CHARDON
LOCAL SCHOOLS

Five-Year Forecast
August 2026

Deb Armbruster, Treasurer / CFO

We Commit to High Achievement for All Students

Forecast Methodology

- Methodology - Communication, collaboration, and analytics with key personnel to develop spending plans for a close to actual projection of revenue and expenditures
  - Superintendent
  - Director of Student Services
  - Assistant Superintendent of Business Affairs
  - Assistant Superintendent
- Capitalize on grants and additional funding to relieve the General Fund
  - Local Grants
  - State Grants
  - Federal Grants
  - Transportation Services
  - Shared Service Agreements
  - Building Rentals

CHARDON LOCAL SCHOOLS

Important to Remember:

- HB96 - A three-year forecast (current year, plus three forecasted) is required for state submission. Chardon Local Schools prepares a five-year forecast and will submit a three-year forecast to the state.

- A forecast is an ESTIMATE. It represents what we know **now**.

- Circumstances in Ohio school finance are constantly changing - inflation, the state funding formula, and tax collections.

- The forecast makes assumptions concerning numerous variables that are not yet known (property values, state funding, supply chain, interest rates, etc.)

- The forecast represents only the General Fund of the District.

- Assumptions are located in BoardDocs which contain more details.

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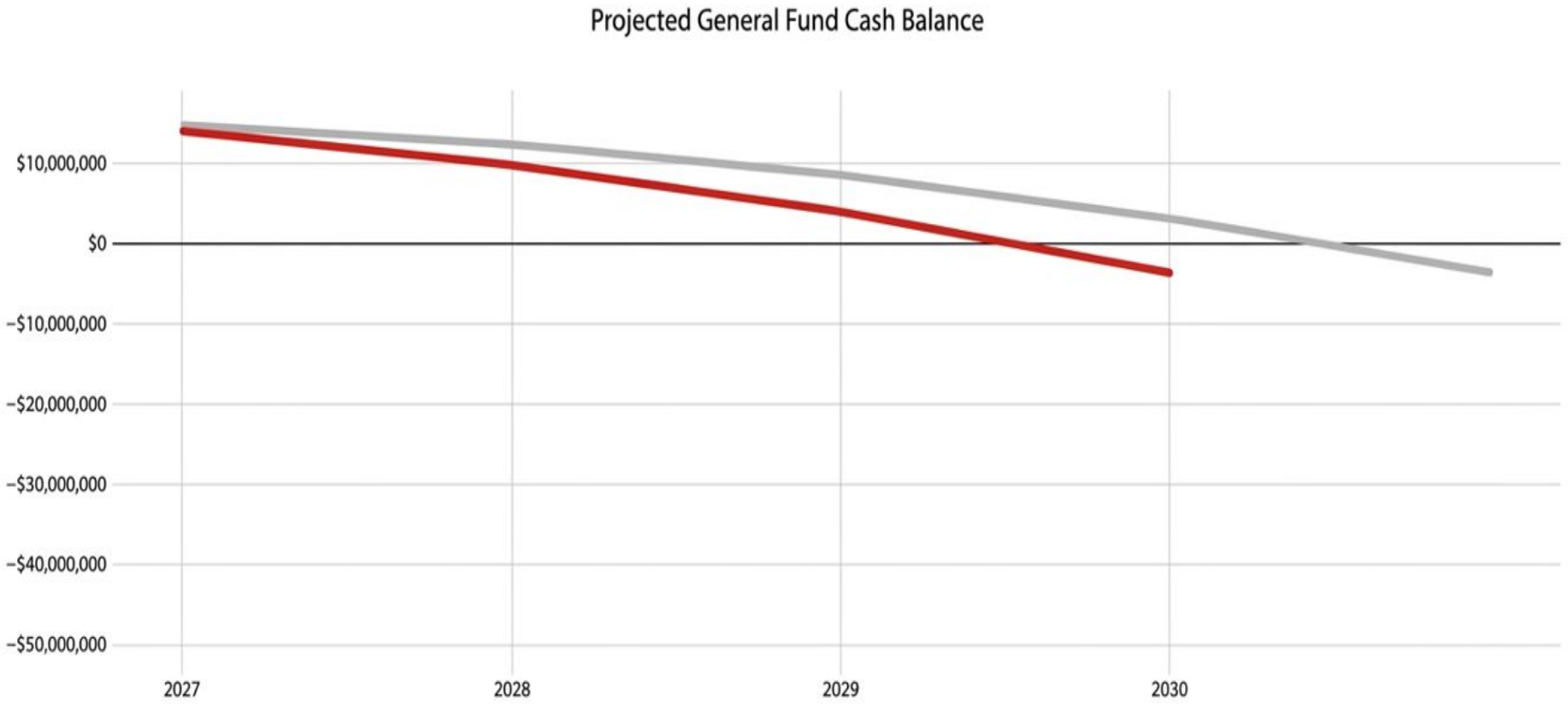
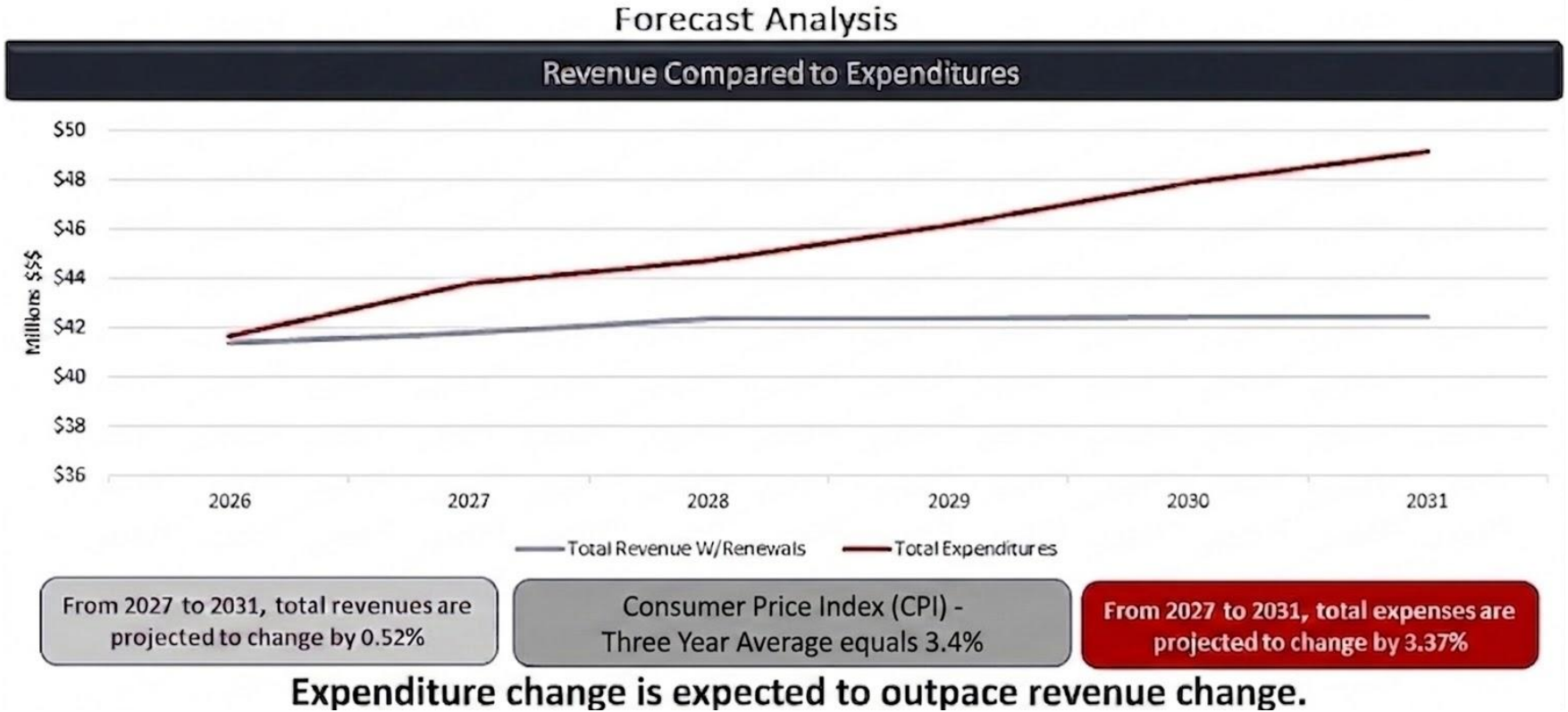
August 2026 Forecast vs May 2026

