Chippewa Local School District

Fiscal Year

2027

August

Financial Forecast Report

Prepared By:

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Chippewa Local School District

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Forecast Purpose/Objectives

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

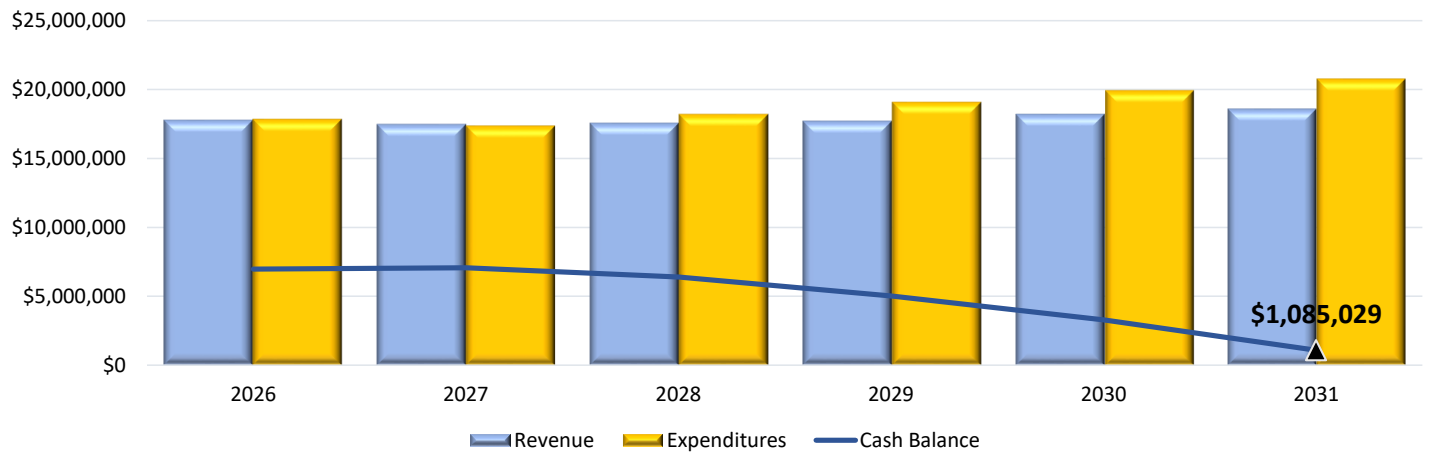
1. To engage the local board of education and the community in the long range planning and discussions of financial issues facing the school district.
2. To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 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 decisions aimed at encouraging financial sustainability and stability.

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Projected Revenue, Expenditures, and Cash Balance



Financial Forecast Summary

	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031
Beginning Balance (Line 7.010) **Includes Renewal/New Levy Revenue, see Disclosures*	6,970,543	7,070,100	6,408,409	5,024,867	3,291,640
+ Revenue	17,440,005	17,526,558	17,667,323	18,167,933	18,542,443
- Expenditures	(17,340,448)	(18,188,249)	(19,050,865)	(19,901,160)	(20,749,053)
= Revenue Surplus or Deficit	99,557	(661,691)	(1,383,542)	(1,733,227)	(2,206,610)
Line 7.020 Ending Balance with Renewal/New Levies	7,070,100	6,408,409	5,024,867	3,291,640	1,085,029

Financial Summary Notes

Expenditure growth is projected to outpace revenue change. By the end of 2031, the cash balance is projected to decline by a total of $5,885,514 compared to 2026. For fiscal year 2031, expenditures are currently projected to exceed revenue, resulting in a revenue shortfall the final year of the forecast period.

For revenue, projected change is expected to be less than the historical average. Annually, on average, over the past five years, revenue increased by 5.96% ($842,110 annually). However, it is projected to increase by 0.90% ($161,217 annually) through fiscal year 2031. Notably, Public Utility, is expected to be $436,733 less per year compared to history, and is the biggest driver of trend change on the revenue side.

For expenditures, projected change is expected to be at a slower pace than the historical trend. Expenditures increased by 6.04% ($741,979, on average, annually) during the past 5-year period, and are projected to increase by 3.12% ($584,245 annually) through 2031. The forecast line with the most change on the expense side, Intergov & Debt, is anticpated to be $276,235 less per year in the projected period compared to historical averages.

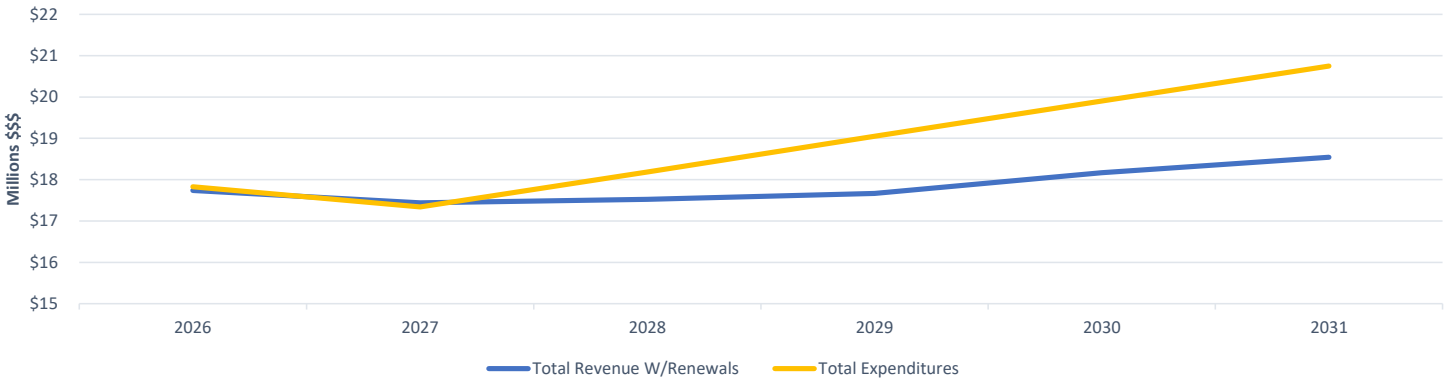
As a 20-mill floor district, Chippewa Local is significantly affected by the property tax credit provisions of House Bill 186, which reduce the district's real property tax collections. The projected financial impact is illustrated on page 28 of this forecast.

Although residential property values are expected to increase by more than 16 percent and Class I agricultural values by more than 40 percent, House Bill 335, as modified by House Bill 186, limits inside millage revenue growth to the statutory GDP price deflator. As a result, property tax revenue will grow significantly slower than property values.

Disclosure Items:	*2027*	*2028*	*2029*	*2030*	*2031*
Modeled Renewal Levies - Annual Amount	-	*460,857*	*2,563,796*	*3,009,653*	*3,403,421*
Modeled New Levies - Annual Amount	-	-	-	-	-
Encumbrances (not subtracted from Cash Balance)	*585,388*	-	-	-	-

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Revenue Compared to Expenditures

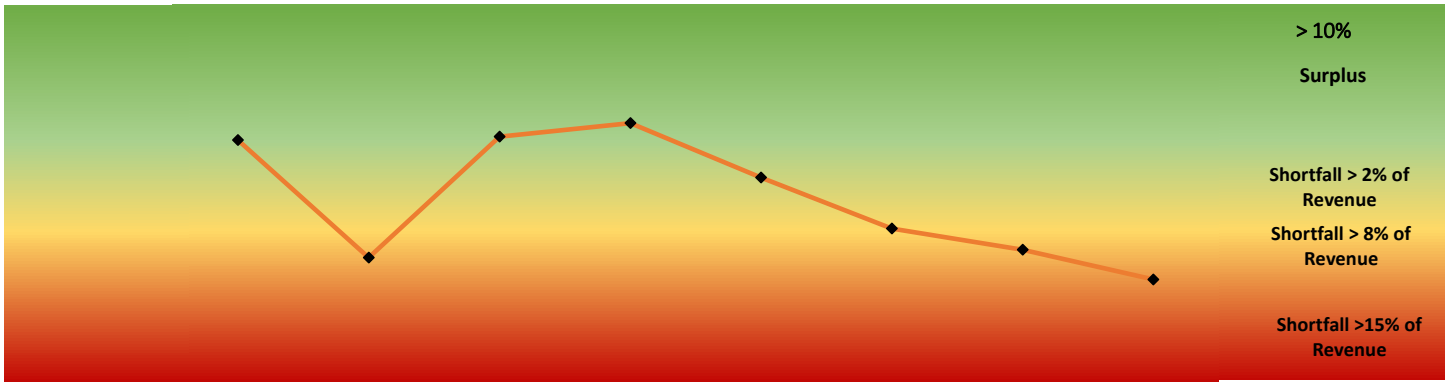


From 2027 to 2031, total revenues are projected to change by 0.90%

Expenditure change is expected to outpace revenue change.

From 2027 to 2031, total expenses are projected to change by 3.12%

Revenue Surplus/(Shortfall) as a Percentage of Revenue

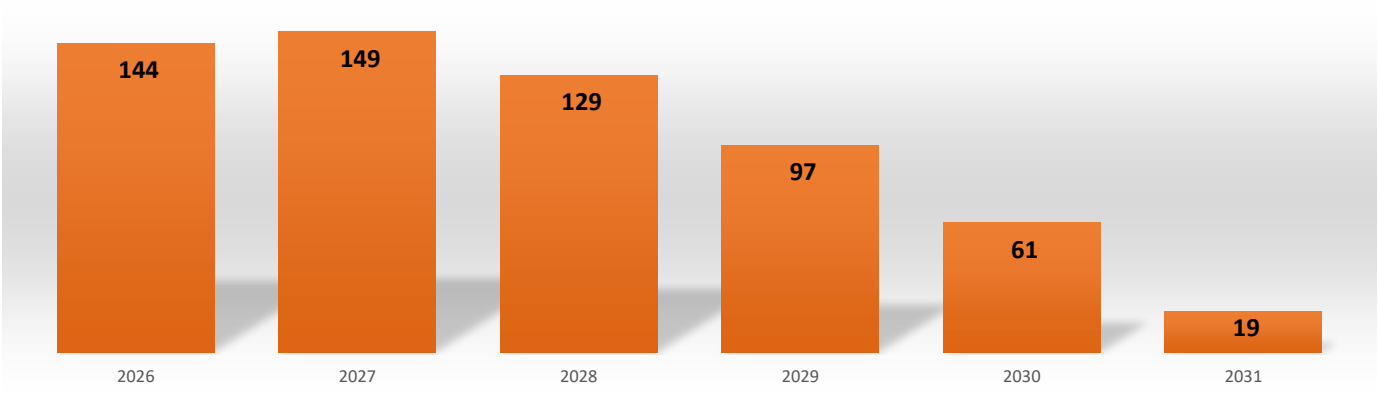


	2025	2026	2027	2028	2029	2030	2031
Current Forecast Surplus/(Shortfall)	-10.2%	-.5%	.6%	-3.8%	-7.8%	-9.5%	-11.9%

The district is trending toward revenue shortfall with the expenditures growing faster than revenue.
A revenue increase of 9.54% is needed to balance the budget in fiscal year 2031, or a $2,206,610 reduction in expenditures.

- The largest contributor to the projected revenue trend is the change in Public Utility.
- The expenditure most impacting the changing trend is Intergov & Debt.

