8/25/2026

Rocky River City School District

Fiscal Year

2027

August

Financial Forecast Report

Prepared By:

Greg R. Markus, CPA, CGMA, Treasurer/CFO

Rocky River City School District

Forecast5 Analytics ReportWriter Software 2019 ©

Table of Contents

Forecast Summary 3

Forecast Analysis 4

Revenue Overview 5
- 1.010 - General Property Tax (Real Estate) 6
- 1.020 - Public Utility Personal Property 7
- 1.030 - Income Tax 8
- 1.035 - Unrestricted Grants-in-Aid 9
- 1.040 & 1.045 - Restricted Grants-in-Aid 10
- 1.050 - State Reimb Prop Tax Credits 11
- 1.060 - All Other Operating Revenues 12
- 2.070 - Total Other Financing Sources 13

Expenditures Overview 14
- 3.010 - Personnel Services 15
- 3.020 - Employee Benefits 16
- 3.030 - Purchased Services 17
- 3.040 - Supplies and Materials 18
- 3.050 - Capital Outlay 19
- 3.060 - 4.060 - Intergovernmental & Debt 20
- 4.300 - Other Objects 21
- 5.040 - Total Other Financing Uses 22

Five Year Forecast 23

Appendix
- Financial Health Indicators 24
- Current to Prior Forecast Compare 25

Forecast Purpose/Objectives

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

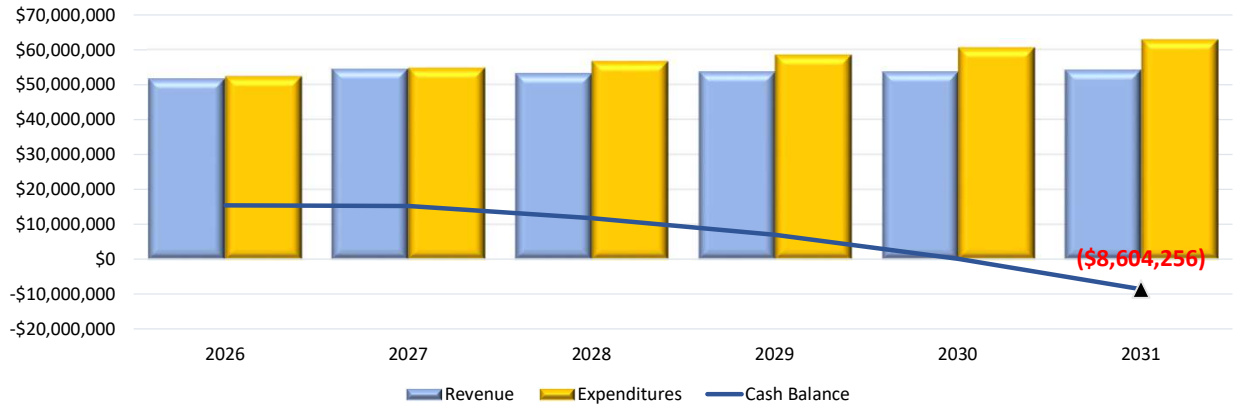
1. To engage the local board of education and the community in the long range planning and discussions of financial issues facing the school district.
2. To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 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.

Forecast5 Analytics ReportWriter Software 2019 ©

Projected Revenue, Expenditures, and Cash Balance



Financial Forecast Summary

	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031
Beginning Balance (Line 7.010) *Includes Renewal/New Levy Revenue, see Disclosures	15,359,273	15,189,419	11,741,132	6,966,372	90,533
+ Revenue	54,616,793	53,265,922	53,732,753	53,727,603	54,196,978
- Expenditures	(54,786,647)	(56,714,209)	(58,507,513)	(60,603,443)	(62,891,767)
= Revenue Surplus or Deficit	(169,854)	(3,448,287)	(4,774,760)	(6,875,840)	(8,694,789)
Line 7.020 Ending Balance with Renewal/New Levies	15,189,419	11,741,132	6,966,372	90,533	(8,604,256)

Financial Summary Notes

Expenditure growth is projected to outpace revenue change. By the end of 2031, the cash balance is projected to decline by a total of $23,963,528 compared to 2026. For fiscal year 2031, 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. Annually, on average, over the past five years, revenue increased by 4.32% ($1,950,203 annually). However, it is projected to increase by 0.97% ($492,647 annually) through fiscal year 2031. Notably, Real Estate, is expected to be $875,335 less per year compared to history, and is the biggest driver of trend change on the revenue side.

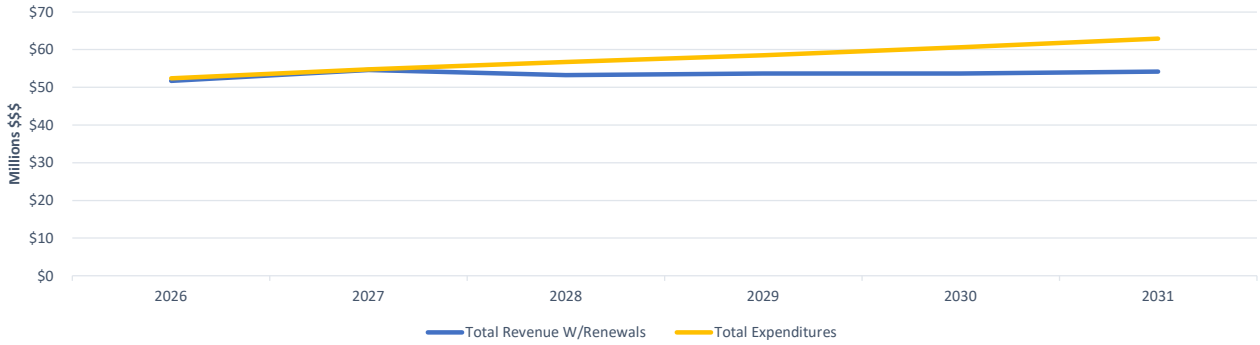
For expenditures, projected change is expected to be at a slower pace than the historical trend. Expenditures increased by 4.74% ($2,153,008, on average, annually) during the past 5-year period, and are projected to increase by 3.72% ($2,100,074 annually) through 2031. The forecast line with the most change on the expense side, Purchased Services, is anticpated to be $348,268 less per year in the projected period compared to historical averages.

Based on this expected trendline, the District will need to consider a tax levy in the near future and/or plan for program and operational spending cuts. The Board of Education, Superintendent and Treasurer/CFO have begun discussing the need for additional funding, with a target date of November 2027 (for collection starting January 2028) to request additional funds. This need will become even more clear as we progress through FY 27 and consider all options.

Disclosure Items:	*2027*	*2028*	*2029*	*2030*	*2031*
Modeled Renewal Levies - Annual Amount	-	-	-	-	-
Modeled New Levies - Annual Amount	-	-	-	-	-
Encumbrances (not subtracted from Cash Balance)	*850,000*	*850,000*	*850,000*	*850,000*	*850,000*

Forecast5 Analytics ReportWriter Software 2019 ©

Revenue Compared to Expenditures

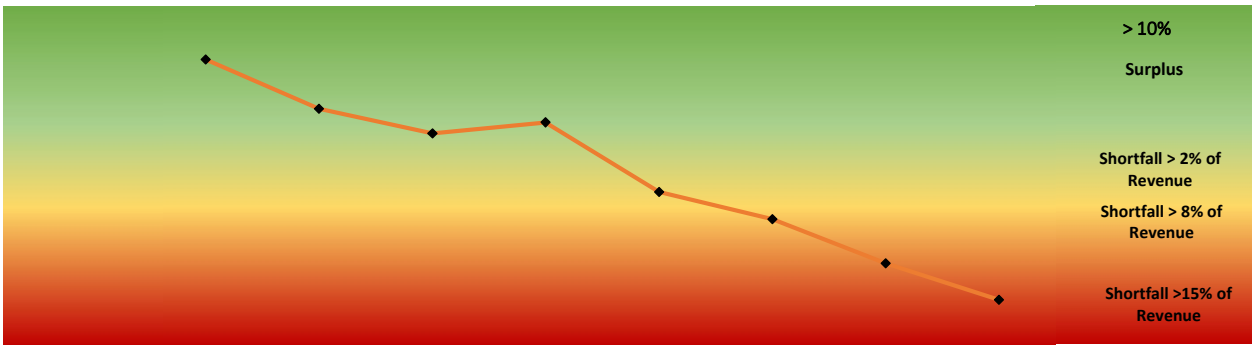


From 2027 to 2031, total revenues are projected to change by 0.97%

Expenditure change is expected to outpace revenue change.

From 2027 to 2031, total expenses are projected to change by 3.72%

Revenue Surplus/(Shortfall) as a Percentage of Revenue

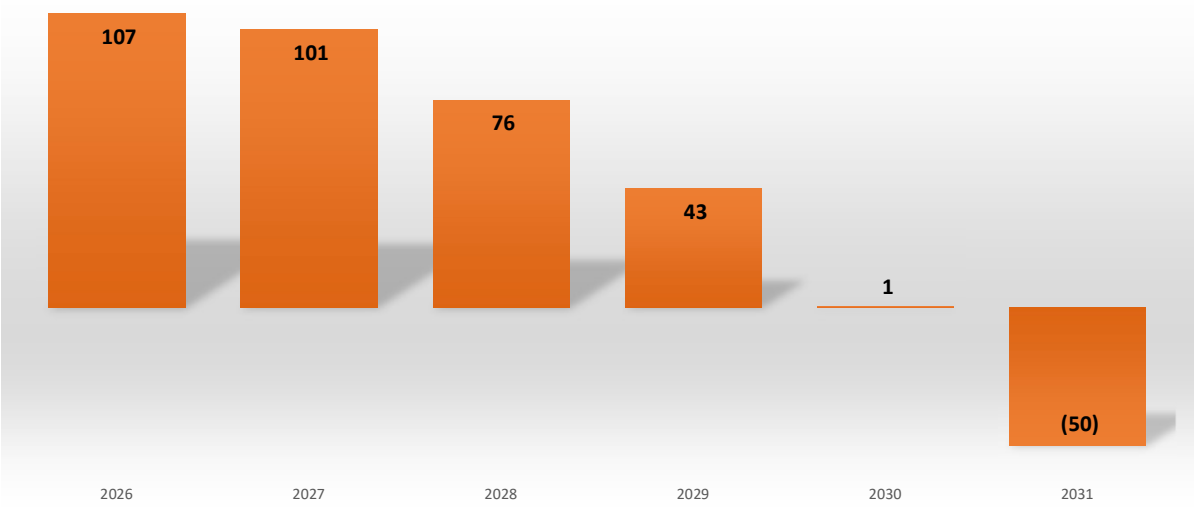


	2025	2026	2027	2028	2029	2030	2031
Current Forecast Surplus/(Shortfall)	.9%	-1.3%	-.3%	-6.5%	-8.9%	-12.8%	-16.%

The district is trending toward revenue shortfall with the expenditures growing faster than revenue.
A revenue increase of 12.80% is needed to balance the budget in fiscal year 2031, or a $8,694,789 reduction in expenditures.

