



RIVERSIDE LOCAL SCHOOL DISTRICT
LAKE COUNTY

Five Year Forecast Financial Report

May, 2020

Gary A. Platko, Treasurer/CFO

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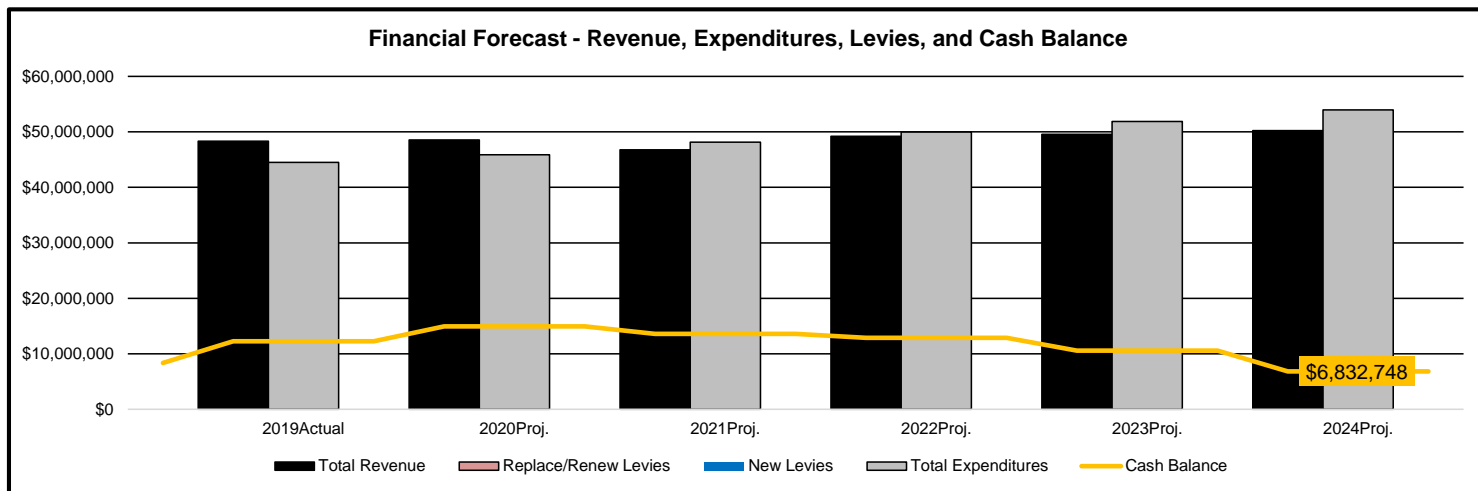
Forecast Purpose/Objectives

Ohio Department of Education's purposes/objectives for the five-year forecast are:

1. To engage the local board of education and the community in the long range planning and discussions of financial issues facing the school district.
2. To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate."
3. To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems.

Forecast Methodology - This forecast is prepared based upon historical trends and current factors. This information is then extrapolated into estimates for subsequent years. The forecast variables can change multiple times throughout the fiscal year and while cash flow monitoring helps to identify unexpected variances no process is guaranteed. The intent is to provide the district's financial trend over time and a roadmap for decisions aimed at encouraging financial sustainability and stability.

Forecast Summary



RIVERSIDE LOCAL SCHOOL DISTRICT - - LAKE COUNTY

Financial Forecast

Financial Forecast	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Beginning Balance	12,727,666	15,395,576	14,053,133	13,314,127	11,002,072
+ Revenue	48,534,884	46,783,543	49,215,415	49,553,513	50,232,184
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(45,866,974)	(48,125,986)	(49,954,421)	(51,865,568)	(53,951,508)
= Revenue Surplus or Deficit	2,667,910	(1,342,443)	(739,006)	(2,312,055)	(3,719,324)
Ending Balance with renewal levies Note: Not Reduced for Encumbrances	15,395,576	14,053,133	13,314,127	11,002,072	7,282,748

Analysis Without Renewal Levies Included:

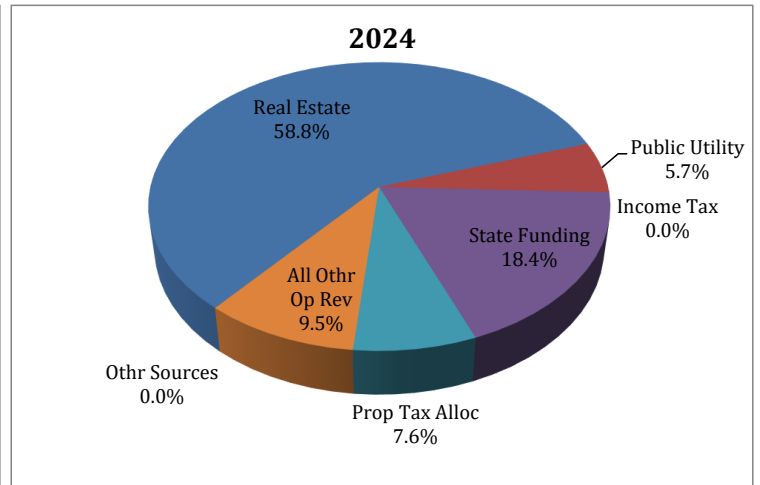
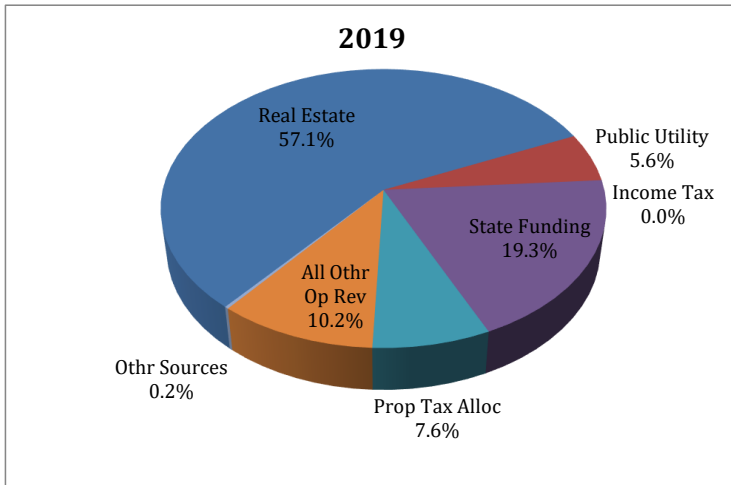
Revenue Surplus or Deficit w/o Levies	2,667,910	(1,342,443)	(739,006)	(2,312,055)	(3,719,324)
Ending Balance w/o Levies	15,395,576	14,053,133	13,314,127	11,002,072	7,282,748

The purpose of the five year forecast is to engage the local board of education and community in long range planning and discussions of the financial issues facing the district. Various board policies establish the fiscal oversight of the board of education in regards to the five year forecast. Board policy 6231 states, "The board shall adopt a spending plan (also known as a forecast) as prescribed by statute." Board policy 6810 emphasizes the importance of the board of education recognizing its responsibility to the taxpayers of the district to be sure that public monies are utilized in a manner that ensures full value to the taxpayers. Board policy 6210 states the budget should reflect the objectives of the board of education for the education of the children of the district. The board of education considers these objectives when discussing the five year forecast with the administration.

The five year forecast is prepared based on the best information available at the time the forecast is prepared. School districts are encouraged to update their forecasts with the Ohio Department of Education when events take place that will significantly change their forecast. The COVID-19 pandemic has caused many challenges for public school districts in recent months including unprecedented financial challenges and uncertainty. Please review each note carefully to understand the projection made by the district. The forecast will be updated if actual results significantly vary from what is projected in this forecast, particularly in line 1.035 that reflects revenue from the State of Ohio.

The five year forecast presents three fiscal years of historical financial information plus five years of projected financial information including the current fiscal year 2020 that runs July 1, 2019 through June 30, 2020. The five year forecast includes the entire general fund as required by law. It also includes the Lake County School Financing District fund since this is a major revenue stream for the district providing funding for teacher salaries in core subjects at the high school level. The five year forecast does not include the permanent improvement fund, building construction fund, debt retirement fund, or any other funds of the district.

Revenue Sources and Forecast Year-Over-Year Projected Overview



**Projected % trends include renewal levies*

	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	
Revenue:							
1.010-Real Estate	4.89%	3.83%	-1.08%	1.94%	1.22%	0.92%	1.36%
1.020-Public Utility	18.89%	1.37%	1.33%	0.85%	0.92%	0.97%	1.09%
1.030-Income Tax	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.035-State Funding	3.97%	-7.89%	-16.76%	22.69%	0.18%	5.21%	0.69%
1.040-Restricted Aid	292.62%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.045-Restr Federal SFSF	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.050-Property Tax Alloc	-6.03%	0.25%	1.09%	1.07%	1.06%	0.91%	0.88%
1.060-All Other Operating	3.58%	-2.68%	-1.49%	5.52%	-1.89%	-1.86%	-0.48%
1.070-Total Revenue	3.95%	0.55%	-3.48%	5.20%	0.69%	1.37%	0.86%
2.070-Total Other Sources	70.02%	-45.72%	-100.00%	0.00%	0.00%	0.00%	-72.86%
2.080-Total w/Other Srcs	4.02%	0.43%	-3.61%	5.20%	0.69%	1.37%	0.82%

General Property Tax (Real Estate) revenue is the largest and most significant revenue stream for the district. In 2019, Real Estate revenue made up 57.1% of Total Revenues. All of the district's operating levies are in place for a continuous period of time, making this a fairly stable revenue stream.

