

Elyria City School District

# Five Year Forecast Financial Report

May, 2021

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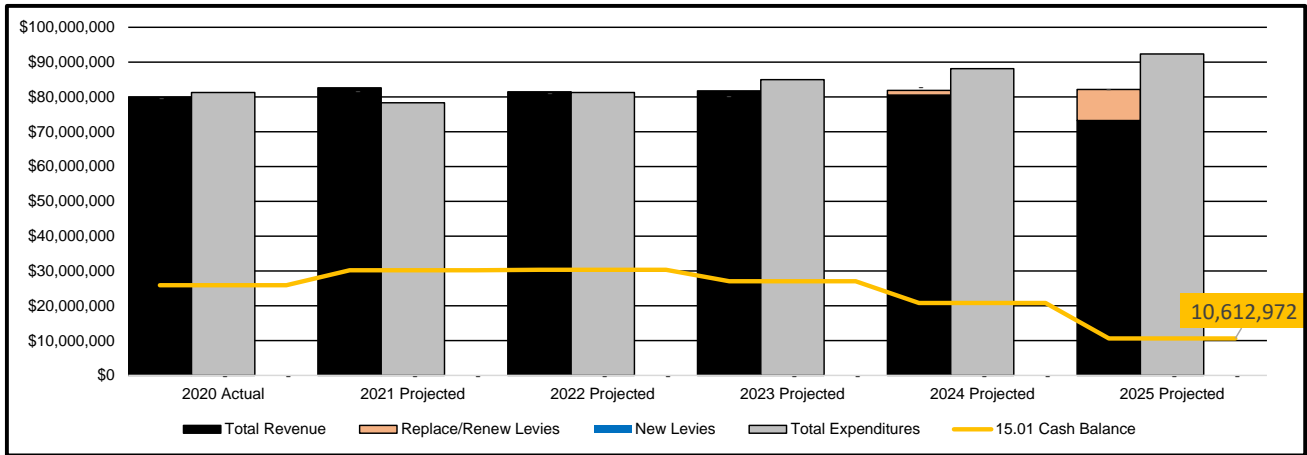
### Forecast Purpose/Objectives

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



Note: Cash balance includes any existing levy modeled as renewed during the forecast.  
Cash balance is not reduced for encumbrances.

Financial Forecast

	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Beginning Balance	25,874,884	30,183,374	30,343,035	27,055,601	20,695,738
+ Revenue	82,615,266	81,454,153	81,705,089	80,541,994	73,198,768
+ Proposed Renew/Replacement Levies	-	-	-	1,356,721	8,934,076
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(78,306,776)	(81,294,492)	(84,992,523)	(88,133,934)	(92,340,254)
= Revenue Surplus or Deficit	4,308,490	159,661	(3,287,434)	(6,235,219)	(10,207,410)
Ending Balance with renewal levies Note: Not Reduced for Encumbrances	30,183,374	30,343,035	27,055,601	20,820,382	10,488,328

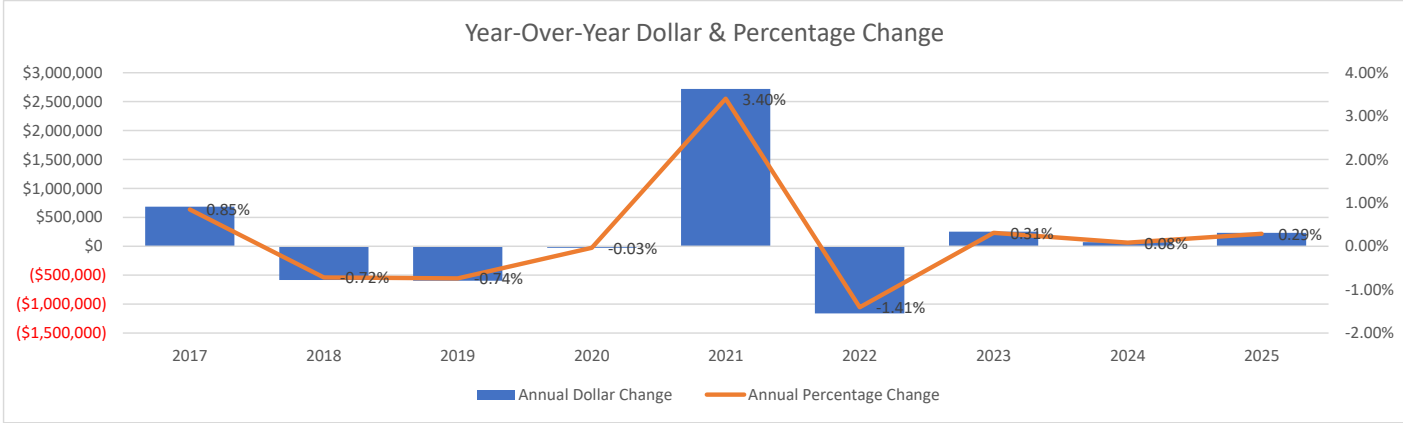
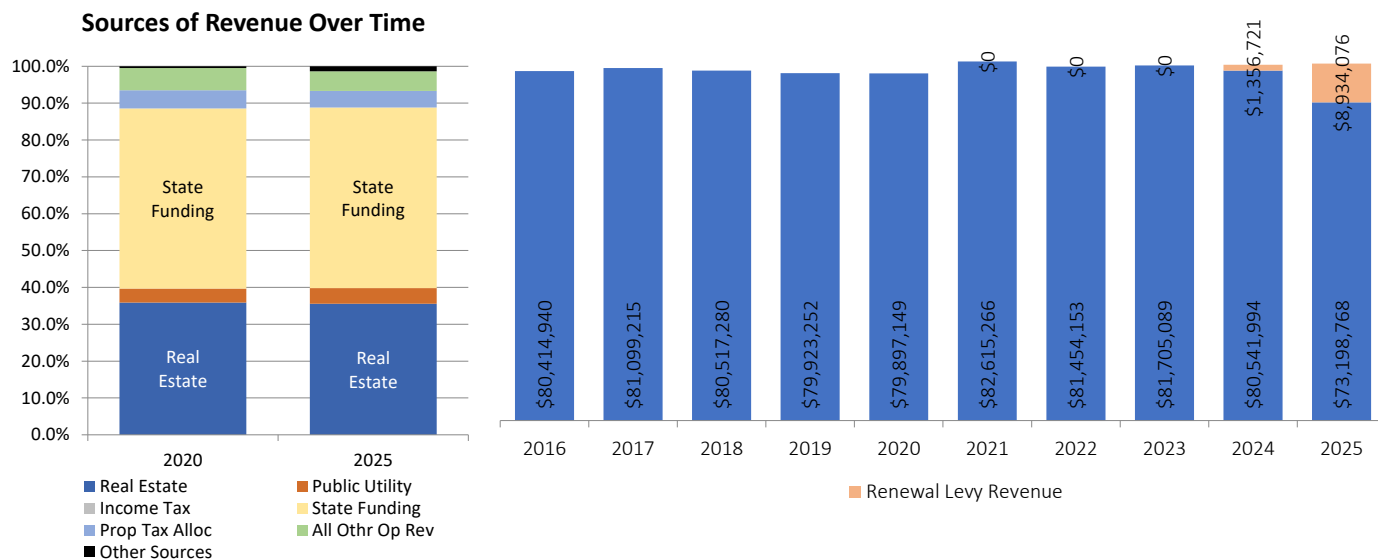
Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	4,308,490	159,661	(3,287,434)	(7,591,940)	(19,141,486)
Ending Balance w/o Levies	30,183,374	30,343,035	27,055,601	19,463,661	322,175

In FY 2021 a revenue surplus is expected. This means that expenditures are expected to be less than revenue by -\$4,308,490 in FY 2021. By the last year of the forecast, FY 2025, the district is expected to have a revenue shortfall where expenditures are projected to be greater than revenue by \$19,141,486. The district would need to cut its FY 2025 projected expenses by 20.73% in order to balance its budget without additional revenue.

The district's cash balance is positive at year-end in FY 2021 and is projected to worsen by FY 2025. A worsening cash balance can erode the district's financial stability over time.

## Revenue Sources and Forecast Year-Over-Year Projected Overview



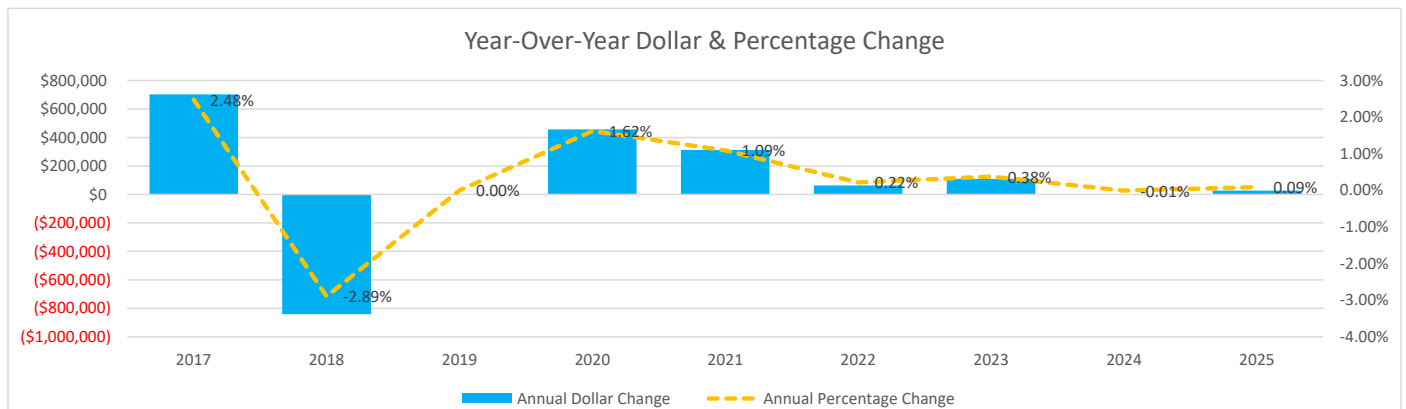
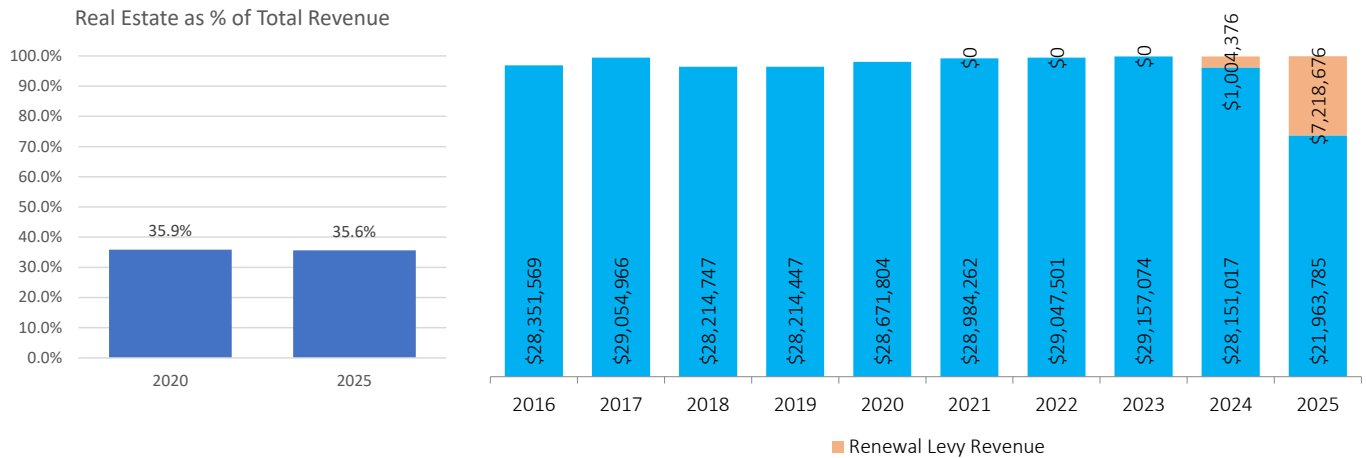
3-Year Historical Actual Average Annual Dollar Change Compared to 5-Year Projected