- The largest contributor to the projected revenue trend is the change in Real Estate.
- The expenditure most impacting the changing trend is Purchased Services.

Days Cash on Hand at Fiscal Year-end

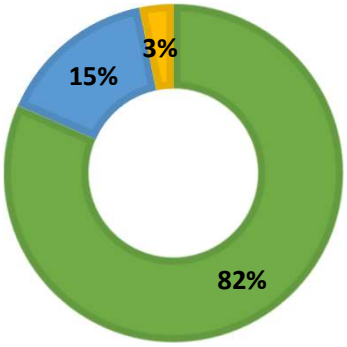


*based on 365 days

Forecast5 Analytics ReportWriter Software 2019 ©

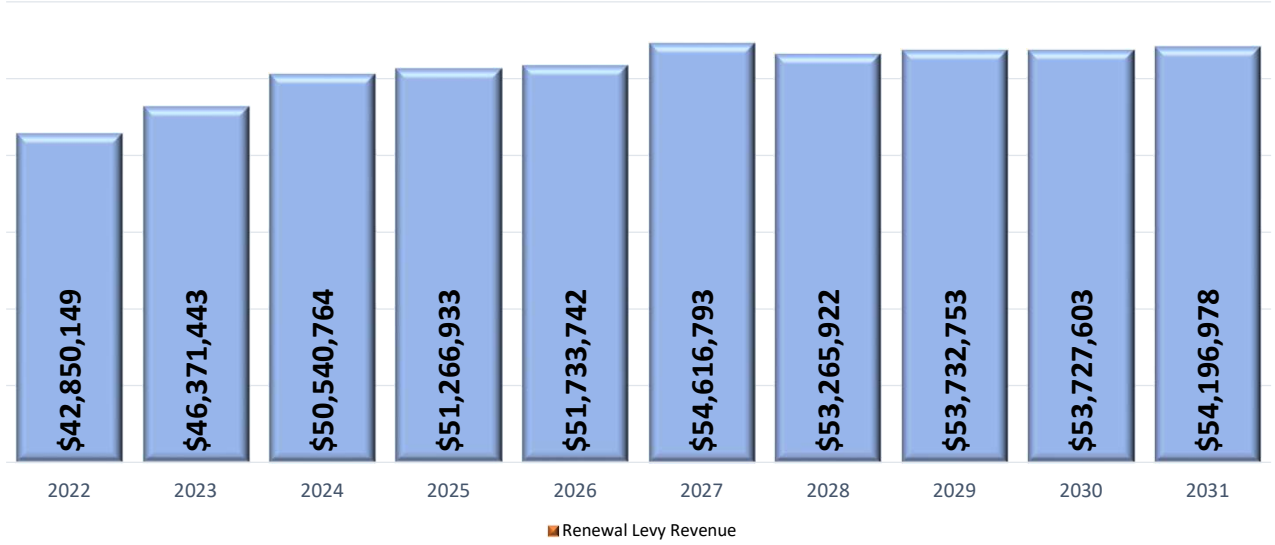
Revenue Overview

Revenue Sources



Local Taxes	
Real Estate Tax	78.56%
Public Utility Tax	3.01%
Income Tax	0.00%
State Sources	
State Funding	7.37%
Restricted Aid	0.88%
State Reimb Prop Tax C	6.95%
All Other Revenue	
Other Revenue	2.77%
Other Sources	0.47%

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	$1,292,630	$417,294	($875,335)
Public Utility	$106,880	$62,192	($44,688)
Income Tax	$0	$0	$0
State Funding	$466,166	$160,035	($306,130)
State Reimb Prop Tax Credits	$30,327	$13,284	($17,043)
All Othr Op Rev	$50,180	($19,039)	($69,219)
Other Sources	$4,021	($141,119)	($145,140)
Total Average Annual Change	$1,950,203	$492,647	($1,457,555)
	4.32%	0.97%	-3.36%

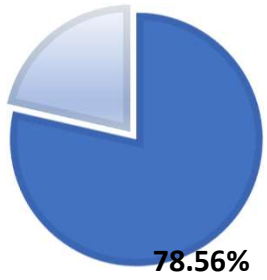
Annually, on average, over the past five years, revenue increased by 4.32% ($1,950,203 annually). However, it is projected to increase by 0.97% ($492,647 annually) through fiscal year 2031. Notably, Real Estate, is expected to be $875,335 less per year compared to history, and is the biggest driver of trend change on the revenue side.

For Comparison:		
Expenditure average annual change is projected to be >	$2,100,074	On an annual average basis, expenditures are projected to grow faster than revenue.

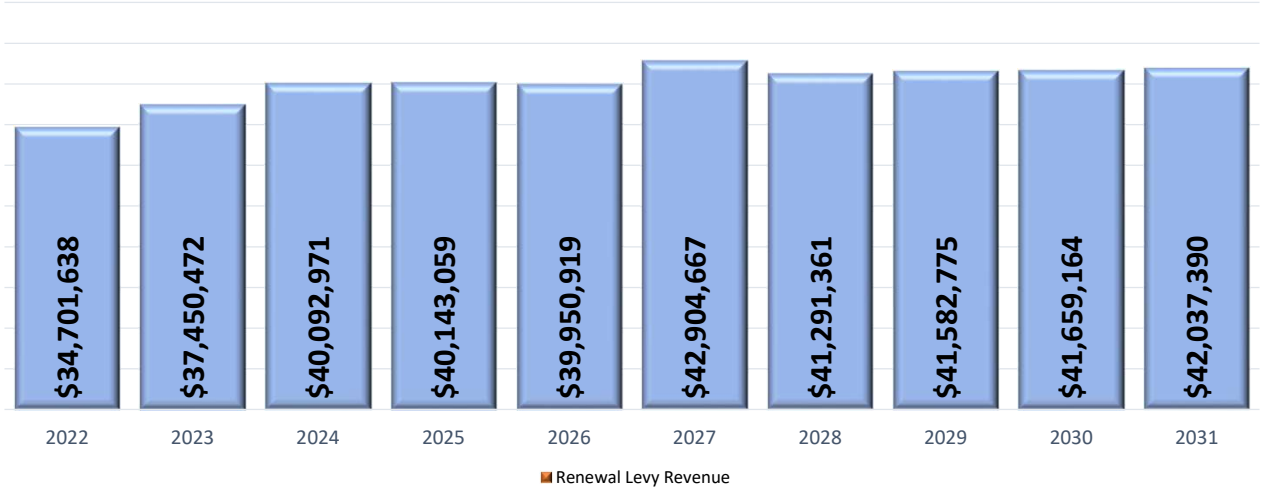
Forecast5 Analytics ReportWriter Software 2019 ©

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 78.56% of total district general fund revenue.



Key Assumptions & Notes

Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class 2 Rate	Change	
2025	1,356,672,411	(4,738,439)	30.12	-	55.52	-	98.2%
2026	1,349,172,411	(7,500,000)	30.12	(0.00)	58.66	3.14	98.7%
2027	1,479,672,411	130,500,000	27.77	(2.36)	55.53	(3.13)	98.7%
2028	1,482,172,411	2,500,000	27.77	(0.00)	55.53	(0.00)	98.7%
2029	1,484,672,411	2,500,000	27.77	(0.00)	55.53	(0.00)	98.7%
2030	1,627,172,411	142,500,000	25.62	(2.14)	52.76	(2.77)	98.7%

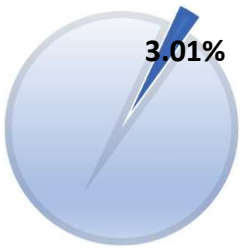
Class I, or residential/agricultural taxes make up approximately 76.55% of the real estate property tax revenue. The Class I tax rate is 30.12 mills in tax year 2026. The projections reflect an average gross collection rate of 98.7% annually through tax year 2030. The revenue changed at an average annual historical rate of 3.65% and is projected to change at an average annual rate of 1.09% through fiscal year 2031. Recent property tax reform legislation that went into effect at the state level for the current fiscal year are as follows: House Bill 335, which would cap the growth of increases on the funding that can be levied without a vote, known as inside millage; House Bill 186, which would cap property tax revenue growth for districts at the guaranteed minimum funding rate known as the 20 mill floor; House Bill 129, which would revise the formula to come up with the 20 mill floor guaranteed minimum rate; House Bill 309, which would allow county budget commissions to reduce millage of property tax levies. HB 335 will have the most direct effect on the District, as this will limit revenue growth projected for the next property tax update scheduled for tax year 2027/collection year 2028.

Cuyahoga County underwent a sexennial reappraisal for tax year 2024 that affected tax bills beginning 1/1/25. The reappraisal yielded approximately a +27% increase in residential property values, and a +5% in commercial property values, for a blended increase of +23.5%. This will provide an increase in tax revenues only on the inside millage portion as HB 920 "rolls back" increases on our voted millage. Based on this estimate, we are expected to see an increase of approximately $1.041M for the General Fund annually, which is reflected in property tax revenue estimates approximately half each in FYs 25 and 26 of this forecast. The District recently saw some modest revenue growth in this area based on new construction, most notably from the new Roundstone corporation headquarters that came onto the tax duplicate as of 1/1/26. The collection rate is expected to be in the 98% - 99% range of current billed when including delinquent tax collections. However, during the first half 2025 calendar collections, commercial property delinquncies increased, causing an approximate $900K shortfall in revenue collections vs. the estimate. This could be a sign of increasing stress on commercial properties due to higher interest rates. we will continue to monitor this into calendar 2026. Further, the District was made aware of a clerical error by the Cuyahoga County Fiscal Office in reporting prior year(s) commercial valuation. This resulted in a current tax year 2025/collection year 2026 reduction in taxable commercial value of ($16,414,110). This is equating to a reduction of $3.5 million over four fiscal years, or approximately $880K per year on average. However, upon working with the County and legal counsel, we have been informed that this error will be corrected, and we will expect to collect upon a corrected commercial rate, to include omitted taxes from prior years. We are anticipating that the arrearage will be largely received in the first half of calendar 2027 (FY 27), so the property tax revenue estimates reflected here include approximately $2M as a result of this correction. This needs to be reviewed and confirmed by the Ohio Department of Taxation.

