Chippewa Local School District

Fiscal Year

2026

February

Financial Forecast Report

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Forecast Purpose/Objectives

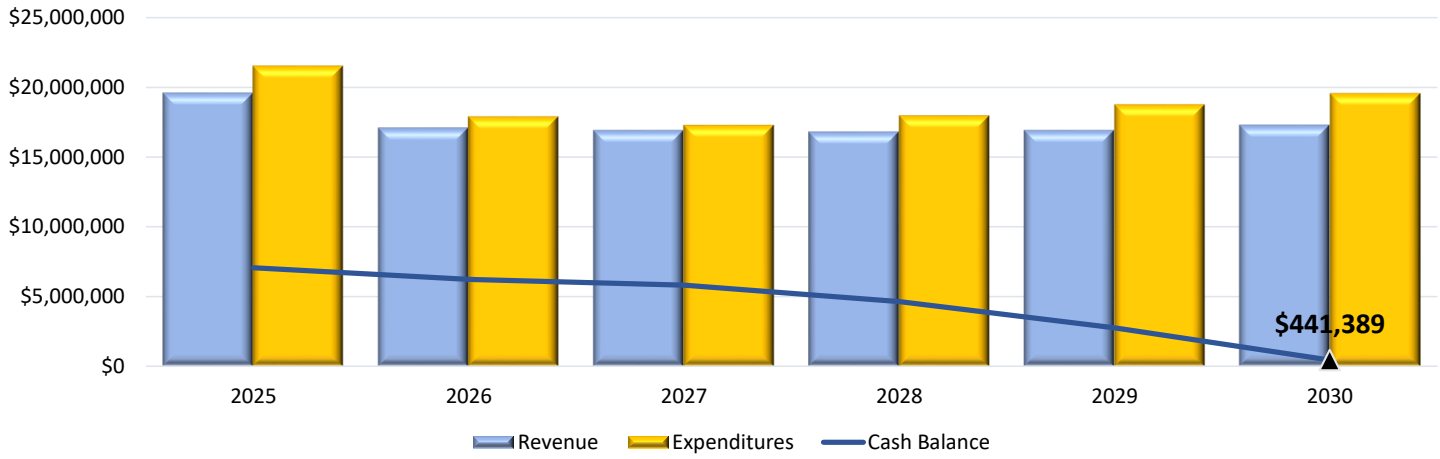
Ohio Department of Education and Workforce's purposes/objectives for the financial forecast are:

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.

Projected Revenue, Expenditures, and Cash Balance



Financial Forecast Summary

	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
Beginning Balance (Line 7.010) **Includes Renewal/New Levy Revenue, see Disclosures*	7,062,015	6,223,062	5,822,182	4,625,879	2,759,153
+ Revenue	17,065,518	16,884,380	16,778,444	16,884,304	17,248,587
- Expenditures	(17,904,471)	(17,285,260)	(17,974,747)	(18,751,030)	(19,566,350)
= Revenue Surplus or Deficit	(838,953)	(400,880)	(1,196,303)	(1,866,726)	(2,317,763)
Line 7.020 Ending Balance with Renewal/New Levies	6,223,062	5,822,182	4,625,879	2,759,153	441,389

Financial Summary Notes

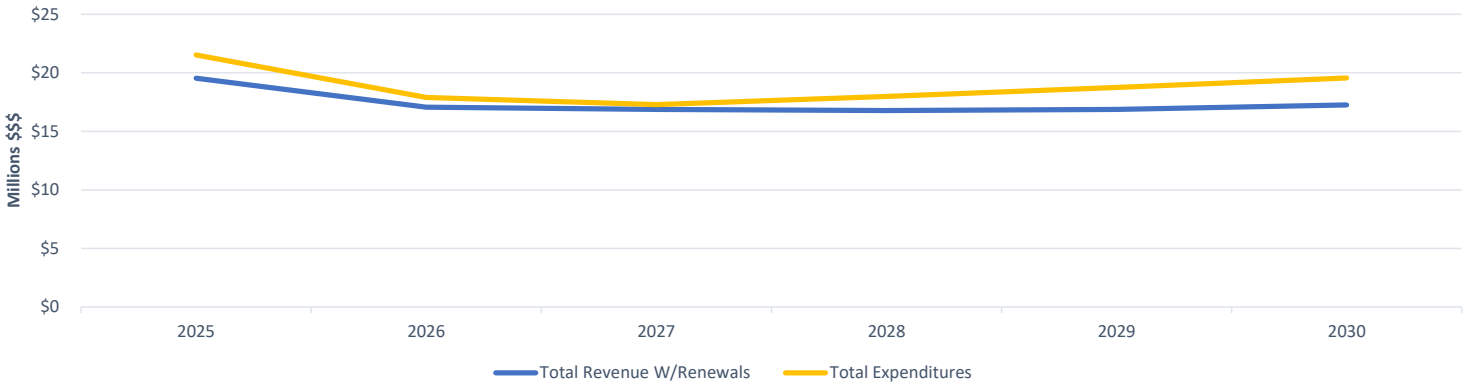
Expenditure change is projected to outpace revenue change. By the end of 2030, the cash balance is projected to decline by a total of $6,620,625 compared to 2025. For fiscal year 2030, expenditures are currently projected to exceed revenue, resulting in a revenue shortfall the final year of the forecast period.

For revenue, projected change is expected to be less than the historical average. Over the past five years, revenue increased by 7.82% ($1,202,445 annually). However, it is projected to decrease by -2.31% (-$457,888 annually) through fiscal year 2030. Notably, Public Utility, is expected to be $1,299,519 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 9.59% ($1,481,323 annually) during the past 5-year period, and are projected to decrease by 1.52% ($391,639 annually) through 2030. The forecast line with the most change on the expense side, Other Uses, is anticpated to be $1,688,118 less per year in the projected period compared to historical averages.

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Revenue Compared to Expenditures

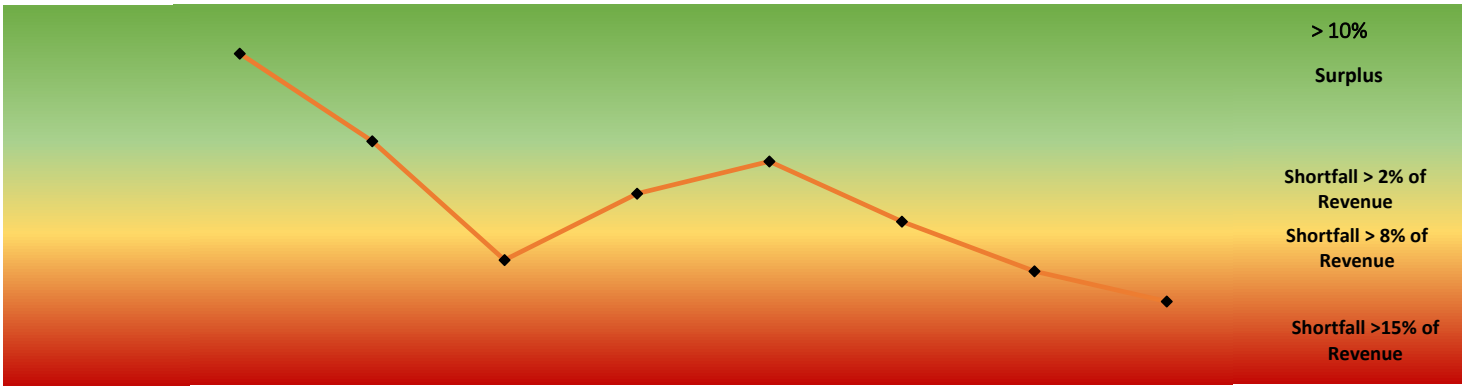


From 2026 to 2030, total revenues are projected to change by -2.31%

Expenditure change is expected to outpace revenue change.

From 2026 to 2030, total expenses are projected to change by -1.52%

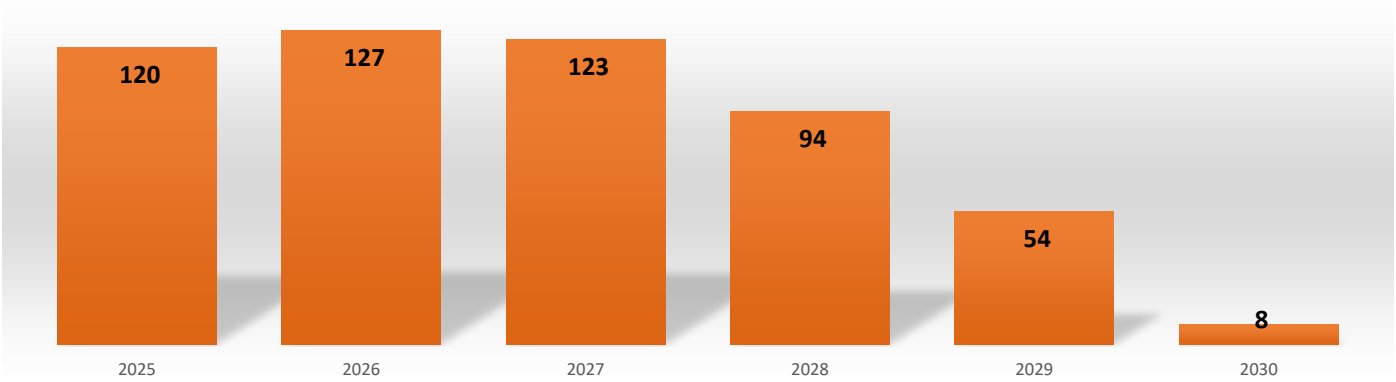
Revenue Surplus/(Shortfall) as a Percentage of Revenue



Current Forecast Surplus/(Shortfall)	2024	2025	2026	2027	2028	2029	2030
	-.8%	-10.2%	-4.9%	-2.4%	-7.1%	-11.1%	-13.4%

The district is trending toward revenue shortfall with the expenditures declining faster than revenue.
A revenue increase of 11.06% is needed to balance the budget in fiscal year , or a $2,317,763 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 Other Uses.

Days Cash on Hand at Fiscal Year-end

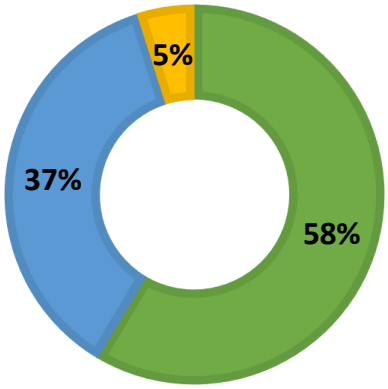


*based on 365 days

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Revenue Overview

Revenue Sources



Local Taxes	
Real Estate Tax	31.96%
Public Utility Tax	10.16%
Income Tax	16.43%
State Sources	
State Funding	30.36%
Restricted Aid	1.51%
State Reimb Prop Tax Cr	4.71%
All Other Revenue	
Other Revenue	4.76%
Other Sources	0.11%

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	$113,818	($5,854)	($119,671)
Public Utility	$811,135	($488,385)	($1,299,519)
Income Tax	$112,740	$97,867	($14,873)
State Funding	$76,758	$23,070	($53,688)
State Reimb Prop Tax Credits	$47,804	$31,319	($16,486)
All Othr Op Rev	$23,453	($85,766)	($109,219)
Other Sources	$16,737	($30,140)	($46,877)
Total Average Annual Change	$1,202,445	($457,888)	($1,660,334)
	7.82%	-2.31%	-10.13%

Over the past five years, revenue increased by 7.82% ($1,202,445 annually). However, it is projected to decrease by -2.31% (-$457,888 annually) through fiscal year 2030. Notably, Public Utility, is expected to be $1,299,519 less per year compared to history, and is the biggest driver of trend change on the revenue side.

Changes in public utility tax revenue are largely attributable to the one-time Nexus catch-up payment received in FY2025. This nonrecurring revenue creates the appearance of a decline in later years of the forecast. Projected revenue decreases over the forecast period also reflect the anticipated impact of property tax reform legislation enacted in Ohio in December 2025, which is explained later in this document.