	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	Total revenue decreased -0.50% or -\$400,689 annually during the past five years and is projected to increase 0.54% or \$422,210 annually through FY2025. All Othr Op Rev has the most projected average annual variance compared to the historical average at - \$590,146
Real Estate	(\$127,720)	\$102,131	\$229,852	
Public Utility	\$253,038	\$85,015	(\$168,023)	
Income Tax	\$0	\$0	\$0	
State Funding	(\$131,723)	\$234,158	\$365,882	
Prop Tax Alloc	(\$495,548)	(\$55,091)	\$440,457	
All Othr Op Rev	\$497,922	(\$92,224)	(\$590,146)	
Other Sources	(\$396,658)	\$148,220	\$544,878	
<b>Total Average Annual Change</b>	<b>(\$400,689)</b>	<b>\$422,210</b>	<b>\$822,899</b>	
	<b>-0.50%</b>	<b>0.54%</b>	<b>1.03%</b>	

Note: Expenditure average annual change is projected to be > \$2,211,311 On an annual average basis, expenditures are projected to grow faster than revenue.

### 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).



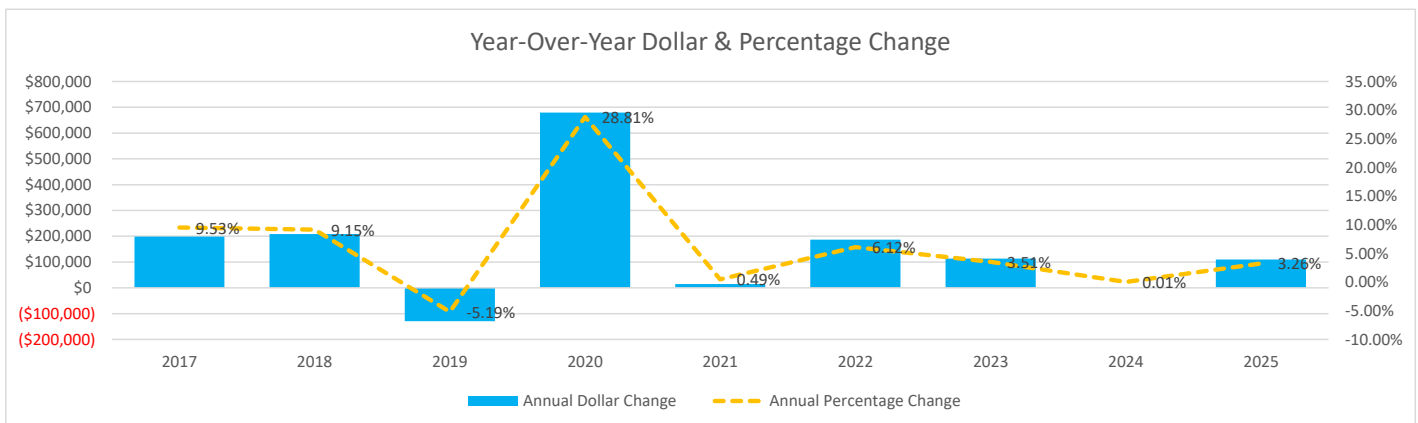
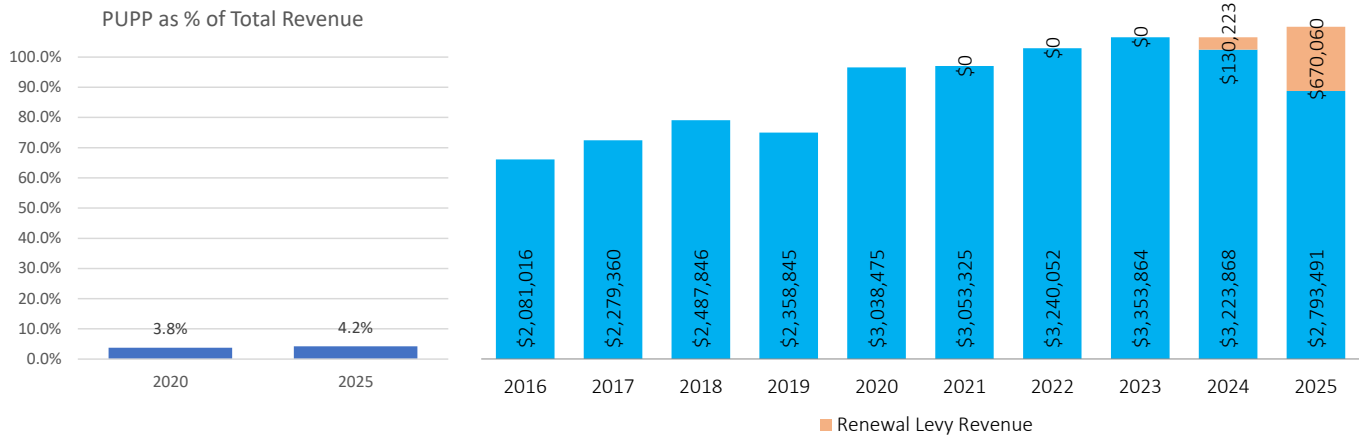
Values, Tax Rates and Gross Collections								Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change		
2019	811,917,350	(4,050,280)	38.22	-	44.89	-		97.5%
2020	815,662,520	3,745,170	38.72	0.50	45.01	0.12		97.6%
2021	849,508,870	33,846,350	37.29	(1.43)	44.28	(0.73)		97.6%
2022	849,512,255	3,385	37.28	(0.01)	44.27	(0.01)		97.6%
2023	849,622,255	110,000	37.27	(0.01)	44.25	(0.01)		97.6%
2024	872,622,255	23,000,000	36.21	(1.06)	43.66	(0.59)		97.6%

Real estate property tax revenue accounts for 35.89% of total revenue. Class I or residential/agricultural taxes make up approximately 60.93% of the real estate property tax revenue. The Class I tax rate is 38.72 mills in tax year 2020. The district is modeling the renewal of real estate property taxes levies through 2024. The projections reflect an average gross collection rate of 97.6% annually through tax year 2024. The revenue changed at an average annual historical rate of -0.42% and is projected to change at an average annual rate of 0.35% through FY 2025.

\*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.



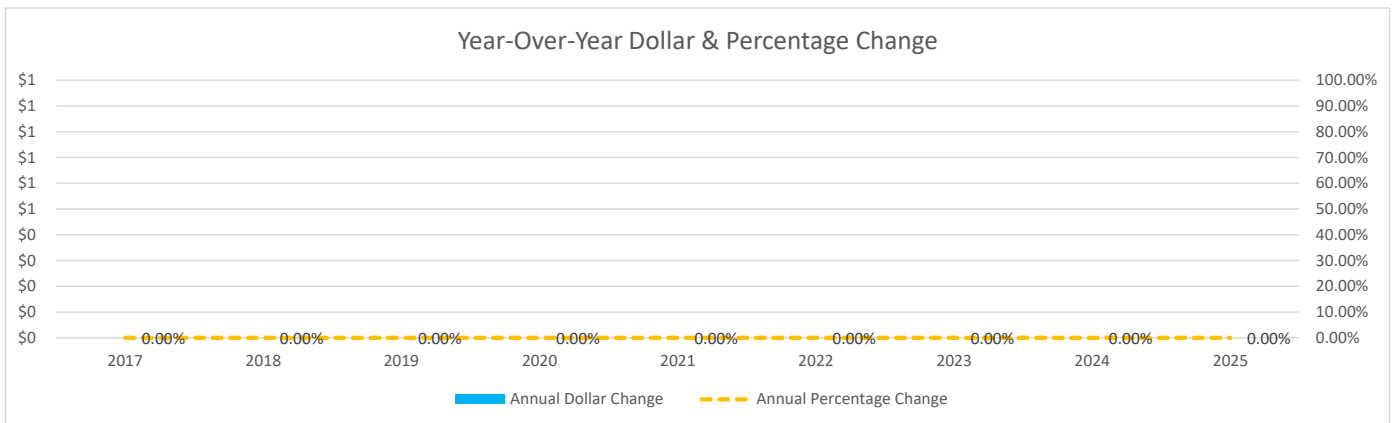
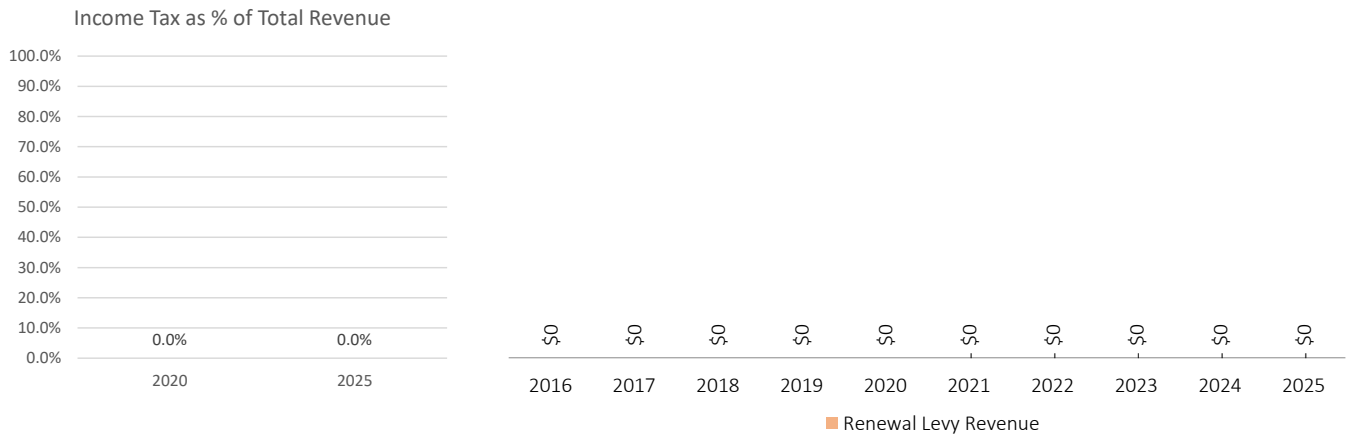
Values and Tax Rates					Gross Collection Rate Including Delinquencies	
Tax Year	Valuation	Value Change	Full Voted Rate	Change		
2019	43,464,250	3,883,890	67.09	(0.01)	100.0%	
2020	47,357,590	3,893,340	67.64	0.55	89.3%	
2021	49,062,451	1,704,861	67.18	(0.46)	100.0%	
2022	50,815,451	1,753,000	67.15	(0.03)	100.0%	
2023	52,615,451	1,800,000	67.11	(0.03)	100.0%	
2024	54,465,451	1,850,000	66.70	(0.41)	100.0%	

The public utility personal property tax revenue is generated from the personal property values, additions, and depreciation reported by the utility companies. This category currently makes up 3.80% of total district revenue. The property is taxed at the full voted tax rate which in tax year 2020 is 67.64 mills. The forecast is modeling an average gross collection rate of 97.86%. The revenue changed historically at an average annual dollar amount of \$253,038 and is projected to change at an average annual dollar amount of \$85,015 through FY 2025.

