



RVLSD FIVE-YEAR FORECAST OVERVIEW

November 2023

PURPOSE OF FIVE-YEAR FORECAST

- ODE's purposes and objectives for the five-year forecast are:
 - To engage the local board of education and the community
 - Determine the District's ability to sign 412 certificate
 - To assist in identifying school districts with potential financial problems

FORECAST METHODOLOGY

- Required by the State to be adopted by the Board twice per year; November and May
- Levies that are not already passed by the voters cannot be included in the adopted forecast
- Based on historical trends, current factors and the understanding that variables can change multiple times throughout a fiscal year
- Intent is to provide the district's financial trend over time and a roadmap for decisions aimed at encouraging financial sustainability and stability.

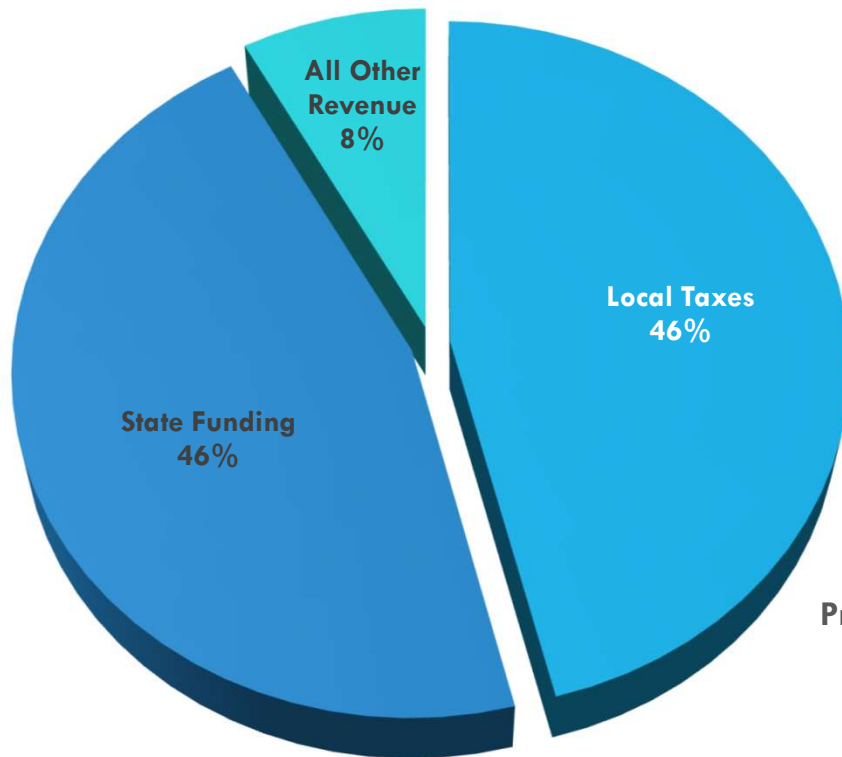
FISCAL YEAR 2023 REVIEW

- Cash balance increased from fiscal year 2022
- Year 2 of the Fair School Funding Plan
- Growth in income tax collections
- Expenses returned to pre-COVID range

FISCAL YEAR 2024 AT A GLANCE

- First year of the new State Biennium Budget
- Continued phase-in of the Fair School Funding Plan
- Attrition and budget reductions
- Emergency Levy, Classroom Facilities Maintenance and Bond Levies ceasing collections this year

STATE VS. LOCAL VS. OTHER OPERATING REVENUE

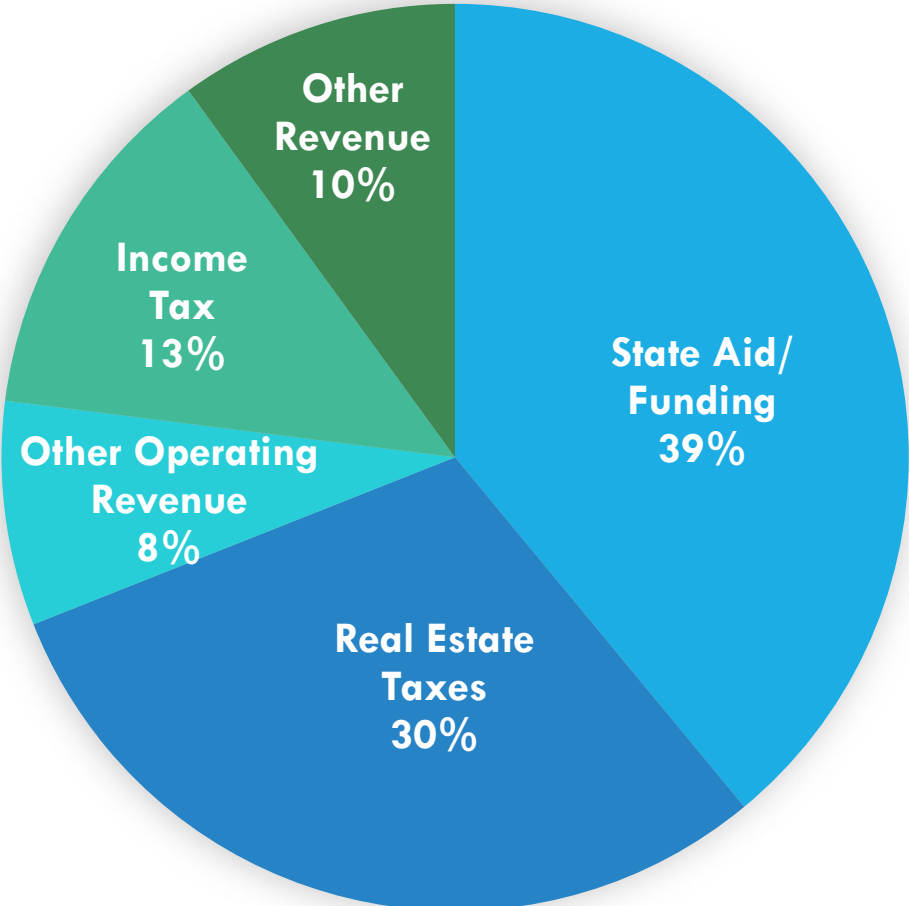


Projected Local Taxes	\$10,935,259
Real Estate Property Taxes	\$7,143,184
Public Utility Property Taxes	\$670,227
Income Taxes	\$3,121,848