Days Cash on Hand at Fiscal Year-end

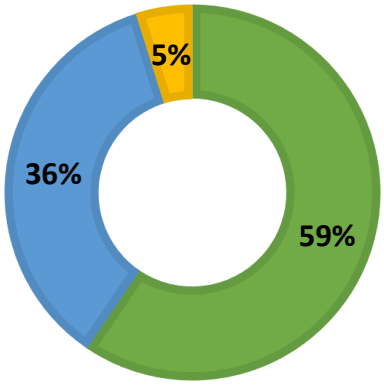


*based on 365 days

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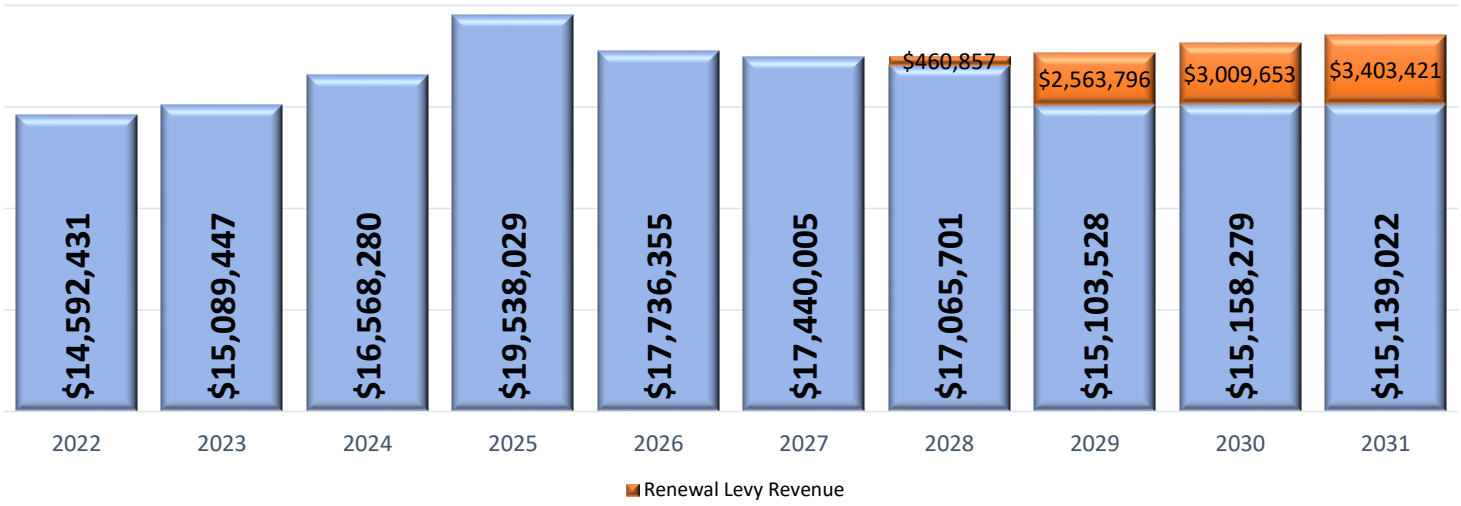
Revenue Overview

Revenue Sources



Local Taxes	
Real Estate Tax	30.37%
Public Utility Tax	12.22%
Income Tax	16.90%
State Sources	
State Funding	29.43%
Restricted Aid	1.19%
State Reimb Prop Tax Cr	5.08%
All Other Revenue	
Other Revenue	4.82%
Other Sources	0.01%

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	$124,261	$33,660	($90,602)
Public Utility	$430,902	($5,831)	($436,733)
Income Tax	$133,427	$132,712	($715)
State Funding	$95,845	$14,554	($81,292)
State Reimb Prop Tax Credits	$50,881	$54,237	$3,355
All Othr Op Rev	$15,671	($63,829)	($79,500)
Other Sources	($8,878)	($4,284)	$4,593
Total Average Annual Change	$842,110	$161,217	($680,893)
	5.96%	0.90%	-5.05%

Annually, on average, over the past five years, revenue increased by 5.96% ($842,110 annually). However, it is projected to increase by 0.90% ($161,217 annually) through fiscal year 2031. Notably, Public Utility, is expected to be $436,733 less per year compared to history, and is the biggest driver of trend change on the revenue side.

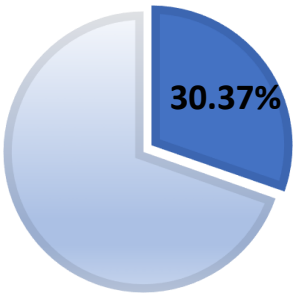
Changes in public utility personal property (PUPP) tax revenue are primarily attributable to the one-time Nexus catch-up payment received in FY2025. Because this nonrecurring revenue is not expected to continue, PUPP tax revenue declines in subsequent years of the forecast. Future PUPP valuation growth is expected to remain modest, increasing by approximately $50,000 annually.

For Comparison:		
Expenditure average annual change is projected to be >	$584,245	On an annual average basis, expenditures are projected to grow faster than revenue.

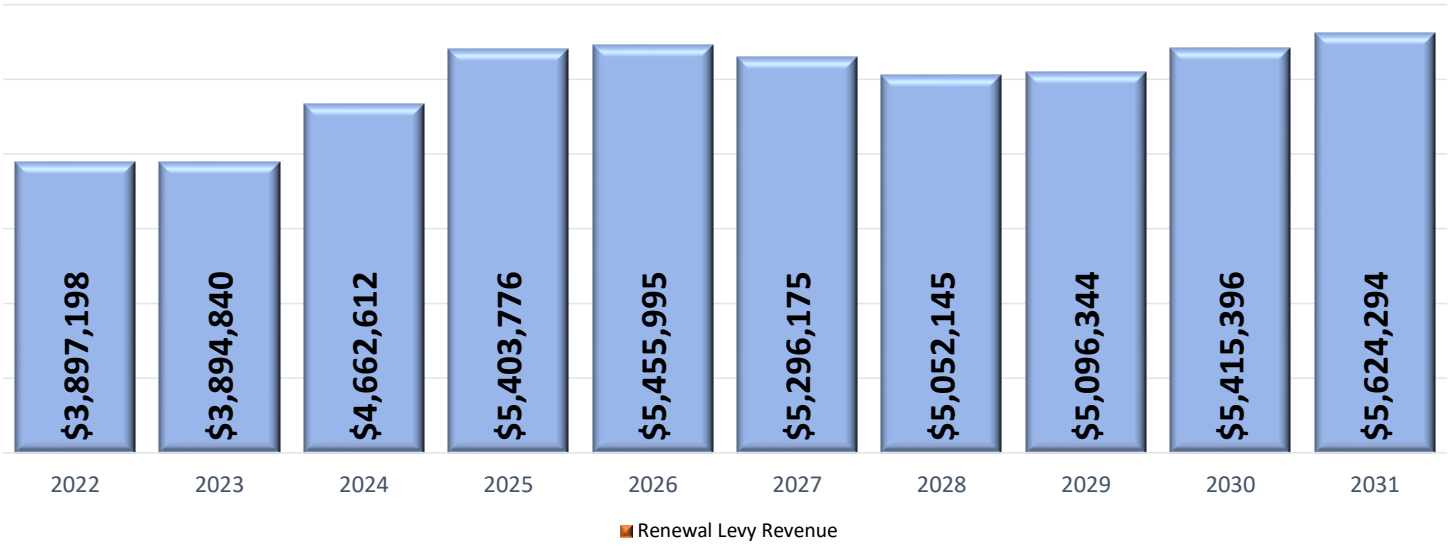
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1.010 - General Property Tax (Real Estate)

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 30.37% of total district general fund revenue.



Key Assumptions & Notes

Values, Tax Rates and Gross Collections							Gross Collection Rate
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class 2 Rate	Change	Including Delinquencies
2025	309,330,355	3,177,825	20.01	-	20.91	-	99.7%
2026	366,506,716	57,176,361	20.00	(0.01)	20.00	(0.91)	99.7%
2027	369,206,716	2,700,000	20.00	-	20.00	-	99.7%
2028	371,631,716	2,425,000	20.00	-	20.00	-	99.7%
2029	418,331,716	46,700,000	20.00	-	20.00	-	99.7%
2030	420,756,716	2,425,000	20.00	-	20.00	-	99.7%

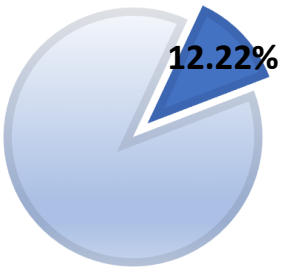
Class I, or residential/agricultural taxes make up approximately 92.88% of the real estate property tax revenue. The Class I tax rate is 20.00 mills in tax year 2026. The projections reflect an average gross collection rate of 99.7% annually through tax year 2030. The revenue changed at an average annual historical rate of 3.42% and is projected to change at an average annual rate of 0.69% through fiscal year 2031.

Tax Year 2026 is a reappraisal year in Wayne County. Preliminary estimates from the County Auditor indicate residential property values within the district will increase by approximately 16%, while Class I agricultural values will increase by approximately 41%. However, the resulting growth in real property tax revenue is significantly reduced by the property tax credits enacted under House Bill 186 and the statutory limitation on inside millage revenue growth established by House Bill 335, as modified by House Bill 186.

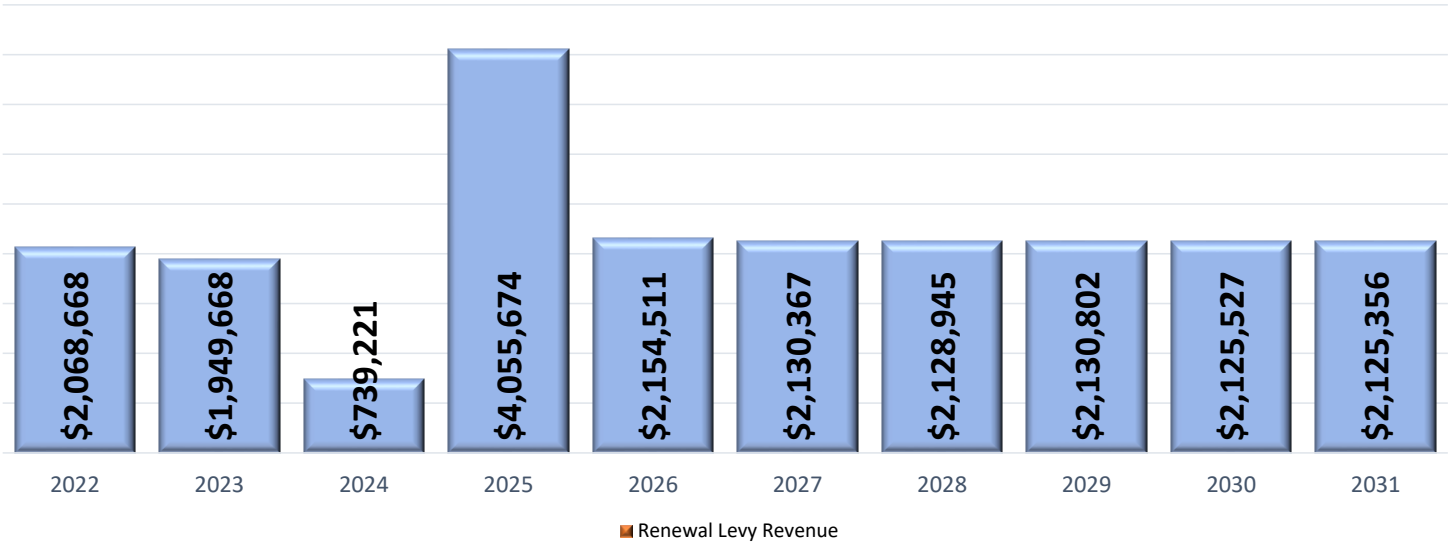
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1.020 - Public Utility Personal Property

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 12.22% of total district general fund revenue.



Key Assumptions & Notes

Values and Tax Rates					Gross Collection Rate
Tax Year	Valuation	Value Change	Full Voted Rate	Change	Including Delinquencies
2025	57,076,865	(606,945)	37.50	-	100.0%
2026	57,276,865	200,000	37.14	(0.36)	100.0%
2027	57,326,865	50,000	37.14	-	100.0%
2028	57,376,865	50,000	37.14	-	100.0%
2029	57,426,865	50,000	36.98	(0.16)	100.0%
2030	57,476,865	50,000	36.98	-	100.0%

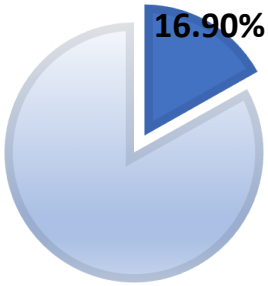
The public utility personal property tax revenue is generated from the personal property values, additions, and depreciation reported by the utility companies. The property is taxed at the full voted tax rate which in tax year 2026 is 37.14 mills. The forecast is modeling an average gross collection rate of 100.00%. The revenue changed historically at an average annual dollar amount of $430,902 and is projected to change at an average annual dollar amount of -$5,831 through fiscal year 2031.

FY2026 public utility personal property (PUPP) tax collections exceeded prior estimates, due in part to the Nexus pipeline paying taxes on its full, though reduced, valuation. Future PUPP revenue is expected to grow modestly as overall PUPP valuations stabilize. Accordingly, the forecast assumes annual PUPP revenue growth of approximately $50,000 beginning in FY2027.

