oper.	Continuing	1982	1983	4.90	4.90
General	Current Expenses	1987	Gen. Oper.	Continuing	1987	1988	5.50	5.50
General	Current Expenses	1989	Gen. Oper.	Continuing	1989	1990	7.30	7.30
General	Current Expenses	1995	Gen. Oper.	Continuing	1995	1996	5.80	5.80
General	Current Expenses	2000	Gen. Oper.	Continuing	2000	2001	4.78	4.78
General	Current Expenses	2006	Gen. Oper.	Continuing	2006	2007	4.00	4.00
Permanent Improvement	Special Levy	2006	Perm. Improv.	Continuing	2006	2007	2.00	2.00
General	Current Expenses	2013	Gen. Oper.	Continuing	2013	2014	5.9	5.9
General	Current Expenses	2018	Gen. Oper.	Continuing	2018	2019	3.9	3.9
Totals							80.68	80.68