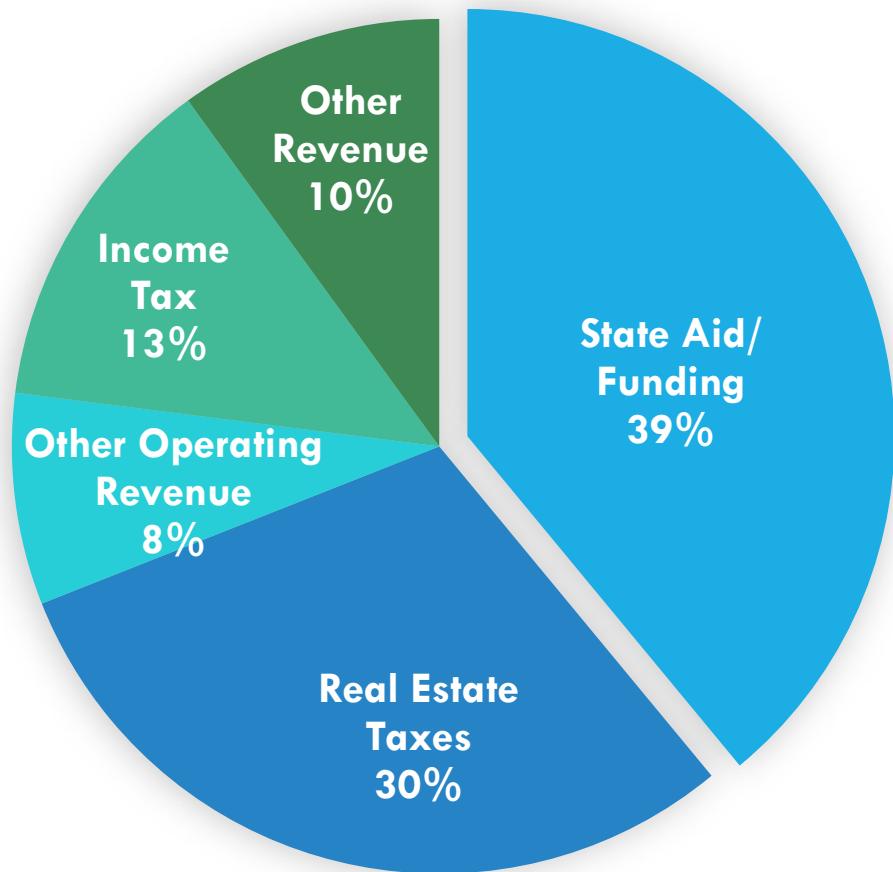
Projected State Funding	\$10,906,028
Fair School Funding Plan	\$9,333,477
Restricted State Funding	\$706,666
State Share of Local Taxes	\$865,885

Projected All Other Revenue	\$1,899,339
Other Operating Revenue	\$1,848,400
Other Sources	\$50,939