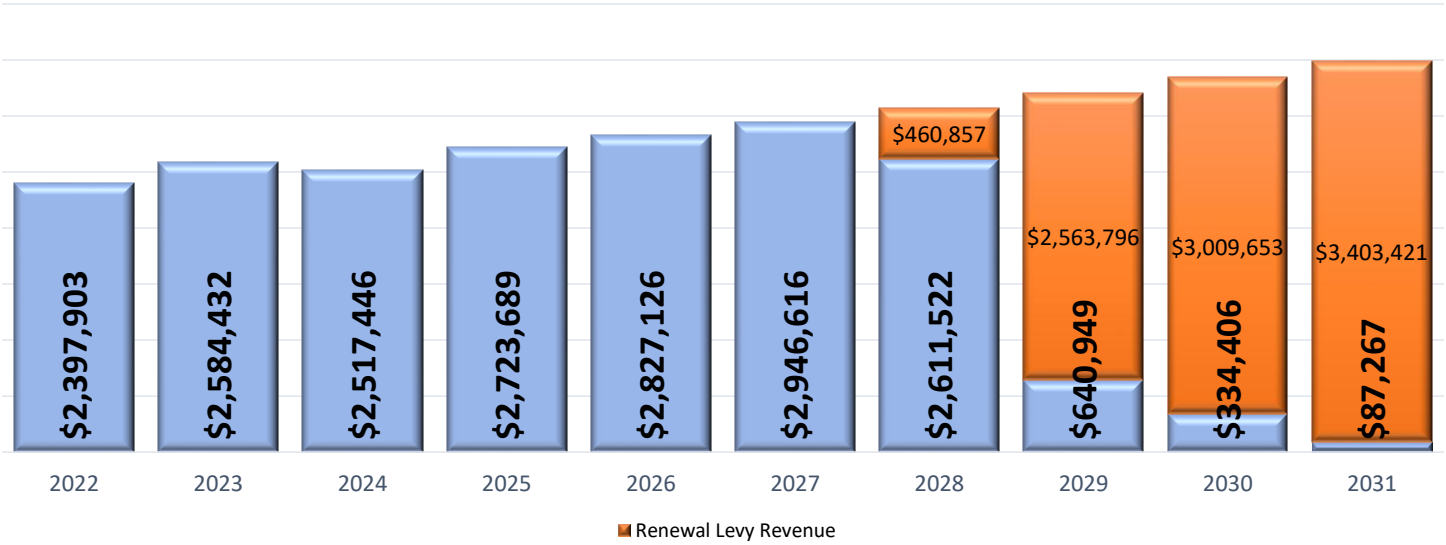
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1.030 - School District Income Tax

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.



School District Income Tax revenue accounts for 16.90% of total district general fund revenue.



Key Assumptions & Notes

The district maintained one income tax levy in fiscal year 2027. The average annual dollar change in total income tax revenue is forecasted to be $132,712 through 2031. The district is projecting income tax renewal activity in the forecast period; related revenue is reflected in orange in the graph above. Income tax revenue is projected to account for 18.83% of the district's total revenue by fiscal year 2031.

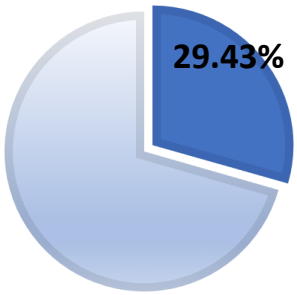
The district's 1% earned income tax was last renewed by voters in November 2022 and is scheduled to expire on December 31, 2027. Originally approved in 2007, the levy has been successfully renewed every five years. Voters will consider its renewal in November 2026, and this forecast assumes its passage based on the district's historical renewal pattern.

Earned income tax revenue is projected to increase a conservative 4.2% to 4.4% annually throughout the forecast period. This assumption exceeds the 3.8% growth realized in FY2026 but remains below the stronger growth experienced in FY2025 and recent historical trends.

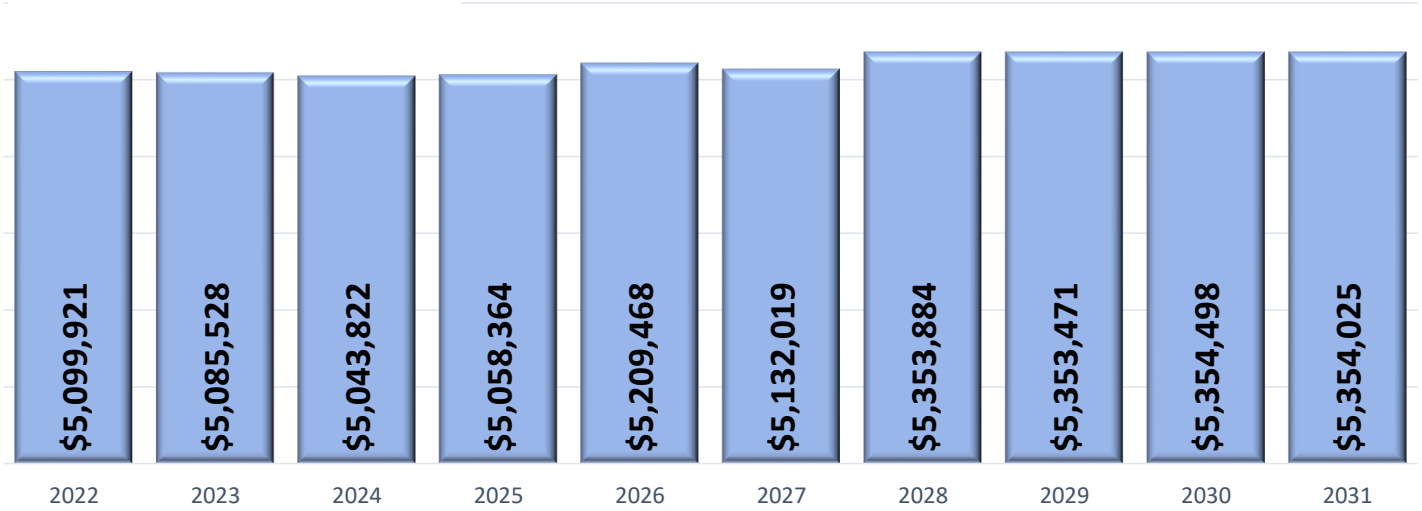
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1.035 - Unrestricted Grants-in-Aid

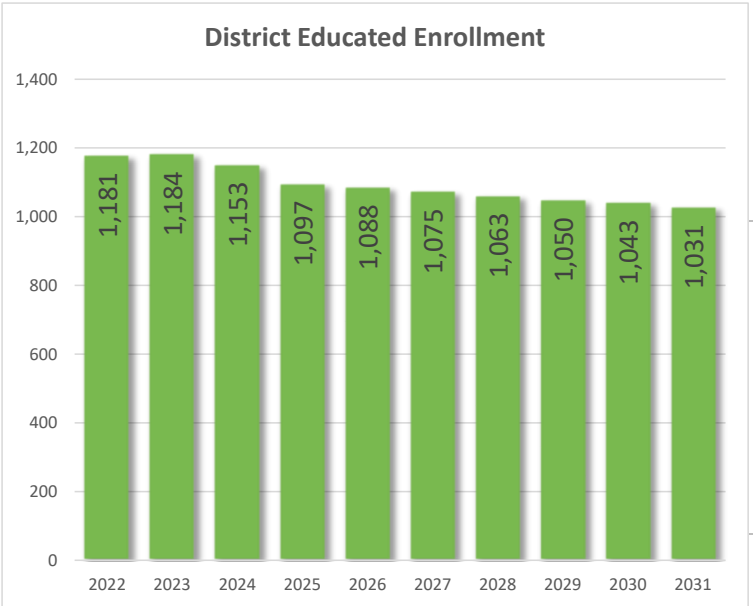
Funds received through the State Foundation Program with no restriction.



Unrestricted State Aid revenue accounts for 29.43% of total district general fund revenue.



Key Assumptions & Notes



Beginning in fiscal year 2022, Ohio adopted the Fair School Funding Plan (FSFP). Funding is driven by a base cost methodology that incorporates the 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 Chippewa Local School District, the calculated Base Cost total is $9,257,217 in 2027.

The State's Share of the calculated Base Cost total is $1,401,029, or $1,303 per pupil.

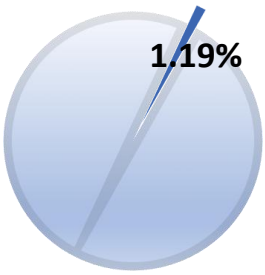
The FSFP also started funding students where they attended school. Therefore district educated enrollment is now used for per pupil funding. At the same time, the FSFP eliminated tuition transfer payments from school districts, which impacts the expense side of the forecast.

The modest growth projected in state foundation revenue is due in part to performance-based funding associated with the district's most recent state report card, on which Chippewa Local earned an overall rating of 4.5 stars.

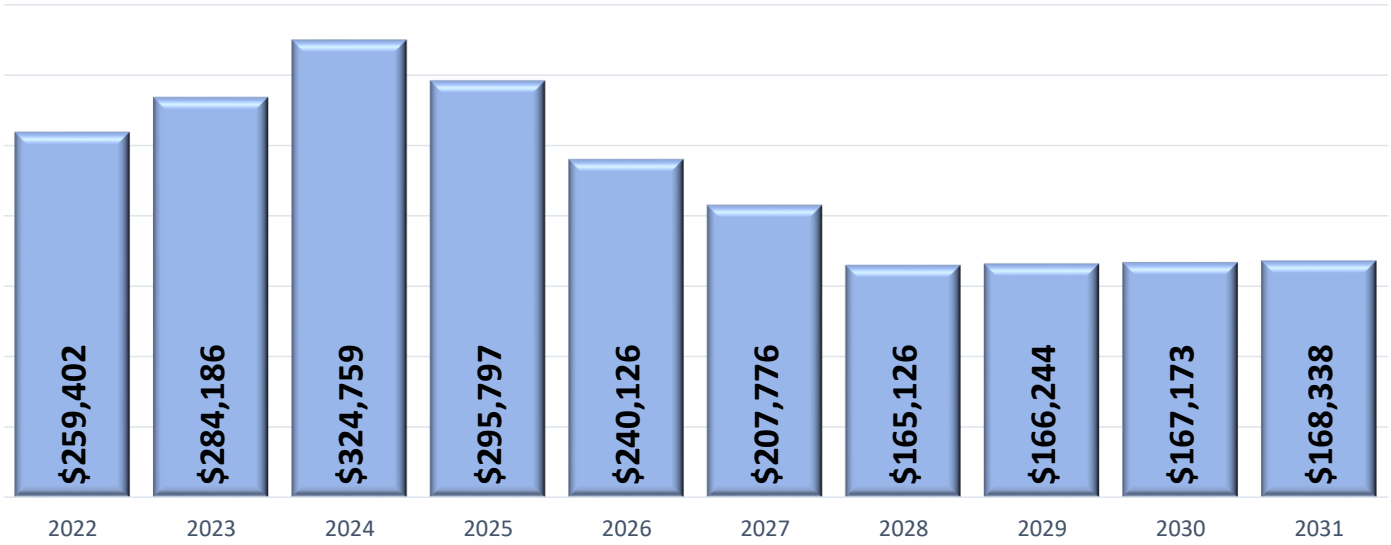
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1.040 & 1.045 - Restricted Grants-in-Aid

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



Restricted State Aid revenue accounts for 1.19% of total district general fund revenue.



Key Assumptions & Notes

Restricted aid is the portion of state per pupil funding that must be classifed as restricted use. Historically the district's restricted state aid changed annually on average by -$14,686 and is projected to change annually on average by -$14,358. Restricted funds represent 1.19% of the district's total revenue. Starting in fiscal year 2022, the district's Success & Wellness funding became restricted; the state's share of this funding recorded as restricted is $73,296. This funding has implications on general fund expenditures in that certain spending now occuring in a fund external to the general fund could shift to the general fund. The expenditures in this forecast are adjusted to reflect this change.

Restricted state revenues, including Disadvantaged Pupil Impact Aid (DPIA), gifted funding, Student Success and Wellness funding, and career-technical education funding, are projected to decline throughout the forecast period. This decline is attributable to both projected decreases in district ADM and a declining state share percentage under the Fair School Funding Plan, which together reduce state funding across several restricted funding components.

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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 5.08% of total district general fund revenue.



Key Assumptions & Notes

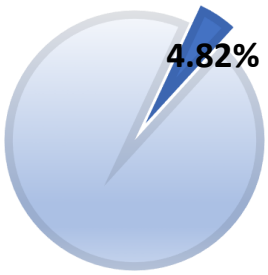
State Reimbursement of Property Tax Credits primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions to their tax bill. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In fiscal year 2027, approximately 11.8% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 1.8% will be reimbursed in the form of qualifying homestead exemption credits.

State reimbursement for property tax credits increased following the Wayne County triennial update in Tax Year 2023 and is expected to increase again following the Tax Year 2026 reappraisal. The effects of the reappraisal first appear in FY2027, with reimbursement projected to increase 9.67%, followed by an additional 8.73% increase in FY2028 as Tax Year 2026 settlements are received during Calendar Year 2027.

