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# **Riverside Local Schools**

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Five Year Forecast Presentation  
May 26, 2022

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# Guidance

- The Ohio Department of Education (ODE) has developed a guide to assist teachers, administrators, Boards of Education, community members or other individuals in developing a general understanding of a school district's five-year forecast.
- <http://education.ohio.gov/getattachment/Topics/Finance-and-Funding/Five-Year-Forecast/How-to-Read-a-Five-Year-Forecast/HOW-TO-READ-A-FORECAST.pdf.aspx>



# General Information

- The five year forecast contains estimates based on the best information available at the time it is prepared
- The forecast is required to be updated and filed with ODE in November (formerly October) and May of each fiscal year
- The forecast contains three previous years of actual data (2019-2021) and five years of forecasted data (2022-2026)
- The numbers on the forecast only tell a small part of the story. The information contained in the forecast assumptions is an integral part of the forecast
- Riverside's forecast includes the General Fund and Lake County School Financing District fund



# Executive Overview

- Solvent through the end of fiscal year 2026 (See line 7.020)
- Deficit spending is projected to start in fiscal year 2024
  - Deficit spending is where expenditures exceed revenues
  - See line 6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses
  - FY2022 begins a new state biennium budget with a new funding formula called the Fair School Funding Plan
    - Details of the new funding formula were released in January 2022 and ODE has made several corrections over the subsequent months
    - Future state biennium budgets will begin FY2024 and FY2026
      - The legislature may continue the phase-in of the Fair School Funding Plan or could change it to something else
      - The six year phase-in was removed from the current state budget



# Executive Overview

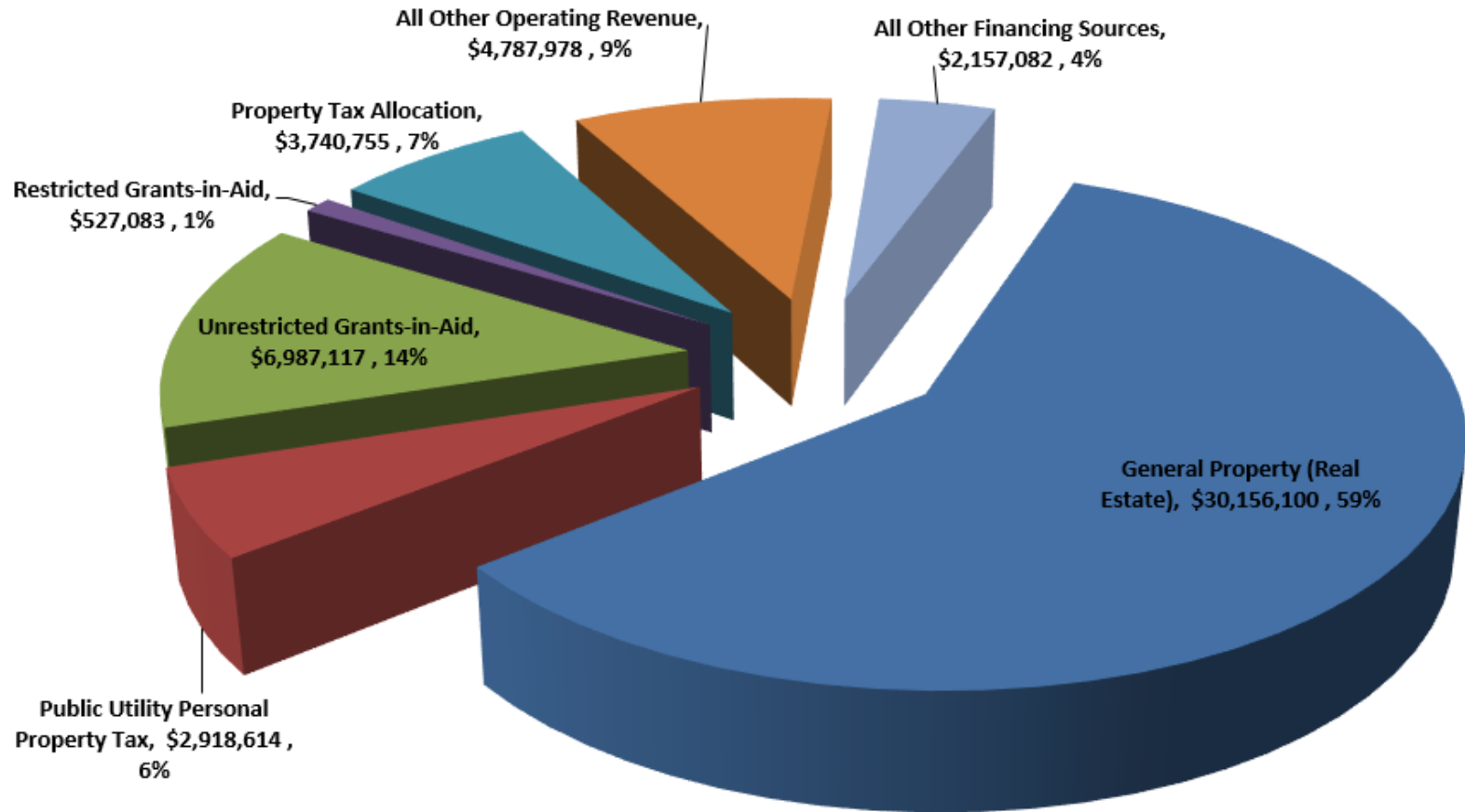
	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
Beginning Balance	19,225,351	23,358,630	24,762,366	24,392,632	22,437,674
<i>Total Revenues</i>	51,274,729	49,797,761	49,980,283	50,516,121	51,002,248
<i>Total Expenditures</i>	47,141,450	48,394,025	50,350,017	52,471,079	53,288,393
<i>Revenue Surplus or Deficit</i>	4,133,279	1,403,736	(369,734)	(1,954,958)	(2,286,145)
<i>Ending Balance</i>	23,358,630	24,762,366	24,392,632	22,437,674	20,151,529