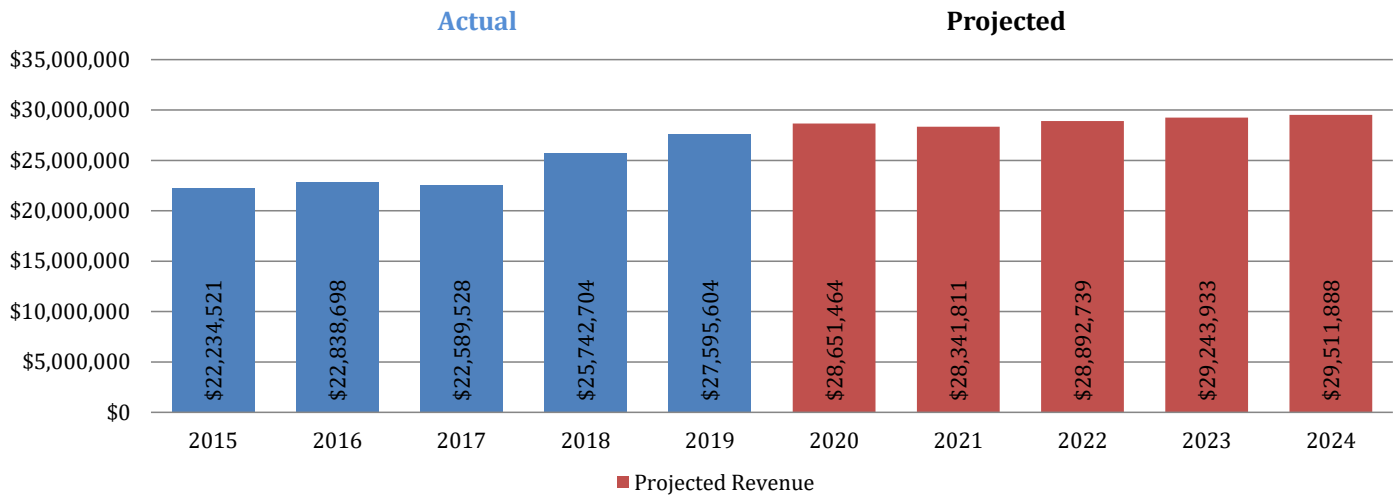
The second largest revenue stream is Unrestricted Grants-in-Aid (State Funding). This made up 18.5% of Total Revenues in 2019, which includes the state funding formula and casino tax revenue. The state funding formula is revised with each state biennium budget, which is currently set to expire at the end of the fiscal year 2021. However, the District is experiencing a significant decrease in funding due to the COVID-19 pandemic. See page 8 for more information.

The third largest revenue stream is no longer Property Tax Allocation due to the aggressive phase out of TPP reimbursements, which caused a significant loss of revenue to the district as explained on page 10. Therefore, Other Revenue is now the third largest revenue stream (10.2%) due to the inclusion of revenue from the Lake County School Financing District.

Please review pages 5 through 12 for more detailed information for each revenue stream for the district.

1.010 - General Property Tax (Real Estate)

Revenue collected from taxes levied by a school district by the assessed valuation of real property using effective tax rates for class I (residential/agricultural) and class II (business).



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total With Renewal Levies	27,595,604	28,651,464	28,341,811	28,892,739	29,243,933	29,511,888
YOY \$ Change	1,852,900	1,055,860	(309,653)	550,928	351,194	267,955
YOY % Change	7.2%	3.8%	-1.1%	1.9%	1.2%	0.9%

Percentage of Total Revenue	57.1%	59.0%	60.6%	58.7%	59.0%	58.8%
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Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2018	1,053,471,090	89,798,880	30.38	(2.04)	30.29	(1.08)	99.8%
2019	1,070,809,040	17,337,950	30.34	(0.03)	29.87	(0.42)	99.4%
2020	1,082,201,233	11,392,193	30.32	(0.03)	29.76	(0.11)	98.7%
2021	1,112,351,877	30,150,643	29.85	(0.46)	29.29	(0.46)	99.1%
2022	1,124,035,137	11,683,261	29.83	(0.03)	29.19	(0.10)	99.1%
2023	1,135,880,137	11,845,000	29.80	(0.03)	29.09	(0.10)	99.0%

Real Estate taxes made up \$27,595,604 or 57.1% of Total Revenue in FY2019.

Tax year 2018 was a reappraisal year for Lake County. The district saw a valuation increase of 8.3% in residential valuations and an increase in commercial valuations of 3.6% due to the reappraisal and any adjustments from the Board of Revisions. The district only received additional revenue from this valuation increase on its 4.80 inside millage.

Total valuation for tax year 2019 (Collection year 2020) is \$1,070,809,040. Small valuation increases are expected throughout the projected forecast years. Increases in valuation results in additional property tax revenue only on the district's inside millage of 4.80 mills and the substitute levy of 4.17 mills (new construction valuation only) since these levies are exempt from House Bill 920. The remaining operating levies of the district are not exempt from House Bill 920, and the tax rates of these levies are reduced (known as the effective tax rate) as valuations increase. This ensures the district only receives a certain dollar amount from the applicable levies and does not realize gains on these levies as valuations increase.

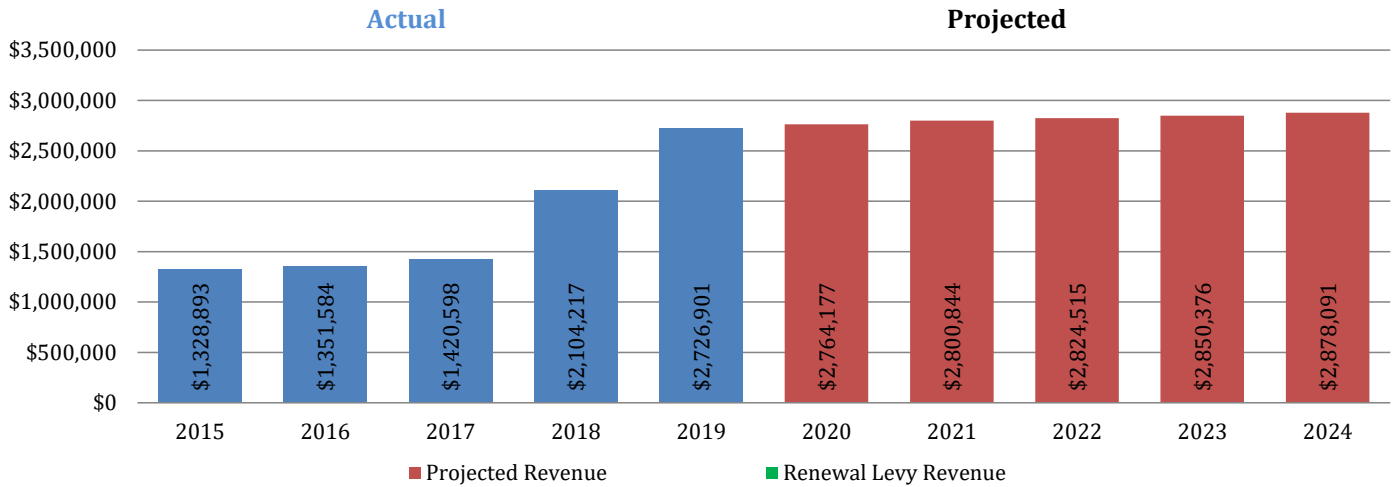
Collection rates are projected at 97.5% for Class I and 88.0% for Class II based on current trends and historical information. The district expects collections to temporarily decrease due to the COVID-19 pandemic but return to normal levels in subsequent years.

All of the district's operating levies are in place for a continuous period of time. The forecast is prepared based only on the existing property tax levies of the district.

