

Elyria City School District

Five Year Forecast Financial Report

November, 2022

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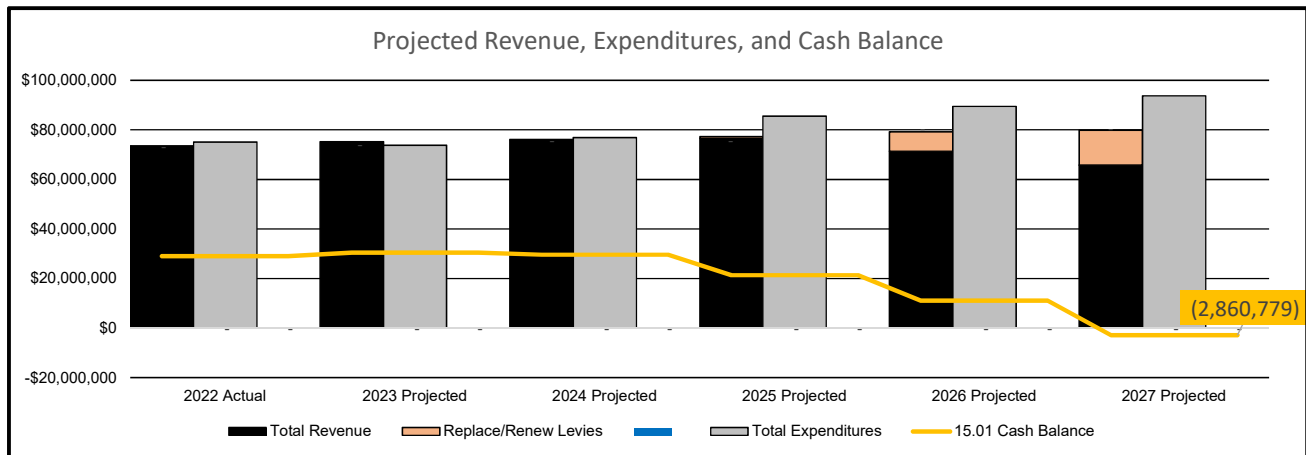
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Forecast Purpose/Objectives

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.



Note: Cash balance (Line 7.020) plus any existing levy modeled as renewed or new during the forecast.

Financial Forecast

	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
Beginning Balance (Line 7.010) Plus Renewal/New Levies Modeled	29,062,430	30,457,471	29,615,788	21,312,326	11,000,955
+ Revenue	75,160,225	76,035,585	76,516,140	71,376,026	65,688,956
+ Proposed Renew/Replacement Levies	-	-	710,092	7,768,845	14,125,954
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(73,765,183)	(76,877,269)	(85,529,694)	(89,456,242)	(93,676,644)
= Revenue Surplus or Deficit	1,395,042	(841,683)	(8,303,462)	(10,311,371)	(13,861,734)
Line 7.020 Ending Balance with renewal/new levies	30,457,471	29,615,788	21,312,326	11,000,955	(2,860,779)

Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	1,395,042	(841,683)	(9,013,554)	(18,080,216)	(27,987,688)
Ending Balance w/o Levies	30,457,471	29,615,788	20,602,234	2,522,018	(25,465,670)

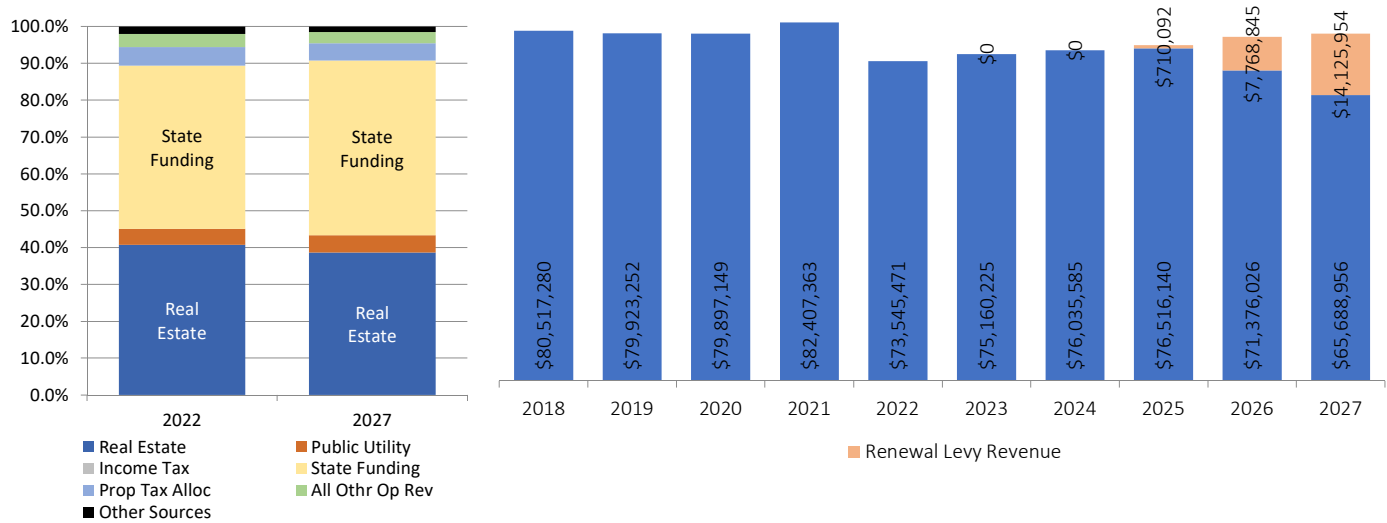
In FY 2023 a revenue surplus is expected. This means that expenditures are expected to be less than revenue by -\$1,395,042 in FY 2023. By the last year of the forecast, FY 2027, the district is expected to have a revenue shortfall where expenditures are projected to be greater than revenue by \$27,987,688. The district would need to cut its FY 2027 projected expenses by 29.88% in order to balance its budget without additional revenue.

The district's cash balance is positive at year-end in FY 2023 and is projected to worsen by FY 2027. A worsening cash balance can erode the district's financial stability over time.

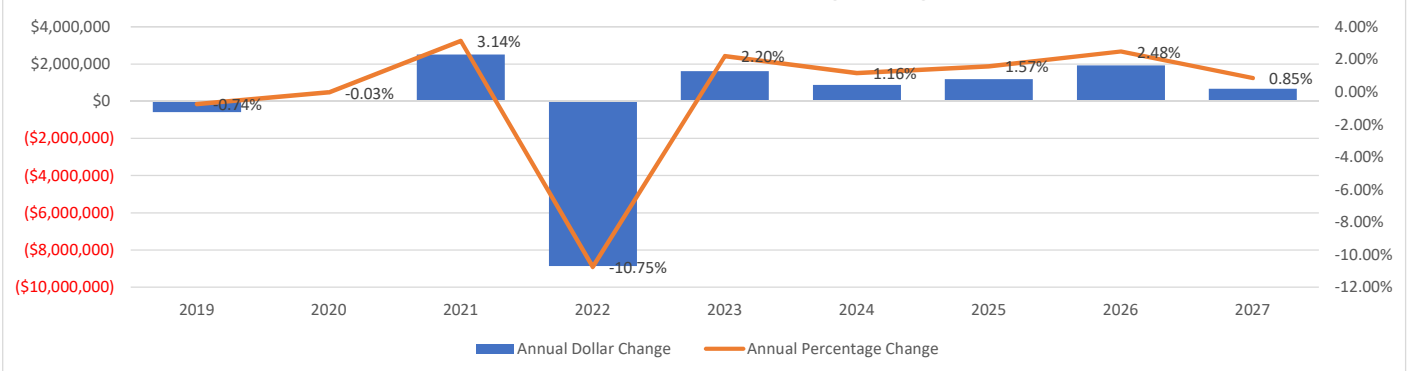
This forecast includes the Fair School Funding Plan (FSFP) adopted by Ohio starting in FY 2022. The district expects a combined impact of -\$278,277 in FY 2023. This forecast includes a CFO adjusted trend calculation of the FSFP impact using current information. As information changes the estimates will be updated. The district is considered a formula district in FY 2023. A detailed state funding supplement to this forecast has been prepared and should be reviewed and considered part of the forecast assumptions.

Revenue Sources and Forecast Year-Over-Year Projected Overview

Sources of Revenue Over Time



Year-Over-Year Dollar & Percentage Change



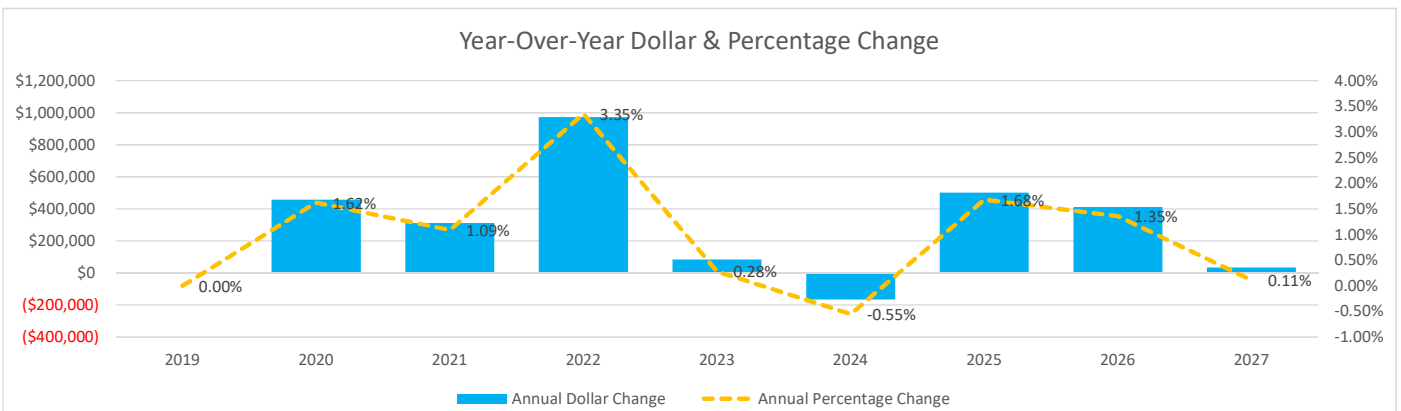
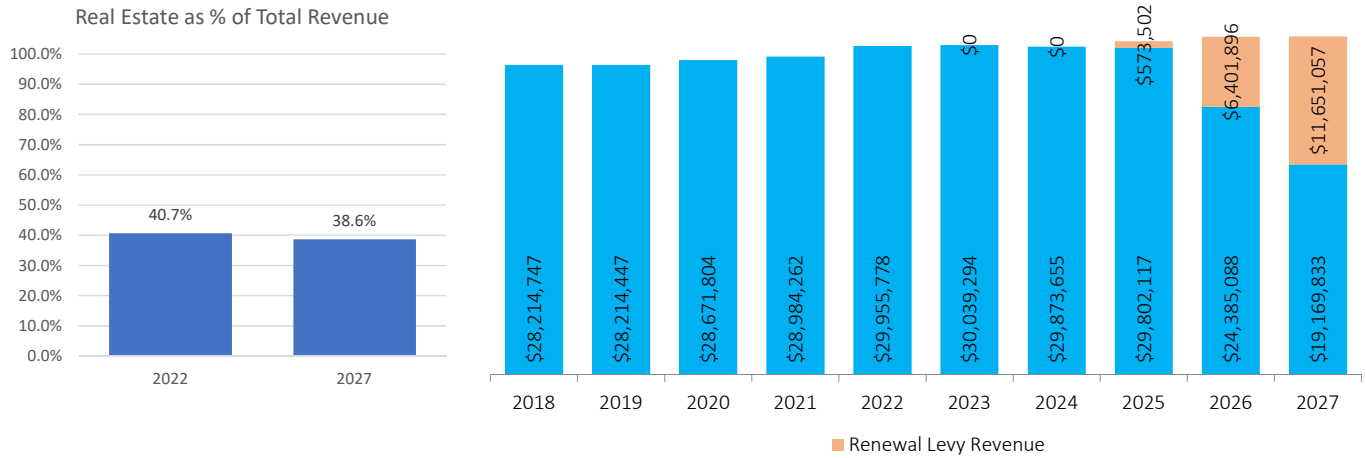
5-Year Historical Actual Average Annual Dollar Change Compared to 5-year Projected