For Comparison:

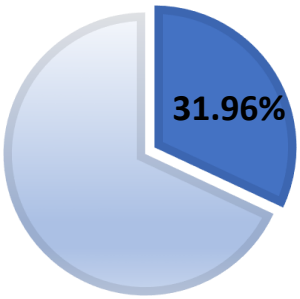
Expenditure average annual change is projected to be > ($391,639)

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

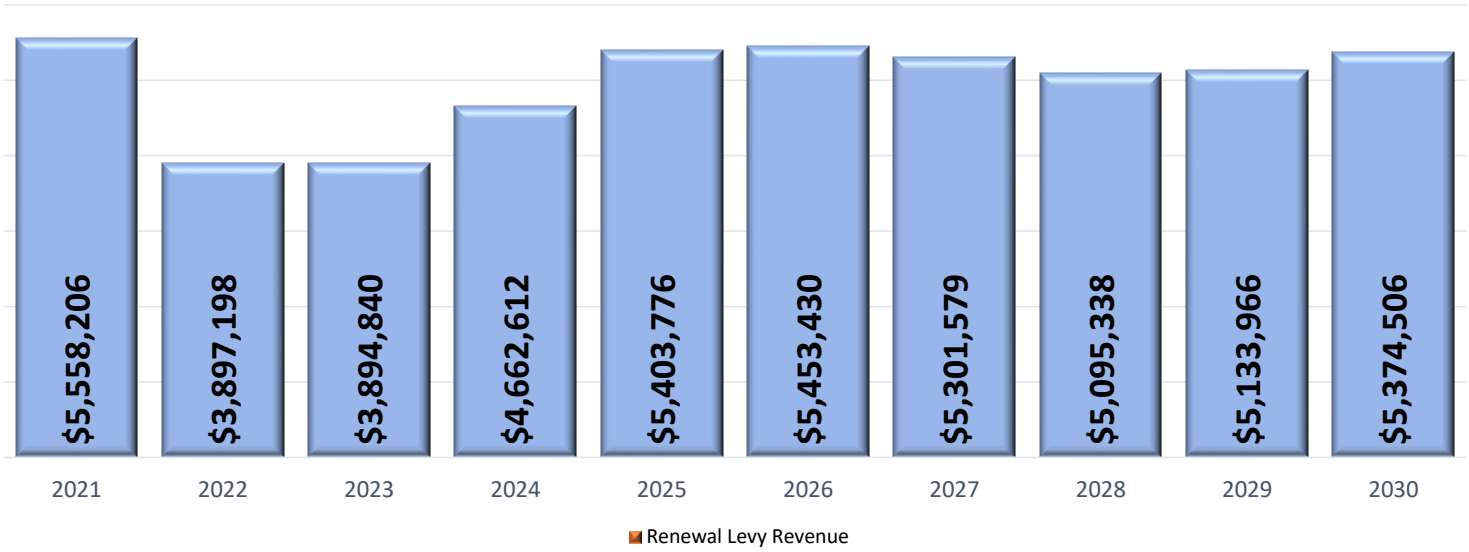
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1.010 - General Property Tax (Real Estate)

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 31.96% 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
2024	306,152,530	2,242,140	20.03	-	20.96	-	101.3%
2025	309,509,125	3,356,595	20.03	0.00	20.73	(0.23)	99.9%
2026	348,791,125	39,282,000	19.89	(0.13)	20.58	(0.15)	99.9%
2027	351,033,125	2,242,000	19.89	-	20.58	(0.00)	99.9%
2028	353,275,125	2,242,000	19.89	-	20.58	(0.00)	99.9%
2029	376,287,125	23,012,000	19.89	-	20.56	(0.02)	99.9%

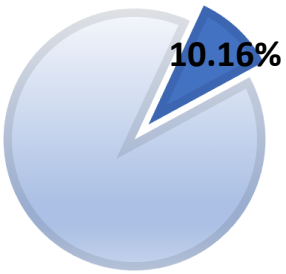
Class I, or residential/agricultural taxes make up approximately 92.33% of the real estate property tax revenue. The Class I tax rate is 20.03 mills in tax year 2025. The projections reflect an average gross collection rate of 99.9% annually through tax year 2029. The revenue changed at an average annual historical rate of 4.13% and is projected to change at an average annual rate of -0.06% through fiscal year 2030.

TY2026 is a reappraisal year for Wayne County. Because Chippewa Local has historically operated at the 20-mill floor, increases in Class I property valuation have generally resulted in proportional increases in real property tax collections. The forecast models a reduction in real property tax revenue due to recently enacted property tax legislation. House Bill 186 provides tax relief credits intended to offset valuation growth above the GDP deflator following the approximately 37.8% increase in property values beginning in TY2023. House Bill 335 requires county budget commissions to reduce inside millage when valuation growth exceeds the GDP deflator. This reduction is expected to begin in TY2026 and impact district revenue starting in FY2027 and continuing throughout the forecast period.

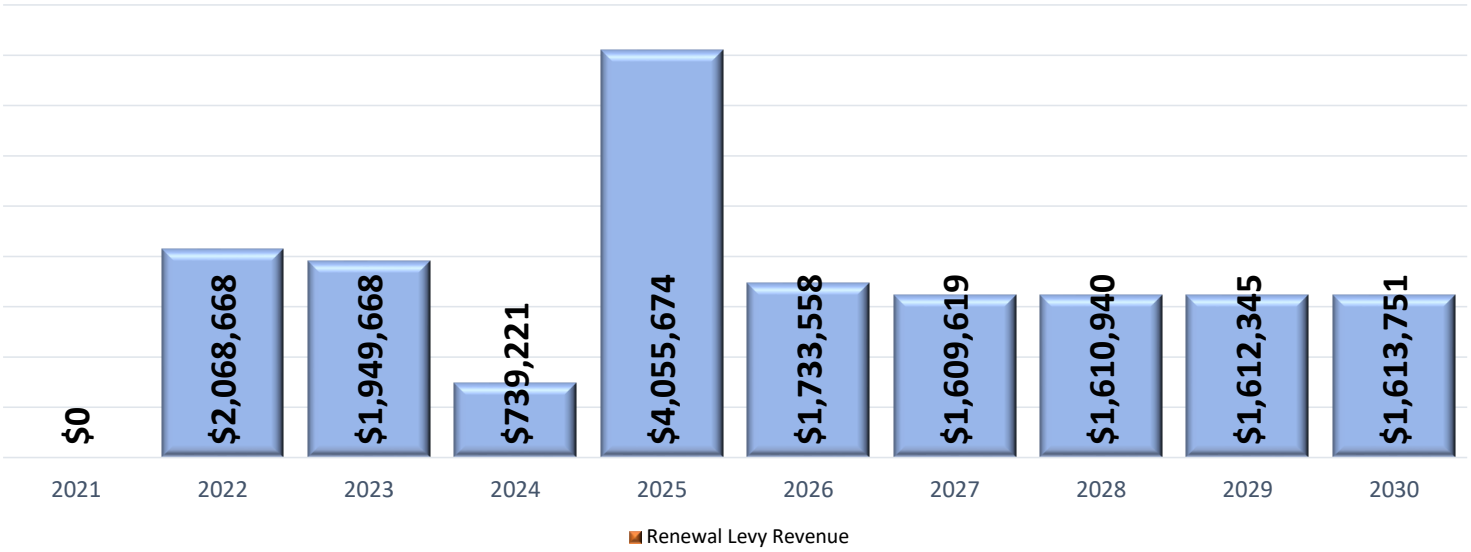
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1.020 - Public Utility Personal Property

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 10.16% 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
2024	57,683,810	(13,463,240)	37.50	-	100.0%
2025	57,076,865	(606,945)	37.50	-	75.2%
2026	57,276,865	200,000	37.39	(0.11)	75.2%
2027	57,326,865	50,000	37.39	-	75.2%
2028	57,376,865	50,000	37.39	-	75.2%
2029	57,426,865	50,000	37.39	-	75.2%

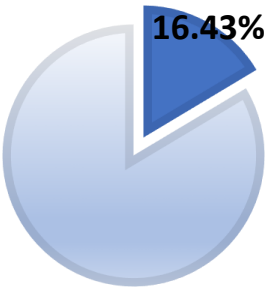
The public utility personal property tax revenue is generated from the personal property values, additions, and depreciation reported by the utility companies. The property is taxed at the full voted tax rate which in tax year 2025 is 37.50 mills. The forecast is modeling an average gross collection rate of 75.16%. The revenue changed historically at an average annual dollar amount of $811,135 and is projected to change at an average annual dollar amount of -$488,385 through fiscal year 2030.

In FY2025, the district received a one-time catch-up payment from the Nexus pipeline due to prior tax payments being made on a reduced valuation. This payment is treated as nonrecurring revenue and is not included in future revenue projections. For forecasting purposes, public utility personal property tax revenue reflects the updated valuation determined through the court ruling, which increased the taxable valuation from approximately 40% to approximately 68% of the original valuation.

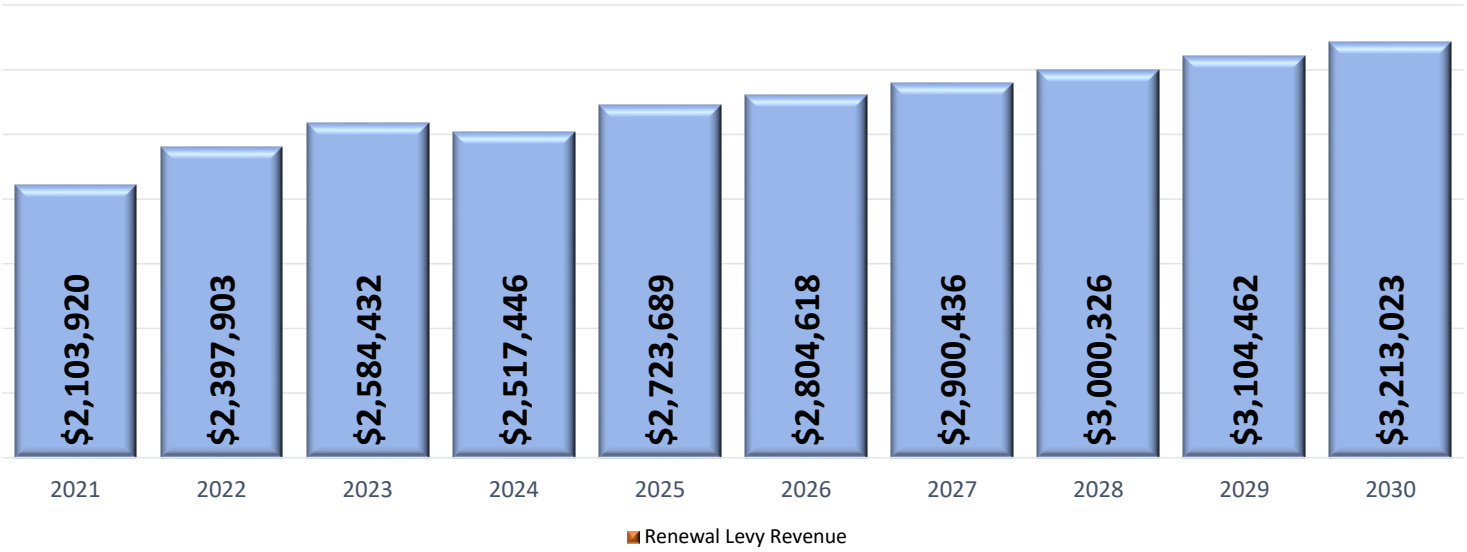
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1.030 - School District Income Tax

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 16.43% of total district general fund revenue.



Key Assumptions & Notes

The district maintained one income tax levy in fiscal year 2026. The average annual dollar change in total income tax revenue is forecasted to be $97,867 through 2030.

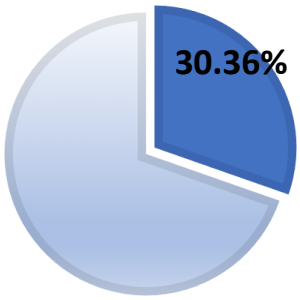
The district's 1% earned income tax levy was last renewed by voters in November 2022 and is scheduled to expire December 31, 2027. The levy was originally approved in 2007 and has been successfully renewed every five years. The forecast assumes the district will seek voter approval to renew the levy prior to expiration to maintain this revenue source.

Earned income tax revenue is projected to grow approximately 3.4%–3.5% annually during the forecast period. This assumption reflects conservative growth relative to the February 2025 Ohio Legislative Service Commission forecast of approximately 4.2% annual personal income growth in Ohio.

