

**RIVERSIDE LOCAL SCHOOL DISTRICT-LAKE COUNTY  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES  
IN FUND BALANCES FOR THE FISCAL YEARS ENDED  
JUNE 30, 2019, 2020 and 2021 ACTUAL  
FORECASTED FISCAL YEARS ENDING  
JUNE 30, 2022 THROUGH JUNE 30, 2026**



**Forecast Provided By  
Riverside Local School District  
Treasurer's Office  
Mr. Gary Platko, Treasurer/CFO  
May 26, 2022**

# Riverside Local School District

Lake County

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2019, 2020 and 2021 Actual;  
Forecasted Fiscal Years Ending June 30, 2022 Through 2026

|  | Actual              |                     |                     |                     | Average<br>Change | Forecasted          |                     |                     |                     |  |
|--|---------------------|---------------------|---------------------|---------------------|-------------------|---------------------|---------------------|---------------------|---------------------|--|
|  | Fiscal Year<br>2019 | Fiscal Year<br>2020 | Fiscal Year<br>2021 | Fiscal Year<br>2022 |                   | Fiscal Year<br>2023 | Fiscal Year<br>2024 | Fiscal Year<br>2025 | Fiscal Year<br>2026 |  |
| <b>Revenues</b>  |                     |                     |                     |                     |                   |                     |                     |                     |                     |  |
| 1.010 General Property Tax (Real Estate)   | \$27,595,604        | \$28,651,465        | \$28,812,410        | 2.2%                | \$30,156,100      | \$30,507,844        | \$30,656,626        | \$31,103,117        | \$31,500,221        |  |
| 1.020 Public Utility Personal Property Tax   | 2,726,901           | 2,764,177           | 2,834,096           | 1.9%                | 2,918,614         | 2,882,934           | 2,906,437           | 2,925,348           | 2,944,447           |  |
| 1.030 Income Tax   | 0                   | 0                   | 0                   | 0.0%                | 0                 | 0                   | 0                   | 0                   | 0                   |  |
| 1.035 Unrestricted State Grants-in-Aid   | 8,953,406           | 7,917,038           | 8,410,861           | -2.7%               | 6,987,117         | 7,064,689           | 7,068,817           | 7,073,001           | 7,077,242           |  |
| 1.040 Restricted State Grants-in-Aid   | 364,393             | 363,037             | 372,057             | 1.1%                | 527,083           | 496,175             | 496,175             | 496,175             | 496,175             |  |
| 1.045 Restricted Federal Grants In Aid   | 0                   | 0                   | 0                   | 0.0%                | 0                 | 0                   | 0                   | 0                   | 0                   |  |
| 1.050 Property Tax Allocation  | 3,652,883           | 3,683,757           | 3,701,538           | 0.7%                | 3,740,755         | 3,800,559           | 3,816,002           | 3,879,972           | 3,943,123           |  |
| 1.060 All Other Revenues   | 4,912,830           | 4,833,827           | 4,959,999           | 0.5%                | 4,787,978         | 4,777,560           | 4,768,226           | 4,770,508           | 4,773,040           |  |
| 1.070 <b>Total Revenues</b>  | <b>48,206,017</b>   | <b>48,213,301</b>   | <b>49,090,961</b>   | <b>0.9%</b>         | <b>49,117,647</b> | <b>49,529,761</b>   | <b>49,712,283</b>   | <b>50,248,121</b>   | <b>50,734,248</b>   |  |
| <b>Other Financing Sources</b>   |                     |                     |                     |                     |                   |                     |                     |                     |                     |  |
| 2.010 Proceeds from Sale of Notes  | -                   | -                   | -                   | 0.0%                | -                 | -                   | -                   | -                   | -                   |  |
| 2.020 State Emergency Loans (Approved)   | -                   | -                   | -                   | 0.0%                | -                 | -                   | -                   | -                   | -                   |  |
| 2.040 Operating Transfers-In   | -                   | -                   | -                   | 0.0%                | -                 | -                   | -                   | -                   | -                   |  |
| 2.050 Advances-In  | 101,536             | 0                   | 22,419              | 0.0%                | 1,889,082         | 0                   | 0                   | 0                   | 0                   |  |
| 2.060 All Other Financing Sources  | 17,695              | 64,719              | 839,644             | 731.6%              | 268,000           | 268,000             | 268,000             | 268,000             | 268,000             |  |
| 2.070 <b>Total Other Financing Sources</b>   | <b>119,231</b>      | <b>64,719</b>       | <b>862,063</b>      | <b>593.1%</b>       | <b>2,157,082</b>  | <b>268,000</b>      | <b>268,000</b>      | <b>268,000</b>      | <b>268,000</b>      |  |
| 2.080 <b>Total Revenues and Other Financing Sources</b>  | <b>48,325,248</b>   | <b>48,278,020</b>   | <b>49,953,024</b>   | <b>1.7%</b>         | <b>51,274,729</b> | <b>49,797,761</b>   | <b>49,980,283</b>   | <b>50,516,121</b>   | <b>51,002,248</b>   |  |
| <b>Expenditures</b>  |                     |                     |                     |                     |                   |                     |                     |                     |                     |  |
| 3.010 Personal Services  | \$23,264,209        | \$23,909,568        | \$22,588,041        | -1.4%               | \$25,313,832      | \$26,721,950        | \$27,769,980        | \$28,859,792        | \$28,777,244        |  |
| 3.020 Employees' Retirement/Insurance Benefits   | 9,922,241           | 10,148,930          | 9,813,270           | -0.5%               | 10,684,824        | 11,940,880          | 12,695,369          | 13,502,604          | 14,172,624          |  |
| 3.030 Purchased Services   | 9,245,526           | 8,955,444           | 8,615,149           | -3.5%               | 6,841,062         | 7,025,485           | 7,118,271           | 7,279,842           | 7,445,427           |  |
| 3.040 Supplies and Materials   | 1,324,254           | 1,428,411           | 1,184,523           | -4.6%               | 1,612,622         | 1,661,001           | 1,710,831           | 1,762,156           | 1,815,021           |  |
| 3.050 Capital Outlay   | 58,664              | 24,286              | 26,248              | -25.3%              | 64,103            | 66,026              | 68,007              | 70,047              | 72,149              |  |
| 3.060 Intergovernmental  | -                   | -                   | -                   | 0.0%                | -                 | -                   | -                   | -                   | -                   |  |
| Debt Service:  |                     |                     |                     | 0.0%                |                   |                     |                     |                     |                     |  |
| 4.010 Principal-All (Historical Only)  | -                   | -                   | -                   | 0.0%                | -                 | -                   | -                   | -                   | -                   |  |
| 4.020 Principal-Notes  | -                   | -                   | -                   | 0.0%                | -                 | -                   | -                   | -                   | -                   |  |
| 4.030 Principal-State Loans  | -                   | -                   | -                   | 0.0%                | -                 | -                   | -                   | -                   | -                   |  |
| 4.040 Principal-State Advancements   | -                   | -                   | -                   | 0.0%                | -                 | -                   | -                   | -                   | -                   |  |
| 4.050 Principal-HB 264 Loans   | 52,603              | 54,539              | 56,546              | 3.7%                | 58,627            | 60,784              | 63,021              | 65,340              | 67,745              |  |
| 4.055 Principal-Other  | -                   | -                   | -                   | 0.0%                | -                 | -                   | -                   | -                   | -                   |  |
| 4.060 Interest and Fiscal Charges  | 27,590              | 25,619              | 23,575              | -7.6%               | 21,456            | 19,259              | 16,981              | 14,619              | 12,170              |  |
| 4.300 Other Objects  | \$530,079           | \$562,189           | \$556,406           | 2.5%                | 564,925           | 573,641             | 582,557             | 591,679             | 601,013             |  |
| 4.500 <b>Total Expenditures</b>  | <b>44,425,166</b>   | <b>45,108,986</b>   | <b>42,863,758</b>   | <b>-1.7%</b>        | <b>45,161,450</b> | <b>\$48,069,025</b> | <b>50,025,017</b>   | <b>52,146,079</b>   | <b>52,963,393</b>   |  |
| <b>Other Financing Uses</b>  |                     |                     |                     |                     |                   |                     |                     |                     |                     |  |
| 5.010 Operating Transfers-Out  | \$77,059            | \$169,914           | \$1,679,200         | 504.4%              | \$1,980,000       | \$325,000           | \$325,000           | \$325,000           | \$325,000           |  |
| 5.020 Advances-Out   | -                   | 22,419              | 1,889,082           | 0.0%                | -                 | -                   | -                   | -                   | -                   |  |
| 5.030 All Other Financing Uses   | -                   | -                   | -                   | 0.0%                | \$0               | \$0                 | \$0                 | \$0                 | \$0                 |  |
| 5.040 <b>Total Other Financing Uses</b>  | <b>77,059</b>       | <b>192,333</b>      | <b>3,568,282</b>    | <b>952.4%</b>       | <b>1,980,000</b>  | <b>325,000</b>      | <b>325,000</b>      | <b>325,000</b>      | <b>325,000</b>      |  |
| 5.050 <b>Total Expenditures and Other Financing Uses</b>   | <b>44,502,225</b>   | <b>45,301,319</b>   | <b>46,432,040</b>   | <b>2.1%</b>         | <b>47,141,450</b> | <b>48,394,025</b>   | <b>50,350,017</b>   | <b>52,471,079</b>   | <b>53,288,393</b>   |  |
| 6.010 <b>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b> | <b>3,823,023</b>    | <b>2,976,701</b>    | <b>3,520,984</b>    | <b>-1.9%</b>        | <b>4,133,279</b>  | <b>1,403,736</b>    | <b>(369,734)</b>    | <b>(1,954,957)</b>  | <b>(2,286,145)</b>  |  |
| 7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies                              | 8,904,643           | 12,727,666          | 15,704,367          | 33.2%               | 19,225,351        | 23,358,630          | 24,762,366          | 24,392,631          | 22,437,674          |  |
| 7.020 <b>Cash Balance June 30</b>  | <b>12,727,666</b>   | <b>15,704,367</b>   | <b>19,225,351</b>   | <b>22.9%</b>        | <b>23,358,630</b> | <b>24,762,366</b>   | <b>24,392,631</b>   | <b>22,437,674</b>   | <b>20,151,529</b>   |  |
| 8.010 <b>Estimated Encumbrances June 30</b>  | <b>453,301</b>      | <b>822,702</b>      | <b>356,858</b>      | <b>12.4%</b>        | <b>450,000</b>    | <b>450,000</b>      | <b>450,000</b>      | <b>450,000</b>      | <b>450,000</b>      |  |