	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	Total revenue decreased -1.91% or -\$1,510,749 annually during the past 5-Year period and is projected to increase 1.62% or \$1,253,888 annually through FY2027. State Funding has the most projected average annual variance compared to the historical average at \$2,417,249
Real Estate	180,162	173,022	(\$7,140)	
Public Utility	\$188,130	\$105,773	(\$82,357)	
Income Tax	\$0	\$0	\$0	
State Funding	(\$1,369,706)	1,047,543	\$2,417,249	
Prop Tax Alloc	(\$356,474)	\$20,704	\$377,178	
All Othr Op Rev	(\$149,257)	(\$34,596)	\$114,661	
Other Sources	(\$3,604)	(\$58,558)	(\$54,954)	
Total Average Annual Change	(1,510,749)	1,253,888	\$2,764,637	
	-1.91%	1.62%	3.52%	

Note: Expenditure average annual change is projected to be > \$3,731,013 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).



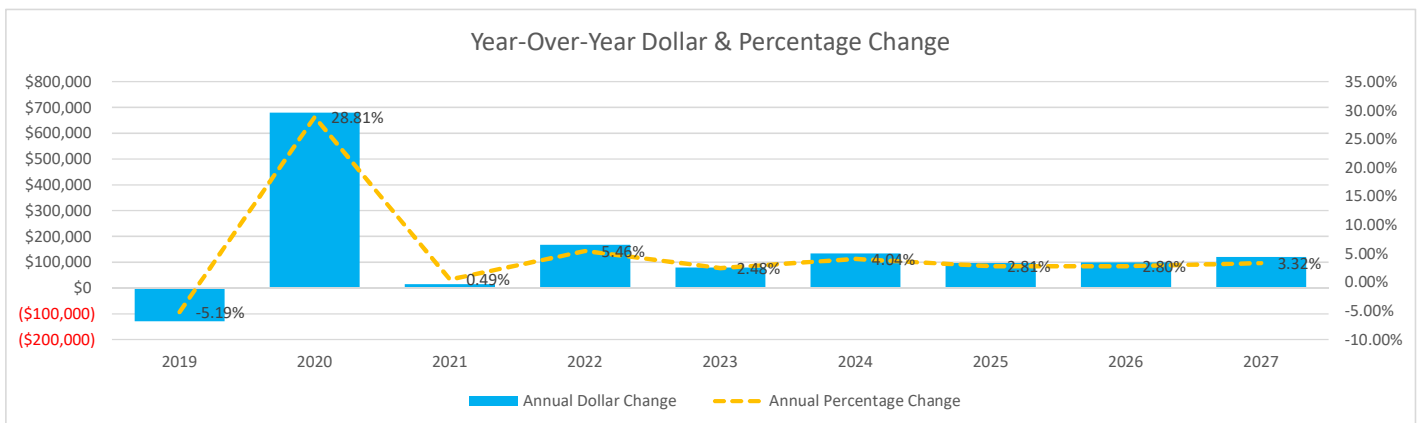
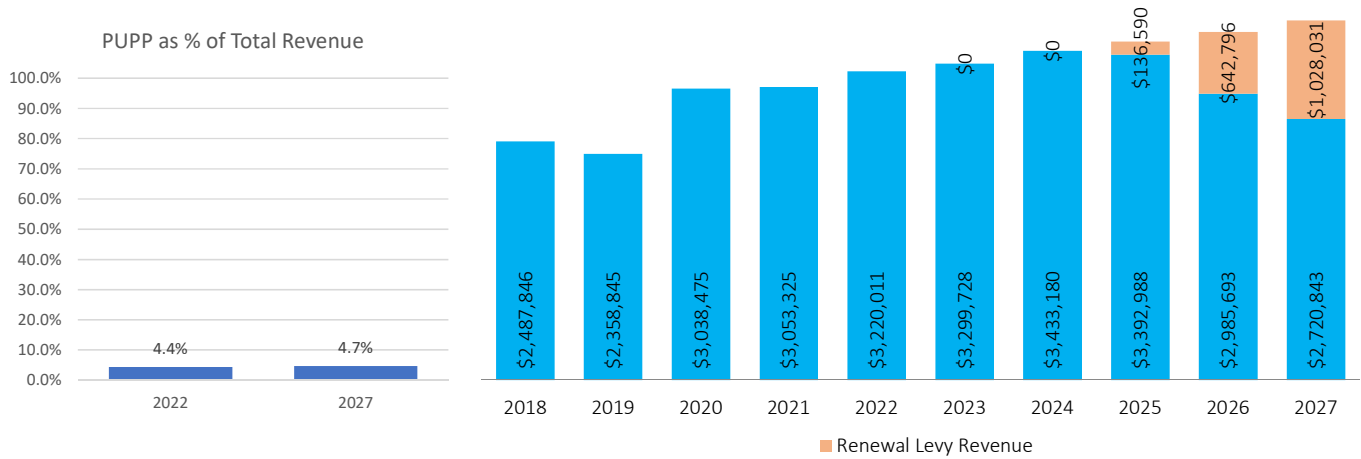
Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2021	924,111,380	108,448,860	33.72	-	43.37	-	99.9%
2022	925,614,765	1,503,385	33.69	(0.03)	43.35	(0.03)	99.9%
2023	927,124,765	1,510,000	33.67	(0.03)	43.32	(0.03)	99.9%
2024	985,824,765	58,700,000	32.83	(0.84)	41.97	(1.35)	99.9%
2025	987,334,765	1,510,000	32.81	(0.02)	41.95	(0.02)	99.9%
2026	988,844,765	1,510,000	32.79	(0.02)	41.92	(0.02)	99.9%

Real estate property tax revenue accounts for 40.73% of total revenue. Class I or residential/agricultural taxes make up approximately 60.99% of the real estate property tax revenue. The Class I tax rate is 33.69 mills in tax year 2022. The district is modeling the renewal of real estate property taxes levies through 2024. The projections reflect an average gross collection rate of 99.9% annually through tax year 2026. The revenue changed at an average annual historical rate of 0.63% and is projected to change at an average annual rate of 0.57% through FY 2027.

*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.



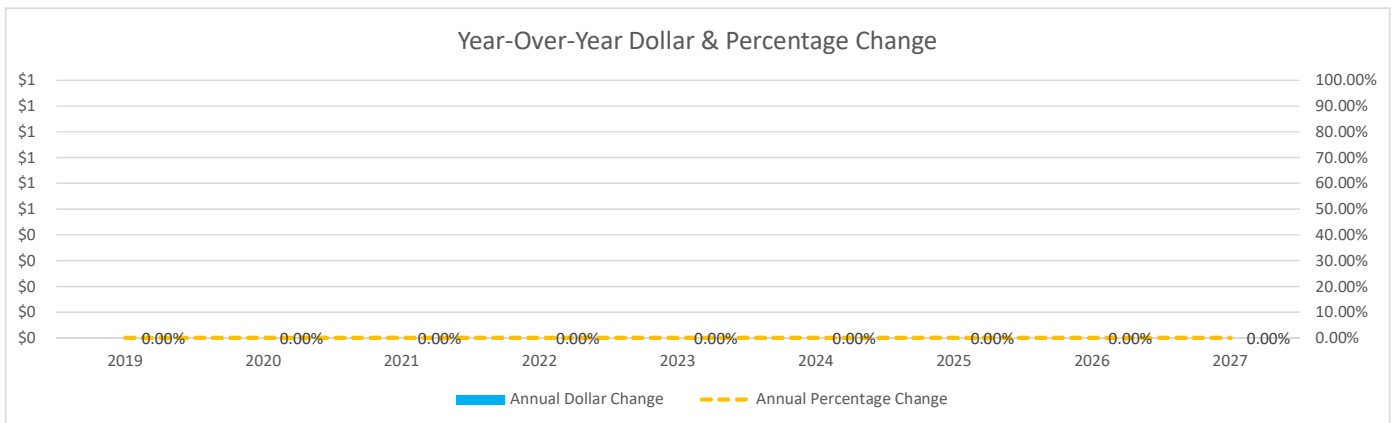
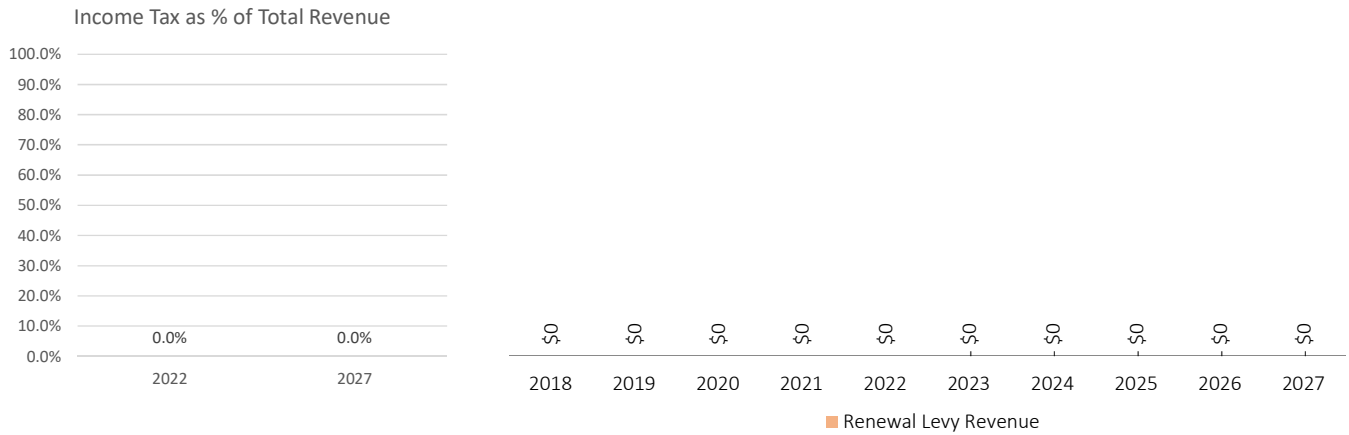
Values and Tax Rates					Gross Collection Rate Including Delinquencies	
Tax Year	Valuation	Value Change	Full Voted Rate	Change		
2021	49,785,010	2,427,420	65.54	(1.55)	109.8%	
2022	51,538,010	1,753,000	65.49	(0.05)	50.5%	
2023	53,338,010	1,800,000	65.45	(0.05)	100.0%	
2024	55,188,010	1,850,000	64.66	(0.79)	100.0%	
2025	57,088,010	1,900,000	64.61	(0.04)	100.0%	
2026	58,988,010	1,900,000	64.57	(0.04)	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 4.38% of total district revenue. The property is taxed at the full voted tax rate which in tax year 2022 is 65.49 mills. The forecast is modeling an average gross collection rate of 90.09%. The revenue changed historically at an average annual dollar amount of \$188,130 and is projected to change at an average annual dollar amount of \$105,773 through FY 2027.

