

# Financial Forecast & Budgetary Outlook

*NORTH OLMSTED CITY SCHOOLS*



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FEBRUARY 18, 2026

# Financial Forecast

## October 2025

	2026	2027	2028	2029	2030
Beginning Cash Balance	\$25,921,905	\$25,448,776	\$21,134,992	\$15,132,774	\$6,984,940
+ Revenue	\$64,323,647	\$64,278,857	\$64,183,586	\$64,189,415	\$64,245,129
+ Renewal Levies	\$0	\$0	\$0	\$0	\$0
+ New Levies	\$0	\$0	\$0	\$0	\$0
- Expenditures	\$64,796,776	\$68,592,641	\$70,185,804	\$72,337,249	\$75,360,518
<b>= Revenue Surplus or Deficit</b>	<b>-\$473,129</b>	<b>-\$4,313,784</b>	<b>-\$6,002,218</b>	<b>-\$8,147,834</b>	<b>-\$11,115,389</b>
Ending Cash Balance with Levies	\$25,448,776	\$21,134,992	\$15,132,774	\$6,984,940	-\$4,130,449

## February 2026

	2026	2027	2028	2029	2030
Beginning Cash Balance	\$25,921,905	\$25,656,787	\$23,309,568	\$17,956,193	\$8,321,439
+ Revenue	\$64,841,021	\$64,550,413	\$64,272,948	\$64,123,576	\$64,139,658
+ Renewal Levies	\$0	\$0	\$0	\$0	\$0
+ New Levies	\$0	\$0	\$0	\$0	\$0
- Expenditures	\$65,106,139	\$66,897,632	\$69,626,323	\$73,758,330	\$77,349,159
<b>= Revenue Surplus or Deficit</b>	<b>-\$265,118</b>	<b>-\$2,347,219</b>	<b>-\$5,353,375</b>	<b>-\$9,634,754</b>	<b>-\$13,209,501</b>
Ending Cash Balance with Levies	\$25,656,787	\$23,309,568	\$17,956,193	\$8,321,439	-\$4,888,062

