



Five Year Forecast Presentation

November 21, 2024



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Forecast 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 have been made to state funding and other revenue items.



Forecast Guidance

- 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 the Ohio Department of Education and Workforce in November (formerly October) and May of each fiscal year.
- The forecast contains three previous years of actual data (2022-2024) and five years of forecasted data (2025-2029).
- 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. It does not include the permanent improvement fund or any other fund per state regulations.



Executive Overview

- Solvent through the end of fiscal year 2028 (See line 7.020)
- Deficit spending started in last 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 began a new state biennium budget with a new funding formula called the Fair School Funding Plan
 - Currently in the fourth 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



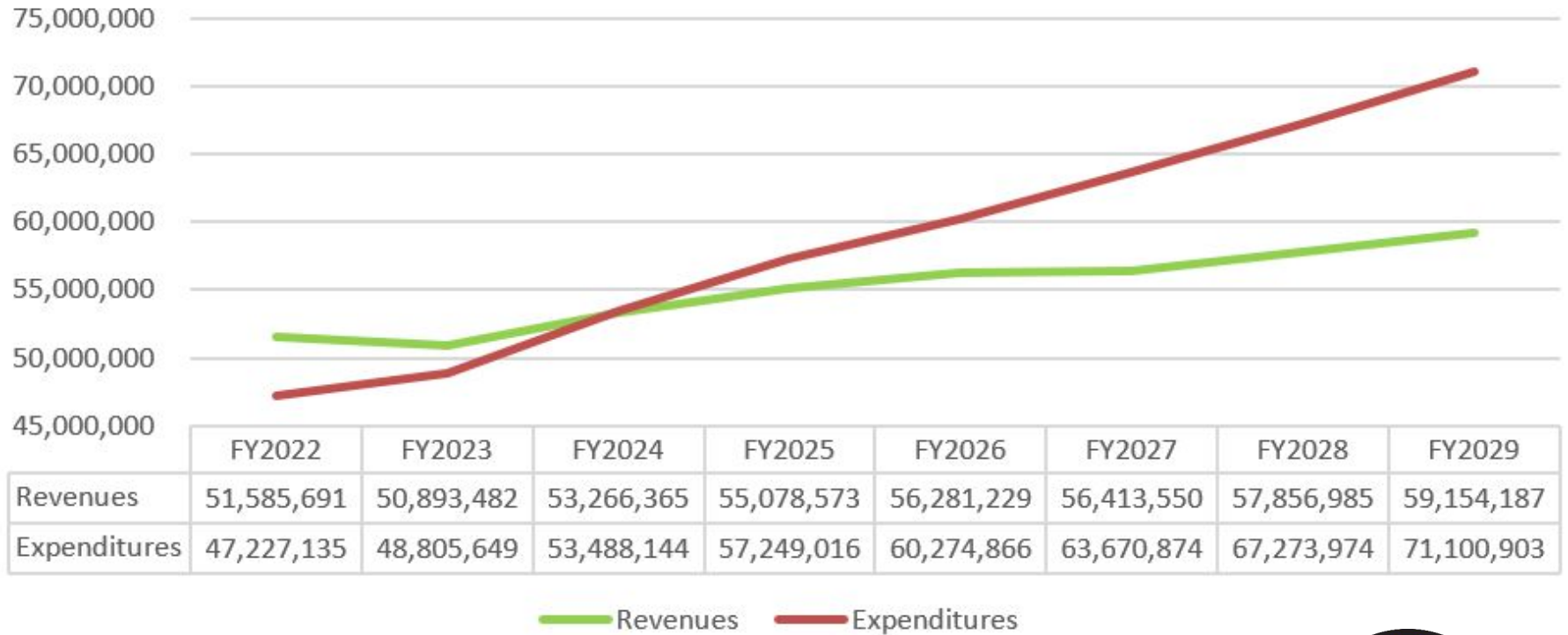
Executive Overview

	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
Beginning Balance	25,449,960	23,279,517	19,285,880	12,028,556	2,611,567
Total Revenues	55,078,573	56,281,229	56,413,550	57,856,985	59,154,187
Total Expenditures	57,249,016	60,274,866	63,670,874	67,273,974	71,100,903
Surplus or Deficit	(2,170,443)	(3,993,637)	(7,257,324)	(9,416,989)	(11,946,716)
Ending Balance	23,279,517	19,285,880	12,028,556	2,611,567	(9,335,149)