*Projected % trends include renewal levies

1.020 - Public Utility Personal Property

Revenue generated from public utility personal property valuations multiplied by the district's full voted tax rate.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total With Renewal Levies	2,726,901	2,764,177	2,800,844	2,824,515	2,850,376	2,878,091
YOY \$ Change	622,684	37,276	36,667	23,671	25,861	27,715
YOY % Change	29.6%	1.4%	1.3%	0.8%	0.9%	1.0%

Percentage of Total Revenue	2019	2020	2021	2022	2023	2024
	5.6%	5.7%	6.0%	5.7%	5.8%	5.7%

Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2018	50,142,300	760,780	56.39	(0.30)	95.8%
2019	51,299,420	1,157,120	56.37	(0.02)	96.3%
2020	51,804,774	505,354	56.37	(0.01)	96.3%
2021	52,315,181	510,407	56.29	(0.07)	96.3%
2022	52,830,692	515,511	56.29	(0.01)	96.3%
2023	53,350,692	520,000	56.28	(0.01)	96.3%

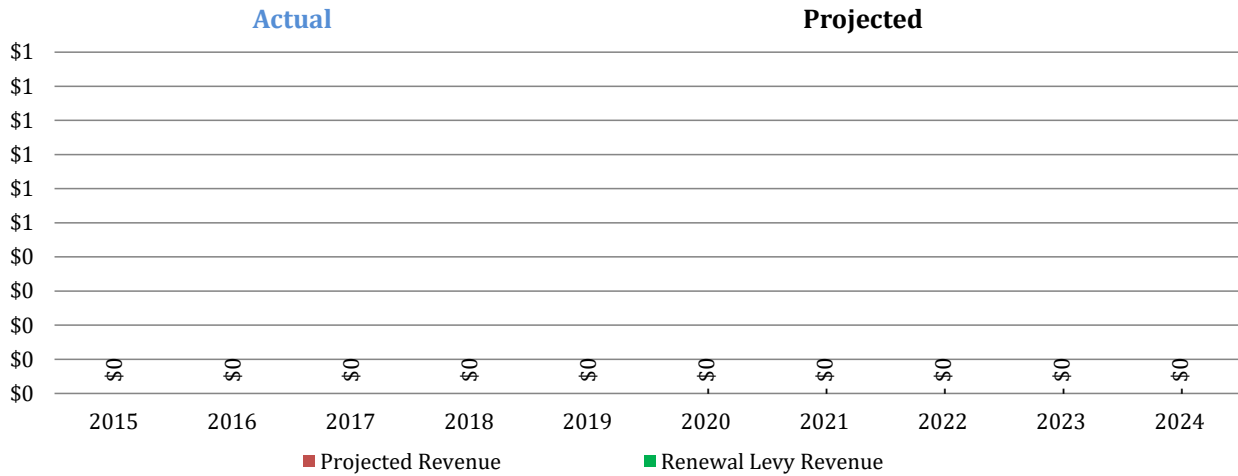
Public Utility Personal Property (PUPP) Tax made up \$2,726,901 or 5.6% of Total Revenue for FY2019.

The district saw an unforeseen spike in PUPP valuations from \$29,877,430 in tax year 2016 to \$49,381,520 in tax year 2017. This increased to \$51,299,420 for tax year 2019. The tax rate for PUPP is collected at the full voted tax rate and is not subject to reduction factors such as House Bill 920. As a result, PUPP revenue increased from \$1,420,598 in FY2017 to \$2,104,217 in FY2018. PUPP revenue for FY2019 increased to \$2,726,901. Historical collection rates are averaging around 96.30%. Any reversal of this valuation spike would have a material impact on the five year forecast.

*Projected % trends include renewal levies

1.030 - Income Tax

Revenue collected from income tax earmarked specifically to support schools with a voter approved tax by residents of the school district; separate from federal, state and municipal income taxes.



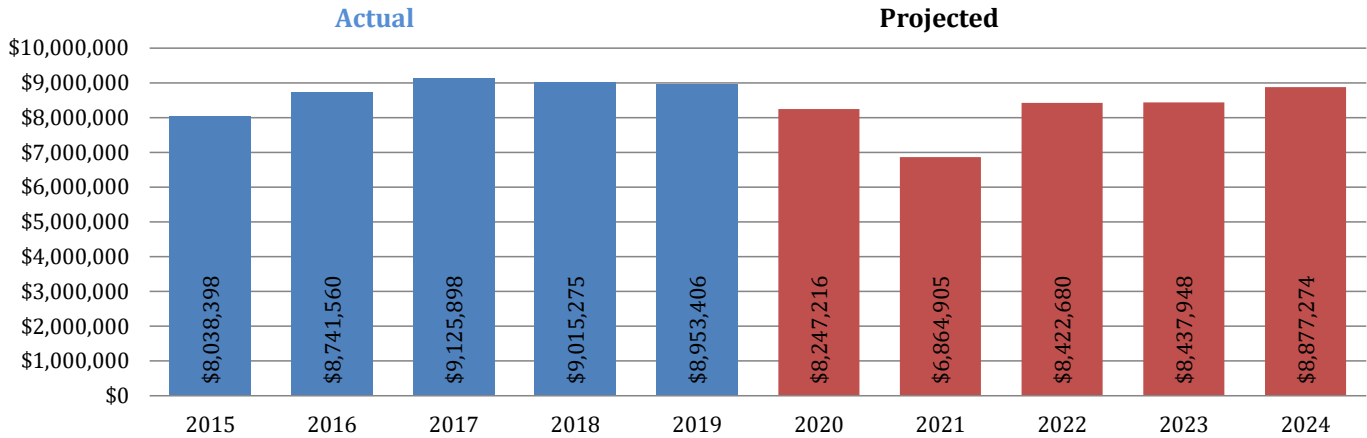
	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	-	-	-	-	-	-
YOY \$ Change	-	-	-	-	-	-
YOY % Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

N/A - The district does not levy an income tax.

**Projected % trends include renewal levies*

1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	8,953,406	8,247,216	6,864,905	8,422,680	8,437,948	8,877,274
YOY \$ Change	(61,869)	(706,190)	(1,382,311)	1,557,775	15,268	439,326
YOY % Change	-0.7%	-7.9%	-16.8%	22.7%	0.2%	5.2%
Percentage of Total Revenue	18.5%	17.0%	14.7%	17.1%	17.0%	17.7%
Base Aid	8,351,962	8,351,962	8,351,962	8,351,962	8,351,962	8,351,962

Enrollment	3,874	3,875	3,937	3,849	3,760	3,672
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Unrestricted State Aid was \$8,953,406 or 18.5% of Total Revenue in FY2019. This revenue line includes funding based on the state foundation program and casino revenue.

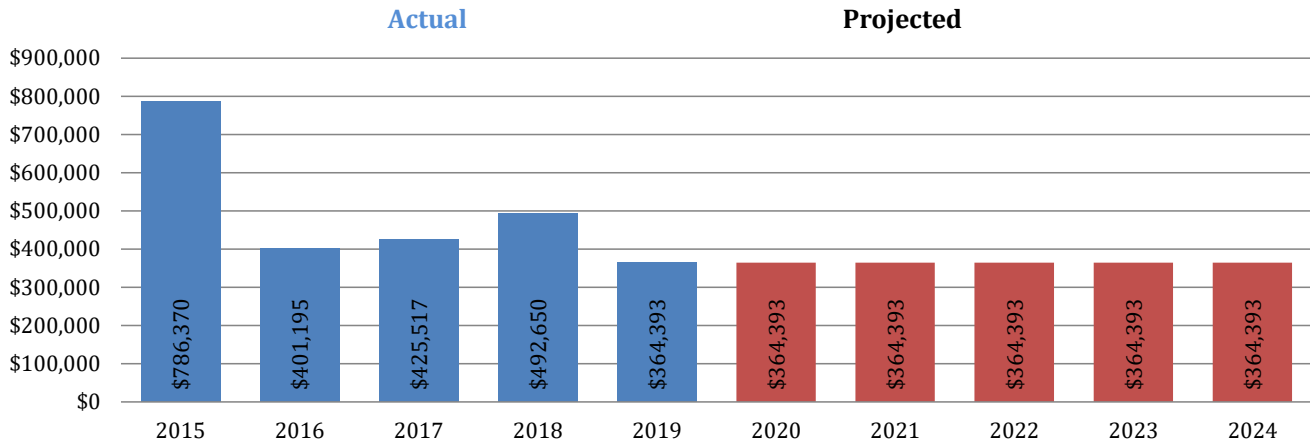
The state foundation program is based on the current state biennium budget which covers FY2020 and FY2021. The current biennium budget essentially eliminated the funding formula by freezing all districts at their FY2019 foundation formula funding amount for the next two years. For FY2020, Riverside was originally projected to receive \$8,351,708.66 in base state foundation formula funding plus additional aid items such as student wellness and success funding (\$184,667.73 accounted for in separate fund 467 and not included in forecast), preschool special education funding (\$209,571.58), and special education transportation funding (\$121,780.38, which was reduced from \$225,756.73 or 46% from FY2019).

However, due to the COVID-19 pandemic, the State of Ohio announced significant funding cuts to education in the second to last month of the fiscal year. Riverside's state funding is being slashed by 13.4% or \$1,119,055. Funding cuts will be reflected in the District's state foundation funding payments. Since the funding cut significantly exceeds what the District will receive in its final three payments, any funds that are unable to be recouped in those payments will be carried forward into FY2021. Therefore, \$663,186 is expected to be recouped in FY2020 with the remaining \$455,869 recouped in FY2021. In addition, state officials have stated to expect cuts at the same level or more in FY2021. Therefore, the district is projecting an 18% cut in FY2021, which would be an additional \$1,503,308. Projections for FY2022 and FY2023 are projected at about 95% of the level of funding in FY2019. FY2024 is projected at 100% of the FY2019 level.