\*Projected % trends include renewal levies

### 1.030 - No 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.

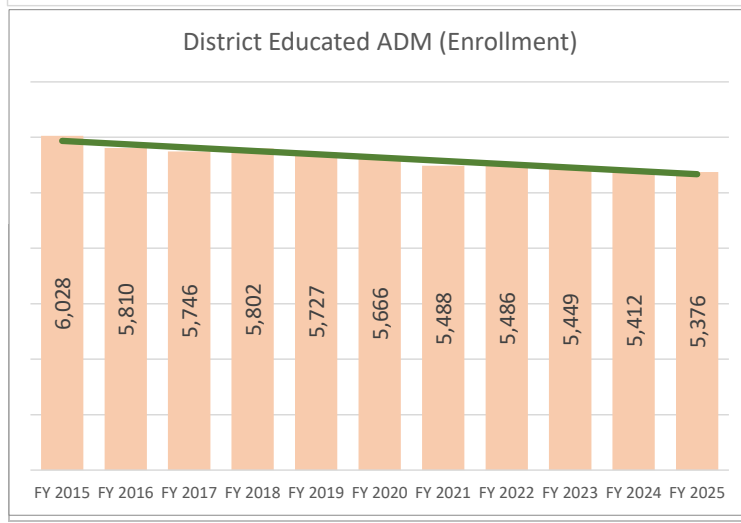
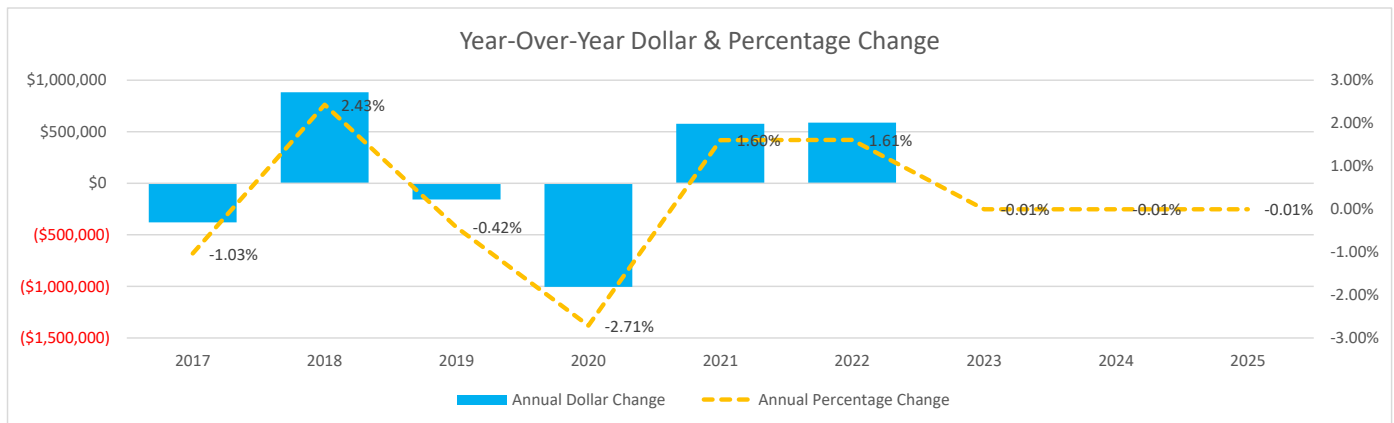
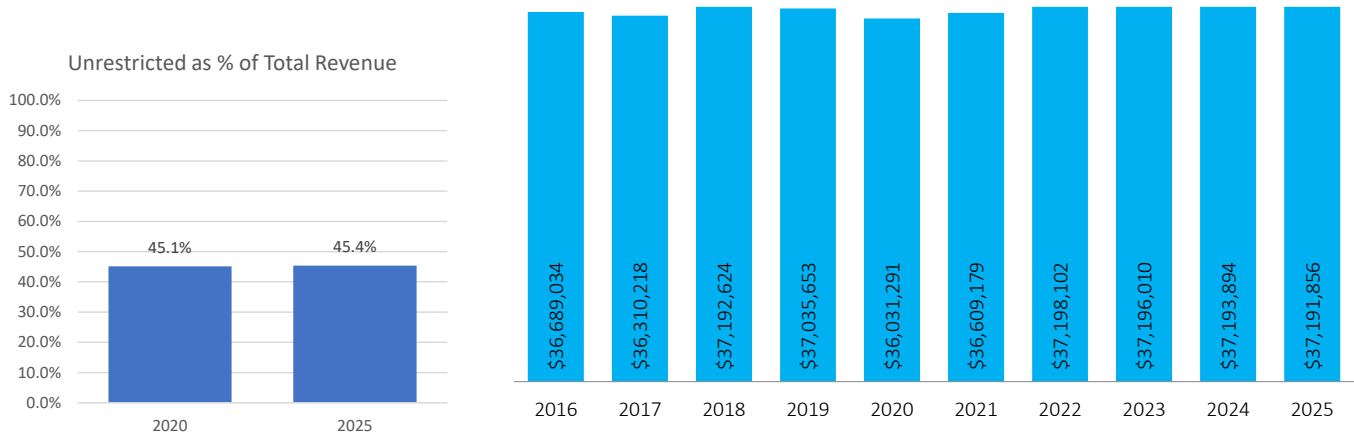


The district does not have an income tax levy.

*\*Projected % trends include renewal levies*

### 1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.

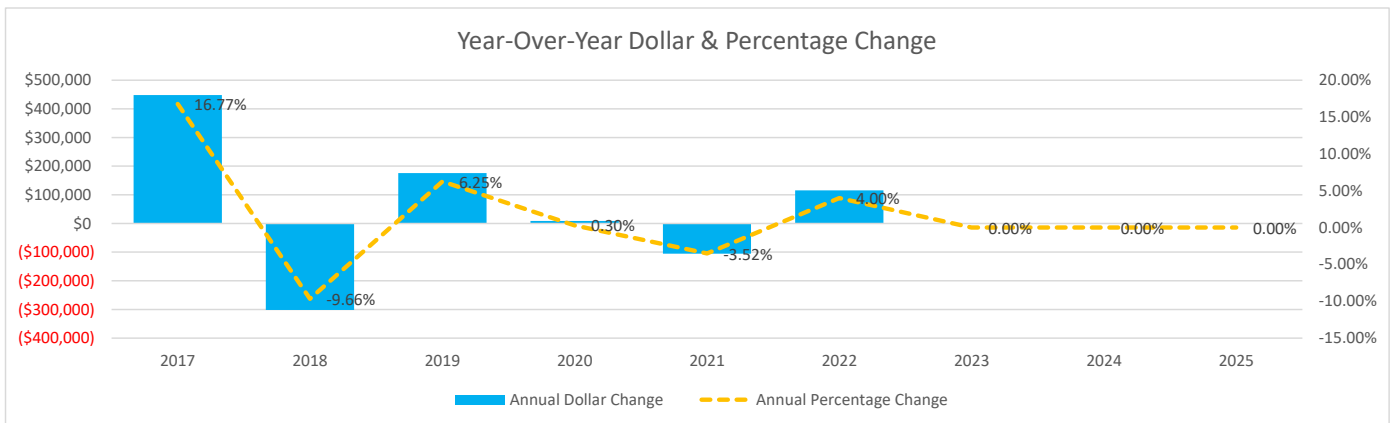
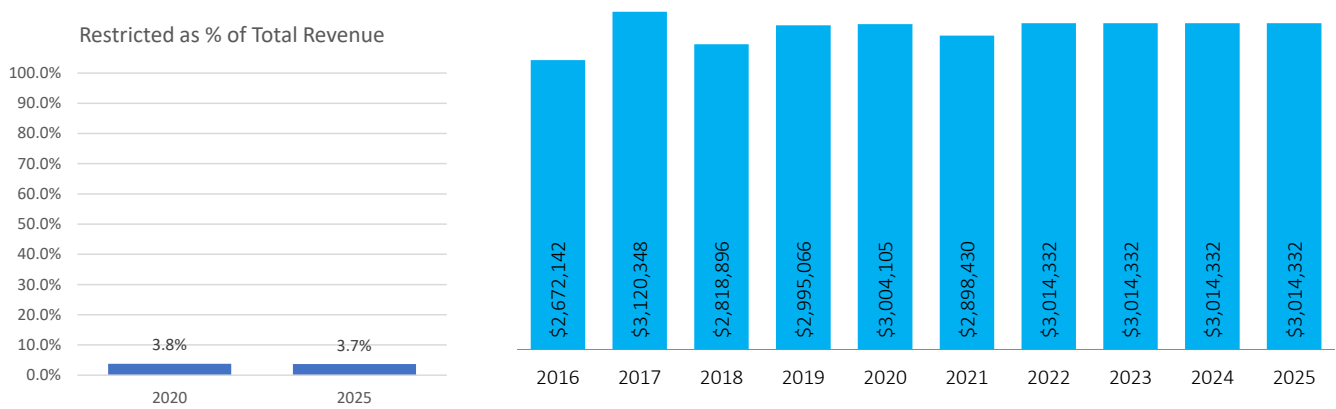


The FY 2019 per pupil and foundation revenue amount is the base aid amount used in FY 2021. In addition to its FY 2021 base funding amount of \$35,736,788 the district calculated FY 2021 categorical funding such as spec. ed., preschool, casino of \$1,389,861. Projected amounts less than the FY 2019 base indicate state budget cuts and other assumed change. For fiscal year 2022 - 2025, the district is projecting an average annual increase of 0.40%. Note: Wellness funding is not included in these calculations.