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Revenues vs. Expenditures



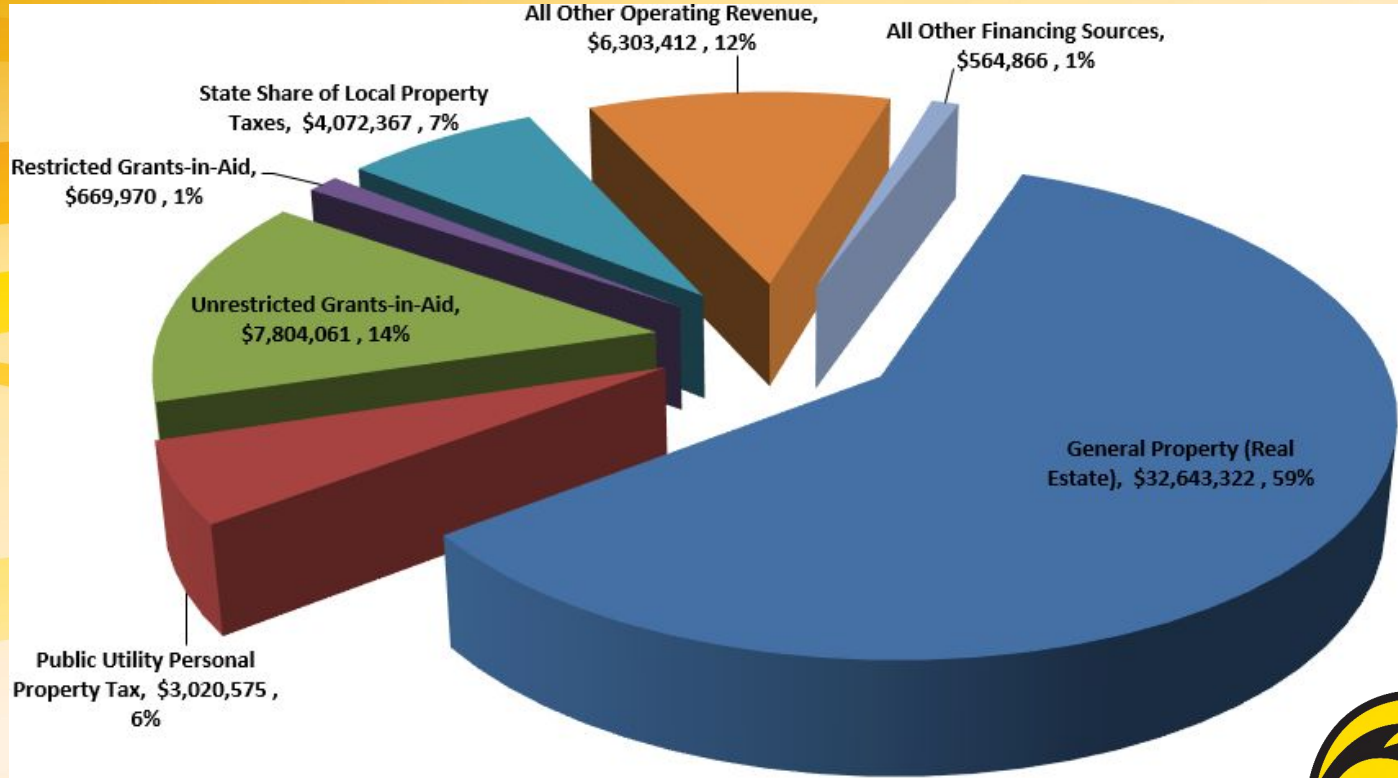
Average Revenue Growth Per Year: 1.48%

Average Expenditure Growth Per Year: 4.84%



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Revenue Pie Chart



Note: Based on Fiscal Year 2025 Projected Revenue. Total: \$55,078,573

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Revenue Forecast

		Actual				Forecasted				
		Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Average Change	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
	Revenues									
1.010	General Property Tax (Real Estate)	\$30,156,100	\$30,490,539	\$31,088,275	1.5%	\$32,643,322	\$34,038,955	\$34,193,121	\$35,481,319	36,613,898
1.020	Public Utility Personal Property Tax	2,918,614	2,996,481	3,078,782	2.7%	3,020,575	3,140,556	3,194,613	3,243,084	3,291,475
1.035	Unrestricted State Grants-in-Aid	7,038,336	7,287,208	7,545,409	3.5%	7,804,061	7,796,801	7,799,567	7,802,353	7,805,161
1.040	Restricted State Grants-in-Aid	527,821	452,129	685,156	18.6%	669,970	444,970	444,970	444,970	444,970
1.050	State Share of Local Property Taxes	3,740,755	3,782,511	3,857,202	1.5%	4,072,367	4,263,452	4,281,748	4,472,211	4,662,679
1.060	All Other Revenues	4,843,015	5,400,688	6,627,430	17.1%	6,303,412	6,255,684	6,158,720	6,072,237	5,995,193