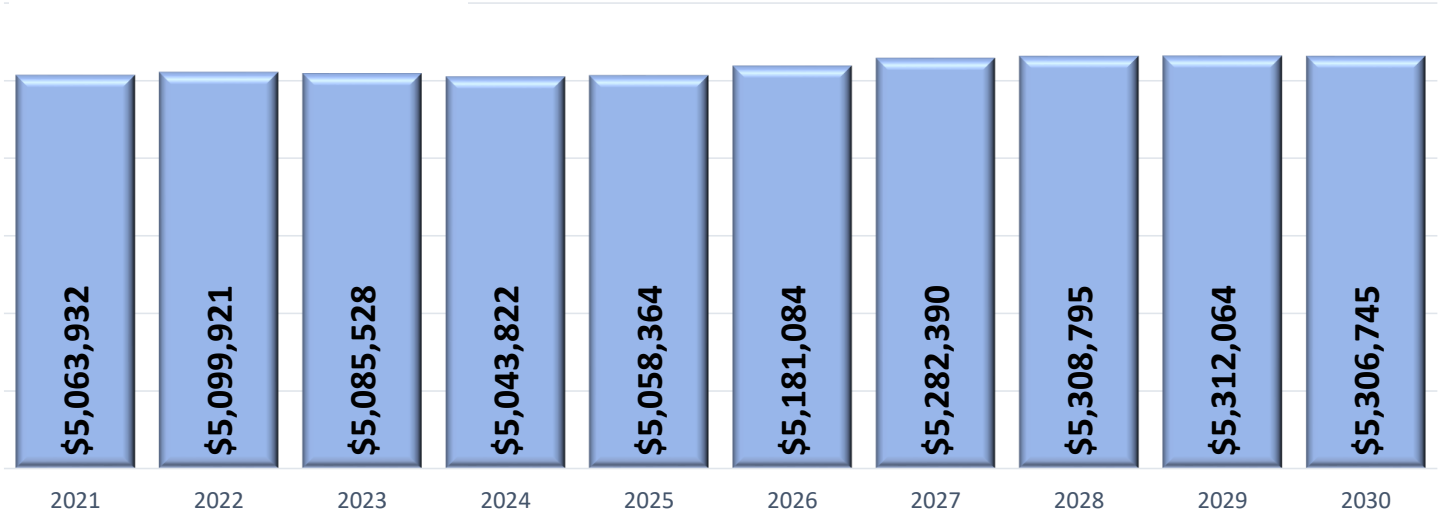
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1.035 - Unrestricted Grants-in-Aid

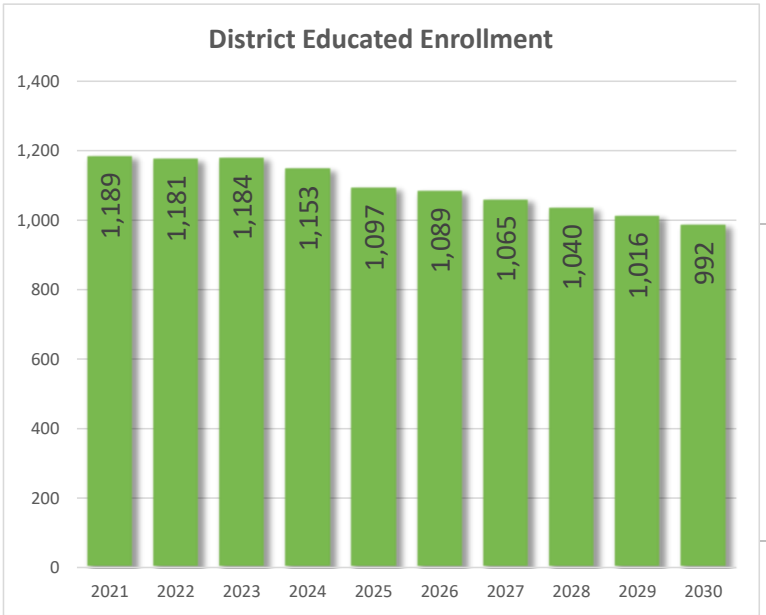
Funds received through the State Foundation Program with no restriction.



Unrestricted State Aid revenue accounts for 30.36% 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 $9,532,166 in 2026.

The State's Share of the calculated Base Cost total is $2,072,807, or $1,903 per pupil.

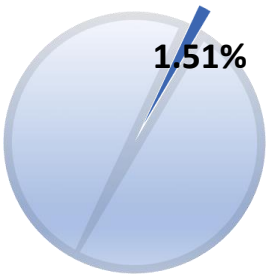
Due to declining enrollment, the district is currently on the state funding guarantee and is projected to receive funding at approximately the same level established when the guarantee was first calculated in FY2022.

The forecast assumes limited growth in state foundation revenue, primarily from performance-based funding components (the district is rated at 4.5 stars on our most recent report card).

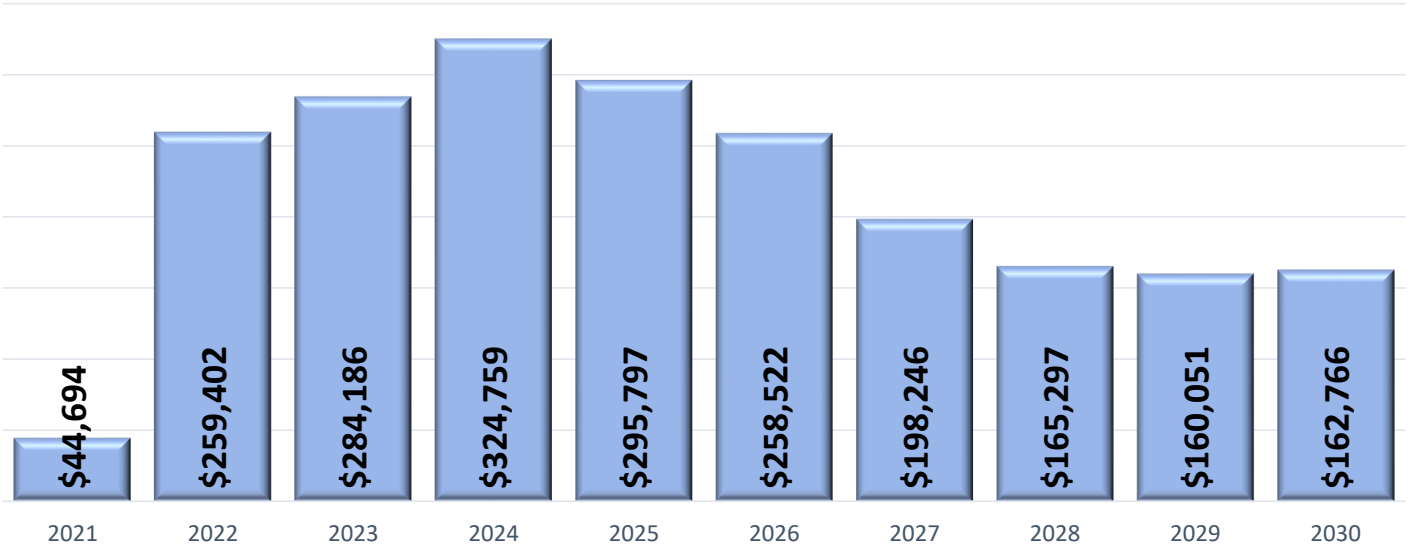
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1.040 & 1.045 - Restricted Grants-in-Aid

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



Restricted State Aid revenue accounts for 1.51% 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 $12,132 and is projected to change annually on average by -$26,606. Restricted funds represent 1.51% 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 $121,252. 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.

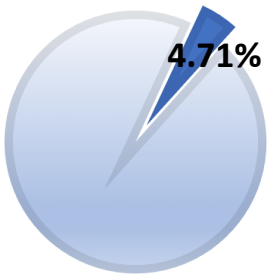
Total restricted state grants-in-aid increased in FY2022 as portions of state foundation funding were reclassified from unrestricted to restricted funding under the Fair School Funding Plan. Examples of restricted state funding include Disadvantaged Pupil Impact Aid (DPIA), gifted funding, Student Success and Wellness funding, transportation funding, career-technical education funding, and catastrophic cost reimbursement.

As the state share of the Fair School Funding Plan calculation declines for the district over the forecast period, restricted funding tied to the formula, including DPIA and gifted funding, is projected to decrease. Transportation funding is projected to grow modestly, with an annual increase of approximately 0.7% beginning in FY2028.

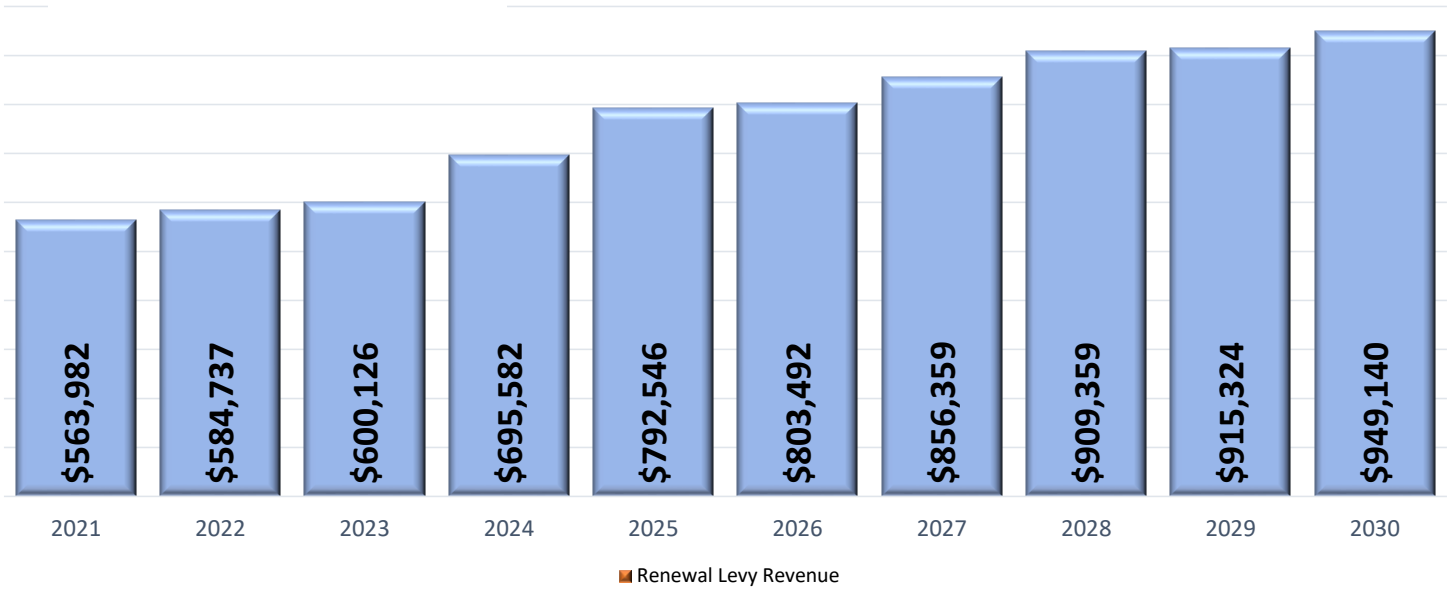
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1.050 - State Reimbursement Property Tax Credits

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



State Reimbursement of Property Tax Credit revenue accounts for 4.71% of total district general fund revenue.



Key Assumptions & Notes

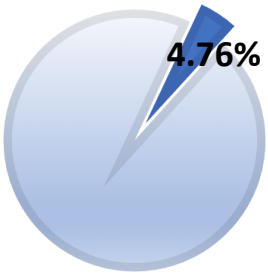
State Reimbursement of Property Tax Credits primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions to their tax bill. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In fiscal year 2026, approximately 11.7% 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.

Property tax credits increased following the Wayne County triennial update in TY2023 and are expected to increase again following the scheduled reappraisal in TY2026. The impact of the TY2026 reappraisal is first reflected in the forecast in FY2027, with property tax credit revenue projected to increase approximately 6.58%.

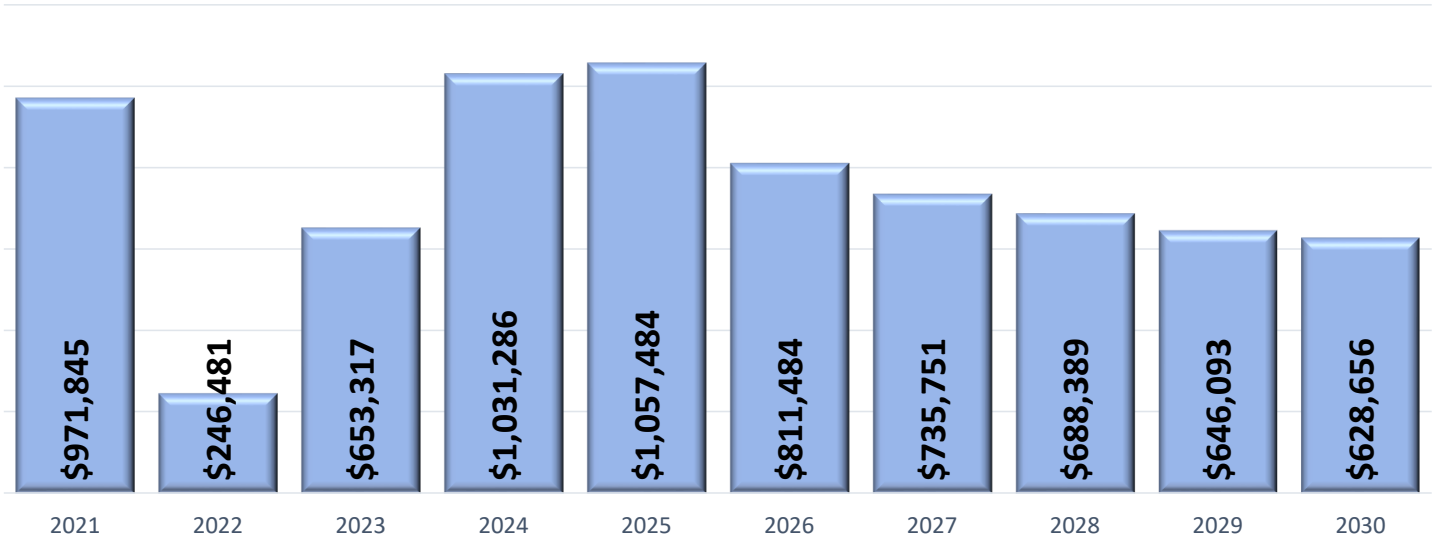
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1.060 - All Other Operating Revenues

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



All Other Revenue accounts for 4.76% of total district general fund revenue.



