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# **Riverside Local Schools**

**Five Year Forecast Presentation  
November 16, 2023**



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# Guidance

- The Ohio Department of Education and Workforce (DEW) 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>
- Guide was last updated in 2011. Substantial changes has been made to state funding and other revenue items.



# 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 (2021-2023) and five years of forecasted data (2024-2028)
- 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 2028 (See line 7.020)
- Deficit spending is projected to start in fiscal year 2025
  - 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 began a new state biennium budget with a new funding formula called the Fair School Funding Plan
    - Currently in the third year of the phase in of new formula
    - Future state biennium budgets will begin FY2026 and FY2028
      - The legislature will likely continue the phase-in of the Fair School Funding Plan
      - On target for a six year phase-in, but not guaranteed

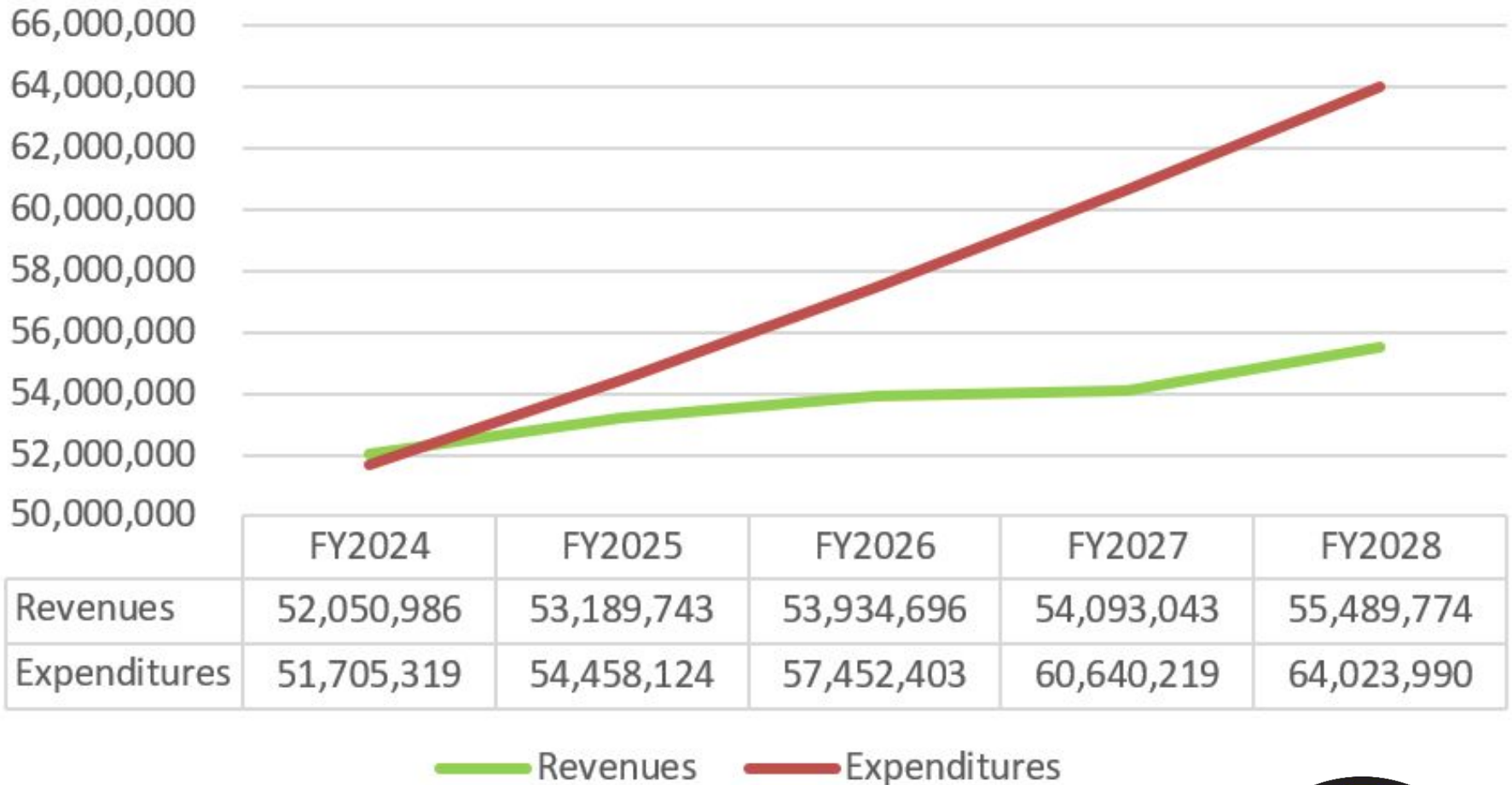


# Executive Overview

	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
Beginning Balance	25,671,739	26,017,406	24,749,025	21,231,318	14,684,142
<i>Total Revenues</i>	52,050,986	53,189,743	53,934,696	54,093,043	55,489,774
<i>Total Expenditures</i>	51,705,319	54,458,124	57,452,403	60,640,219	64,023,990
<i>Surplus or Deficit</i>	345,667	(1,268,381)	(3,517,707)	(6,547,176)	(8,534,216)
<i>Ending Balance</i>	26,017,406	24,749,025	21,231,318	14,684,142	6,149,926



## Revenues vs. Expenditures



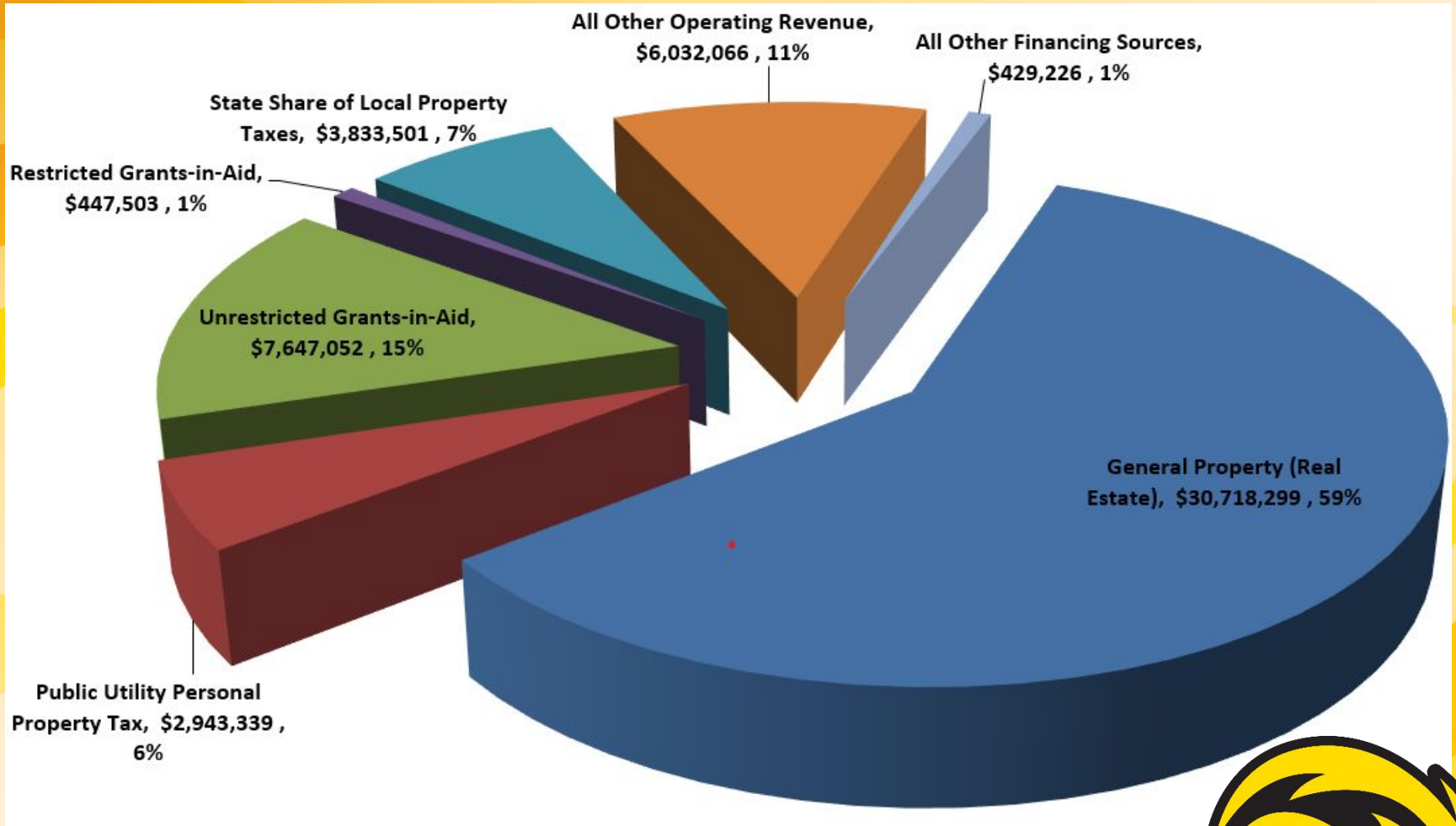
Average Revenue Growth Per Year: 1.32%  
Average Expenditure Growth Per Year: 4.76%