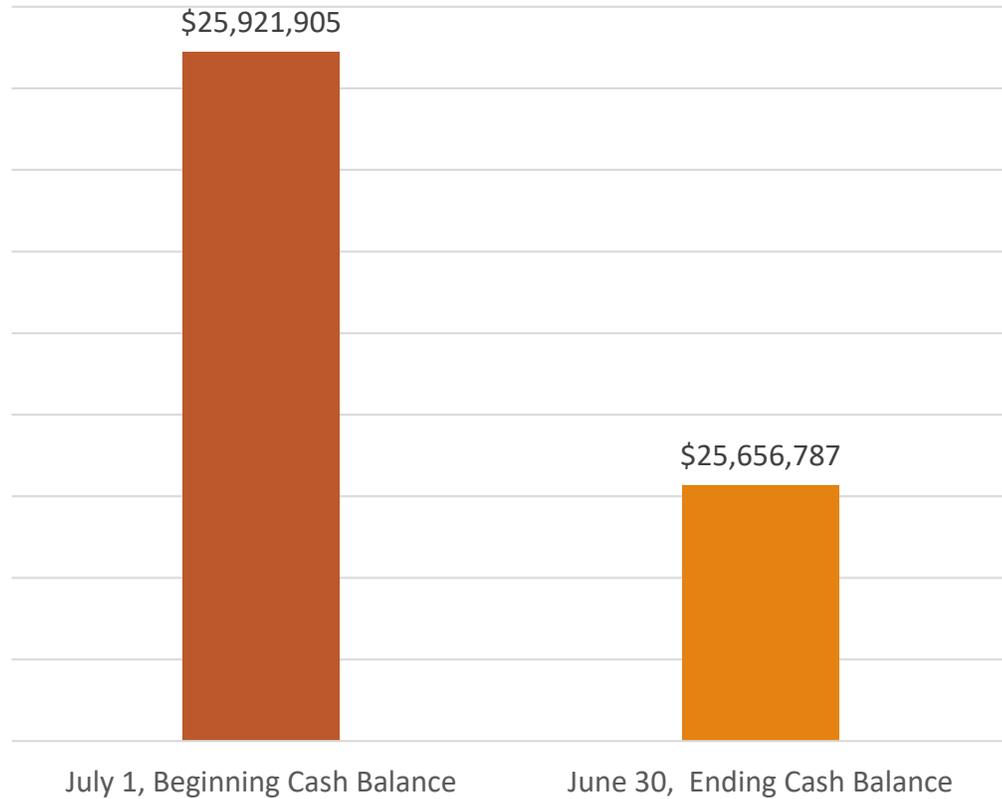
# Forecast Vulnerability

- Recently approved House Bills that could impact school funding.
  - HB 96, HB 124, HB129, HB186, HB 309 and HB 335.
- Although enacted House Bills have had a substantial effect statewide, their impact on North Olmsted City Schools has been relatively limited compared to other districts.
- HB 96 - Included a provision that allows county commissioners to adopt a local property tax exemption that “piggybacks” on the state homestead exemption and related owner-occupancy credit.

*To date, Cuyahoga County has not taken action to adjust Homestead and/or Owner-occupied Rollbacks. Total annual collection for NOCS is \$1.5M.*

- The District does not have emergency levies and is not at the 20-mill floor.
- Future tax reform, the budget bill and/or overall changes to property taxes could still impact North Olmsted City Schools.

# Current Fiscal Year Projected Financial Analysis



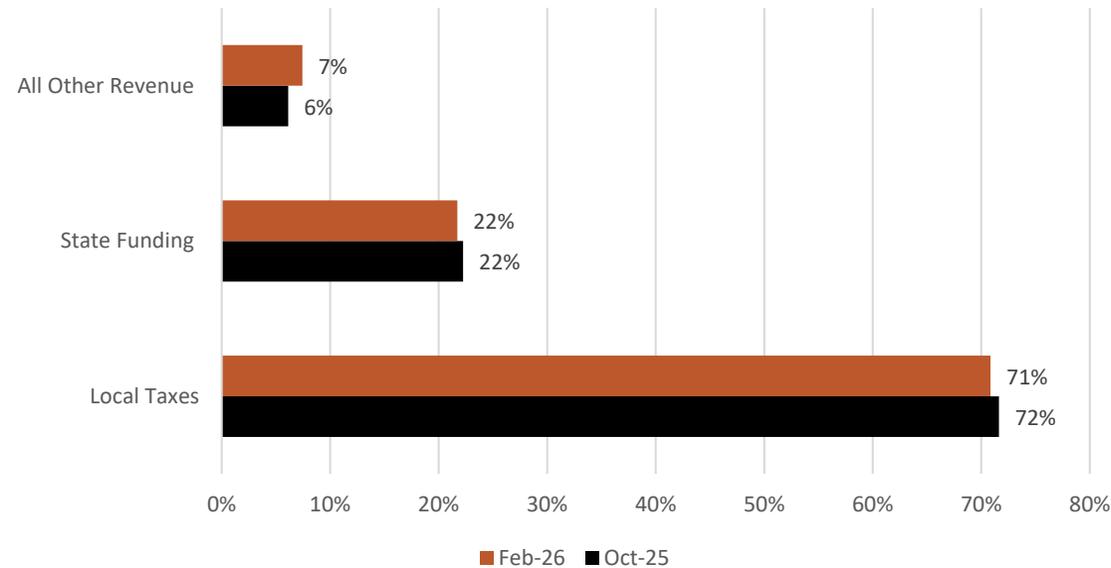
**Projected General Fund Revenue** **\$64,841,021**

