

Rittman Exempted Village Schools 5-Year Forecast



OVERVIEW

The 5-year 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

Property Taxes – Property tax estimates are based upon historical growth patterns. The County Auditor provides property valuations for the District for all classes of property. The emergency levy renewed in November 2010 was renewed in May 2015 for ten years and will be collected through 2026. The Triennial update of 2023 values will result in an increase in taxes. The forecast assumes a conservative 5% increase per year.

Unrestricted Grant-in-Aid - This line item represents the State Foundation funds received by the District. The ODE has created estimate amounts for FY24 and FY25. The ODE’s estimate for the new funding formula are used in FY24 and FY25. Full funding of the new formula will be phased in over 6 years. It is assumed that this line will increase by 3% each year in FY24 through FY27.

Property Tax Allocation – 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.

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. Open enrollment revenue is not included beyond FY2021 due to passage a new funding formula.

EXPENSES

Personal Services – The salaries and wages for District employees are accounted for in this line item. It is assumed that the current teaching levels will continue through the term of the Forecast. The negotiated agreements with the teaching and classified staff of the District expire June 30, 2026. Salary increases are per the negotiated agreements through FY26. 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 8% per year for the length of the forecast. In FY12, the District qualified for the premium holiday from the Stark COG. It is assumed that the District will continue to qualify for the premium holiday.

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. The new funding formula no longer charges Districts for Open Enrollment out, Community School and Special Education scholarship students. It is assumed that this line item will increase at a rate of 1% per year.

Supplies and Materials – The projected amount in this line item is based upon historical patterns. It is assumed that there will be major adoptions that increase the expenditure level from the historical trend. It assumed that remaining prices in this area would experience a 1% per increase.

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.

Rittman Five Year Forecast

District Type: Exempted Village
 IRN: 045591
 County: Wayne

Revenues	FY2021	FY2022	ACTUAL FY2023	FY2024	FORECAST FY2025	FY2026	FY2027	FY2028
1.01 General Property Tax (Real Estate)	3,345,256	3,515,984	3,557,232	3,550,000	3,695,000	3,840,000	3,985,000	4,130,000
1.035 Unrestricted State Grants-in-Aid	-	-	-	7,008,050	7,248,050	7,501,732	7,764,292	8,036,043
1.04 Restricted State Grants-in-Aid	7,566,176	6,892,789	6,849,575	463,014	450,000	463,500	477,405	491,727
1.05 Property Tax Allocation	458,081	462,339	465,658	465,000	465,000	465,000	465,000	465,000
OE in (43, 47, 42)	247,995	-	-	-	-	-	-	-
1.06 All Other Revenues	247,352	243,626	240,836	250,000	250,000	250,000	250,000	250,000
1.07 Total Revenues	11,909,907	11,550,155	11,576,316	11,753,059	12,108,050	12,520,232	12,941,697	13,372,770
Other Financing Sources	-	-	-	-	-	-	-	-
2.05 Advances-In	-	-	-	-	-	-	-	-
2.06 All Other Financing Sources	-	-	-	-	-	-	-	-
2.07 Total Other Financing Sources	-	-	-	-	-	-	-	-
2.08 Total Revenues and Other Financing Sources	11,909,907	11,550,155	11,576,316	11,753,059	12,108,050	12,520,232	12,941,697	13,372,770
Expenditures	5,861,008	5,857,665	6,092,589	6,410,028	6,690,689	6,971,693	7,238,456	7,507,507
3.01 Personal Services	2,524,072	2,599,614	2,864,815	3,237,806	3,414,404	3,598,794	3,788,960	3,988,204
3.02 Employees' Retirement/Insurance Benefits	1,632,315	1,683,970	1,529,674	1,600,500	1,611,505	1,552,620	1,493,146	1,433,078
OE Out (81, 78, 69)	414,383	-	-	-	-	-	-	-
Community Schools (43, 43, 53)	454,485	-	-	-	-	-	-	-
Scholarships (5, 8, 6)	64,726	-	-	-	-	-	-	-
3.04 Supplies and Materials	341,409	305,978	391,436	275,000	277,750	280,528	283,333	286,166
3.05 Capital Outlay	7,020	5,873	68,818	10,000	10,000	10,000	10,000	10,000
4.3 Other Objects	138,161	95,368	99,892	100,000	100,000	100,000	100,000	100,000
4.5 Total Expenditures	11,437,578	10,548,468	11,047,225	11,633,334	12,104,348	12,513,635	12,913,895	13,324,955
Other Financing Uses	-	-	-	-	-	-	-	-
5.01 Operating Transfers-Out	-	-	-	-	-	-	-	-
5.04 Total Other Financing Uses	-	-	-	-	-	-	-	-
5.05 Total Expenditures and Other Financing Uses	11,437,578	10,548,468	11,047,225	11,633,334	12,104,348	12,513,635	12,913,895	13,324,955
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	472,329	1,001,687	529,091	119,725	3,702	6,597	27,802	47,815
6.01 Financing Uses	5,822,751	6,295,079	7,296,766	7,825,857	7,945,582	7,949,284	7,955,882	7,983,684
7.01 Cash Balance July 1	6,295,079	7,296,766	7,825,857	7,945,582	7,949,284	7,955,882	7,983,684	8,031,498
7.02 Cash Balance June 30	-	-	-	-	-	-	-	-