OPERATING REVENUE

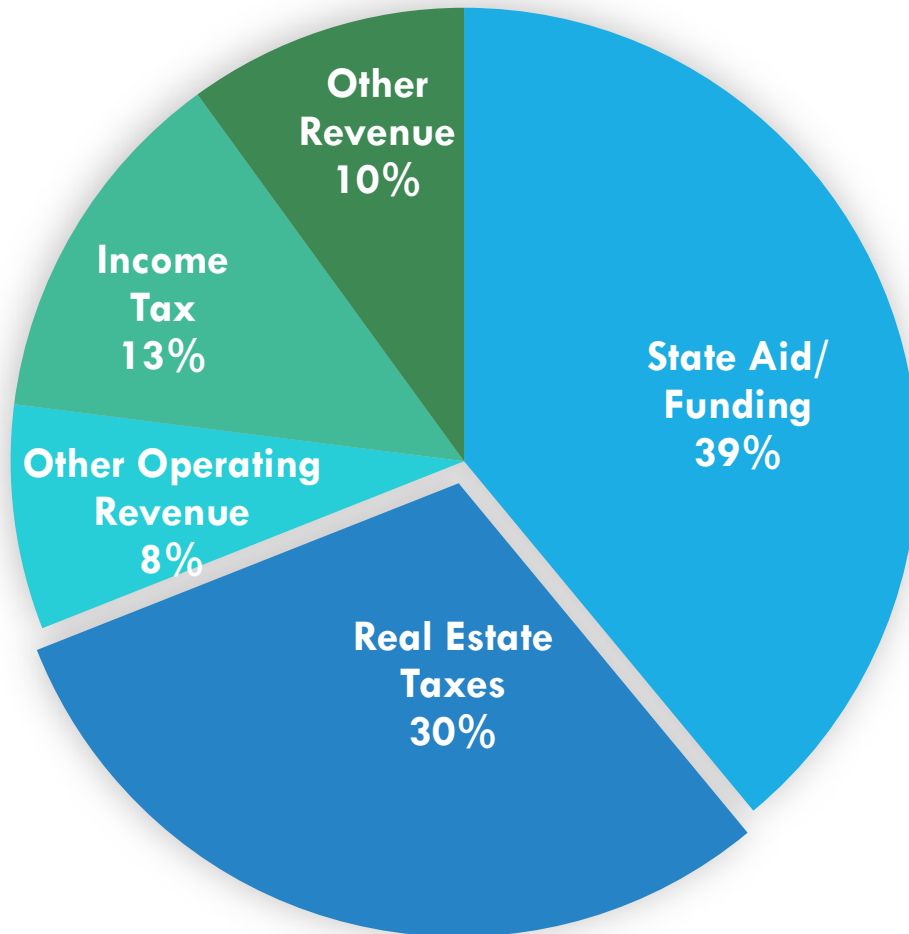


UNRESTRICTED STATE AID



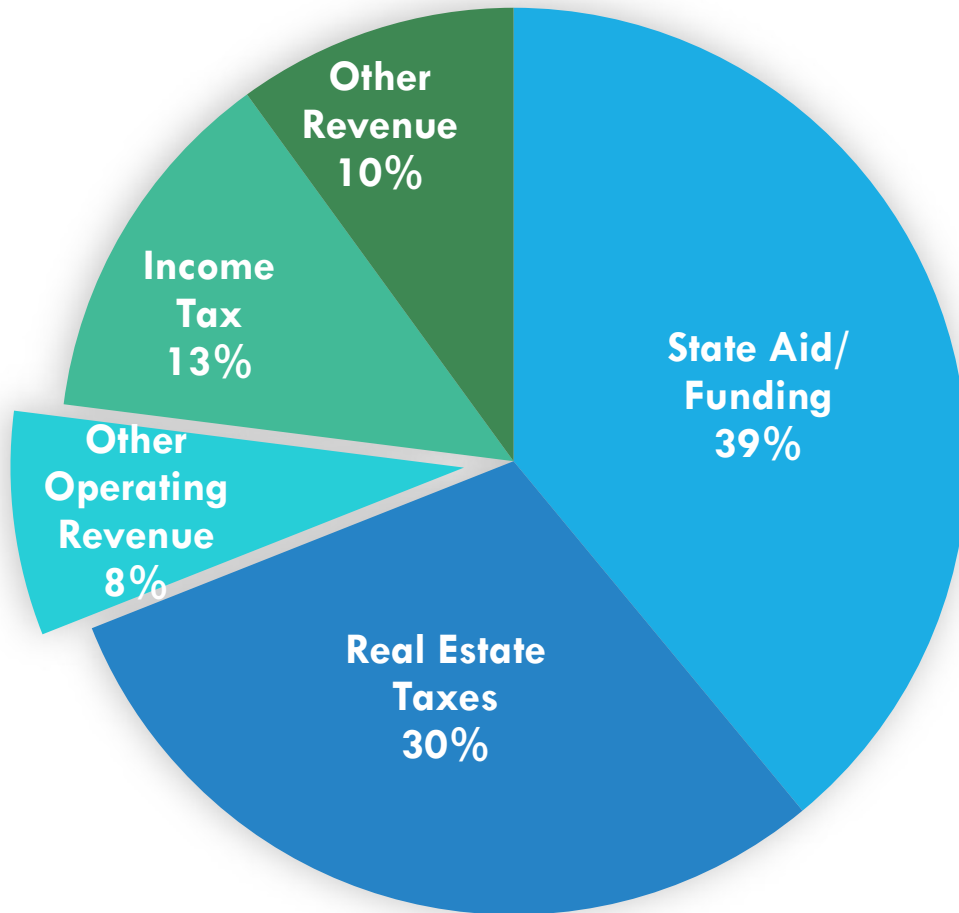
- Projected 39% of total revenue in FY24
- Funding is driven by a base cost methodology
- Gradual decrease in the state's share

REAL ESTATE TAXES



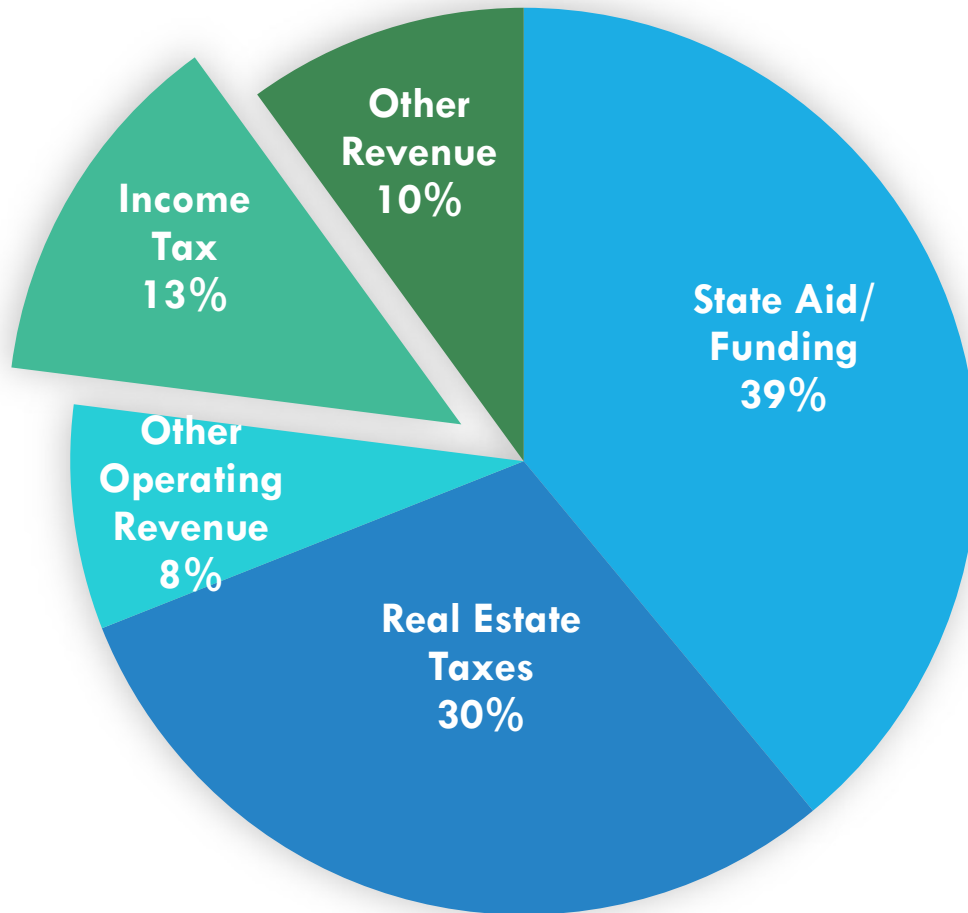
- Projected 30% of Total Revenue in FY24
- Historical settlement collections and property valuations taken into consideration
- Previously implemented CAUV changes have been fully phased-in, so we are no longer anticipating decreases in agricultural property valuations