# Riverside Local School District

Lake County

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2019, 2020 and 2021 Actual;  
Forecasted Fiscal Years Ending June 30, 2022 Through 2026

|   | Actual               |                      |                      |              | Average<br>Change   | Forecasted          |                     |                     |                     |                     |
|---|----------------------|----------------------|----------------------|--------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | Fiscal Year<br>2019  | Fiscal Year<br>2020  | Fiscal Year<br>2021  |              |                     | Fiscal Year<br>2022 | Fiscal Year<br>2023 | Fiscal Year<br>2024 | Fiscal Year<br>2025 | Fiscal Year<br>2026 |
| <b>Reservation of Fund Balance</b>  |                      |                      |                      |              |                     |                     |                     |                     |                     |                     |
| 9.010 Textbooks and Instructional Materials   | -                    | -                    | -                    | 0.0%         | -                   | -                   | -                   | -                   | -                   | -                   |
| 9.020 Capital Improvements  | -                    | -                    | -                    | 0.0%         | -                   | -                   | -                   | -                   | -                   | -                   |
| 9.030 Budget Reserve  | -                    | -                    | -                    | 0.0%         | -                   | -                   | -                   | -                   | -                   | -                   |
| 9.040 DPIA  | -                    | -                    | -                    | 0.0%         | -                   | -                   | -                   | -                   | -                   | -                   |
| 9.045 Fiscal Stabilization  | -                    | -                    | -                    | 0.0%         | -                   | -                   | -                   | -                   | -                   | -                   |
| 9.050 Debt Service  | -                    | -                    | -                    | 0.0%         | -                   | -                   | -                   | -                   | -                   | -                   |
| 9.060 Property Tax Advances   | -                    | -                    | -                    | 0.0%         | -                   | -                   | -                   | -                   | -                   | -                   |
| 9.070 Bus Purchases   | -                    | -                    | -                    | 0.0%         | -                   | -                   | -                   | -                   | -                   | -                   |
| 9.080 <i>Subtotal</i>   | -                    | -                    | -                    | 0.0%         | -                   | -                   | -                   | -                   | -                   | -                   |
| <i>Fund Balance June 30 for Certification of</i>  |                      |                      |                      |              |                     |                     |                     |                     |                     |                     |
| 10.010 <i>Appropriations</i>  | 12,274,365           | 14,881,665           | 18,868,493           | 24.0%        | 22,908,630          | 24,312,366          | 23,942,631          | 21,987,674          | 19,701,529          |                     |
| <b>Revenue from Replacement/Renewal Levies</b>  |                      |                      |                      |              |                     |                     |                     |                     |                     |                     |
| 11.010 Income Tax - Renewal   |                      |                      |                      | 0.0%         | -                   | -                   | -                   | -                   | -                   |                     |
| 11.020 Property Tax - Renewal or Replacement  |                      |                      |                      | 0.0%         | -                   | -                   | -                   | -                   | -                   |                     |
| 11.300 Cumulative Balance of Replacement/Renewal Levies   |                      |                      |                      | 0.0%         | -                   | -                   | -                   | -                   | -                   |                     |
| 12.010 <i>Fund Balance June 30 for Certification of Contracts,<br/>Salary Schedules and Other Obligations</i> |                      |                      |                      |              |                     |                     |                     |                     |                     |                     |
|   | 12,274,365           | 14,881,665           | 18,868,493           | 24.0%        | 22,908,630          | 24,312,366          | 23,942,631          | 21,987,674          | 19,701,529          |                     |
| <b>Revenue from New Levies</b>  |                      |                      |                      |              |                     |                     |                     |                     |                     |                     |
| 13.010 Income Tax - New   |                      |                      |                      | 0.0%         | -                   | -                   | -                   | -                   | -                   |                     |
| 13.020 Property Tax - New   |                      |                      |                      | 0.0%         | -                   | -                   | -                   | -                   | -                   |                     |
| 13.030 Cumulative Balance of New Levies   | -                    | -                    | -                    | 0.0%         | -                   | -                   | -                   | -                   | -                   |                     |
| 14.010 Revenue from Future State Advancements   |                      |                      |                      | 0.0%         | -                   | -                   | -                   | -                   | -                   |                     |
| 15.010 <i>Unreserved Fund Balance June 30</i>   | <b>\$ 12,274,365</b> | <b>\$ 14,881,665</b> | <b>\$ 18,868,493</b> | <b>24.0%</b> | <b>\$22,908,630</b> | <b>\$24,312,366</b> | <b>\$23,942,631</b> | <b>\$21,987,674</b> | <b>\$19,701,529</b> |                     |

**Riverside Local School District – Lake County**  
**Notes to the Five-Year Forecast**  
**General Fund Only**

**Introduction to the Five Year Forecast**

A forecast is somewhat like a painting of the future based upon a snapshot of today. That snapshot, however, will be adjusted and the further into the future the forecast extends, the more likely it is that the projections will deviate from actual experience. A variety of events will ultimately impact the latter years of the forecast, such as state budgets (adopted every two years), tax levies (new/renewal/replacement), salary increases, or businesses moving in or out of the district. The five-year forecast is viewed as a key management tool and must be updated periodically. In Ohio, most school districts understand how they will manage their finances in the current year. The five-year forecast encourages district management teams to examine future years' projections and identify when challenges will arise. This then helps district management to be proactive in meeting those challenges. School districts are encouraged to update their forecasts with ODE when events take place that will significantly change their forecast or, at a minimum, when required under statute.

In a financial forecast, the numbers only tell a small part of the story. For the numbers to be meaningful, the reader must review and consider the Assumptions to the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are especially important to understanding the rationale of the numbers, particularly when a significant increase or decrease is reflected.

