

**Sheffield-Sheffield City School District**  
**Lorain County**  
**Five Year Forecast for Fiscal Years 2018 through 2025**

	Actual				Average Change	Forecasted				
	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020			Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
<b>Revenues</b>	<b>Reappraisal CY18</b>					<b>Update CY2021</b>				<b>Reappraisal CY24</b>
1.010 General Property Tax (Real Estate)	\$11,885,450	\$11,664,821	\$12,126,406	1.1%	\$11,949,313	\$12,068,806	\$12,527,421	\$12,652,695	\$12,905,749	
1.020 Tangible Personal Property Tax	547,902	518,523	647,983	9.8%	638,392	663,928	690,485	718,105	746,829	
1.030 Income Tax										
1.035 Unrestricted Grants-in-Aid (all 3100's except 3130)	4,872,053	4,776,521	4,382,780	-5.1%	4,603,151	5,283,000	5,304,000	5,314,000	5,324,000	
1.040 Restricted Grants-in-Aid (3200's)	240,616	296,242	221,560	-1.0%	211,964	211,964	211,964	211,964	211,964	
1.050 Property Tax Allocation (3130)	1,370,770	1,270,280	1,239,956	-4.9%	1,225,201	1,220,000	1,215,000	1,215,000	1,215,000	
1.060 All Other Revenues	1,678,210	1,728,449	1,611,831	-1.9%	1,668,500	1,686,100	1,716,200	1,746,300	1,746,300	
1.070 <b>Total Revenues</b>	<b>20,595,001</b>	<b>20,254,836</b>	<b>20,230,516</b>	<b>-0.9%</b>	<b>20,296,521</b>	<b>21,133,798</b>	<b>21,665,070</b>	<b>21,858,063</b>	<b>22,149,842</b>	
<b>Other Financing Sources</b>										
2.040 Operating Transfers-In	53,105	0	0	0.0%						
2.050 Advances-In	0	0	0	0.0%	0	0	0	0	0	
2.060 All Other Financing Sources	82,866	131,336	152,229	37.2%	310,500	140,000	140,000	140,000	140,000	
2.070 <b>Total Other Financing Sources</b>	<b>135,971</b>	<b>131,336</b>	<b>152,229</b>	<b>6.2%</b>	<b>310,500</b>	<b>140,000</b>	<b>140,000</b>	<b>140,000</b>	<b>140,000</b>	
2.080 <b>Total Revenues and Other Financing Sources</b>	<b>20,730,972</b>	<b>20,386,172</b>	<b>20,382,745</b>	<b>-0.8%</b>	<b>20,607,021</b>	<b>21,273,798</b>	<b>21,805,070</b>	<b>21,998,063</b>	<b>22,289,842</b>	
<b>Expenditures</b>										
3.010 Personnel Services	11,324,136	11,686,722	11,631,441	1.4%	11,501,500	12,297,000	12,814,000	13,352,000	13,913,000	
3.020 Employees' Retirement/Insurance Benefits	4,162,602	4,681,603	4,677,992	6.2%	4,700,000	5,385,000	5,636,000	5,793,500	5,968,500	
3.030 Purchased Services	2,896,006	2,965,009	3,279,695	6.5%	3,502,300	3,275,000	3,290,000	3,260,000	3,230,000	
3.040 Supplies and Materials	561,800	506,199	459,006	-9.6%	429,000	558,500	518,500	633,500	513,500	
3.050 Capital Outlay	94,720	132,898	131,989	19.8%	100,000	100,000	100,000	100,000	100,000	
4.300 Other Objects	334,114	373,525	432,241	13.8%	360,000	360,000	360,000	360,000	360,000	
4.500 <b>Total Expenditures</b>	<b>19,373,378</b>	<b>20,345,956</b>	<b>20,612,364</b>	<b>3.2%</b>	<b>20,592,800</b>	<b>21,975,500</b>	<b>22,718,500</b>	<b>23,499,000</b>	<b>24,085,000</b>	
<b>Other Financing Uses</b>										
5.010 Operating Transfers-Out	30,441	0	0	0.0%	0	0	0	0	0	
5.020 Advances-Out	0	0	0	0.0%	0	0	0	0	0	
5.030 All Other Financing Uses	0	0	0	0.0%	0	0	0	0	0	
5.040 <b>Total Other Financing Uses</b>	<b>30,441</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
5.050 <b>Total Expenditures and Other Financing Uses</b>	<b>19,403,819</b>	<b>20,345,956</b>	<b>20,612,364</b>	<b>3.1%</b>	<b>20,592,800</b>	<b>21,975,500</b>	<b>22,718,500</b>	<b>23,499,000</b>	<b>24,085,000</b>	
6.010 <b>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>	<b>1,327,153</b>	<b>40,216</b>	<b>(229,619)</b>	<b>-384.0%</b>	<b>14,221</b>	<b>(701,702)</b>	<b>(913,430)</b>	<b>(1,500,937)</b>	<b>(1,795,158)</b>	
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	6,020,838	7,347,991	7,388,207	11.3%	7,158,588	7,172,809	6,471,107	5,557,677	4,056,741	
7.020 <b>Cash Balance June 30</b>	<b>7,347,991</b>	<b>7,388,207</b>	<b>7,158,588</b>	<b>-1.3%</b>	<b>7,172,809</b>	<b>6,471,107</b>	<b>5,557,677</b>	<b>4,056,741</b>	<b>2,261,582</b>	
8.010 <b>Estimated Encumbrances June 30</b>	<b>136,784</b>	<b>143,247</b>	<b>129,037</b>	<b>-2.6%</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	
10.010 <b>Fund Balance June 30 for Certification of Appropriations</b>	<b>7,211,207</b>	<b>7,244,960</b>	<b>7,029,551</b>	<b>-1.3%</b>	<b>7,022,809</b>	<b>6,321,107</b>	<b>5,407,677</b>	<b>3,906,741</b>	<b>2,111,582</b>	
12.010 <b>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</b>	<b>7,211,207</b>	<b>7,244,960</b>	<b>7,029,551</b>	<b>-1.3%</b>	<b>7,022,809</b>	<b>6,321,107</b>	<b>5,407,677</b>	<b>3,906,741</b>	<b>2,111,582</b>	
<b>Revenue from New Levies</b>										
13.010 Income Tax - New								0	0	
13.020 Property Tax - New								0	0	
13.030 <b>Cumulative Balance of New Levies</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
15.010 <b>Unreserved Fund Balance June 30</b>	<b>7,211,207</b>	<b>7,244,960</b>	<b>7,029,551</b>	<b>-1.3%</b>	<b>7,022,809</b>	<b>6,321,107</b>	<b>5,407,677</b>	<b>3,906,741</b>	<b>2,111,582</b>	