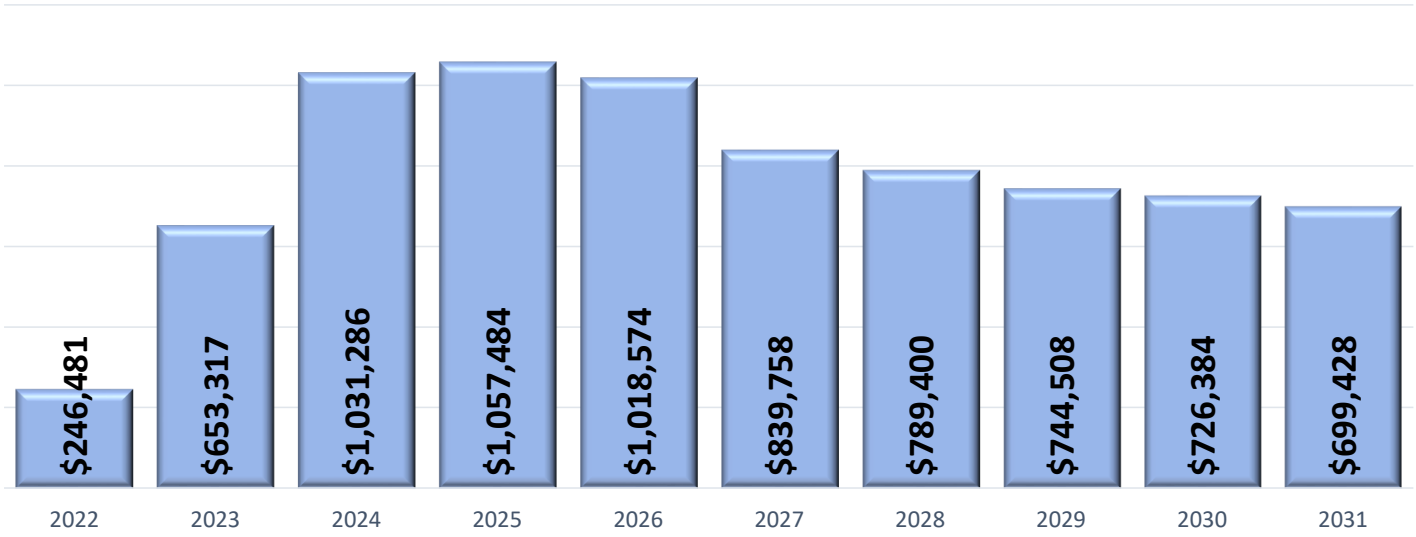
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1.060 - All Other Operating Revenues

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



All Other Revenue accounts for 4.82% of total district general fund revenue.



Key Assumptions & Notes

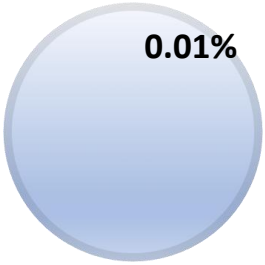
Other revenue includes tuition received by the district for non-resident students educated by the district. It also includes interest income, payments in lieu of taxes, and miscellaneous revenue. The historical average annual change was $15,671. The projected average annual change is -$63,829 through fiscal year 2031.

Other revenues include, but are not limited to, tuition, fees, investment earnings, rentals, donations, Threshold Cost reimbursement, Excess Cost reimbursement, and Medicaid reimbursement. FY2026 revenue in this category exceeded forecast by 25.5%, primarily due to the district's successful receipt of Threshold Cost and Excess Cost reimbursements. Investment earnings are projected to decline throughout the forecast period as cash balances decrease.

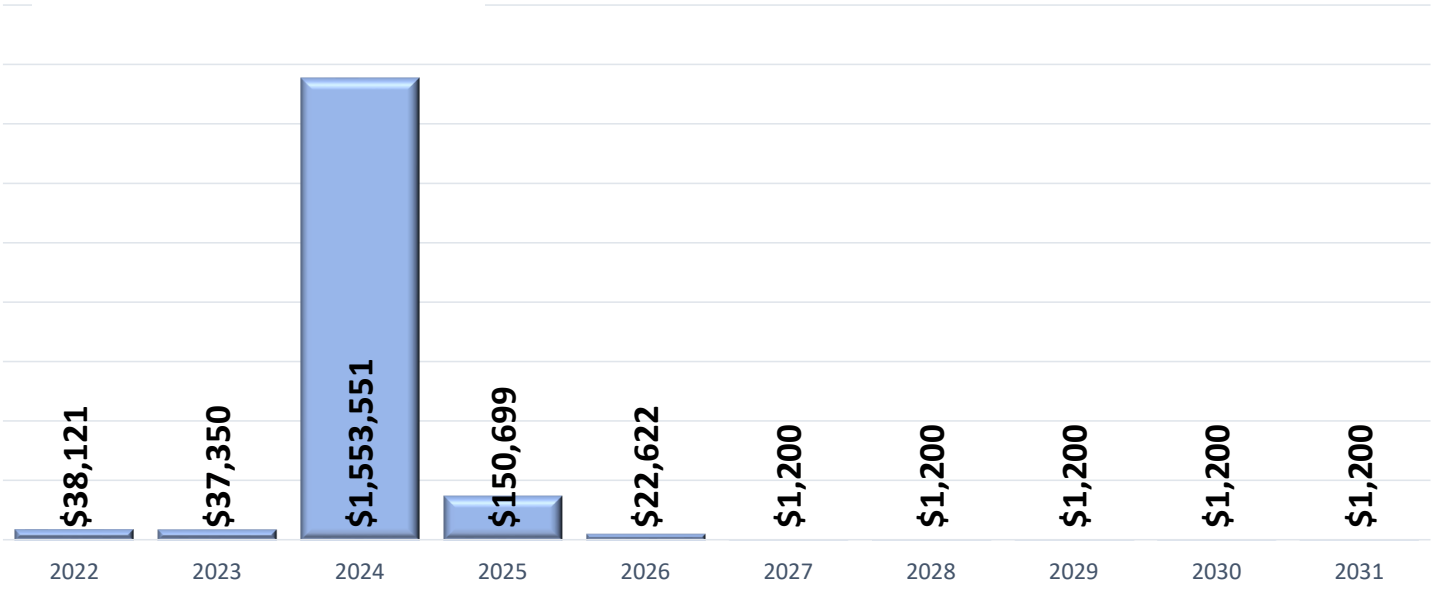
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2.070 - Total Other Financing Sources

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.



Other Sources of revenue accounts for 0.01% of total district general fund revenue.



Key Assumptions & Notes

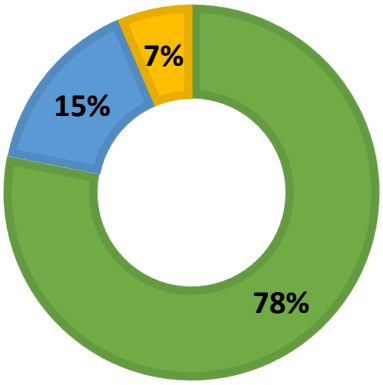
		FORECASTED				
	2026	2027	2028	2029	2030	2031
Transfers In	-	-	-	-	-	-
Advances In	19,330	-	-	-	-	-
All Other Financing Sources	3,292	1,200	1,200	1,200	1,200	1,200

Other sources includes revenue that is generally classified as non-operating. Return advances-in are the most common revenue source. In 2026 the district receipted $19,330 as advances-in and is projecting advances of $0 in fiscal year 2027. The district also receives other financing sources such as refund of prior year expenditures in this category. The district is projecting that all other financing sources will be $1,200 in 2027 and average $1,200 annually through 2031.

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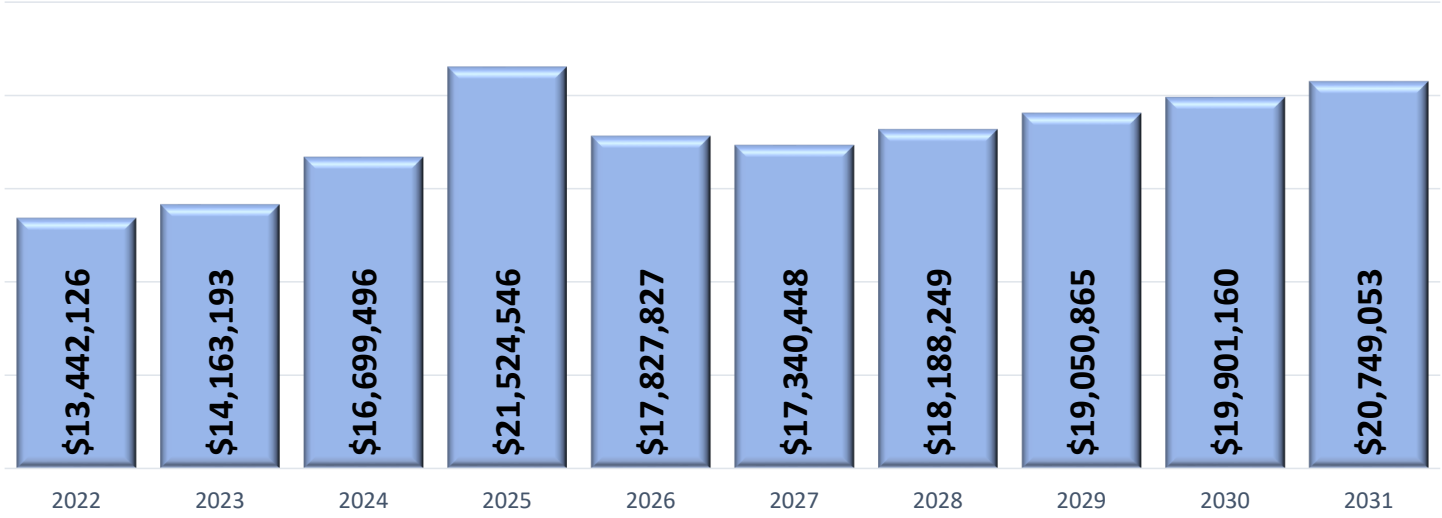
Expenditure Overview

Expenditure Categories



Personnel Costs	
Salaries	52.42%
Benefits	25.68%
Purchased Services	15.44%
All Other Expenditures	
Supplies, Capital, Debt, Other Obj	5.74%
Other Uses	0.72%

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	$381,674	$244,663	($137,011)
Benefits	$379,101	$345,753	($33,348)
Purchased Services	$32,020	$136,745	$104,725
Supplies & Materials	$18,737	$25,502	$6,765
Capital Outlay	($198,247)	$10,274	$208,521
Intergov & Debt	$138,118	($138,118)	($276,235)
Other Objects	$22,233	$11,691	($10,542)
Other Uses	($31,656)	($52,265)	($20,609)
Total Average Annual Change	$741,979	$584,245	($157,734)
	6.04%	3.12%	-2.92%

Expenditures increased by 6.04% ($741,979, on average, annually) during the past 5-year period, and are projected to increase by 3.12% ($584,245 annually) through 2031. The forecast line with the most change on the expense side, Intergov & Debt, is anticpated to be $276,235 less per year in the projected period compared to historical averages.

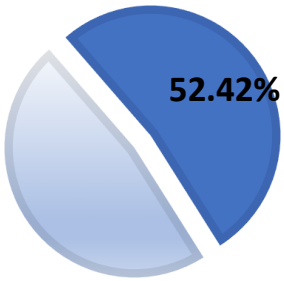
This forecast incorporates the district's continued efforts to control expenditures by evaluating purchased service costs, where practical, and managing supply expenditures through building and departmental budget allocations.

For Comparison:		
Revenue average annual change is projected to be >	$161,217	On an annual average basis, revenues are projected to grow slower than expenditures.

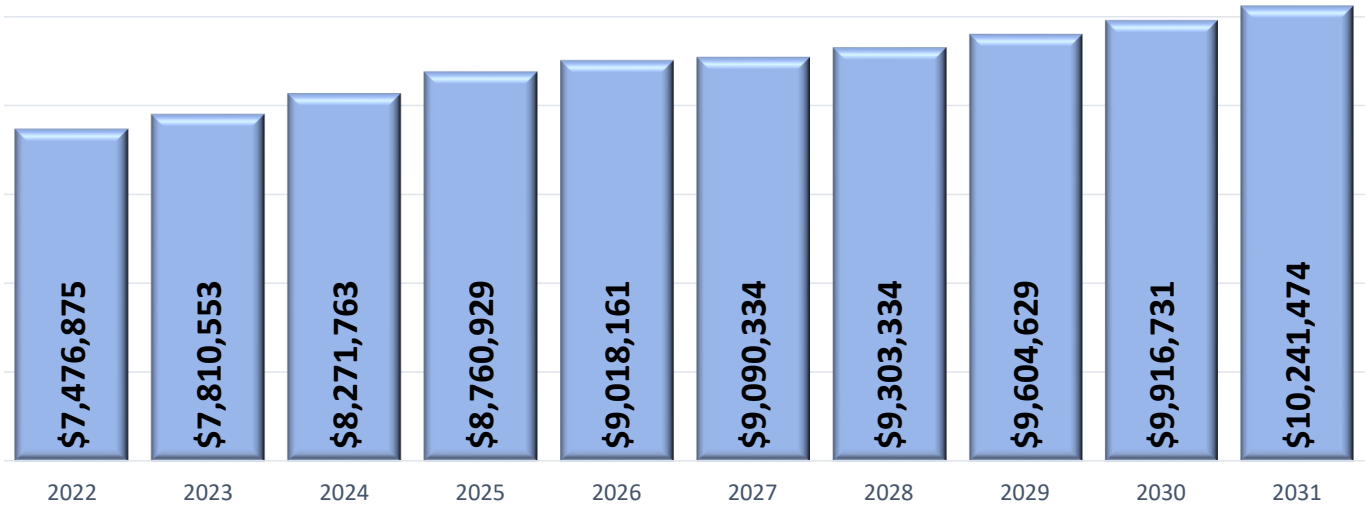
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3.010 - Personnel Services

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



Salaries account for 52.42% of the district's total general fund spending.