**Projected General Fund Expenditures** **\$65,106,139**

**Projected Loss For The Year Is** **-\$265,118**

# Current Fiscal Year Projected Revenue Analysis

Revenue Comparison

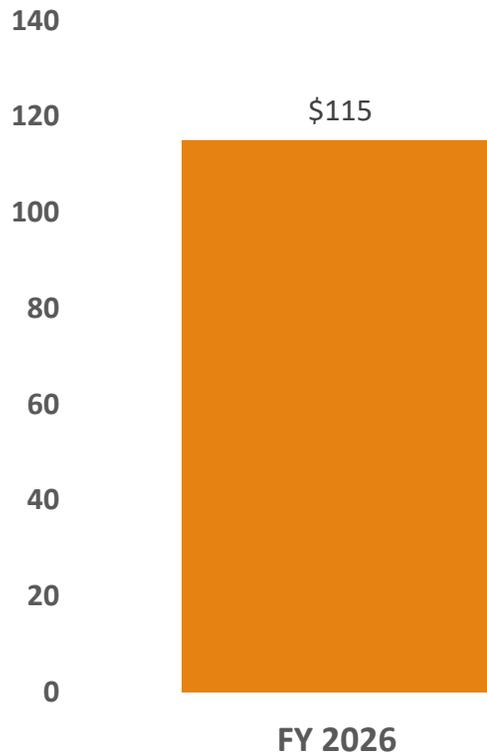


<u>Oct-25</u>	
<b>Local Taxes</b>	46,073,595
<b>State Funding</b>	14,309,195
Restricted State Funding	7,025,723
Fair School Funding Plan	2,791,951
State Share of Local Taxes	4,491,521
<b>All Other Revenue</b>	3,940,857
<b>Total Revenue</b>	64,323,647

<u>Feb-26</u>	
<b>Local Taxes</b>	45,940,643
<b>State Funding</b>	14,078,343
Restricted State Funding	2,878,238
Fair School Funding Plan	6,778,324
State Share of Local Taxes	4,421,781
<b>All Other Revenue</b>	4,822,034
<b>Total Revenue</b>	64,841,020

# State Share of Base Cost

**Avg. Daily Cost Per Pupil**

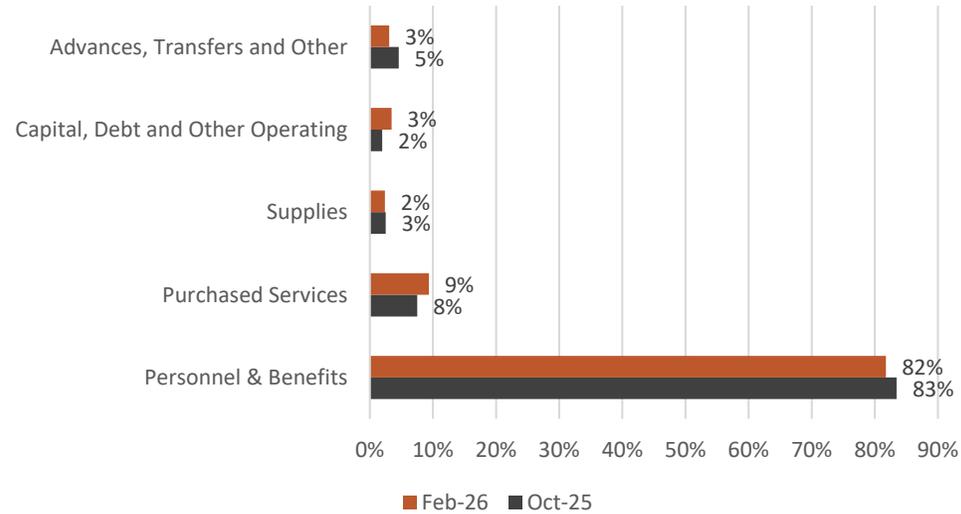


	Per Pupil Base Cost	Per Pupil State Share	Per Pupil State Percent of Base Cost	The District Has Projected Guarantee Funding
2021-2022	7,268.87	\$ 1,721.36	24%	
2022-2023	7,268.42	\$ 1,479.23	20%	
2023-2024	8,126.49	\$ 1,924.86	24%	Guarantee
2024-2025	8,125.18	\$ 1,056.61	13%	\$ 362,835.95
2025-2026	8,131.72	\$ 813.17	10%	\$ 1,826,567.78
2026-2027	8,135.12	\$ 813.51	10%	\$ 1,794,087.87
2027-2028	8,146.31	\$ 814.63	10%	\$ 1,754,691.63
2028-2029	8,143.37	\$ 814.34	10%	\$ 1,715,023.63