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# Revenue



Note: Based on fiscal year 2022 projected revenue.

Total: \$51,274,729

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# Current Levies

## ● 2021 Tax Year / 2022 Collection Year

Levy	Effective Tax Rate
Inside Millage	4.80
1976 – Current Expense (33.10 Mills Cumulative)	10.15
1980 – Current Expense (4.50 Mills)	1.96
1986 – Current Expense (4.90 Mills)	2.33
2009 – Substitute Levy (4.59 Mills)*	3.87
2017 – Current Expense (4.90 Mills)	3.70
<b>Total General Fund Millage</b>	<b>26.81</b>
2016 – Permanent Improvement (2.50 Mills)**	1.98
2016 – Phase I Debt (Originally 1.92 Mills)	1.35
<b>Total Millage</b>	<b>30.14</b>

\*Originally a 2004 Five Year Emergency Levy that was converted to a Substitute Levy for tax year 2009.

\*\* Replaced expiring 1.89 mill PI levy and expired 1993 0.85 mill Bond Issue

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# Comparison of Residential Tax Rates

District	Effective Tax Rate TY2021/CY2022
Wickliffe	52.90
Willoughby-Eastlake	46.30
Fairport Harbor	44.64
Painesville City*	40.89
Kirtland	36.77
Mentor	33.18
<b>Riverside*</b>	<b>30.14</b>
Madison*	28.34
Perry*	20.00

\* Effective rates do not include the Lake County School Financing District: 1.94 mills

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# 1.060 All Other Revenues

## Lake County School Financing District

<b>Year</b>	<b>Revenue</b>	<b>Change from PY</b>
FY2022	3,233,580.33	21.01%
FY2021	2,672,229.49	30.14%
FY2020	2,053,387.83	-1.91%
FY2019	2,093,468.94	-4.83%
FY2018	2,199,647.61	-1.53%
FY2017	2,233,739.62	-1.94%
FY2016	2,277,883.62	-1.12%
FY2015	2,303,745.18	-0.83%
FY2014	2,323,140.36	-6.28%
FY2013	2,478,687.96	-1.39%