Key Assumptions & Notes

Salaries represent 52.42% of total expenditures and increased at a historical average annual rate of 4.88% (or $381,674). This category of expenditure is projected to grow at an annual average rate of 2.58% (or $244,663) through fiscal year 2031. The projected average annual rate of change is 2.29% less than the five year historical annual average.

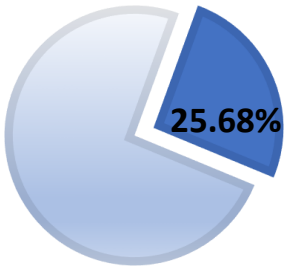
This forecast includes the negotiated 3% base salary increase for FY2027 for both bargaining units, the Chippewa Education Association (CEA) and the Ohio Association of Public School Employees (OAPSE), Chapter 455, under one-year contract extensions. Both collective bargaining agreements expire in June 2027. Beginning in FY2028, the forecast assumes modest negotiated base wage increases and 2% annual step movement within the salary schedules.

To help offset future salary increases, the forecast reflects the elimination of ten positions through attrition in FY2026, along with estimated savings from future retirements, staffing adjustments, and position consolidations where appropriate. Estimated severance costs and replacement salary assumptions are incorporated throughout the forecast period.

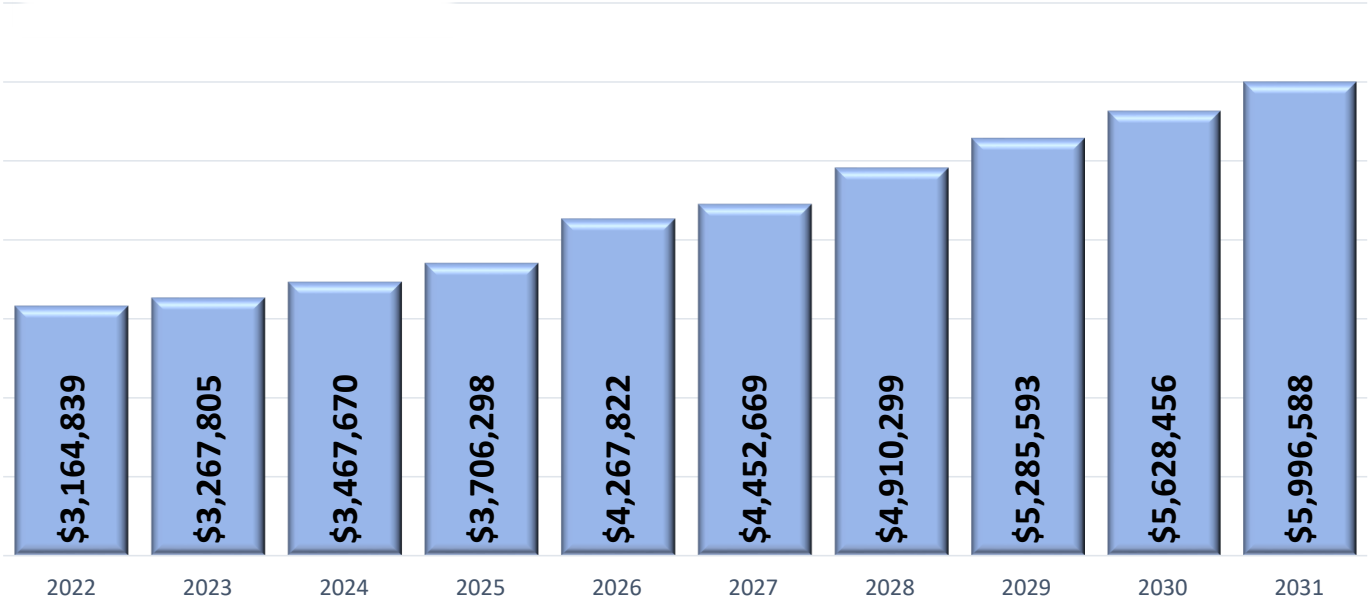
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3.020 - Employees' Benefits

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



Benefits account for 25.68% of the district's total general fund spending.



Key Assumptions & Notes

Benefits represent 25.68% of total expenditures and increased at a historical average annual rate of 12.96%. This category of expenditure is projected to grow at an annual average rate of 7.06% through fiscal year 2031. The projected average annual rate of change is 5.91% less than the five year historical annual average.

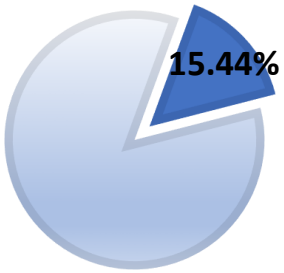
The forecast reflects a projected 15.64% increase in health insurance premiums in FY2027, followed by 10% annual increases throughout the remainder of the forecast period. Health insurance is one of the district's largest expenditures after salaries.

The district contributes 14% of eligible wages to the State Teachers Retirement System (STRS) and School Employees Retirement System (SERS) as required by Ohio law. Contribution rates are assumed to remain unchanged throughout the forecast period. Unemployment compensation costs have been minimal in recent years and are projected to remain so as staffing levels align with enrollment and operational needs. Medicare contributions are projected to increase proportionally with wages throughout the forecast period.

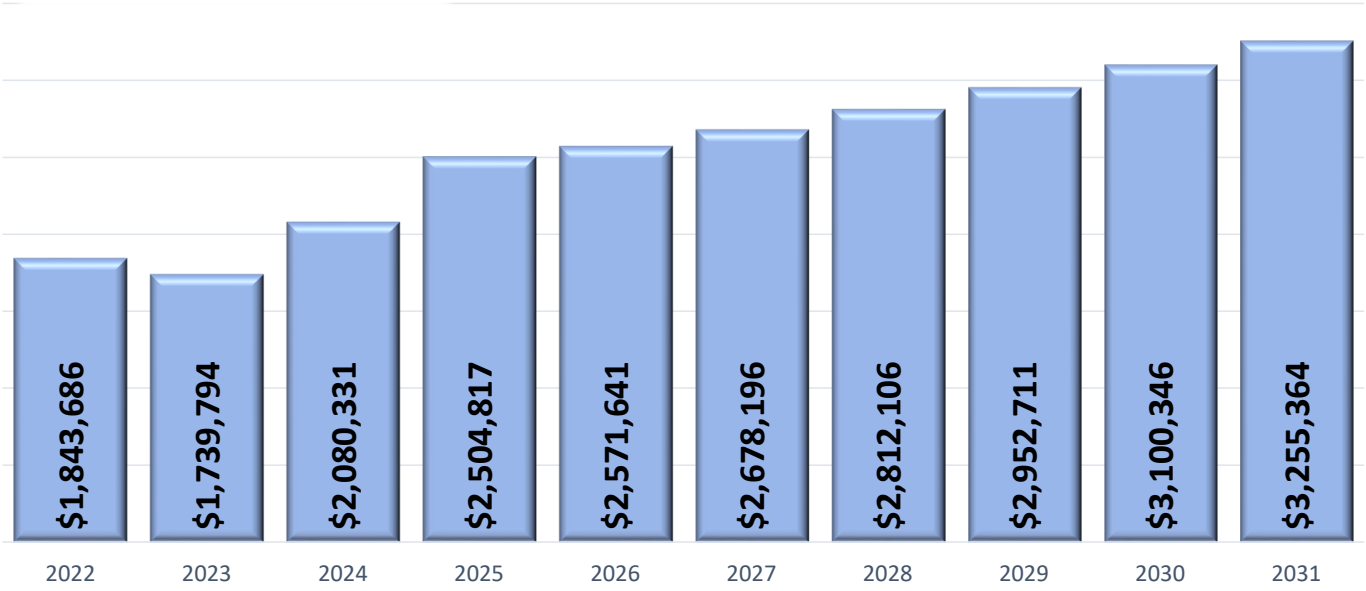
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3.030 - Purchased Services

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 15.44% of the district's total general fund spending.



Key Assumptions & Notes

Purchased Services represent 15.44% of total expenditures and increased at a historical average annual rate of 2.69%. This category of expenditure is projected to grow at an annual average rate of 4.83% through fiscal year 2031. Starting in 2022, the Fair School Funding Plan (State Funding) only accounted for district educated enrollment, thereby reducing district tuition costs for open enrollment 'out,' community schools, STEM, and scholarship students. This change resulted in lower district costs, but also less per pupil state revenue since per pupil funding is now paid directly by the state to the district students attend.

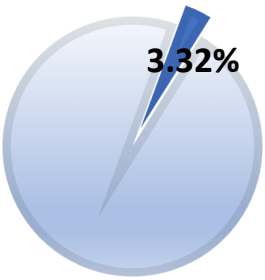
FY2026 purchased service expenditures closely aligned with forecasted amounts. While the district continues to review purchased services and negotiate contracts where cost savings can be achieved, this forecast assumes annual expenditure growth of approximately 5%.

Purchased services include costs associated with the district's Educational Service Center, Information Technology Center, insurance and service contracts, and specialized services for students with additional needs. Continued inflationary pressures and rising labor costs are expected to increase the cost of these contracted services throughout the forecast period.

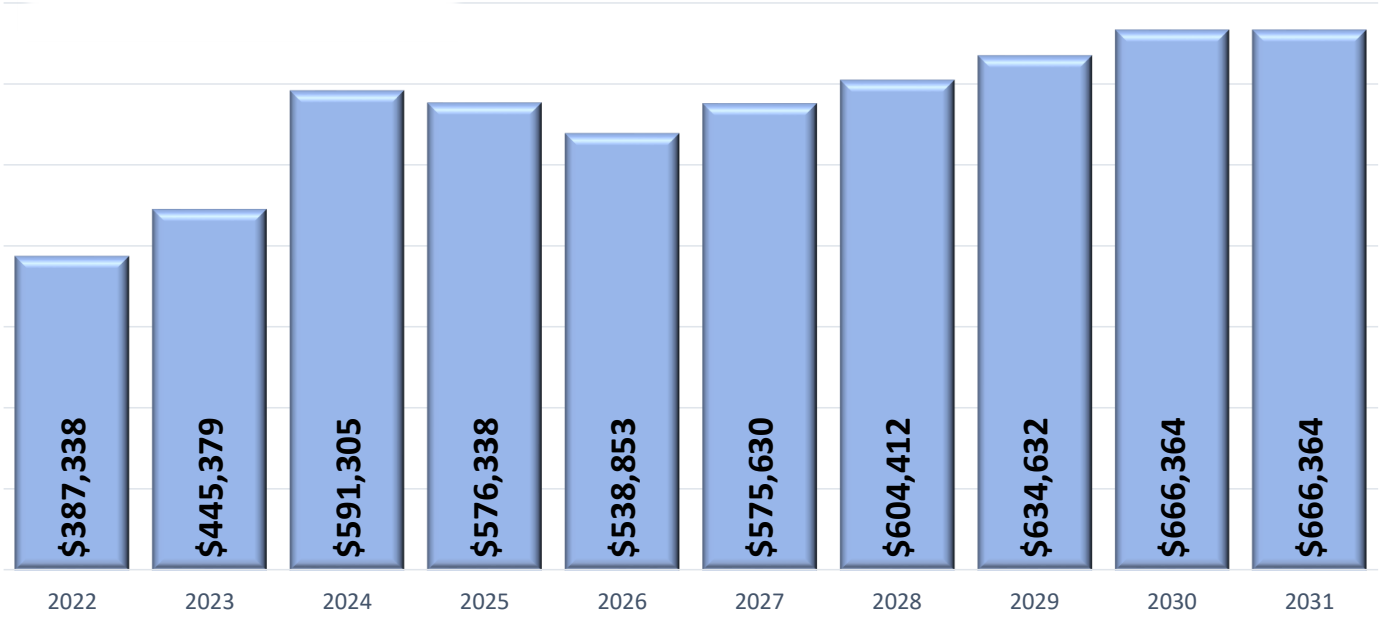
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3.040 - Supplies & Materials

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 3.32% of the district's total general fund spending.