OTHER OPERATING REVENUE



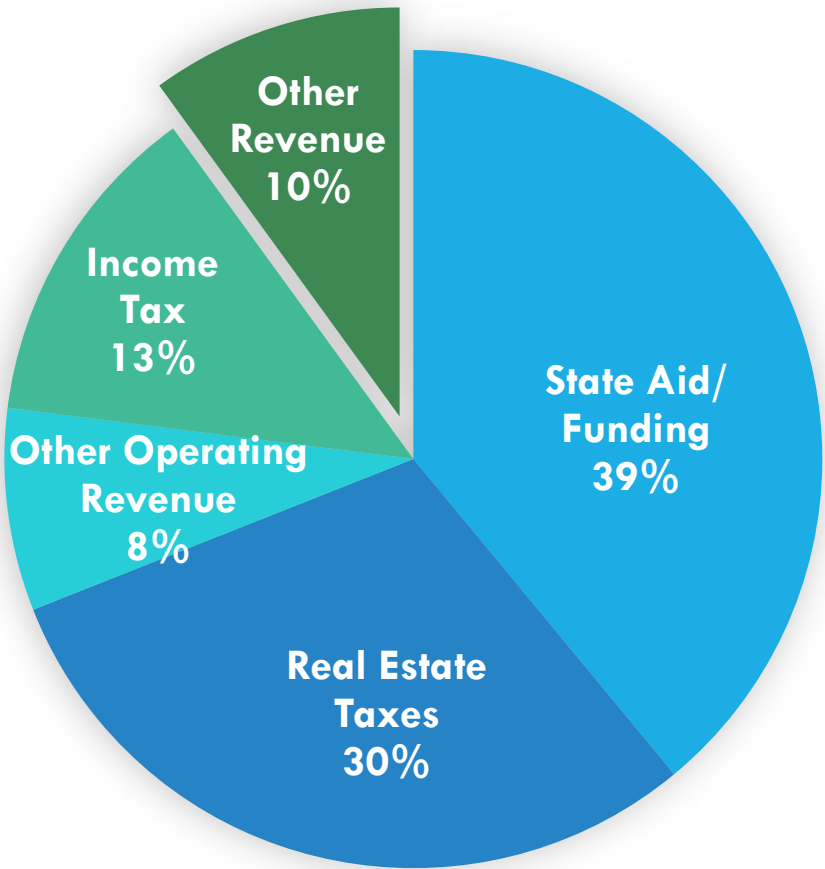
- Projected 8% of total revenue in FY24
- Significant decrease when looking back to FY21 due to changes implemented in the Fair School Funding Plan beginning in FY22
- Still includes: Rehab facility reimbursements filed through SF14 PD process twice per year, special education reimbursements through annual excess cost filing and all other revenue streams that do not fit in other categories, such as preschool tuition, student fees, earnings on investments, rental fees and donations

INCOME TAX



- Projected 13% of Total Revenue
- Still experiencing growth, but at a slower rate than in prior years

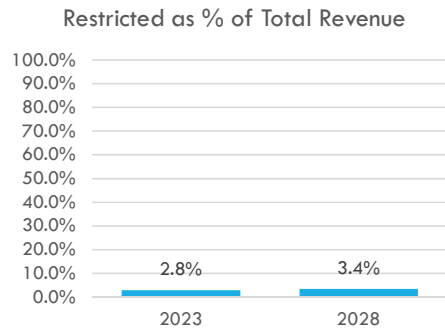
OTHER REVENUE



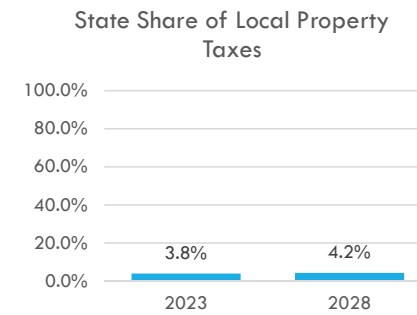
- Four other categories of revenue
- Total of 10% of District revenues