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				TOTAL
	Res/ Ag	New Constr	Other	New Constr	
Tax Year 2014, Paid 2015**	87,709,740	452,590	11,501,470	181,620	99,845,420
Tax Year 2015, Paid 2016	88,066,910	102,100	11,266,110	533,750	99,968,870
Tax Year 2016, Paid 2017	88,383,210	405,190	11,362,920	260,240	100,411,560
Tax Year 2017, Paid 2018*	92,456,110	285,890	11,328,770	37,110	104,107,880
Tax Year 2018, Paid 2019	92,722,240	126,370	11,431,540	259,250	104,539,400
Tax Year 2019, Paid 2020	93,199,200	711,090	11,463,160	204,020	105,577,470
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

* This is an Update year.

** This is a Reappraisal year.

The real estate valuation has been very stable. The average increase for real estate over the period is 2% per year. However, the increases occur in the reappraisal and update years. Another factor that affects the real estate tax revenue is HB920. HB920 reduces tax rates as valuation increases until the total effective millage reaches 20 mills. The effective millage for continuing levies is at the 20-mill floor. The new revenue to the District comes from the new construction in the District, reaching the 20 mills and the inside mills (3.7 mills). Therefore, it is also important to review the actual real estate tax collection history.

REAL ESTATE TAX COLLECTION HISTORY					
	Amount	% Inc		Amount	% Inc
CY2016	3,035,384	-0.86%	FY2016	3,029,748	0.12%
CY2017	3,128,443	3.07%	FY2017	3,095,170	2.16%
CY2018	3,130,221	0.06%	FY2018	3,152,195	1.84%
CY2019	3,163,498	1.06%	FY2019	3,143,702	-0.27%
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	3,515,412	1.42%	FY2022	3,515,984	5.20%
CY2023	3,541,242	0.73%	FY2023	3,557,232	1.17%

The District's fiscal year is July 1 through June 30. The first fiscal year of full collection of the Emergency levy passed in May 2006 was FY2008 and that levy was renewed in

November 2010 and May 2015. The Emergency levy's last calendar year of collection is 2026. Therefore, the revenue from real estate taxes will be steady through the forecast.

The Triennial update of 2023 values will result in an increase in taxes. The forecast assumes a conservative 5% increase per year. The projected amount of real estate tax revenue for the forecast is as follows:

	FY2024	FY2025	FY2026	FY2027	FY2028
Real Estate Taxes	\$ 3,550,000	\$ 3,695,000	\$ 3,840,000	\$3,985,000	\$4,130,000

Unrestricted Grant-in-Aid - This line item represents the State Foundation funds received by the District. The District is using the FY2023 funding reports for the FY2023 estimate. The new State budget will begin July 1, 2023. Full funding of the new formula will be phased in over 6 years. It is assumed that this line will increase by 3% each year in FY24 through FY27.