Since the preparation of a meaningful five-year forecast is as much an art as it is a science and entails many intricacies, it is recommended that you contact the Treasurer/Chief Fiscal Officer or Board of Education (BOE) of the individual school district with any questions you may have. The Treasurer or CFO submits the forecast, but the BOE is recognized as ultimately responsible for the development of the forecast and the official owner.

Here are at least three purposes or objectives of the five-year forecast:

- (1) To engage the local board of education and the community in 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

O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five (5) year financial forecast by November 30, 2021, and May 31, 2022 for fiscal year 2022 (July 1, 2021 to June 30, 2022). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Fiscal year 2022 (July 1, 2021-June 30, 2022) is the first year of the five-year forecast and is considered the baseline year. Our forecast is being updated to reflect the most current economic data available to us for the May 2022 filing.

**Economic Outlook**

This five-year forecast is being filed during the recovery from the COVID-19 Pandemic which began in early 2020. The effects of the pandemic continue to impact our state, country and our globalized economy. Inflation during April hit a 40 year high not seen since the early 1980's. While increased inflation impacting district costs are expected to continue in the short term, it remains to be seen if these costs are transitory or will last over the next few years which could have a significant impact on our forecast in addition to negative effects on state and local funding.

While all school districts are being aided by three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER) which began in fiscal year 2020, the most recent allocation of ESSER funds must be spent or encumbered by September 30, 2024.

Data and assumptions noted in this forecast are based on the best and most reliable data available to us as of the date of this forecast.

### **May 2022 Updates:**

#### **Revenues FY22:**

The overview of revenues shows that we are substantially on target with original estimates at this point in the year. Total General Fund revenues (line 1.07) are estimated to be \$49,117,647 or 1.03% higher than the November forecasted amount of \$48,616,308. This indicates the November forecast was 98.97% accurate.

Line 1.01 and 1.02 - Property tax revenues represent our largest source of revenues at 77% and are estimated to be \$33,074,714 which is \$736,799 higher for FY22 than the original estimate of \$32,337,915. Our estimates are 97.22% accurate for FY22 and should mean future projections are on target as well.

Line 1.035 and 1.04 - State Aid began the year with a completely new funding formula with only Legislative Service Commission (LSC) estimates to anticipate our funding for FY22 and FY23. The LSC estimated provided little to no detail on how the funding level was calculated. The November forecast used components of the LSC simulations of HB110 funding in order to project anticipated funding. In January of 2022 the first formula calculations were released in part by the Ohio Department of Education. While there are still details unpublished at this time, we can see that through early April our state aid is estimated to be \$7,514,200 which is \$665,970 lower than the original estimate for FY22. We are pleased that with very little detail we were able to be 91.1% accurate for FY22. We are currently on the guarantee and are expected to remain so for FY23 through FY26.

All areas of revenue are tracking as anticipated for FY22 based on our best information at this time.

#### **Expenditures FY22:**

Total General Fund expenditures (line 4.5) are estimated to be \$45,161,450 for FY22 which is \$413,980 lower than the original estimate of \$45,575,430 in the November forecast, which is roughly 99.09% on target with original estimates.

#### **Unreserved Ending Cash Balance:**

With revenues increasing over estimates and expenditures ending most on target, our ending unreserved cash balance June 30, 2022 is anticipated to be roughly \$22,908,630. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2026 if assumptions we have made for property tax collections, state aid in future state budgets and expenditure assumptions remain close to our estimates.

#### **Forecast Risks and Uncertainty:**

A five-year financial forecast has risks and uncertainty not only due to economic uncertainties noted above but also due to state legislative changes that will occur in the spring of 2023 and 2025 due to deliberation of the next two (2) state biennium budgets for FY24-25 and FY26-27, both of which affect this five-year forecast. We have estimated revenues and expenses based on the best data available to us and the laws in effect at this time. The items below give a short description of the current issues and how they may affect our forecast long term:

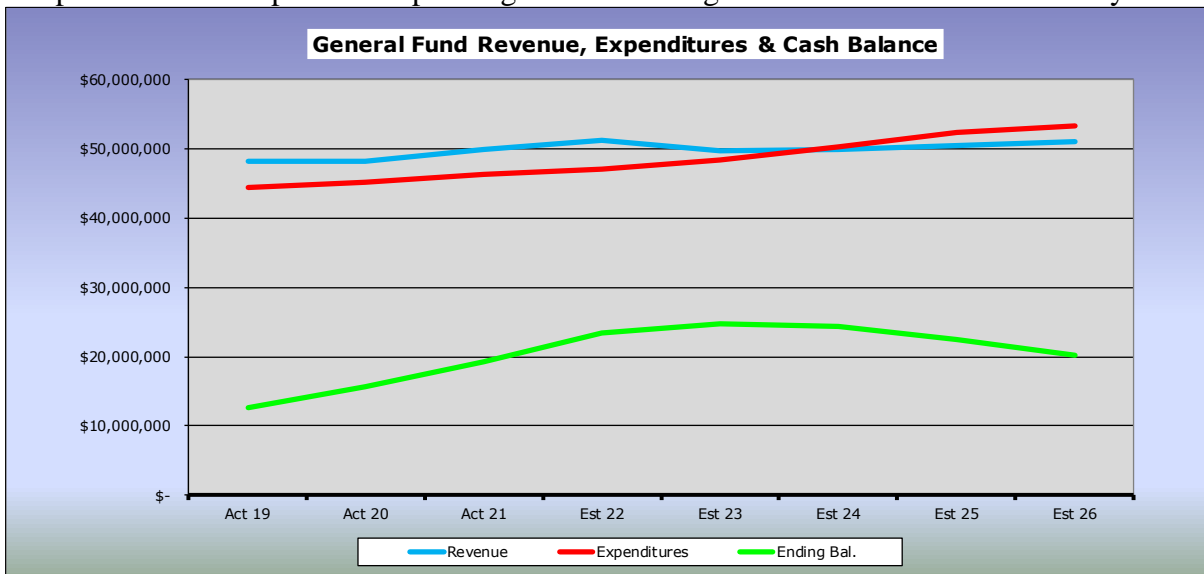
- 1) Property tax collections are the largest single revenue source for the school system. The housing market in our district is stable and growing. We project continued growth in appraised values every three (3) years and new construction growth with continued modest increases in local taxes as the pandemic ends and the economy continues its recovery as anticipated. Total local revenues which are predominately local taxes equate to 77% of the district's resources. We believe there is a low risk that local collections would fall below projections throughout the forecast.
- 2) Lake County underwent a reappraisal update in tax year 2021 for collection in FY22. We realized value increases for Class I and II property of \$159.8 million for an overall increase of 16.54% including the adjustment for lower Current Agricultural Use Values (CAUV) authorized by HB49 which is higher than our original projections of a 10% increase. There is however always a minor risk that the district could sustain a reduction in values in the next appraisal update but we do not anticipate that at this time.
- 3) The State Budget represents 23% of district revenues and is an area of risk to revenue. The future risk comes in FY24 and beyond if the state economy stalls or worsens and the fair school funding plan is not funded in future state budgets or if an economic downturn results in a reduction in state aid. There are two future State Biennium Budgets covering the period from FY24-25 and FY26-27 in this forecast. Future uncertainty in both the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long range through FY26. We have projected our state funding to be in line with the FY23 funding levels through which we feel is conservative and should be close to whatever the state approves for the FY24-FY27 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.
- 4) HB110, the current state budget, implements what has been referred to as the Fair School Funding Plan (FSFP) for FY22 and FY23. The actual release of the new Fair School Funding Plan formula calculations was delayed until January 2022. The FSFP has many significant changes to the way foundation revenues are calculated for school districts and how expenses are charged off. State foundation basic aid will be calculated on a base cost methodology with funding paid to the district where a student is enrolled to be educated. There will be no separate open enrollment revenue payments to school districts beginning in FY22. There will also be direct funding to the district where students are educated for expenses previously deducted from districts state foundation funding for open enrollment, community schools, STEM schools and scholarship recipients. The initial impact on the forecast will be noticed that the historic actual costs for FY19 through FY21 on the forecast will potentially reflect different trends on Lines 1.035, 1.04, 1.06 and 3.03 beginning in FY22. Longer term there may be adjustments to state aid for FY23 as the Ohio Department of Education resolves issues and possible unintended consequences as they create and implement the numerous changes to the complicated new formula. Our state aid projections have been based on the best information on the new HB110 formula available as of this forecast.
- 5) HB110 direct pays costs associated with open enrollment, community and STEM schools, and for all scholarships including EdChoice Scholarships. These costs will no longer be deducted from our state aid. However, there are still education option programs such as College Credit Plus which continue to be deducted from state aid which will increase costs to the district. Expansion or creation of programs that are not directly paid by the state of Ohio can exposes the district to new expenditures that are not currently in the forecast. We are monitoring closely any new threats to our state aid and increased costs as any new proposed laws are introduced in the legislature.