Key Assumptions & Notes

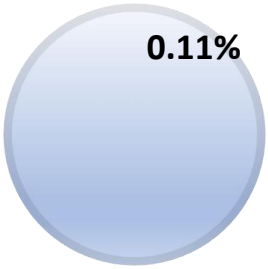
Other revenue includes tuition received by the district for non-resident students educated by the district. It also includes interest income, payments in lieu of taxes, and miscellaneous revenue. The historical average annual change was $23,453. The projected average annual change is -$85,766 through fiscal year 2030.

All other revenues include excess cost reimbursements, interest earnings, Medicaid reimbursements, and other miscellaneous sources. Interest earnings are projected to decline over the forecast period due to decreasing cash balances and anticipated federal interest rate reductions beginning in CY2025. All other revenue sources are projected to remain consistent with historical trends throughout the forecast period.

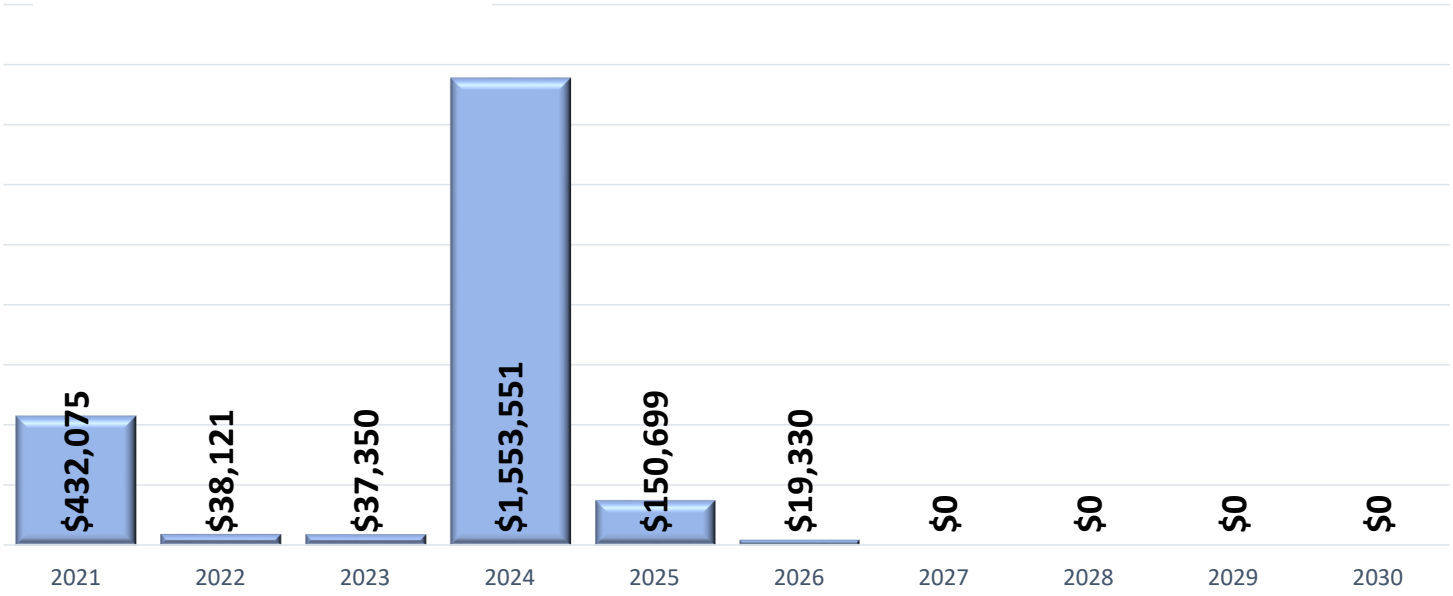
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2.070 - Total Other Financing Sources

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 0.11% of total district general fund revenue.



Key Assumptions & Notes

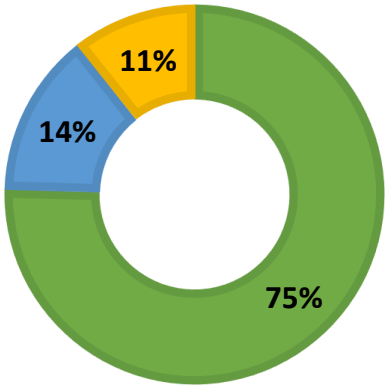
		FORECASTED				
	2025	2026	2027	2028	2029	2030
Transfers In	-	-	-	-	-	-
Advances In	123,284	19,330	-	-	-	-
All Other Financing Sources	27,415	-	-	-	-	-

Other sources includes revenue that is generally classified as non-operating. Return advances-in are the most common revenue source. In 2025 the district receipted $123,284 as advances-in and is projecting advances of $19,330 in fiscal year 2026. 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 $0 in 2026 and average $0 annually through 2030.

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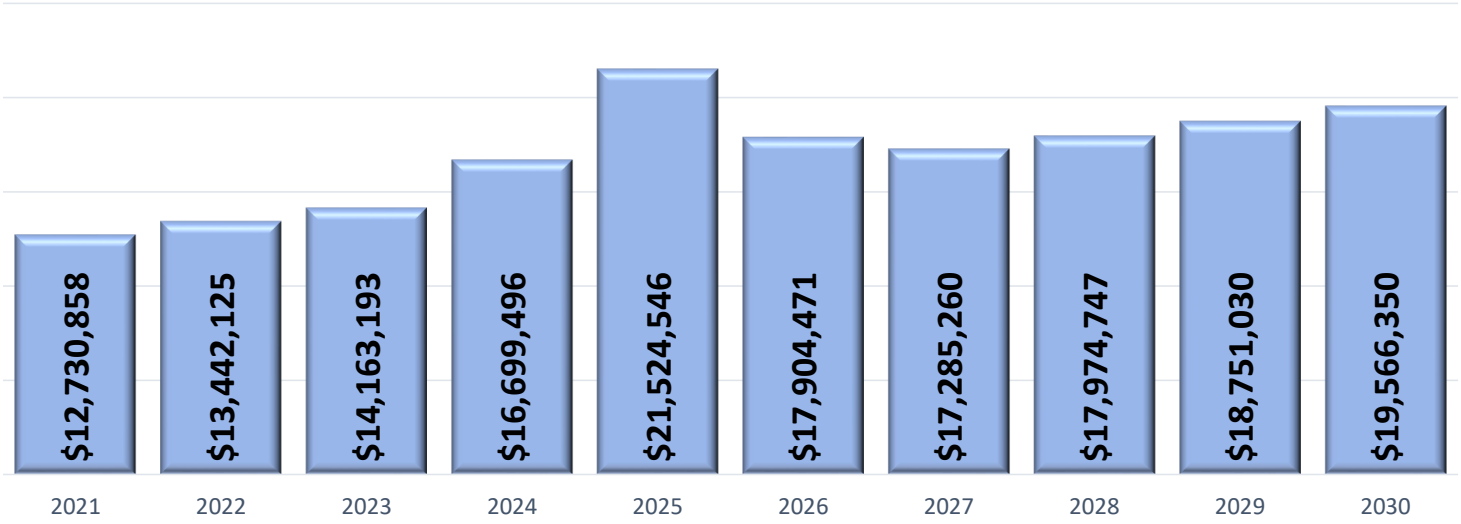
Expenditure Overview

Expenditure Categories



Personnel Costs	
Salaries	51.54%
Benefits	23.90%
Purchased Services	13.97%
All Other Expenditures	
Supplies, Capital, Debt, Other Obj	9.75%
Other Uses	0.84%

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	$330,227	$256,767	($73,460)
Benefits	$266,796	$275,515	$8,719
Purchased Services	$18,655	$107,174	$88,519
Supplies & Materials	$26,234	$37,760	$11,526
Capital Outlay	($186,217)	($1,756)	$184,461
Intergov & Debt	$188,592	($188,592)	($377,183)
Other Objects	$32,437	$5,012	($27,425)
Other Uses	$804,599	($883,520)	($1,688,118)
Total Average Annual Change	$1,481,323	($391,639)	($1,872,962)
	9.59%	-1.52%	-11.11%

Expenditures increased by 9.59% ($1,481,323 annually) during the past 5-year period, and are projected to decrease by 1.52% ($391,639 annually) through 2030. The forecast line with the most change on the expense side, Other Uses, is anticpated to be $1,688,118 less per year in the projected period compared to historical averages.

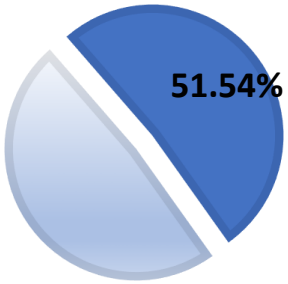
For Comparison:
Revenue average annual change is projected to be > ($457,888)

On an annual average basis, revenues are projected to contract while expenditures contracts

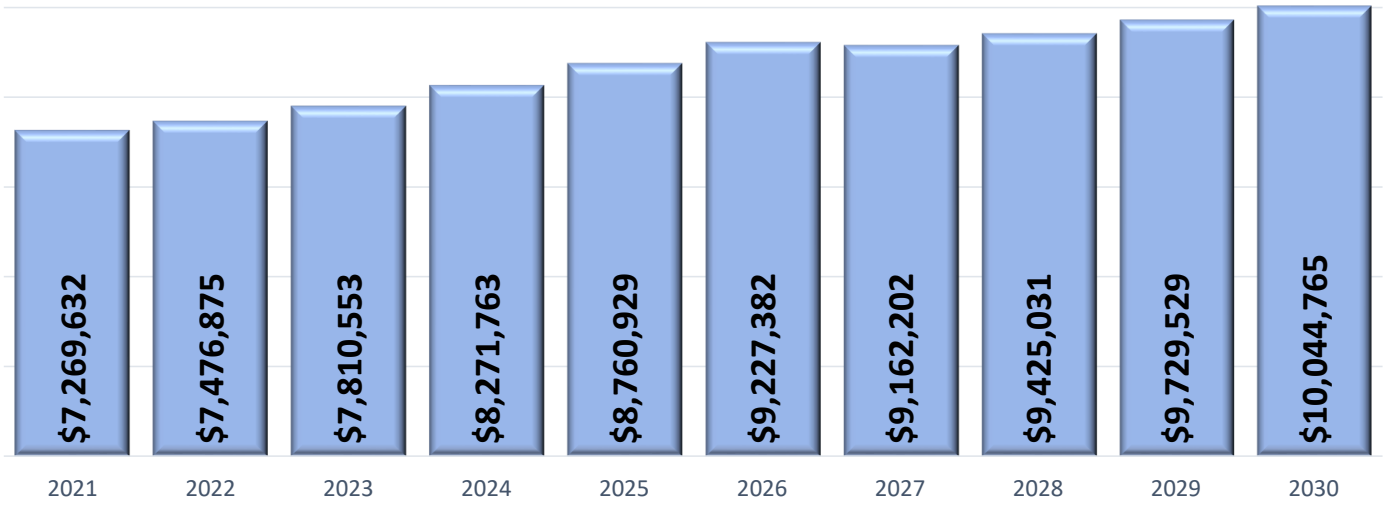
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3.010 - Personnel Services

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



Salaries account for 51.54% of the district's total general fund spending.



Key Assumptions & Notes

Salaries represent 51.54% of total expenditures and increased at a historical average annual rate of 4.28% (or $330,227). This category of expenditure is projected to grow at an annual average rate of 2.79% (or $256,767) through fiscal year 2030. The projected average annual rate of change is 1.48% less than the five year historical annual average.

The forecast includes a 2.75% negotiated base salary increase for FY2026. In February 2026, the Chippewa Board of Education and both bargaining units — the Chippewa Education Association (CEA) and the Ohio Association of Public School Employees (OAPSE), Chapter 455 — approved a one-year agreement providing a 3% base wage increase for FY2027. These new agreements are scheduled to expire in June 2027.

