

GUIDELINES FOR COMPLETING THE ALTERNATIVE TAX BUDGET INFORMATION*

SCHEDULE 1

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

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

NOTE:

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

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

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

SCHEDULE 2

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

SCHEDULE 3

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

SCHEDULE 4

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

SCHEDULE 5

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

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

Additional Exhibits provided by district for explanation purposes only.

ALTERNATIVE TAX BUDGET INFORMATION

Name of School District **Chardon Local School District**

For the Fiscal Year Commencing July 1, 2026

Treasurer's/CFO Signature _____ Date January 14, 2026 (Board Approved)

COUNTY OF GEAUGA

Background

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

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

Ohio Revised Code Section 5705.281

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

County Budget Commission Duties

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

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

Alternative Tax Budget Information Filing Deadline

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

DIVISION OF TAXES LEVIED

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

Chardon Local Schools 2027 Tax Budget

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

SCHEDULE 1

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

Schedule 4 is not applicable to Chardon Local Schools

SCHEDULE OF INDEBTEDNESS

SCHEDULE 4

I Purpose Of Notes Or Bonds	II Authority for Levy Outside 10 mill Limit	III Date Of Issue	IV Date Due	V Ordinance or Resolution	VI Serial or Term	VII Rate of Interest	VIII Principal Amount Outstanding At The Beginning Of The Year	IX Amount Required To Meet Budget Year Principal & Interest Payments
Inside 10 Mill Limit:								
N/A								
TOTAL	\$0.00						\$0.00	\$0.00
Outside 10 Mill Limit:								
N/A								
TOTAL	\$0.00						\$0.00	\$0.00

STATEMENT OF FUND ACTIVITY

(Complete only for General Fund , Bond Retirement Fund any other funds
requesting general property tax revenue)
Chardon Local Schools 2027 Tax Budget

Exhibit I

FUND: General Fund

	II	III	IV	V
DESCRIPTION	For FY 2024 ACTUAL	For FY 2025 ACTUAL	2026 Current Year ESTIMATE	2027 BUDGET YEAR ESTIMATE
Revenues:				
Property Taxes (Real & Personal)	\$28,802,646.00	\$27,499,750.00	\$26,474,371.00	\$27,487,481.00
State Share Local Property Tax	\$2,510,647.00	\$2,486,587.00	\$2,468,491.00	\$2,428,709.00
Other Revenue	\$10,724,329.00	\$10,393,008.00	\$12,168,119.00	\$10,742,702.00
Total Revenues	\$42,037,622.00	\$40,379,345.00	\$41,116,772.00	\$40,658,892.00
Total Expenditures	\$42,154,508.00	\$47,137,698.00	\$41,784,785.00	\$43,506,452.00
Revenue over (under) Expenditures	(\$116,886.00)	(\$6,758,353.00)	(\$668,013.00)	(\$2,847,560.00)
Beginning Cash Balance	\$23,813,883	\$23,696,997.00	\$16,938,644.00	\$16,270,631.00
Ending Cash Balance	\$23,696,997.00	\$16,938,644.00	\$16,270,631.00	\$13,423,074.00
Encumbrances at Year End	\$284,127.00	\$70,723.00	\$300,000.00	\$300,000.00
Ending Unnumbered Balance	\$23,412,870.00	\$16,867,921.00	\$15,970,631.00	\$13,123,074.00

FUND: Permanent Improvement

	II	III	IV	V
DESCRIPTION	For FY 2024 ACTUAL	For FY 2025 ACTUAL	2026 Current Year ESTIMATE	2027 BUDGET YEAR ESTIMATE
Revenues				
Property Taxes (Real & Personal)	\$1,294,590.00	\$2,097,544.00	\$2,031,287.00	\$2,052,701.00
State Share Local Property Tax	\$209,882.00	\$266,326.00	\$271,760.00	\$250,000.00
Other Revenue	\$1,176,077.00	\$82,461.00	\$70,600.00	\$76,608.00
Total Revenues	\$2,680,549.00	\$2,446,331.00	\$2,373,647.00	\$2,379,309.00
Total Expenditures	\$2,790,761.00	\$3,196,695.95	\$2,837,260.52	\$2,371,941.00
Revenue over (under) Expenditures	(\$110,212.00)	(\$750,364.95)	(\$463,613.52)	\$7,368.00
Beginning Cash Balance	\$1,324,193.00	\$1,213,981.00	\$463,616.05	\$2.53
Ending Cash Balance	\$1,213,981.00	\$463,616.05	\$2.53	\$7,370.53
Encumbrances at Year End	\$ 671,340.25	\$373,282.12		
Ending Unencumbered Balance	\$542,640.75	\$90,333.93	\$2.53	\$7,370.53