Key Assumptions & Notes

Supplies & Materials represent 3.32% of total expenditures and increased at a historical average annual rate of 5.14%. This category of expenditure is projected to grow at an annual average rate of 4.37% through fiscal year 2031. The projected average annual rate of change is 0.78% less than the five year historical annual average.

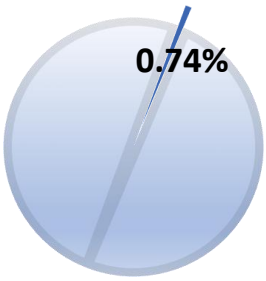
Supplies and materials expenditures include consumable classroom supplies, instructional materials, office supplies, and facility and transportation maintenance supplies. In FY2027, the district expanded its adoption of a state-approved High Quality Instructional Materials (HQIM) mathematics curriculum from grades K-5 to grades K-8, increasing both curriculum and ongoing technology licensing costs.

The forecast also reflects the implementation of building and departmental budgets designed to prioritize expenditures that support district goals while promoting fiscal responsibility. As a result of these budget controls and careful review of supply purchases, FY2026 expenditures were 14.4% below the February 2026 forecast. These cost-saving measures are expected to continue throughout the forecast period and are incorporated into projected expenditures.

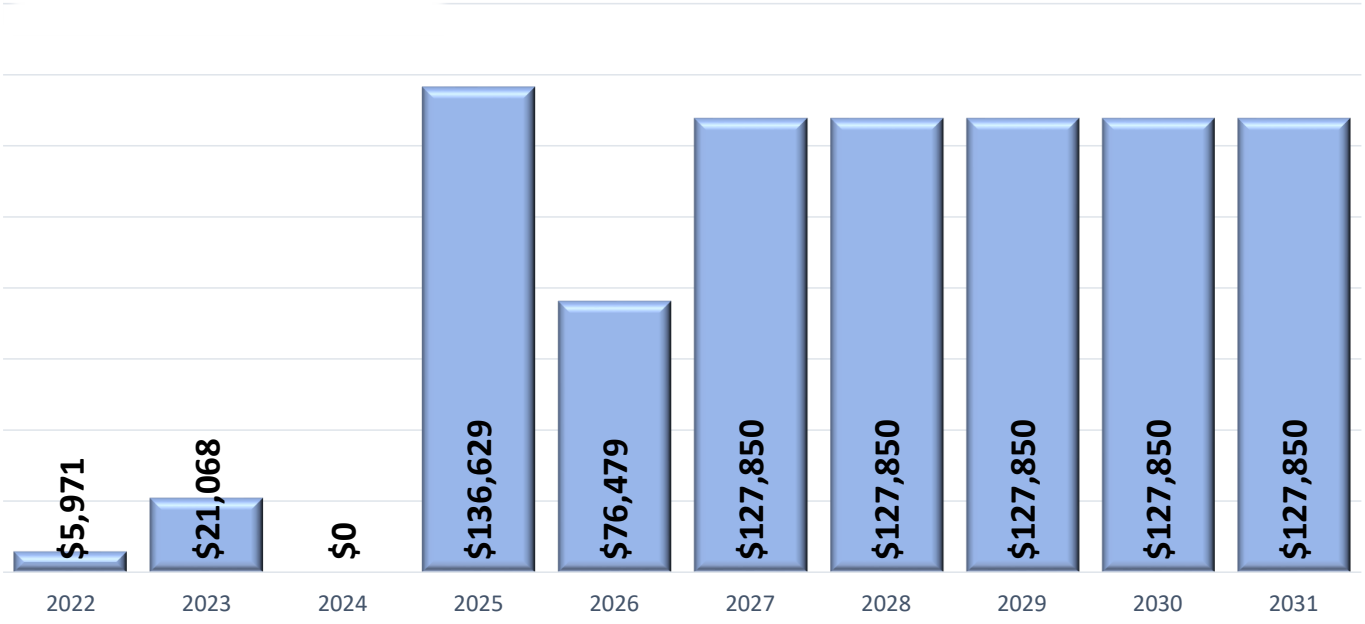
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3.050 - Capital Outlay

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 0.74% of the district's total general fund spending.



Key Assumptions & Notes

Capital Outlay represent 0.74% of total expenditures and decreased at a historical average annual amount of $198,247. This category of expenditure is projected to grow at an annual average rate of $10,274 through 2031. The projected average annual change is more than the five year historical annual average.

Capital outlay expenditures include land, buildings, site improvements, equipment, furniture, buses, vehicles, and other assets with a useful life of at least five years. In FY2026, the district realized significant savings by purchasing two well-maintained used school buses at substantially less than the cost of a new bus.

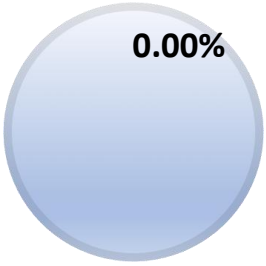
In FY2028, the district plans to replace staff computers that are incompatible with the latest Windows operating system. Approximately $75,000 has been budgeted in the General Fund for this purpose, with the remaining cost to be funded by the Permanent Improvement Fund.

For forecasting purposes, General Fund capital outlay expenditures are projected to remain relatively stable. This assumption reflects the district's consolidation from three school buildings and a separate administrative office to two school buildings, one of which houses the Board Office, reducing long-term capital maintenance needs associated with older facilities.

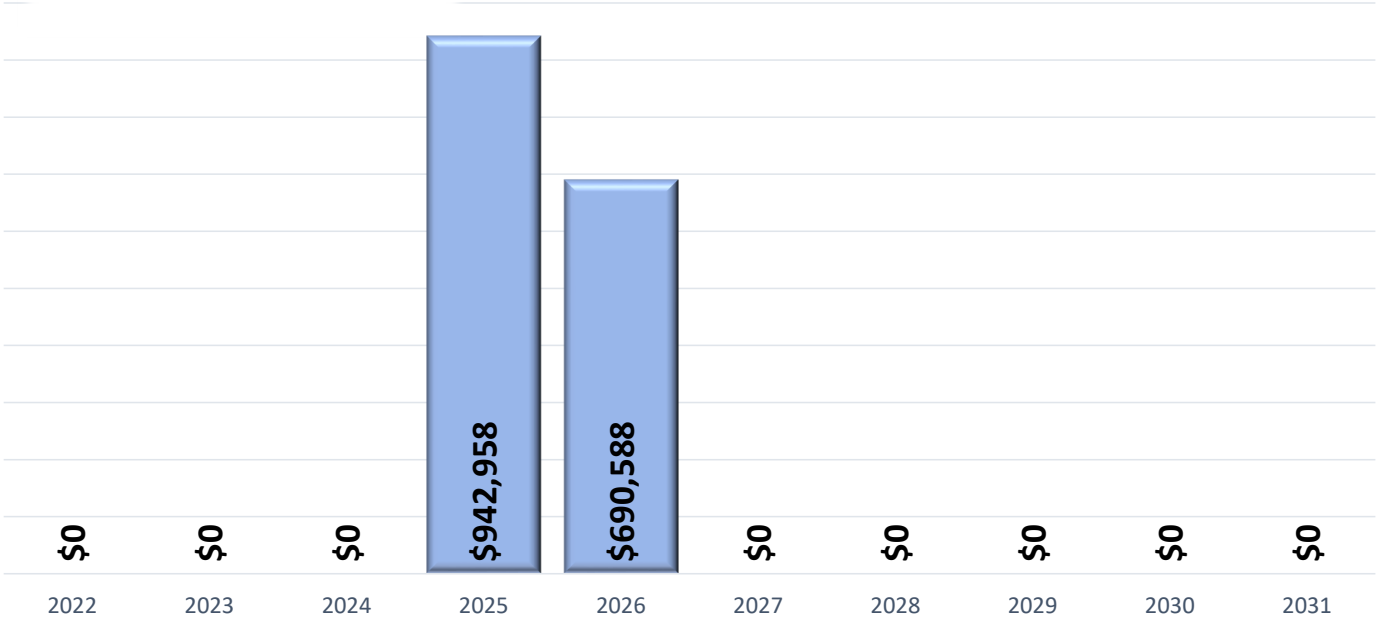
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3.060-4.060 - Intergovernmental & Debt

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.



Intergovernmental and Debt account for 0.00% of the district's total general fund spending.



Key Assumptions & Notes

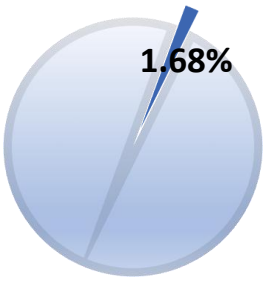
The Intergovernmental/Debt expenditure category details general fund debt issued by the District.

In 2024, the district entered into a $12,000,000 Certificates of Participation (COPs) financing arrangement to fund the addition and renovation of Chippewa Intermediate School, which reopened as Chippewa Elementary School in FY2027. This forecast assumes all principal and interest payments will be made from the Capital Projects Fund (070), which was sufficiently funded through a General Fund transfer completed in May 2025.

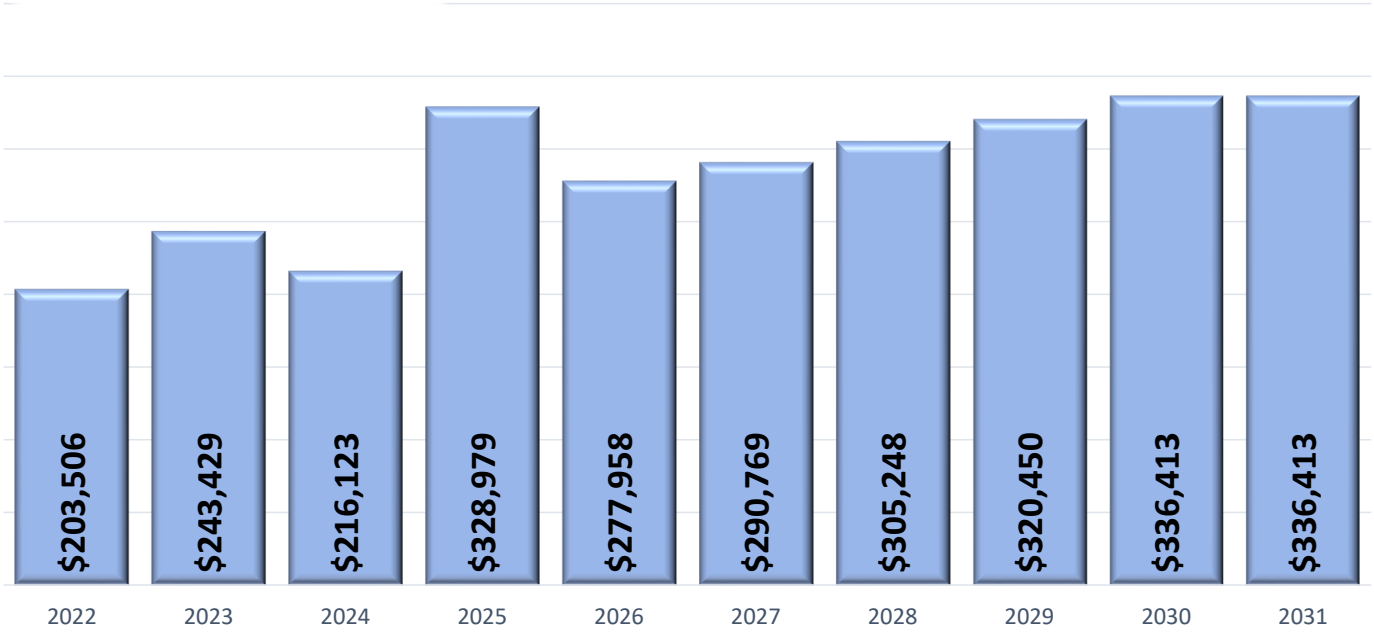
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4.300 - Other Objects

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 1.68% of the district's total general fund spending.



Key Assumptions & Notes

Other Objects represent 1.68% of total expenditures and increased at a historical average annual rate of 13.42%. This category of expenditure is projected to grow at an annual average rate of 3.91% through fiscal year 2031. The projected average annual rate of change is 9.51% less than the five year historical annual average.

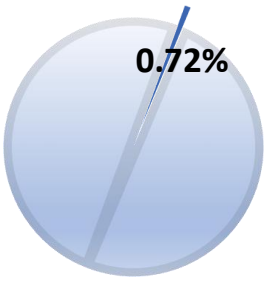
Other objects expenditures primarily consist of fees paid to the County Auditor and County Treasurer for the collection of property taxes and to the Ohio Department of Taxation for administering the district's earned income tax. Additional expenditures include membership dues and professional organization fees.