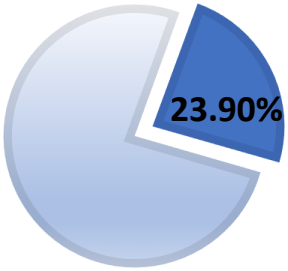
Beginning in FY2028, the forecast assumes modest base wage increases resulting from future negotiations, along with an additional 2% annual increase to account for step movement within negotiated salary schedules.

The forecast also reflects estimated savings from employee retirements and staffing adjustments. Retiring employees are typically replaced with lower-salary employees, and in some cases positions are eliminated or consolidated. Estimated severance and replacement cost impacts are incorporated throughout the forecast period.

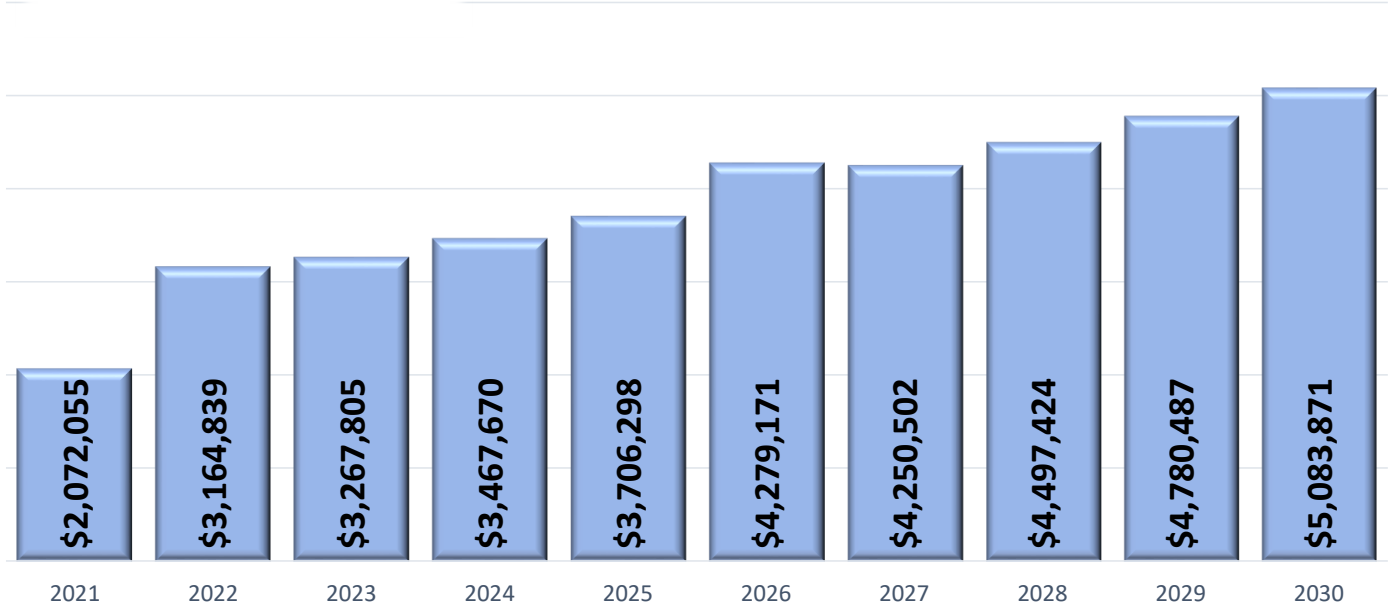
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3.020 - Employees' Benefits

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



Benefits account for 23.90% of the district's total general fund spending.



Key Assumptions & Notes

Benefits represent 23.90% of total expenditures and increased at a historical average annual rate of 11.27%. This category of expenditure is projected to grow at an annual average rate of 6.65% through fiscal year 2030. The projected average annual rate of change is 4.62% less than the five year historical annual average.

The district contributes 14% of eligible wages to the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS), as required by Ohio law. Contribution rates are established by statute and are assumed to remain unchanged throughout the forecast period.

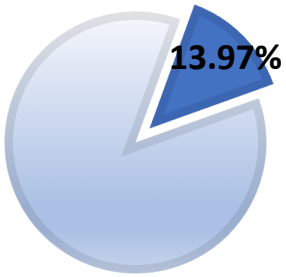
Health insurance premiums increased 14.25% in FY2025 and 10.5% in FY2026. Due to continued uncertainty in healthcare costs, the forecast assumes a 10% annual increase in health insurance premiums for the remaining years of the forecast period. Dental, vision, and life insurance costs are projected to remain stable with minimal annual fluctuation.

Unemployment compensation costs have been negligible in recent years and are projected to remain minimal, as staffing levels are planned to align with enrollment and operational needs. Medicare contributions are projected to increase proportionally with total wages throughout the forecast period.

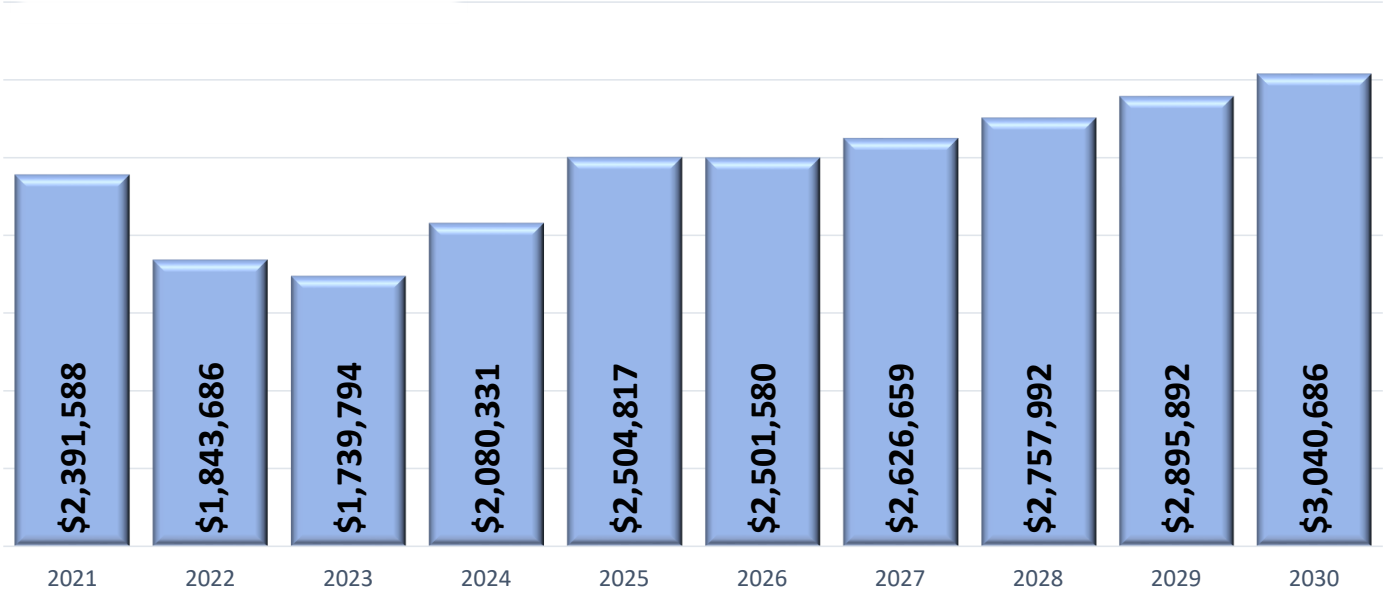
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3.030 - Purchased Services

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 13.97% of the district's total general fund spending.



Key Assumptions & Notes

Purchased Services represent 13.97% of total expenditures and increased at a historical average annual rate of 2.12%. This category of expenditure is projected to grow at an annual average rate of 3.97% through fiscal year 2030. 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.

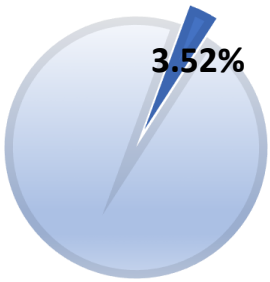
Purchased services expenditures include professional and legal services, utilities, technical services, contracted educational services, and insurance premiums. Expenditures in this category increased significantly in FY2025 due to one-time professional and technical costs associated with the Chippewa Intermediate School addition and renovation project, which is expected to be completed in summer 2026. These elevated costs are not expected to continue beyond project completion.

A significant portion of purchased services expenditures supports services provided by the district's Educational Service Center and Information Technology Center, along with the district's annual insurance and service contracts. After adjusting for the one-time construction-related expenses, purchased services expenditures are projected to increase approximately 5% annually during the forecast period to account for inflationary trends and contractual cost adjustments.

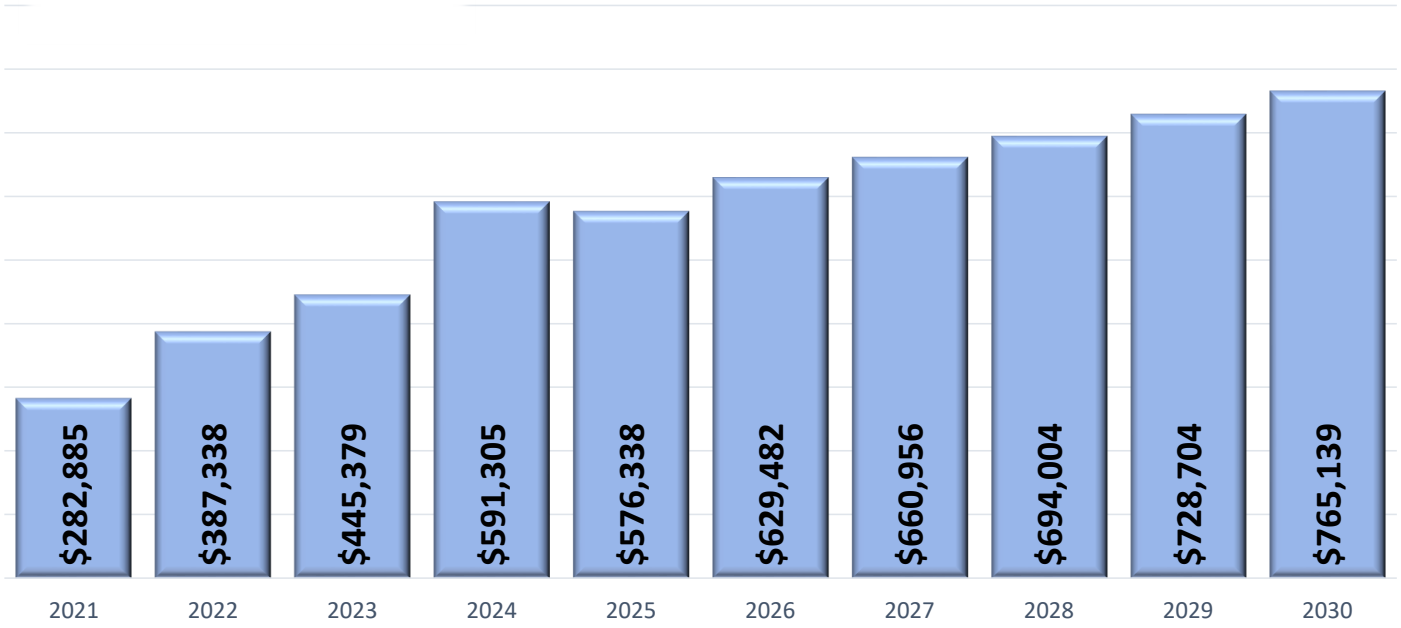
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3.040 - Supplies & Materials

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 3.52% of the district's total general fund spending.



Key Assumptions & Notes

Supplies & Materials represent 3.52% of total expenditures and increased at a historical average annual rate of 9.14%. This category of expenditure is projected to grow at an annual average rate of 5.84% through fiscal year 2030. The projected average annual rate of change is 3.29% less than the five year historical annual average.

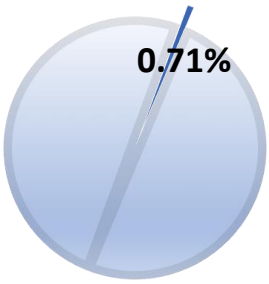
Supplies and materials expenditures include textbooks, instructional materials, and facility maintenance supplies, which may fluctuate from year to year. In FY2024, the district completed major curriculum adoptions in reading and mathematics and experienced increased spending on maintenance-related supplies. These elevated expenditures are considered nonrecurring and are not expected to continue in FY2027 or subsequent years.

Beginning later in the forecast period, the district anticipates adopting a new mathematics curriculum for grades 6–8 that includes an ongoing technology fee. After adjusting for the one-time curriculum adoption costs, supplies and materials expenditures are projected to increase approximately 5% annually during the forecast period to reflect normal replacement cycles, the anticipated curriculum-related technology cost, and inflationary pressures.