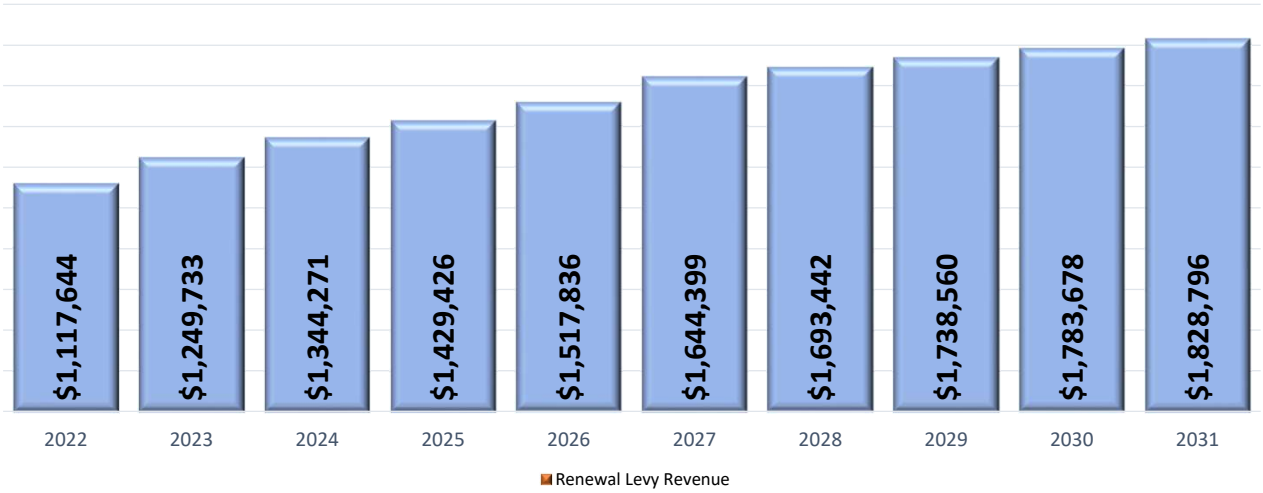
Forecast5 Analytics ReportWriter Software 2019 ©

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 3.01% of total district general fund revenue.



Key Assumptions & Notes

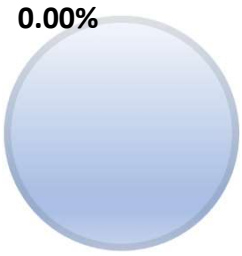
Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2025	17,884,270	1,185,520	91.62	-	98.5%
2026	18,484,270	600,000	91.62	-	98.5%
2027	18,984,270	500,000	91.62	-	98.5%
2028	19,484,270	500,000	91.62	-	98.5%
2029	19,984,270	500,000	91.62	-	98.5%
2030	20,484,270	500,000	91.62	-	98.5%

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 2026 is 91.62 mills. The forecast is modeling an average gross collection rate of 98.49%. The revenue changed historically at an average annual dollar amount of $106,880 and is projected to change at an average annual dollar amount of $62,192 through fiscal year 2031.

Forecast5 Analytics ReportWriter Software 2019 ©

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.



The district does not have a School District Income Tax levy.

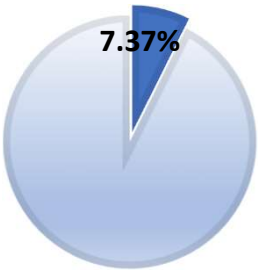
Key Assumptions & Notes

The district does not have an income tax levy.

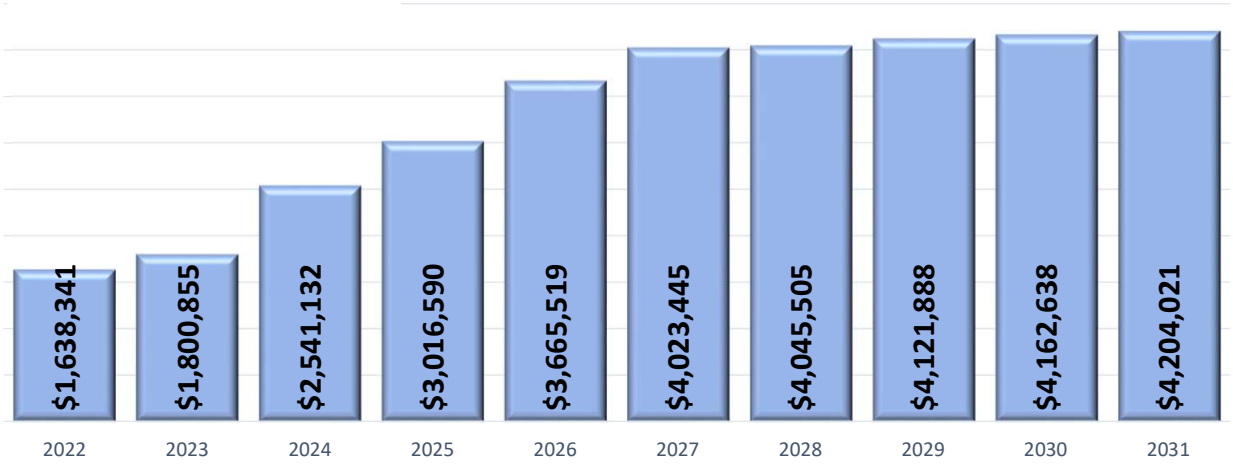
Forecast5 Analytics ReportWriter Software 2019 ©

1.035 - Unrestricted Grants-in-Aid

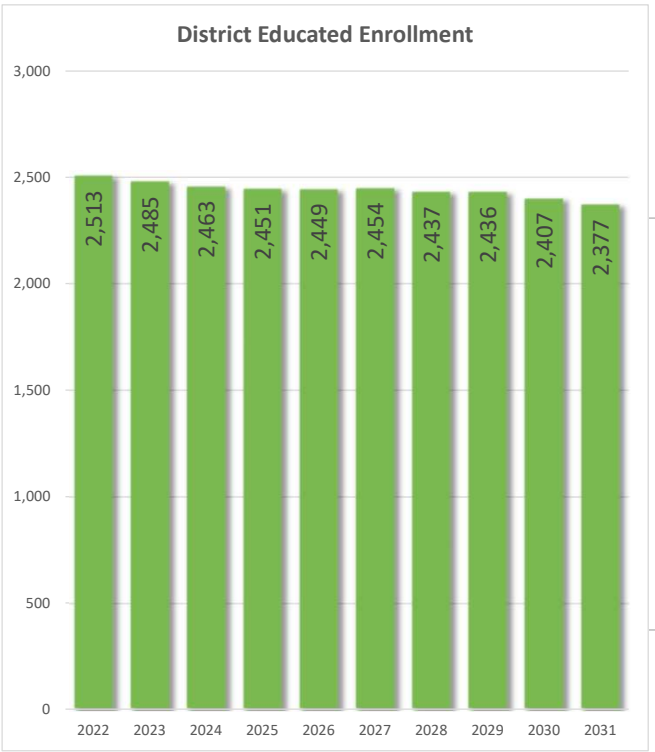
Funds received through the State Foundation Program with no restriction.



Unrestricted State Aid revenue accounts for 7.37% 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 Rocky River City School District, the calculated Base Cost total is $19,806,644 in 2027.

The State's Share of the calculated Base Cost total is $1,978,645, or $806 per pupil.

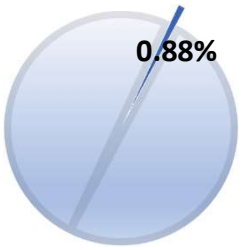
The FSFP also started funding students where they attended school. Therefore district educated enrollment is now used for per pupil funding. At the same time, the FSFP eliminated tuition transfer payments from school districts, which impacts the expense side of the forecast. This funding model is set up to phase in over six years, or three state biennia. We are currently in the second bienium of three, and the November 2024 forecast had assumed that this plan will be approved for the next biennium starting 7/1/25, which will fully phase-in the funding factors of the model.

However, recent state legislation (HB 66) will change the phase-in to essentially pause the current funding model, and replace it with smaller increases and guarantees compartive to the current year. This forecast reflects a reduction of approximately $374K over the upcoming state biennium compared to the previous formula.

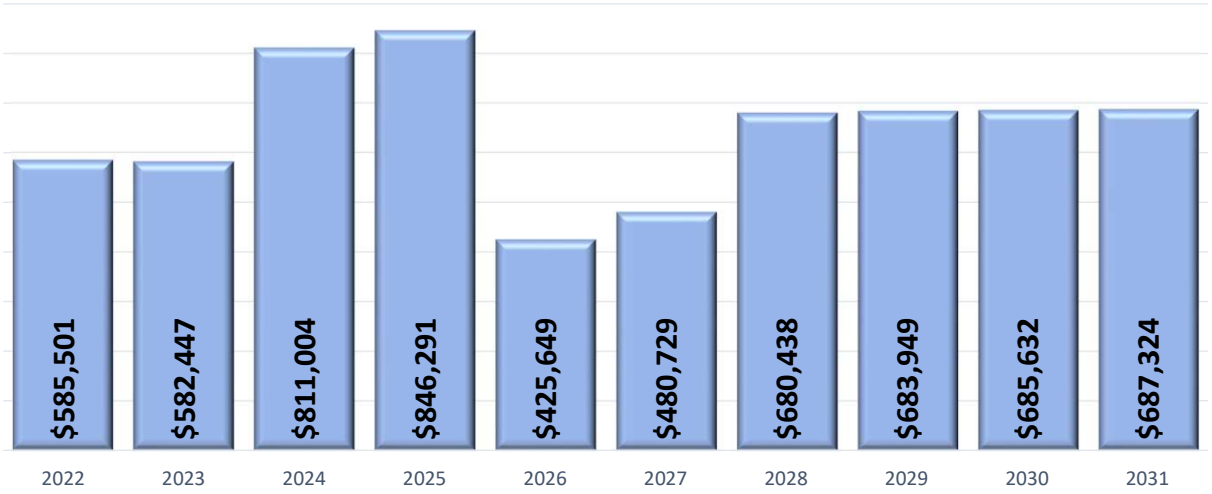
Forecast5 Analytics ReportWriter Software 2019 ©

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 0.88% of total district general fund revenue.



Key Assumptions & Notes

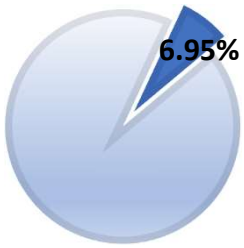
Restricted aid is the portion of state per pupil funding that must be classifed as restricted use. Historically the district's restricted state aid changed annually on average by -$52,266 and is projected to change annually on average by $52,335. Restricted funds represent 0.88% of the district's total 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 $95,019. 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.