OTHER REVENUE BREAKDOWN

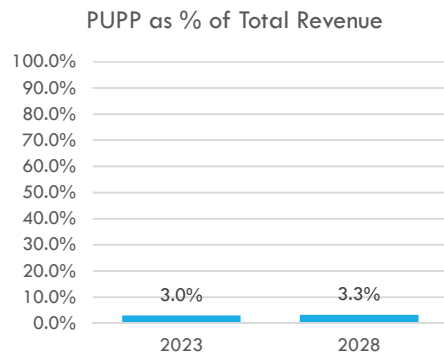
Restricted Aid



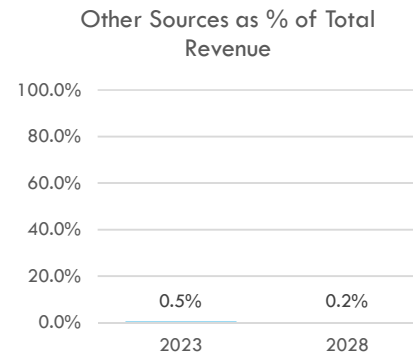
State Share of Local Property Taxes



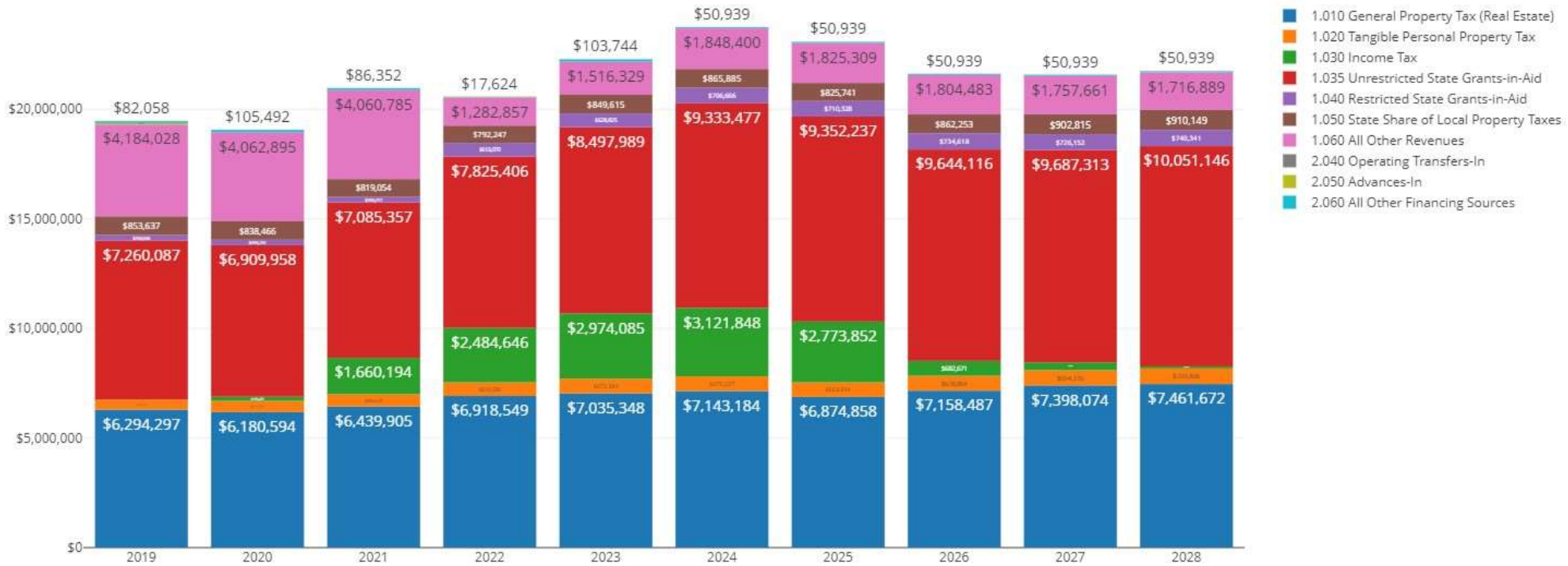
Public Utility Personal Property (PUPP)