August 2026 Estimate vs May 2026 Estimate

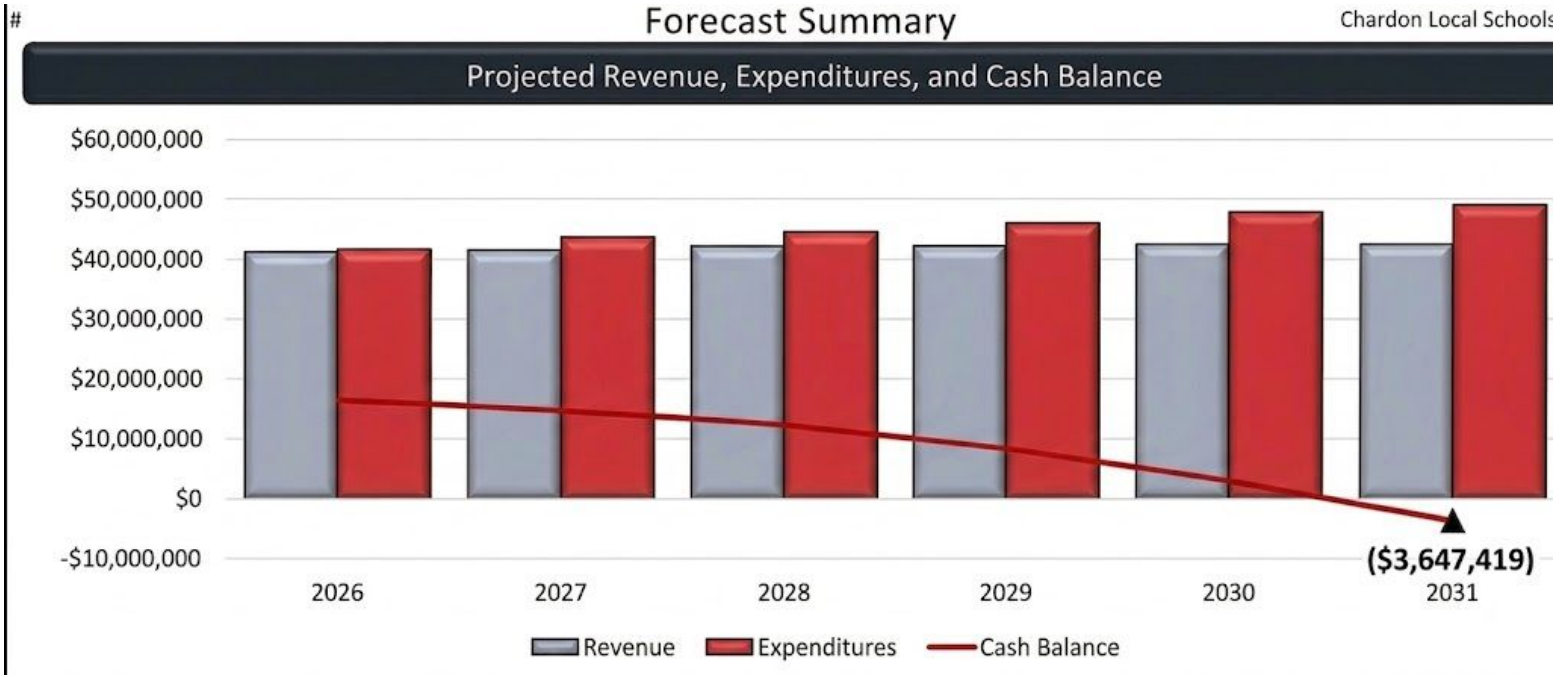


August 2026 Forecast for Fiscal Year 2027

August 2026 Revenue vs. Expenditures



August 2026 Forecast Summary



The Plan: To align the Forecast with the 2023-2028 district Success Plan. Concentration aligns with district goals for safety and security, facilities and operations, communications, resources and fiscal responsibilities, and engaged student learning.