*Bond Retirement 002 (405,000) - Now included in PI but is transferred to 002 for payments

STATEMENT OF FUND ACTIVITY

Chardon Local Schools 2027 Tax Budget

I Fund BY Type List Each Fund	II Beginning Estimated Unencumbered Fund Balance	III Total Estimated Receipts	IV Taxes HR included here	SCHEDULE 2		
				V Total Resources Available For Expenditures	VI Total Estimated Expenditures & Encumbrances	VII Ending Estimated Unencumbered Balance
001 - General Fund (Taxes)	16,270,631	40,658,892	29,916,190	56,929,523	43,506,452	13,423,071
Special Revenue Funds						
006 - Nutrition Services	300,000	800,000		1,100,000	800,000	300,000
007 - Expendable Trusts	22,913	7,000		29,913	7,000	22,913
008 - Endowment	88,856	3,000		91,856	3,000	88,856
009 - Uniform School Supply	35,000	3,000		38,000	38,000	0
018 - Public School Support	200,000	190,000		390,000	250,000	140,000
019 - Local Grants	18,617	35,000		53,617	53,617	0
020 - District Fund/TopperCare	30,000	120,000		150,000	120,000	30,000
031 - Underground Storage Tanks	0	0		0	0	0
035 - Termination Benefits	400,000	0		400,000	150,000	250,000
200 - Student Managed Activity	100,000	100,000		200,000	100,000	100,000
300 - District Managed Student Activity	200,000	1,000,000		1,200,000	1,000,000	200,000
401 - Auxiliary fund	0	130,000		130,000	130,000	0
451 - Public Schools Connectivity	0	4,500		4,500	4,500	0
499 - Misc. State Grants	0	0		0	0	0
507 - CARES	0	0		0	0	0
516 - IDEA B	0	1,000,000		1,000,000	1,000,000	0
551 - Title III / LEP	0	4,000		4,000	4,000	0
572 - Title I	0	300,000		300,000	300,000	0
584 - Drug Free Grant	0	26,000		26,000	26,000	0
587 - IDEA PreSchool	0	23,000		23,000	23,000	0
590 - Title IIA	0	90,000		90,000	90,000	0
599 - Other Federal Grants	0	0		0	0	0
Total Special Revenue Funds	17,666,017	44,494,392	29,916,190	62,160,409	47,605,569	14,554,840
Total Debt Service Funds						
002 - Bond Retirement	45,186	405,000		450,186	405,000	45,186
Total Capital Project Funds	45,186	405,000	0	450,186	405,000	45,186
Expendable Trust Funds						
003 - PI Fund (Taxes)	3	2,379,309	2,302,701	2,379,312	2,371,941	7,371
070 - Capital Projects Fund	0	0		0	0	0
493 - Capital Projects Grant Fund	0	0		0	0	0
Total Expendable Trust Funds	3	2,379,309	2,302,701	2,379,312	2,371,941	7,371
Enterprise Funds						
011 - Summer School	0	0		0	0	0
012 - Community / Adult Education	0	0		0	0	0
Total Enterprise Funds	0	0	0	0	0	0
Internal Service Funds						
014 - Rotary	0	0		0	0	0
023 - Chromebook Self Insurance	200,000	30,000		230,000	30,000	200,000
024 - Health Insurance	2,100,000	5,800,000		7,900,000	5,800,000	2,100,000
Total Internal Service Funds	2,300,000	5,830,000		8,130,000	5,830,000	2,300,000
Total Non-Expendable Trust Funds						
022 - District Agency	62,000	105,000		167,000	105,000	62,000
Total Agency Funds	62,000	105,000		167,000	105,000	62,000
MEMORANDUM TOTALS	20,073,206	53,213,701	32,218,891	73,286,907	56,317,510	16,969,397