### 1.040 & 1.045 - Restricted Grants-in-Aid

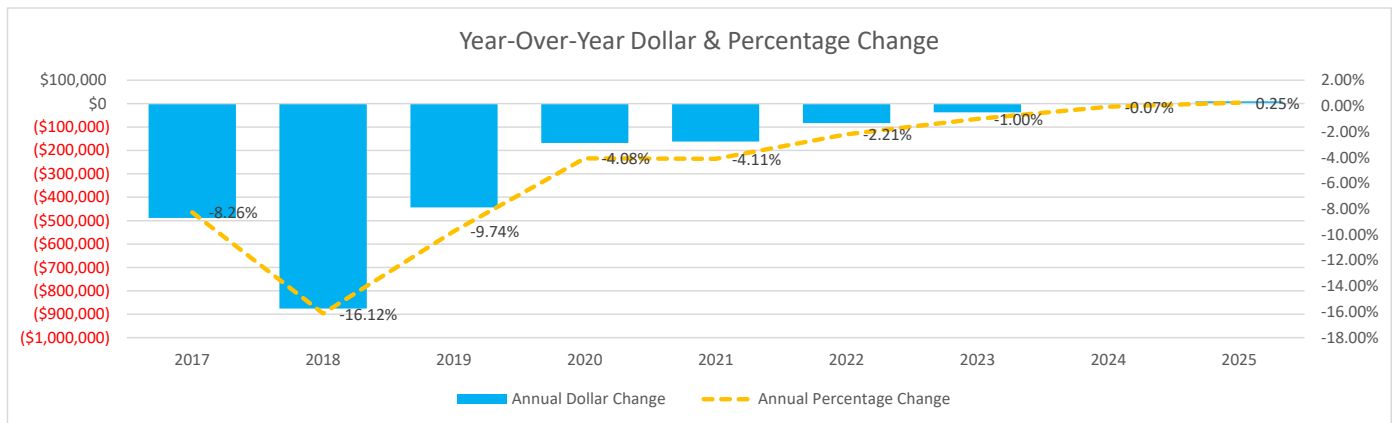
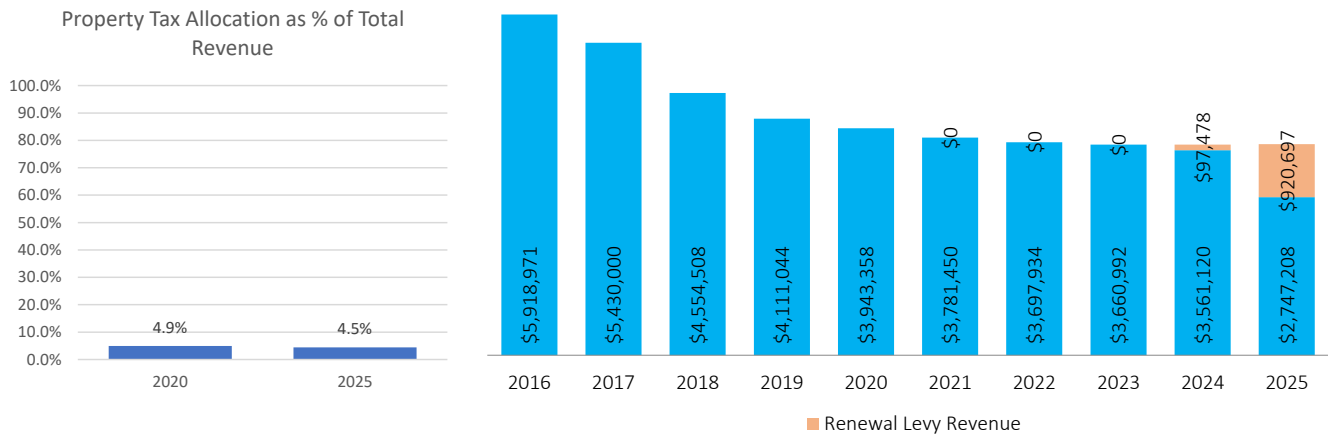
Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



Restricted aid is the portion of state per pupil funding that must be classified as restricted use. Historically the district's restricted state aid changed annually on average by -\$38,748 and is projected to change annually on average by \$2,045. Restricted funds represent 3.76% of total revenue.

### 1.050 - Property Tax Allocation

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

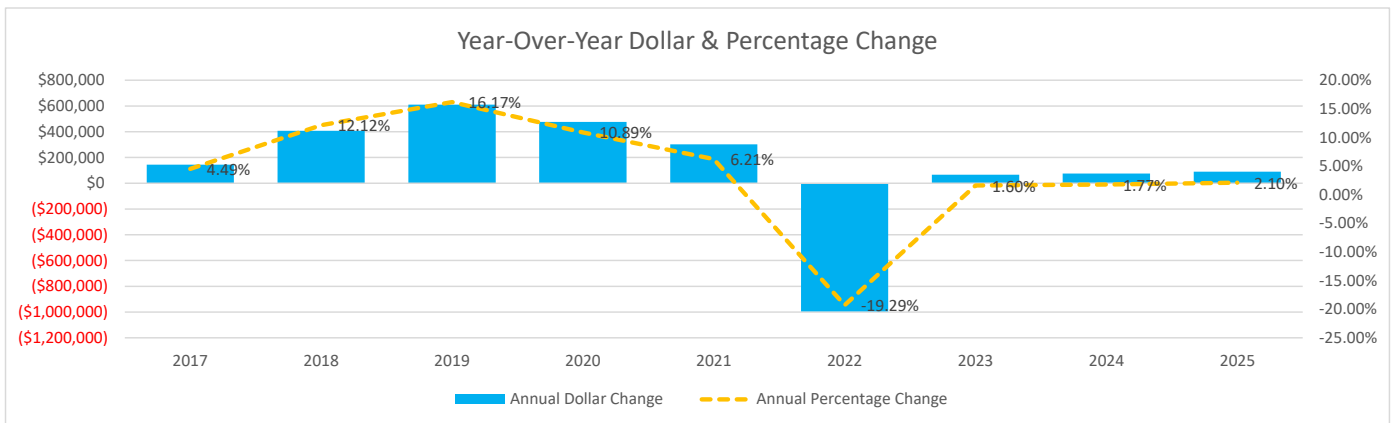
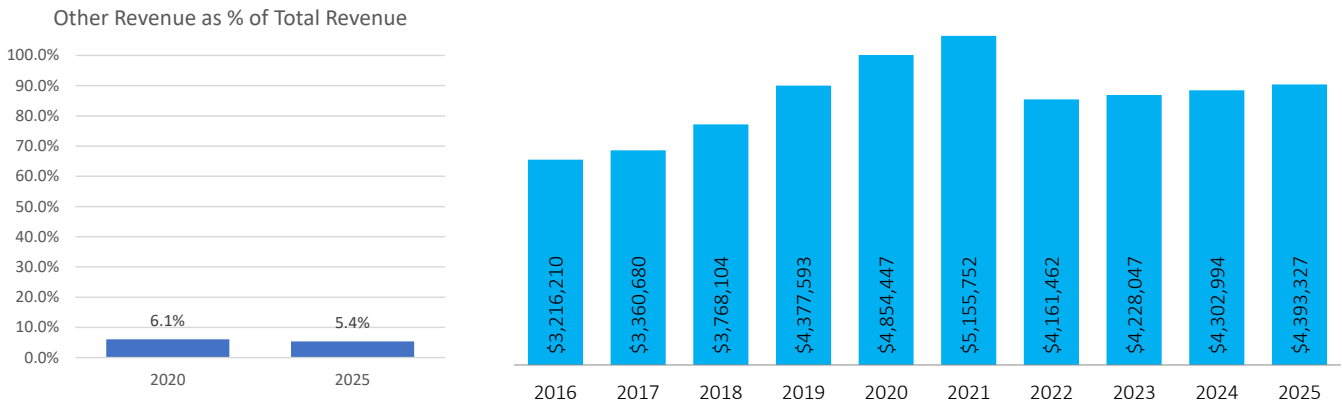


Property tax allocation primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In FY 2021, approximately 11.8% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 5.1% will be reimbursed in the form of qualifying homestead exemption credits.

\*Projected % trends include renewal levies

### 1.060 - All Other Operating Revenues

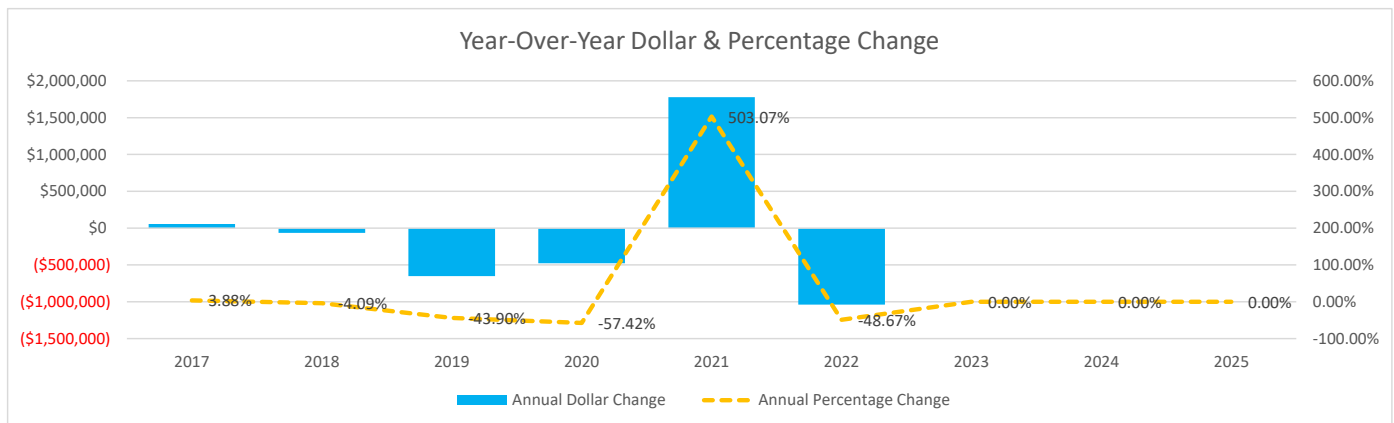
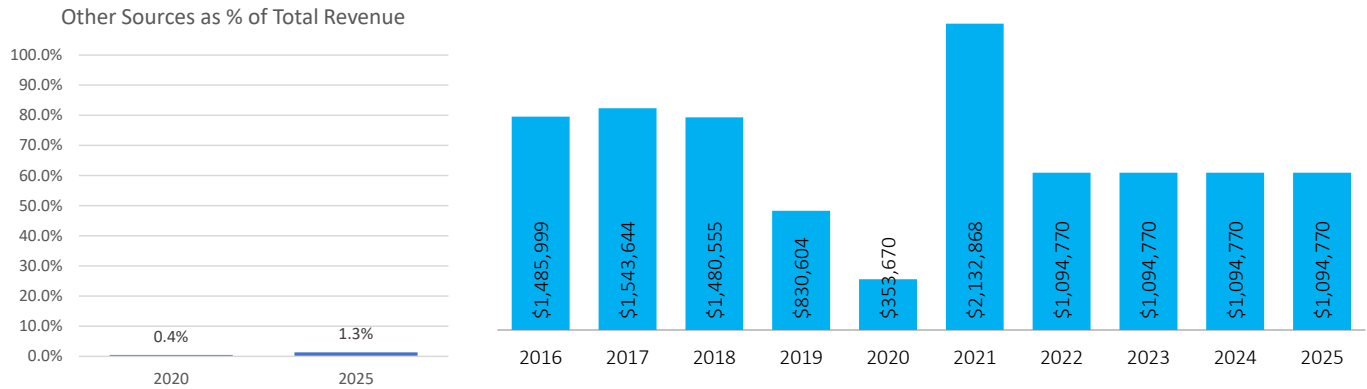
Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.