Note - Deficit spending is when expenditures exceed revenue for a given year (red bar higher than the gray bar.)

CHARDON LOCAL SCHOOLS: HIGH ACHIEVEMENT & FISCAL INTEGRITY

Balancing high-performing academic growth with rigorous, award-winning financial management for Success Plan 2028.

PROVEN ACADEMIC SUCCESS & HIGH ACHIEVEMENT

Achieved success through an updated curriculum and increased test scores, aligning with model district goal by 2028.

EXPANDING COLLEGE AND CAREER PATHWAYS

Career Tech Education (CTE)
Increased enrollment

College Credit Plus (CCP)
Equips students for future success.

(Portrait of a Hilltopper values)

5 CONSECUTIVE AWARD-WINNING AUDITS

Maintains fiscal stability by stretching the tax dollar and utilizing a dedicated Fiscal Advisory Team.

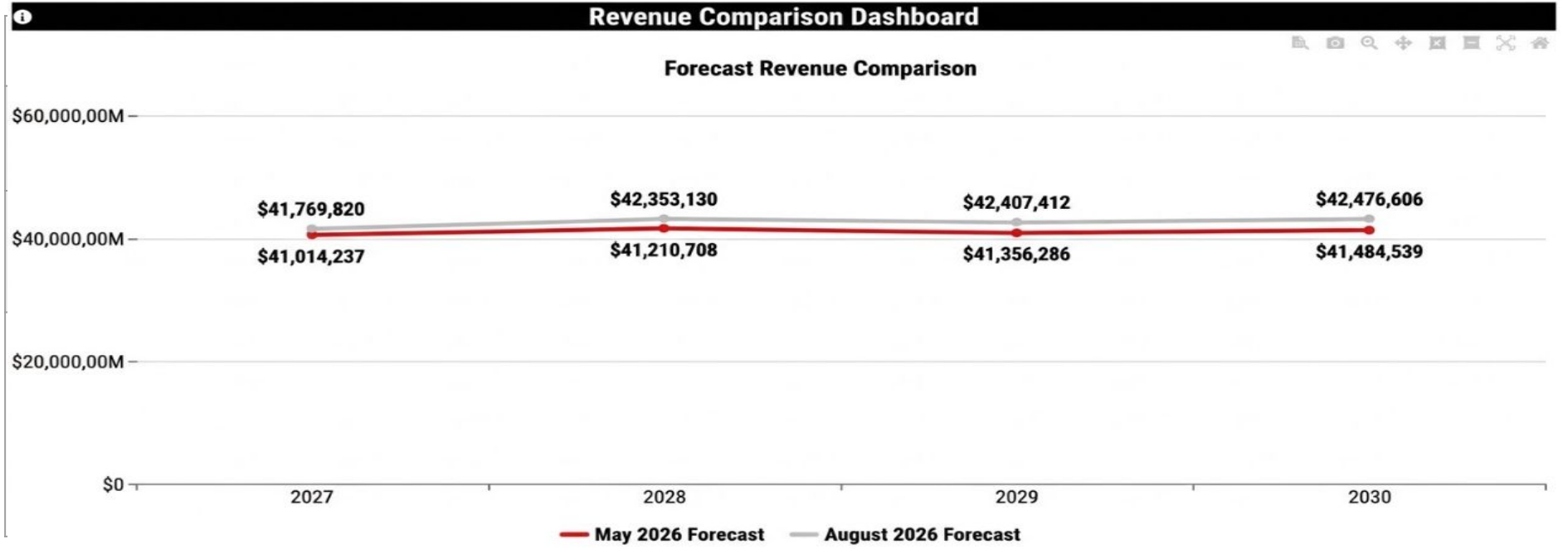
STRATEGIC STABILITY WITHOUT INCREASING TAXES

Moving 1 mill from Permanent Improvement to General Fund protects operations without increasing tax burden.

Gemini Notebook

Revenue Compare to May 2026

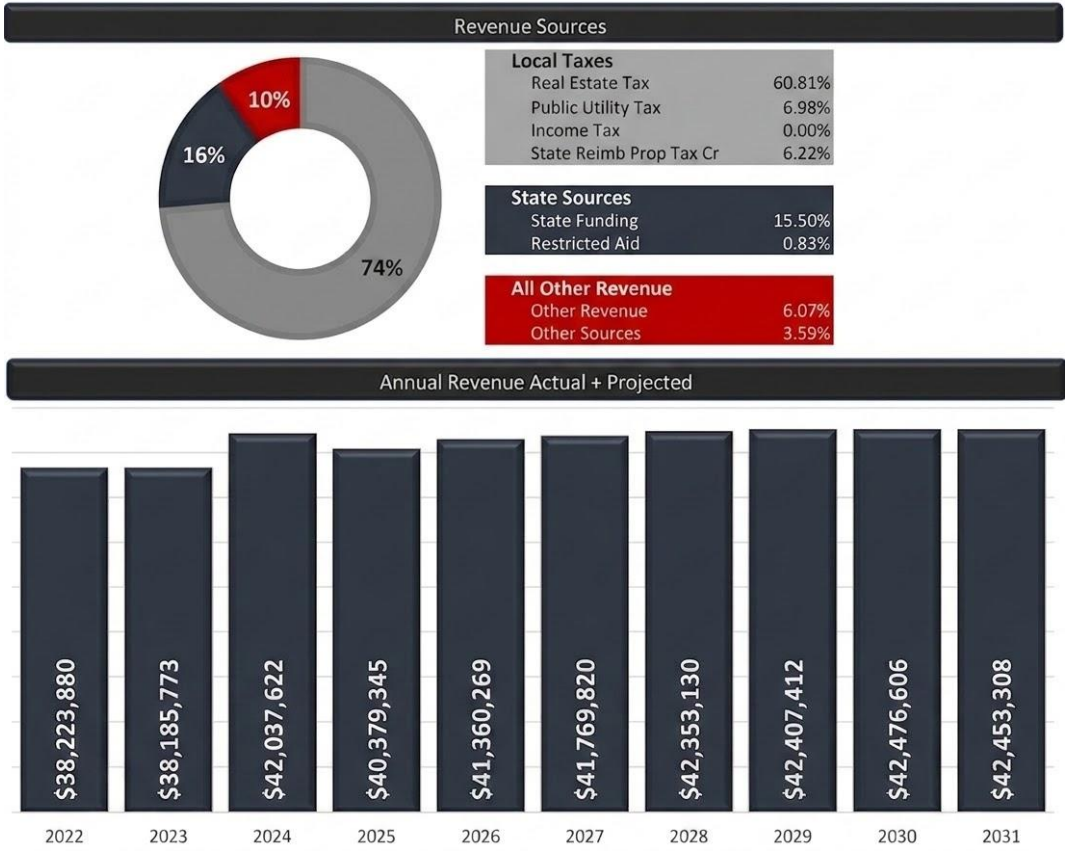
August (2.080) Revenue Estimates vs. May (2.080) Estimates



