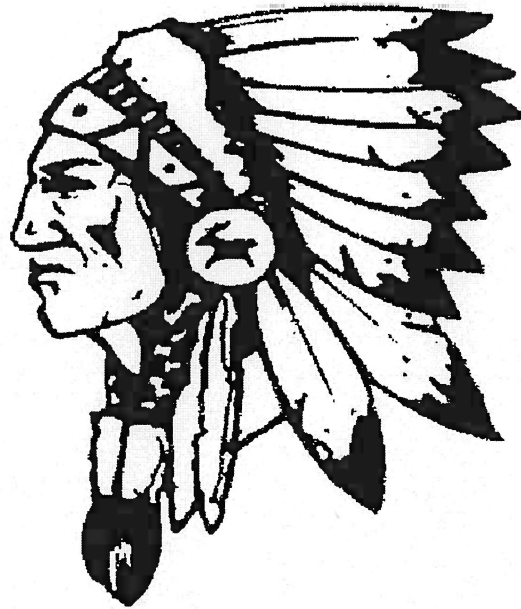


Rittman Exempted Village Schools Financial Forecast



OVERVIEW

The forecast for the Rittman Exempted Village School District (the “District”) represents the best projections of revenues and expenses for the General Fund of the District based on the assumptions made. The Overview summarizes the assumptions and background information used to develop the forecast. The detailed assumptions are included in the “Detailed Information and Projections” which contains background information for each line item.

REVENUES

Recent legislation adopted by the Ohio General Assembly, including House Bills 186, 335, 129, and 309, introduces new limits and adjustments to how property tax revenues are calculated and collected by school districts, with the intent of moderating revenue growth associated with rising property values.

Implementation of these changes is ongoing. In addition, these bills were enacted in close succession, and questions remain regarding how certain provisions interact.

Accordingly, revenue assumptions reflect the best information available at the time of this forecast and may be revised as additional guidance, certified rates, or statutory changes occur.

Property Taxes - The current estimates are based on the passage of several bills (HB186, HB 335, HB309 and HB129). The emergency levy renewed in November 2010 was renewed in May 2015 for ten years and renewed in November 2025. It will be collected through 2036. The Triennial update of 2023 provided and increase in values. Those increases are being repealed by the State legislature.

Unrestricted Grant-in-Aid - This line item represents the State Foundation funds received by the District. The ODEW has created estimate amounts for FY27. The ODE’s estimate for the new funding formula are used in the Forecast. It is assumed that this line will remain flat for the period FY28 throughFY31.

State Reimbursement for Property Tax Credits – This line item denotes the amount of funding received from the State for the Homestead Exemption, Property Tax Rollback and Tangible Personal Property reimbursement. The Homestead and Rollback estimates are assumed to be stable through the forecast period. In FY27 only, the District will receive reimbursement for the new real estate tax credits.

Other Revenue – Items included in the other category are interest income, fees and other miscellaneous income. It is assumed that class fees and participation fees will continue for the period of the forecast.

Transfers-in – These amounts reflect the return of funds transferred out in FY25.

EXPENSES

Personal Services – The salaries and wages for District employees are accounted for in this line item. It is assumed that the current staffing levels will be reviewed each year. The negotiated agreements with the teaching and classified staff of the district expire June 30, 2029 and June 30, 2027 respectively. Salary increases are per the negotiated agreements. The salary increases for longevity amounts are included.

Employees' Retirement/Insurance Benefits – The District's share of retirement (State Teachers Retirement System and School Employee Retirement System), workers compensation and Medicare payments are based upon a percentage of salary and wages. It is assumed that the amount for all of these will remain at approximately 17% of salary. The cost of health insurances is assumed to increase by 7% per year for the length of the forecast.

Purchased Services – This line item represents the amounts paid for utilities, contracts for services, school resource officer, social work services, mileage/meeting expenses, property insurance, computer service contracts, legal services and other services.

Supplies and Materials – The projected amount in this line item is based upon historical patterns. It is assumed that the expenditure level will increase slightly over the period of the Forecast.

Capital Outlay – This item is low because of the Permanent Improvement (PI) levy that is in place.

Other – The projected amounts for Other Objects are based upon historical trends.

FUND BALANCE

The General Fund balance of the District is at a stable amount based upon this Forecast. The District's policy calls for the Treasurer and Superintendent to develop options to increase the fund balance if the General balance falls below 20% of the prior year operating expenses. The District will conversely review its capital and/or strategic plans if the General Fund exceeds 80% of the prior year operating expenses.