The district also receives casino tax revenue at approximately \$52 per student in FY2020 at \$224,071. Due to the COVID-19 pandemic and temporarily closure of casinos, revenue is projected at \$35 per student or \$137,795 for FY2021, \$40 per student or \$153,947 for FY2022, \$45 per student or \$169,215 for FY2023, and \$52 per student or \$190,943 for FY2024.

1.040 & 1.045 - Restricted Grants-in-Aid

Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	364,393	364,393	364,393	364,393	364,393	364,393
YOY \$ Change	(128,257)	-	-	-	-	-
YOY % Change	-26.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Revenue	0.8%	0.8%	0.8%	0.7%	0.7%	0.7%

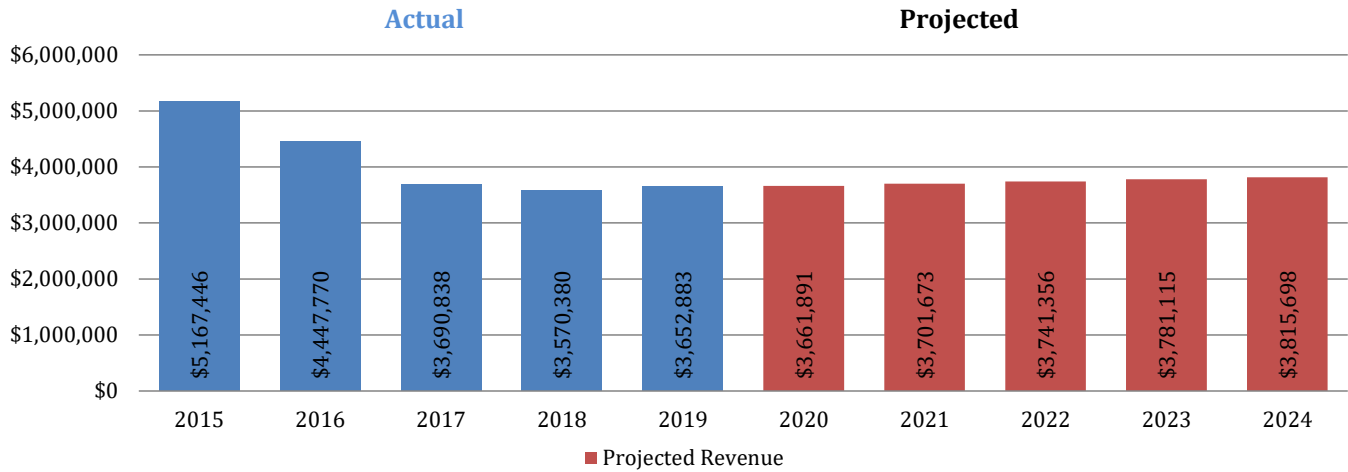
Restricted Grants-in-Aid was \$364,393 or 0.8% of Total Revenue in FY2019.

For FY2020 and beyond, Restricted Grants-in-Aid is projected stagnant at \$364,393. This revenue line is made up of Career Tech funding, Economic Disadvantaged funding, and Catastrophic Aid reimbursement from the Ohio Department of Education. These revenues are projected to remain flat in future years based on current biennium budget. Catastrophic aid reimbursement is based on amounts historically received. Future catastrophic aid reimbursements are difficult to predict since they are based on the district's proportionate share of qualifying expenditures reported by all 600+ school districts in the state.

Catastrophic aid reimbursement is typically received in June of the subsequent fiscal year from when the expenditures occurred. The spike seen in FY2015 was due to the Ohio Department of Education disbursing the FY2013 catastrophic cost reimbursement late. Therefore, the district received reimbursements for both FY2013 (\$336,118.35) and FY2014 (\$374,060.68) in FY2015.

1.050 - Property Tax Allocation

Includes funds received for Tangible Personal Property Tax Reimbursement, Electric Deregulation, Homestead and Rollback.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total With Renewal Levies	3,652,883	3,661,891	3,701,673	3,741,356	3,781,115	3,815,698
YOY \$ Change	82,503	9,008	39,782	39,683	39,759	34,583
YOY % Change	2.3%	0.2%	1.1%	1.1%	1.1%	0.9%
Percentage of Total Revenue	7.6%	7.5%	7.9%	7.6%	7.6%	7.6%
% of Residential Real Estate 10% Rollback	8.49%	8.49%	8.49%	8.49%	8.49%	8.49%
% of Residential Real Estate 2.5% Rollback	1.74%	1.74%	1.74%	1.74%	1.74%	1.74%
% of Residential Real Estate Homestead	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%

Property Tax Allocation made up \$3,652,883 or 7.6% of Total Revenue in FY2019. This revenue category includes homestead and rollback reimbursements from the State of Ohio. The district no longer receives any tangible personal property tax reimbursements.

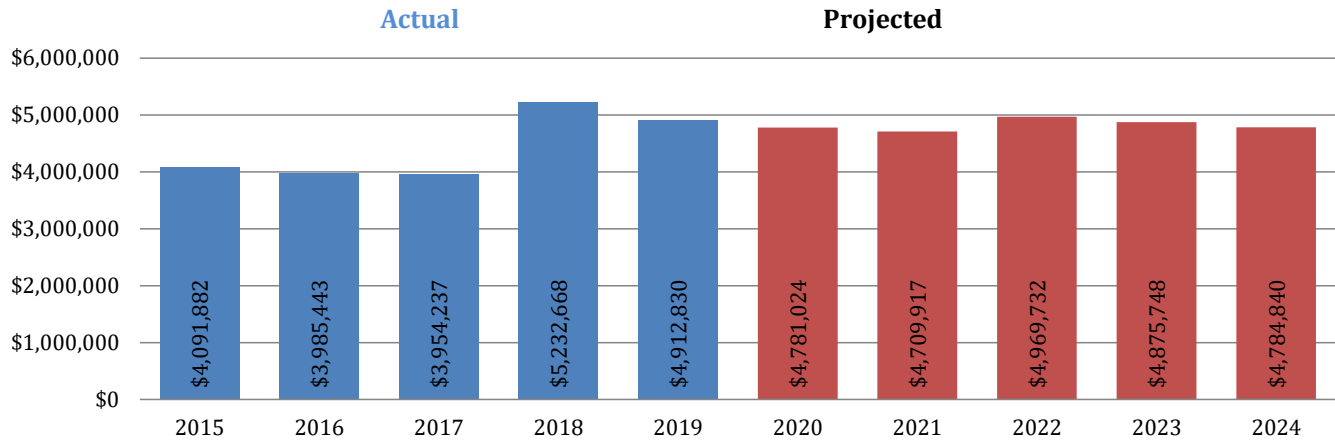
Homestead and rollback projections are based on projected trends in property tax valuation. Homestead is projected at 2.53%. The 10% rollback is projected at 8.49% and the 2.5% rollback on owner occupied properties is projected at 1.74% based on historical data and current trends. All of the district's operating levies, with the exception of the May 2017 operating levy, qualify for the 10% and 2.5% rollbacks.

Tangible personal property tax was eliminated in 2006. In order to help ease the loss in revenue for school districts, the state phased out the revenue and made tangible personal property tax loss reimbursements to school districts. In FY2012, the district received \$2,366,917, but it was reduced to \$1,644,808 in FY2013. The reimbursement was frozen at \$1,644,808 for FY2014 and FY2015. However, the last state budget (FY2016-FY2017) resumed the phase-out, reducing the tangible personal property tax reimbursements by 5/8 of property tax mill per year. Therefore, the district only received \$947,309 in FY2016 and \$188,307 in FY2017. In FY2018 and beyond, the district will no longer receive any tangible property tax reimbursements, which has a detrimental effect on the district's financial health.

**Projected % trends include renewal levies*

1.060 - All Other Operating Revenues

Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	4,912,830	4,781,024	4,709,917	4,969,732	4,875,748	4,784,840
YOY \$ Change	(319,838)	(131,806)	(71,107)	259,815	(93,984)	(90,908)
YOY % Change	-6.1%	-2.7%	-1.5%	5.5%	-1.9%	-1.9%
Percentage of Total Revenue	10.2%	9.9%	10.1%	10.1%	9.8%	9.5%

Other Revenue made up \$4,912,830 or 10.2% of Total Revenue in FY2019. Other Revenue is projected at \$4,781,024 for FY2020, which includes numerous revenue streams as listed below.

Lake County School Financing District: \$2,053,495 for FY2020 - This levy was renewed by the voters in the 2020 Ohio Primary Election for an additional five year period with last year of collection being calendar year 2025, which covers one half of fiscal year 2026. With the renewal, the member districts agreed to a revised distribution formula that results in an increase in revenue for Riverside. Revenue is projected at \$2,359,520 in FY2021, \$2,678,421 in FY2022, \$2,650,228 in FY2023, and \$2,622,034 in FY2024.

Pay to Participate Fees: \$141,000 - Reduced significantly in FY2020 due to the cancellation of spring sports but projected to return to a level of about \$200,000 in FY2021 and beyond.

Classroom Fees: \$180,000 - Reduced for the current fiscal year due to the economic uncertainty due to the COVID-19 pandemic and school closure. Projected to return to around \$239,319 in FY2021.