- 2027 - Increased revenue for moving one (1) mill from Permanent Improvement back to General Fund (one-half year)
- 2028 - 2031 - Increased revenue for moving one (1) mill from Permanent Improvement back to General Fund (full amount)
- 2027 - 2031 - Assumption - reduced interest with slight increases in State Funding
- 2027 - 2031 Projected increase of revenue increasing .52% annually throughout this forecast

2026 Total Revenue Estimate - Percent to total

Revenue Overview



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Note: 2024 revenue was escalated by a past due public utility bill that should have been paid in 2023

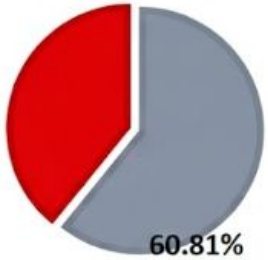
Revenue

Property Tax & State Funding

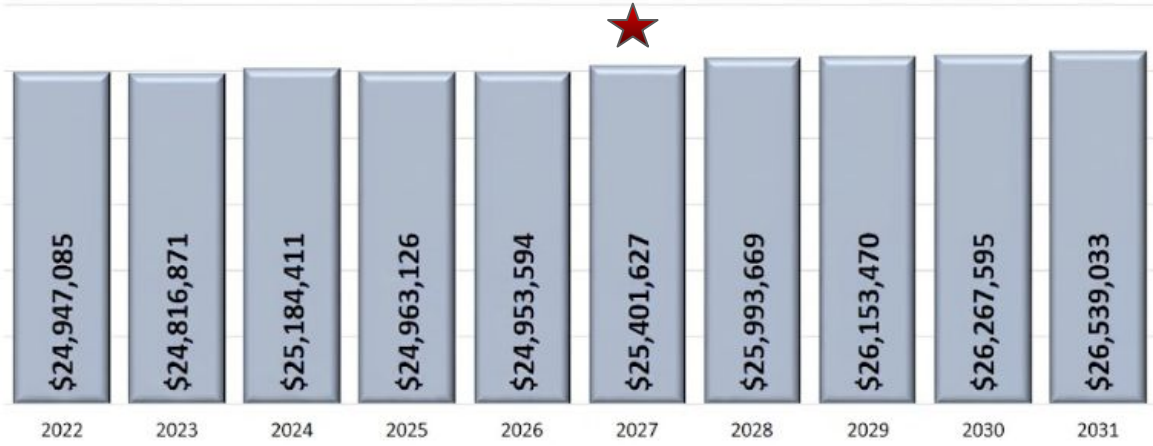
(All revenues are detailed in the assumptions in BoardDocs)

1.01 Real Estate Property Tax Revenue

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 60.81% of total district general fund revenue.

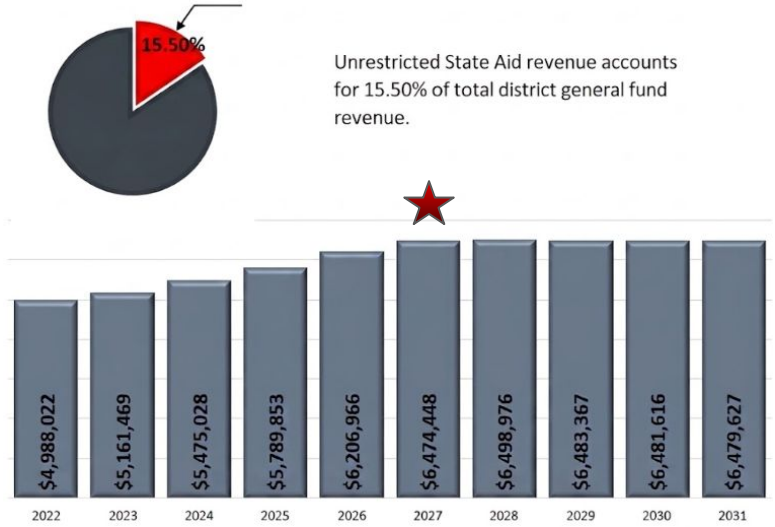


- **2025 Collection rate = 100.72 (estimated at 98% by Geauga County Treasurer) Assumption 98.0% 2027-2031.**
- **Assumption for 19.46% Residential, 8.54% Commercial, and 3.26% in PUPP for Valuation increases**
- **HB335 caps inflation on inside mill to 9.15% for 2027.**
- **Tax rate is 24.93 mill for Residential, and 37.81 mill for Commercial**
- **HB920 - lowers tax rates on voted millage when property taxes increase (original is 77.68)**
- **2027 revenue increased by ½ of the 1 mill moved back from Permanent Improvement Fund. 2028-2031 all of the 1 mill is moved back to GF.**