Other revenue includes tuition received by the district for non-resident students educated by the district. It also includes interest income, payments in lieu of taxes, and miscellaneous revenue. The historical average annual change was \$497,922. The projected average annual change is -\$92,224 through FY 2025.

## 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.

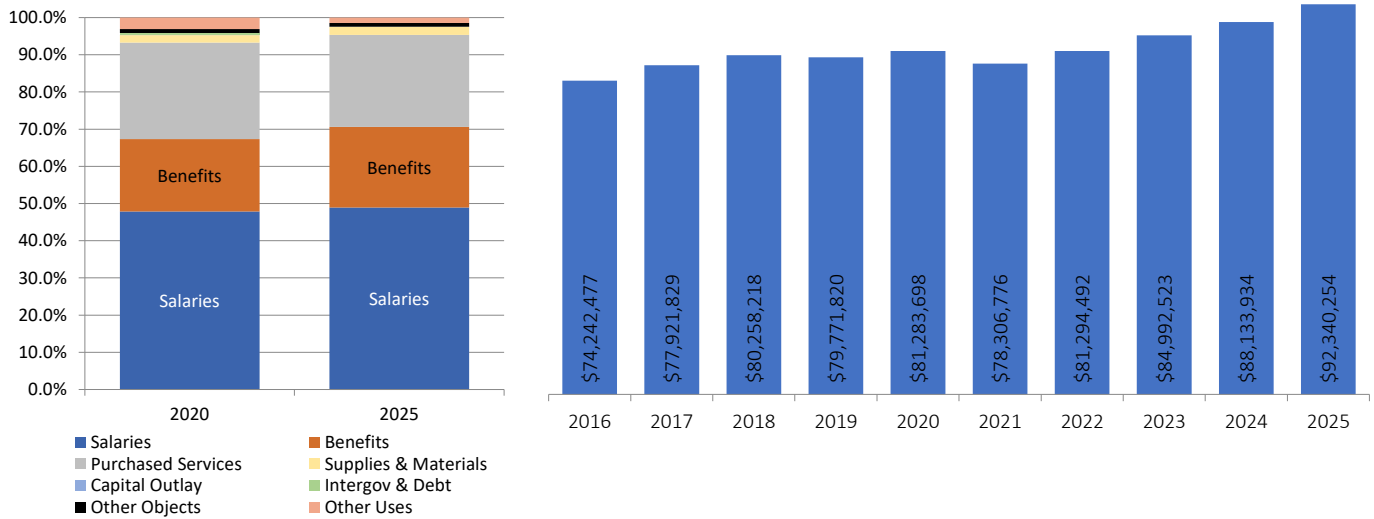


	2020	2021	2022	FORECASTED		
				2023	2024	2025
Transfers In	-	-	-	-	-	-
Advances In	338,519	2,037,908	999,810	999,810	999,810	999,810
All Other Financing Sources	15,151	94,960	94,960	94,960	94,960	94,960

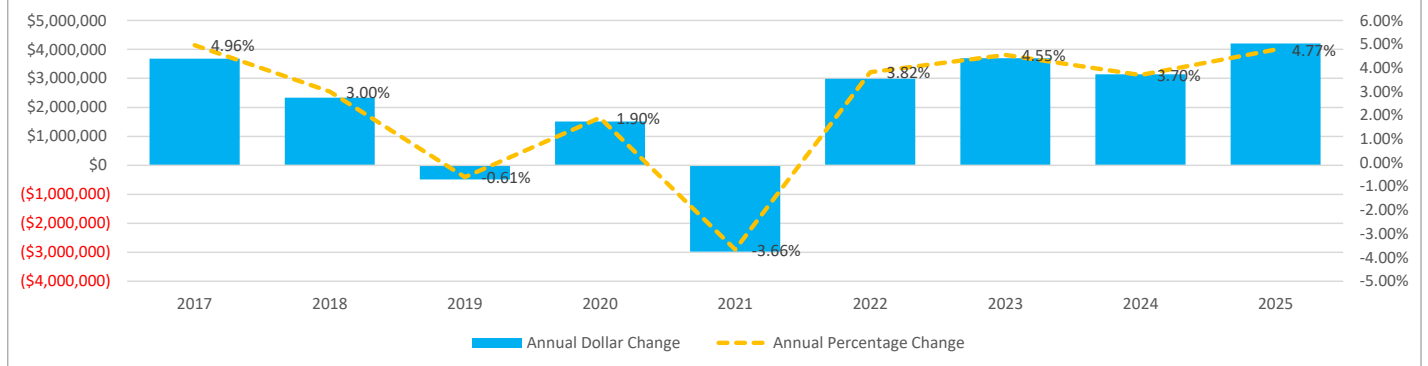
Other sources includes revenue that is generally classified as non-operating. It is typically in the form of advances-in which are the repayment of temporary loans made from the general fund to other district funds. In FY 2020 the district received \$338,519 as advances-in and is projecting advances of \$2,037,908 in FY 2021. The district also receives other financing sources such as refund of prior year expenditures in this category. The district is projecting that all other financing sources will be \$94,960 in FY 2021 and average \$94,960 annually through FY 2025.

## Expenditure Categories and Forecast Year-Over-Year Projected Overview

### Expenditure Categories Over Time



### Year-Over-Year Dollar & Percentage Change



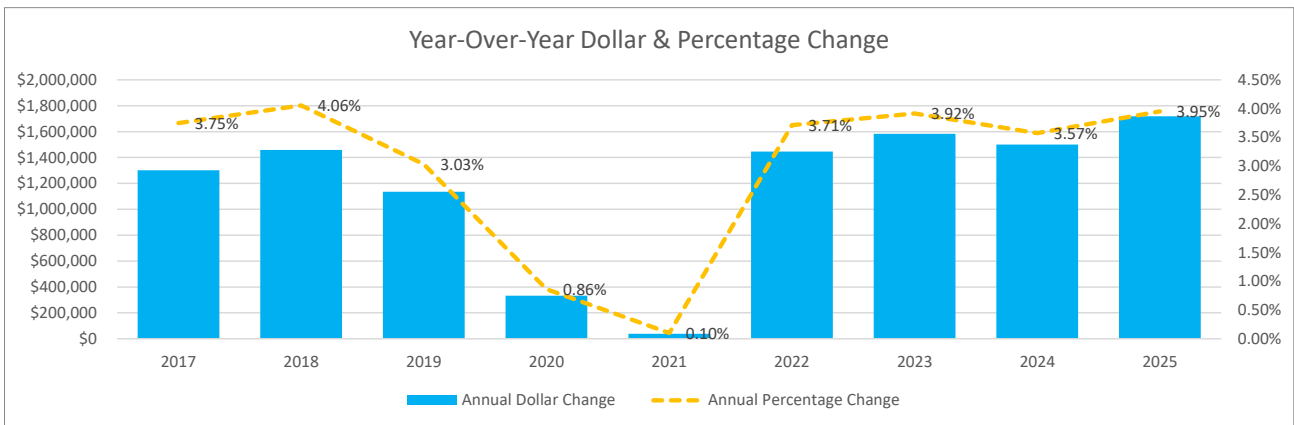
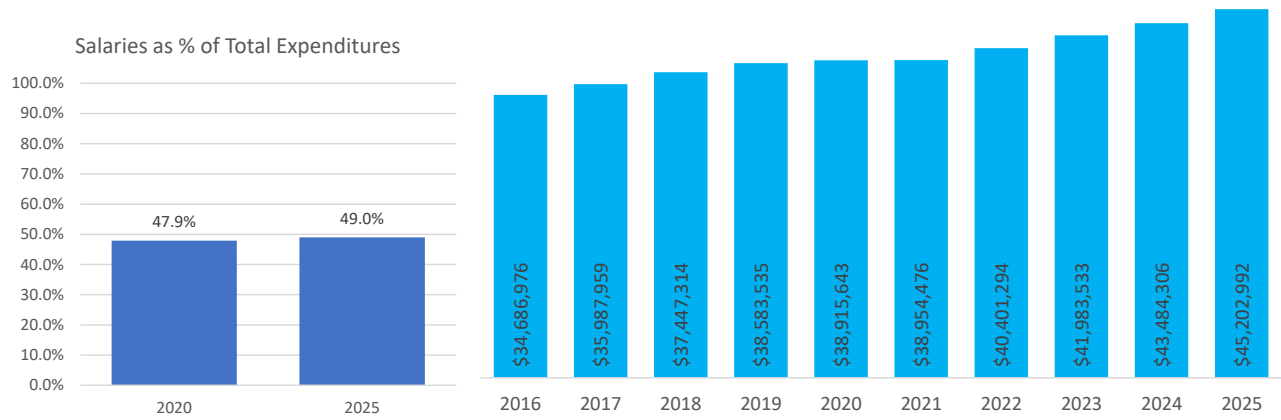
3-Year Historical Actual Average Annual Dollar Change Compared to 5-Year Projected

	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	Total expenditures increased 1.43% or \$1,120,623 annually during the past five years and is projected to increase 2.72% or \$2,211,311 annually through FY2025. Other Uses has the largest projected average annual variance compared to the historical average at \$445,755.
Salaries	\$975,895	\$1,257,470	\$281,575	
Benefits	\$1,211,673	\$838,733	(\$372,940)	
Purchased Services	(\$58,329)	\$354,427	\$412,756	
Supplies & Materials	(\$181,816)	\$65,320	\$247,136	
Capital Outlay	(\$54,550)	(\$3,872)	\$50,678	
Intergov & Debt	(\$89,414)	(\$73,123)	\$16,291	
Other Objects	(\$9,500)	(\$63)	\$9,437	
Other Uses	(\$673,337)	(\$227,582)	\$445,755	
<b>Total Average Annual Change</b>	<b>\$1,120,623</b>	<b>\$2,211,311</b>	<b>\$1,090,688</b>	
	<b>1.43%</b>	<b>2.72%</b>	<b>1.29%</b>	

Note: Expenditure average annual change is projected to be > \$2,211,311 On an annual average basis, revenues are projected to grow slower than expenditures.