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# Revenue



Note: Based on fiscal year 2024 projected revenue. Total: \$52,050,986

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# Current Levies

Levy	Effective Tax Rate
<i>Inside Millage</i>	4.80
<i>1976 – Current Expense (33.10 Mills Cumulative)</i>	10.09
<i>1980 – Current Expense (4.50 Mills)</i>	1.95
<i>1986 – Current Expense (4.90 Mills)</i>	2.32
<i>2009 – Substitute Levy (4.59 Mills)*</i>	3.69
<i>2017 – Current Expense (4.90 Mills)</i>	3.85
<b>Total General Fund Millage</b>	<b>26.70</b>
<i>2016 – Permanent Improvement (2.50 Mills)**</i>	1.97
<i>2016 – Phase I Debt (Originally 1.92 Mills)</i>	1.35
<b>Total Millage</b>	<b>30.02</b>

*Total Effective Millage (Tax Rate) towards the 20 Mill Floor: 23.01*

\*Originally a 2004 Five Year Emergency Levy that was converted to a Substitute Levy for tax year 2009 and made continuous starting tax year 2014.

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

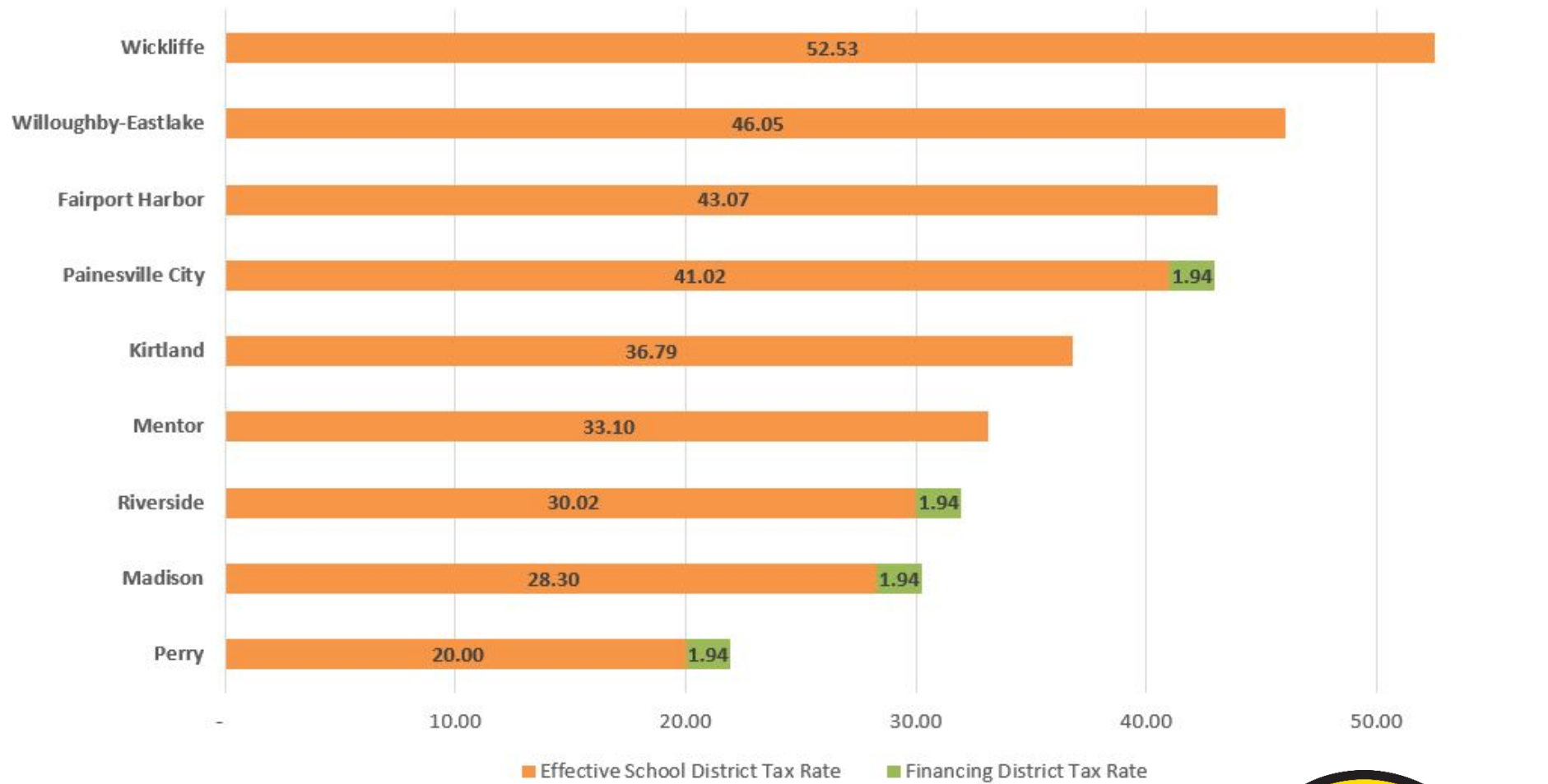
Source: Lake County Auditor – Schedule A - Tax Year 2022 / Collection Year 2023