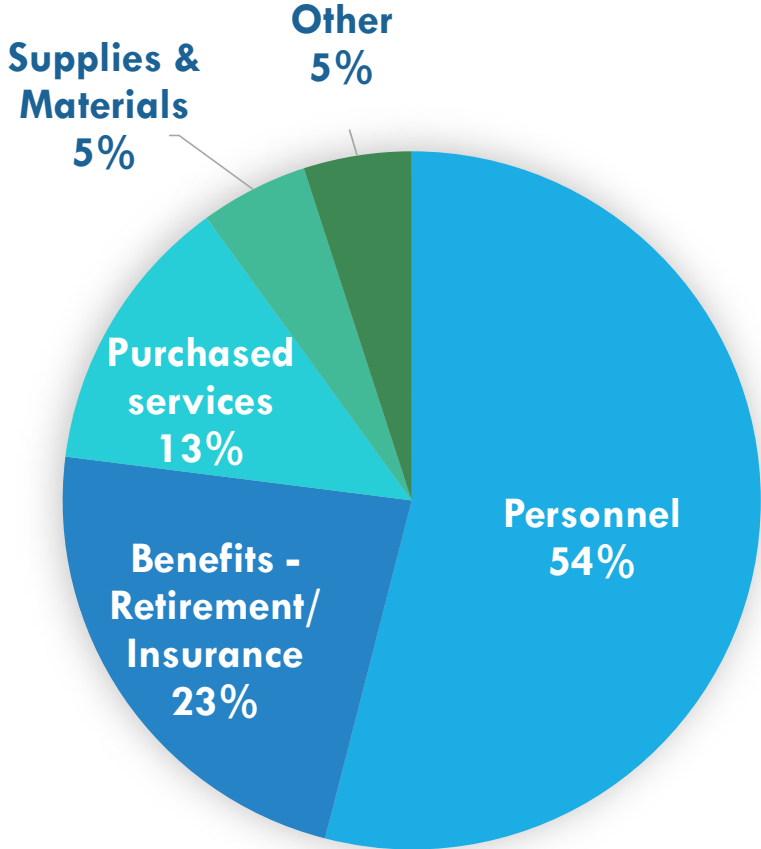
Total Other Financing Sources



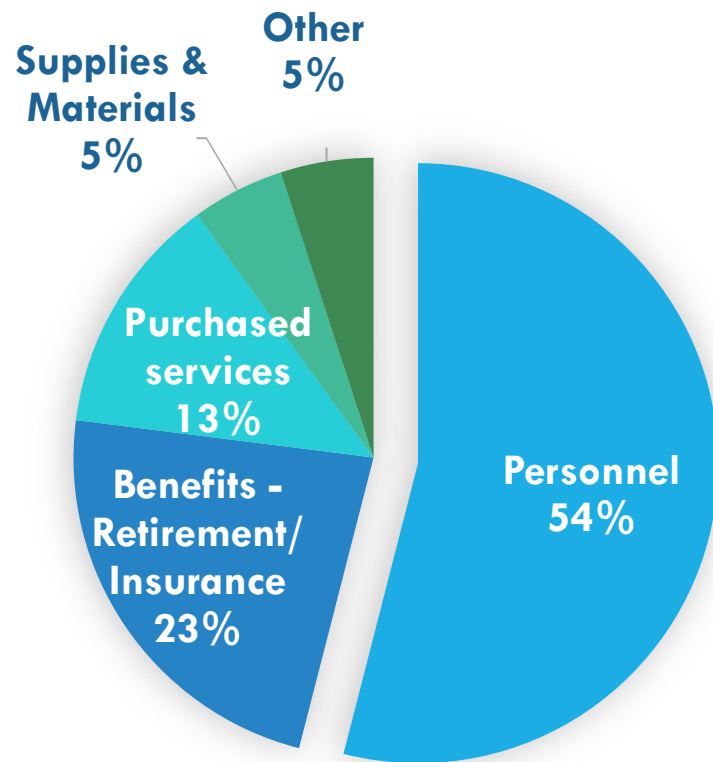
YEAR OVER YEAR REVENUE COMPARISON



OPERATING EXPENSES

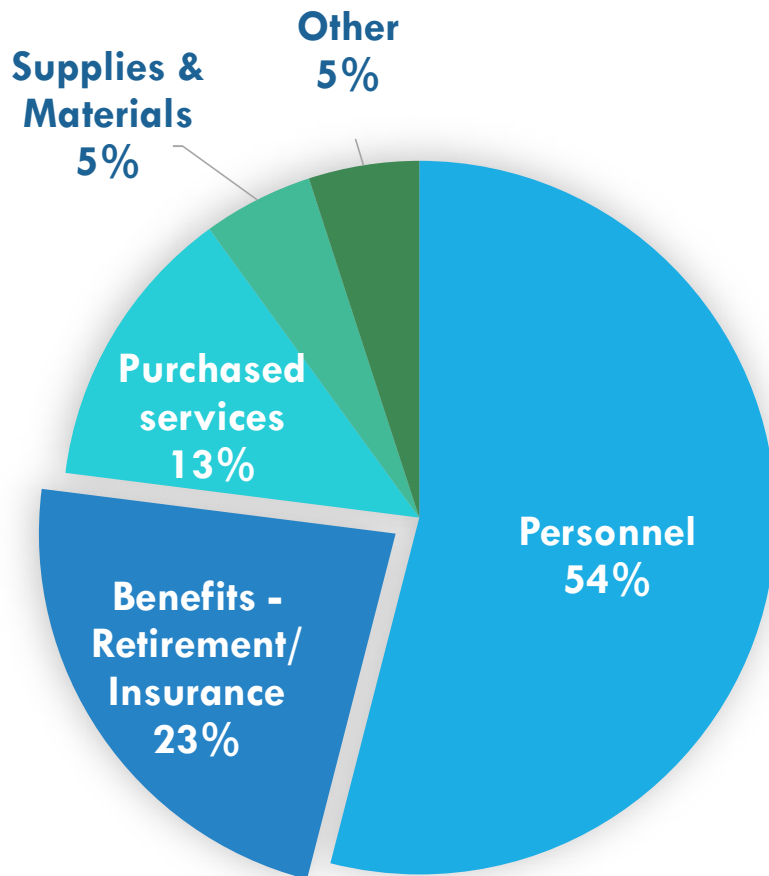


PERSONNEL



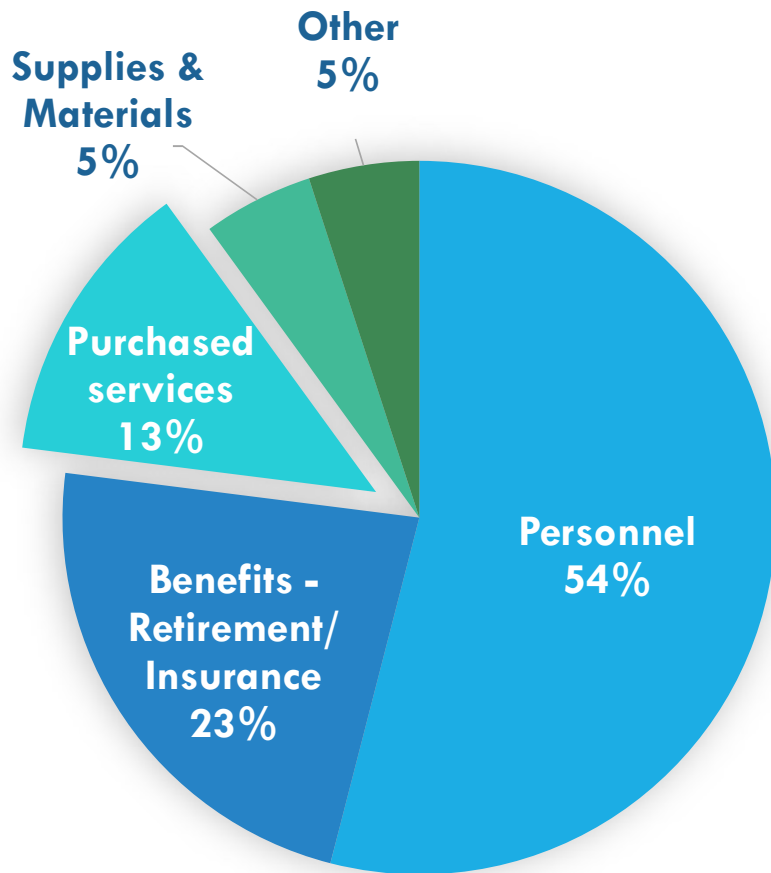
- Personnel is the District's largest expenditure
- Projected 54% of total expenses

BENEFITS



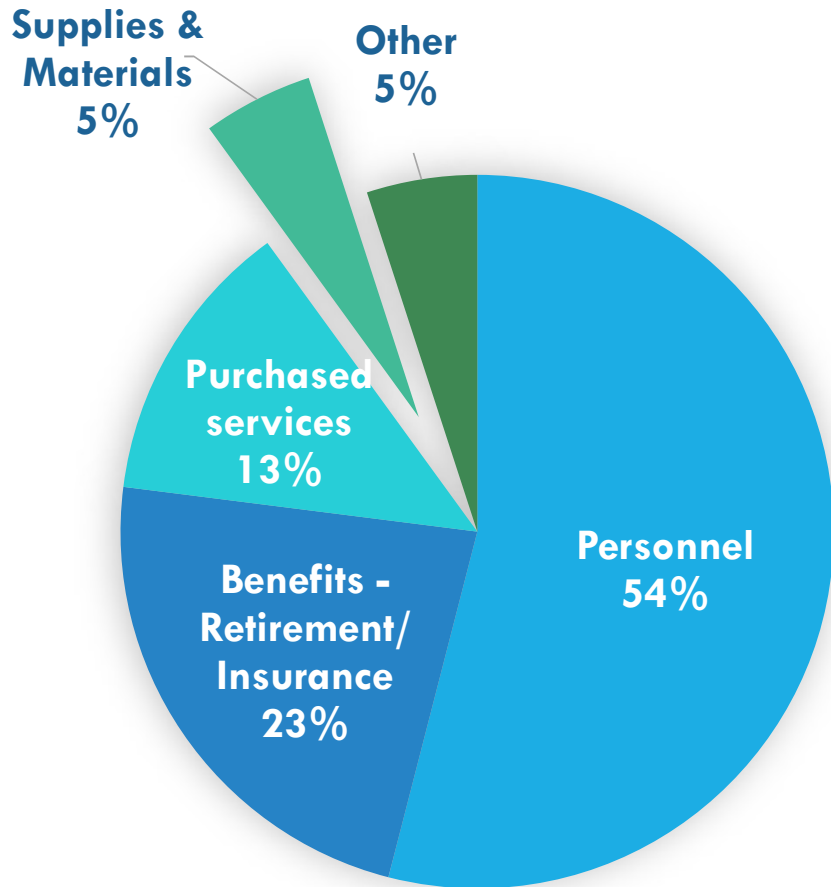
- Retirement/Insurance Benefits are the second largest expenditure
- Projected 23% of total expenses