State Funding

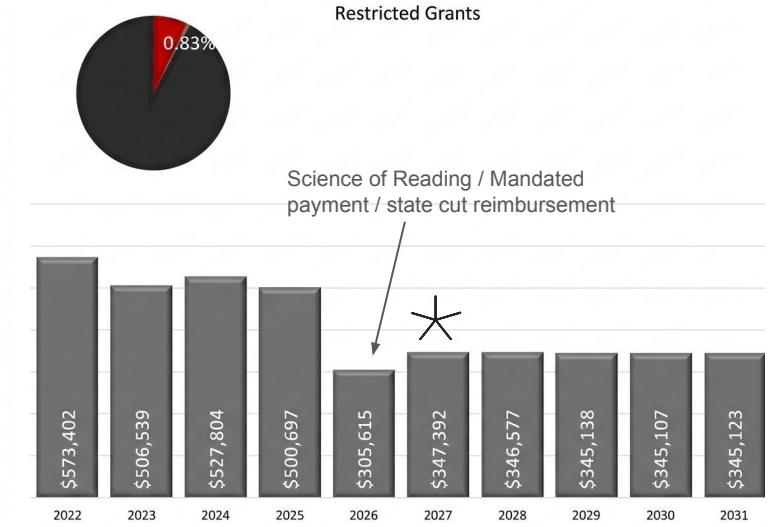
..1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



1.040 & 1.045 - Restricted Grants-in-Aid

Funds Received as Restricted Grants-in-Aid from State Sources



1.035 Unrestricted

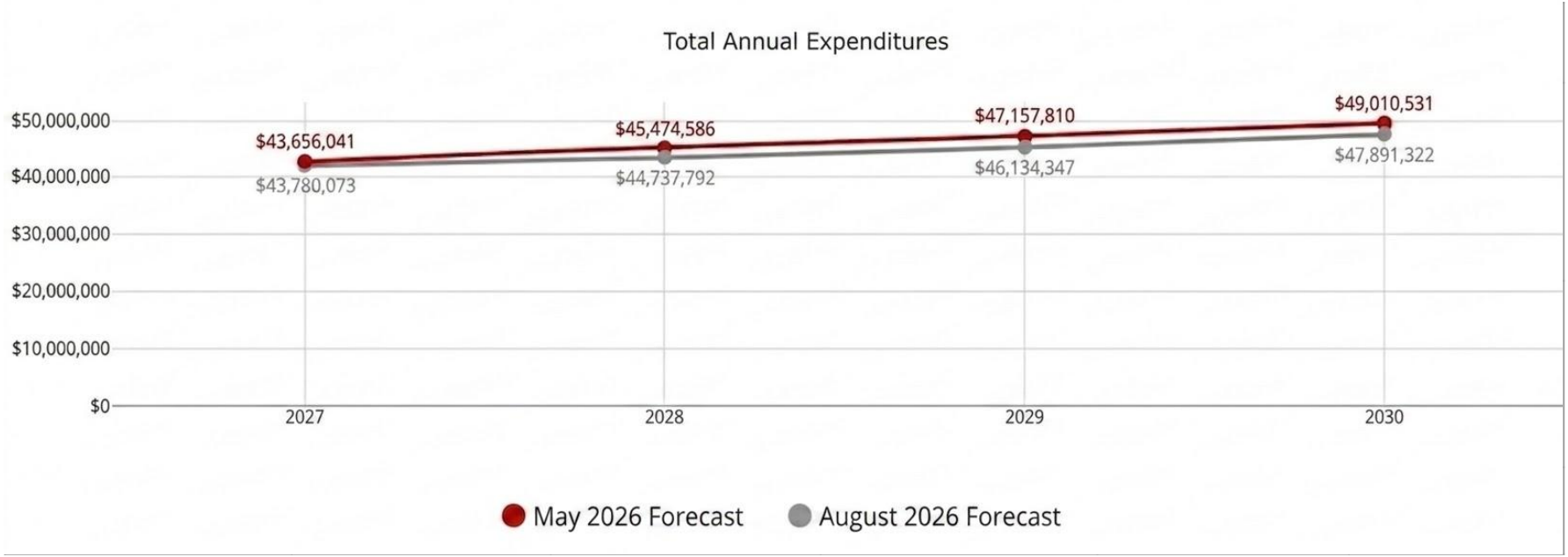
- Guarantee District with slight increase for the next five years primarily for transportation
- State Report Card Increase 2026-2027, assumption to continue through 2031 with minimal increases

1.040 & 1.045

- Threshold Cost Reimbursement has nearly doubled in 2022, but declining in 2026-2031 (funding cut)
- Student Wellness funds were moved to General Fund in 2022, but are declining in 2026 - 2031 (funding cut)
- Assumption to increase CTE, English Learner, Gifted Education, and Disadvantaged Pupil funds to combat decreasing Wellness and Threshold Funds

Expenditures Compare to May 2026

Expenditures - August Estimates vs. May Estimates

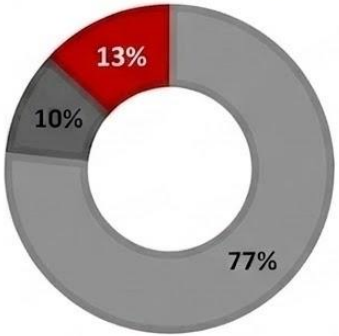


- 2027 - Increased Supplies for Book Purchases (Social Studies & Science)
- 2027-2031 - Decreased Salaries and benefits based on retirements and reduction in force
  - 2027 - 1 less Intervention Specialist, 1 less Job Coach
- 2027-2031 - Decreased benefits based on cost saving measures
- 2027-2031 - Decreased Capital Outlay moving most expenditures back to the PI Fund
  - Except Chromebooks
- 2027-2031 - Decreased Transfers to allow for adding back Athletic/Activity Fees