The major Line numbers used as references to the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the

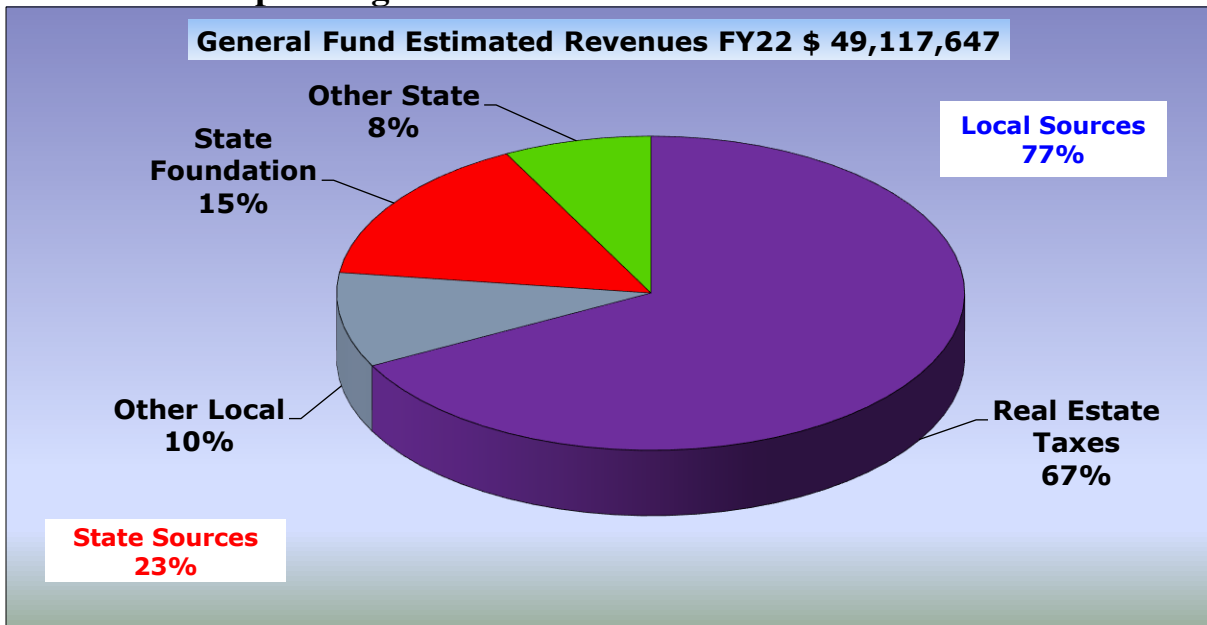
reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information please feel free to contact Mr. Gary Platko, Treasurer/CFO at 440-352-0668

**General Fund Revenue, Expenditures and Ending Cash Balance Actual FY19-21 and Estimated FY22-26**

The graph captures in one snapshot the operating scenario facing the District over the next few years.



**Revenue Assumptions  
Operating Revenue Sources General Fund FY22**



**Real Estate Value Assumptions – Line # 1.010**

Property Values are established each year by the County Auditor in Lake County based on new construction and complete reappraisal or updated values. There was a full reappraisal completed in 2018 for the collection in 2019. Class I the residential/agricultural values increased 8.19% or \$70.1 million due to the update led by an improving housing market. There was an increase in the Class II commercial/industrial values of 2.07% or \$2.21 million.

A reappraisal update occurred in 2021 for collection in 2022 for which realized a 16.54% increase in residential/agricultural values and a .33% increase for commercial/industrial property. Residential/Agricultural values increased \$159.8 million or 16.54% up from the projected 10% and Commercial/Industrial values increased \$401,430 or .33% down from the projected 2%.

**ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS**

| Classification                          | Actual<br>TAX YEAR2021<br><u>COLLECT 2022</u> | Estimated<br>TAX YEAR2022<br><u>COLLECT 2023</u> | Estimated<br>TAX YEAR2023<br><u>COLLECT 2024</u> | Estimated<br>TAX YEAR2024<br><u>COLLECT 2025</u> | Estimated<br>TAX YEAR 2025<br><u>COLLECT 2026</u> |
|---|---|--|--|--|---|
| Res./Ag.                                | \$1,135,730,180                               | \$1,145,530,180                                  | \$1,154,330,180                                  | \$1,277,663,198                                  | \$1,285,563,198                                   |
| Comm./Ind.                              | 124,670,220                                   | 126,270,220                                      | 127,870,220                                      | 130,588,273                                      | 131,388,273                                       |
| Public Utility Personal Property (PUPP) | <u>51,386,640</u>                             | <u>51,886,640</u>                                | <u>52,386,640</u>                                | <u>52,886,640</u>                                | <u>53,386,640</u>                                 |
| Total Assessed Value                    | <u>\$1,311,787,040</u>                        | <u>\$1,323,687,040</u>                           | <u>\$1,334,587,040</u>                           | <u>\$1,461,138,111</u>                           | <u>\$1,470,338,111</u>                            |

**Estimated Real Estate Tax (Line #1.010)**

| Source                 | <u>FY22</u>         | <u>FY23</u>         | <u>FY24</u>         | <u>FY25</u>         | <u>FY26</u>         |
|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Property Taxes | <u>\$30,156,100</u> | <u>\$30,507,844</u> | <u>\$30,656,626</u> | <u>\$31,103,117</u> | <u>\$31,500,221</u> |

**Estimated Real Estate Tax Collection**

Property tax levies are estimated to be collected at 97.6% of the annual amount. Technically 100% of taxes will be settled on property due to Ohio’s property tax laws but due to delinquencies we are calculating the taxes at a lower collection rate. Property taxes are estimated to be collected at 53% of the Res/Ag and Comm/Ind in the February tax settlements and 47% collected in the August tax settlements. Public Utility tax settlements (PUPP taxes) are estimated to be received 50% in the February and 50% in the August settlements.

**New Tax Levies – Line #13.030**

No new levies are modeled in this forecast.

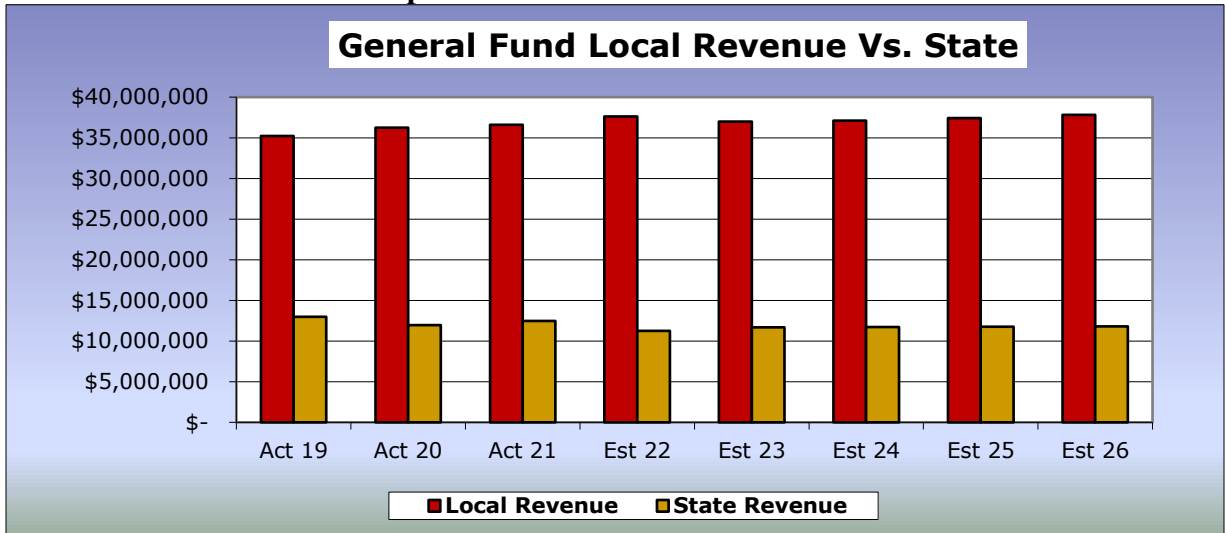
**Estimated Public Utility Personal Tax – Line#1.020**