A large portion of this line is made up of threshold cost aid for special education (formerly referred to as catastrophic costs), whch reimburses Districts for costs over a certain high-dollar threshold based on the special education category of the student. For FY 24, there was also a one-time subsidy provided by the state for "high quality instructional materials" to align with the State's Science of Reading instructional mandate. For FY 25, there was an additional threshold payment made based on the FY 24 submission (for the 2022-23 school year). The threshold cost reimbursement received in June 2026 was about half of the expected amount, as the state's appropriation cap limited the amount that was distributee to Districts due to the cap not being adjusted appropriately for inflation as well as the volume of requests. This forecast assumes only a very modest growth in this reimbursement. Future legislation may provide for additional funds based on increased appriopriations for the special education area.

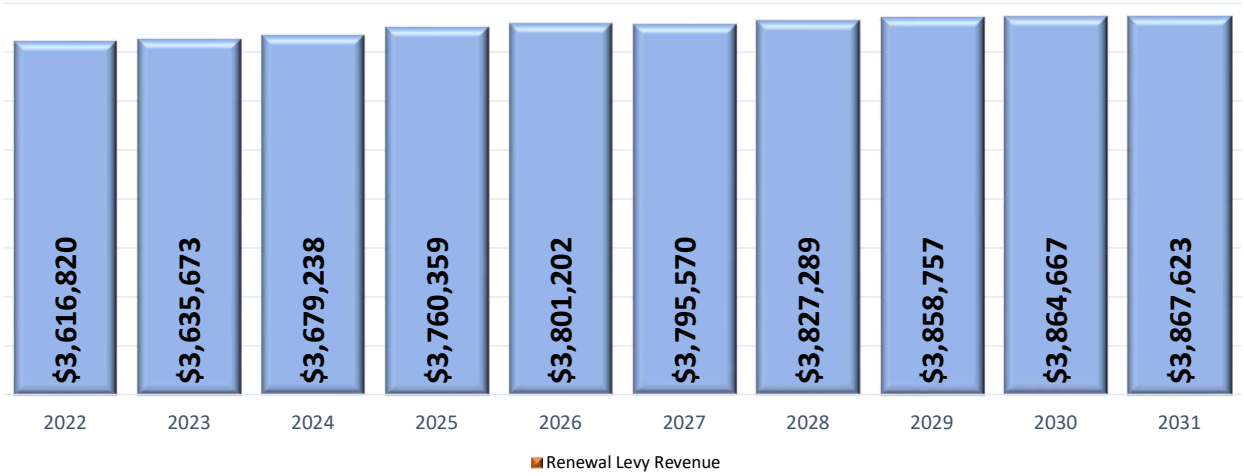
Forecast5 Analytics ReportWriter Software 2019 ©

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 6.95% of total district general fund revenue.



Key Assumptions & Notes

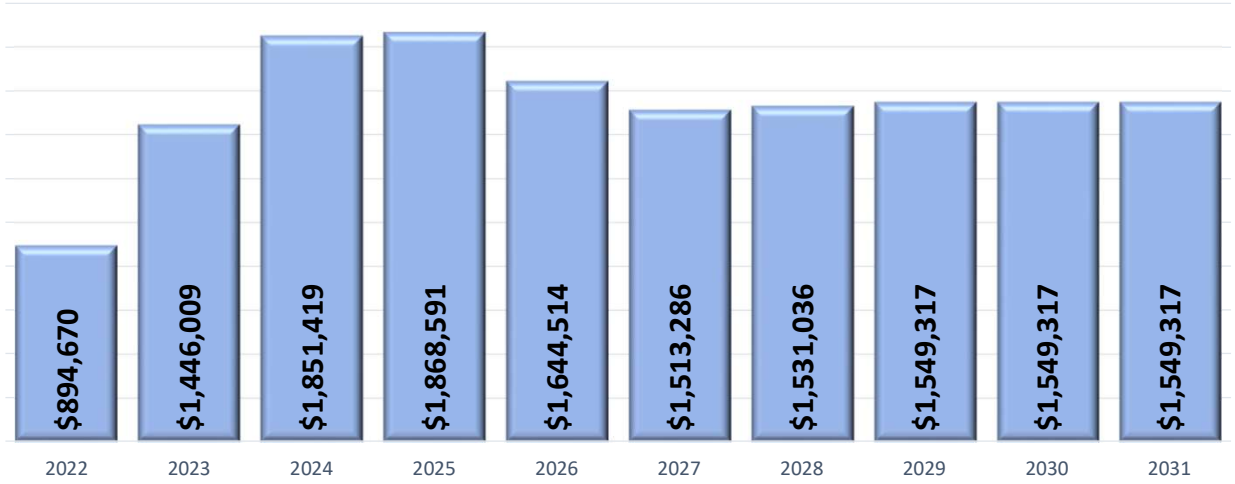
State Reimbursement of Property Tax Credits primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions to their tax bill. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In fiscal year 2027, approximately 9.6% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 1.1% will be reimbursed in the form of qualifying homestead exemption credits.

Forecast5 Analytics ReportWriter Software 2019 ©

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 2.77% of total district general fund revenue.



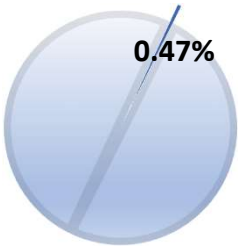
Key Assumptions & Notes

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 $50,180. The projected average annual change is -$19,039 through fiscal year 2031. An expected decrease in the federal reserve overnight rate, and slightly to moderately declining interest rates overall during calendar year 2026, as well as a declining cash balance, is the main driver for the slight decreases in FYs 2026 and 2027, although the Fed is currently trending towards no rate decreases (and the possibility of an increase) based on current and projected economic factors. This area will be reevaluated again for the February 2027 forecast.

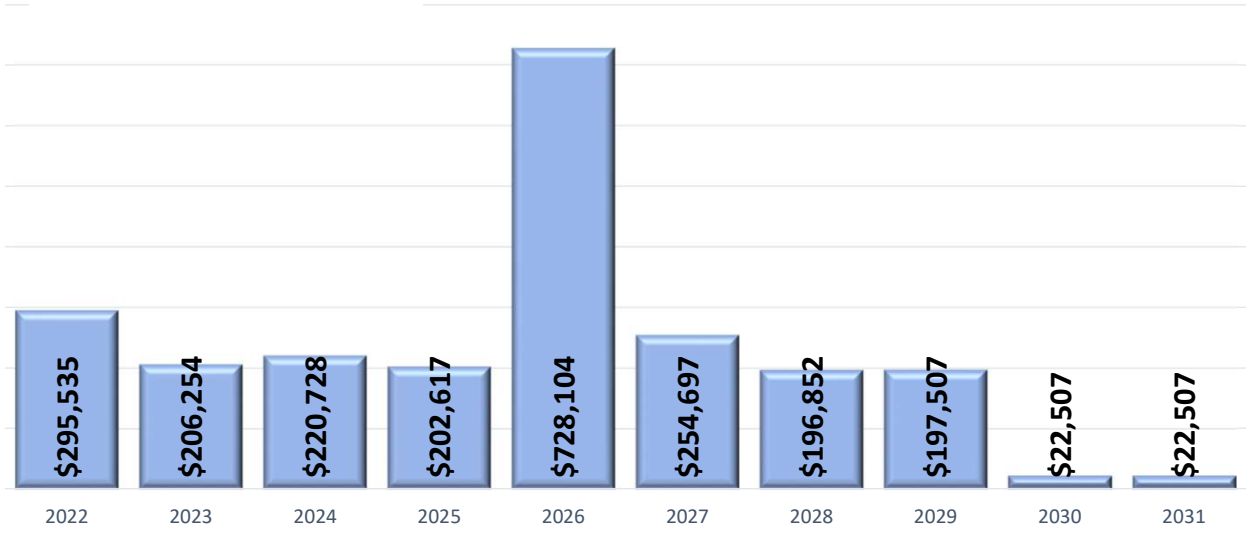
Forecast5 Analytics ReportWriter Software 2019 ©

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 0.47% of total district general fund revenue.



Key Assumptions & Notes

	FORECASTED					
	2026	2027	2028	2029	2030	2031
Transfers In	175,000	175,000	175,000	175,000	-	-
Advances In	-	58,482	0	0	0	0
All Other Financing Sources	553,104	21,215	21,851	22,507	22,507	22,507

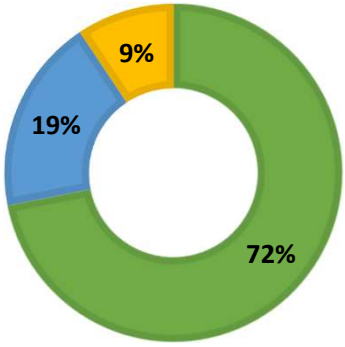
Other sources includes revenue that is generally classified as non-operating. Return advances-in are the most common revenue source. In 2026 the district receipted $0 as advances-in and is projecting advances of $58,482 in fiscal year 2027. The district also receives other financing sources such as refund of prior year expenditures in this category. The district is projecting that all other financing sources will be $21,215 in 2027 and average $22,343 annually through 2031.

Historically, the District has received rebates from the Ohio Bureau of Workers Compensation state risk pool through their retrospective rating program, that have been reported under this line. Recently the District moved to a group rating model, so rebates are expected to fall off later in the forecast unless the District elects back into the restrospective rating program. Transfer-in reflect an annual amount to be set aside as a budget/cash reserve per board policy in a separate fund/special cost center on the District's books. In FY 2026, the District received a one-time refund from Cuyahoga County in the amount of $533,907.36 from excess the Real Estate Assessment Fund that were the result of cost savings for the recently completed sexennial appraisal that took place in Cuyahoga County.