Open Enrollment: \$675,000 - Projected to decrease around 7% per year. Any future changes to the district's open enrollment policy could have a material effect on this revenue stream.

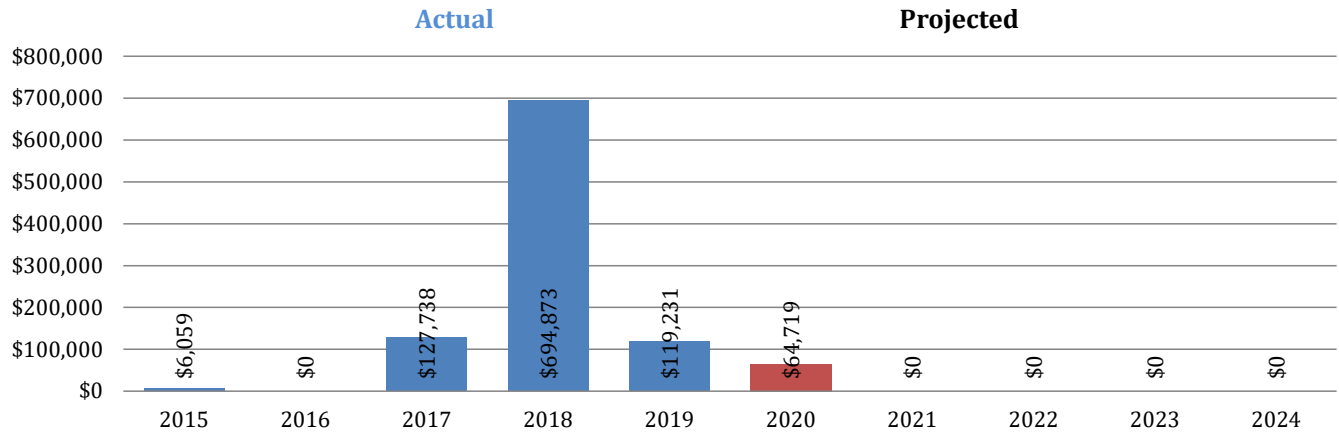
Interest Revenue: \$250,000 - Expected to decrease to \$150,000 in FY2021 and continue to decline by 2% per year due to significantly lower interest rates and declining cash balances.

Medicaid Revenue: \$320,703 - Projected to decrease between 2% and 5% per year. The projection assumes that a cost report settlement of around \$200,000 or so occurs in each fiscal year. However, these final payments can vary in timing. The recently announced budget cuts to Medicaid do not apply to the Medicaid School Program.

Other revenue streams not listed above include revenue from TIF agreements, SF14 tuition revenue, excess cost revenue, field trips, shared services, manufactured homes tax revenue, rentals, fines, donations, and other revenues. Each revenue stream is assessed individually and projected based on prior history, current trends, or events known at this time.

2.070 - Total Other Financing Sources

Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	119,231	64,719	-	-	-	-
YOY \$ Change	(575,642)	(54,512)	(64,719)	-	-	-
YOY % Change	-82.8%	-45.7%	-100.0%	0.0%	0.0%	0.0%
Percentage of Total Revenue	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%
Transfers In	-	-	-	-	-	-
Advances In	101,536	-	-	-	-	-

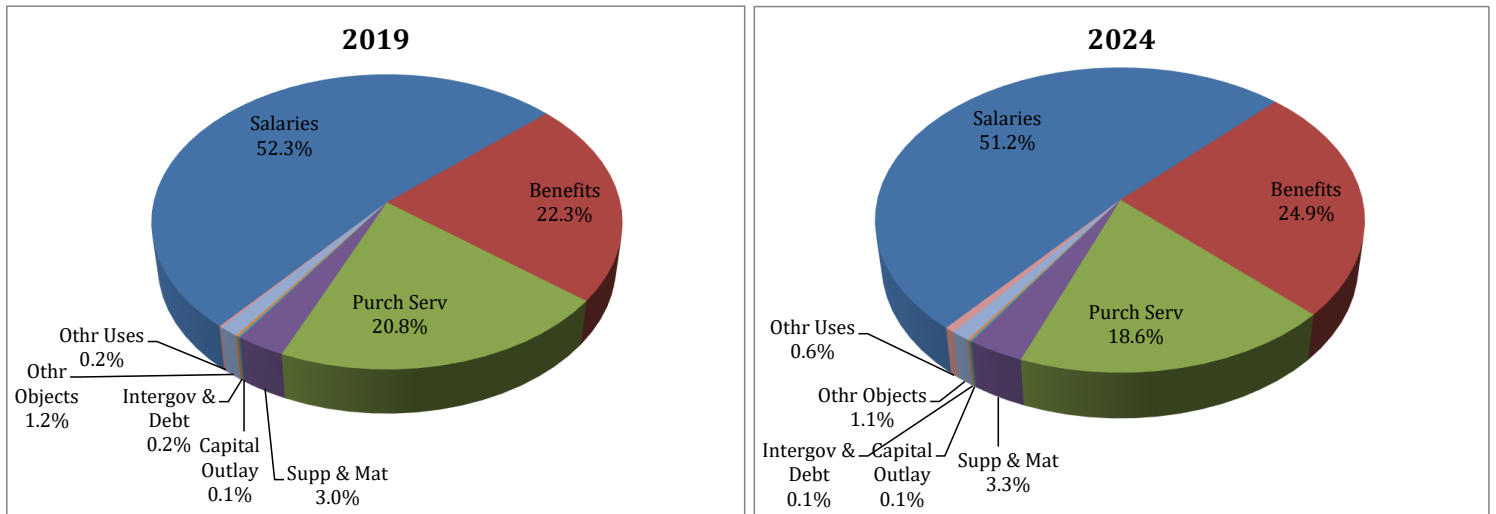
Total Other Financing Sources made up \$119,231 or 0.2% of Total Revenue in FY2019 and is expected to make up 0.1% or less of Total Revenue going forward.

The projections for FY2021 and beyond have been reduced to \$0 as the district is no longer required to advance funds to its federal grant funds at the end of the year.

This line item also includes the sale of assets and the refund of prior year expenditures. These items are projected at \$0 as they occur infrequently, are difficult to predict, and immaterial in nature. For FY2020, the district received \$64,719 from the sale of assets and refund of prior year expenditures.

In FY2018, there was a spike in Total Other Financing Sources due to a return of an advance of \$375,000 from the Permanent Improvement Fund. This amount also included the return of advances from the district's federal grant funds of \$137,763, refunds totaling \$178,968.31 from the Mentor Cares program, and \$3,142.19 of unclaimed funds that reverted back to the general fund after remaining unclaimed for five years.

Expenditure Categories and Forecast Year-Over-Year Projected Overview



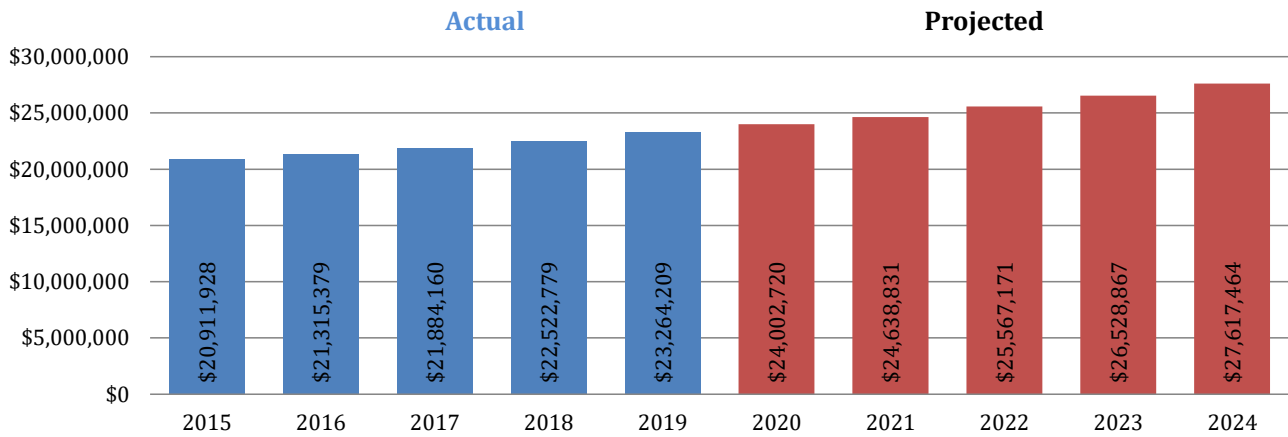
	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	
Expenditures:							
3.010-Salaries	2.90%	3.17%	2.65%	3.77%	3.76%	4.10%	3.49%
3.020-Benefits	5.23%	2.83%	10.48%	5.94%	6.00%	6.17%	6.28%
3.030-Purchased Services	1.08%	1.12%	2.79%	1.58%	1.56%	1.33%	1.68%
3.040-Supplies & Materials	2.73%	10.74%	7.04%	4.20%	4.22%	4.24%	6.09%
3.050-Capital Outlay	68.19%	-48.94%	107.76%	3.00%	3.00%	3.00%	13.56%
3.060-Intergov	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.010-4.060-Debt	n/a	-0.04%	-0.05%	-0.05%	-0.05%	-0.05%	-0.05%
4.300-Other Objects	2.74%	6.43%	0.66%	1.77%	1.78%	1.78%	2.48%
4.500-Total Expenditures	2.99%	2.86%	4.61%	3.83%	3.85%	4.05%	3.84%
5.040-Total Other Uses	165.38%	122.17%	89.84%	0.00%	0.00%	0.00%	42.40%
5.050-Total w/Other Uses	3.02%	3.07%	4.93%	3.80%	3.83%	4.02%	3.93%

Salaries and Benefits made up approximately 74.6% of the district's Total Expenditures in fiscal year 2019, which is common among the many school districts in Ohio. Purchased Services made up approximately 20.8% of Total Expenditures. The combination of these three categories total approximately 95% of Total Expenditures. This trend will continue throughout the five year forecast.