Expenditure Overview

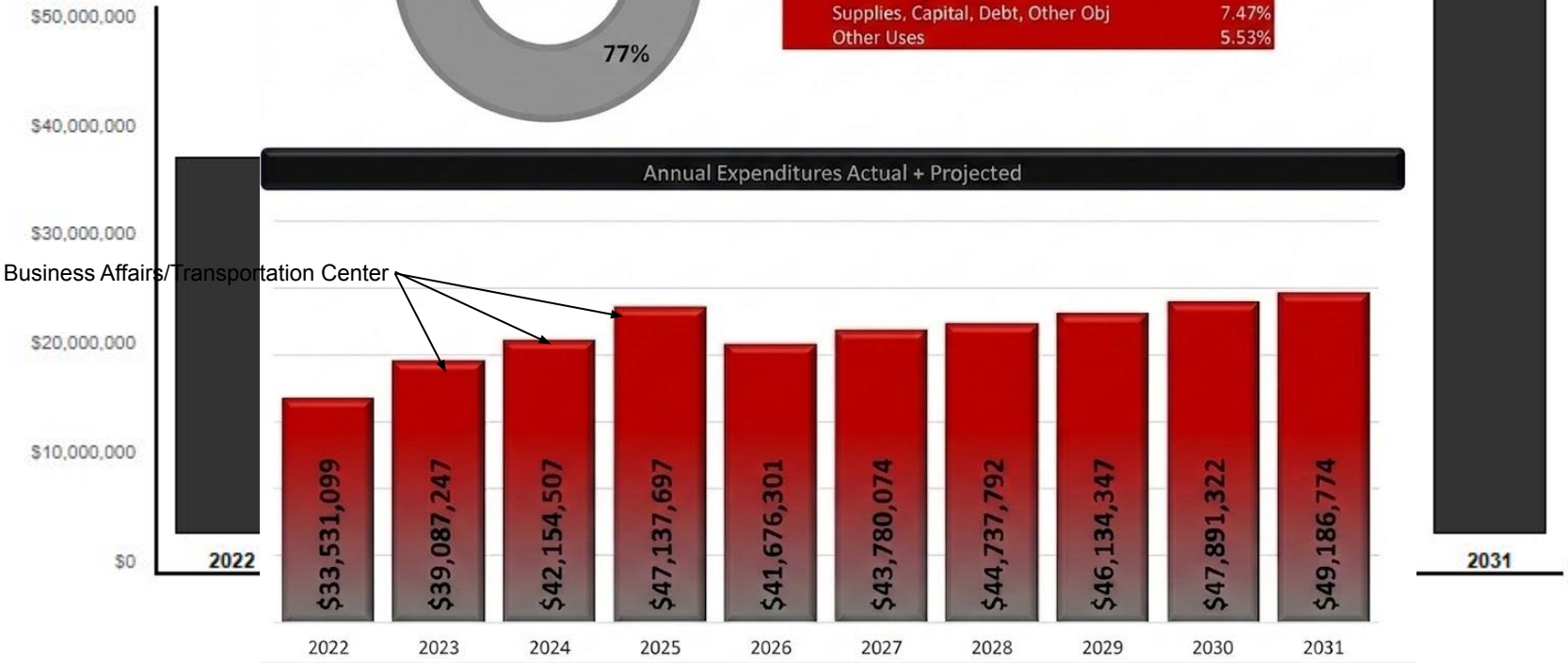
Chardon Local School District

Expenditure Categories



Personnel Costs	
Salaries	52.29%
Benefits	24.26%
Purchased Services	10.45%
All Other Expenditures	
Supplies, Capital, Debt, Other Obj	7.47%
Other Uses	5.53%

Annual Expenditures Actual + Projected



Expenditures

Salaries and Benefits

(Two Largest Expenditures)

(All expenditures are detailed in the assumptions in BoardDocs)

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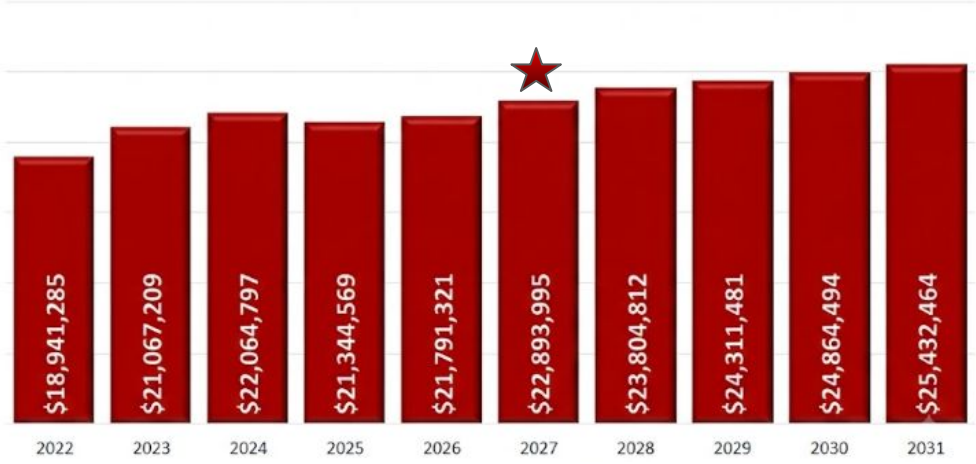
3.010 - Personnel Services

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

Salaries account for 52.29% of the district's total general fund spending.