Forecast5 Analytics ReportWriter Software 2019 ©

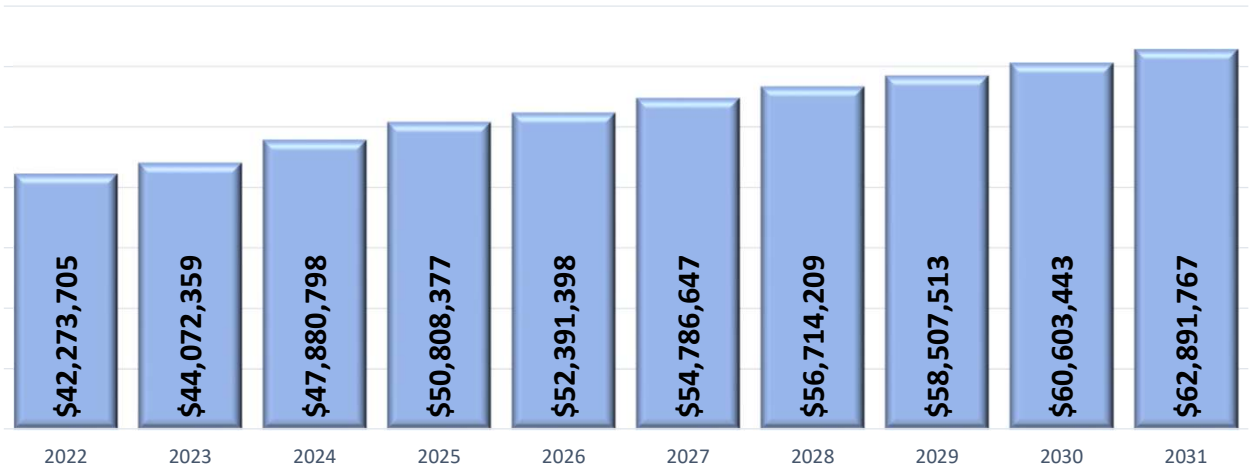
Expenditure Overview

Expenditure Categories



Personnel Costs	
Salaries	54.12%
Benefits	17.78%
Purchased Services	18.76%
All Other Expenditures	
Supplies, Capital, Debt, Other Obj	6.99%
Other Uses	2.35%

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	$866,546	$999,704	$133,158
Benefits	$290,881	$561,205	$270,324
Purchased Services	$688,727	$340,459	($348,268)
Supplies & Materials	$198,833	$188,946	($9,887)
Capital Outlay	($34,771)	$50,417	$85,188
Intergov & Debt	$0	$0	($0)
Other Objects	$11,030	$62,615	$51,585
Other Uses	$131,762	($103,273)	($235,034)
Total Average Annual Change	$2,153,008	$2,100,074	($52,934)
	4.74%	3.72%	-1.01%

Expenditures increased by 4.74% ($2,153,008, on average, annually) during the past 5-year period, and are projected to increase by 3.72% ($2,100,074 annually) through 2031. The forecast line with the most change on the expense side, Purchased Services, is anticpated to be $348,268 less per year in the projected period compared to historical averages.

For Comparison:

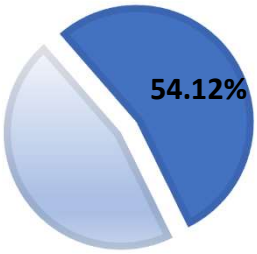
Revenue average annual change is projected to be > $492,647

On an annual average basis, revenues are projected to grow slower than expenditures.

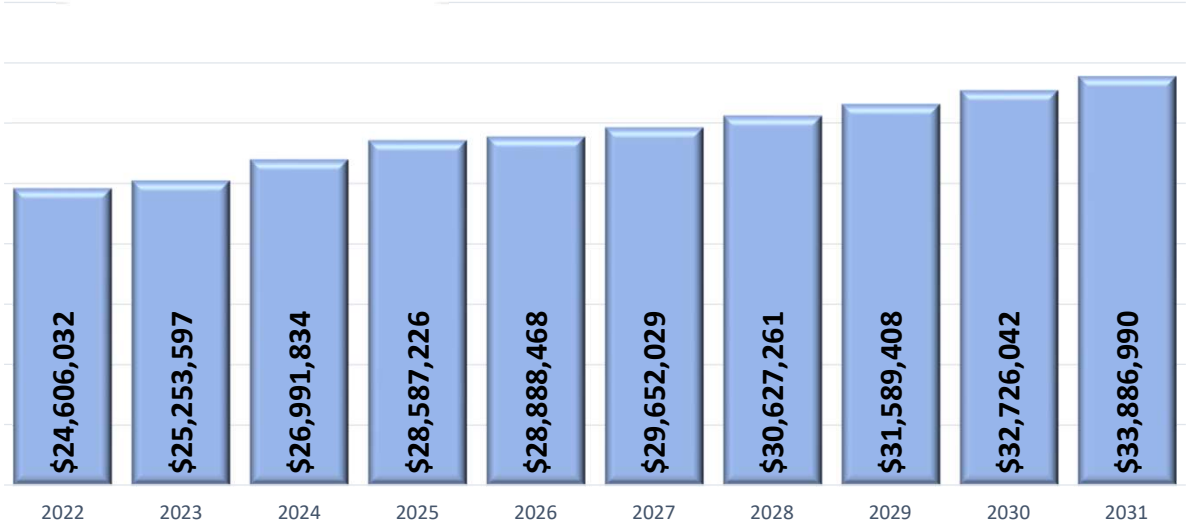
Forecast5 Analytics ReportWriter Software 2019 ©

3.010 - Personnel Services

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



Salaries account for 54.12% of the district's total general fund spending.



Key Assumptions & Notes

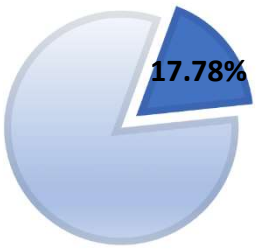
Salaries represent 54.12% of total expenditures and increased at a historical average annual rate of 3.34% (or $866,546). This category of expenditure is projected to grow at an annual average rate of 3.24% (or $999,704) through fiscal year 2031. The projected average annual rate of change is 0.09% less than the five year historical annual average.

The District has bargaining contracts as well as non-bargaining employee handbooks in place through 6/30/27. These call for 2.75% base salary increases annually, along with step increasesd for experience and education level. The district manages full-time equivalency (FTE) count closely each year, with additional FTE added based on operational and program needs. Saving can be achieved from year to year through retirement of teachers and other staff that may be replaced with someone lower on the salary scale. The District has also offered retirement incentives on occasion in order to save on personnel costs. If the District would come under signficant financial pressures that cannot be solved with additional funding or reductions in non-personnel areas, there is a "reduction in force" process that would take place. FY 26 reflects savings from the retirement of seven teachers total. FY 27 will see net savings (after severance) from the retirement of six teachers, with four teaching retirements assumed for FY 28. STRS Ohio, the state's pension system for teachers, has lowered the service year requirements over the past two years, which has incentivized some teachers to retire earlier than anticipated. There was a reduction of 2.0 FTE in certificated teaching staff for FY 26, and no signficant FTE increases are expected over the short term. There is an assumption of 2% cost of living/base increases past FY 27, but this is largely subject to collective bargaining.

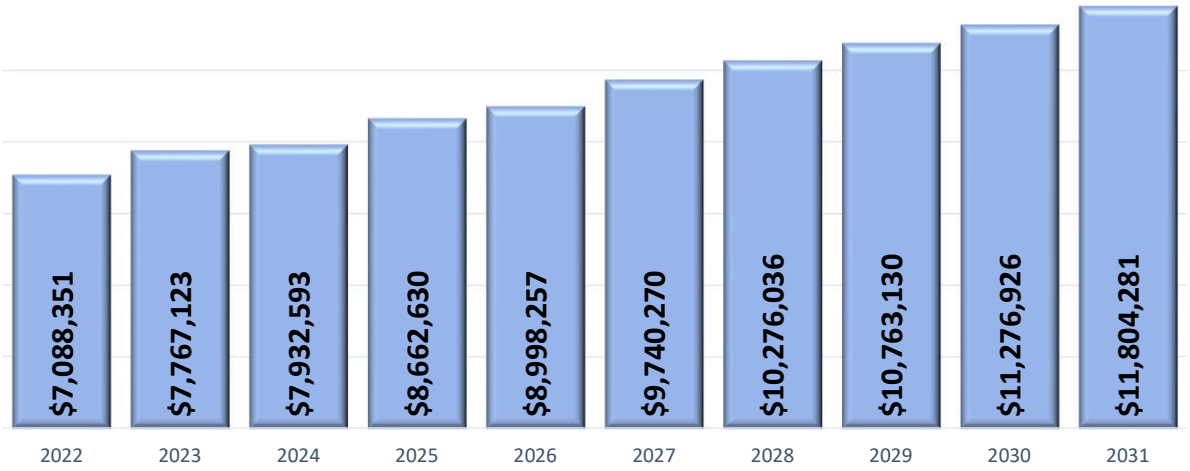
Forecast5 Analytics ReportWriter Software 2019 ©

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 17.78% of the district's total general fund spending.



Key Assumptions & Notes

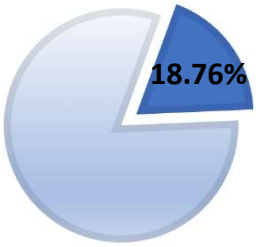
Benefits represent 17.78% of total expenditures and increased at a historical average annual rate of 3.75%. This category of expenditure is projected to grow at an annual average rate of 5.59% through fiscal year 2031. The projected average annual rate of change is 1.84% more than the five year historical annual average.

A large portion of the expenditures in this area stem from the required pension contributions to the State Teachers Retirement System and School Employees Retirement System. The District, through its collective bargaining contracts, has made medical and prescription drug insurance plan design and contribution changes over the last several contract cycles to mitigate costs in this area while still offering an excellent benefit to retain and recruit employees. The District is a member of the Suburban Health Consortium, which is a 17 member risk pool that shares in insurance claims and administrative costs. The District also has a robust employee wellness program that assists in keeping costs down for both the District and employees. Medical claims trending the past few years have been double-digits, but have more recently started to trend lower due to cost saving measures instituted by the Suburban Health Consortium. A recent migration to a new Pharmacy Benefit Manager thruogh the Consortium is expected to lower employee insurance cost trend slightly lower going forward. The District experienced a +8.5% increase in funding rates on its primary medical and prescription drug plan for the new plan year beginning 10/1/25, and will see +8% for 10/1/26.