1.070	Total Revenues	49,224,641	50,409,556	52,882,254	3.7%	54,513,707	55,940,418	56,072,739	57,516,174	58,813,376
	Other Financing Sources									
2.050	Advances-In	1,889,082	98,000	43,300	-75.3%	224,055	-	-	-	-
2.060	All Other Financing Sources	471,968	385,926	340,811	-15.0%	340,811	340,811	340,811	340,811	340,811
2.070	Total Other Financing Sources	2,361,050	483,926	384,111	-50.1%	564,866	340,811	340,811	340,811	340,811
2.080	Total Revenues and Other Financing Sources	51,585,691	50,893,482	53,266,365	1.7%	55,078,573	56,281,229	56,413,550	57,856,985	59,154,187

Average Revenue Growth Per Year: 1.44%

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Current Levies

Levy	Effective Tax Rate
Inside Millage	4.80
1976 – Current Expense (33.10 Mills Cumulative)	10.08
1980 – Current Expense (4.50 Mills)	1.95
1986 – Current Expense (4.90 Mills)	2.31
2009 – Substitute Levy (4.59 Mills)*	3.68
2017 – Current Expense (4.90 Mills)	3.85
Total General Fund Millage	26.67
2016 – Permanent Improvement (2.50 Mills)**	1.96
2016 – Phase I Debt (Originally 1.92 Mills)	1.45
Total Millage	30.08

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

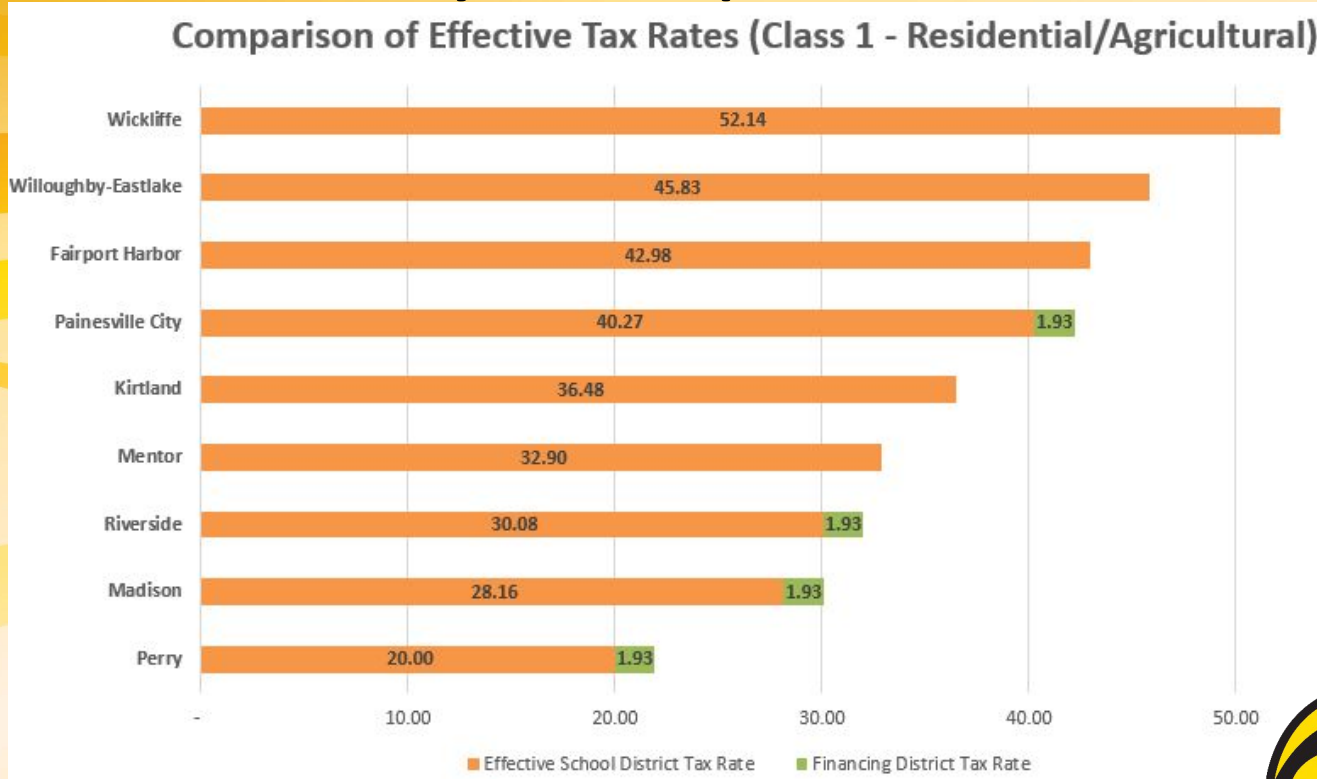
** Replaced expiring 1.89 mill PI levy and expired 1993 0.85 mill Bond Issue