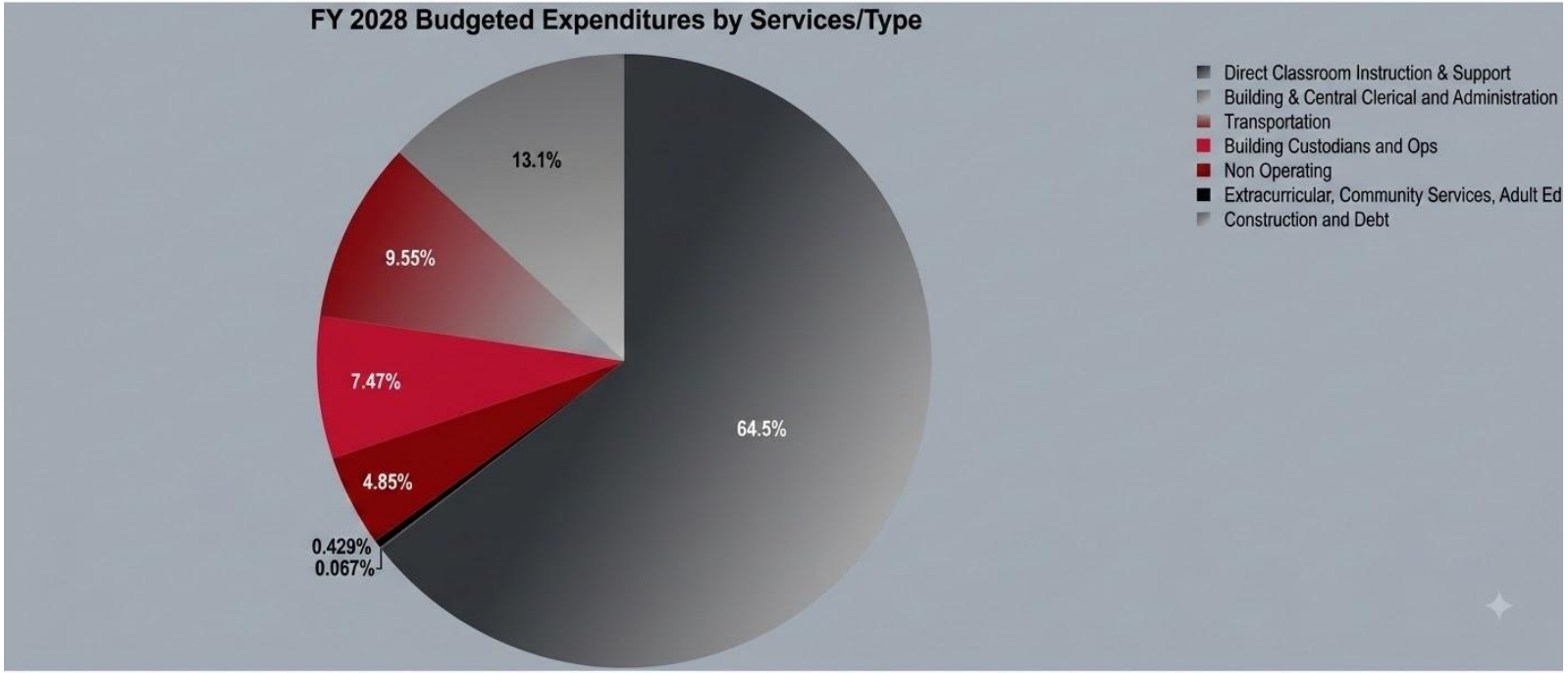


- 2026 - 2031 - Substitute payroll moved to purchase services
- 2027-2028 - 2.6% base plus step increase for both Certified and Classified staff
- 2029-2031 - 1% base increase plus 1.7% estimated step increase for all staff
- 2025 Note - decreased staff costs due to EPC buyout - with savings modeled & compounded through 2031

64.5% - Direct Classroom Instruction & Support

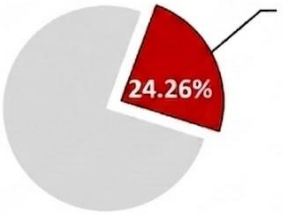
Chardon Local SD

Expense Functions (Multi-year)

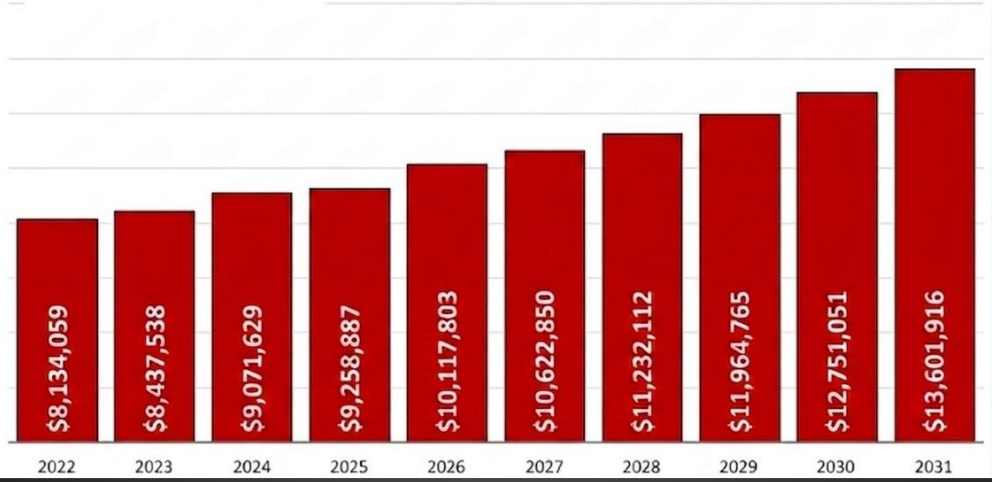


3.020 - Employees' Benefits

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



Benefits account for 24.26% of the district's total general fund spending.



- 2027 - Reduced to 5%, cost saving measures are evident in data
- 2028 - 2031 - Assumptions - Steady increase through 2031 at 10% per year
- Retirement increases/decreases follow salaries for SERS and STRS retirement systems (at 15.77%)
- Smart healthcare management allows Chardon to deliver high-quality staff benefits at 75% below state cost averages, maximizing funds directly in the classroom

CHARDON LOCAL SCHOOLS: KEY FINANCIAL & OPERATIONAL UPDATES

GOAL: Reallocate funds & adjust services without increasing taxes.

1-MILL SHIFT RESULTS IN NO TAX INCREASE

PERMANENT IMPROVEMENT | GENERAL FUND

Moves $1M annually for operating expenses.

Rising valuations offset by HB920 protections.

A 19.46% valuation increase balanced to ensure **NO TAX HIKE** for voted levies.

NEW SECURITY OFFICER FOR MIDDLE/ELEMENTARY SCHOOLS

A full-time School Security Officer (SSO) added to enhance campus safety.

NEW $100 FEE PER SPORT OR ACTIVITY

This student fee reduces the required transfer from the General Fund by $120,000.

SECURED FUNDING FOR PROGRAMS AND RETIREMENT

- Includes CCP/CTE programs through 2031.
- And $250K transfers to the retirement fund.

Gemini Notebook

Taxpayer Savings (Community Participants)

The District took steps to give back to the community. Fees were reduced in 2023 for both athletic/activity fees and supplies. 2024 eliminated athletic/activity fees and further reduced supply fees. $100 Athletic/Activity added back in FY2027. This is modeled moving forward.