### 3.010 - Personnel Services

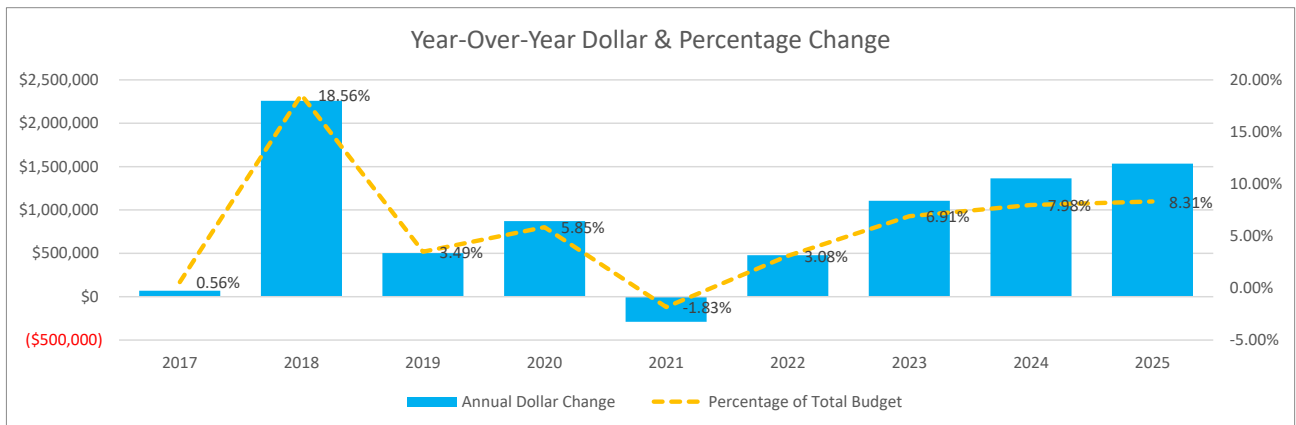
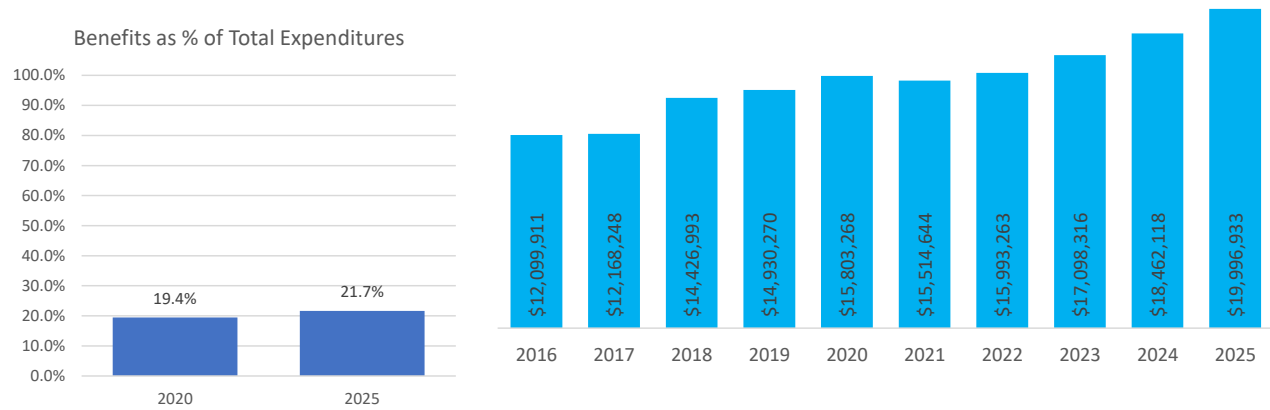
Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.



Salaries represent 47.88% of total expenditures and increased at a historical average annual rate of 2.65% or \$975,895. This category of expenditure is projected to grow at an average annual rate of 3.05% or \$1,257,470 through FY 2025. The projected average annual rate of change is 0.40% more than the five year historical annual average.

### 3.020 - Employees' Benefits

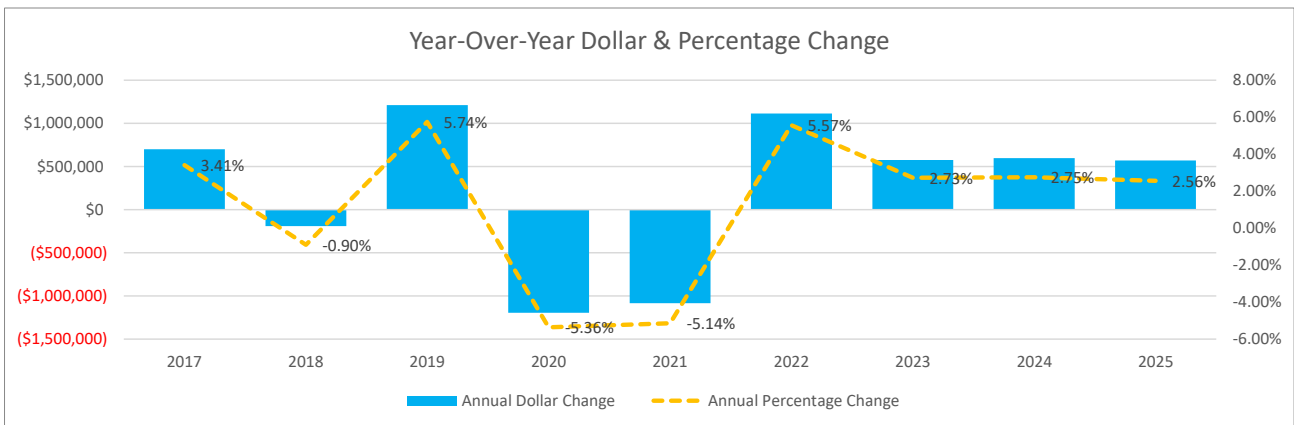
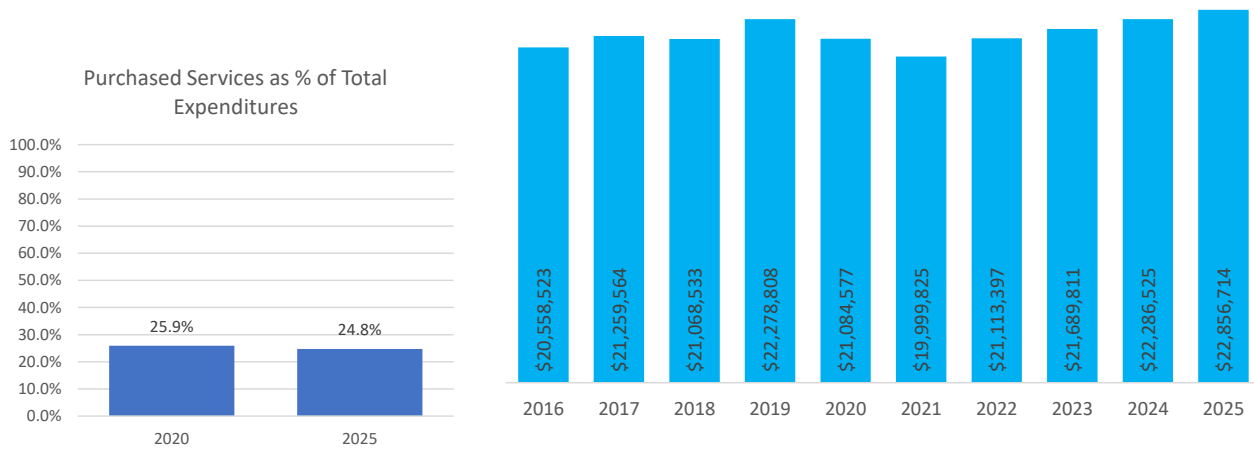
Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.



Benefits represent 19.44% of total expenditures and increased at a historical average annual rate of 9.30% This category of expenditure is projected to grow at an annual average rate of 4.89% through FY 2025. The projected average annual rate of change is -4.41% less than the five year historical annual average.

### 3.030 - Purchased Services

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

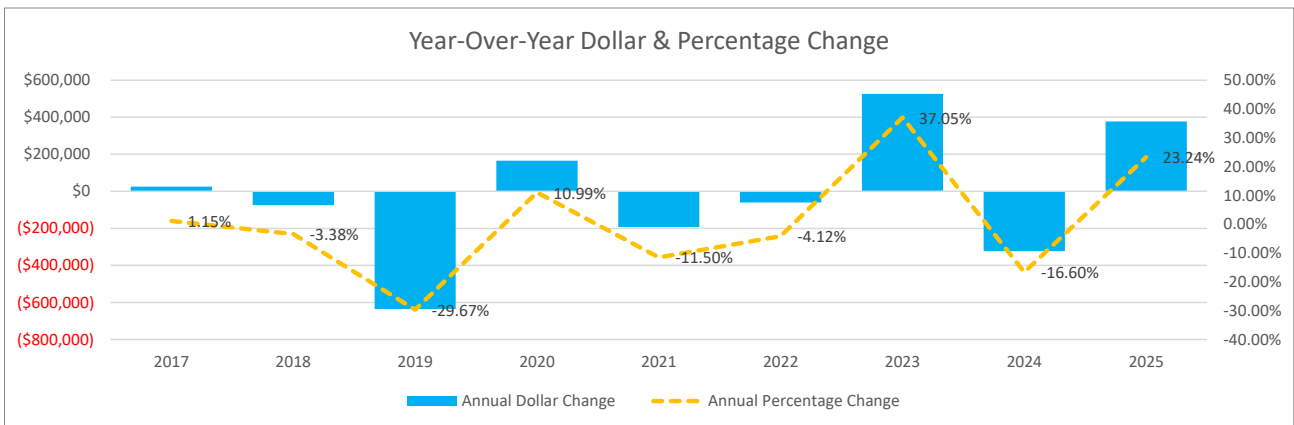
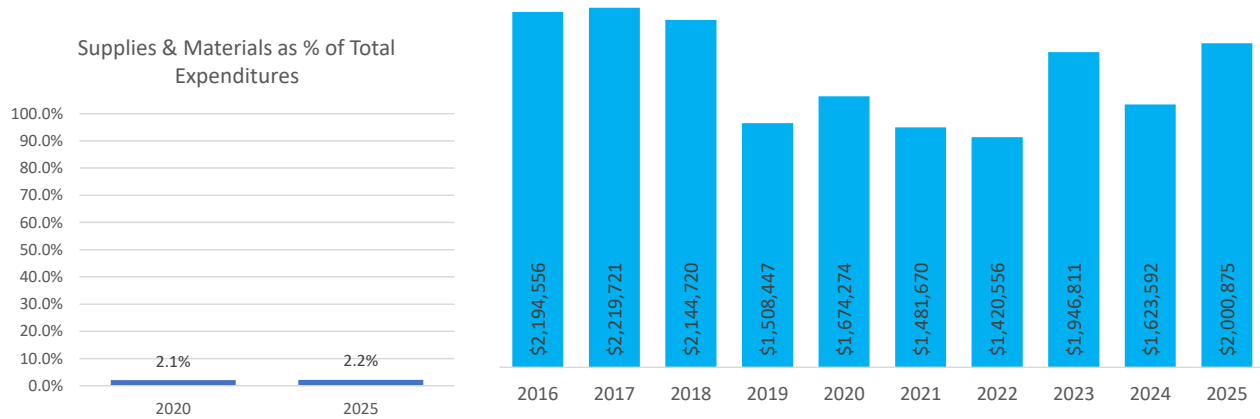


Purchased Services represent 25.94% of total expenditures and decreased at a historical average annual rate of -0.17%. This category of expenditure is projected to grow at an annual average rate of 1.69% through FY 2025. The projected average annual rate of change is 1.86% more than the five year historical annual average.