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## Comparison of Effective Tax Rates (Class 1 - Residential/Agricultural)

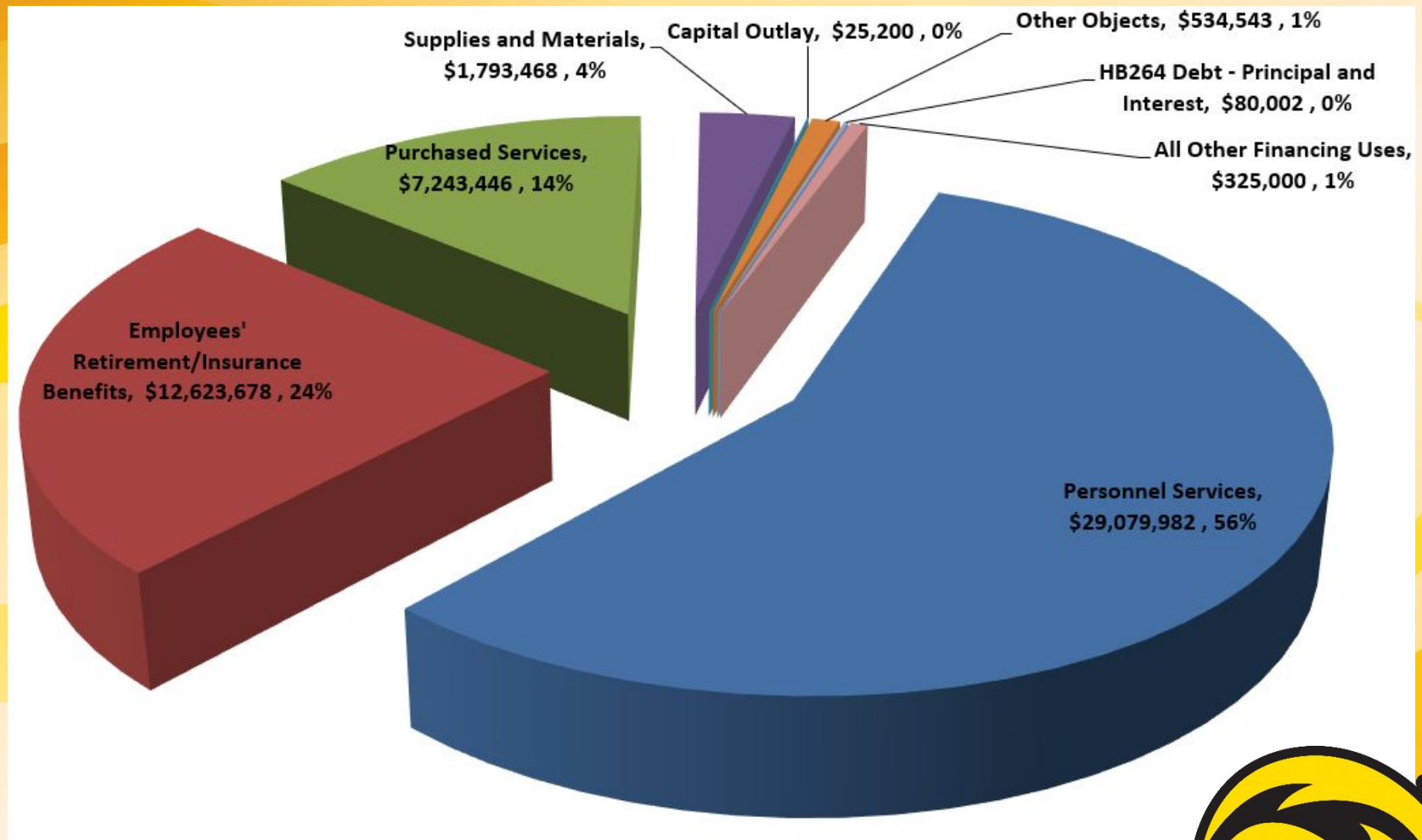


Source: Lake County Auditor – Schedule A - Tax Year 2022 / Collection Year 2023