See pages 14 through 21 for more detailed explanations of the district's expenditures.

3.010 - Personnel Services

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



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	23,264,209	24,002,720	24,638,831	25,567,171	26,528,867	27,617,464
YOY \$ Change	741,430	738,511	636,111	928,340	961,696	1,088,597
YOY % Change	3.3%	3.2%	2.7%	3.8%	3.8%	4.1%
Percentage of Total Budget	52.3%	52.3%	51.2%	51.2%	51.1%	51.2%

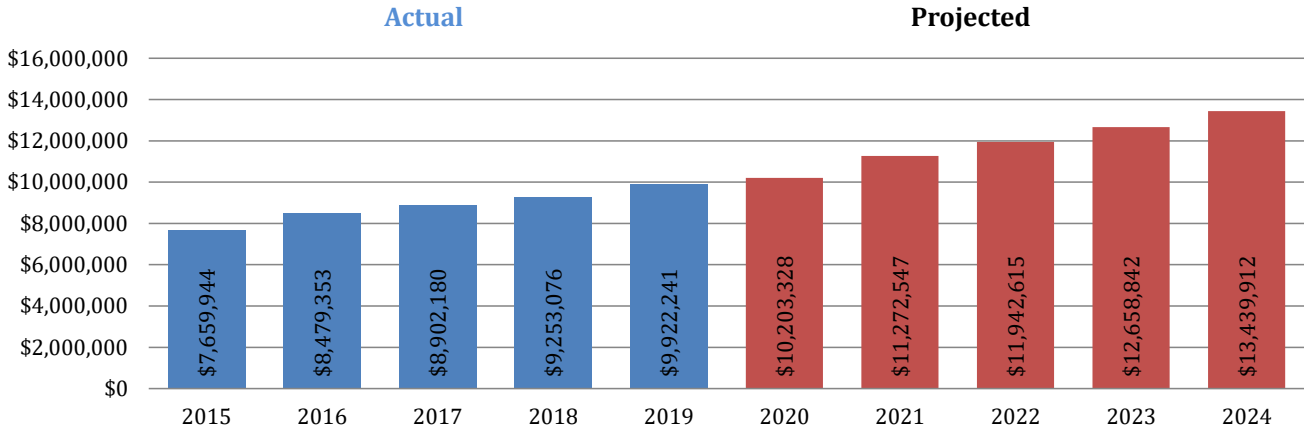
Personnel Services was \$23,264,209 or 52.3% of Total Expenditures in FY2019. Personnel Services includes salaries and wages for the certified, classified, exempt and administrative employees of the district. There are two bargaining units which have negotiated agreements that govern their rates of pay. The certified employees are covered by an agreement with RLEA that is in effect through FY2021, and the classified employees are covered by an agreement with OAPSE in effect through FY2020.

Salaries for certified employees are based on degree level and experience (steps). Currently, the average step increase is estimated at approximately 3% per year and degree changes are estimated at 0.33% per year. Salaries for classified employees are based on position and experience (steps). Base salary increases are projected between 2% and 3% per year. Salaries for administrative and exempt employees are evaluated annually and cost of living adjustments are made when feasible. Salary increases of 3% per year are projected in FY2020 through FY2024 for these employees.

The personnel services projection also includes analysis of current staffing requirements and possible savings from retirements. Adjustments have been made for reductions in staff due to declining enrollment, offset by increases in staffing due to the return of elementary level programming and the restoration of transportation services starting in FY2018. Projections also take into account the implementation of all day kindergarten, implementation and management of Riverside's own inclusive preschool program, reduction of five teaching positions due to retirement, and the addition of five classified positions for the 2019-2020 school year.

3.020 - Employees' Benefits

Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	9,922,241	10,203,328	11,272,547	11,942,615	12,658,842	13,439,912
YOY \$ Change	669,165	281,087	1,069,219	670,068	716,227	781,070
YOY % Change	7.2%	2.8%	10.5%	5.9%	6.0%	6.2%
Percentage of Total Budget	22.3%	22.2%	23.4%	23.9%	24.4%	24.9%

Employee Benefits was \$9,922,241 or 22.3% of Total Expenditures in FY2019. Employee Benefits includes items such as required board contributions to the state retirement systems, Medicare tax, workers compensation premiums, unemployment premiums, and the board portion of medical, dental, vision, and life insurance premiums.

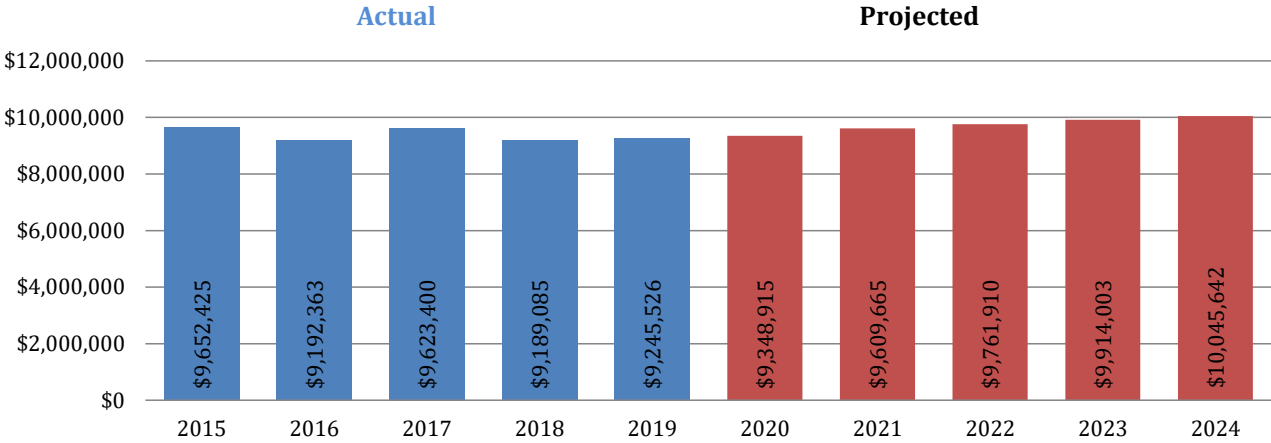
Projections for several of these items are based on a percentage of salaries. These include: retirement contributions to STRS and SERS (14.00%), Medicare premiums (1.45%), and workers compensation (1.00%). As salary projections increase (or decrease), projections for these items are adjusted proportionately.

Projections for the board's portion of medical, dental, vision, and life insurance premiums are based on the current number of employees enrolled in each plan of the district. The district is self-insured through the Lake County Schools Council, which is a consortium of 12 school districts pooled together to help minimize the cost of these benefits. The projections for FY2020 are based on the known medical, dental, and vision premiums in effect for those years. The district will be receiving a health insurance premium holiday from the Lake County Schools Council for the month of June 2020. This results in a savings of approximately \$485,082 for FY2020.

Since the cost of medical insurance has been increasing rapidly in recent years, medical insurance is projected to increase at a rate of 8% per year in FY2021 through FY2024. Dental and vision premiums are projected to increase at 3% per year.

3.030 - Purchased Services

Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, and other services which the school district may purchase.