*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.

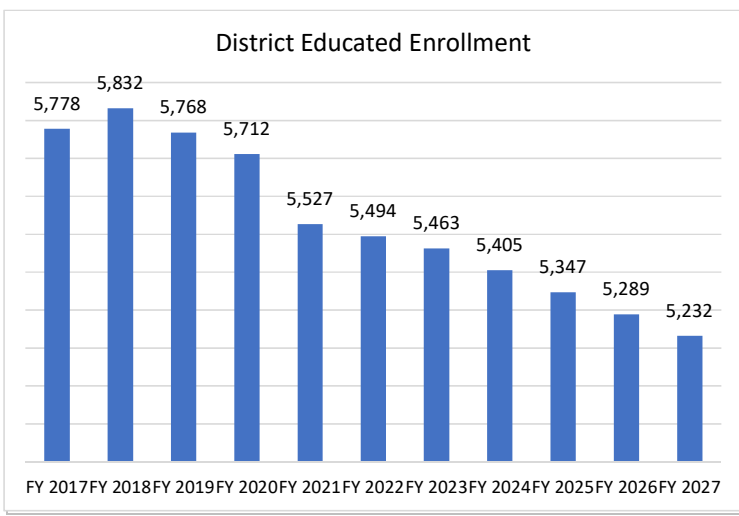
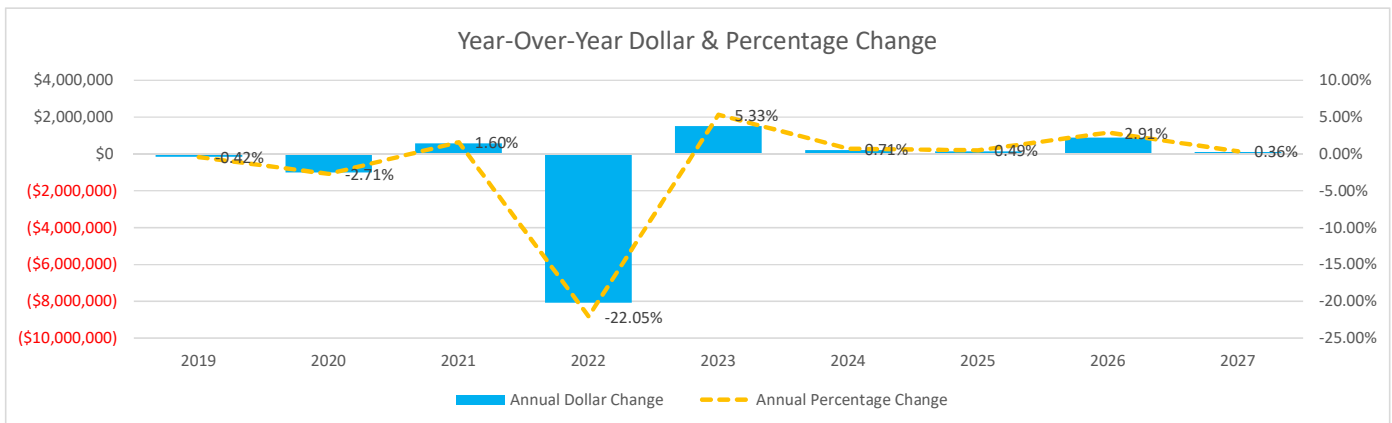
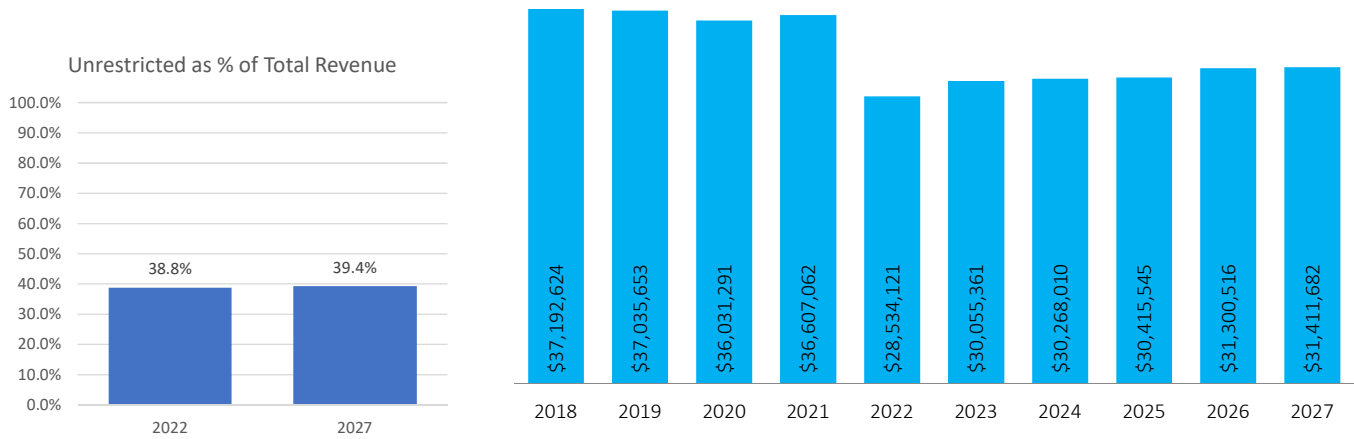


The district does not have an income tax levy.

**Projected % trends include renewal levies*

1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



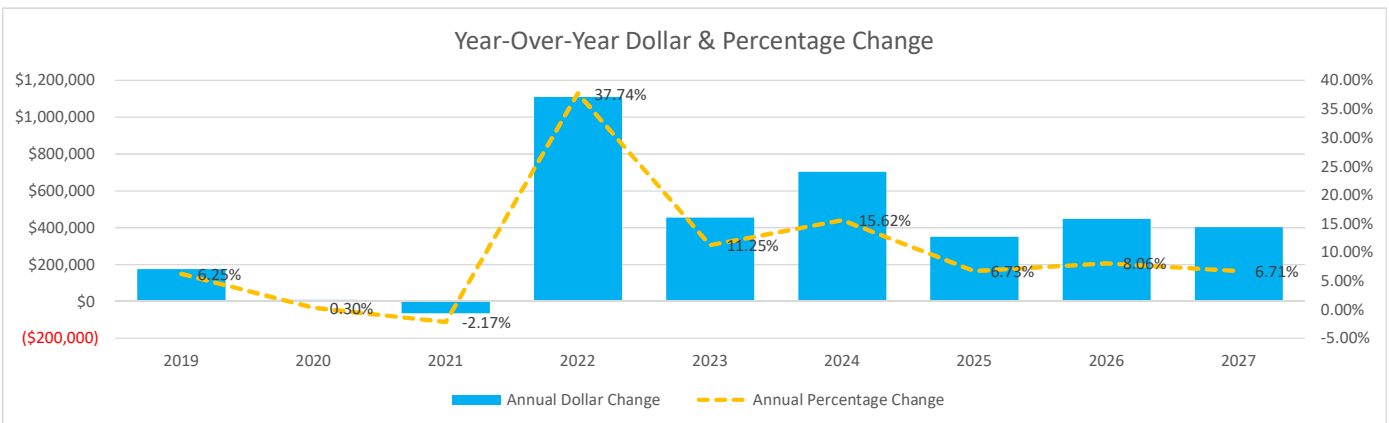
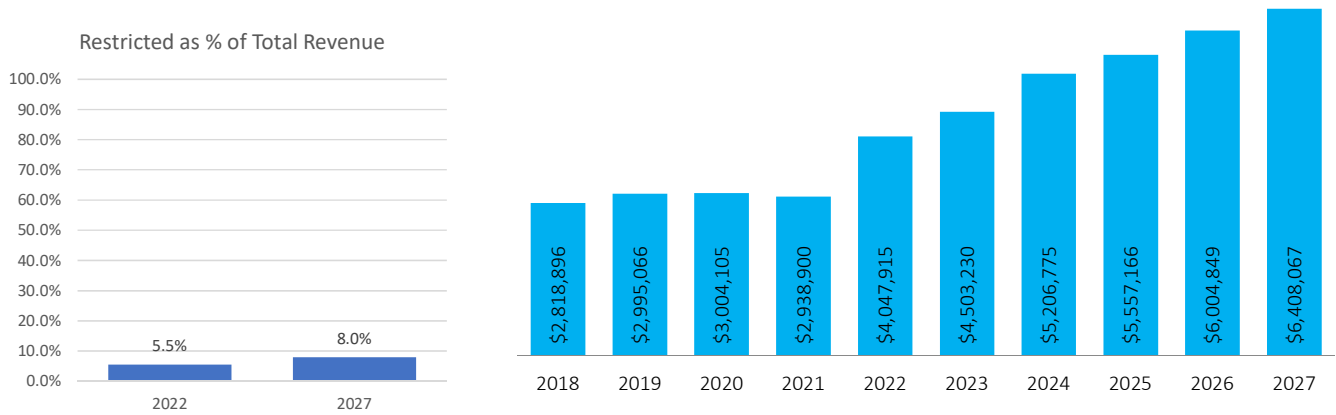
Beginning in FY 2022 Ohio adopted the Fair School Funding Plan (FSFP). Funding is driven by a base cost methodology that incorporates the four components identified as necessary to the education process. The Base Cost is currently calculated for two years using a statewide average from historical actual data.

For Elyria City School District the calculated Base Cost total is \$40,728,970 in FY 2023. The state's share of the calculated Base Cost total is \$24,336,142 or \$4,455 per pupil.

For reference: CF63 The FSFP change to district educated enrollment could be lower than the district's historical formula funded enrollment but also potentially reduces tuition cost. In FY 2021, the district had approximately \$10,678,588 in possible tuition cost reductions. These reductions will be reflected in the purchased services expenditure note.