Rittman Financial Forecast

District Type: Exempted Village
IRN: 045591
County: Wayne

	ACTUAL			FORECAST					
	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	
Revenues									
General Property Tax (Real Estate)	3,853,588	4,260,789	4,171,470	4,390,000	4,390,000	4,390,000	4,390,000	4,390,000	
New Tax Credits				(493,545)	(329,030)	(329,030)	(329,030)	(329,030)	
Net Reappraisal				203,049	203,386	203,386	203,386	406,000	
Unrestricted State Grants-in-Aid	7,024,170	6,924,857	6,955,155	7,181,000	7,130,003	7,130,004	7,130,004	7,130,004	
Restricted State Grants-in-Aid	564,098	516,812	451,612	451,612	451,612	451,612	451,612	451,612	
State Reimbursement for Property Tax Credit	507,219	549,080	551,943	540,000	540,000	540,000	540,000	540,000	
State Reimbursement for Tax Credits	-	-	-	329,030	-	-	-	-	
All Other Revenues	451,116	541,310	524,630	544,000	544,000	544,000	544,000	544,000	
Total Revenues	12,400,191	12,792,848	12,654,809	12,942,097	12,929,634	12,929,972	12,929,972	13,132,586	
Other Financing Sources									
Transfer-In	-	-	-	500,000	800,000	1,250,000	1,600,000	-	
All Other Financing Sources	-	-	-	500,000	800,000	1,250,000	1,600,000	-	
Total Other Financing Sources	-	-	-	500,000	800,000	1,250,000	1,600,000	-	
Total Revenues and Other Financing Sources	12,400,191	12,792,848	12,654,809	13,442,097	13,729,634	14,179,972	14,529,972	13,132,586	
Expenditures									
Personal Services	6,476,490	7,085,503	6,977,628	7,087,884	7,279,985	7,580,089	7,787,244	8,000,185	
Employees' Retirement/Insurance Benefits	3,076,297	3,344,915	3,394,185	3,445,077	3,622,742	3,816,868	4,003,780	4,200,777	
Purchased Services	2,122,602	2,043,591	2,101,865	2,113,525	2,134,660	2,156,006	2,156,007	2,156,008	
Supplies and Materials	564,338	531,467	388,154	392,036	395,956	399,916	403,915	407,954	
Capital Outlay	19,234	41,020	8,533	10,000	10,000	10,000	10,000	10,000	
Other Objects	126,026	148,354	124,043	130,000	130,000	130,000	130,000	130,000	
Total Expenditures	12,384,986	13,194,850	12,994,408	13,178,522	13,573,343	14,092,879	14,490,946	14,904,924	
Other Financing Uses									
Operating Transfers-Out									
Capital Projects Fund		3,500,000							
Termination Benefits Fund		300,000							
Self Insurance Fund		500,000							
Total Other Financing Uses		4,300,000							
Total Expenditures and Other Financing Uses	12,384,986	17,494,850	12,994,408	13,178,522	13,573,343	14,092,879	14,490,946	14,904,924	
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	15,204	(4,702,002)	(339,599)	263,575	156,290	87,093	39,026	(1,772,336)	
Cash Balance July 1	7,825,857	7,841,062	3,139,060	2,799,461	3,063,036	3,219,326	3,306,418	3,345,444	
Cash Balance June 30	7,841,062	3,139,060	2,799,461	3,063,036	3,219,326	3,306,418	3,345,444	1,573,106	
Percent of Prior Year expenses.			21%	24%	24%	24%	24%	11%	

DETAILED PROJECTIONS AND INFORMATION

REVENUE

Real Estate Taxes – The valuation history of the District must be reviewed when making an estimate of real estate tax revenues. The table below details the District's real estate valuation history.

	Real Estate				
	Res/ Ag	New Constr	Other	New Constr	TOTAL
Tax Year 2020, Paid 2021 **	106,725,120	1,211,590	13,610,020	88,010	121,634,740
Tax Year 2021, Paid 2022	107,990,430	1,728,710	13,553,170	42,550	123,314,860
Tax Year 2022, Paid 2023	110,777,250	848,370	13,619,840	666,050	125,911,510
Tax Year 2023, Paid 2024 *	145,793,120	479,580	14,014,220	380,890	160,667,810
Tax Year 2024, Paid 2025	146,821,430	234,420	13,752,410	234,420	161,042,680
Tax Year 2025, Paid 2026	147,610,260	608,010	13,950,292	2,160,180	164,328,742

* This is an Update year.