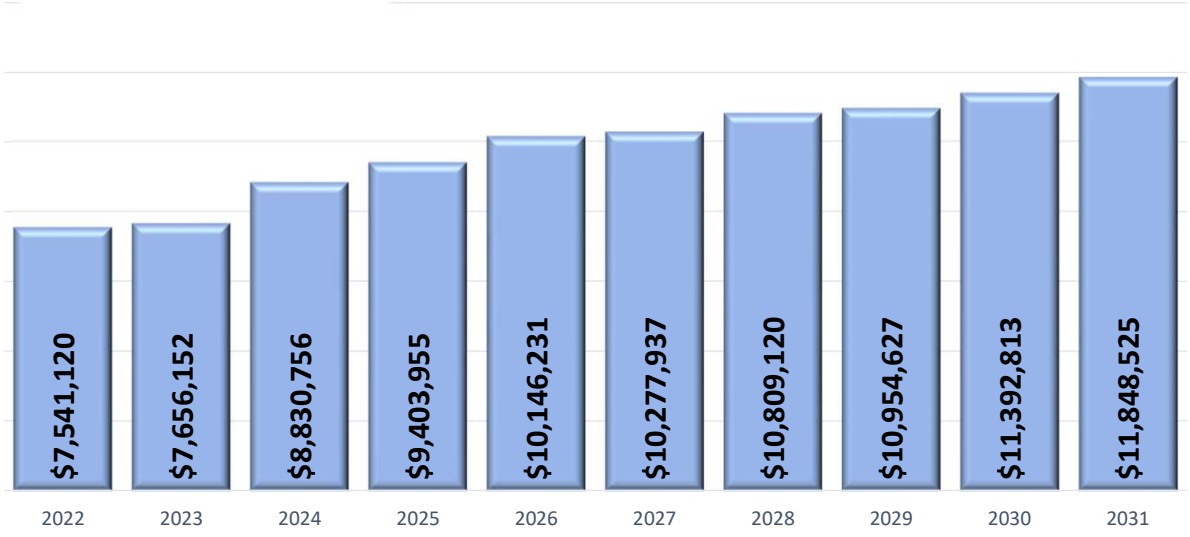
Forecast5 Analytics ReportWriter Software 2019 ©

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 18.76% of the district's total general fund spending.



Key Assumptions & Notes

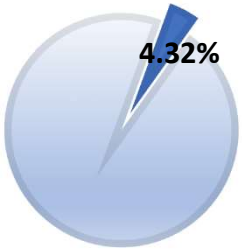
Purchased Services represent 18.76% of total expenditures and increased at a historical average annual rate of 8.75%. This category of expenditure is projected to grow at an annual average rate of 3.16% through fiscal year 2031. Starting in 2022, the Fair School Funding Plan (State Funding) only accounted 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.

This area is driven largely by contracted services for student instructional support such as out of district special education and career tech tuition/excess costs, substitute teaching costs, utilities and repair/maintenance of district facilities, School Resource Officer costs, property and fleet insurance, as well as lease/purchase payments for student and staff technology equipment and related sevices . The signficant increase in the overall inflation rate has caused a moderate - signficant increasing trend, as well as additional outpalcement needs for special education students, and two years of a signifcant "refresh" of student and staff techology (chromebooks, laptops, interactive boards). Electricity generation rates in particular have recently driven this area higher than historical trends, although this has been mitigated by purchasing electricity through a state-wide consortium of schools. FY 26 expenditures in this area include some personnel costs moved from the salaries and benefits area as a few positions have been contracted out for the current school year, including the high school principal position. These are expected to return to salaried positions over the next one to two years. Shifts in special education student outplacements up or down can have a singificant effect on this category. This is probably the most volatile expenditure area of the District's budget, along with employee healthcare costs, as there are numerous inputs that affect operations of the District contained in this line.

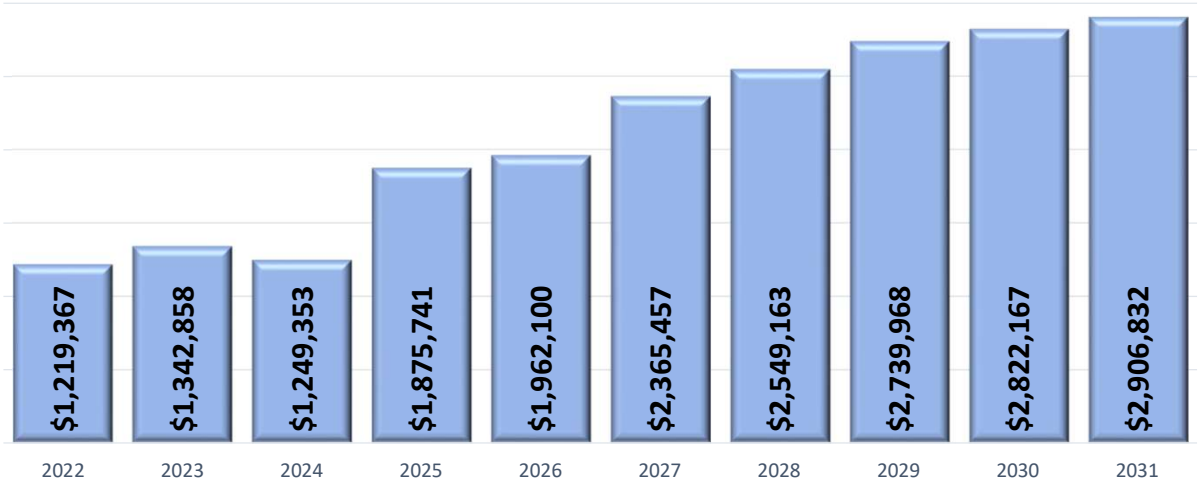
Forecast5 Analytics ReportWriter Software 2019 ©

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 4.32% of the district's total general fund spending.



Key Assumptions & Notes

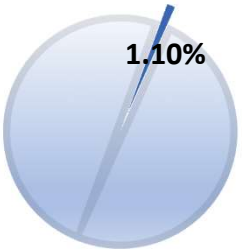
Supplies & Materials represent 4.32% of total expenditures and increased at a historical average annual rate of 16.78%. This category of expenditure is projected to grow at an annual average rate of 8.36% through fiscal year 2031. The projected average annual rate of change is 8.41% less than the five year historical annual average.

This area covers instructional supplies/materials, textbooks/subscriptions, facilities supplies/materials, fuel for buses, and other routine operational needs. This line also accounts for textbook and instructional software/subscriptions, which can be signficant in a given year. Recent curriculum adoptions for math and science, and upcoming adoptions for social studies, business, and technology education are expected to drive this line higher over the next several years. Depending on curricular needs and programs, this line item could see a reduction from forecasted expenditures in the later years of this forecast.

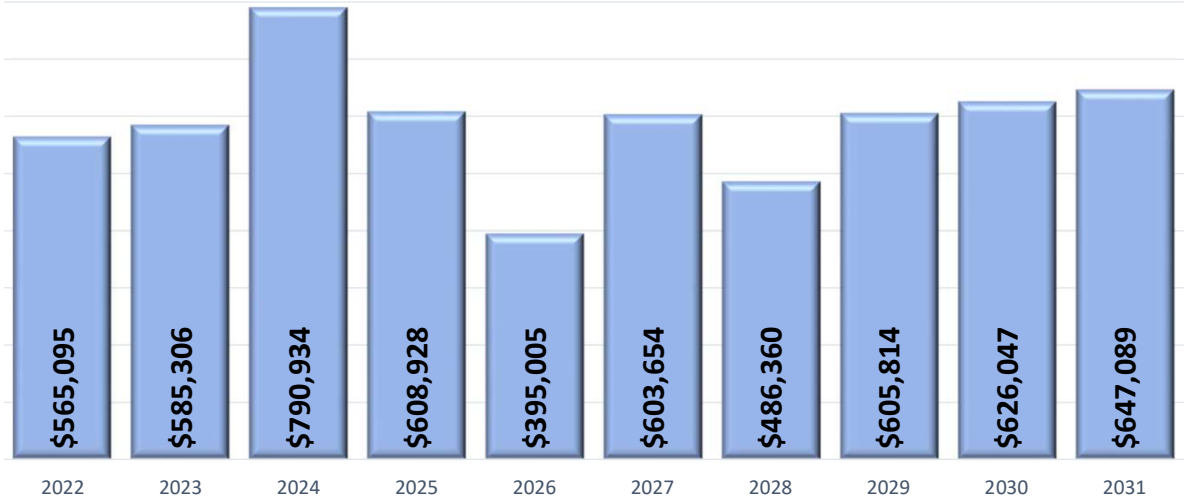
Forecast5 Analytics ReportWriter Software 2019 ©

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 1.10% of the district's total general fund spending.



Key Assumptions & Notes

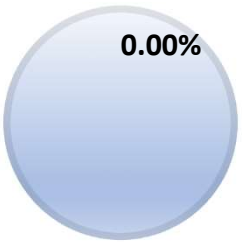
Capital Outlay represent 1.10% of total expenditures and decreased at a historical average annual amount of $34,771. This category of expenditure is projected to grow at an annual average rate of $50,417 through 2031. The projected average annual change is more than the five year historical annual average.

This line accounts for smaller instructional and facilities-related equiment, as well as some smaller-scale building and grounds improvements. For FY 24, there was spike in spending due to the choice by district management to pay cash for certain instructional technology equipment upgrades/replacements as the total dollar amount was relatively small and not cost-effective to run through a lease/purchase like the District would typically do for these items. FYs 2027 and 2028 anticipate using cash for technology needs due the total expected amount of investment required for those years. Any significant building renovation projects or high dollar equipment purchases would typically be funded out of the District's Permanent Improvement Fund (USAS Fund 003), including repayment of any debt issued for these projects, as the District has dedicated property tax millage for general permanent improvements.

Forecast5 Analytics ReportWriter Software 2019 ©

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 0.00% of the district's total general fund spending.

Key Assumptions & Notes

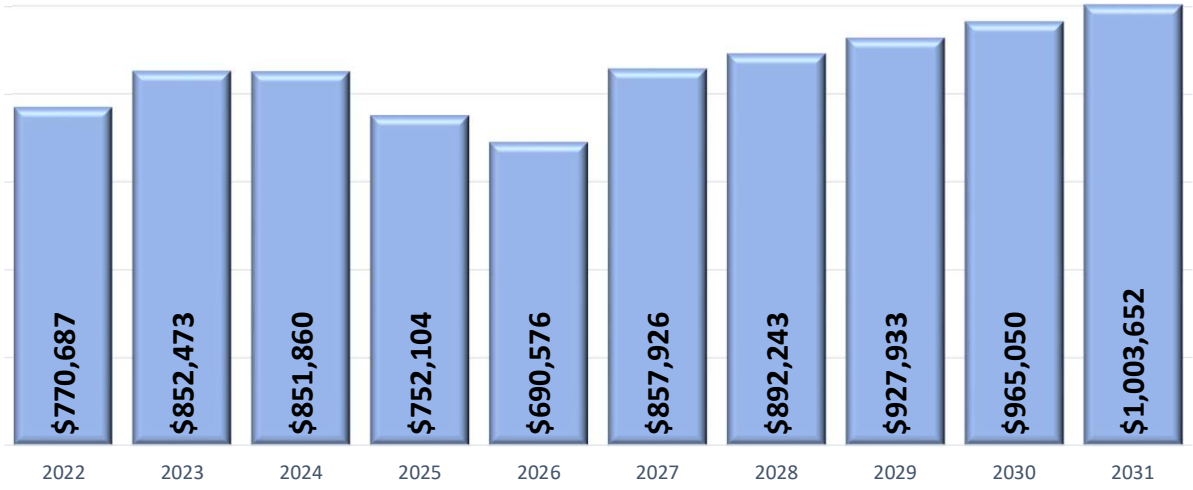
The Intergovernmental/Debt expenditure category details general fund debt issued by the District.