Source: Lake County Auditor - Schedule A - Tax Year 2023 / Collection Year 2024

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Levy Comparison



Source: Lake County Auditor - Schedule A - Tax Year 2023 / Collection Year 2024



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Property Tax Revaluation Scenarios

		Forecasted				
		Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
28% Increase in Class I Values						
1.010	General Property Tax (Real Estate)	32,643,322	34,038,955	34,193,121	35,481,319	36,613,898
1.020	Public Utility Personal Property Tax	3,020,575	3,140,556	3,194,613	3,243,084	3,291,475
1.050	State Share of Local Property Taxes	4,072,367	4,263,452	4,281,748	4,472,211	4,662,679
Total:		39,736,264	41,442,963	41,669,482	43,196,614	44,568,052
0.00% Increase in Class I Values						
1.010	General Property Tax (Real Estate)	31,228,414	31,417,579	31,596,608	31,987,077	32,342,676
1.020	Public Utility Personal Property Tax	3,040,500	3,180,605	3,234,950	3,282,463	3,329,883
1.050	State Share of Local Property Taxes	3,852,387	3,825,259	3,846,709	3,902,464	3,957,481
Total:		38,121,301	38,423,443	38,678,267	39,172,004	39,630,040
vs. 28% Projection:		(1,614,963)	(3,019,520)	(2,991,215)	(4,024,610)	(4,938,012)
27% Increase in Class I Values						
1.010	General Property Tax (Real Estate)	32,534,522	33,836,332	33,990,582	35,270,134	36,395,247
1.020	Public Utility Personal Property Tax	3,021,153	3,141,718	3,195,783	3,244,228	3,292,590
1.050	State Share of Local Property Taxes	4,055,830	4,230,379	4,248,664	4,437,821	4,626,983
Total:		39,611,505	41,208,429	41,435,029	42,952,183	44,314,820
vs. 28% Projection:		(124,759)	(234,534)	(234,453)	(244,431)	(253,232)