** This is a Reappraisal year.

The real estate valuation has been very stable. The most recent update in 2023, payable in 2024 did increase values significantly. Therefore, it is also important to review the actual real estate tax collection history.

REAL ESTATE TAX COLLECTION HISTORY					
	Amount	% Inc		Amount	% Inc
CY2020	3,192,614	0.92%	FY2020	3,162,703	0.60%
CY2021	3,466,167	8.57%	FY2021	3,342,276	5.68%
CY2022	3,512,229	1.33%	FY2022	3,515,984	5.20%
CY2023	3,541,083	0.82%	FY2023	3,557,232	1.17%
CY2024	4,173,808	17.87%	FY2024	3,853,588	8.33%
CY2025	4,223,645	1.19%	FY2025	4,260,789	10.57%
CY2026			FY2026	4,171,470	-2.10%

The following law changes have affected the future collections:

HB 186 – Caps growth if you are at 20 mill floor; Retroactively reduces the update in tax year 2023; Puts in place a reimbursement payments for 2 years.

HB 335 – Caps growth from inside millage

HB 129 – Includes emergency levies in 20 mill floor calculations

The following are the Real Estate Tax Estimates

	FY2027	FY2028	FY2029	FY2030	FY2031
Real Estate	4,390,000	4,390,000	4,390,000	4,390,000	4,390,000
New Tax Credits	(493,545)	(329,030)	(329,030)	(329,030)	(329,030)
Reappraisal	-	203,049	203,049	203,049	406,000
	3,896,455	4,264,019	4,264,019	4,264,019	4,466,970

Unrestricted Grant-in-Aid - This line item represents the State Foundation funds received by the District. The District is using the FY2027 funding estimated received from the State. It is assumed that this line will remain flat for the Forecast.

	FY27	FY28	FY29	FY30	FY31
State Foundation	7,181,000	7,131,003	7,130,004	7,130,004	7,130,004

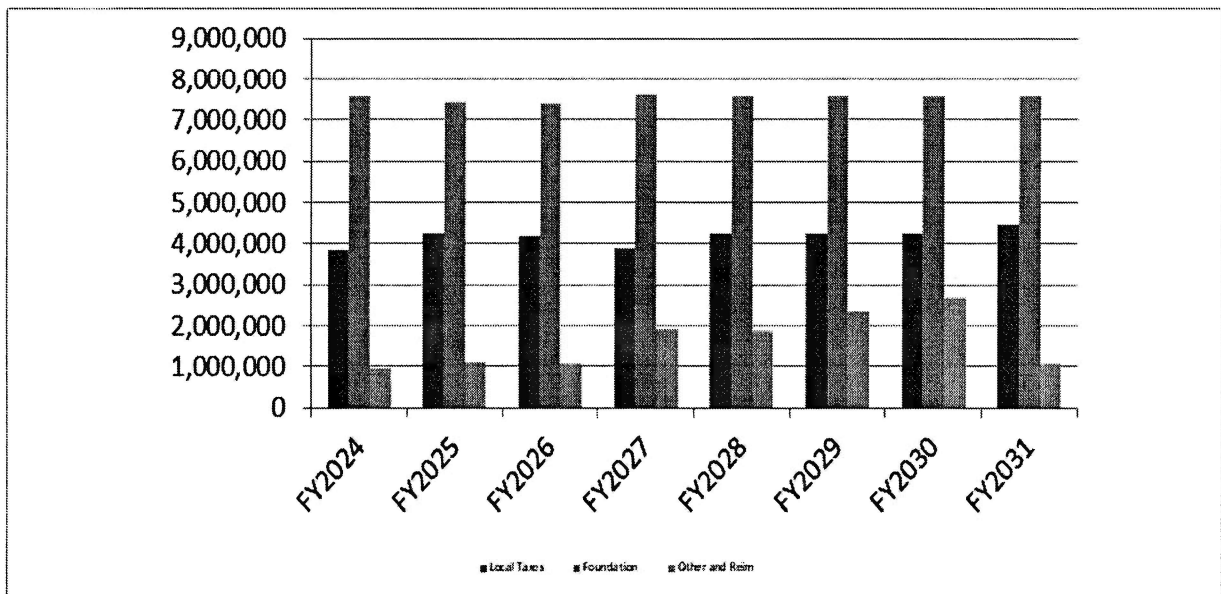
The percent of General Fund money coming from the State has increased over the years. The District is currently receiving over 70% of its revenue from the state. The District needs to watch the State budget process since they are the main source of revenue increases.