1.040 & 1.045 - Restricted Grants-in-Aid

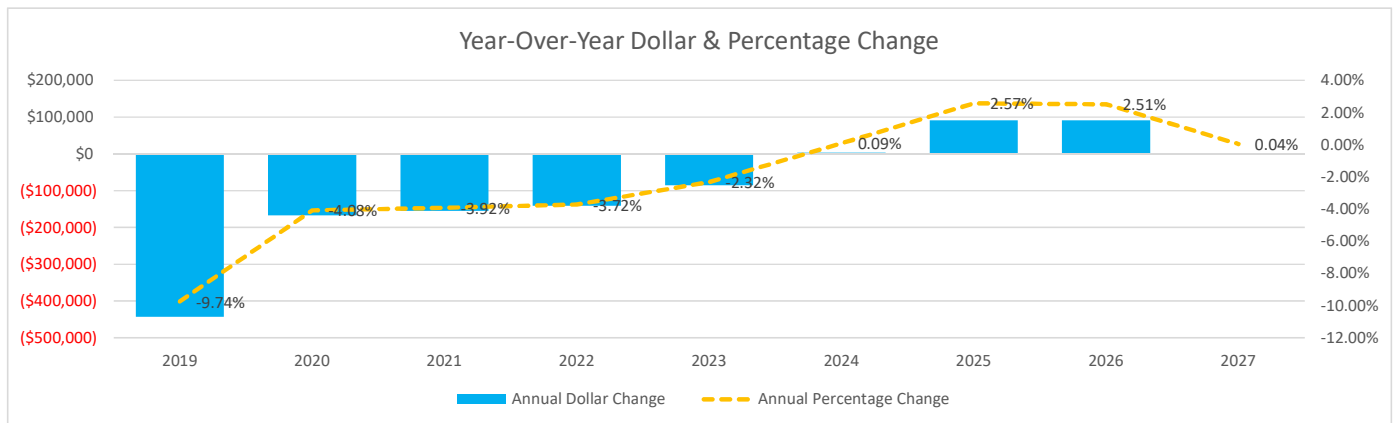
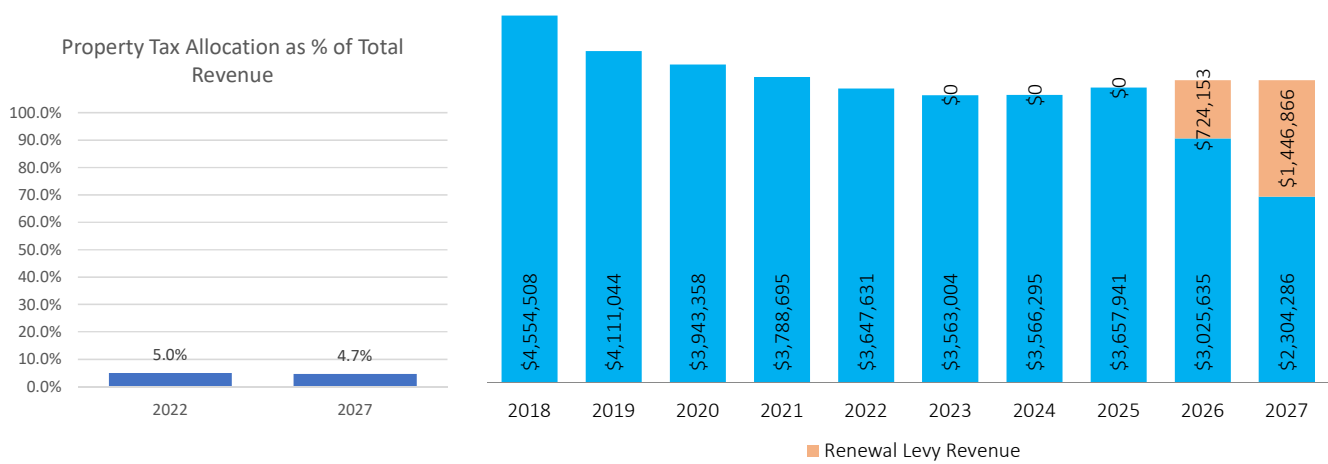
Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



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 \$350,950 and is projected to change annually on average by \$472,030. Restricted funds represent 5.50% of total revenue. Starting in FY 2022 the district's Success & Wellness funding is considered restricted, the state's share of this funding is recorded as restricted is \$925,299. This funding has implications on general fund expenditures in that certain spending now occurring in a fund external to the general fund could shift to the general fund. The expenditures in this forecast are adjusted to reflect this change.

1.050 - Property Tax Allocation

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

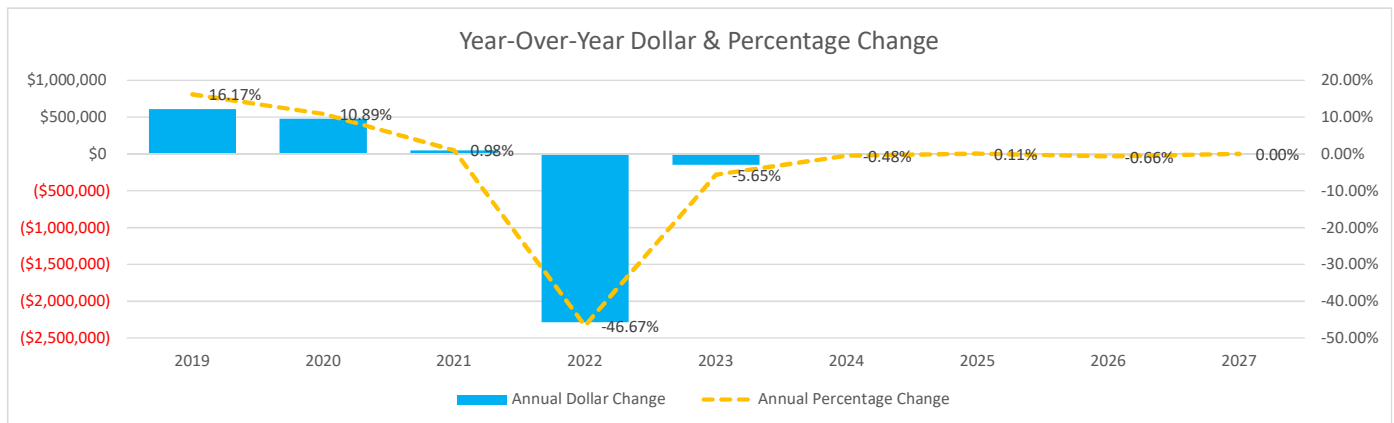
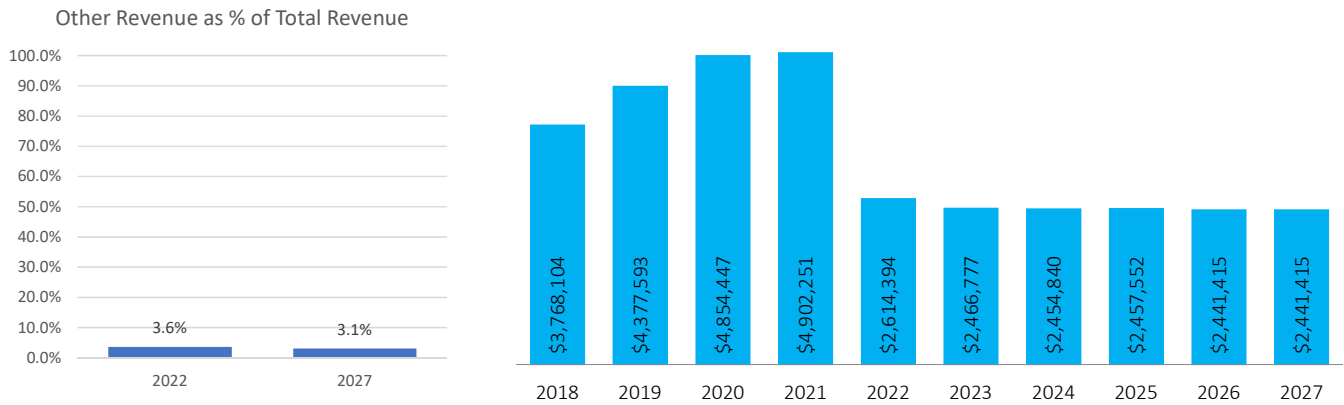


Property tax allocation primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In FY 2023, approximately 11.8% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 4.1% will be reimbursed in the form of qualifying homestead exemption credits.

*Projected % trends include renewal levies

1.060 - All Other Operating Revenues

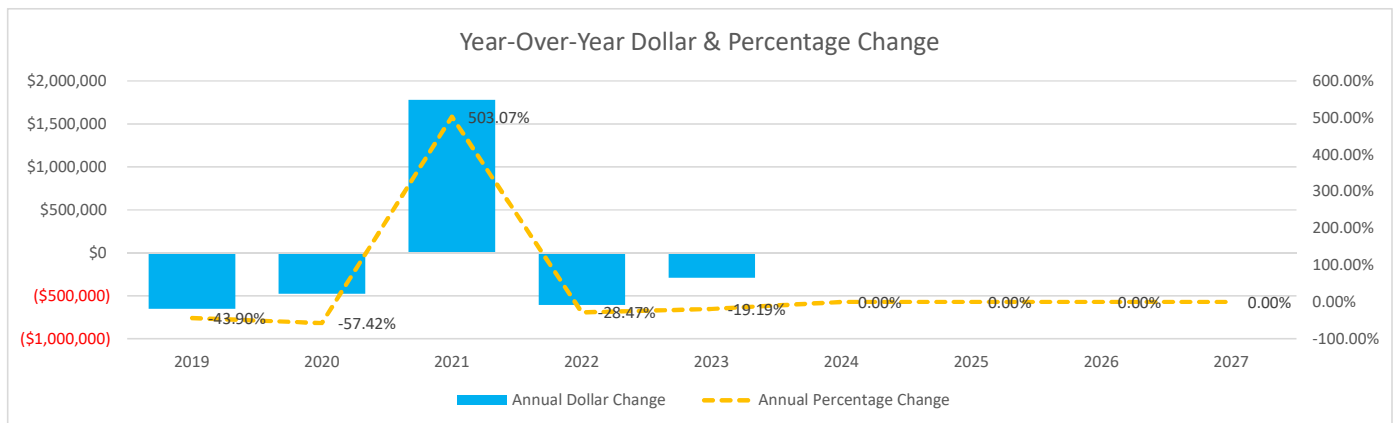
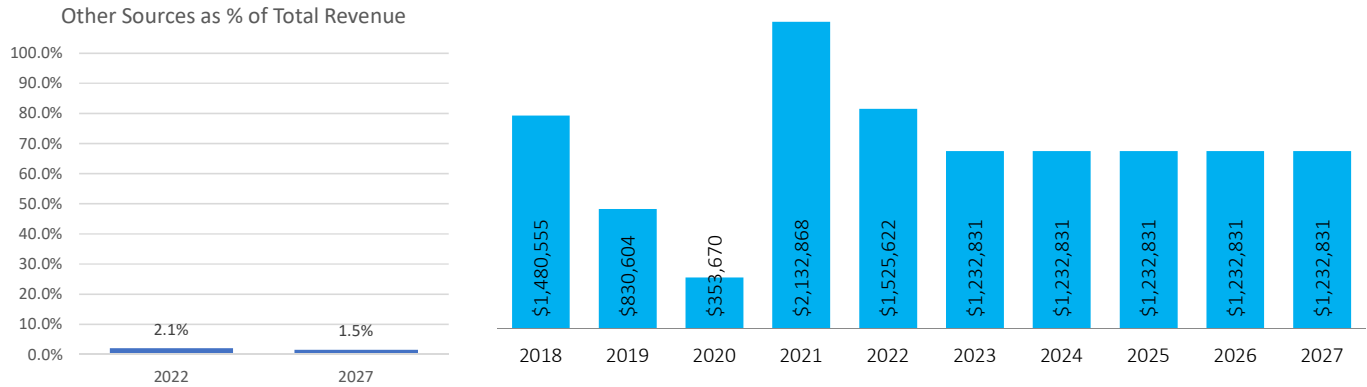
Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.