TAX ANTICIPATION NOTES

Chardon Local Schools

SCHEDULE 5

Tax anticipation notes are issued in anticipation of the collection of the proceeds of a property tax levy. The amount of money required to cover debt service must be deposited into a bond retirement fund, from collections and distribution of the tax levy, in the amounts and at the times required to pay those debt charges as provided in the legislation authorizing the tax anticipation notes. (ORC Section 133.24)

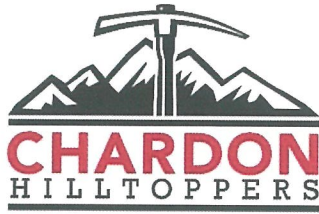
The appropriation to the fund which normally receives the tax levy proceeds is limited to the balance available after deducting the amounts to be applied to debt service.

After the issuance of general obligation securities or of securities to which section 133.24 of the ORC applies, the taxing authority of the subdivision shall include in its annual tax budget, and levy a property tax in a sufficient amount, with any other monies available for the purpose, to pay the debt charges on the securities payable from property tax. (ORC Section 133.25)

	Name Of Tax Anticipation Note Issue	Name Of Tax Anticipation Note Issue
	Chardon TAN Loan	
Amount Required To Meet Budget Year Principal & Interest Payments:		
Interest Due	\$16,087.50	
Interest Due Date	12/1/2026	
Principal Due	\$375,000.00	
Principal Due Date	12/1/2026	
Interest Due	\$12,993.75	
Interest Due Date	6/1/2027	
Total	\$404,081.25	
Name Of The Special Debt Service Fund	Bond Retirement - TANS	
Amount Of Debt Service To Be Apportioned To The Following Settlements:		
January Advance #1	\$101,250.00	
February Advance #2	\$101,250.00	
July Advance #1	\$101,250.00	
August Advance #2	\$101,250.00	
Total	\$405,000.00	

Name Of Fund To Be Charged

PI Fund - Transfer to 002 Fund



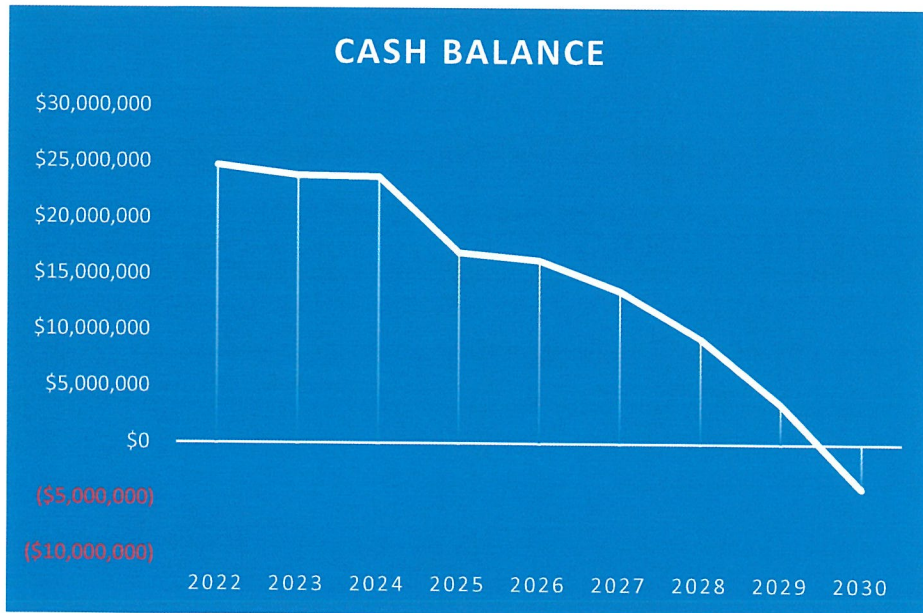
CHARDON LOCAL SCHOOLS

TAX BUDGET 2027

EXECUTIVE SUMMARY

The Chardon Local Schools Tax Budget for 2027 is based on the projected February 2026 five-year forecast. This budget incorporates updated valuation data from the Geauga County Auditor and reflects the impact of HB 335, which caps revenue growth on inside millage during the 2026–2030 forecast period.