Following the one-time increase in FY2025 associated in part with fees on the Nexus pipeline catch-up payment, expenditures in this category are projected to return to more typical growth patterns throughout the forecast period.

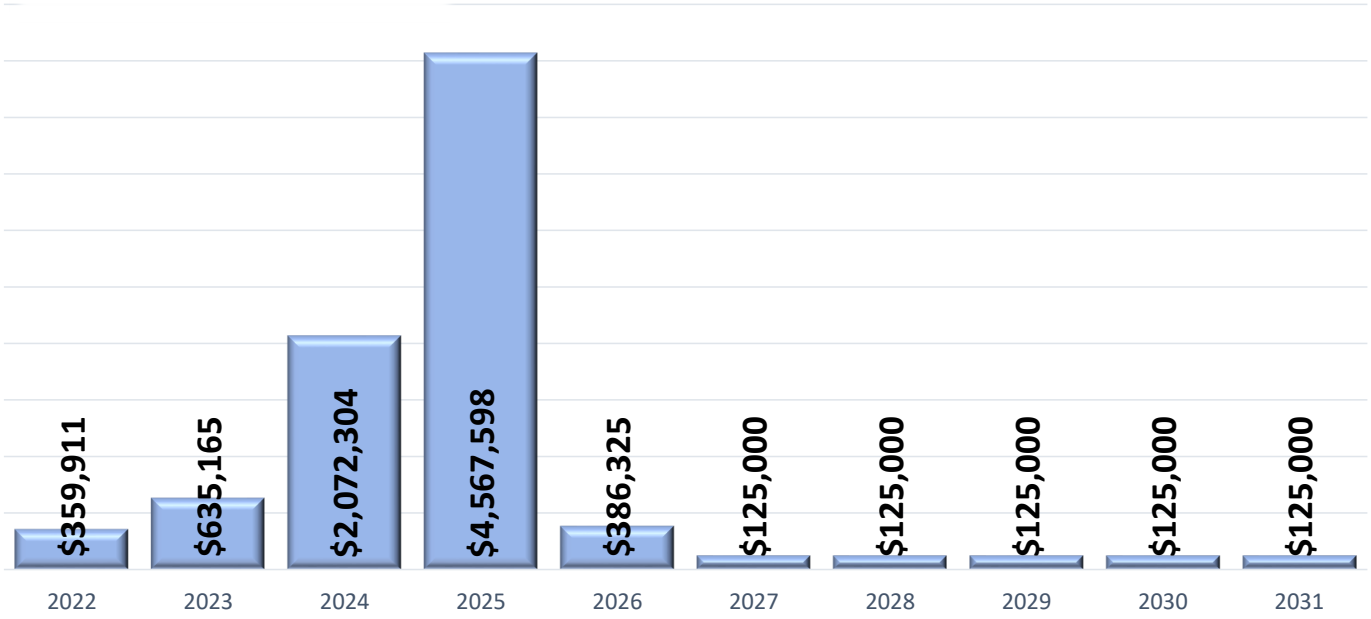
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5.040 - Total Other Financing Uses

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



Other Uses account for 0.72% of the district's total general fund spending.



Key Assumptions & Notes

		FORECASTED				
	2026	2027	2028	2029	2030	2031
Transfers Out	202,824	50,000	50,000	50,000	50,000	50,000
Advances Out	183,501	75,000	75,000	75,000	75,000	75,000
Other Financing Uses	-	-	-	-	-	-

Other uses includes 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. In 2026 the district had advances-out and has advances-out forecasted through fiscal year 2031. The district can also move general funds permanently to other funds, and as the schedule above presents, the district has transfers forecasted through fiscal year 2031. The table above presents the district's planned advances and transfers. The district can also have other uses of funds which is reflected in the table above.

Other financing uses include fund-to-fund transfers and short-term advances from the General Fund to other district funds to maintain cash flow until reimbursements are received. Because advances are repaid once the receiving funds receive sufficient revenues, they have minimal long-term impact on the General Fund.
Following the non-renewal of the district's Permanent Improvement levy in May 2022, the district began funding capital needs through planned General Fund transfers. This forecast includes an annual $50,000 transfer for that purpose. In FY2026, advances exceeded forecast due to delays in federal grant reimbursements.

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Chippewa Local School District

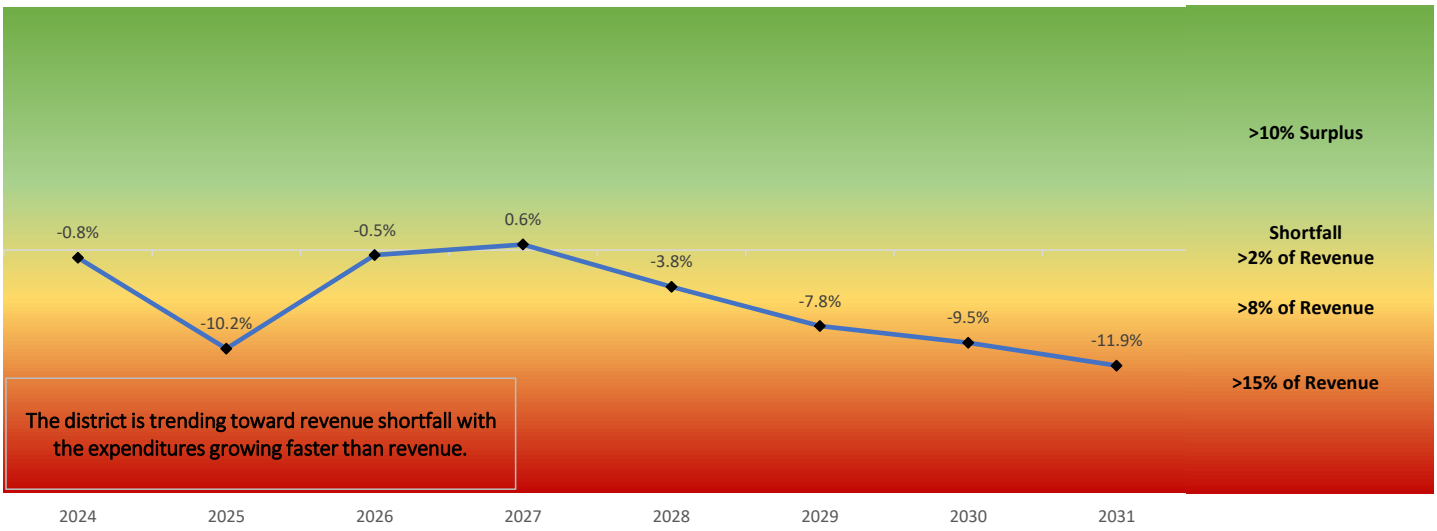
Five Year Forecast

August Fiscal Year 2027

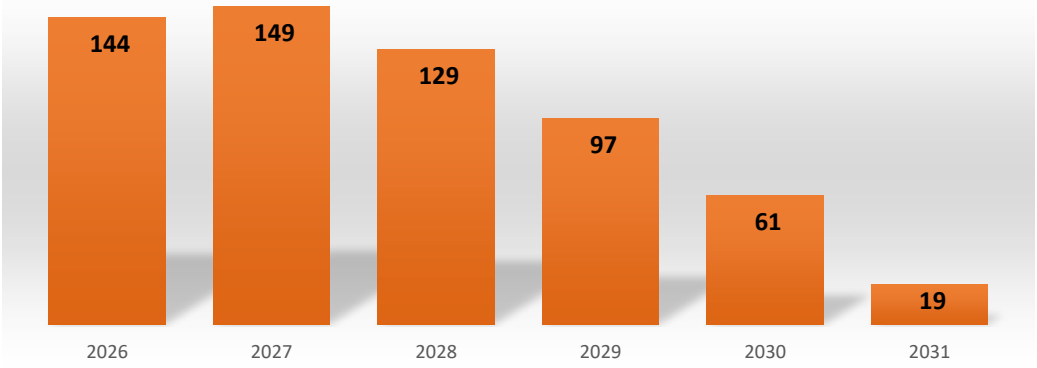
	Actual	FORECASTED				
Fiscal Year:	2026	2027	2028	2029	2030	2031
Revenue:						
1.010 - General Property Tax (Real Estate)	5,455,995	5,296,175	5,052,145	5,096,344	5,415,396	5,624,294
1.020 - Public Utility Personal Property	2,154,511	2,130,367	2,128,945	2,130,802	2,125,527	2,125,356
1.030 - Income Tax	2,827,126	2,946,616	2,611,522	640,949	334,406	87,267
1.035 - Unrestricted Grants-in-Aid	5,209,468	5,132,019	5,353,884	5,353,471	5,354,498	5,354,025
1.040 - Restricted Grants-in-Aid	240,126	207,776	165,126	166,244	167,173	168,338
1.050 - State Reimb Prop Tax Credits	807,930	886,094	963,479	970,010	1,033,695	1,079,114
1.060 - All Other Operating Revenues	1,018,574	839,758	789,400	744,508	726,384	699,428
1.070 - Total Revenue	17,713,733	17,438,805	17,064,501	15,102,328	15,157,079	15,137,822
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	19,330	-	-	-	-	-
2.060 - All Other Financing Sources	3,292	1,200	1,200	1,200	1,200	1,200
2.070 - Total Other Financing Sources	22,622	1,200	1,200	1,200	1,200	1,200
2.080 - Total Rev & Other Sources	17,736,355	17,440,005	17,065,701	15,103,528	15,158,279	15,139,022
Expenditures:						
3.010 - Personnel Services	9,018,161	9,090,334	9,303,334	9,604,629	9,916,731	10,241,474
3.020 - Employee Benefits	4,267,822	4,452,669	4,910,299	5,285,593	5,628,456	5,996,588
3.030 - Purchased Services	2,571,641	2,678,196	2,812,106	2,952,711	3,100,346	3,255,364
3.040 - Supplies and Materials	538,853	575,630	604,412	634,632	666,364	666,364
3.050 - Capital Outlay	76,479	127,850	127,850	127,850	127,850	127,850
Intergovernmental & Debt Service	690,588	-	-	-	-	-
4.300 - Other Objects	277,958	290,769	305,248	320,450	336,413	336,413
4.500 - Total Expenditures	17,441,502	17,215,448	18,063,249	18,925,865	19,776,160	20,624,053
Other Financing Uses						
5.010 - Operating Transfers-Out	202,824	50,000	50,000	50,000	50,000	50,000
5.020 - Advances-Out	183,501	75,000	75,000	75,000	75,000	75,000
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	386,325	125,000	125,000	125,000	125,000	125,000
5.050 - Total Exp and Other Financing Uses	17,827,827	17,340,448	18,188,249	19,050,865	19,901,160	20,749,053
6.010 - Excess of Rev Over/(Under) Exp	(91,472)	99,557	(1,122,548)	(3,947,337)	(4,742,881)	(5,610,031)
7.010 - Cash Balance July 1 (No Levies)	7,062,015	6,970,543	7,070,100	5,947,552	2,000,214	(2,742,666)
7.020 - Cash Balance June 30 (No Levies)	6,970,543	7,070,100	5,947,552	2,000,214	(2,742,666)	(8,352,697)
		Reservations				
8.010 - Estimated Encumbrances June 30	-	585,388	-	-	-	-
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	6,970,543	6,484,712	5,947,552	2,000,214	(2,742,666)	(8,352,697)
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Renewal Levies		-	460,857	2,563,796	3,009,653	3,403,421
11.030 - Cumulative Balance of Levies	-	-	460,857	3,024,652	6,034,306	9,437,726
12.010 - Fund Bal June 30 for Cert of Obligations	6,970,543	6,484,712	6,408,409	5,024,867	3,291,640	1,085,029
Revenue from New Levies						
13.010 & 13.020 - New Levies		-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	6,970,543	6,484,712	6,408,409	5,024,867	3,291,640	1,085,029

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Revenue Surplus/(Shortfall) - Current Forecast



Days Cash on Hand - Current Forecast

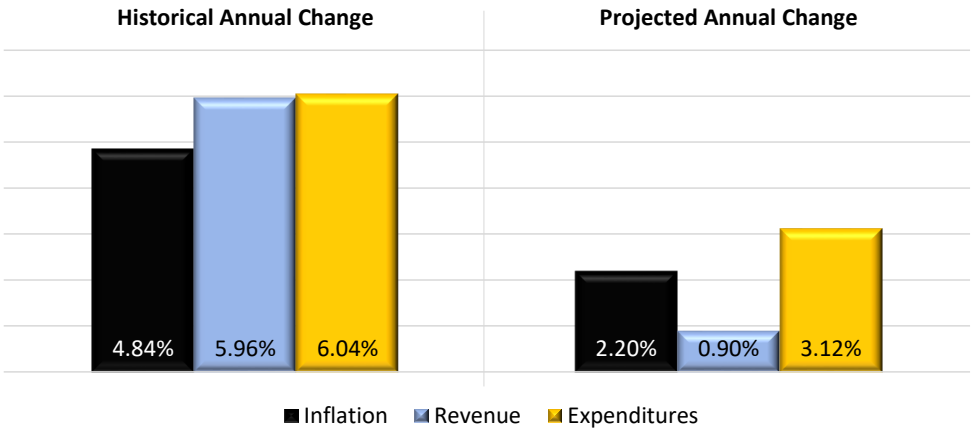


Days cash on hand is projected to decline and is less than 60 days by 2031.