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 -\$149,257. The projected average annual change is -\$34,596 through FY 2027. The FSP includes per pupil funding for any open enrollment in students the district is educating. This revenue, if any, was recorded in 'other revenue' prior to FY 2022. Fiscal year 2022 and beyond will not include any open enrollment in revenue. The district posted revenue code 1227 open enrollment in revenue of \$1,952,221 in FY 2021.

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.

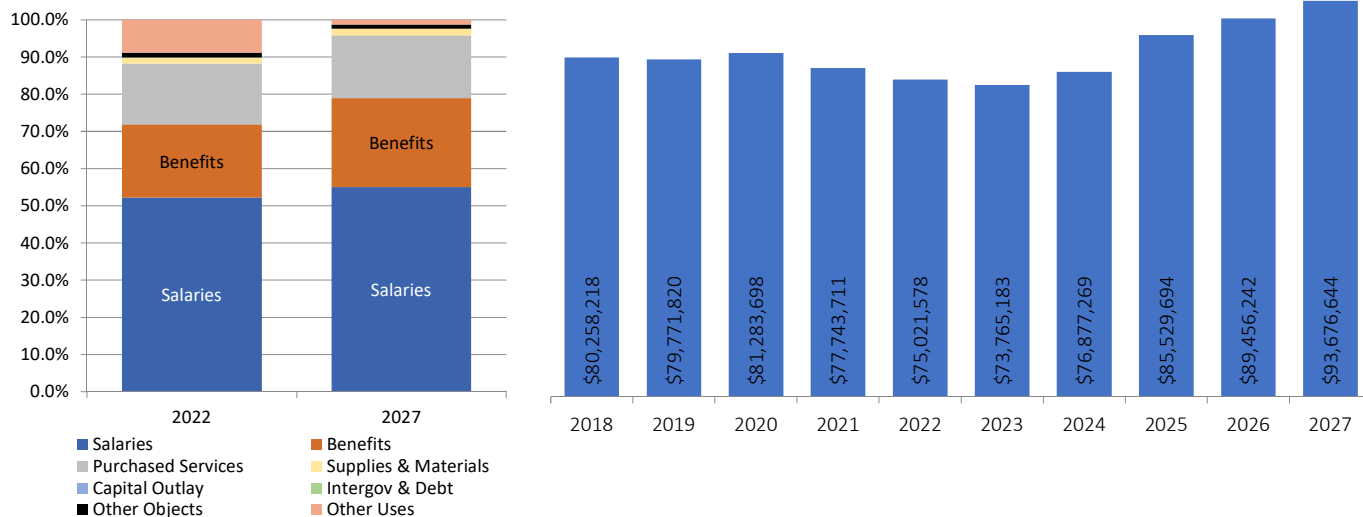


	2022	FORECASTED				
		2023	2024	2025	2026	2027
Transfers In	-	-	-	-	-	-
Advances In	1,308,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
All Other Financing Sources	217,622	232,831	232,831	232,831	232,831	232,831

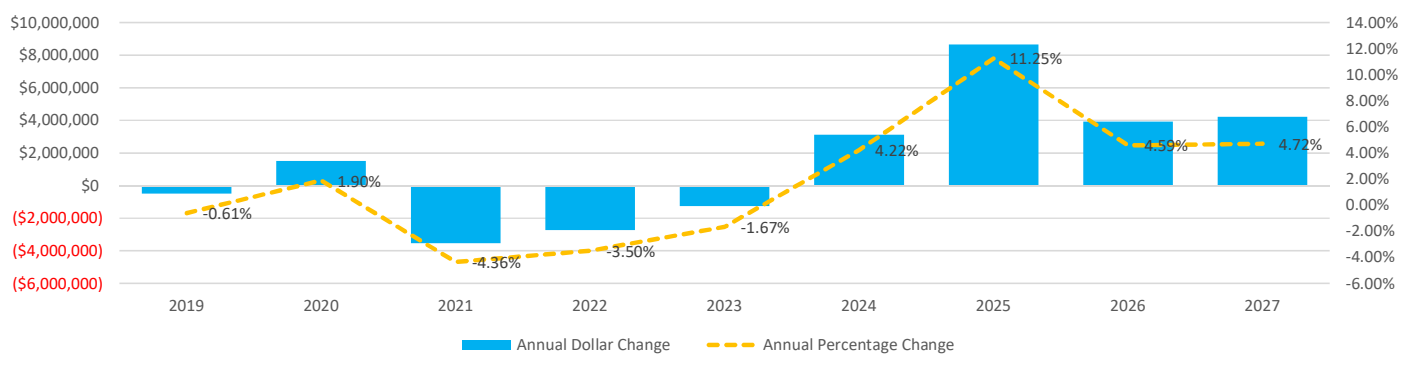
Other sources includes revenue that is generally classified as non-operating. Return advances-in are the most common revenue source. In FY 2022 the district receipted \$1,308,000 as advances-in and is projecting advances of \$1,000,000 in FY 2023. The district also receives other financing sources such as refund of prior year expenditures in this category. The district is projecting that all other financing sources will be \$232,831 in FY 2023 and average \$232,831 annually through FY 2027.

Expenditure Categories and Forecast Year-Over-Year Projected Overview

Expenditure Categories Over Time



Year-Over-Year Dollar & Percentage Change



5-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 decreased -0.74% or -\$580,050 annually during the past 5-Year period and is projected to increase 4.97% or \$3,731,013 annually through FY2027. Purchased Services has the largest projected average annual variance compared to the historical average at \$2,501,654.
Salaries	638,813	2,473,740	\$1,834,928	
Benefits	\$516,736	\$1,537,269	\$1,020,533	
Purchased Services	(\$1,802,182)	\$699,472	\$2,501,654	
Supplies & Materials	(\$213,054)	\$108,445	\$321,499	
Capital Outlay	(\$39,982)	(\$1,879)	\$38,103	
Intergov & Debt	\$18,764	(\$18,404)	(\$37,168)	
Other Objects	\$3,550	\$7,113	\$3,563	
Other Uses	\$424,076	(\$1,074,744)	(\$1,498,820)	
Total Average Annual Change	(\$580,050)	\$3,731,013	\$4,311,063	
	-0.74%	4.97%	5.71%	

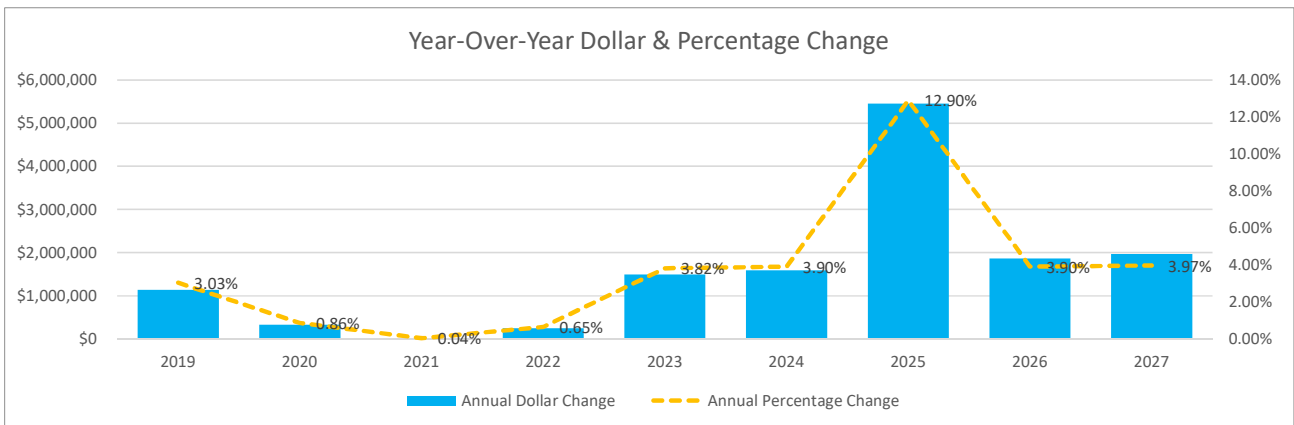
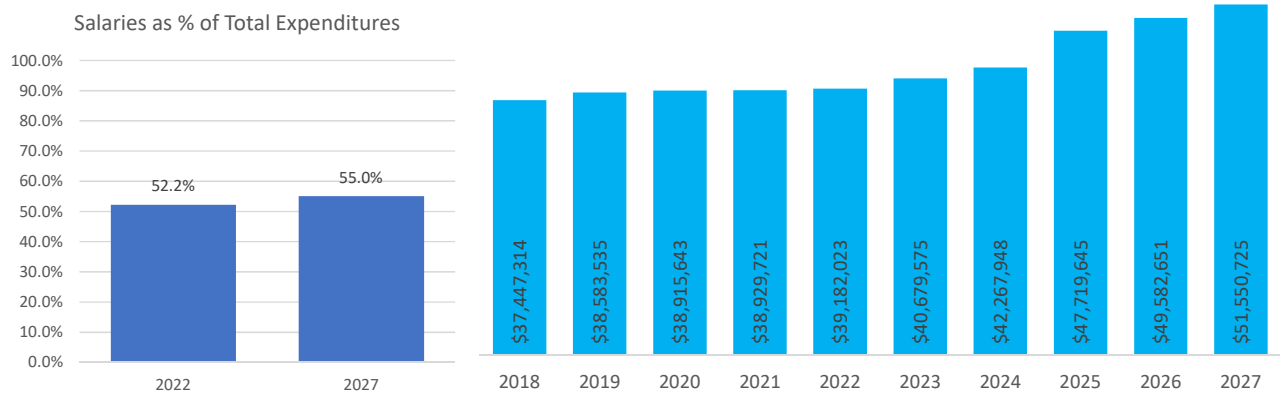
Note: Revenue average annual change is projected to

be > \$1,253,888

On an annual average basis, revenues are projected to grow slower than expenditures.