### 3.040 - Supplies & Materials

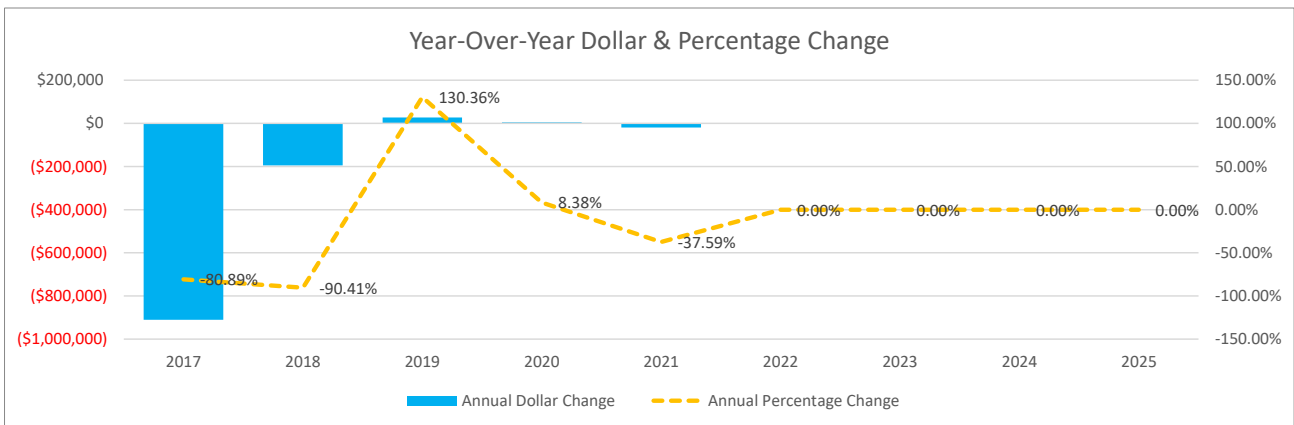
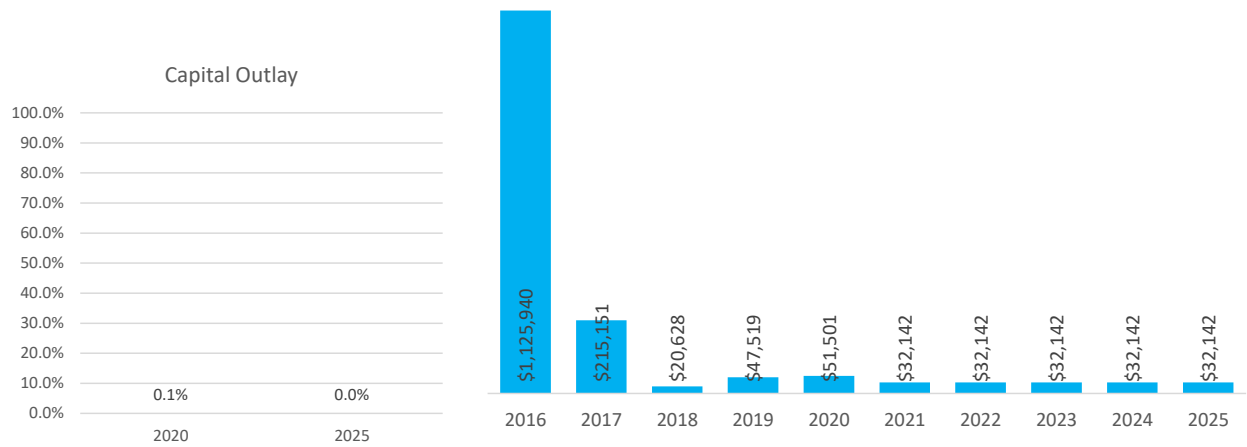
Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



Supplies & Materials represent 2.06% of total expenditures and decreased at a historical average annual rate of -7.35%. This category of expenditure is projected to grow at an annual average rate of 5.61% through FY 2025. The projected average annual rate of change is 12.96% more than the five year historical annual average.

### 3.050 - Capital Outlay

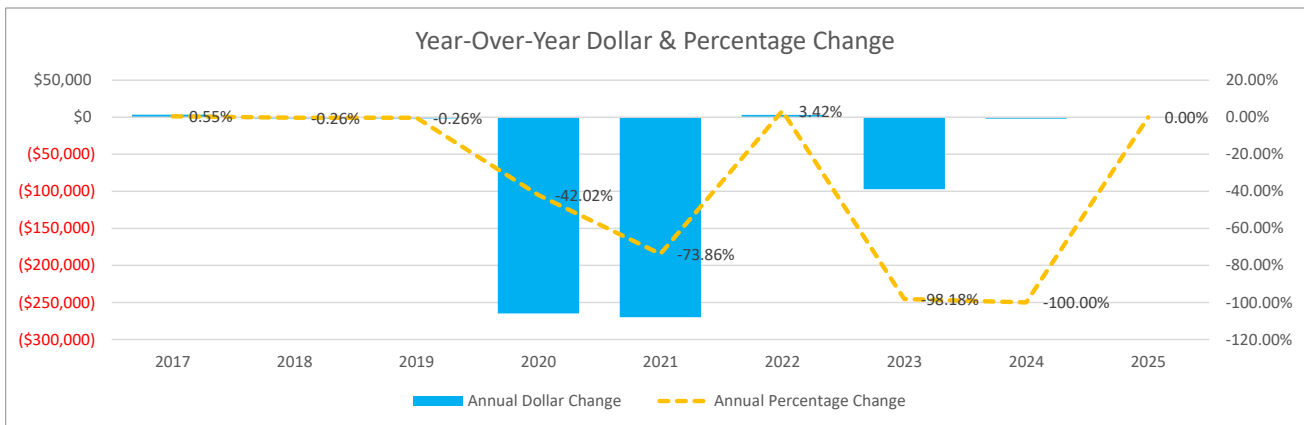
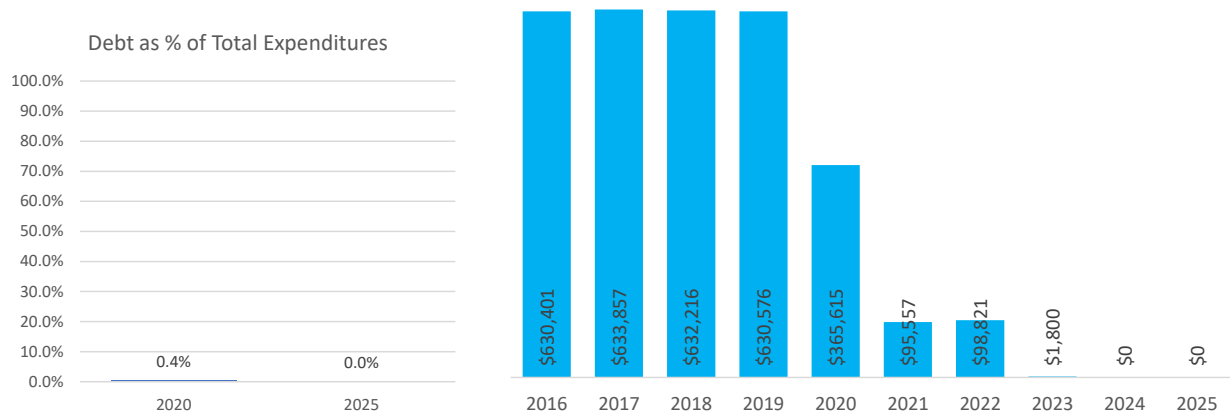
This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



Capital Outlay represent 0.06% of total expenditures and decreased at a historical average annual amount of -\$54,550. This category of expenditure is projected to decrease at an annual average amount of -\$3,872 through FY 2025. The projected average annual change is less than the five year historical annual average.

### 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.

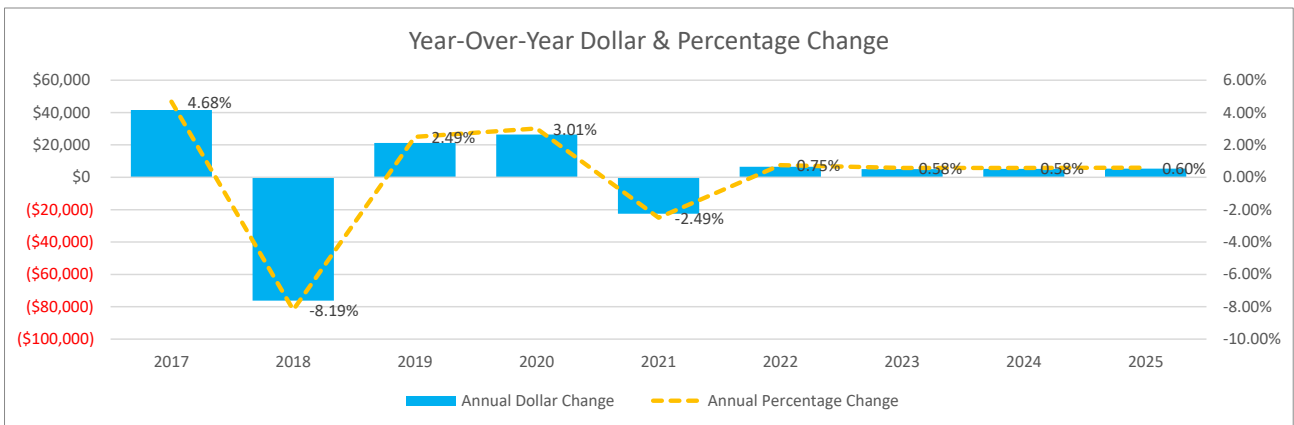
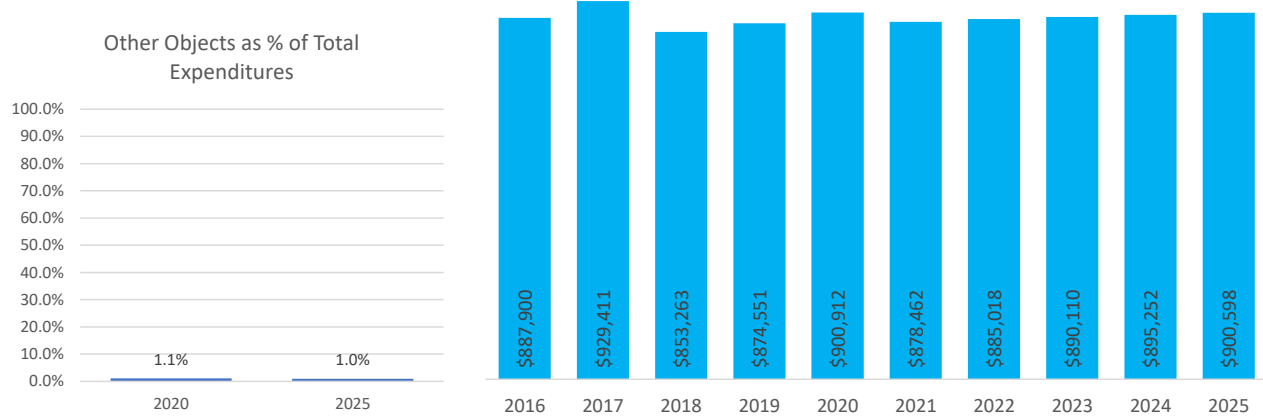


The Intergovernmental/Debt expenditure category details general fund debt issued by the District.