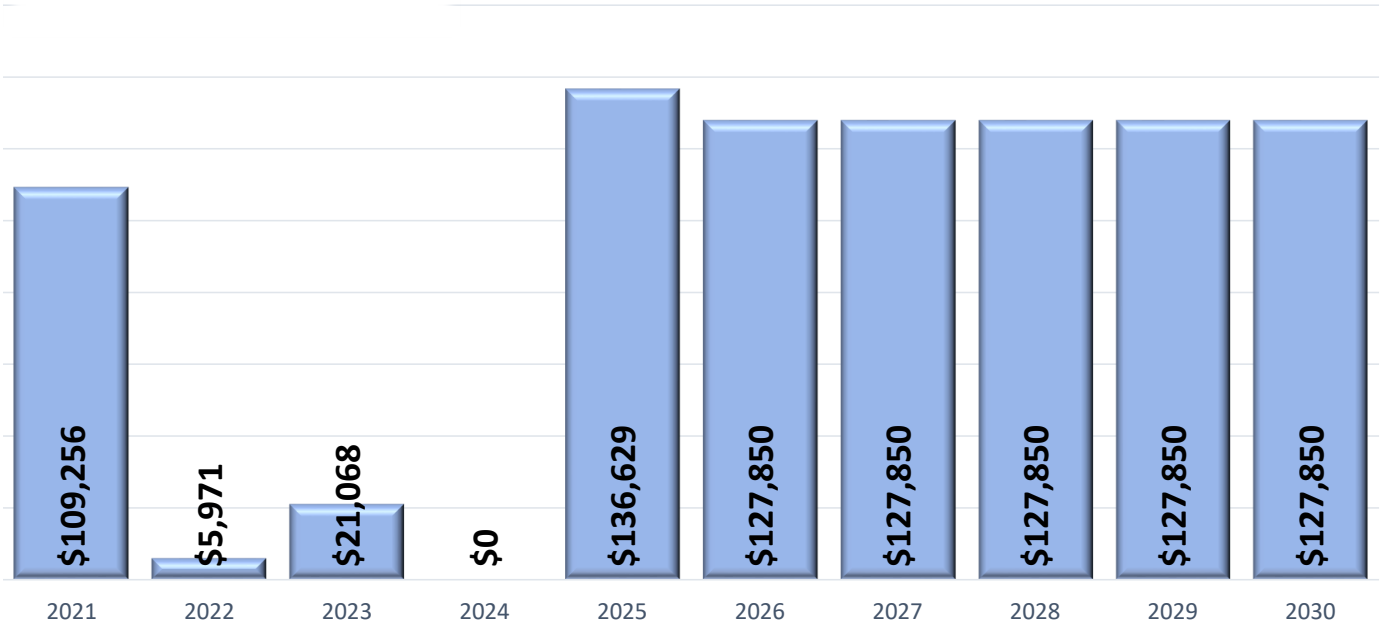
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3.050 - Capital Outlay

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 0.71% of the district's total general fund spending.



Key Assumptions & Notes

Capital Outlay represent 0.71% of total expenditures and decreased at a historical average annual amount of $186,217. This category of expenditure is projected to decrease at an annual average rate of $1,756 through 2030. The projected average annual change is more than the five year historical annual average.

Capital outlay includes expenditures for items with a useful life of five years or more, including land improvements, buildings, technology equipment, buses and vehicles, furnishings, and other equipment. Many capital expenditures are paid from the Permanent Improvement Fund or the Building Maintenance Fund rather than the General Fund. General Fund capital outlay expenditures primarily include school bus purchases, student and staff technology, and routine classroom, facility, and athletic capital needs.

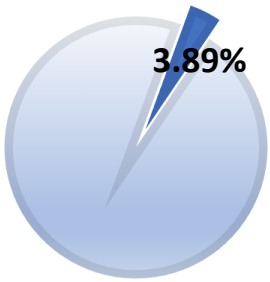
The district anticipates replacing staff computers that are not compatible with the newer Windows operating system. Approximately $80,000 is reserved in the General Fund in FY2027 for this purchase, with the remaining cost to be supported by the Permanent Improvement Fund through planned General Fund transfers. (Note: the district's PI levy was not renewed by voters in May 2022.)

For forecasting purposes, General Fund capital outlay expenditures are projected to remain relatively stable throughout the forecast period. This assumption reflects the district’s transition from three school buildings and a separate administrative office to two school buildings, one of which houses the Board office. The consolidation is expected to reduce certain capital maintenance needs associated with older facilities.

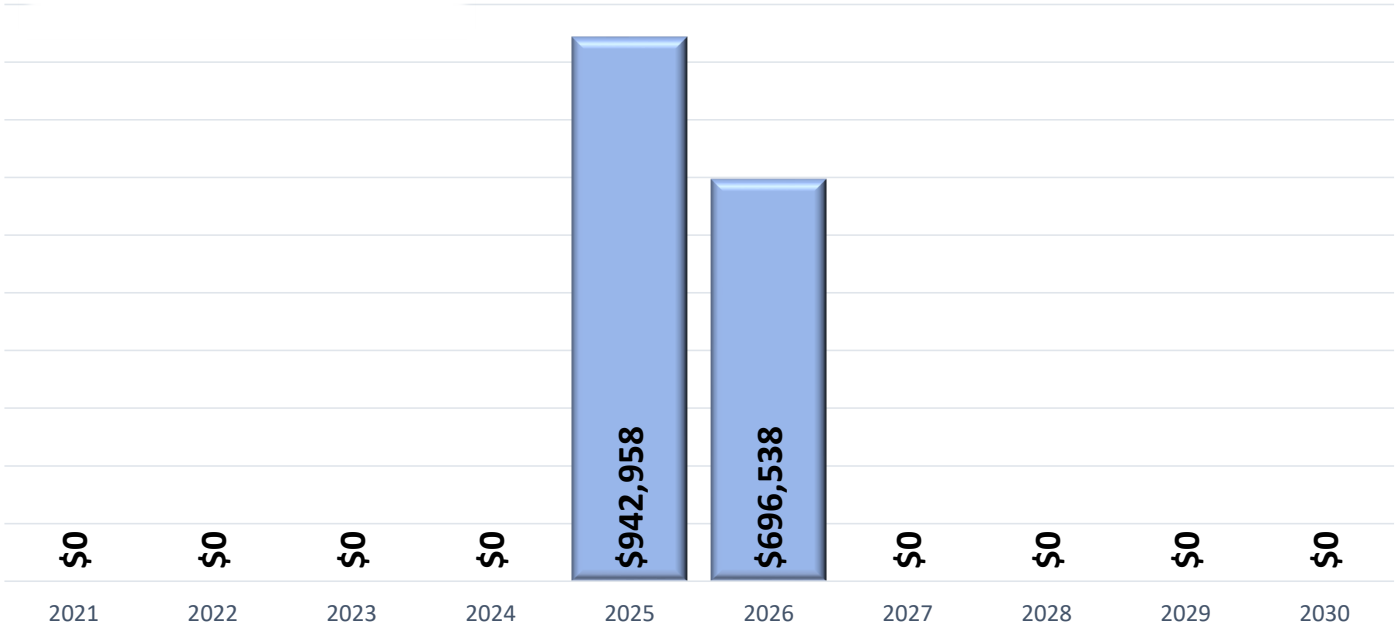
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3.060-4.060 - Intergovernmental & Debt

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 3.89% of the district's total general fund spending.



Key Assumptions & Notes

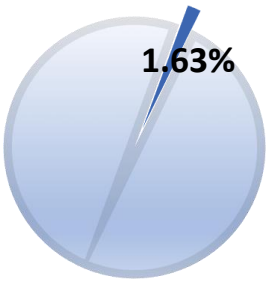
The Intergovernmental/Debt expenditure category details general fund debt issued by the District.

In 2024, the district entered into a $12,000,000 Certificates of Participation (COPs) financing arrangement to support the addition and renovation of Chippewa Intermediate School. The FY2026 principal and interest payments are to be made from the General Fund. Beginning after the FY2026 payments, remaining debt service payments during the forecast period will be made from the Capital Projects Fund (070), which was funded through a transfer completed in May 2025.

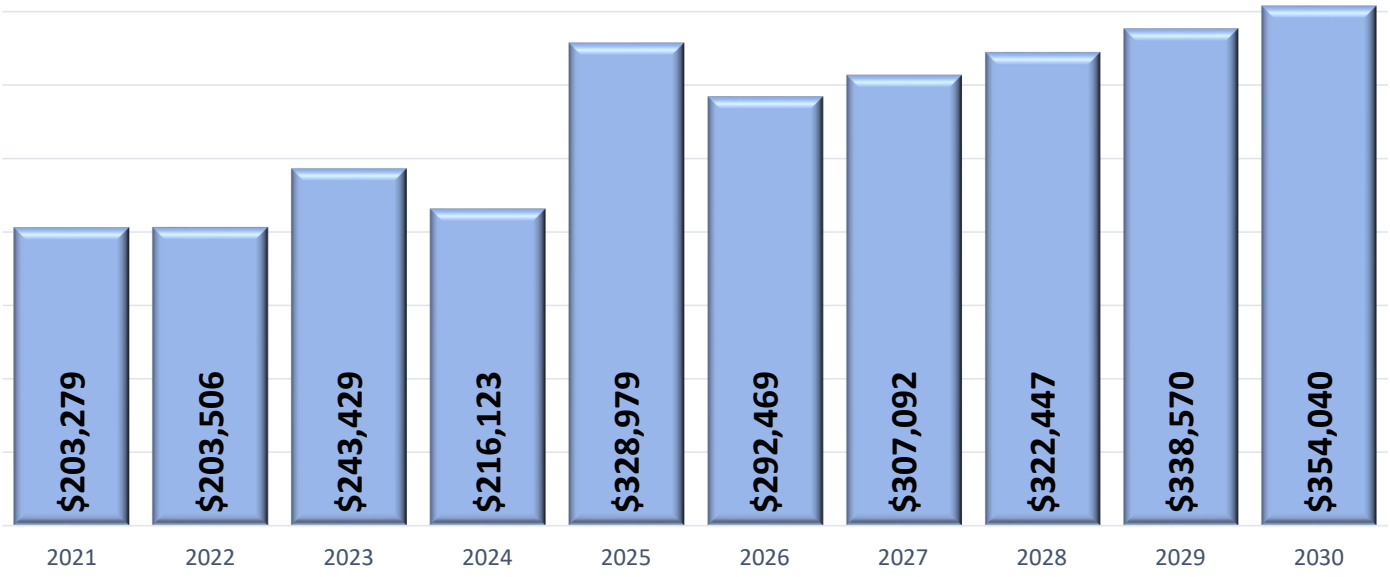
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4.300 - Other Objects

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 1.63% of the district's total general fund spending.



Key Assumptions & Notes

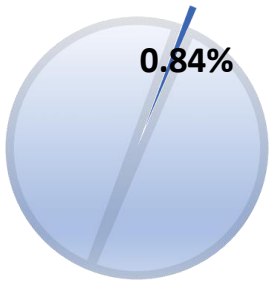
Other Objects represent 1.63% of total expenditures and increased at a historical average annual rate of 16.52%. This category of expenditure is projected to grow at an annual average rate of 1.69% through fiscal year 2030. The projected average annual rate of change is 14.83% less than the five year 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 and distributing the district's earned income tax revenues. Additional expenditures in this category include insurance premiums, membership dues, and fees paid to professional organizations such as the Ohio School Boards Association (OSBA). These expenditures are projected to remain consistent with historical spending patterns throughout the forecast period.

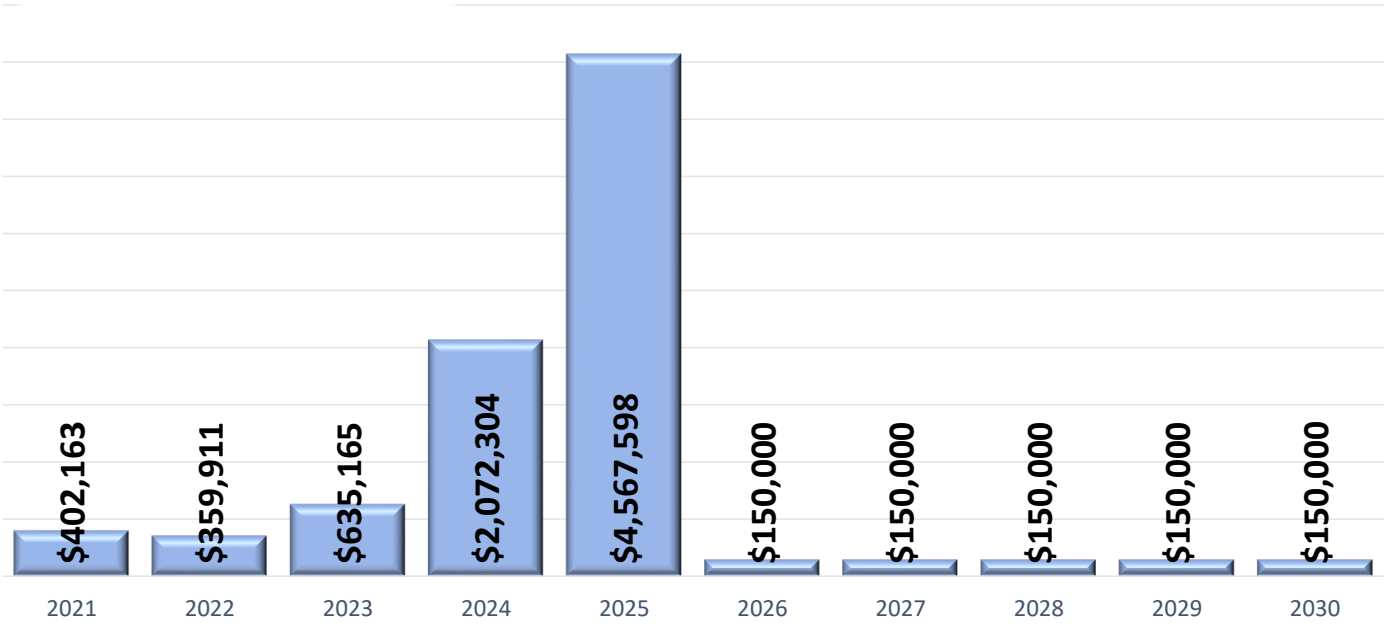
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5.040 - Total Other Financing Uses

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



Other Uses account for 0.84% of the district's total general fund spending.