PURCHASED SERVICES



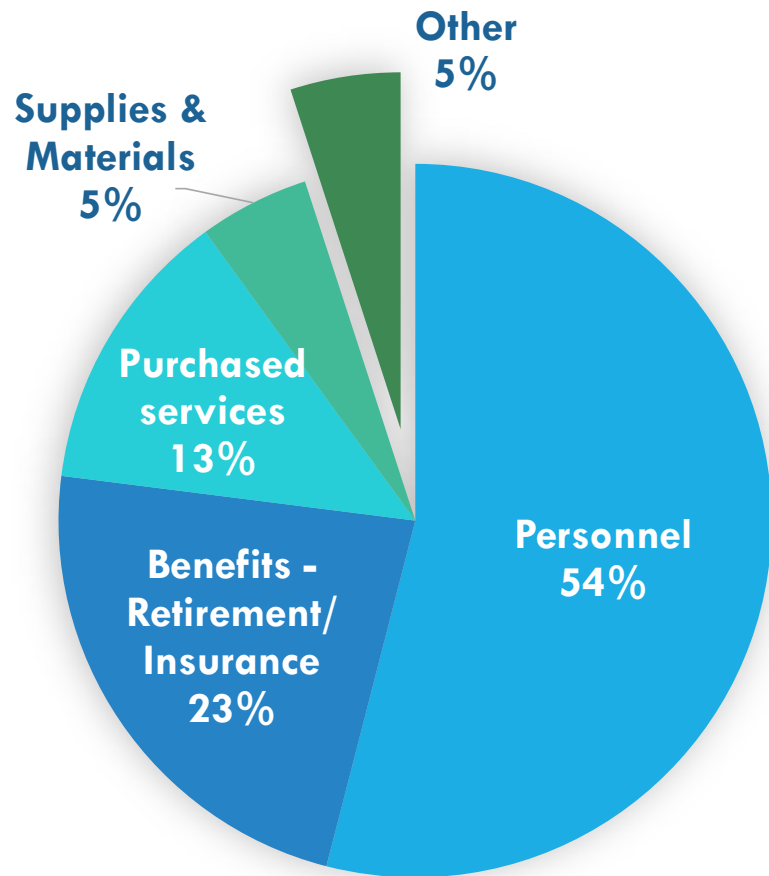
- Purchased services is the third largest expenditure
- Projected 13% of total expenses

SUPPLIES & MATERIALS



- Projected 5% of total expenses
- Increased expenses this year due to updating programs, custodial/maintenance needs and costs increasing

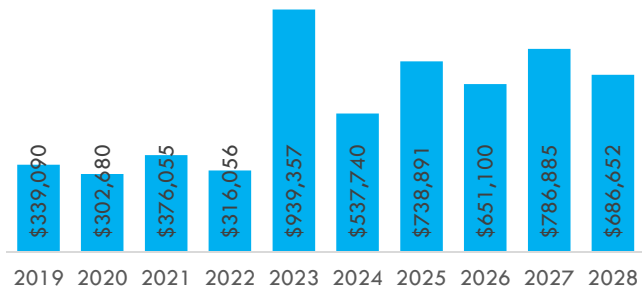
OTHER EXPENDITURES



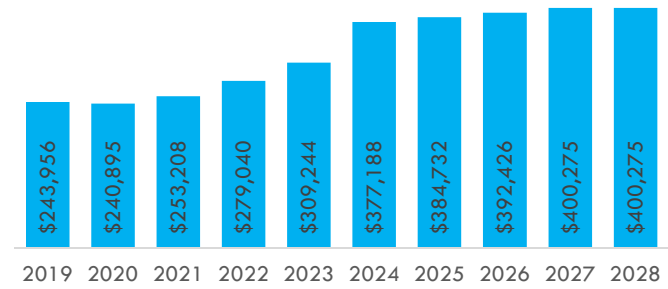
- Comprised of four other line items
- Projected 5% of total expenses