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# Expenditures

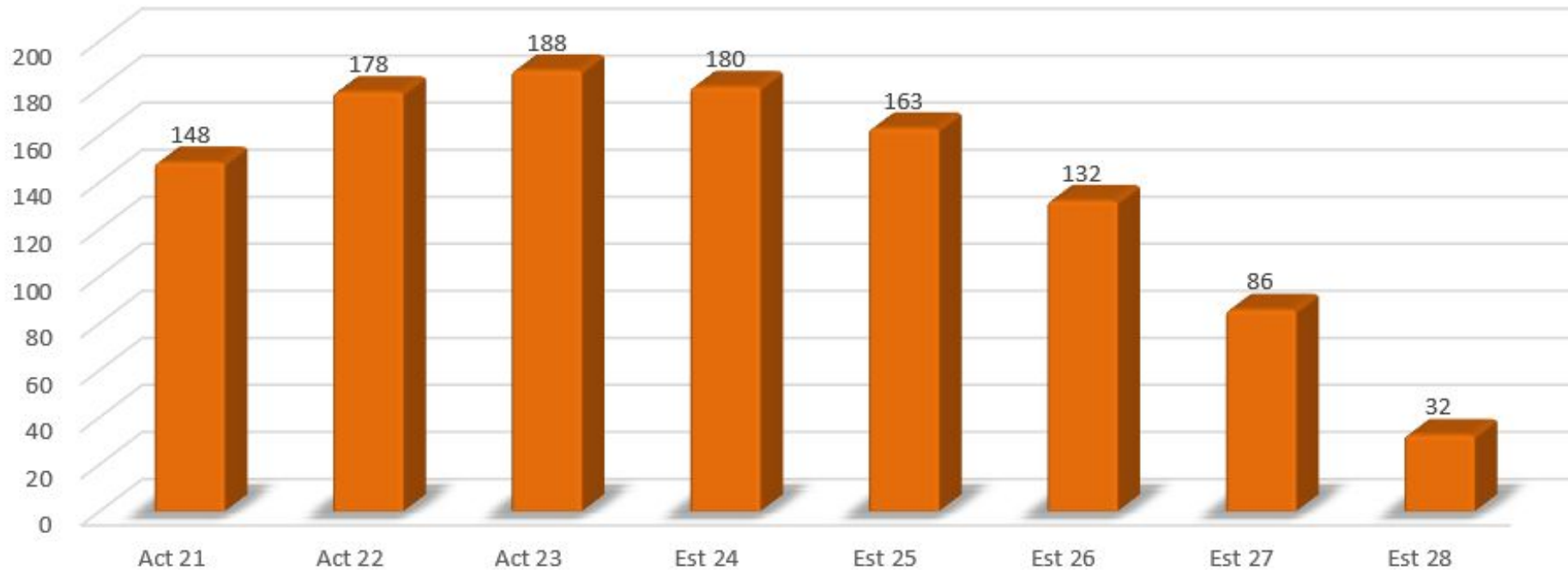


Note: Based on fiscal year 2024 projected expenditures. Total: \$51,705,319

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## Ending Cash Balance in True Cash Days