Key Assumptions & Notes

		FORECASTED				
	2025	2026	2027	2028	2029	2030
Transfers Out	4,548,268	150,000	150,000	150,000	150,000	150,000
Advances Out	19,330	-	-	-	-	-
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 2025 the district had advances-out and has no advances-out forecasted through fiscal year 2030. 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 2030. 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. Advances are repaid once receiving funds obtain the necessary revenues and therefore have minimal long-term impact on the General Fund's financial position. In May 2025, the district transferred $4,200,000 from the General Fund to the Capital Projects Fund (070) to support debt-related obligations and project costs associated with the Chippewa Intermediate School addition and renovation project. Following the non-renewal of the district's Permanent Improvement levy in May 2022, the district began supporting capital needs through planned General Fund transfers. The forecast includes an annual transfer of $150,000 from the General Fund to the Permanent Improvement Fund to support ongoing capital maintenance and equipment needs during the forecast period.

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Chippewa Local School District

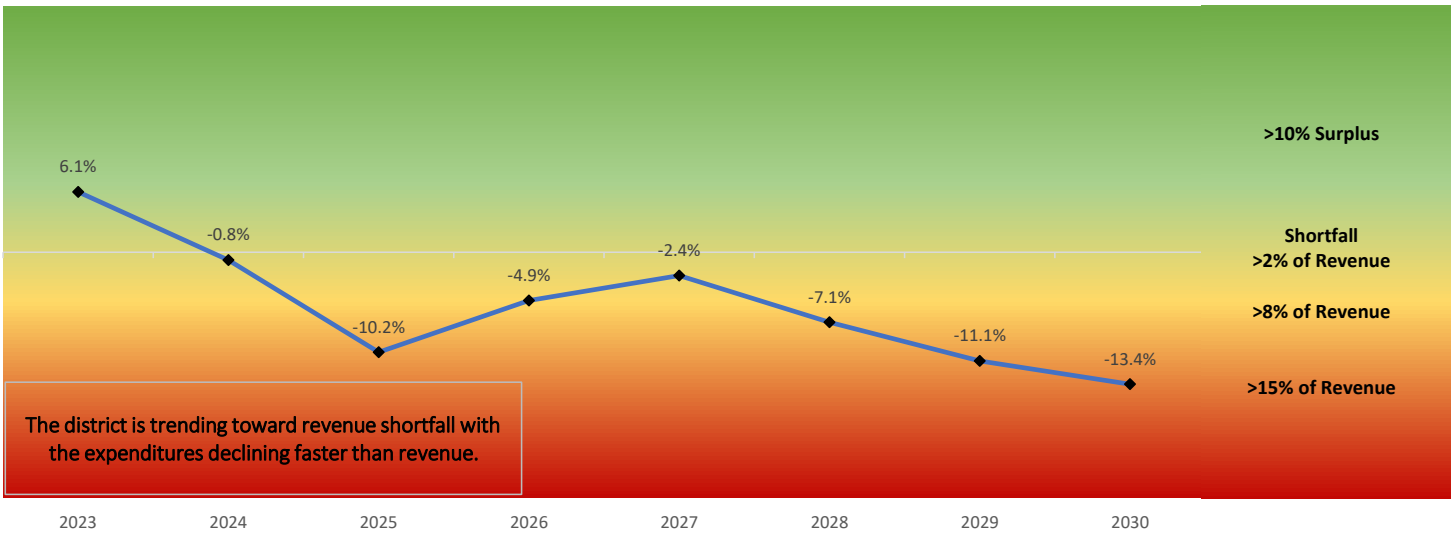
Five Year Forecast

February Fiscal Year 2026

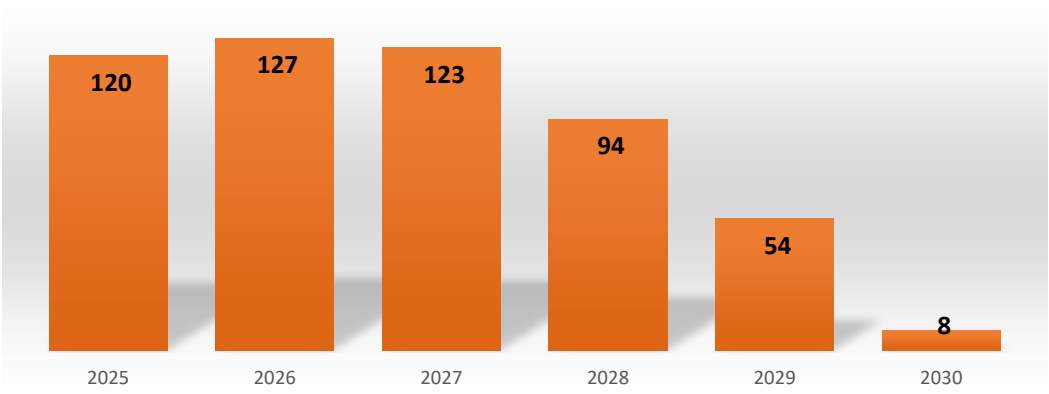
	Actual	FORECASTED				
Fiscal Year:	2025	2026	2027	2028	2029	2030
Revenue:						
1.010 - General Property Tax (Real Estate)	5,403,776	5,453,430	5,301,579	5,095,338	5,133,966	5,374,506
1.020 - Public Utility Personal Property	4,055,674	1,733,558	1,609,619	1,610,940	1,612,345	1,613,751
1.030 - Income Tax	2,723,689	2,804,618	2,900,436	3,000,326	3,104,462	3,213,023
1.035 - Unrestricted Grants-in-Aid	5,058,364	5,181,084	5,282,390	5,308,795	5,312,064	5,306,745
1.040 - Restricted Grants-in-Aid	295,797	258,522	198,246	165,297	160,051	162,766
1.050 - State Reimb Prop Tax Credits	792,546	803,492	856,359	909,359	915,324	949,140
1.060 - All Other Operating Revenues	1,057,484	811,484	735,751	688,389	646,093	628,656
1.070 - Total Revenue	19,387,330	17,046,188	16,884,380	16,778,444	16,884,304	17,248,587
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	123,284	19,330	-	-	-	-
2.060 - All Other Financing Sources	27,415	-	-	-	-	-
2.070 - Total Other Financing Sources	150,699	19,330	-	-	-	-
2.080 - Total Rev & Other Sources	19,538,029	17,065,518	16,884,380	16,778,444	16,884,304	17,248,587
Expenditures:						
3.010 - Personnel Services	8,760,929	9,227,382	9,162,202	9,425,031	9,729,529	10,044,765
3.020 - Employee Benefits	3,706,298	4,279,171	4,250,502	4,497,424	4,780,487	5,083,871
3.030 - Purchased Services	2,504,817	2,501,580	2,626,659	2,757,992	2,895,892	3,040,686
3.040 - Supplies and Materials	576,338	629,482	660,956	694,004	728,704	765,139
3.050 - Capital Outlay	136,629	127,850	127,850	127,850	127,850	127,850
Intergovernmental & Debt Service	942,958	696,538	-	-	-	-
4.300 - Other Objects	328,979	292,469	307,092	322,447	338,570	354,040
4.500 - Total Expenditures	16,956,948	17,754,471	17,135,260	17,824,747	18,601,030	19,416,350
Other Financing Uses						
5.010 - Operating Transfers-Out	4,548,268	150,000	150,000	150,000	150,000	150,000
5.020 - Advances-Out	19,330	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	4,567,598	150,000	150,000	150,000	150,000	150,000
5.050 - Total Exp and Other Financing Uses	21,524,546	17,904,471	17,285,260	17,974,747	18,751,030	19,566,350
6.010 - Excess of Rev Over/(Under) Exp	(1,986,517)	(838,953)	(400,880)	(1,196,303)	(1,866,726)	(2,317,763)
7.010 - Cash Balance July 1 (No Levies)	9,048,531	7,062,015	6,223,062	5,822,182	4,625,879	2,759,153
7.020 - Cash Balance June 30 (No Levies)	7,062,015	6,223,062	5,822,182	4,625,879	2,759,153	441,389
		Reservations				
8.010 - Estimated Encumbrances June 30	-	-	-	-	-	-
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	7,062,015	6,223,062	5,822,182	4,625,879	2,759,153	441,389
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	7,062,015	6,223,062	5,822,182	4,625,879	2,759,153	441,389
Revenue from New Levies						
13.010 & 13.020 - New Levies		-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	7,062,015	6,223,062	5,822,182	4,625,879	2,759,153	441,389

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Revenue Surplus/(Shortfall) - Current Forecast



Days Cash on Hand - Current Forecast

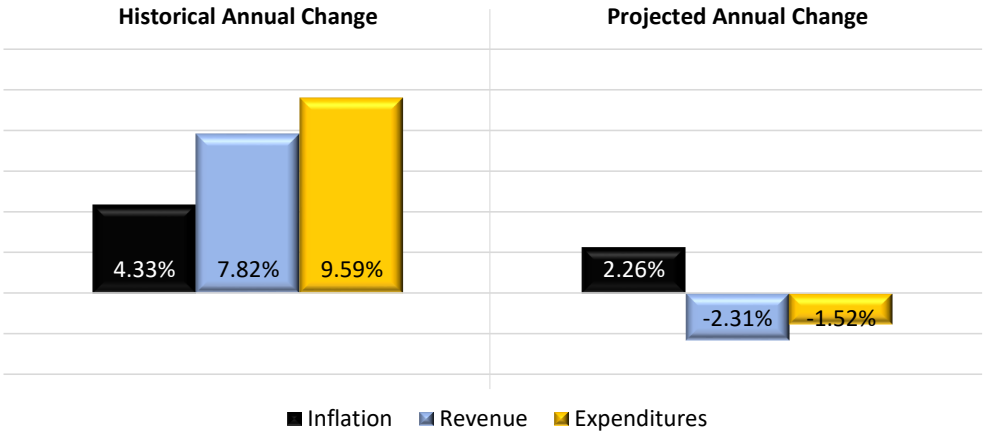


Days cash on hand is projected to decline and is less than 60 days by 2030.