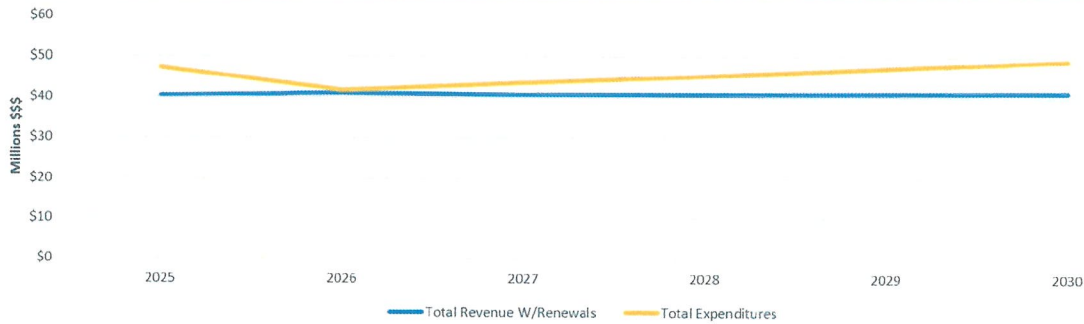
Analysis indicates a tightening fiscal outlook: while total revenues are projected to remain nearly flat with a marginal 0.06% increase (constrained by HB 335's inflation caps and lower interest earnings), total expenditures are projected to grow by 3.90%. Although expense growth is moderated by strategic retirements and the shift of most Capital Outlay out of the General Fund, the fact that spending growth still outpaces revenue growth for the district through 2030.



Forecast Analysis

Chardon Local School District

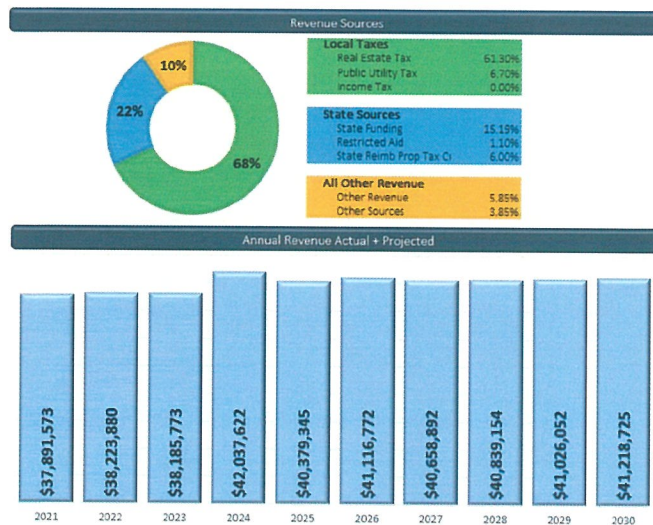
Revenue Compared to Expenditures



REVENUE

Revenue Overview

Chardon Local School District

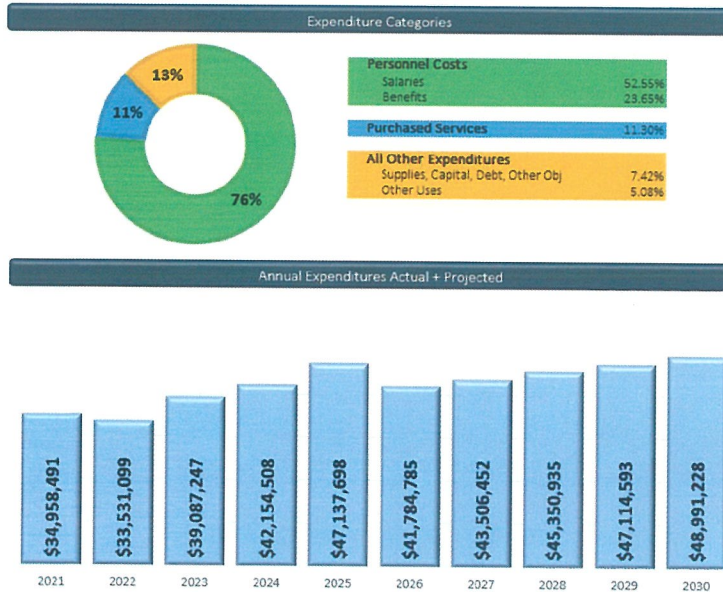


Over the past five years, revenue increased by an average of 1.86% (\$674,972 annually). However, growth is projected to slow to 0.06% (\$167,876 annually) through fiscal year 2030. Notably, annual operating revenue is expected to be \$374,039 lower than historical averages due to lower interest rates and a declining cash balance. Revenue projections also include adjustments for HB 335, which implements an inflation-based cap on inside millage growth beginning in the second half of fiscal year 2026, and HB 15, which reduces the assessment rate for certain public utility property from 88% to 25% starting in tax year 2027.