ESTIMATED SAVINGS

2023 - $ 200,000

2024 - $ 560,000

2025 - $ 560,000

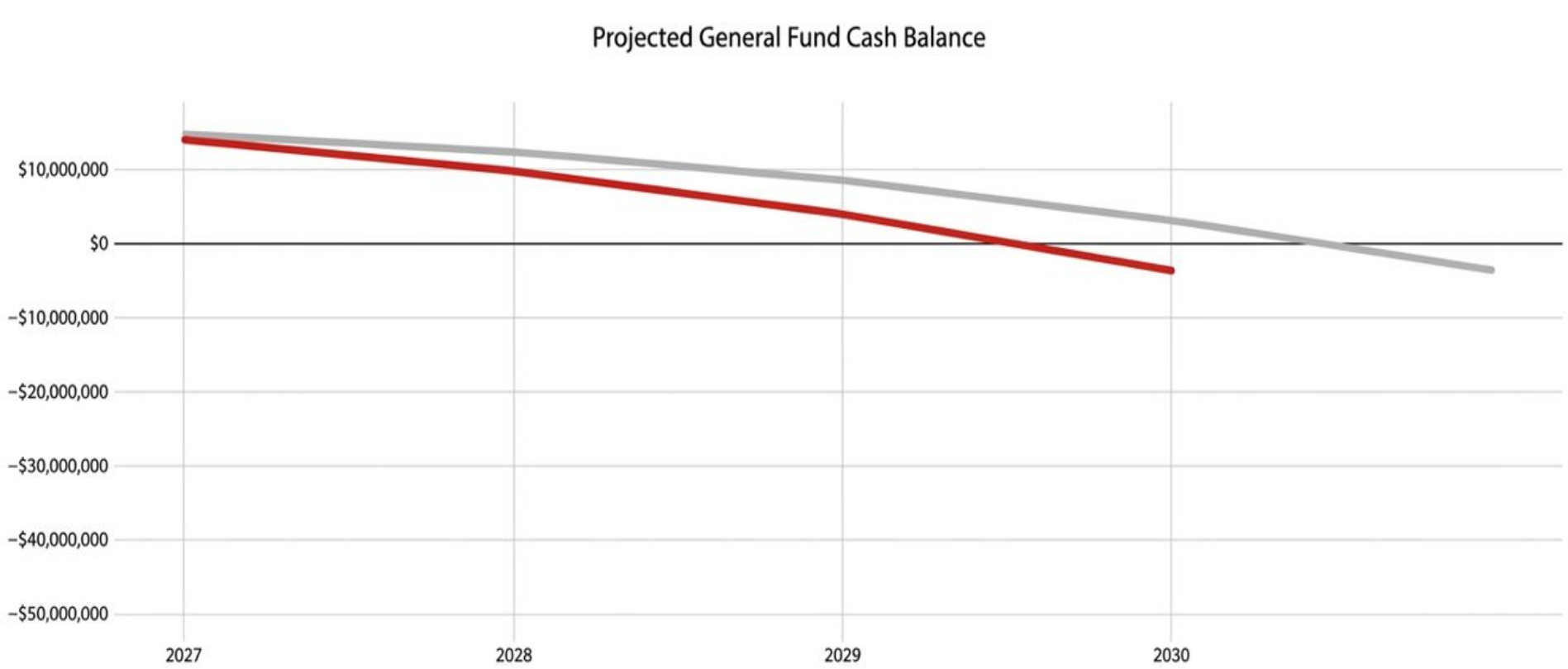
2026 - $ 560,000

2027 - $ 420,000

Total **$2,300,000** (over five years)

CHARDON LOCAL SCHOOLS

To allow more opportunity for High Achievement for ALL students



Increasing Revenue (1 mill move) and reducing Expenditures pushed the negative balance in 2030 in the May 2026 forecast to 2031 in August 2026 of $3,647,419

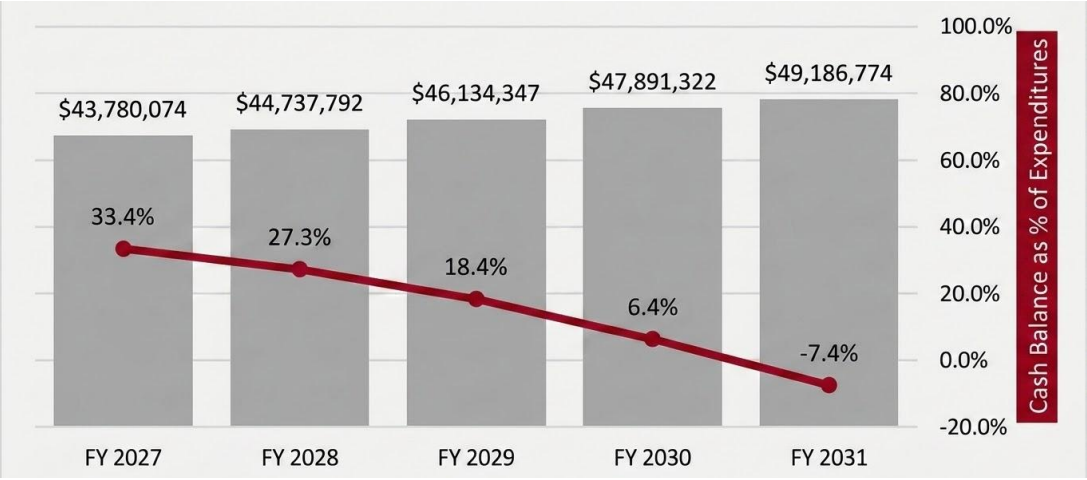
Link: Five-Year Forecast Report

Link: Five-Year Full Assumptions Report

Chardon - Levy Life Indicator

The District takes seriously its responsibility to stretch resources.

- The last operating levy was in 2018, a levy is currently projected for consideration in 2028 (ten years since the last levy).
- Any reduction in anticipated revenue will cause the District to be on the ballot sooner.
- With no new revenue the Cash Balance projection is ($3,647,419) by 2031, declining in future years.



Reminder:

- A five year forecast is an **ESTIMATE**.
- There are numerous variables that are out of our control that could significantly impact the General Fund such as reduced Federal Grants, State Funding changes, property tax laws, and retirement law changes.
- The forecast is updated twice a year to allow for any changes that may occur. Next update scheduled in five months, February 2027.

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QUESTIONS