The phase out of TPP taxes as noted earlier began in FY06 which was also included with this line. HB66 was adopted in June 2005 and the provisions of the legislation have estimated the general tangible personal property tax would be eliminated after FY11. Any TPP revenues received FY12 and beyond are delinquent TPP taxes. The amounts received below are generally all Public Utility Personal Property (PUPP) taxes which are an ongoing property tax collection.

| Source  | <u>FY22</u>        | <u>FY23</u>        | <u>FY24</u>        | <u>FY25</u>        | <u>FY26</u>        |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Public Utility Personal Property (Line#1.020) | <u>\$2,918,614</u> | <u>\$2,882,934</u> | <u>\$2,906,437</u> | <u>\$2,925,348</u> | <u>\$2,944,447</u> |



## Comparison of Local and State Revenue



### State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045

#### A) Unrestricted State Foundation Revenue– Line #1.035

The partial release of the new Fair School Funding Plan formula occurred in January 2022 half way through FY22, and as of the date of this forecast there are still some detailed calculations not released. We have projected FY22 and FY23 funding based on the April 2022 foundation settlement and funding factors.

Our district is currently a guarantee district in FY22 and is expected to be in FY23-FY26 on the new Fair School Funding Plan (FSFP). The state foundation funding formula has gone through many changes in recent years. The most recent funding formula began in FY14 and was dropped in FY19 after six (6) years, followed by no foundation formula for two (2) years in FY20 and FY21, and now HB110 implements the newest and possibly the most complicated funding formula in recent years for FY22 and FY23. The current formula introduces many changes to how state foundation is calculated and expenses deducted from state funding which will potentially make the actual five-year forecast look different with estimates FY22 through FY26 compared to actual data FY19 through FY21 on Lines 1.035, 1.04, 1.06 and 3.03 of the forecast.

### Overview of Key Factors that Influence State Basic Aid in the Fair School Funding Plan

- A. Student Population and Demographics
- B. Property Valuation Per Pupil
- C. Personal Income of District Residents Per Pupil
- D. Historical Funding - CAPS and Guarantees from prior funding formulas “Funding Bases” for guarantees.

#### Base Cost Approach - Unrestricted Basic Aid Foundation Funding

The new funding formula uses FY18 statewide average district costs and developed a base cost approach that includes minimum service levels and student teacher ratios to calculate a unique base cost for each district. Newer more up to date state wide average costs will not update for FY23 and remains frozen at FY18 levels, while other factors impacting a districts local capacity will update for FY23. Base costs per pupil includes funding for five (5) areas:

1. Teacher Base Cost (4 subcomponents)
2. Student Support (7 subcomponents-including a restricted Student Wellness component)
3. District Leadership & Accountability (7 subcomponents)

4. Building Leadership & Operations (3 subcomponents)
5. Athletic Co-curricular (contingent on participation)

#### State Share Percentage – Unrestricted Basic Aid Foundation Funding

Once the base cost is calculated, which is currently at a state wide average of \$7,350.77 per pupil in FY22, the FSFP calculates a state share percentage (SSP) calculation. The state share percentage in concept will be higher for districts with less capacity (lower local wealth) and be a lower state share percentage for districts with more capacity (higher local wealth). The higher the district's ability to raise taxes based on local wealth the lower the state share percentage. The state share percentage will be based on 60% property valuation of the district, 20% on federally adjusted gross income and 20% on federal median income, as follows:

1. 60% based on most recent three (3) year average assessed values or the most recent year, whichever is lower divided by base students enrolled.
2. 20% based on most recent three (3) year average federal adjusted gross income of districts residents or the most recent year, whichever is lower divided by base students enrolled.
3. 20% based on most recent year federal median income of district residents multiplied by number of returns in that year divided by base students enrolled.
4. When the weighted values are calculated and item 1 through 3 above added together the total is then multiplied by a Local Share Multiplier Index from 0% for low wealth districts to a maximum of 2.5% for wealthy districts.

When the unrestricted base cost is determined and multiplied by the state share percentage, the resulting amount is multiplied by the current year enrolled students (including open enrolled students being educated in each district), and finally multiplied by the local share multiplier index for each district. The result is the local per pupil capacity amount of the base per pupil funding amount.

#### **Categorical State Aid**

In addition to the base state foundation funding calculated above, the FSFP also has unrestricted categorical funding and new restricted funding beginning in FY22, some of which will have the state share percentage applied to these calculations as noted below:

#### Unrestricted Categorical State Aid

1. Targeted Assistance/Capacity Aid – Provides additional funding based on a wealth measure using 60% weighted on property value and 40% on income. Uses current year enrolled average daily membership (ADM). Also will provide supplemental targeted assistance to lower wealth districts whose enrolled ADM is less than 88% of their total FY19 ADM.
2. Special Education Additional Aid – Based on six (6) weighted funding categories of disability and moved to a weighted funding amount and not a specific amount. An amount of 10% will be reduced from all district's calculation to be used toward the state appropriation for Catastrophic Cost reimbursement.
3. Transportation Aid – Funding based on all resident students who ride including preschool students and those living within 1 mile of school. Provides supplemental transportation for low density districts. Increases state minimum share to 29.17% in FY22 and 33.33% in FY23. In general, districts whose state share percentage is less than 33.33% will see a benefit from the increase to 33.33% funding.

#### Restricted Categorical State Aid

1. Disadvantage Pupil Impact Aid (DPIA) - Formerly Economically Disadvantaged Funding is based on number and concentration of economically disadvantaged students compared to state average and multiplied by \$422 per pupil. Phase in increases are limited to 0% for FY22 and 14% in FY23.
2. English Learners – Based on funded categories based on time student enrolled in schools and multiplied by a weighted amount per pupil.

3. Gifted Funds – Based on average daily membership multiplied by a weighted amount per pupil.
4. Career-Technical Education Funds – Based on career technical average daily membership and five (5) weighted funding categories students enrolled in.

### **State Funding Phase-In FY22 and FY23 and Guarantees**

While the FSFP was presented as a six (6) year phase-in plan, the state legislature approved the first two (2) years of the funding plan in HB110. The FSFP does not include caps on funding, rather it will include a general phase-in percentage for most components in the amount of 16.67% in FY22 and 33.33% in FY23. DPIA funding will be phased in 0% in FY22 and 14% in FY23. Transportation categorical funds will not be subject to a phase in.

HB110 includes three (3) guarantees: 1) “Formula Transition Aid”; 2) Supplemental Targeted Assistance, and, 3) Formula Transition Supplement. The three (3) guarantees in both temporary and permanent law ensure that no district will get less funds in FY22 and FY23 than they received in FY21. The guarantee level of funding for FY22 is a calculated funding guarantee level based on full state funding cuts from May 2020 restored, net of transfers and deductions, plus Student Wellness and Success funds (based on FY21 SWSF amounts), enrollment growth supplement funds paid in FY21 and special education preschool and special education transportation additional aid items. It is estimated that nearly 420 districts are on one form of a guarantee in FY22 and in general the same number will occur in FY23, since state average costs were frozen at FY18 in the Base Cost calculations, while property values and Federal Adjusted Gross Income will be allowed to update and increase for FY23, which should push districts toward one of the three (3) guarantees.

### **Student Wellness and Success Funds (SWSF) - (Restricted Fund 467)**

In FY20 and FY21 HB166, provided Student Wellness and Success Funds (SWSF) to be deposited in a Special Revenue Fund 467. HB110 the new state budget essentially eliminated these funds by merging them into state aid and wrapped into the expanded funding and mission of DPIA funds noted above and on Line 1.04 below, with only a smaller portion devoted to SWSF. Any remaining funds in Special Revenue Fund 467 from FY20 and FY21 will be required to be used for the restricted purposes governing these funds until spent fully.