Year	Debt Issued
2017	\$0
2018	\$0
2019	\$0
2020	\$630,401
2021	\$633,857
2022	\$632,216
2023	\$630,576
2024	\$365,615
2025	\$95,557
2026	\$98,821
2027	\$1,800
2028	\$0
2029	\$0

### 4.300 - Other Objects

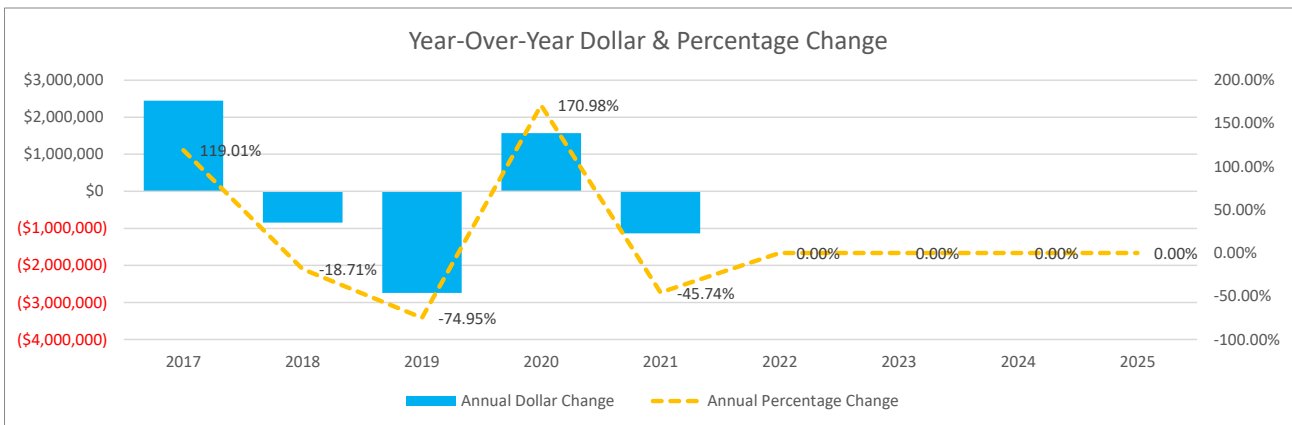
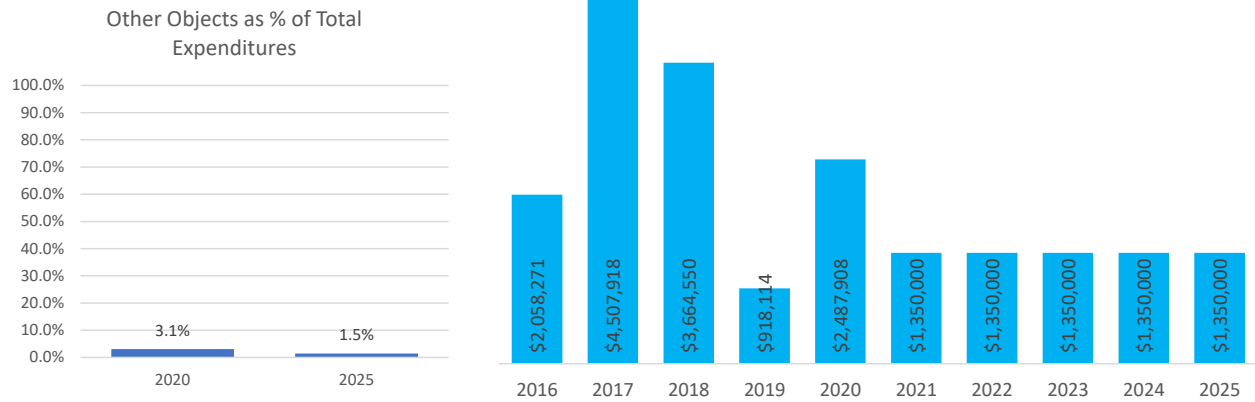
Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



Other Objects represent 1.11% of total expenditures and decreased at a historical average annual rate of -0.89%. This category of expenditure is projected to grow at an annual average rate of 0.00% through FY 2025. The projected average annual rate of change is 0.90% more than the five year historical annual average.

### 5.040 - Total Other Financing Uses

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



	2020	2021	2022	FORECASTED		
				2023	2024	2025
Transfers Out	450,000	350,000	350,000	350,000	350,000	350,000
Advances Out	2,037,908	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Other Financing Uses	-	-	-	-	-	-

Other uses includes expenditures that are generally classified as non-operating. It is typically in the form of advances-out which are then repaid into the general fund from the other district funds. In FY 2020 the district had advances-out and has advances-out forecasted through FY 2025. The district can also move general funds permanently to other funds and as the schedule above presents, the district has transfers forecasted through FY 2025. The table above presents the district's planned advances and transfers. The district can also have other uses of funds which is reflected in the table above.

Elyria City School District

Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2020	2021	2022	2023	2024	2025
<b>Revenue:</b>						
1.010 - General Property Tax (Real Estate)	28,671,804	28,984,262	29,047,501	29,157,074	28,151,017	21,963,785
1.020 - Public Utility Personal Property	3,038,475	3,053,325	3,240,052	3,353,864	3,223,868	2,793,491
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	36,031,291	36,609,179	37,198,102	37,196,010	37,193,894	37,191,856
1.040 - Restricted Grants-in-Aid	3,004,105	2,898,430	3,014,332	3,014,332	3,014,332	3,014,332
1.050 - Property Tax Allocation	3,943,358	3,781,450	3,697,934	3,660,992	3,561,120	2,747,208
1.060 - All Other Operating Revenues	4,854,447	5,155,752	4,161,462	4,228,047	4,302,994	4,393,327
<b>1.070 - Total Revenue</b>	<b>79,543,480</b>	<b>80,482,398</b>	<b>80,359,383</b>	<b>80,610,319</b>	<b>79,447,225</b>	<b>72,103,999</b>
<b>Other Financing Sources:</b>						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-
2.050 - Advances-In	338,519	2,037,908	999,810	999,810	999,810	999,810
2.060 - All Other Financing Sources	15,151	94,960	94,960	94,960	94,960	94,960
<b>2.070 - Total Other Financing Sources</b>	<b>353,670</b>	<b>2,132,868</b>	<b>1,094,770</b>	<b>1,094,770</b>	<b>1,094,770</b>	<b>1,094,770</b>
<b>2.080 - Total Rev &amp; Other Sources</b>	<b>79,897,149</b>	<b>82,615,266</b>	<b>81,454,153</b>	<b>81,705,089</b>	<b>80,541,994</b>	<b>73,198,768</b>
<b>Expenditures:</b>						
3.010 - Personnel Services	38,915,643	38,954,476	40,401,294	41,983,533	43,484,306	45,202,992
3.020 - Employee Benefits	15,803,268	15,514,644	15,993,263	17,098,316	18,462,118	19,996,933
3.030 - Purchased Services	21,084,577	19,999,825	21,113,397	21,689,811	22,286,525	22,856,714
3.040 - Supplies and Materials	1,674,274	1,481,670	1,420,556	1,946,811	1,623,592	2,000,875
3.050 - Capital Outlay	51,501	32,142	32,142	32,142	32,142	32,142
Intergovernmental & Debt Service	365,615	95,557	98,821	1,800	-	-
4.300 - Other Objects	900,912	878,462	885,018	890,110	895,252	900,598
<b>4.500 - Total Expenditures</b>	<b>78,795,790</b>	<b>76,956,776</b>	<b>79,944,492</b>	<b>83,642,523</b>	<b>86,783,934</b>	<b>90,990,254</b>
<b>Other Financing Uses</b>						
5.010 - Operating Transfers-Out	450,000	350,000	350,000	350,000	350,000	350,000
5.020 - Advances-Out	2,037,908	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
5.030 - All Other Financing Uses	-	-	-	-	-	-
<b>5.040 - Total Other Financing Uses</b>	<b>2,487,908</b>	<b>1,350,000</b>	<b>1,350,000</b>	<b>1,350,000</b>	<b>1,350,000</b>	<b>1,350,000</b>
<b>5.050 - Total Exp and Other Financing Uses</b>	<b>81,283,698</b>	<b>78,306,776</b>	<b>81,294,492</b>	<b>84,992,523</b>	<b>88,133,934</b>	<b>92,340,254</b>
<b>6.010 - Excess of Rev Over/(Under) Exp</b>	<b>(1,386,549)</b>	<b>4,308,490</b>	<b>159,661</b>	<b>(3,287,434)</b>	<b>(7,591,940)</b>	<b>(19,141,486)</b>
<b>7.010 - Cash Balance July 1 (No Levies)</b>	<b>27,261,433</b>	<b>25,874,884</b>	<b>30,183,374</b>	<b>30,343,035</b>	<b>27,055,601</b>	<b>19,463,661</b>
<b>7.020 - Cash Balance June 30 (No Levies)</b>	<b>25,874,884</b>	<b>30,183,374</b>	<b>30,343,035</b>	<b>27,055,601</b>	<b>19,463,661</b>	<b>322,175</b>
		Reservations				
8.010 - Estimated Encumbrances June 30	-	-	-	-	-	-
9.080 - Reservations Subtotal	-	-	-	-	-	-
<b>10.010 - Fund Bal June 30 for Cert of App</b>	<b>25,874,884</b>	<b>30,183,374</b>	<b>30,343,035</b>	<b>27,055,601</b>	<b>19,463,661</b>	<b>322,175</b>
<b>Rev from Replacement/Renewal Levies</b>						
11.010 & 11.020 - Renewal Levies	-	-	-	-	1,356,721	8,934,076
11.030 - Cumulative Balance of Levies	-	-	-	-	1,356,721	10,290,797
<b>12.010 - Fund Bal June 30 for Cert of Obligations</b>	<b>25,874,884</b>	<b>30,183,374</b>	<b>30,343,035</b>	<b>27,055,601</b>	<b>20,820,382</b>	<b>10,612,972</b>
<b>Revenue from New Levies</b>						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
<b>15.010 - Unreserved Fund Balance June 30</b>	<b>25,874,884</b>	<b>30,183,374</b>	<b>30,343,035</b>	<b>27,055,601</b>	<b>20,820,382</b>	<b>10,612,972</b>