Forecast5 Analytics ReportWriter Software 2019 ©

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 1.57% of the district's total general fund spending.



Key Assumptions & Notes

Other Objects represent 1.57% of total expenditures and increased at a historical average annual rate of 2.39%. This category of expenditure is projected to grow at an annual average rate of 8.05% through fiscal year 2031. The projected average annual rate of change is 5.66% more than the five year historical annual average.

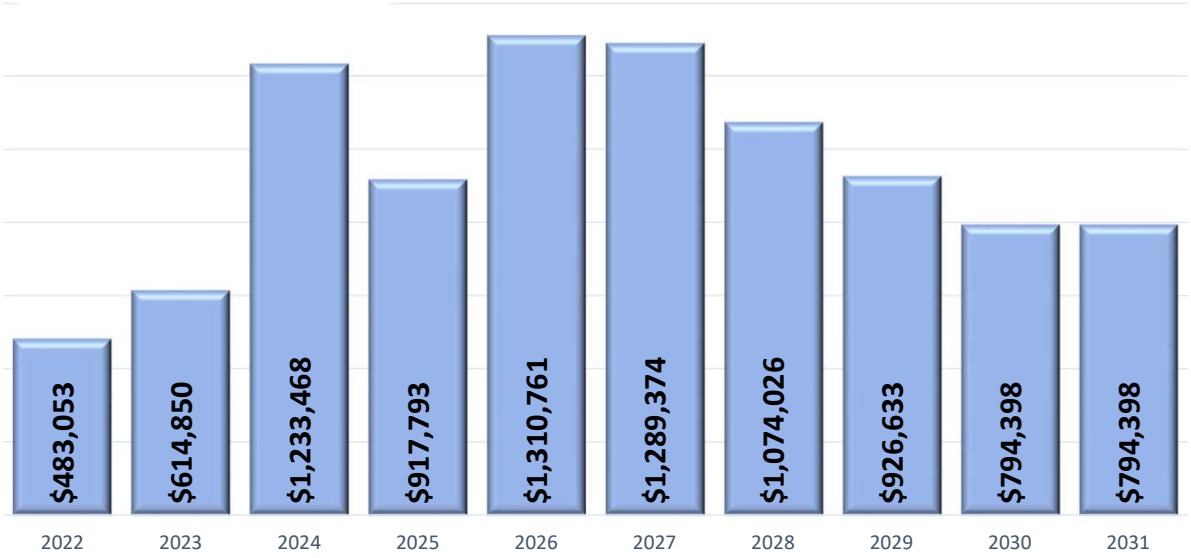
This line accounts for items such as property tax collection services performed by the Cuyahoga County Fiscal Officer and Treasurer, as well as liability insurance, audit fees, and membership dues for employees.

Forecast5 Analytics ReportWriter Software 2019 ©

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 2.35% of the district's total general fund spending.



Key Assumptions & Notes

		FORECASTED				
	2026	2027	2028	2029	2030	2031
Transfers Out	1,245,126	1,289,374	1,074,026	926,633	794,398	794,398
Advances Out	40,000	-	-	-	-	-
Other Financing Uses	25,635	-	-	-	-	-

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 2026 the district had advances-out and has no advances-out forecasted through fiscal year 2031. 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 2031. 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.

This line is used to account for transfers to the District's Student Activities and Athletics Fund (USAS Fund 300) to support operational expenditures for those activities, as well as to fund the District's budget/cash reserve fund at $175,000 per year. In FY 24, the District began using this line to account for transfers to an employee severance/termination fund (USAS Fund 035) that will be used to advance fund projected labilities for future employee severance, and to pay out current severance due. The current known severance amounts payable have been removed from Line 3.010 Personnel Services since they are now reflected here. Additionally, this line accounts for an annual transfer of $128K to the district's permanent improvement fund from anticipated energy savings in order to pay down lease/purchase debt issued for an energy conservation project that began repayment in 2018, and will be paid off in 2030. A larger amount than expected was paid out in employee severance in FY 26, so hence the spike in expenditures compared to FY 25. However, this line is expected to downtrend in the out years of this forecast as severance liabilities are paid off and future liability is expected to decrease.

Forecast5 Analytics ReportWriter Software 2019 ©

Rocky River City School District

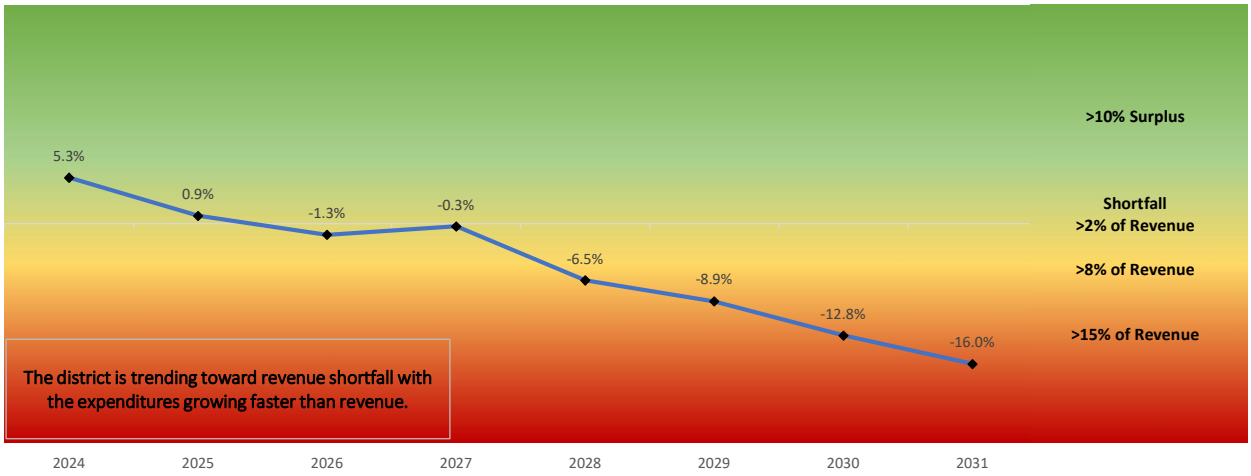
Five Year Forecast

August Fiscal Year 2027

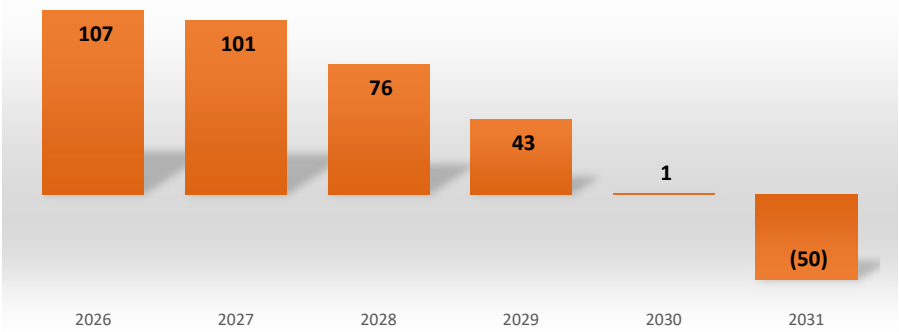
	Actual	FORECASTED				
Fiscal Year:	2026	2027	2028	2029	2030	2031
Revenue:						
1.010 - General Property Tax (Real Estate)	39,950,919	42,904,667	41,291,361	41,582,775	41,659,164	42,037,390
1.020 - Public Utility Personal Property	1,517,836	1,644,399	1,693,442	1,738,560	1,783,678	1,828,796
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	3,665,519	4,023,445	4,045,505	4,121,888	4,162,638	4,204,021
1.040 - Restricted Grants-in-Aid	425,649	480,729	680,438	683,949	685,632	687,324
1.050 - State Reimb Prop Tax Credits	3,801,202	3,795,570	3,827,289	3,858,757	3,864,667	3,867,623
1.060 - All Other Operating Revenues	1,644,514	1,513,286	1,531,036	1,549,317	1,549,317	1,549,317
1.070 - Total Revenue	51,005,639	54,362,096	53,069,071	53,535,246	53,705,096	54,174,471
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	175,000	175,000	175,000	175,000	-	-
2.050 - Advances-In	-	58,482	0	0	0	0
2.060 - All Other Financing Sources	553,104	21,215	21,851	22,507	22,507	22,507
2.070 - Total Other Financing Sources	728,104	254,697	196,852	197,507	22,507	22,507
2.080 - Total Rev & Other Sources	51,733,742	54,616,793	53,265,922	53,732,753	53,727,603	54,196,978
Expenditures:						
3.010 - Personnel Services	28,888,468	29,652,029	30,627,261	31,589,408	32,726,042	33,886,990
3.020 - Employee Benefits	8,998,257	9,740,270	10,276,036	10,763,130	11,276,926	11,804,281
3.030 - Purchased Services	10,146,231	10,277,937	10,809,120	10,954,627	11,392,813	11,848,525
3.040 - Supplies and Materials	1,962,100	2,365,457	2,549,163	2,739,968	2,822,167	2,906,832
3.050 - Capital Outlay	395,005	603,654	486,360	605,814	626,047	647,089
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	690,576	857,926	892,243	927,933	965,050	1,003,652
4.500 - Total Expenditures	51,080,637	53,497,273	55,640,183	57,580,880	59,809,045	62,097,369
Other Financing Uses						
5.010 - Operating Transfers-Out	1,245,126	1,289,374	1,074,026	926,633	794,398	794,398
5.020 - Advances-Out	40,000	-	-	-	-	-
5.030 - All Other Financing Uses	25,635	-	-	-	-	-
5.040 - Total Other Financing Uses	1,310,761	1,289,374	1,074,026	926,633	794,398	794,398
5.050 - Total Exp and Other Financing Uses	52,391,398	54,786,647	56,714,209	58,507,513	60,603,443	62,891,767
6.010 - Excess of Rev Over/(Under) Exp	(657,656)	(169,854)	(3,448,287)	(4,774,760)	(6,875,840)	(8,694,789)
7.010 - Cash Balance July 1 (No Levies)	16,016,928	15,359,273	15,189,419	11,741,132	6,966,372	90,533
7.020 - Cash Balance June 30 (No Levies)	15,359,273	15,189,419	11,741,132	6,966,372	90,533	(8,604,256)
		Reservations				
8.010 - Estimated Encumbrances June 30	1,461,999	850,000	850,000	850,000	850,000	850,000
9.080 - Reservations Subtotal	2,237,062	2,412,062	2,587,062	2,762,062	2,762,062	2,762,062
10.010 - Fund Bal June 30 for Cert of App	11,660,211	11,927,357	8,304,070	3,354,310	(3,521,529)	(12,216,318)
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	11,660,211	11,927,357	8,304,070	3,354,310	(3,521,529)	(12,216,318)
Revenue from New Levies						
13.010 & 13.020 - New Levies		-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	11,660,211	11,927,357	8,304,070	3,354,310	(3,521,529)	(12,216,318)