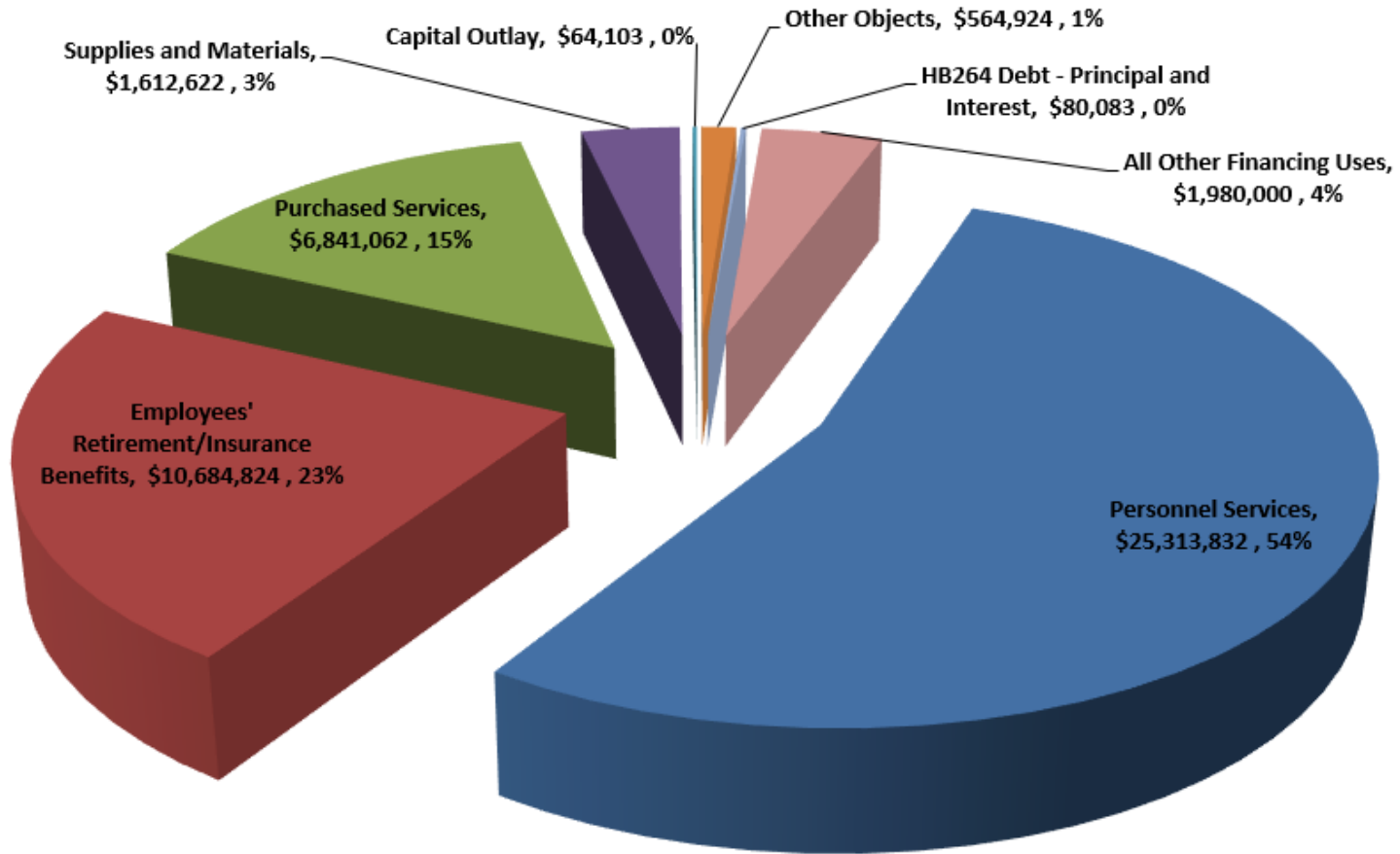
2013 vs. 2022      754,892.37      30.46%

Effective Millage: 1.94 mills      55.51% 2022 Distribution vs. 37.18% 2020 Distribution

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# Expenditures



Note: Based on fiscal year 2022 projected expenditures.