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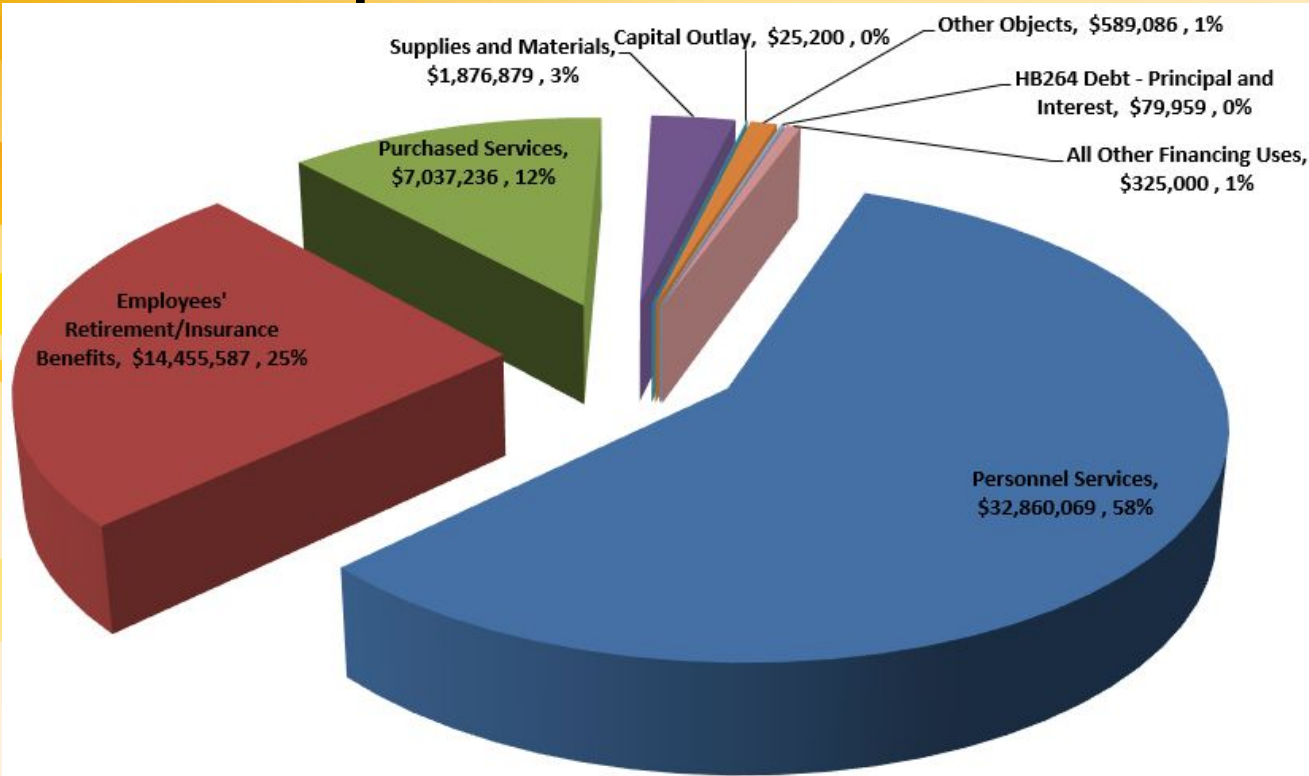
Property Tax Revaluation Scenarios

		Forecasted				
		Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
28% Increase in Class I Values						
1.010	General Property Tax (Real Estate)	32,643,322	34,038,955	34,193,121	35,481,319	36,613,898
1.020	Public Utility Personal Property Tax	3,020,575	3,140,556	3,194,613	3,243,084	3,291,475
1.050	State Share of Local Property Taxes	4,072,367	4,263,452	4,281,748	4,472,211	4,662,679
<i>Total:</i>		39,736,264	41,442,963	41,669,482	43,196,614	44,568,052
29% Increase in Class I Values						
1.010	General Property Tax (Real Estate)	32,752,117	34,241,571	34,395,654	35,692,498	36,832,543
1.020	Public Utility Personal Property Tax	3,020,005	3,139,411	3,193,458	3,241,957	3,290,374
1.050	State Share of Local Property Taxes	4,088,899	4,296,517	4,314,823	4,506,593	4,698,367
<i>Total:</i>		39,861,021	41,677,499	41,903,935	43,441,048	44,821,284
<i>vs. 28% Projection:</i>		124,757	234,536	234,453	244,434	253,232
30% Increase in Class I Values						
1.010	General Property Tax (Real Estate)	32,860,907	34,444,181	34,598,182	35,903,672	37,051,184
1.020	Public Utility Personal Property Tax	3,019,443	3,138,281	3,192,319	3,240,844	3,289,289
1.050	State Share of Local Property Taxes	4,105,428	4,329,574	4,347,891	4,540,967	4,734,048
<i>Total:</i>		39,985,778	41,912,036	42,138,392	43,685,483	45,074,521
<i>vs. 28% Projection:</i>		249,514	469,073	468,910	488,869	506,469