3.010 - Personnel Services

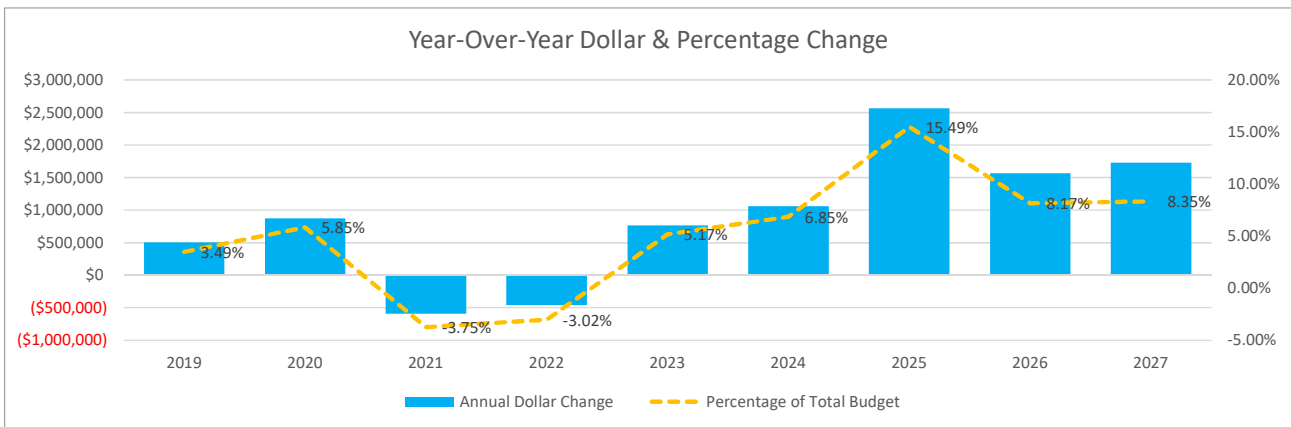
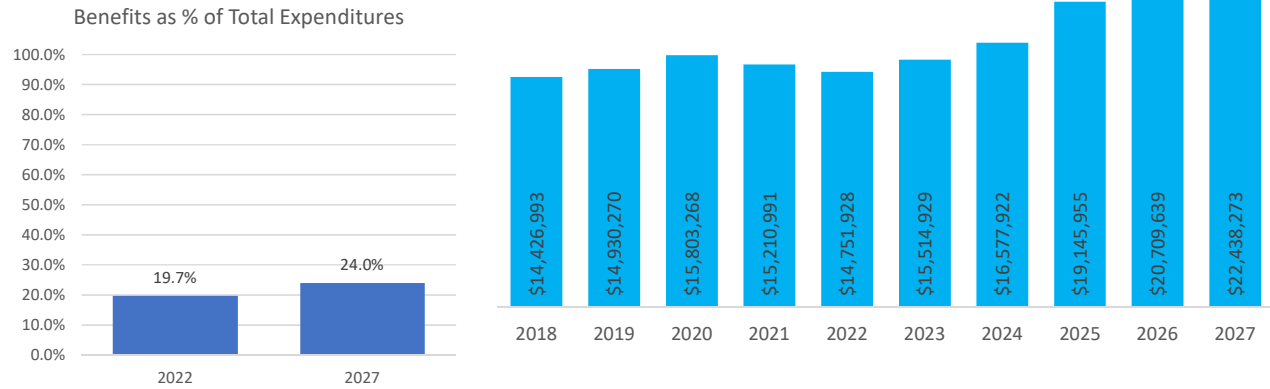
Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.



Salaries represent 52.23% of total expenditures and increased at a historical average annual rate of 1.65% or \$638,813. This category of expenditure is projected to grow at an annual average rate of 5.34% or \$2,473,740 through FY 2027. The projected average annual rate of change is 3.68% more than the five year historical annual average.

3.020 - Employees' Benefits

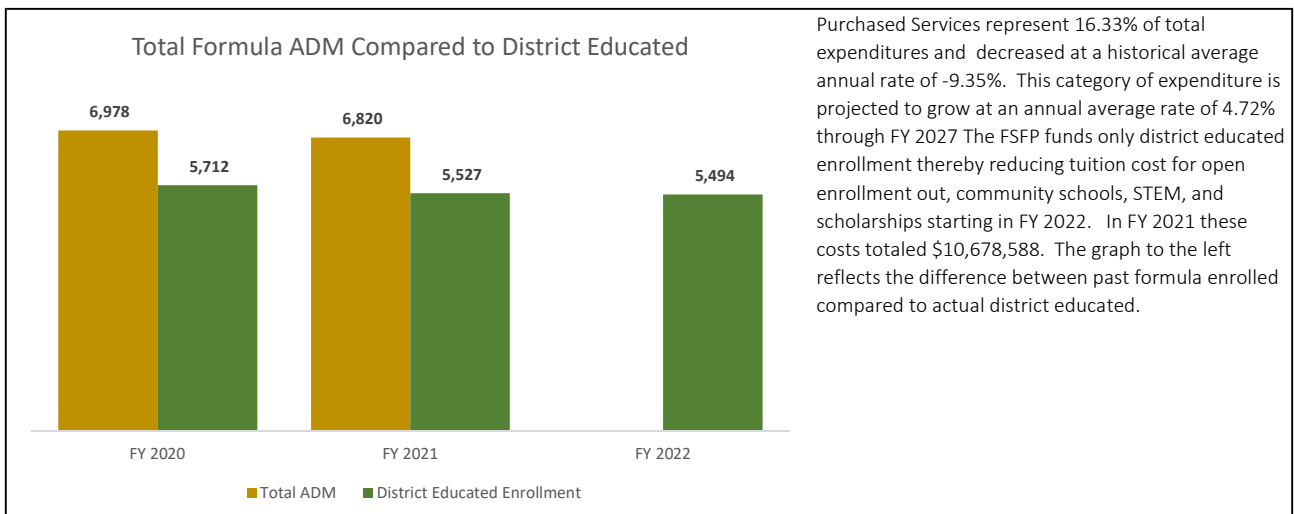
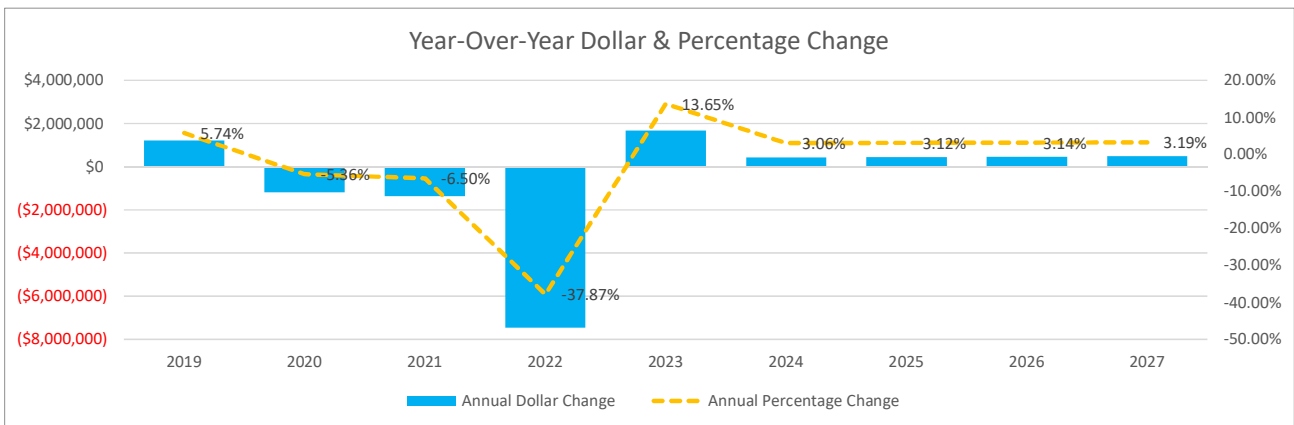
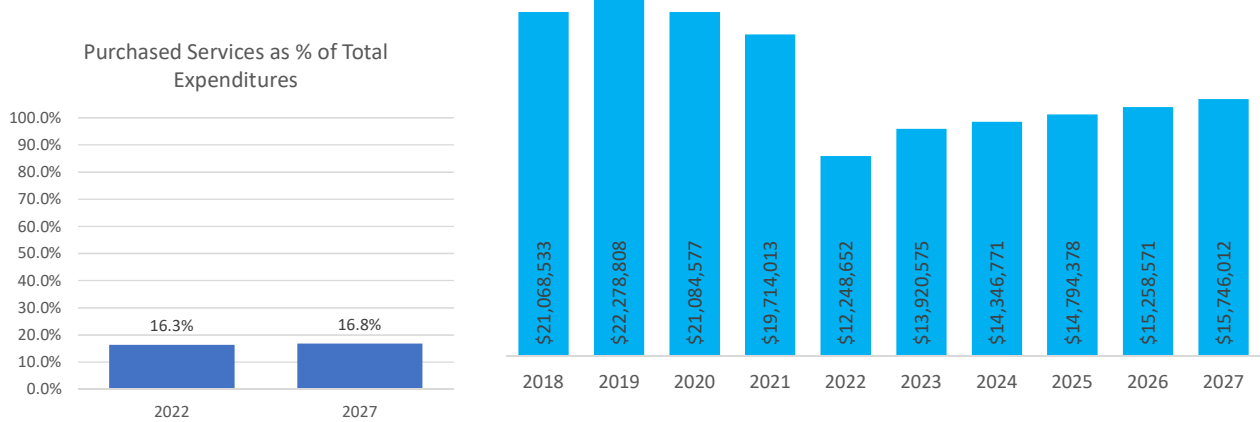
Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.



Benefits represent 19.66% of total expenditures and increased at a historical average annual rate of 3.44%. This category of expenditure is projected to grow at an annual average rate of 8.14% through FY 2027. The projected average annual rate of change is 4.70% more than the five year historical annual average.

3.030 - Purchased Services

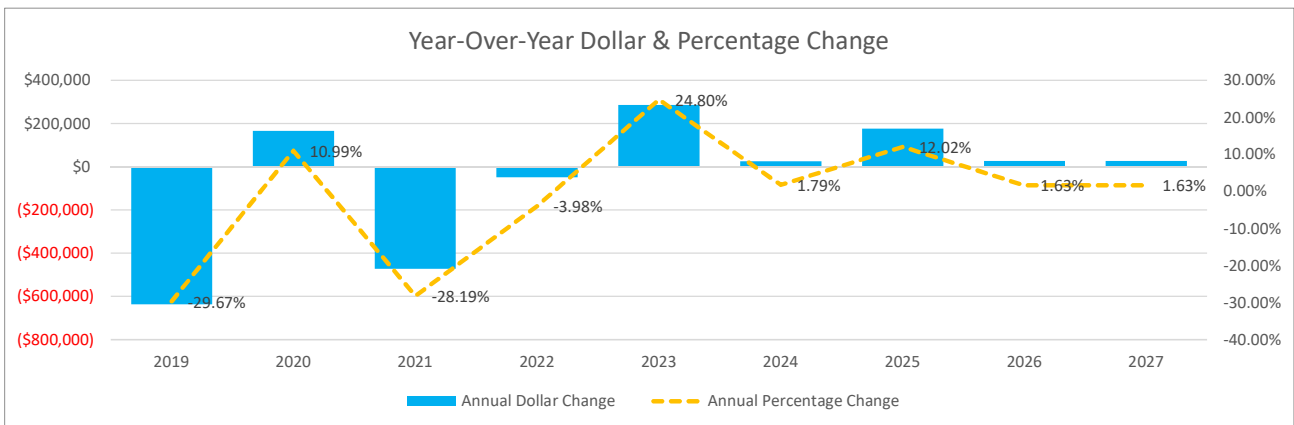
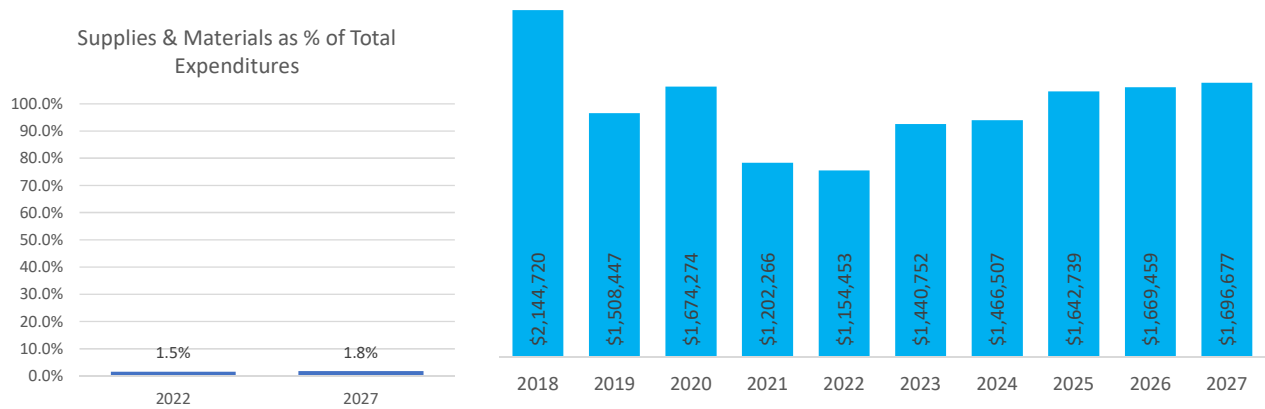
Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, expenses for tuition paid to other districts, utilities costs and other services which the school district may purchase.