### **Future State Budget Projections beyond FY23**

Our funding status for the FY24-26 will depend on two (2) new state budgets which are unknown. There is no guarantee that the current Fair School Funding Plan in HB110 will be funded or continued beyond FY23. For this reason, funding is held constant in the forecast for FY23 through FY26.

### **Casino Revenue**

On November 3, 2009 Ohio voters passed the Ohio casino ballot issue. This issue allowed for the opening of four (4) casinos one each in Cleveland, Toledo, Columbus and Cincinnati. Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% Gross Casino Revenue that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31<sup>st</sup> of January and August each year which began for the first time on January 31, 2013.

Casino revenue fell slightly in FY21 due to COVID-19 and Casinos closing for a little over two months. We have increased the amount in FY22 back to pre-pandemic FY20 levels as Casino revenues appear to have dipped largely due to their closure and not in response to the economic downturn. Prior to COVID-19 closure, casino revenues were growing modestly as the economy improved. Original projections for FY22-26 estimated a .4% decline in pupils to 1,778,441 and GCR increasing to \$106.35 million or \$59.80 per pupil, actual payments in FY22 were \$62.87 per pupil. FY22 Casino revenues have resumed their historical growth rate and assume a 2% annual growth rate for the forecast period.

| Source                                    | <u>FY22</u>        | <u>FY23</u>        | <u>FY24</u>        | <u>FY25</u>        | <u>FY26</u>        |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Basic Aid-Unrestricted                    | \$6,284,016        | \$6,357,516        | \$6,357,516        | \$6,357,516        | \$6,357,516        |
| Additional Aid Items                      | 435,470            | 435,470            | 435,470            | 435,470            | 435,470            |
| Basic Aid-Unrestricted Subtotal           | 6,719,486          | 6,792,986          | 6,792,986          | 6,792,986          | 6,792,986          |
| Ohio Casino Commission ODT                | <u>267,631</u>     | <u>271,703</u>     | <u>275,831</u>     | <u>280,015</u>     | <u>284,256</u>     |
| Total Unrestricted State Aid Line # 1.035 | <u>\$6,987,117</u> | <u>\$7,064,689</u> | <u>\$7,068,817</u> | <u>\$7,073,001</u> | <u>\$7,077,242</u> |

**B) Restricted State Revenues – Line # 1.040**

HB110 has continued Disadvantaged Pupil Impact Aid (formerly Economically Disadvantaged funding) and Career Technical funding. In addition, there have been new restricted funds added as noted below under “Restricted Categorical Aid” for Gifted, English Learners (ESL) and Student Wellness. The amount of DPIA is limited to 0% phase in growth for FY22 and 14% in FY23.

| Source                                      | <u>FY22</u>      | <u>FY23</u>      | <u>FY24</u>      | <u>FY25</u>      | <u>FY26</u>      |
|---|------------------|------------------|------------------|------------------|------------------|
| DPIA  | \$95,522         | \$93,134         | \$93,134         | \$93,134         | \$93,134         |
| Career Tech                                 | 1,296            | 1,345            | 1,345            | 1,345            | 1,345            |
| Gifted                                      | 179,271          | 152,605          | 152,605          | 152,605          | 152,605          |
| ESL   | 24,549           | 22,646           | 22,646           | 22,646           | 22,646           |
| Student Wellness                            | 226,445          | 226,445          | 226,445          | 226,445          | 226,445          |
| Catastrophic Cost Reimbursement             | <u>0</u>         | <u>0</u>         | <u>0</u>         | <u>0</u>         | <u>0</u>         |
| Total Restricted State Revenues Line #1.040 | <u>\$527,083</u> | <u>\$496,175</u> | <u>\$496,175</u> | <u>\$496,175</u> | <u>\$496,175</u> |

**C) Restricted Federal Grants in Aid – line #1.045**

No federal unrestricted grants are projected FY22-26.

| <b>Summary of State Foundation Revenues</b>    | <u>FY22</u>        | <u>FY23</u>        | <u>FY24</u>        | <u>FY25</u>        | <u>FY26</u>        |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Unrestricted Line # 1.035                      | \$6,987,117        | \$7,064,689        | \$7,068,817        | \$7,073,001        | \$7,077,242        |
| Restricted Line # 1.040                        | \$527,083          | \$496,175          | \$496,175          | \$496,175          | \$496,175          |
| Rest. Fed. Grants - SFSF & Ed Jobs Line #1.045 | <u>0</u>           | <u>0</u>           | <u>0</u>           | <u>0</u>           | <u>0</u>           |
| Total State Foundation Revenue                 | <u>\$7,514,200</u> | <u>\$7,560,864</u> | <u>\$7,564,992</u> | <u>\$7,569,176</u> | <u>\$7,573,417</u> |

**State Taxes Reimbursement/Property Tax Allocation – Line #1.050**

**Rollback and Homestead Reimbursement**

Rollback funds are reimbursements paid to the district from Ohio for tax credits given owner occupied residences equaling 12.5% of the gross property taxes charged residential taxpayers on tax levies passed prior to September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013 which is the effective date of HB59. HB66 the FY06-07 budget bill previously eliminated 10% rollback on Class II (commercial and industrial) property.

Homestead Exemptions are also credits paid to the district from the state of Ohio for qualified elderly and disabled. In 2007 HB119 expanded the Homestead Exemption for all seniors over age 65 years of age or older or who are disabled regardless of income. Effective September 29, 2013 HB59 changes the requirement for Homestead Exemptions. Individual taxpayers who do not currently have their Homestead Exemption approved or those who do not get a new application approved for tax year 2013, and who become eligible thereafter will only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who currently have their Homestead Exemption as of September 29, 2013 will not lose it going forward and will not have to meet the new income qualification. This will generally reduce homestead reimbursements to the district over time, and as with the rollback reimbursements above, the state is increasing the tax burden on our local taxpayers.

**Summary of State Tax Reimbursement – Line #1.050**

| Source                 | <u>FY22</u>        | <u>FY23</u>        | <u>FY24</u>        | <u>FY25</u>        | <u>FY26</u>        |
|------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Rollback and Homestead | <u>\$3,740,755</u> | <u>\$3,800,559</u> | <u>\$3,816,002</u> | <u>\$3,879,972</u> | <u>\$3,943,123</u> |

**Other Local Revenues – Line #1.060**

All other local revenue encompasses any type of revenue that does not fit into the above lines. Lake County School financing district revenue is the largest single item in this category. This source is set to expire in FY26. The district has assumed the levy will pass when it is up for renewal and thus continues the full amount in FY26. The other sources of revenue in this area have been open enrollment, tuition for court placed students, student fees, Payment In Lieu of Taxes, and general rental fees. HB110, the new state budget, will stop paying open enrollment as an increase to other revenue for the district. This is projected below as zeros to help show the difference between projected FY22-FY26 Line 1.06 revenues and historical FY19 through FY21 revenues on the five-year forecast. Open enrolled students will be counted in the enrolled student base at the school district they are being educated at and state aid will follow the students. Open enrolled student revenues will be included in Line 1.035 as state basic aid. In FY21 interest income fell sharply due to fed rate reductions due to the pandemic which will impact our earning capability in this area until rates begin to increase. Rentals are expected to return to pre-pandemic levels over time. All other revenues are expected to continue on historic trends.