*based on 365 days

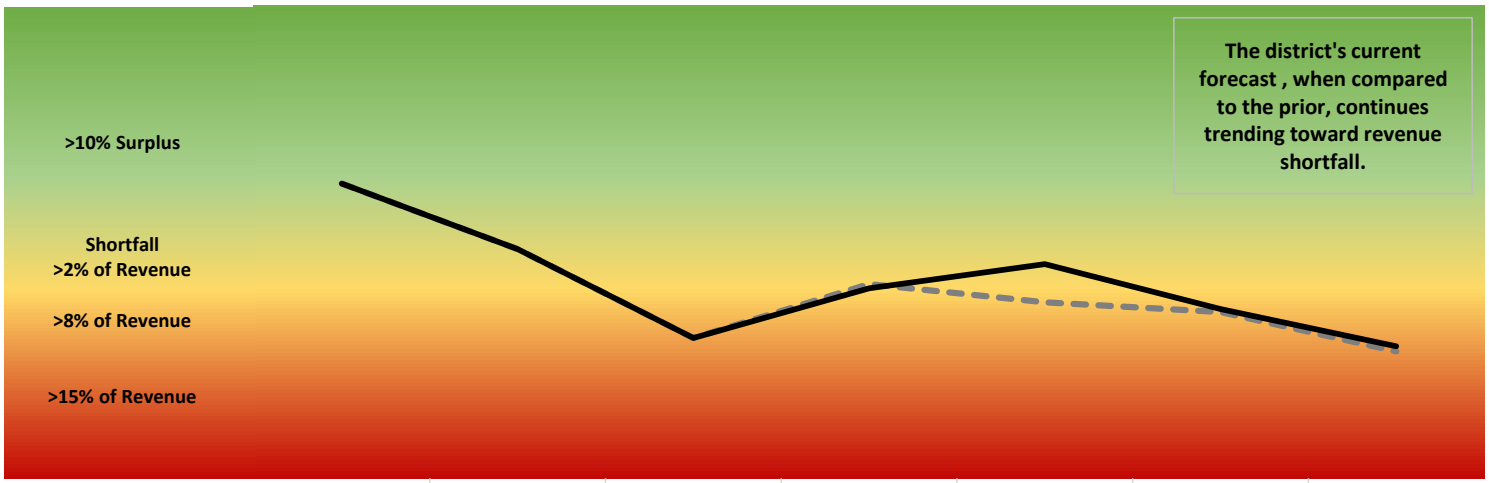
5-Year Average Annual Change - Inflation, Revenue and Expenditures

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



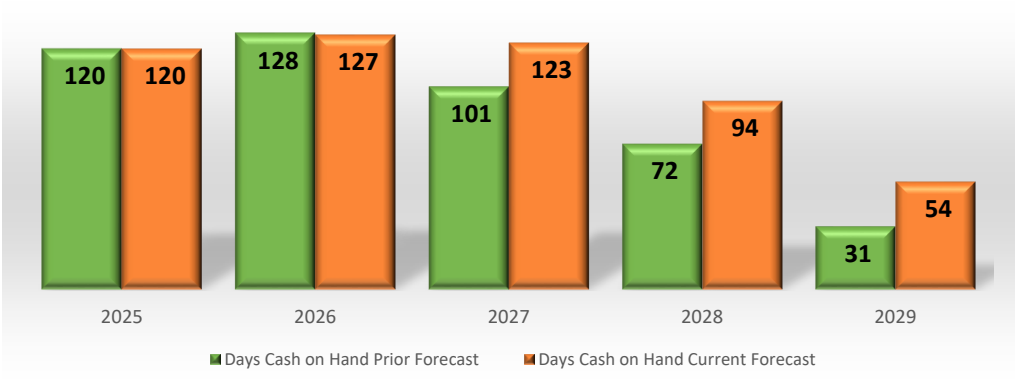
CPI (Inflation) Source: Federal Reserve Bank of St. Louis (July 1, 2025)
https://alfred.stlouisfed.org

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



	2023	2024	2025	2026	2027	2028	2029
Prior Forecast	6.1%	-0.8%	-10.2%	-4.5%	-6.4%	-7.4%	-11.6%
Current Forecast	6.1%	-0.8%	-10.2%	-4.9%	-2.4%	-7.1%	-11.1%

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 Unfavorable Revenue Variance	-3.49%	($3,152,249)
Largest Revenue Variances		
1.01 Real Estate	-2.78%	($2,512,267)
1.060 All Other 2.xx Other Sources	-0.51%	($459,474)
1.035,1.040 State	-0.20%	($179,163)
All Other Revenue Categories	0.00%	($1,345)

The current revenue forecast is down by 3.49% compared to the prior forecast.

NET cumulative forecast impact for the forecast period 2025 - 2029 of Revenue and Expense variances is 0.78% (or $1,020,649).

The current forecast for expenditures is down by 4.27% compared to the prior forecast.

Expenditure Variance		
-4.27%	($4,172,898)	Cumulative Favorable Expenditure Variance
Largest Expenditure Variances		
-3.34%	($3,260,707)	Intergov + Debt + Other
-0.71%	($691,608)	3.01 Salaries
-0.22%	($216,908)	3.02 Benefits
0.00%	($3,675)	All Other Expenditure Categories

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Forecast Compare $$ Variance

Current Over/(Under) Prior

		Actual	FORECASTED			
		2025	2026	2027	2028	2029
Revenue:	1.01 Real Estate	(0)	8,340	(498,320)	(1,011,037)	(1,011,250)
	1.02 Pub Utility	(0)	(17,627)	(26,313)	(27,353)	(27,357)
	1.03 Income Tax	(0)	24,457	24,691	24,935	25,190
	1.035,1.040 State	0	(25,310)	(34,751)	(53,337)	(65,765)
	1.050 - State Reimb Prop Tax Credits	0	479	(93)	(1,160)	(1,192)
	1.060 All Other	0	(128,916)	(129,916)	(109,722)	(90,922)
	2.010-2.060 Other Sources	0	0	-	-	-
	Levy Renewals	-	-	-	-	-
	Total 2.08 Rev plus Renewals	0	(138,577)	(664,702)	(1,177,674)	(1,171,297)
	Total 2.08 Revenue Percentage Change	0.0%	-0.8%	-3.8%	-6.6%	-6.5%

The table above reflects the net change in revenue when comparing the current forecast results to the forecast submitted to Ohio DEW in October.

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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 2023**	**TY 2024**	**TY 2025**
Inside Millage	4.2	4.2	4.2
Effective Outside Millage	15.8	15.8	15.8
Effective Inside + Outside Millage	20.0	20.0	20.0

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 2023**	**TY 2024**	**TY 2025**
Reappraisal or Update Year	Yes	No	No
Percent of District in Reappraisal/Update	100.0%	0.0%	0.0%
Class I Combined Change	37.8%	-0.2%	0.0%
New GDP-D Allowed Growth	13.0%	15.4%	13.3%

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

Millage Change	**TY 2023**	**TY 2024**	**TY 2025**
Combined Ag/Residential Inflation	37.8%	-0.2%	0.0%
Outside Millage Reduction	(0.0)	0.0	0.0
Percentage Change in Millage	0.0%	0.2%	0.0%

Taxpayer Credits	**TY 2023**	**TY 2024**	**TY 2025**
If at the floor and exceeded GDP-D Growth	$ (855,213)	$ -	$ -

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 2025 tax bills.

In December 2025, the State of Ohio enacted property tax reform legislation including House Bill 186, which authorizes property tax relief credits for districts at the 20-mill floor when valuation growth exceeds inflation following a reappraisal or triennial update. In the Chippewa Local School District, property values increased approximately 37.8% during the most recent triennial update. Because the district operates at the 20-mill floor, this valuation increase resulted in a corresponding increase in real estate taxes for property owners.

Based on the best information available at the time of this forecast, the district estimates approximately $855,213 in property tax relief credits associated with TY2025 collections. The forecast assumes the continuation of this tax-credit mechanism for districts at or below the 20-mill floor, which is expected to limit future growth in real property tax revenue. As a result, reduced real property tax revenue growth is reflected beginning in FY2027 and continuing throughout the forecast period. These effects are noted on the next page.

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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 2025	TY 2026	TY 2027	TY 2028	TY 2029
Reappraisal or Update Year	No	Yes	No	No	Yes
Percent of District in Reappraisal/Update	0.0%	100.0%	0.0%	0.0%	100.0%
Class I Combined Change	0.0%	12.6%	0.0%	0.0%	6.2%
GDP-D	13.3%	9.2%	8.0%	8.1%	7.7%

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

	TY 2025	TY 2026	TY 2027	TY 2028	TY 2029
Inside Millage Class I & II*	4.2	4.1	4.1	4.1	4.1
Millage Change	0.0	-0.1	0.0	0.0	0.0
Percentage Change in Millage	0.0%	-2.5%	0.0%	0.0%	0.0%

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

	TY 2025	TY 2026	TY 2027	TY 2028	TY 2029
Outside Millage	15.8	15.8	15.8	15.8	15.8
Millage Change	0.0	0.0	0.0	0.0	0.0
Percentage Change in Millage	0.0%	-0.1%	0.0%	0.0%	0.0%
Fixed Sum Millage	0.0	0.0	0.0	0.0	0.0
Millage Change (no change)	0.0	0.0	0.0	0.0	0.0
Percentage Change in Millage	0.0%	0.0%	0.0%	0.0%	0.0%

	TY 2025	TY 2026	TY 2027	TY 2028	TY 2029
Total Effective Rate (Inside+Outside+Fixed Sum)	20.0	19.9	19.9	19.9	19.9

***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 2025	TY 2026	TY 2027	TY 2028	TY 2029
H.B. 186 - Calculated Credit if at 20 Mill Floor	$ -	$ (1,011,931)	$ (1,011,931)	$ (1,011,931)	$ (1,011,931)

***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?

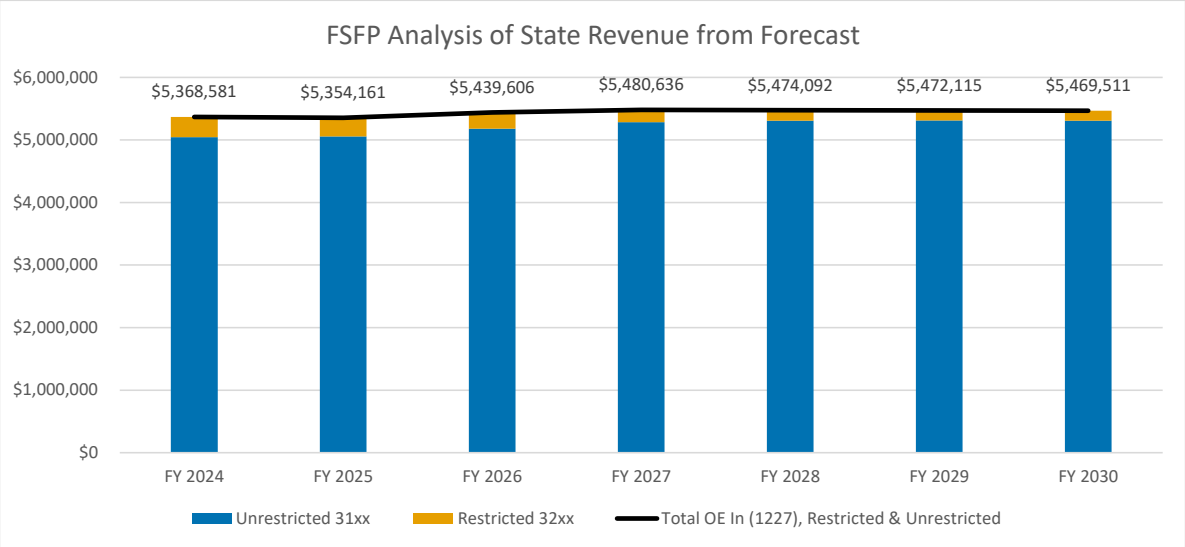
	FY 2026	FY 2027	FY 2028	FY 2029
Homestead/Owner-Occupied Credits	$ -	$ -	$ -	$ -

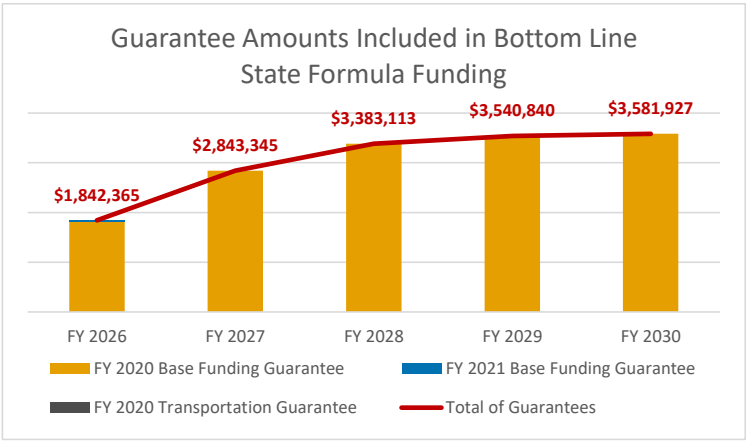
House Bill 335 includes provisions intended to limit property tax revenue growth when property valuation increases exceed inflation. The legislation requires county budget commissions to reduce inside millage rates for taxing authorities, including school districts, when valuation growth exceeds the GDP deflator. The purpose of this adjustment is to limit growth in property tax revenue generated from inside millage to approximately the rate of inflation following reappraisal or triennial update cycles.

Because Chippewa Local School District operates at the 20-mill floor and experienced significant valuation growth during the most recent update cycle, the district anticipates that the Wayne County Budget Commission will reduce the district's inside millage beginning with TY2026. For forecasting purposes, the district has modeled an inside millage reduction of approximately 0.1 mills. This adjustment is expected to reduce real property tax revenue beginning in FY2027 and limit future revenue growth from inside millage throughout the forecast period.

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State Foundation Funding Results





	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Base Cost Per Pupil Total Funding	$8,328	$8,375	$8,415	$8,460	$8,484
Local Share	77.1%	84.0%	88.9%	90.0%	90.0%
State Share	22.9%	16.0%	11.1%	10.0%	10.0%

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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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