*based on 365 days

5-Year Average Annual Change - Inflation, Revenue and Expenditures

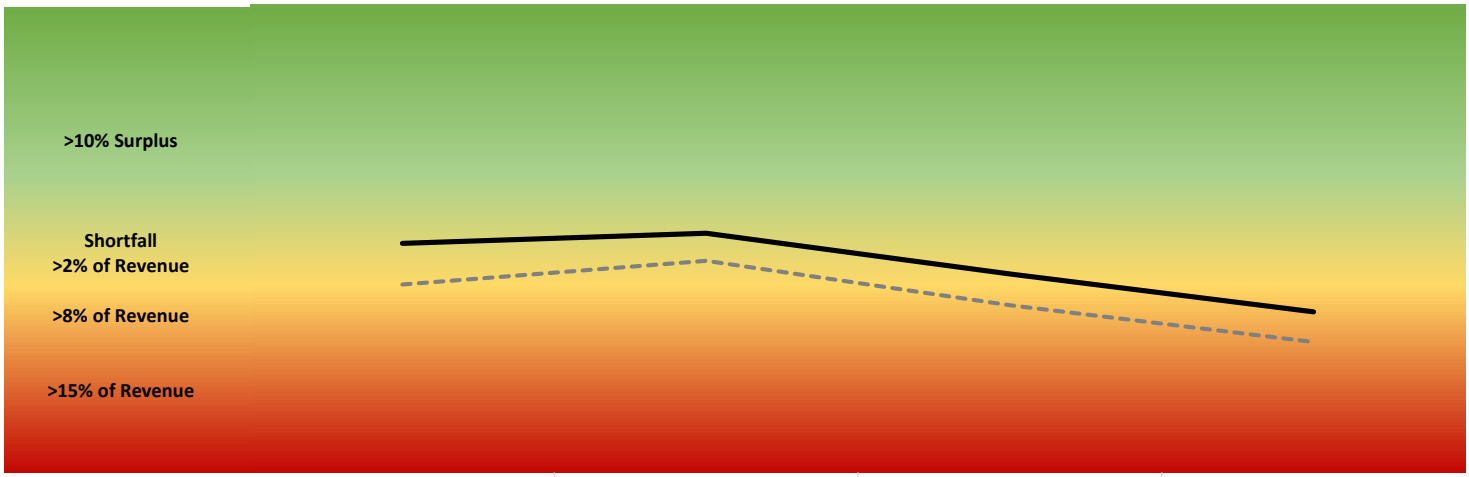
Average projected annual expenditure change is greater than inflation, and more than revenue.



CPI (Inflation) Source: Federal Reserve Bank of St. Louis (July 1, 2026)
https://alfred.stlouisfed.org

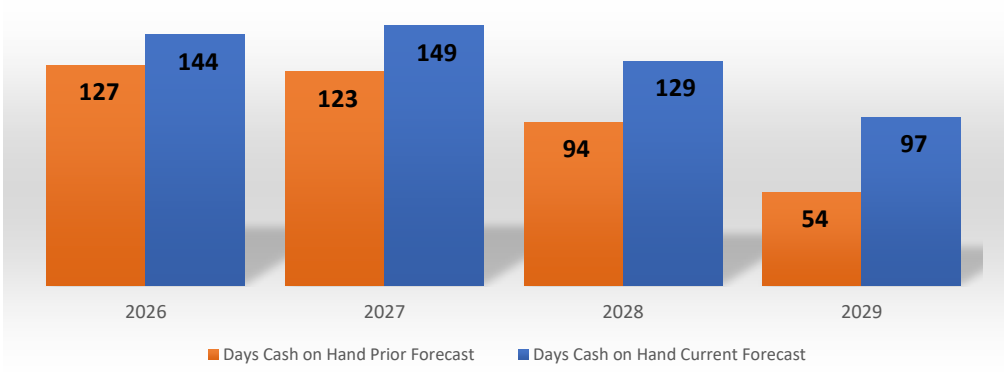
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Revenue Surplus/(Shortfall) - Current Compared to Prior Forecast



	2026	2027	2028	2029
Prior Forecast	-4.9%	-2.4%	-7.1%	-11.1%
Current Forecast	-0.5%	0.6%	-3.8%	-7.8%

Days Cash on Hand - Current Compared to Prior Forecast



Days cash on hand is forecasted to decline, and is similar to the prior forecast trend.

*based on 365 days

Revenue and Expenditure Variances - Current Compared to Prior Forecast

	Revenue Variance	
Cumulative Favorable Revenue Variance	**4.08%**	($470,549)
	Largest Revenue Variances	
1.035,1.040 State	**-0.06%**	($38,334)
1.01 Real Estate	**-0.12%**	($83,654)
1.03 Income Tax	**-4.12%**	($2,783,629)
All Other Revenue Categories	**3.60%**	$2,435,067

The current revenue forecast is up by 4.08% compared to the prior forecast.

NET cumulative forecast impact for the forecast period 2026 - 2029 of Revenue and Expense variances is 3.39% (or -$962,425).

The current forecast for expenditures is up by 0.68% compared to the prior forecast.

Expenditure Variance		
0.68%	$491,876	Cumulative Unfavorable Expenditure Variance
Largest Expenditure Variances		
-0.74%	($527,686)	3.01 Salaries
1.55%	$1,108,799	3.02 Benefits
0.33%	$232,531	3.03 Purchased Serv.
-0.45%	($321,768)	All Other Expenditure Categories

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Property Tax Reform Impact - Retrospective Look

Tax Years 2023, 2024, and 2025

District's Outside Millage "Floor" Status Before Property Tax Reform

Class I	**TY 2024**	**TY 2025**	**TY 2026**
Inside Millage	4.20	4.20	3.84
Effective Outside Millage	15.83	15.81	16.16
Effective Inside + Outside Millage	20.03	20.01	20.00

Before property tax reform, H.B. 920 prevented inside plus outside millage from dropping below the 20-mill floor, resulting in large increases in taxpayer bills after reappraisals.

Class I Property Values Change	**TY 2024**	**TY 2025**	**TY 2026**
Reappraisal or Update Year	No	No	Yes
Class I Combined Change	0.0%	0.0%	18.0%
New GDP-D Allowed Growth	15.40%	13.30%	9.15%

Do local taxpayers qualify for prior property tax relief in the way of Credits or Millage reductions?

Millage Change	**TY 2024**	**TY 2025**	**TY 2026**
Combined Ag/Residential Inflation	0.00%	0.00%	18.02%
Outside Millage Reduction	0.03	(0.01)	(0.01)
Percentage Change in Millage	0.16%	-0.08%	2.18%

Taxpayer Credits	**TY 2024**	**TY 2025**	**TY 2026**
If at the floor and exceeded GDP-D Growth	.	$ -	$ (1,371,804)

H.B. 186 taxpayer credits can occur when a district was at the millage floor and the reappraisal or update growth exceeded GDP-D. Otherwise, no credits are generated.

H.B. 186 credits should apply to 2nd half tax year

In December 2025, the State of Ohio enacted House Bill 186, which provides property tax relief credits for school districts at the 20-mill floor when property valuation growth following a reappraisal or triennial update exceeds the statutory inflation threshold. During Wayne County's Tax Year 2023 triennial update, property values within the Chippewa Local School District increased approximately 37.8%. Because the district operates at the 20-mill floor, this increase in valuation resulted in higher real property taxes for many property owners, making the district eligible for the new property tax relief credits.

Following Wayne County's Tax Year 2026 reappraisal, this forecast assumes the property tax relief credits authorized under House Bill 186 will continue throughout the forecast period. Based on current law, the district projects unreimbursed property tax credits of approximately $1,371,804 annually for Tax Years 2026 through 2028. Because future state budgets or additional legislative action could modify or eliminate these provisions, this forecast assumes current law remains in effect throughout the forecast period.

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Property Tax Reform - Prospective Look

Tax Years 2026, 2027, 2028, and 2029

Does projected property value Reappraisal/Update/Inflation exceed cumulative GDP-D?

	TY 2026	TY 2027	TY 2028	TY 2029	TY 2030
Reappraisal or Update Year	Yes	No	No	Yes	No
Percent of District in Reappraisal/Update	0.00%	25.50%	0.00%	0.00%	21.63%
Class I Combined Change	0.0%	25.5%	0.0%	0.0%	21.6%
GDP-D	9.15%	8.00%	8.05%	7.65%	7.50%

With Property Tax Reform, how are projected tax rates responding to property value inflation?

	TY 2026	TY 2027	TY 2028	TY 2029	TY 2030
Inside Millage Class I & II*	3.84	3.84	3.84	3.68	3.68
Millage Change	-0.36	0.00	0.00	-0.16	0.00
Percentage Change in Millage	-8.52%	0.00%	0.00%	-4.15%	0.00%

*Starting in TY 2026, H.B. 335 provides for the County Budget Commission to reduce inside millage when reappraisal exceeds GPD-D

	TY 2026	TY 2027	TY 2028	TY 2029	TY 2030
Outside Millage	16.16	16.16	16.16	16.32	16.32
Millage Change	0.34	0.00	0.00	0.16	0.00
Percentage Change in Millage	1.72%	0.00%	0.00%	0.80%	0.00%
Fixed Sum Millage	0.00	0.00	0.00	0.00	0.00
Millage Change (no change)	0.00	0.00	0.00	0.00	0.00
Percentage Change in Millage	0.00%	0.00%	0.00%	0.00%	0.00%

	TY 2026	TY 2027	TY 2028	TY 2029	TY 2030
Total Effective Rate (Inside+Outside+Fixed Sum)	20.00	20.00	20.00	20.00	20.00

***Beginning with the first reappraisal or update cycle occurring in tax year 2026 or after, H.B. 129 includes fixed sum levies in the district floor calculation.

Does the Reappraisal/Update/Inflation generate taxpayer credits?

	TY 2026	TY 2027	TY 2028	TY 2029	TY 2030
H.B. 186 - Calculated Credit if at 20 Mill Floor	$ (1,371,804)	$ (1,371,804)	$ (1,371,804)	$ (1,700,561)	$ (1,700,561)

***H.B. 186 credits are only for districts at the floor, if H.B. 129 and the inclusion of fixed-sum levies may bring districts off the floor and end credits.

Is the district modeling county budget commission imposed homestead and owner-occupied credit increases?

	FY 2027	FY 2028	FY 2029	FY 2030
Homestead/Owner-Occupied Credits	$ -	$ -	$ -	$ -

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Property Tax Reform Disclosure Items

The Ohio Department of Taxation, county auditors, and other partners are actively working through interpertation and implementation of property tax reform. As details are finalized, assumptions may evolve and updated forecasts may be necessary.

Property Tax Reform includes the following pieces of legistlation:

H.B. 129 revises the 20-mill floor calculation to include fixed-sum levies. Impact begins in first update/ reappraisal cycle after tax year 2025.

H.B. 186 limits revenue increases associated with the 20-mill and 2-mill floors to inflation measured by three years of Gross Domestic Product Deflator (GDP-D) change. Taxpayers are given a credit based on update/reappraisal changes beginning in Tax Year 2023; credits are recalculated with each update/reappraisal. Districts first experience a fiscal impact in FY 2027 the impact represents full Tax Year 2025 revenue loss and one half of Tax Year 2026 revenue loss. In FY2028 and beyond the impact is only one year of revenue loss. Districts above the floor are not eligible for Inflation Cap Credits. DEW will reimburse districts on the 2023/2024 reappraisal cycles for the credit until the next reappraisal/ update cycle (2026/2027).

H.B. 335 caps inside millage revenue growth due to inflation. Beginning with update/reappraisal in tax year 2026 requires County Budget Commission to adjust inside millage rates to limit real property revenue increases to GDP-D growth over the three preceding years. Reduction applies to real and public utility personal property.

H.B. 96 allows counties to offer a property tax exemption that "piggy-backs" on existing state homestead exemption and owner-occupied credit. Unlike existing credit and exemption the piggy-back amounts are not reimbursed to the district by the state.

The Gross Domestic Product Delfator (GDP-D) is estimated based on available data from the U.S. Bureau of Economic Analysis (BEA) and Federal Reserve Bank's forward inflation expectation rate.

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