- The State is required to contribute no less than 10% of the per-pupil base cost.
  - Results in the local share being 90% of the base cost.
- Decrease in per-pupil funding from resulted in annual loss of approximately \$800k from the State.
- Throughout the forecast District is projected to be on the guarantee.
- To no longer be fund by the guarantee an increase of approximately 500 students would be needed.

# Current Fiscal Year Projected Expenditure Analysis

Expenditure Comparison



<u>Oct-25</u>	
<b>Personnel &amp; Benefits</b>	54,067,135
<b>Purchased Services</b>	4,861,963
<b>Supplies</b>	1,632,643
<b>Capital, Debt and Other Operating</b>	1,262,685
<b>Advances, Transfers and Other</b>	2,972,350
<b>Total Expenditures</b>	<b>64,796,776</b>

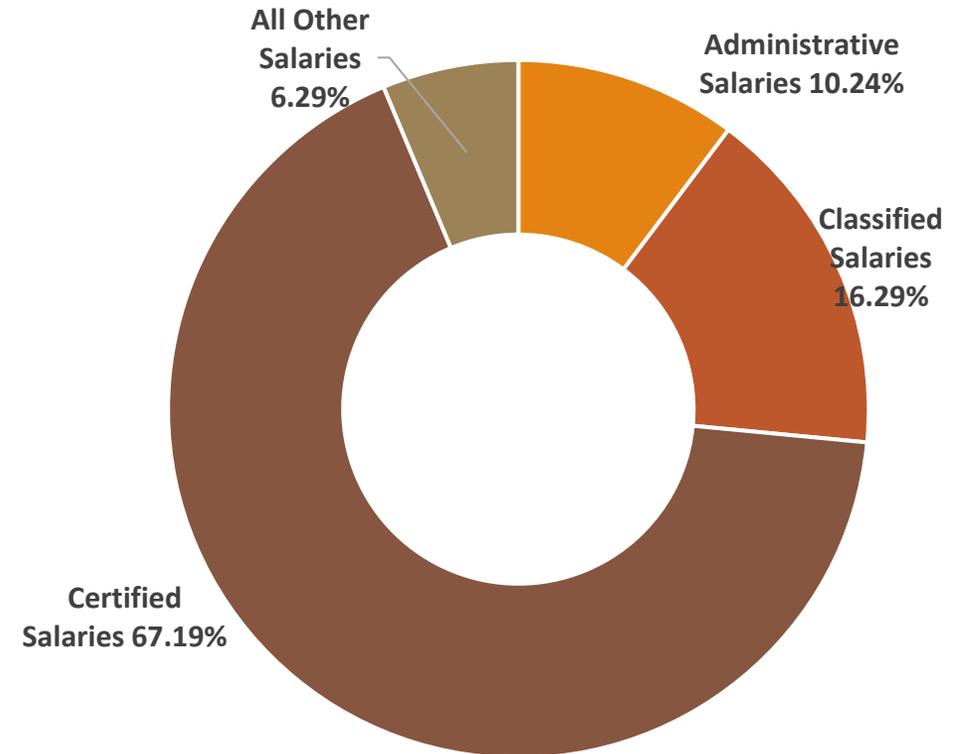
<u>Feb-26</u>	
<b>Personnel &amp; Benefits</b>	53,227,907
<b>Purchased Services</b>	6,092,187
<b>Supplies</b>	1,549,650
<b>Capital, Debt and Other Operating</b>	2,236,395
<b>Advances, Transfers and Other</b>	2,000,000
<b>Total Expenditures</b>	<b>65,106,139</b>

# How Salary Dollars Are Distributed

Salary expenses make up 56.10% of the Districts overall budget.