Forecast5 Analytics ReportWriter Software 2019 ©

Revenue Surplus/(Shortfall) - Current Forecast



Days Cash on Hand - Current Forecast

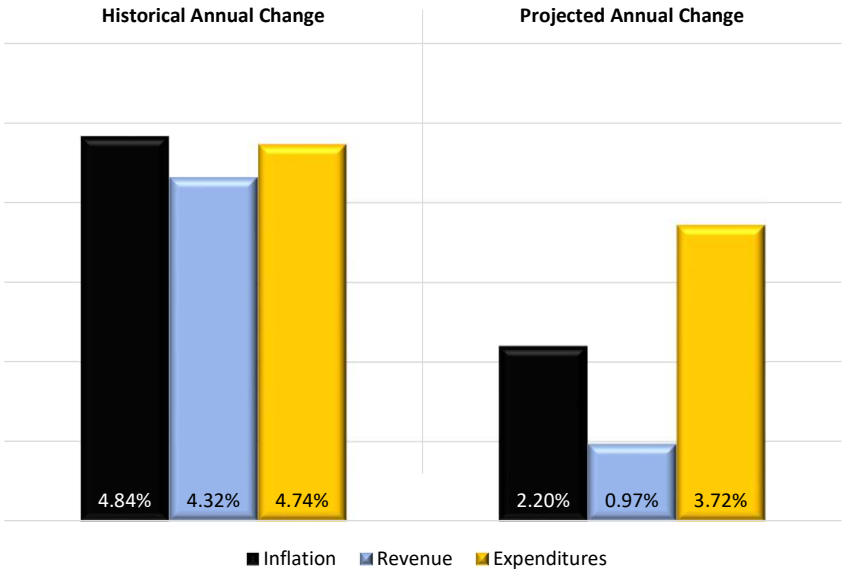


Days cash on hand is projected to decline and is projected to be negative by 2031.

*based on 365 days

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

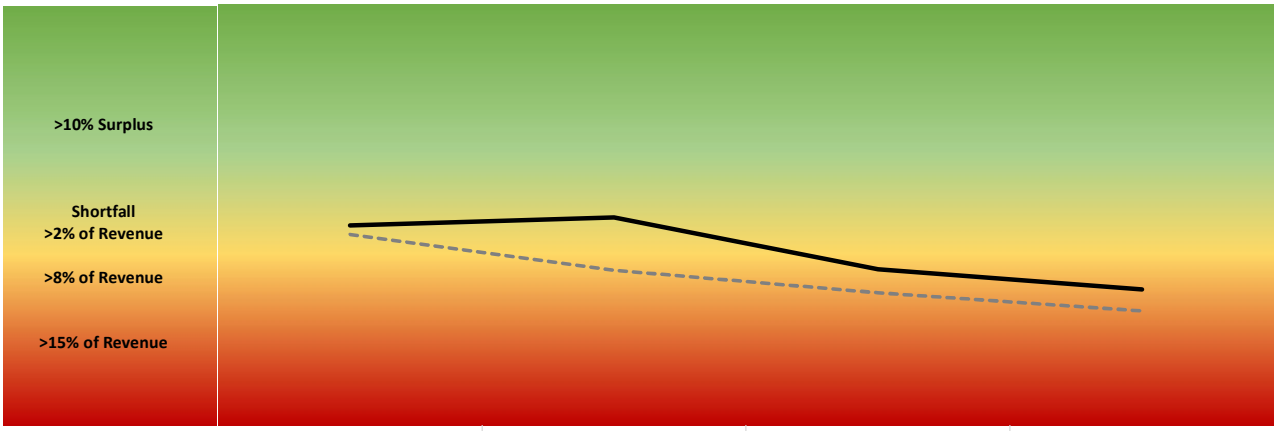
Average projected annual expenditure change is greater than inflation, and more than revenue.



CPI (Inflation) Source: Federal Reserve Bank of St. Louis (July 1, 2026)
https://alfred.stlouisfed.org

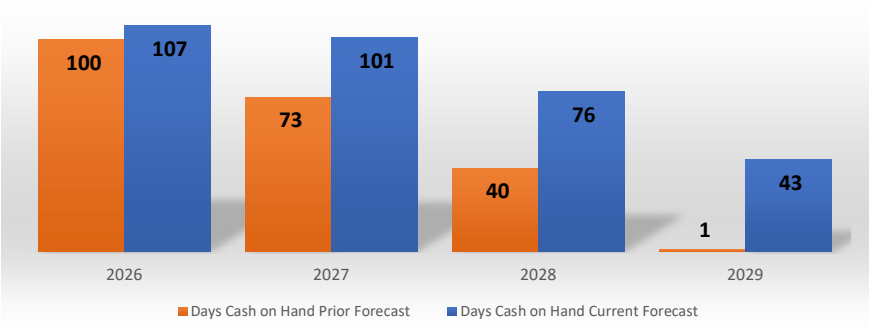
Forecast5 Analytics ReportWriter Software 2019 ©

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



	2026	2027	2028	2029
Prior Forecast	-2.3%	-6.6%	-9.3%	-11.4%
Current Forecast	-1.3%	-0.3%	-6.5%	-8.9%

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 Favorable Revenue Variance	**0.20%**	$425,563
	Largest Revenue Variances	
1.035,1.040 State	**-0.29%**	($616,342)
1.01 Real Estate	**0.63%**	$1,350,709
1.03 Income Tax	**0.00%**	$0
All Other Revenue Categories	**-0.15%**	($308,804)

The current revenue forecast is up by 0.20% compared to the prior forecast.

NET cumulative forecast impact for the forecast period 2026 - 2029 of Revenue and Expense variances is 2.98% (or $6,795,519).

The current forecast for expenditures is down by 2.78% compared to the prior forecast.

	Expenditure Variance	
	-2.78%	
Cumulative Favorable Expenditure Variance		($6,369,956)
	Largest Expenditure Variances	
3.01 Salaries	**-0.57%**	($1,286,417)
3.02 Benefits	**-0.04%**	($95,243)
3.03 Purchased Serv.	**-1.24%**	($2,792,815)
All Other Expenditure Categories	**-0.98%**	($2,195,481)

Forecast5 Analytics ReportWriter Software 2019 ©

Forecast5 Analytics ReportWriter Software 2019 ©

Property Tax Reform Impact - Retrospective Look

Tax Years 2024, 2025, and 2026

District's Outside Millage "Floor" Status Before Property Tax Reform

Class I	**TY 2024**	**TY 2025**	**TY 2026**
Inside Millage	4.07	4.07	4.07
Effective Outside Millage	26.05	26.05	26.05
Effective Inside + Outside Millage	30.12	30.12	30.12

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 2024**	**TY 2025**	**TY 2026**
Reappraisal or Update Year	Yes	No	No
Class I Combined Change	26.4%	0.0%	0.0%
New GDP-D Allowed Growth	15.40%	13.30%	9.15%

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

Millage Change	**TY 2024**	**TY 2025**	**TY 2026**
Combined Ag/Residential Inflation	26.42%	0.00%	0.00%
Outside Millage Reduction	(6.89)	0.00	(0.00)
Percentage Change in Millage	-20.92%	0.00%	0.00%

Taxpayer Credits	**TY 2024**	**TY 2025**	**TY 2026**
If at the floor and exceeded GDP-D Growth .		$ -	$ -

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

Memo: Retrospective Credits	TY23 Retro Credit	TY24 Retro Credit
	$ -	$ -

Forecast5 Analytics ReportWriter Software 2019 ©

Property Tax Reform - Prospective Look

Tax Years 2026, 2027, 2028, 2029, and 2030

Does projected property value Reappraisal/Update/Inflation exceed cumulative GDP-D?

	TY 2026	TY 2027	TY 2028	TY 2029	TY 2030
Reappraisal or Update Year	No	Yes	No	No	No
Percent of District in Reappraisal/Update	0.00%	0.00%	0.00%	0.00%	0.00%
Class I Combined Change	0.0%	9.5%	0.0%	0.0%	0.0%
GDP-D	9.15%	8.00%	8.05%	7.65%	7.50%

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

	TY 2026	TY 2027	TY 2028	TY 2029	TY 2030
Inside Millage Class I & II*	4.07	4.07	4.07	4.07	4.07
Millage Change	0.00	0.00	0.00	0.00	0.00
Percentage Change in Millage	0.00%	0.00%	0.00%	0.00%	0.00%

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

	TY 2026	TY 2027	TY 2028	TY 2029	TY 2030
Outside Millage	26.05	23.70	23.70	23.70	21.55
Millage Change	0.00	-2.36	0.00	0.00	-2.14
Percentage Change in Millage	0.00%	-7.83%	0.00%	0.00%	-7.71%
Fixed Sum Millage	0.00	0.00	0.00	0.00	0.00
Millage Change (no change)	0.00	0.00	0.00	0.00	0.00
Percentage Change in Millage	0.00%	0.00%	0.00%	0.00%	0.00%

	TY 2026	TY 2027	TY 2028	TY 2029	TY 2030
Total Effective Rate (Inside+Outside+Fixed Sum)	30.12	27.77	27.77	27.77	25.62

***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 2026	TY 2027	TY 2028	TY 2029	TY 2030
H.B. 186 - Calculated Credit if at 20 Mill Floor	$ -	$ -	$ -	$ -	$ -

***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.

	Retro TY 2023	Retro TY 2024	TY 2025
Memo: Historical Credits for Reference	$ -	$ -	$ -

Is the district modeling county budget commission imposed homestead and owner-occupied credit increases?

	FY 2027	FY 2028	FY 2029	FY 2030
Homestead/Owner-Occupied Credits	$ (0)	$ (0)	$ (0)	$ (0)

Forecast5 Analytics ReportWriter Software 2019 ©

Forecast5 Analytics ReportWriter Software 2019 ©

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.

Forecast5 Analytics ReportWriter Software 2019 ©