	FY24	FY25	FY26	FY27	FY28
State Foundation	7,008,050	7,248,050	7,501,732	7,764,292	8,036,043

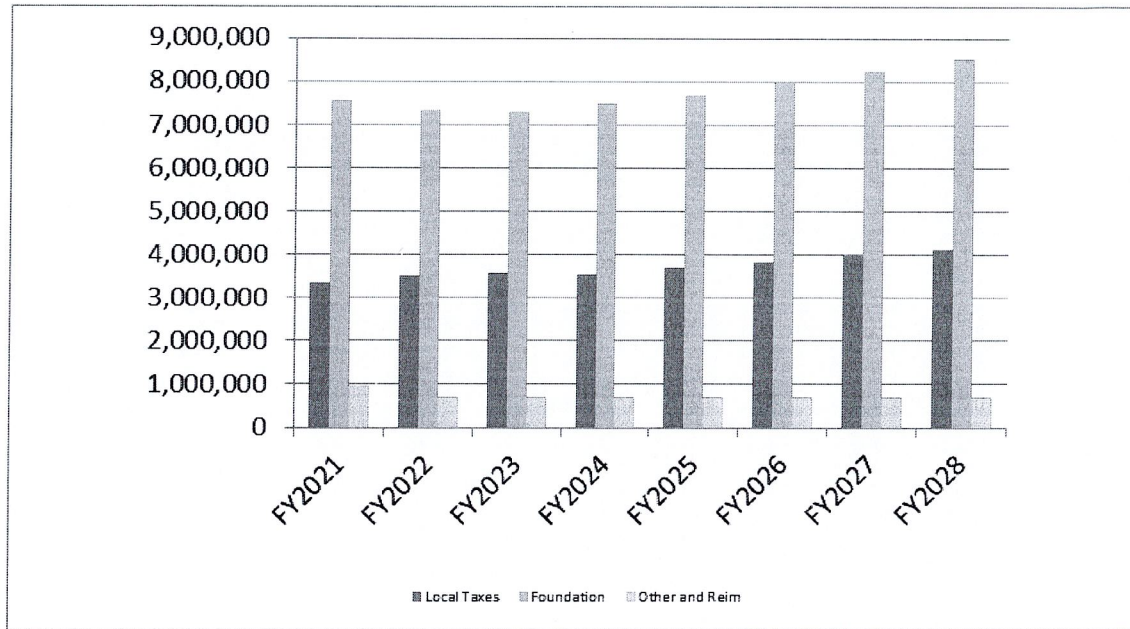
The percent of General Fund money coming from the State has increased over the years. The District is currently receiving over 65% of its revenue from the state. The District needs to watch the State budget process since they are the main source of revenue increases.

Property Tax Allocation – 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.

	FY23	FY24	FY25	FY26	FY27
Rollback	335,000	335,000	335,000	335,000	335,000
Homestead Exemption	130,000	130,000	130,000	130,000	130,000
Net TPP Reimbursement					
TOTAL	465,000	465,000	465,000	465,000	465,000

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. Open enrollment revenue is not included beyond FY2021 due to passage a new funding formula

Where Does the Money Come From



EXPENSES

Personal Services - The salaries and wages for District employees are accounted for in this line item. In forecasting future staffing levels, it is assumed that the current staffing levels will continue. The negotiated agreements with the teaching and classified staff of the District expire June 30, 2026. 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.

	FY2024	FY2025	FY2026	FY2027	FY2028
Description					
Certified Staff	4,869,745	5,110,798	5,351,005	5,575,747	5,809,929
Regular Classified	1,026,367	1,057,158	1,088,873	1,121,539	1,146,774
Classified Substitutes	25,000	25,000	25,000	25,000	25,000
Certified Substitutes	125,000	125,000	125,000	125,000	125,000
Salaries Extracurricular	293,915	302,733	311,815	321,169	330,804
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	50,000	50,000	50,000	50,000	50,000
TOTAL	6,410,028	6,690,689	6,971,693	7,238,456	7,507,507

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.

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.

Fringes	FY2024	FY2025	FY2026	FY2027	FY2028
% of Salary (17%)	1,089,705	1,137,417	1,185,188	1,230,537	1,276,276
Health Insurance (9%)	2,148,101	2,276,987	2,413,606	2,558,423	2,711,928
TOTAL	3,237,806	3,414,404	3,598,794	3,788,960	3,988,204

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. The new funding formula no longer charges Districts for Open Enrollment out, Community School and Special Education scholarship students. It is assumed that this line item will increase at a rate of 1% per year.

Supplies and Materials – The projected amount in this line item is based upon historical patterns. It is assumed that there will be major adoptions that increase the expenditure level from the historical trend. It assumed that remaining prices in this area would experience a 1% per increase.

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 not show deficit spending.