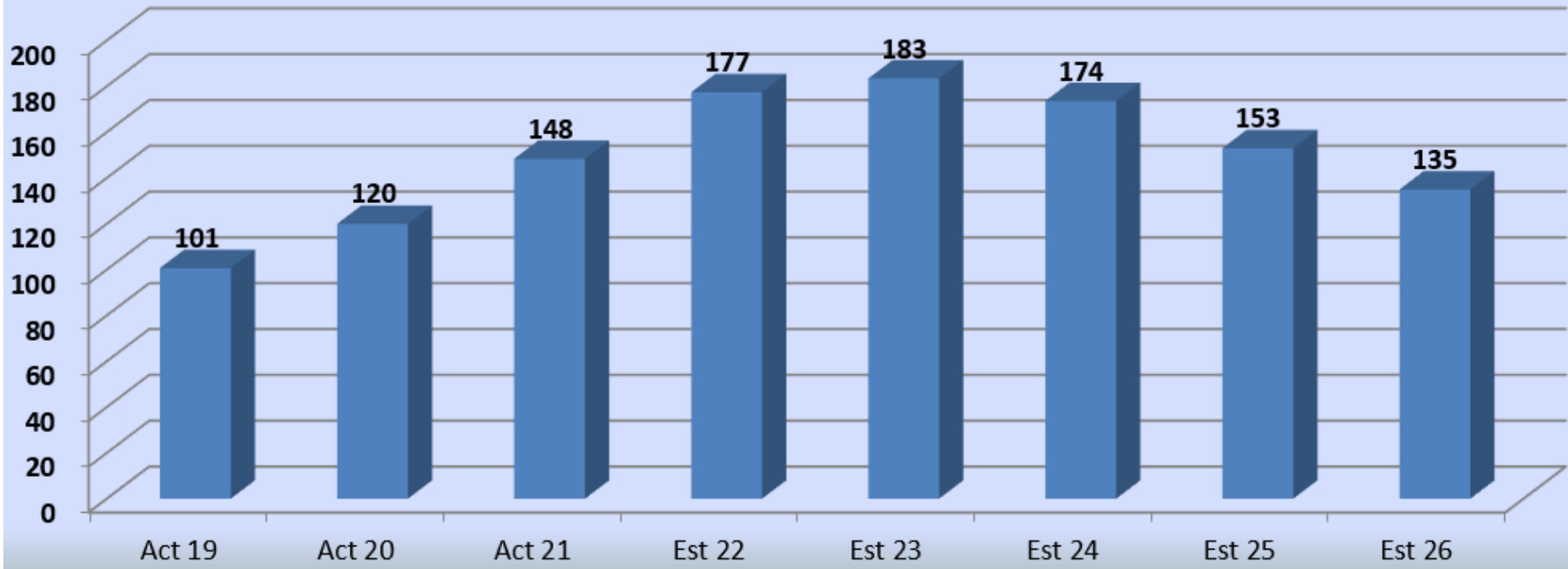
Note: Fair School Funding Plan materially reduced Purchased Services

Total: \$47,141,450

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## Ending Cash Balance in True Cash Days



ODE recommends maintaining at least a 30-60 day cash balance.

GFOA recommends, at a minimum, that general-purpose governments, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures.

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# What Could Change?

- Revenue:
  - Property Tax Collections and Valuations
  - State Biennium Budget – Understanding the Fair School Funding Plan Effective FY2022 and FY2023
    - Will future biennium budgets continue six year phase-in or adopt alternative formula or voucher system
- Expenditures:
  - Staffing Levels (COVID-19, custodians, aides, retirements)
    - Staffing needs and shortages
  - Future Health Care Rates / Plan Changes / Premium Holidays
  - Purchased Services and Supplies – Effects of inflation / supply chain issues
- New Housing Development / Enrollment Changes