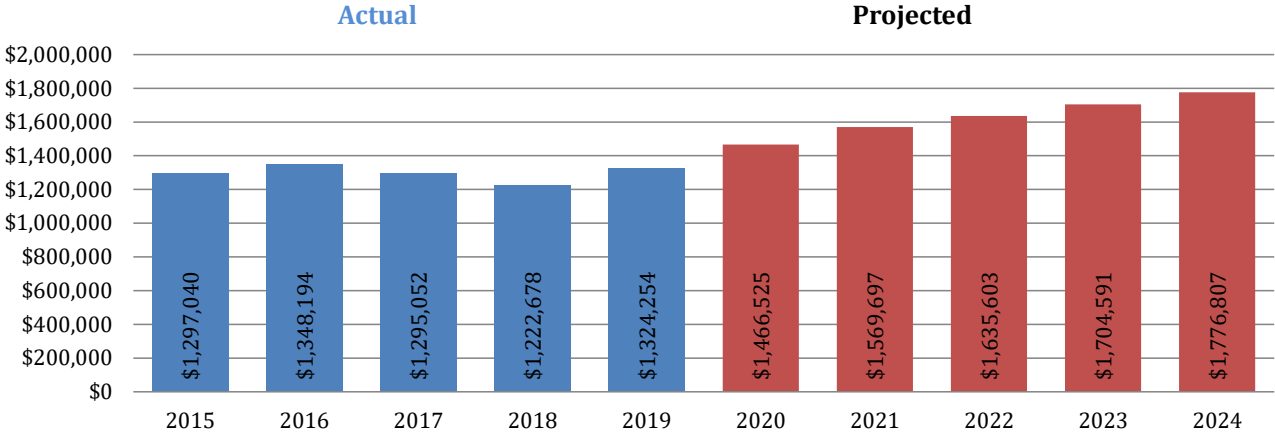
	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	9,245,526	9,348,915	9,609,665	9,761,910	9,914,003	10,045,642
YOY \$ Change	56,441	103,389	260,750	152,245	152,093	131,639
YOY % Change	0.6%	1.1%	2.8%	1.6%	1.6%	1.3%
Percentage of Total Budget	20.8%	20.4%	20.0%	19.5%	19.1%	18.6%

Purchased Services was \$9,245,526 or 20.8% of Total Expenditures in FY2019. Approximately 47% of the costs for Purchased Services are for tuition based costs, which includes open enrollment out (\$1,415,000), community school deductions (\$630,000), scholarships out (\$960,000), and all other tuition related items (\$1,428,237). The district recently experienced a reduction in its community school deduction of approximately \$250,000 attributed to the abrupt closing of the Electronic Classroom of Tomorrow (ECOT) in January 2018.

Purchased services includes a wide range of other items including special education services, instructional services, utilities, postage, printing, repairs, security, contracted transportation services, insurance, legal services, etc. Each item is assessed individually and projected based on historical information, current trends, and information known at the time the forecast was prepared.

3.040 - Supplies & Materials

Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	1,324,254	1,466,525	1,569,697	1,635,603	1,704,591	1,776,807
YOY \$ Change	101,576	142,271	103,172	65,906	68,988	72,216
YOY % Change	8.3%	10.7%	7.0%	4.2%	4.2%	4.2%
Percentage of Total Budget	3.0%	3.2%	3.3%	3.3%	3.3%	3.3%

Supplies and Materials made up \$1,324,254 or 3.0% of the Total Expenditures in FY2019. Supplies and Materials include instructional supplies, special education supplies, maintenance supplies, transportation supplies, etc.

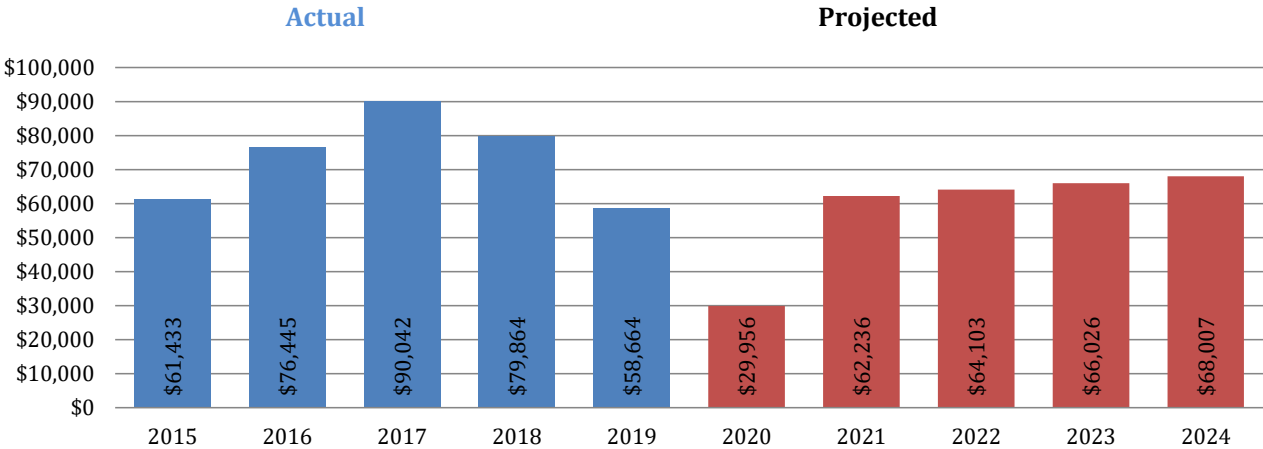
For FY2020, Supplies and Materials is projected at \$1,466,525. The largest expenditure categories include:
 Instructional supplies of \$510,000
 Maintenance supplies of \$212,007
 Transportation supplies of \$465,000 which includes fuel, oil, tires and parts. The district realized savings in FY2020 due to the closure of schools beginning March 16, 2020. Transportation supplies for FY2021 is estimated at \$535,000.

Supplies, in general, are projected to increase at a rate between 2% and 5% per year. All additional items not included above were assessed individually and projected based on historical information, current trends, and information known at the time the forecast was prepared.

Supplies and materials may increase substantially in FY2021 due to the COVID-19 pandemic as the district may need to provide hand sanitizer and personal protective equipment for all of its students and staff. Cleaning supplies may also increase substantially due to more frequent cleaning and sanitization required.

3.050 - Capital Outlay

This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



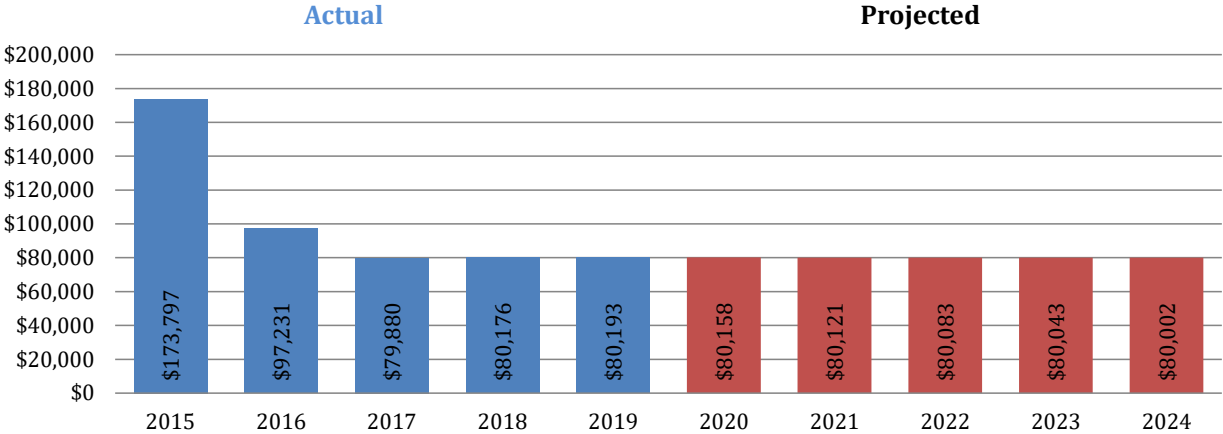
	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	58,664	29,956	62,236	64,103	66,026	68,007
YOY \$ Change	(21,200)	(28,708)	32,280	1,867	1,923	1,981
YOY % Change	-26.5%	-48.9%	107.8%	3.0%	3.0%	3.0%
Percentage of Total Budget	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%

Capital Outlay was \$58,664 or 0.1% of Total Expenditures in FY2019. This line item includes computers and equipment purchased from the general fund with a useful life of at least five years. The district has a permanent improvement fund, which is not part of the five year forecast, that is utilized for most of the district's capital outlay expenditures.

For FY2020, Capital Outlay is projected at \$29,956 for equipment purchases.

3.060-4.060 - Intergovernmental & Debt

These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.

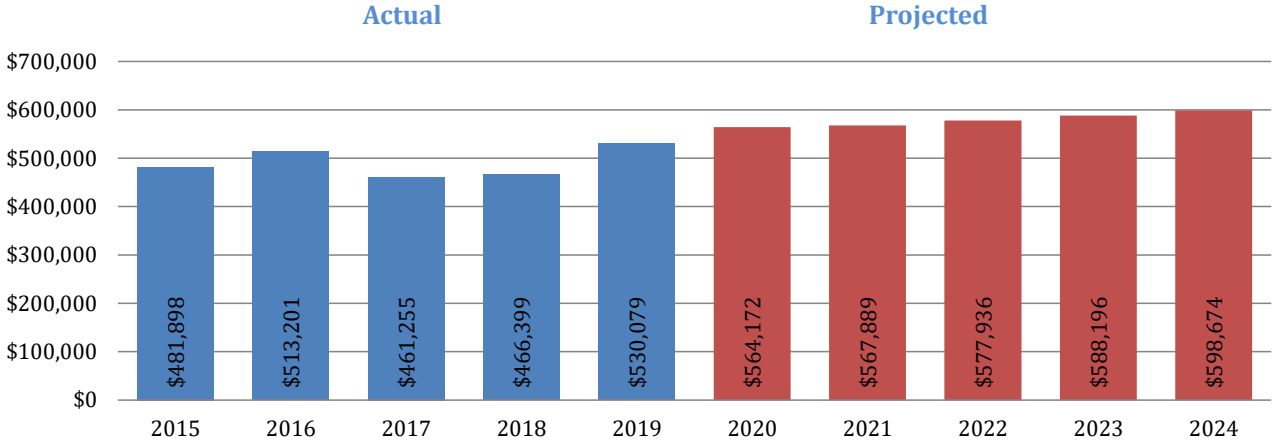


	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	80,193	80,158	80,121	80,083	80,043	80,002
YOY \$ Change	17	(35)	(37)	(38)	(40)	(41)
YOY % Change	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%
Percentage of Total Budget	0.2%	0.2%	0.2%	0.2%	0.2%	0.1%

Line items 4.050 and 4.060 include principal and interest payments relating to an Ohio House Bill 264 (HB264) project where the district financed a \$928,500 School Energy Conservation Bond (Series 2015) with a 15 year term with an interest rate of 3.68%. This project was a lighting project where ballasts and lighting fixtures were improved to save in energy costs where the anticipated savings were more than or equal to the cost of financing. The final payment is due December 1, 2029. The amounts listed in the five year forecast correspond to the amounts listed on the debt's amortization schedule.