Purchased Services represent 16.33% of total expenditures and decreased at a historical average annual rate of -9.35%. This category of expenditure is projected to grow at an annual average rate of 4.72% through FY 2027. The FSFP funds only district educated enrollment thereby reducing tuition cost for open enrollment out, community schools, STEM, and scholarships starting in FY 2022. In FY 2021 these costs totaled \$10,678,588. The graph to the left reflects the difference between past formula enrolled compared to actual district educated.

3.040 - Supplies & Materials

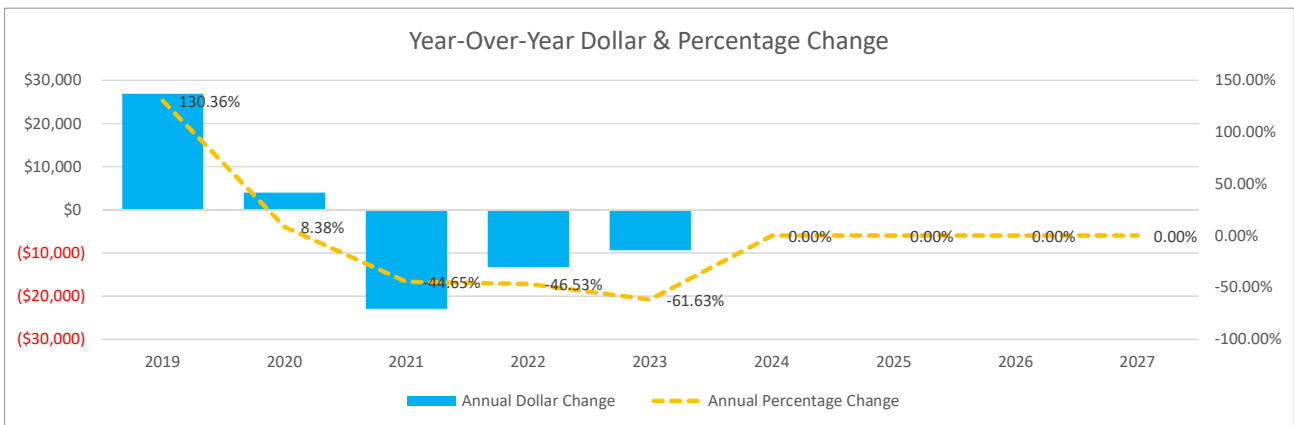
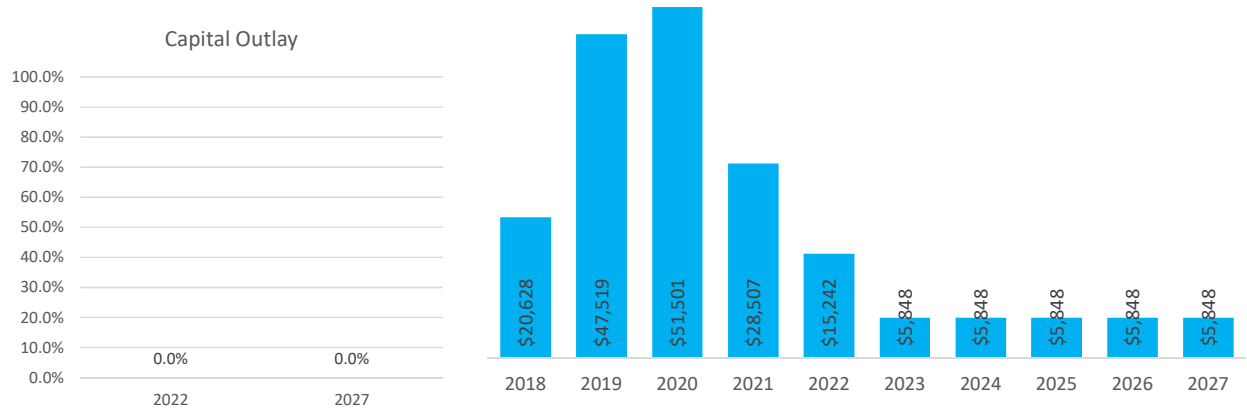
Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



Supplies & Materials represent 1.54% of total expenditures and decreased at a historical average annual rate of -13.86%. This category of expenditure is projected to grow at an annual average rate of 6.85% through FY 2027. The projected average annual rate of change is 20.71% more than the five year historical annual average.

3.050 - Capital Outlay

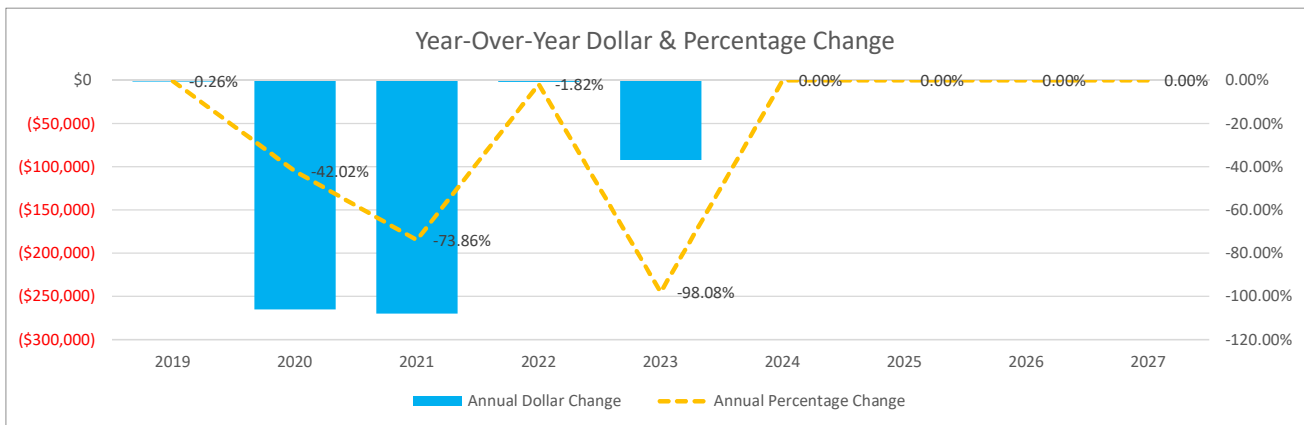
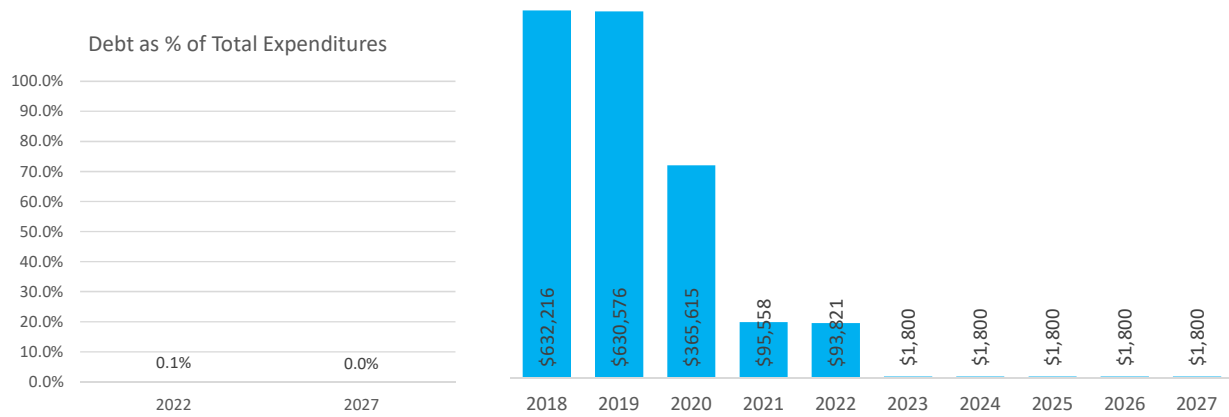
This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



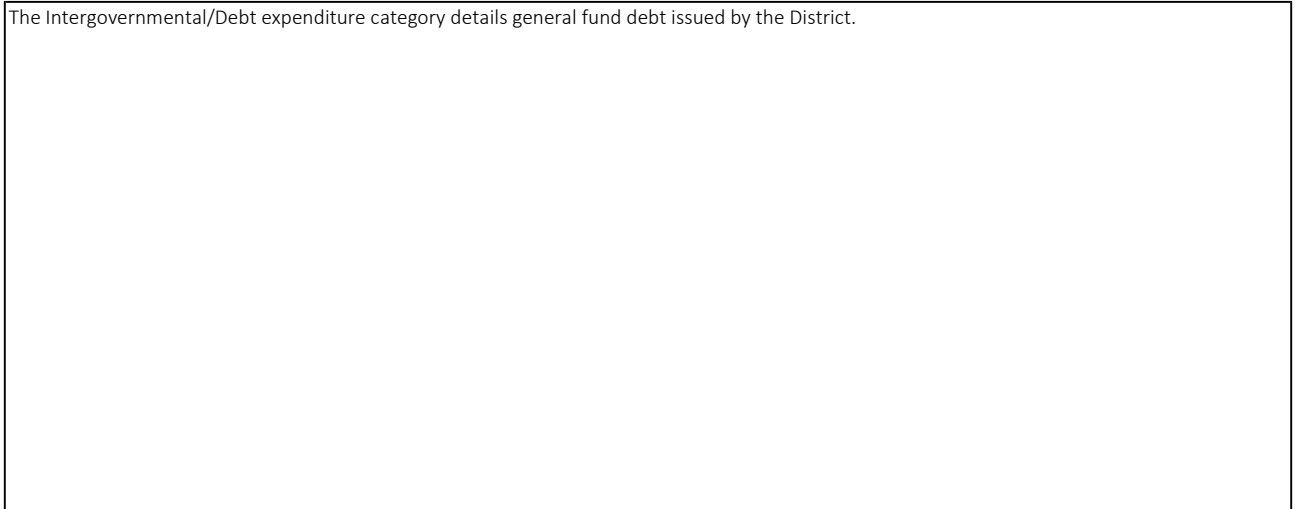
Capital Outlay represent 0.02% of total expenditures and decreased at a historical average annual amount of -\$39,982. This category of expenditure is projected to decrease at an annual average rate of -\$1,879 through FY 2027. The projected average annual change is more than the five year historical 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.