### Board Policy 6324 – Cash Balance Reserve

- Adopted: December 15, 2022
- The Board believes that maintaining a General Fund cash reserve balance of 90 days true cash is necessary in the interest of sound fiscal management.
- The Board shall take appropriate action(s) at least two fiscal years prior to the fiscal year in which the general fund cash balance true days cash target may not be met.



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# What Could Change?

- Revenue:
  - Property Tax Collections and Valuations
    - Lake County Reevaluation for Tax Year 2024 / Collection Year 2025
      - Any increase in excess of 20%, without legislative changes, will result in the district reaching the 20 mill floor
  - State Biennium Budget – Likely to continue phase in of new formula, but could be tweaks and changes
    - If phase in continues, should see an increase in transportation funding starting in FY2026
      - No increase is currently projected
  - Interest Revenue – Will it increase, decrease, or level off?
- Expenditures:
  - Staffing Levels - Staffing needs and shortages
    - ARP ESSER funds run out in November 2023
  - Future Health Care Rates / Plan Changes / Premium Holidays
  - Purchased Services and Supplies – Effects of inflation / supply chain issues
- New Housing Development / Enrollment Changes



		Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
<b>20% Increase in Class I Values</b>						
1.010	General Property Tax (Real Estate)	\$30,718,299	\$31,531,405	\$32,161,947	\$32,318,736	\$33,546,248
1.020	Public Utility Personal Property Tax	2,943,339	3,055,338	3,095,094	3,149,141	3,197,628
1.050	State Share of Local Property Taxes	3,833,501	3,959,511	4,067,043	4,085,793	4,269,524
<b>Total:</b>		37,495,139	38,546,254	39,324,084	39,553,670	41,013,400
<b>25% Increase in Class I Values</b>						
1.010	General Property Tax (Real Estate)	\$30,718,299	\$32,078,886	\$33,174,765	\$33,331,114	\$34,602,113
1.020	Public Utility Personal Property Tax	2,943,339	3,052,412	3,089,214	3,143,214	3,191,841
1.050	State Share of Local Property Taxes	3,833,501	4,043,917	4,235,854	4,254,664	4,445,073
<b>Total:</b>		37,495,139	39,175,215	40,499,833	40,728,992	42,239,027
<b>vs. 20% Projection:</b>			628,961	1,175,749	1,175,322	1,225,627
<b>30% Increase in Class I Values</b>						
1.010	General Property Tax (Real Estate)	\$30,718,299	\$32,626,252	\$34,187,404	\$34,343,346	\$35,657,845
1.020	Public Utility Personal Property Tax	2,943,339	3,049,687	3,083,736	3,137,691	3,186,450
1.050	State Share of Local Property Taxes	3,833,501	4,128,226	4,404,473	4,423,337	4,620,422
<b>Total:</b>		37,495,139	39,804,165	41,675,613	41,904,374	43,464,717
<b>vs. 20% Projection:</b>			1,257,911	2,351,529	2,350,704	2,451,317
<b>35% Increase in Class I Values</b>						
1.010	General Property Tax (Real Estate)	\$30,718,299	\$33,173,515	\$35,199,882	\$35,355,446	\$36,713,457
1.020	Public Utility Personal Property Tax	2,943,339	3,047,143	3,078,621	3,132,534	3,181,413
1.050	State Share of Local Property Taxes	3,833,501	4,212,450	4,572,920	4,591,834	4,795,592
<b>Total:</b>		37,495,139	40,433,108	42,851,423	43,079,814	44,690,462
<b>vs. 20% Projection:</b>			1,886,854	3,527,339	3,526,144	3,677,062