4.300 - Other Objects

Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	530,079	564,172	567,889	577,936	588,196	598,674
YOY \$ Change	63,680	34,093	3,717	10,047	10,260	10,478
YOY % Change	13.7%	6.4%	0.7%	1.8%	1.8%	1.8%
Percentage of Total Budget	1.2%	1.2%	1.2%	1.2%	1.1%	1.1%

Other Objects made up \$530,079 or 1.2% of Total Expenditures in FY2019.

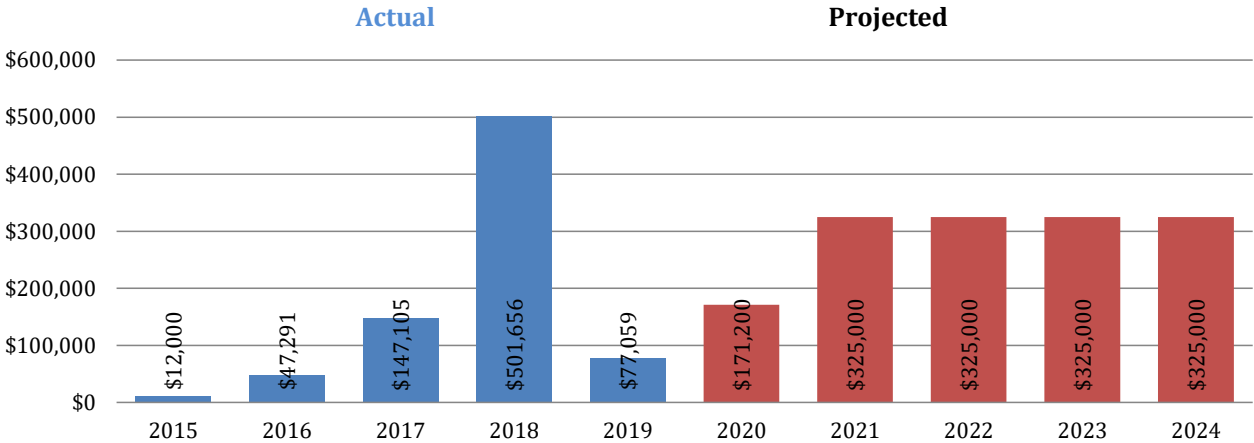
For FY2020, Other Objects is projected at \$564,172. Material expenditures in excess of \$20,000 include:

County Auditor Tax Collection Fees: \$382,920 - Projected to increase as property tax revenues increase.
 Annual Audit Costs: \$29,410 - Projected to remain approximately the same each year.
 County ESC Deductions: \$25,766 - Projected to decrease approximately 1% per year based on enrollment.
 Liability Insurance: \$87,378 - Projected to increase approximately 2% per year.

Other Objects not listed above include dues, fees, advertisements for delinquent land/properties, banking fees, insurance bonds, and miscellaneous county auditor fees. Each object is assessed individually and projected based on prior history, current trends, and events known at this time.

5.040 - Total Other Financing Uses

Operating transfers-out, advances out to other funds, and all other general fund financing uses.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	77,059	171,200	325,000	325,000	325,000	325,000
YOY \$ Change	(424,597)	94,141	153,800	-	-	-
YOY % Change	-84.6%	122.2%	89.8%	0.0%	0.0%	0.0%
Percentage of Total Budget	0.2%	0.4%	0.7%	0.7%	0.6%	0.6%
Transfers Out	77,059	171,200	325,000	325,000	325,000	325,000
Advances Out	-	-	-	-	-	-

Total Other Financing Uses made up \$77,059 or 0.2% of Total Expenditures in FY2019. This included funds transferred to the district's high school athletics (\$60,000), middle school athletics (\$15,000), and high school drama (\$2,059) funds.

For FY2020 and beyond, the district anticipates transferring approximately \$75,000 to the district's athletic funds each year. Also, the district projects transferring \$75,000 to its food service fund, \$20,000 to its drama fund, and \$1,200 to its 8th grade trip fund due to losses that occurred due to the COVID19 pandemic.

Beginning in FY2021, the district will create a termination benefits fund to be used in accordance with Ohio Revised Code section 5705.13. The district plans to transfer \$250,000 per year to this fund to be used to make severance payments to employees upon retirement.

The district no longer anticipates advancing funds to its federal grant funds or any other funds. These would normally be returned in the subsequent fiscal year and would be also be reflected in revenue line 2.050 - Advances-In.

RIVERSIDE LOCAL SCHOOL DISTRICT - - LAKE COUNTY

Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2019	2020	2021	2022	2023	2024
Revenue:						
1.010 - General Property Tax (Real Estate)	27,595,604	28,651,464	28,341,811	28,892,739	29,243,933	29,511,888
1.020 - Public Utility Personal Property	2,726,901	2,764,177	2,800,844	2,824,515	2,850,376	2,878,091
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	8,953,406	8,247,216	6,864,905	8,422,680	8,437,948	8,877,274
1.040 - Restricted Grants-in-Aid	364,393	364,393	364,393	364,393	364,393	364,393
1.050 - Property Tax Allocation	3,652,883	3,661,891	3,701,673	3,741,356	3,781,115	3,815,698
1.060 - All Other Operating Revenues	4,912,830	4,781,024	4,709,917	4,969,732	4,875,748	4,784,840
1.070 - Total Revenue	48,206,017	48,470,165	46,783,543	49,215,415	49,553,513	50,232,184
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-
2.050 - Advances-In	101,536	-	-	-	-	-
2.060 - All Other Financing Sources	17,695	64,719	-	-	-	-
2.070 - Total Other Financing Sources	119,231	64,719	-	-	-	-
2.080 - Total Rev & Other Sources	48,325,248	48,534,884	46,783,543	49,215,415	49,553,513	50,232,184
Expenditures:						
3.010 - Personnel Services	23,264,209	24,002,720	24,638,831	25,567,171	26,528,867	27,617,464
3.020 - Employee Benefits	9,922,241	10,203,328	11,272,547	11,942,615	12,658,842	13,439,912
3.030 - Purchased Services	9,245,526	9,348,915	9,609,665	9,761,910	9,914,003	10,045,642
3.040 - Supplies and Materials	1,324,254	1,466,525	1,569,697	1,635,603	1,704,591	1,776,807
3.050 - Capital Outlay	58,664	29,956	62,236	64,103	66,026	68,007
Intergovernmental & Debt Service	80,193	80,158	80,121	80,083	80,043	80,002
4.300 - Other Objects	530,079	564,172	567,889	577,936	588,196	598,674
4.500 - Total Expenditures	44,425,166	45,695,774	47,800,986	49,629,421	51,540,568	53,626,508
Other Financing Uses						
5.010 - Operating Transfers-Out	77,059	171,200	325,000	325,000	325,000	325,000
5.020 - Advances-Out	-	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	77,059	171,200	325,000	325,000	325,000	325,000
5.050 - Total Exp and Other Financing Uses	44,502,225	45,866,974	48,125,986	49,954,421	51,865,568	53,951,508
6.010 - Excess of Rev Over/(Under) Exp	3,823,023	2,667,910	(1,342,443)	(739,006)	(2,312,055)	(3,719,324)
7.010 - Cash Balance July 1 (No Levies)	8,904,643	12,727,666	15,395,576	14,053,133	13,314,127	11,002,072
7.020 - Cash Balance June 30 (No Levies)	12,727,666	15,395,576	14,053,133	13,314,127	11,002,072	7,282,748
		Reservations				
8.010 - Estimated Encumbrances June 30	453,301	450,000	450,000	450,000	450,000	450,000
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	12,274,365	14,945,576	13,603,133	12,864,127	10,552,072	6,832,748
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Renewal Levies	-	-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-
12.010 - Fund Bal June 30 for Cert of Obligations	12,274,365	14,945,576	13,603,133	12,864,127	10,552,072	6,832,748
Revenue from New Levies						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	12,274,365	14,945,576	13,603,133	12,864,127	10,552,072	6,832,748