State Reimbursement Property Tax Credit – This line item denotes the amount of funding received from the State for the Homestead Exemption and Property Tax Rollback. The amount of revenue from this source corresponds directly with the property tax value in the District. The following chart details the estimated revenue for this line item.

	FY26	FY27	FY28	FY29	FY30
Rollback	380,000	380,000	380,000	380,000	380,000
Homestead Exemption	160,000	160,000	160,000	160,000	160,000
Tax Credit Reimburse	329,030				
TOTAL	869,030	540,000	540,000	540,000	540,000

Other Revenue – Items included in the other category are interest income, fees and other miscellaneous income. It is assumed that class fees and participation fees will continue for the period of the forecast.

Where Does the Money Come From



EXPENSES

Personal Services - The salaries and wages for District employees are accounted for in this line item. The negotiated agreements with the teaching and classified staff of the District expire June 30, 2029 and June 30, 2027 respectively. Salary increases are per the negotiated agreements. Several positions have been added thanks to Federal and State funding. These items are accounted for in a separate fund. The following chart details the salary projection.

Description	FY2027	FY2028	FY2029	FY2030	FY2031
Certified Staff	4,930,245	5,061,967	5,299,880	5,442,979	5,589,942
Regular Classified	1,684,068	1,734,590	1,786,627	1,840,226	1,895,433
Classified Substitutes	25,000	25,000	25,000	25,000	25,000
Certified Substitutes	100,000	100,000	100,000	100,000	100,000
Salaries Extracurricular	328,571	338,428	348,581	359,039	369,810
Overtime	5,000	5,000	5,000	5,000	5,000
Other and Misc	15,000	15,000	15,000	15,000	15,000
Severance	-	-	-	-	-
TOTAL	7,087,884	7,279,985	7,580,089	7,787,244	8,000,185

Certified staff includes all individuals holding a license to perform their job. This would include administrator, principals and all teachers. Classified staff includes custodians, aides, secretaries and bus drivers. The Administration will review staffing levels yearly and reduce when possible.

Employees' Retirement/Insurance Benefits – The District's share of retirement (State Teachers Retirement System and School Employee Retirement System), workers compensation and Medicare payments are based upon a percentage of salary and wages. It is assumed that the amount for all of these will remain at approximately 17% of salary. The cost of health insurances is assumed to increase by 6% per year for the length of the forecast.

Fringes	FY2027	FY2028	FY2029	FY2030	FY2031
% of Salary (17%)	1,204,940	1,237,597	1,288,615	1,323,831	1,360,032
Health Insurance (7%)	2,250,136	2,385,145	2,528,253	2,679,948	2,840,745
TOTAL	3,455,077	3,622,742	3,816,868	4,003,780	4,200,777

Purchased Services – This line item represents the amounts paid for utilities, contracts for services, school resource officer, social work services, mileage/meeting expenses, property insurance, computer service contracts, legal services and other services.

	FY2027	FY2028	FY2029	FY2030	FY2031
Legal, Preschool, STEM, Wellness	582,648	594,301	606,187	612,797	625,053
Repairs and Maintenance	369,123	376,505	384,035	388,223	395,988
Trainings, Meetings, Inservice	26,860	27,397	27,945	28,250	28,815
Utilities	337,182	343,925	350,804	354,629	361,722
Tuitions	797,713	813,667	829,941	838,991	855,771
	2,113,525	2,155,796	2,198,911	2,222,890	2,267,347

Supplies and Materials – The projected amount in this line item is based upon historical patterns. It is assumed that there will not be any major adoptions that increase the expenditure level from the historical trend.

Capital Outlay – This item is low because of the Permanent Improvement (PI) levy in place.

Other – The projected amounts for Other Objects are based upon historical trends.

CONCLUSIONS

The 5-Year Forecast does show deficit spending in FY2028. The General Fund balance of the District is at a stable amount based upon this Forecast. The District's policy calls for the Treasurer and Superintendent to develop options to increase the fund balance if the General balance falls below 20% of the prior year operating expenses. The District will conversely review its capital and/or strategic plans if the General Fund exceeds 80% of the prior year operating expenses.

Total Revenue vs Total Expenses