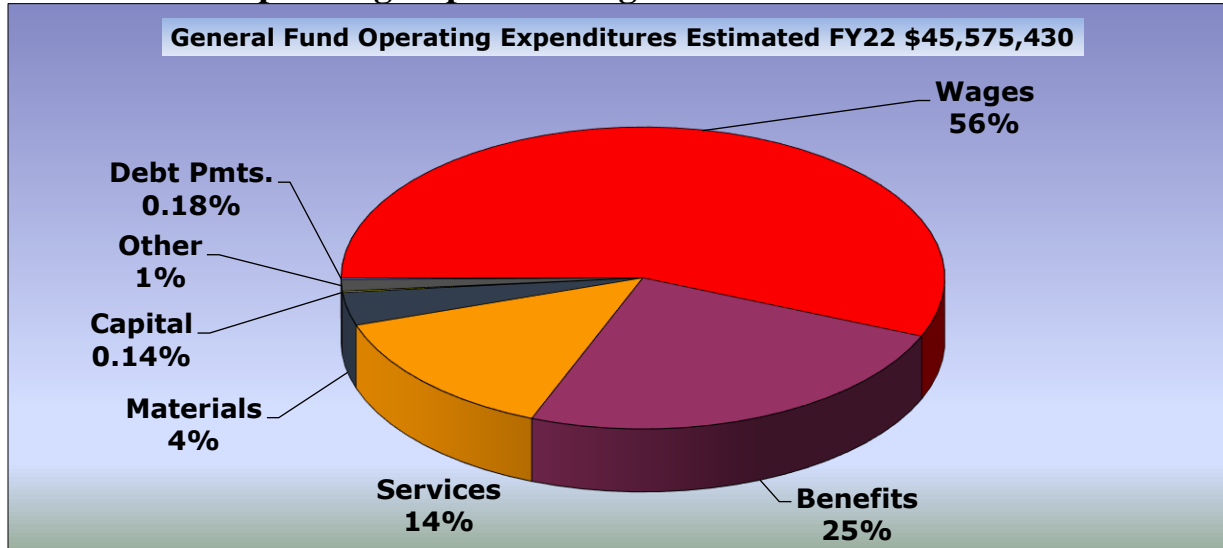
| Source   | <u>FY22</u>        | <u>FY23</u>        | <u>FY24</u>        | <u>FY25</u>        | <u>FY26</u>        |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Open Enrollment Gross                            | \$0                | \$0                | \$0                | \$0                | \$0                |
| Lake County School Financing District (Fund 030) | 3,235,497          | 3,235,497          | 3,235,497          | 3,235,497          | 3,235,497          |
| Interest   | 26,114             | 25,592             | 25,080             | 24,578             | 24,087             |
| Class/Pay to Participate Fees                    | 394,136            | 398,077            | 402,058            | 406,079            | 410,140            |
| Medicaid Services                                | 390,803            | 371,263            | 352,700            | 345,646            | 338,733            |
| Pilot  | 197,834            | 199,812            | 201,810            | 203,828            | 205,866            |
| Tuitions   | 372,454            | 376,179            | 379,941            | 383,740            | 387,577            |
| Other Income and rentals                         | <u>171,140</u>     | <u>171,140</u>     | <u>171,140</u>     | <u>171,140</u>     | <u>171,140</u>     |
| Total Other Local Revenue Line #1.060            | <u>\$4,787,978</u> | <u>\$4,777,560</u> | <u>\$4,768,226</u> | <u>\$4,770,508</u> | <u>\$4,773,040</u> |

**All Other Financial Sources – Line #2.010 through Line #2.060 & Line #14.010**

This funding source is typically a refund of prior year expenditures that is very unpredictable. Riverside received two payments from the BWC in the amount of \$175,626 in October and \$654,148 in December of 2020. These are unprecedented payment amounts due to the COVID-19 pandemic and are not expected in future years. The District reclassified the State reimbursement for Catastrophic Costs as this more accurately reflects the payment type.

## Expenditures Assumptions

### All Operating Expense Categories - General Fund FY22



#### Wages – Line #3.010

The district has included a base increase of 2% in FY22-FY26. There is also a 1% increase each year for Substitute wages from FY21 through FY26. At this time the district added an assistant principal in FY22. Additional ESSER II and III funds have been allocated to our district that can be used through September, 2023 and September 2024 which will continue to offset the COVID expenses helping with academic support for lost learning due to school closures as a result of the pandemic.

| Source                         | FY22                       | FY23                       | FY24                       | FY25                       | FY26                       |
|--------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Base Wages                     | \$23,966,619               | \$25,362,166               | \$26,384,551               | \$27,439,933               | \$27,345,716               |
| Base Increases                 | 479,332                    | 507,243                    | 527,691                    | 548,799                    | 546,914                    |
| Growth                         | \$86,882                   | \$7,898                    | \$0                        | \$0                        | \$0                        |
| Substitutes                    | 346,282                    | 349,744                    | 353,242                    | 356,774                    | 360,342                    |
| Supplementals                  | 470,488                    | 479,898                    | 489,496                    | 499,286                    | 509,272                    |
| Severance                      | 15,000                     | 15,000                     | 15,000                     | 15,000                     | 15,000                     |
| ESSER Offset                   | (50,771)                   | -                          | -                          | -                          | -                          |
| Staff Reductions               | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total Wages Line #3.010</b> | <b><u>\$25,313,832</u></b> | <b><u>\$26,721,950</u></b> | <b><u>\$27,769,980</u></b> | <b><u>\$28,859,792</u></b> | <b><u>\$28,777,244</u></b> |

#### Fringe Benefits Estimates Line 3.02

This area of the forecast captures all costs associated with benefits and retirement costs, with all except health insurance being directly related to the wages paid.

##### A) STRS/SERS

The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System or the School Employees Retirement System as required by Ohio law.

##### B) Insurance

FY22 saw a premium increase of 2%. We are estimating an increase of 8% for FY23-FY26, which reflects trend. This is based on our current employee census and claims data. Premium holidays are included in the forecast when known. The District received a premium holiday in June 2021 and June 2022.

The Further Consolidated Appropriations Act of 2020, included a full repeal of three taxes originally imposed by the Affordable Care Act (ACA): the 40% Excise Tax on employer-sponsored coverage (a.k.a. “Cadillac Tax”), the Health Insurance Industry Fee (a.k.a. the Health Insurer Tax), and the Medical Device Tax. These added costs are no longer an uncertainty factor for our health care costs in the forecast.

**C) Workers Compensation & Unemployment Compensation**

Workers Compensation is expected to remain at about .02% of wages FY22-FY26 which is in line with historic growth recently. Unemployment Compensation in FY21 was more significant than other years. We anticipate returning to a more normal level beginning in FY22.

**D) Medicare**

Medicare will continue to increase at the rate of increase of wages. Contributions are 1.45% for all new employees to the district on or after April 1, 1986. These amounts are growing at the general growth rate of wages.

**Summary of Fringe Benefits – Line #3.020**

| Source                            | <u>FY22</u>         | <u>FY23</u>         | <u>FY24</u>         | <u>FY25</u>         | <u>FY26</u>         |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| A) STRS/SERS                      | \$4,044,612         | \$4,262,809         | \$4,430,243         | \$4,604,191         | \$4,591,021         |
| B) Insurance's                    | 6,102,756           | 7,124,101           | 7,694,029           | 8,309,551           | 8,974,315           |
| C) Workers Comp/Unemployment      | 163,838             | 165,426             | 167,030             | 168,651             | 170,287             |
| D) Medicare                       | 373,159             | 388,085             | 403,608             | 419,752             | 436,542             |
| Other/Tuition                     | <u>459</u>          | <u>459</u>          | <u>459</u>          | <u>459</u>          | <u>459</u>          |
| Total Fringe Benefits Line #3.020 | <u>\$10,684,824</u> | <u>\$11,940,880</u> | <u>\$12,695,369</u> | <u>\$13,502,604</u> | <u>\$14,172,624</u> |

**Purchased Services – Line #3.030**

HB110, the new state budget, will impact Purchased Services beginning in FY22 as the Ohio Department of Education will begin to direct pay these costs to the educating districts for open enrollment, community and STEM schools, and for scholarships granted students to be educated elsewhere, as opposed to deducting these amounts from our state foundation funding and shown below as expenses. We have continued to show these amounts below as zeros to help reflect the difference between projected FY22-FY26 Line 3.03 costs and historical FY19 through FY21 costs on the five-year forecast. College Credit Pus, excess costs and other tuition costs will continue to draw funds away from the district, which will continue in this area and have been adjusted based on historical trend.