Breakdown of Salary Expenditures by Category:

- Certified staff account for 67.19%
- Classified staff represent 16.29%
- Administrative staff represent 10.24%
- All other roles represent 6.29%

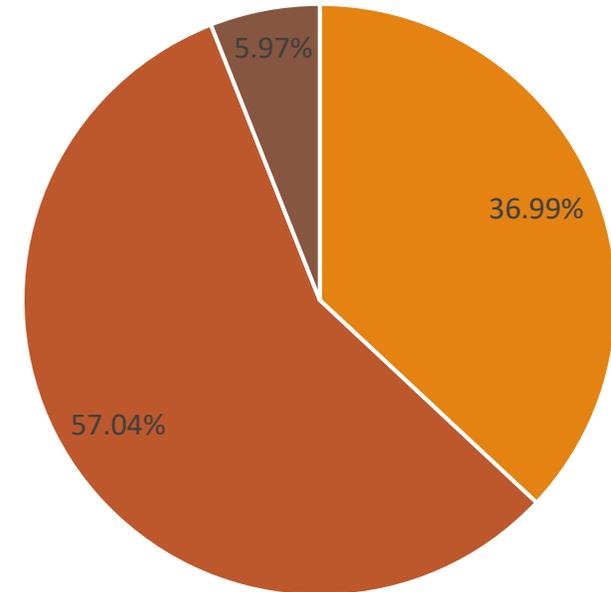


## How Benefit Costs are Distributed

Costs associated with benefits account for 25.66% of the Districts overall budget.

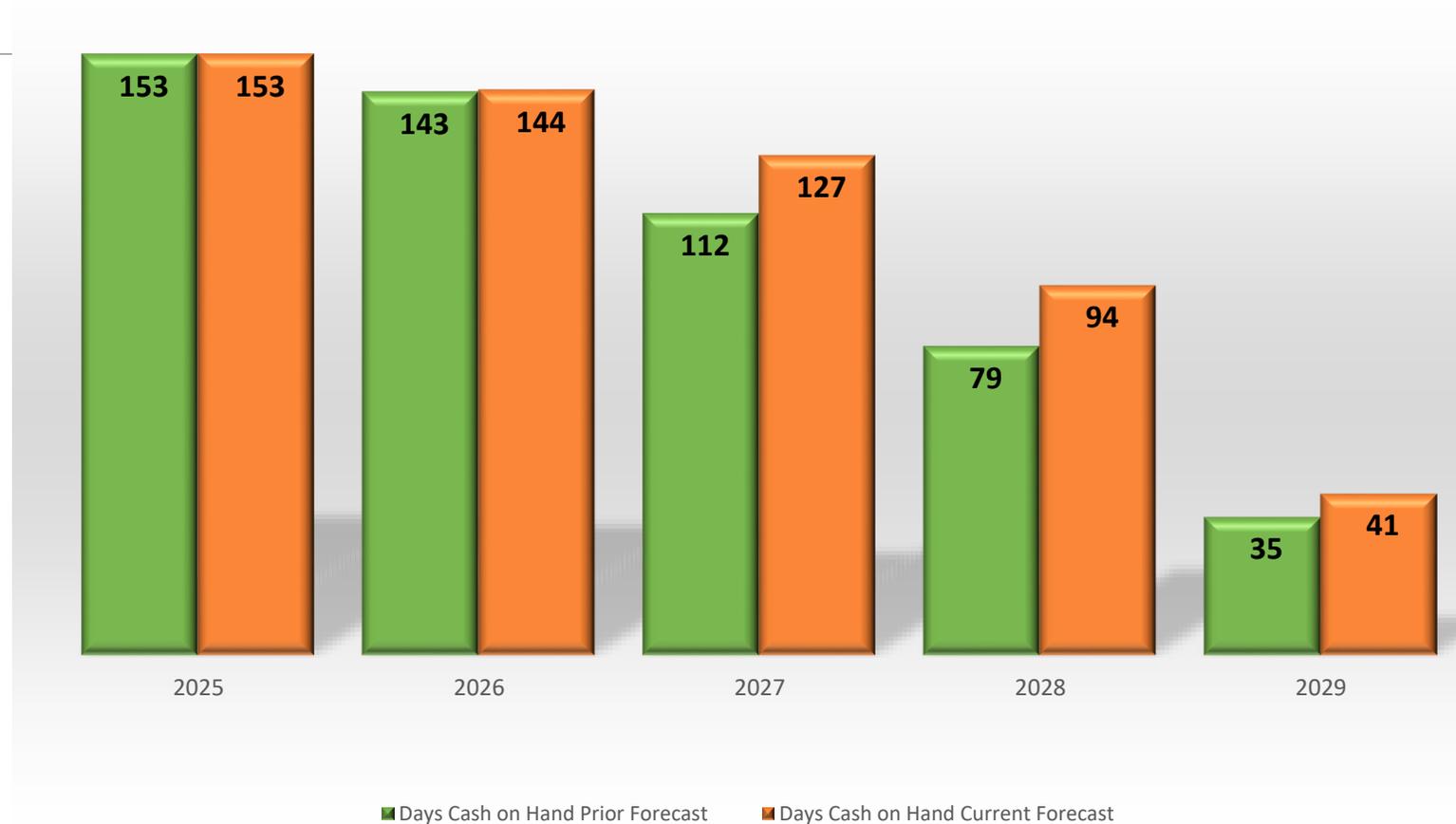
Breakdown of Benefit Expenditures:

- Retirement Benefits account for 36.99% of the overall cost.
- Health Insurance Benefits represents 57.04% of the overall cost.
- All Other Benefits total 5.97% of the overall cost.



■ Retirement Benefits      ■ Health Insurance Benefits  
■ All Other Benefits

# Days Cash On Hand at Fiscal Year-End



Board Policy – unreserved cash balance equivalent to at least sixty (60) days of operating expenditures.

# Ending Cash Balances: October vs. February

	FY 2026	FY 2027	FY 2028	FY 2029
Ending Cash Balance at:				
Previous Forecast	25,448,776	21,134,992	15,132,774	6,984,939
Updated Forecast	25,656,787	23,309,567	17,956,192	8,321,438
Change - Favorable/(Unfavorable)	208,011	2,174,575	2,823,418	1,336,499
% of Cumulative Annual Budget	0.3%	3.3%	4.1%	1.8%

## ***Current Financial Position and Long-Term Needs***

- Changes between October and February are favorable.
- Recent state budget legislation has not impacted North Olmsted City Schools.
- Deficit spending begins in fiscal year 2026.
- The District remains on the funding guarantee.
- Per-pupil base cost were not updated by the State, there was no inflationary growth.
- Number of days cash on hand has improved since October 2025.
- The District must closely monitor its financial condition, evaluate cash balances and deficit spending, and implement a plan to ensure fiscal stability.

# Proposed Constitutional Amendment

## *Consequences of Local Property Tax Abolishment*

*November Ballot Issue* – eliminate property taxes in Ohio.

### *Impacted:*

Public Education, Police, Fire, EMS, Libraries, Parks, Health and Human Services and Senior Supports.

### *Local Property Taxes:*

Accounts for 65% of local tax revenue in Ohio

Three-fifths of local property tax revenue supports schools.

### *Elimination of property taxes would require a replacement funding source*

Income tax – estimated to be 11-15% statewide

Sales tax – estimated to be 15-18%

### *Risks and Considerations:*

Volatility

Loss of Local Control

Maintenance of Schools

Local Government Debt and Bond Ratings

State of Ohio Credit Ratings