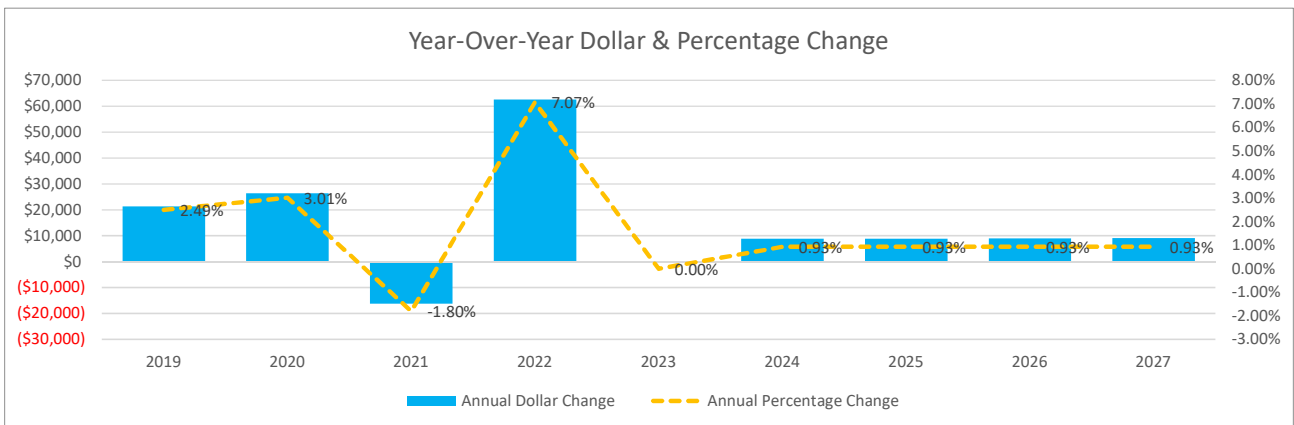
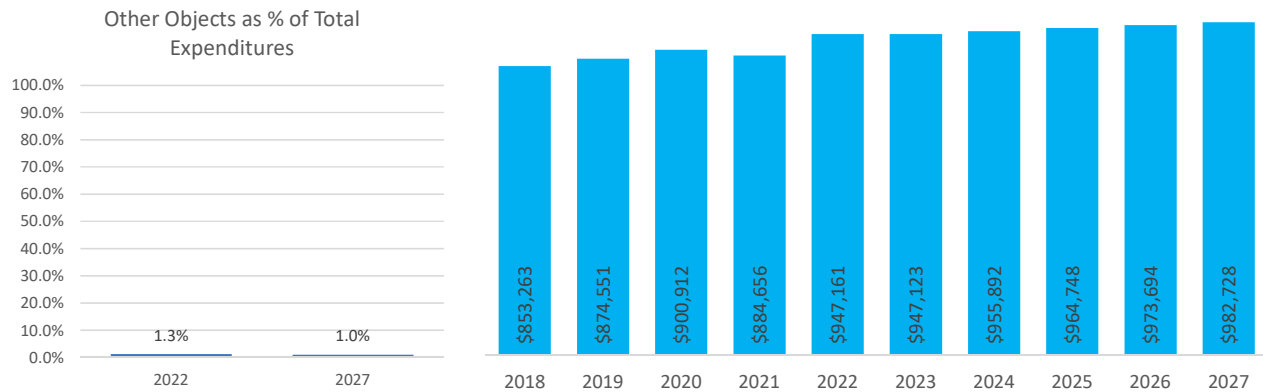


The Intergovernmental/Debt expenditure category details general fund debt issued by the District.



4.300 - Other Objects

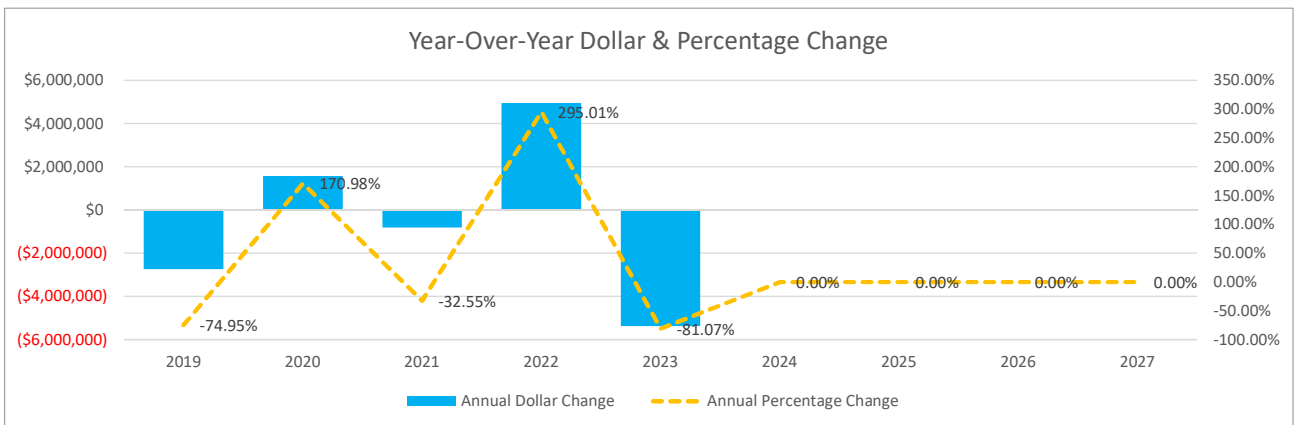
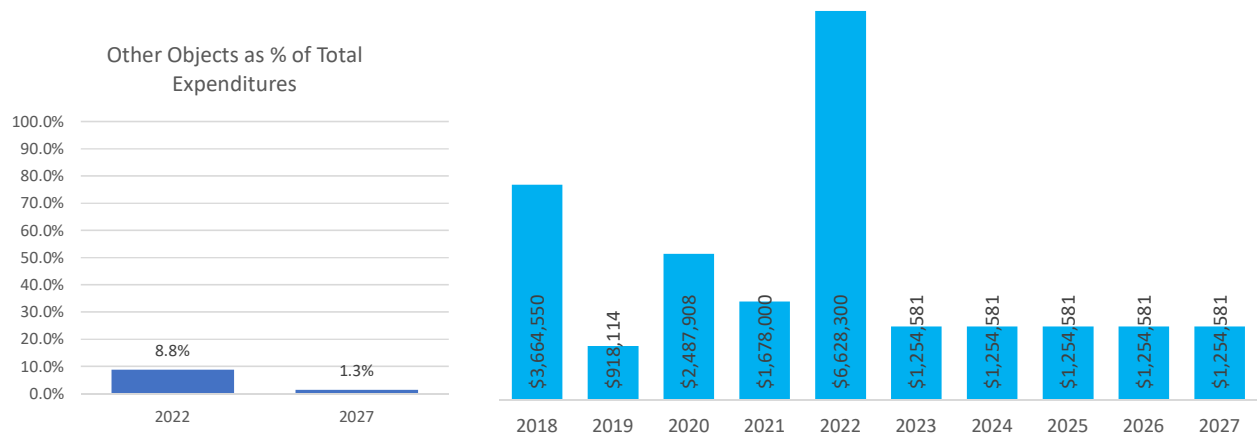
Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



Other Objects represent 1.26% of total expenditures and increased at a historical average annual rate of 0.40%. This category of expenditure is projected to grow at an annual average rate of 0.74% through FY 2027. The projected average annual rate of change is 0.34% 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.



	2022	2023	2024	2025	2026	2027
Transfers Out	2,551,300	254,581	254,581	254,581	254,581	254,581
Advances Out	4,077,000	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 2022 the district had advances-out and has advances-out forecasted through FY 2027. The district can also move general funds permanently to other funds and as the schedule above presents, the district has transfers forecasted through FY 2027. 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				
	2022	2023	2024	2025	2026	2027
Revenue:						
1.010 - General Property Tax (Real Estate)	29,955,778	30,039,294	29,873,655	29,802,117	24,385,088	19,169,833
1.020 - Public Utility Personal Property	3,220,011	3,299,728	3,433,180	3,392,988	2,985,693	2,720,843
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	28,534,121	30,055,361	30,268,010	30,415,545	31,300,516	31,411,682
1.040 - Restricted Grants-in-Aid	4,047,915	4,503,230	5,206,775	5,557,166	6,004,849	6,408,067
1.050 - Property Tax Allocation	3,647,631	3,563,004	3,566,295	3,657,941	3,025,635	2,304,286
1.060 - All Other Operating Revenues	2,614,394	2,466,777	2,454,840	2,457,552	2,441,415	2,441,415
1.070 - Total Revenue	72,019,850	73,927,394	74,802,755	75,283,309	70,143,196	64,456,126
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	1,308,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
2.060 - All Other Financing Sources	217,622	232,831	232,831	232,831	232,831	232,831
2.070 - Total Other Financing Sources	1,525,622	1,232,831	1,232,831	1,232,831	1,232,831	1,232,831
2.080 - Total Rev & Other Sources	73,545,471	75,160,225	76,035,585	76,516,140	71,376,026	65,688,956
Expenditures:						
3.010 - Personnel Services	39,182,023	40,679,575	42,267,948	47,719,645	49,582,651	51,550,725
3.020 - Employee Benefits	14,751,928	15,514,929	16,577,922	19,145,955	20,709,639	22,438,273
3.030 - Purchased Services	12,248,652	13,920,575	14,346,771	14,794,378	15,258,571	15,746,012
3.040 - Supplies and Materials	1,154,453	1,440,752	1,466,507	1,642,739	1,669,459	1,696,677
3.050 - Capital Outlay	15,242	5,848	5,848	5,848	5,848	5,848
Intergovernmental & Debt Service	93,821	1,800	1,800	1,800	1,800	1,800
4.300 - Other Objects	947,161	947,123	955,892	964,748	973,694	982,728
4.500 - Total Expenditures	68,393,278	72,510,602	75,622,688	84,275,113	88,201,661	92,422,063
Other Financing Uses						
5.010 - Operating Transfers-Out	2,551,300	254,581	254,581	254,581	254,581	254,581
5.020 - Advances-Out	4,077,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	6,628,300	1,254,581	1,254,581	1,254,581	1,254,581	1,254,581
5.050 - Total Exp and Other Financing Uses	75,021,578	73,765,183	76,877,269	85,529,694	89,456,242	93,676,644
6.010 - Excess of Rev Over/(Under) Exp	(1,476,107)	1,395,042	(841,683)	(9,013,554)	(18,080,216)	(27,987,688)
7.010 - Cash Balance July 1 (No Levies)	30,538,536	29,062,430	30,457,471	29,615,788	20,602,234	2,522,018
7.020 - Cash Balance June 30 (No Levies)	29,062,430	30,457,471	29,615,788	20,602,234	2,522,018	(25,465,670)
		Reservations				
8.010 - Estimated Encumbrances June 30	-	-	-	-	-	-
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	29,062,430	30,457,471	29,615,788	20,602,234	2,522,018	(25,465,670)
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Renewal Levies	-	-	-	710,092	7,768,845	14,125,954
11.030 - Cumulative Balance of Levies	-	-	-	710,092	8,478,937	22,604,891
12.010 - Fund Bal June 30 for Cert of Obligations	29,062,430	30,457,471	29,615,788	21,312,326	11,000,955	(2,860,779)
Revenue from New Levies						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	29,062,430	30,457,471	29,615,788	21,312,326	11,000,955	(2,860,779)