Despite these long-term headwinds, current revenue has increased over last year's submission due to two primary factors. First, the State's biennial budget (approved June 2025) increased revenue in this category by \$400,000 for FY2026. Second, interest rates remained higher than anticipated, contributing an additional \$200,000. The district maintains a strong collection rate

(with a three-year average of 100.17%) and received additional tax revenue in FY2026. Lastly, a one-time \$120,000 payment from the MRDD was received in FY2026. These gains are offset by the new three-year average inflation rate adjustments for inside millage required under HB 335 through 2030.

EXPENDITURES

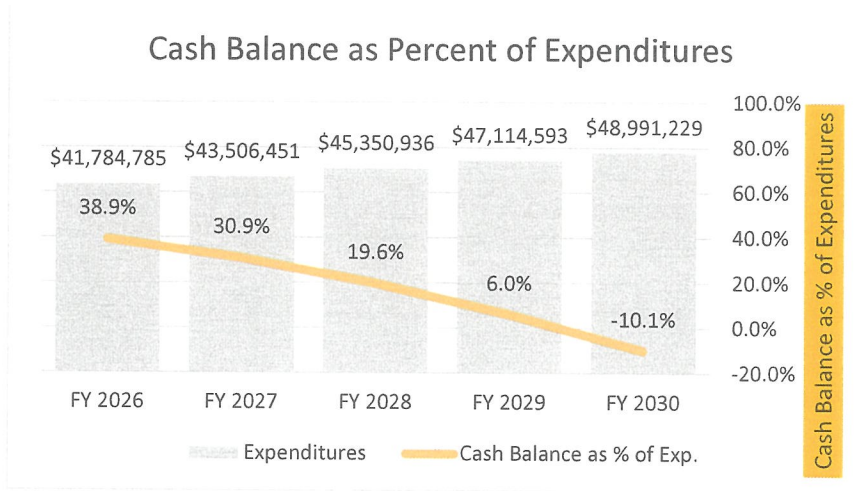


Total expenditures projected for fiscal year 2026 are \$41,784,785, a \$2.2M reduction from last year's projection. This significant savings is driven by lower salary costs following the EPC Buyouts in 2023 and 2024; new staff were hired at lower salary steps than anticipated, and two positions were eliminated. Furthermore, seventeen additional retirements in June 2025 created savings that will compound throughout the forecast. Other budgetary shifts include moving \$1.4M for the Business/Transportation Center from the General Fund to a dedicated Capital Outlay Fund (070) and a 2025 transfer to the Severance Fund (035) to cover payouts for over 30 retirees from the past three years.

The FY2026 budget accounts for negotiated union contracts, inflationary increases for purchased services and supplies, new textbooks, and capital outlay primarily focused on technology. Chardon Local Schools has negotiated agreements in place for both the CEA (Teachers) and CACE (Classified Staff) unions through 2028, both of which are fully certified under Ohio Revised Code 5705.412.