OTHER EXPENDITURES BREAKDOWN

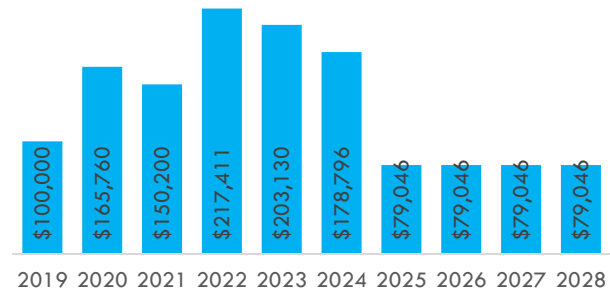
Capital Outlay



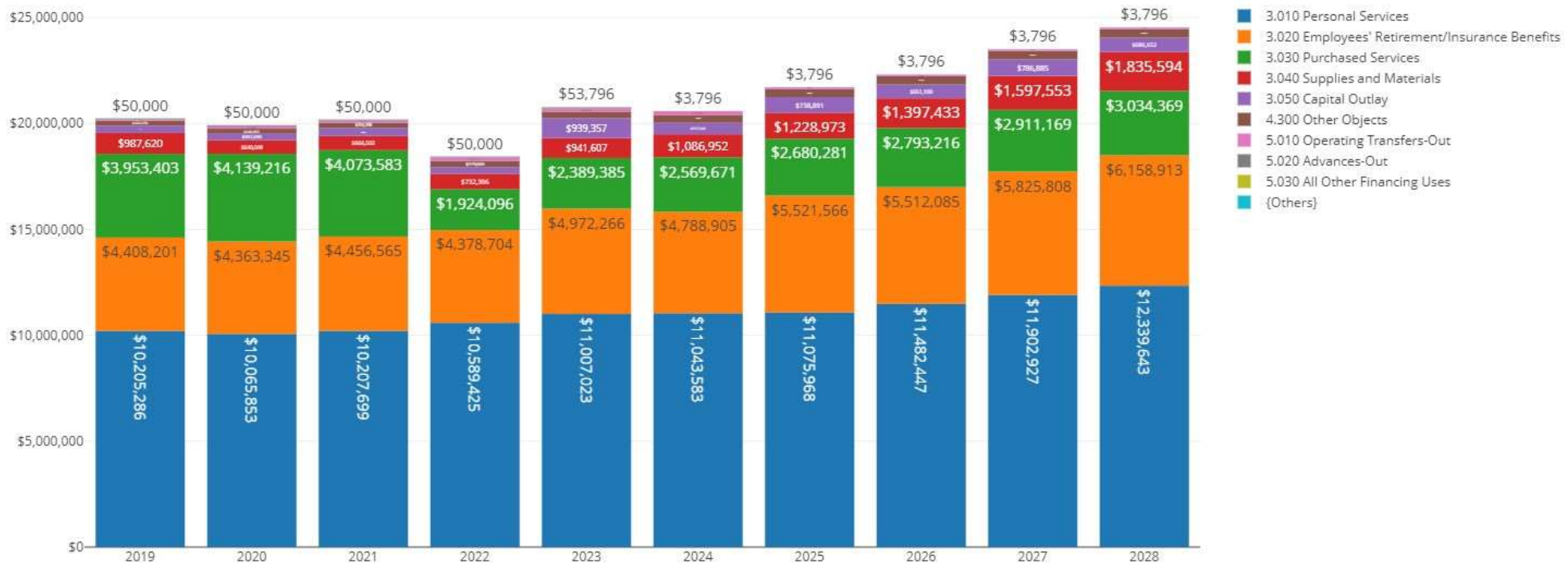
Other Objects



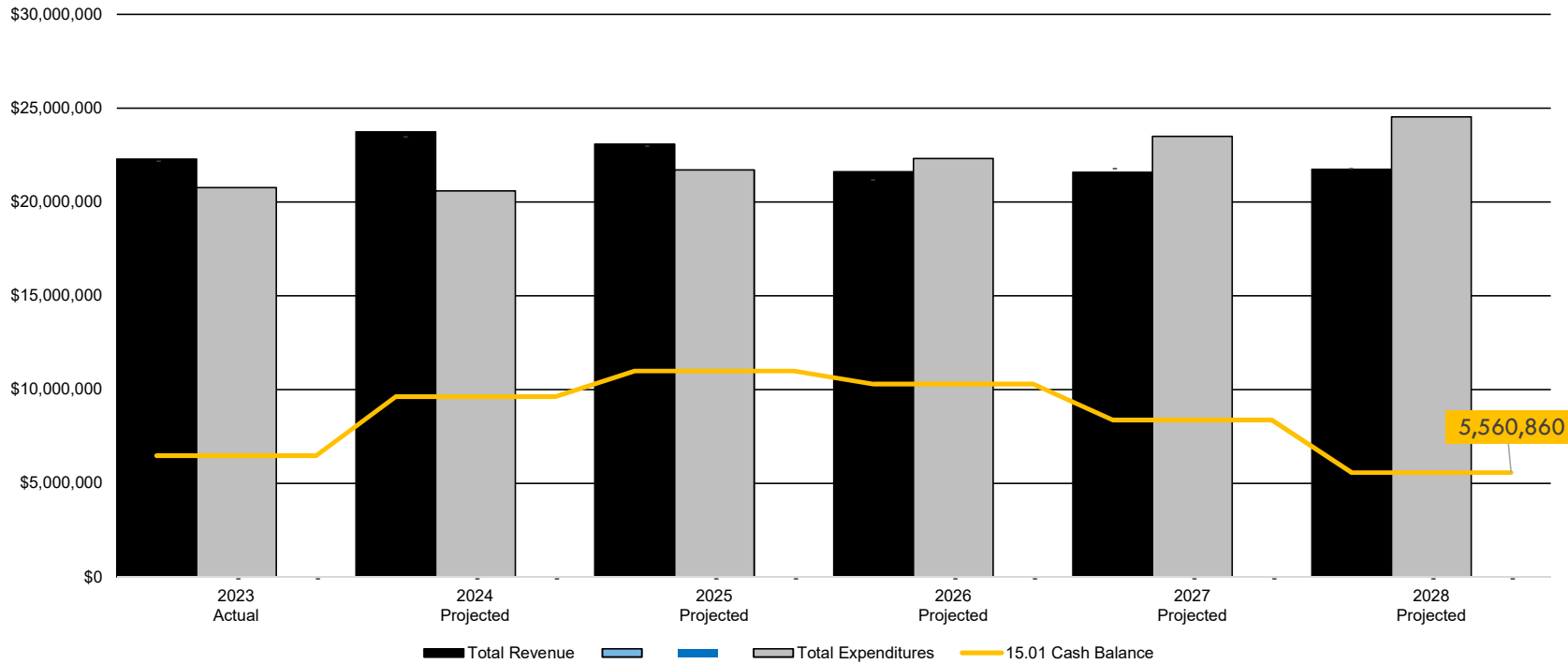
Total Other Financing Uses



YEAR OVER YEAR EXPENSE COMPARISON



Projected Revenue, Expenditures, and Cash Balance



ANALYSIS

- In FY2024 a revenue surplus is expected
- District is preparing to make additional reductions in the 2024-2025 school year
- District's cash balance is estimated to be positive at year-end in FY2024 and projected to worsen by FY2027 and FY2028 if additional reductions are not made or levies are passed by voters

FINAL CONSIDERATIONS

- Follow capital improvement plan
- Current revenue streams vital to the District's financial well-being
- Closely monitor expenditures; prevent declining cash balance
- The district website will be updated with this presentation and a copy of the forecast after the Board's approval. A link to the website where the forecast and presentation are located will also be included in the next Voice of the Valley