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Expenditure Pie Chart



Note: Based on Fiscal Year 2025 Projected Expenditures. Total: \$57,249,016



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Expenditure Forecast

		Actual			Forecasted				
		Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
	Expenditures								
3.010	Personal Services	\$25,380,709	\$27,566,752	\$30,064,831	\$32,860,069	\$34,553,972	\$36,592,814	\$38,746,184	41,027,921
3.020	Employees' Retirement/Insurance Benefits	10,611,416	11,169,552	13,059,728	14,455,587	15,740,581	16,849,279	18,042,947	19,324,212
3.030	Purchased Services	6,872,099	7,340,179	7,460,646	7,037,236	7,206,536	7,380,450	7,559,126	7,742,713
3.040	Supplies and Materials	1,625,929	1,728,609	1,616,269	1,876,879	1,745,913	1,811,655	1,880,037	1,951,172
3.050	Capital Outlay	25,060	19,634	59,706	25,200	25,200	25,200	25,200	25,200
4.050	Principal-HB 264 Loans	58,627	60,784	63,021	65,340	67,745	70,238	72,822	75,502
4.060	Interest and Fiscal Charges	21,456	19,259	16,981	14,619	12,170	9,632	6,999	4,270
4.300	Other Objects	\$544,992	\$527,145	\$580,607	589,086	597,750	606,606	615,659	624,913
4.500	Total Expenditures	45,140,288	48,431,914	52,921,789	56,924,016	\$59,949,867	63,345,874	66,948,973	70,775,904
	Other Financing Uses								
5.010	Operating Transfers-Out	\$1,988,847	\$330,435	\$342,300	\$325,000	\$325,000	\$325,000	\$325,000	325,000
5.020	Advances-Out	98,000	43,300	224,055	-	-	-	-	-
5.040	Total Other Financing Uses	2,086,847	373,735	566,355	325,000	325,000	325,000	325,000	325,000
5.050	Total Expenditures and Other Financing Uses	47,227,135	48,805,649	53,488,144	57,249,016	60,274,867	63,670,874	67,273,973	71,100,904

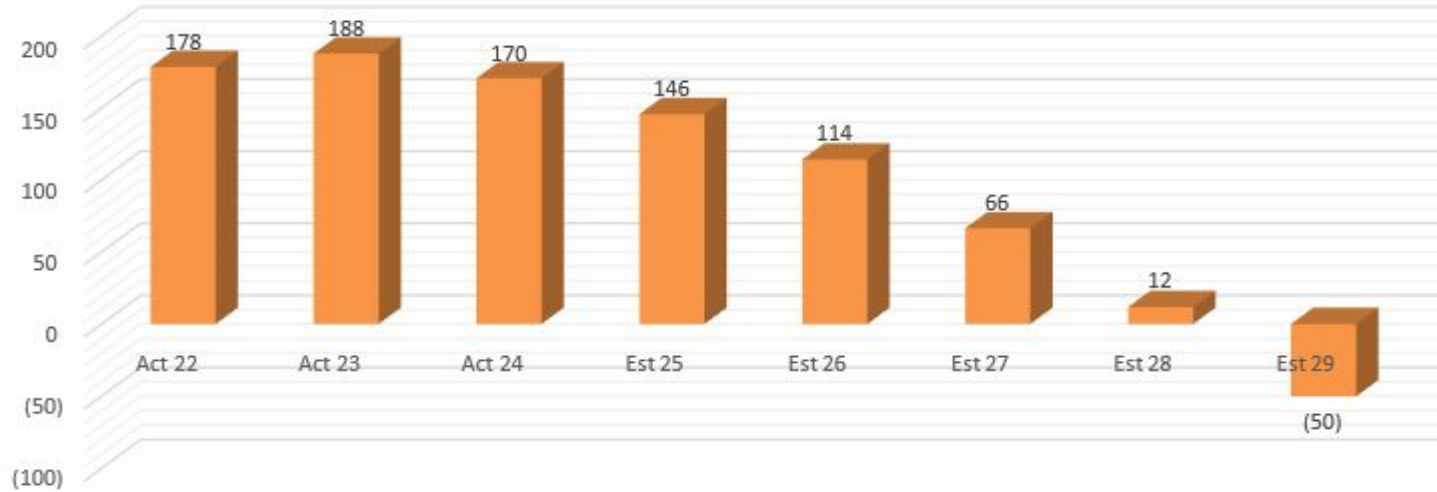
Average Expenditure Growth Per Year: 4.84%



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Cash Balance

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
 - Currently projecting a 28% residential valuation increase
 - Potential legislative changes to property taxes
 - 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 – Rates and Cash Balances are declining
- Expenditures:
 - Staffing Levels - Staffing needs going forward / Retirements
 - Future Health Care Rates / Plan Changes
 - New Housing Development / Enrollment Changes