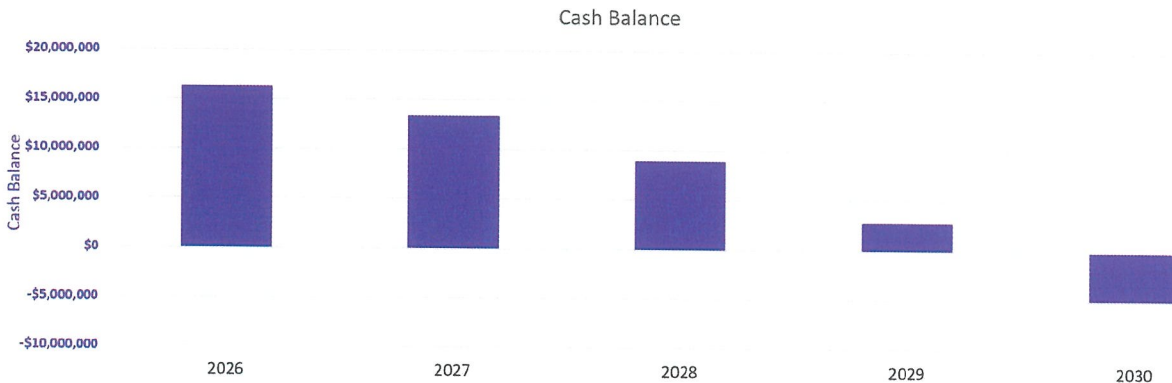
For fiscal year 2027, revenue is projected at \$40,658,892 against expenditures of \$43,506,452, resulting in a projected deficit of (\$2,847,560). Salaries and benefits from year two of the union agreements account for nearly 80% of total expenses. Other 2027 expenditures include 1:1 Chromebook replacements, historical averages for supplies, and fund transfers for preschool, the new vocational program, and the Athletic Fund (300).

Notably, this estimate includes—for the fourth consecutive year—reduced student fees. This initiative has saved district families approximately \$560,000 annually since 2023, totaling \$1.88M in direct community savings to date.



In response to recommendations from the Geauga County Budget Commission regarding the district’s cash balance, several one-time strategic investments from the Capital Improvement Plan were prioritized to enhance safety and security. These projects, completed in FY2026, included the installation of security vestibules in all buildings, weapons detection systems, improved safety crossings, and new doors and locks. Additionally, the relocation of the bus fleet from the High School to the Washington Street facility was finalized in FY2026.

These one-time capital expenditures successfully reduced the cash balance to below the recommended benchmark of 40% of expenditures in 2026. The cash balance is projected to reach 30.9% of expenditures in fiscal year 2027. Moving forward, the combination of persistent inflation and fixed negotiated agreements through 2028 is projected to accelerate the decline of the cash balance.



This decline in cash reserves is typical for a school district in the later stages of a levy cycle, particularly when salaries and benefits comprise approximately 80% of total expenditures and contracts are fixed through 2028.

To maintain operations, the district projects the need for an additional operating levy in fiscal year 2028 (for collection in fiscal year 2029). Without new revenue or significant budget reductions by 2029, the district risks being designated for "Fiscal Watch" by the Ohio Department of Education and Workforce. Under Ohio law, a Fiscal Watch designation occurs when a district's five-year forecast indicates a projected year-end deficit that exceeds 2%—but is less than 8%—of the prior year's General Fund revenue.

For a more detailed analysis, the full Five-Year Forecast and Forecast Assumptions are available on the [Chardon Schools Treasurer's website](#). These documents provide a comprehensive five-year plan for revenue and spending through 2030.

From: [Armbruster, Deb](#)
To: [Sinatra, Kristen](#); [Budget](#)
Cc: [Michael Hanlon](#); [Karen Blankenship](#)
Subject: Chardon Local Schools Tax Budget 2027 Approval
Date: Thursday, January 15, 2026 7:52:58 AM
Attachments: [Tax Budget 2027 - All Files Chardon Local Schools.pdf](#)

Attention: This is an external email and contains an attachment or image

Be cautious when opening attachments or clicking on images in this email. They may contain viruses or malware. Only open attachments from trusted sources and if you were expecting them.

- ADP Security Team

Attention: This is an external email and contains a link

Be cautious when clicking links in this email. They may direct you to potentially unsafe websites.

- ADP Security Team

Good Morning Kristen,

The Chardon Board of Education met on January 14, 2026 and approved the Chardon Local Schools Tax Budget for 2027. The motion was made by Mrs. Clark and seconded by Mr. Midyette with all in favor. One change to note is that the 035 Severance fund was moved to the Special Revenue Funds pursuant to Ohio Revised Code 5705.13.

Chardon Local Schools will attend the tax budget hearing scheduled for February 18, 2026 at 9:00 am at the Auditor's Appraisal Conference Room, 231 Main St., Chardon.

The tax budget is attached, please let me know if you have any questions.

Stay warm,



Deb Armbruster

Treasurer/CFO

deb.armbruster@chardonschools.org

(440)285-4052