| Source                               | <u>FY22</u>        | <u>FY23</u>        | <u>FY24</u>        | <u>FY25</u>        | <u>FY26</u>        |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Base Services                        | \$1,426,146        | \$1,468,930        | \$1,483,619        | \$1,513,291        | \$1,543,557        |
| Excess Cost County ESC               | 135,579            | 139,646            | 142,439            | 146,712            | 151,113            |
| Open Enrollment Deduction-477        | -                  | -                  | -                  | -                  | -                  |
| Community School Deductions-478      | -                  | -                  | -                  | -                  | -                  |
| Other Tuition                        | 1,541,080          | 1,587,312          | 1,603,185          | 1,635,249          | 1,667,954          |
| Professional Support                 | 2,718,448          | 2,772,817          | 2,800,545          | 2,856,556          | 2,913,687          |
| Building Maintenance Repairs         | 318,860            | 334,803            | 344,847            | 362,089            | 380,193            |
| Utilities                            | <u>700,949</u>     | <u>721,977</u>     | <u>743,636</u>     | <u>765,945</u>     | <u>788,923</u>     |
| Total Purchased Services Line #3.030 | <u>\$6,841,062</u> | <u>\$7,025,485</u> | <u>\$7,118,271</u> | <u>\$7,279,842</u> | <u>\$7,445,427</u> |

**Supplies and Materials – Line #3.040**

Expenses which are characterized by curricular supplies, testing supplies, copy paper, maintenance and custodial supplies, materials, and bus fuel.

| Source                     | FY22               | FY23               | FY24               | FY25               | FY26               |
|----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Supplies                   | \$921,832          | \$949,487          | \$977,972          | \$1,007,311        | \$1,037,530        |
| Building Maintenance       | 191,982            | 197,742            | 203,674            | 209,784            | 216,078            |
| Transportation             | 498,808            | 513,772            | 529,185            | 545,061            | 561,413            |
| Total Supplies Line #3.040 | <u>\$1,612,622</u> | <u>\$1,661,001</u> | <u>\$1,710,831</u> | <u>\$1,762,156</u> | <u>\$1,815,021</u> |

**Capital Outlay – Line # 3.050**

The area of capital outlay is for all types of equipment whether it is for educational purposes or building repairs. The district is projecting to spend for Capital Outlay in FY22 \$64,103 and then a 3% increase in FY23-FY26. The majority of capital expenditures are taken from the district’s permanent improvement fund, which is not included in the five-year forecast.

| Source                      | FY22            | FY23            | FY24            | FY25            | FY26            |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Capital Outlay              | \$64,103        | \$66,026        | \$68,007        | \$70,047        | \$72,149        |
| Replacement Bus Purchases   | 0               | 0               | 0               | 0               | 0               |
| Total Equipment Line #3.050 | <u>\$64,103</u> | <u>\$66,026</u> | <u>\$68,007</u> | <u>\$70,047</u> | <u>\$72,149</u> |

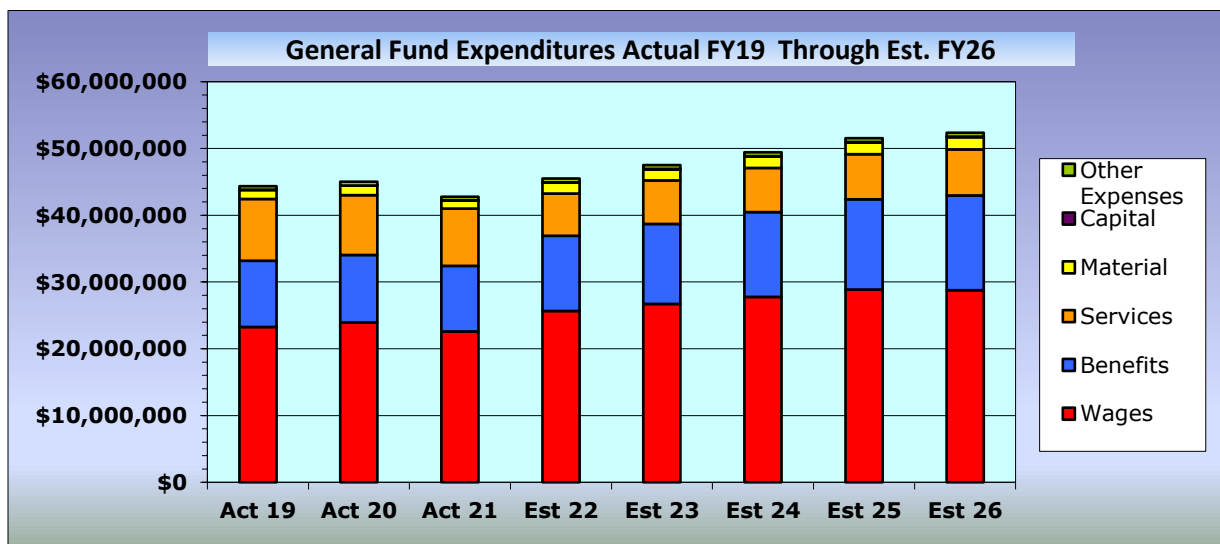
**Other Expenses – Line #4.300**

The category of Other Expenses consists primarily of Auditor & Treasurer fees, our annual audit and other miscellaneous expenses. Increases or decreases in each line are based on historical trends and known factors.

| Source                           | FY22             | FY23             | FY24             | FY25             | FY26             |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|
| County Auditor & Treasurer Fees  | \$357,552        | \$361,128        | \$364,739        | \$368,386        | \$372,070        |
| County ESC                       | 27,027           | 26,757           | 26,489           | 26,224           | 25,962           |
| Other expenses                   | 180,346          | 185,756          | 191,329          | 197,069          | 202,981          |
| Total Other Expenses Line #4.300 | <u>\$564,925</u> | <u>\$573,641</u> | <u>\$582,557</u> | <u>\$591,679</u> | <u>\$601,013</u> |

**Operating Expenditures Actual FY19 through FY21 and Estimated FY22-FY26**

The graph below shows a quick overview of actual and estimated expenses by proportion to total in the General Fund.





**Transfers Out/Advances Out – Line# 5.010**

This account group covers fund to fund transfers and end of year short term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. These amounts are limited in impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund. Beginning in FY21 the district created a termination benefits fund to be used in accordance with Ohio Revised Code section 5705.13. The district plans to transfer \$250,000 annually to this fund to be used to make severance payments to employees upon retirement and \$75,000 to athletics. FY22 includes a transfer of \$1,650,000 to PI with the remaining budgeted amount for transfers to athletics and severance payments.

| Source                              | <u>FY22</u>        | <u>FY23</u>      | <u>FY24</u>      | <u>FY25</u>      | <u>FY26</u>      |
|-------------------------------------|--------------------|------------------|------------------|------------------|------------------|
| Operating Transfers Out Line #5.010 | \$1,980,000        | \$325,000        | \$325,000        | \$325,000        | \$325,000        |
| Advances Out Line #5.020            | <u>0</u>           | <u>0</u>         | <u>0</u>         | <u>0</u>         | <u>0</u>         |
| Total Transfer & Advances Out       | <u>\$1,980,000</u> | <u>\$325,000</u> | <u>\$325,000</u> | <u>\$325,000</u> | <u>\$325,000</u> |

**Encumbrances –Line#8.010**

These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered.

|                        | <u>FY22</u>      | <u>FY23</u>      | <u>FY24</u>      | <u>FY25</u>      | <u>FY26</u>      |
|------------------------|------------------|------------------|------------------|------------------|------------------|
| Estimated Encumbrances | <u>\$450,000</u> | <u>\$450,000</u> | <u>\$450,000</u> | <u>\$450,000</u> | <u>\$450,000</u> |

**Ending Unencumbered Cash Balance – Line#15.010**

This amount must not go below \$-0- or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of \$10,000, unless the new alternative 412 certificate can be issued pursuant to HB153 effective after September 30, 2011.

|                                  | <u>FY22</u>         | <u>FY23</u>         | <u>FY24</u>         | <u>FY25</u>         | <u>FY26</u>         |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Ending Unencumbered Cash Balance | <u>\$22,908,630</u> | <u>\$24,312,366</u> | <u>\$23,942,631</u> | <u>\$21,987,674</u> | <u>\$19,701,529</u> |

**True Cash Days Ending Balance**

Another way to look at ending cash is to state it in ‘True Cash Days’. In other words, how many days could the district operate at year end if no additional revenues were received. This is the Current Years Ending Cash Balance divided by (Current Years Expenditures/365 days) = number of days the district could operate without additional resources or a severe resource interruption. The government finance officers association recommends no less than two (2) months or 60 days cash is on hand at year end but could be more depending on each districts complexity and risk factors for revenue collection. This is calculated including transfers as this is a predictable funding source for other funds such as capital, athletics and severance reserves.

## Ending Cash Balance in True Cash Days