See accompanying summary of significant forecast assumptions and accounting policies  
Includes: General fund, Emergency Levy fund, PBA fund, Textbook fund, Fiscal Stabilization fund & any portion of Debt Service fund related to General fund debt

# **SHEFFIELD-SHEFFIELD CITY SCHOOLS FORECAST ASSUMPTIONS**

## **May 10, 2021**

### **REVENUES:**

**1.010-1.020 Property Tax** - Property tax revenues are based on historical growth patterns, including scheduled updates and reappraisals. FY19 property tax receipts dropped 220K as a result of a large taxpayer being granted tax exempt status retroactively and receiving a refund for previously paid taxes going back to 2015, which pulled down the net total that the District received in FY19.

In May 2019, voters approved a 19.88 mill substitute levy which combined three emergency levies into one continuing levy. This provides long-term stability for this key line item which makes up more than half of the district's general fund revenue.

Tangible personal property tax is generated from telephone, natural gas, electric and water lines and follows similar trends as real estate where new growth is prompted by economic development.

A countywide update will happen in 2021. A full appraisal occurred in 2018 and will happen again in 2024 with collections occurring in calendar year 2025. Total assessed valuation in CY20 was \$356,119,450 compared to \$353,523,370 in CY19. The District's total property values are increasing slightly from new construction and public utilities to where it is estimated at 361,438,940 for CY21.

**1.030 Income Tax** - The District has no income tax collections.

**1.035 Unrestricted Grants-in-Aid** – This line is primarily the state funding formula. FY20 was scheduled to remain the same as the previous year until it was reduced by 355K in May due to COVID. FY21 state funding began the same as what was received in FY20 but the Governor did recently restore 195K.

State funding is determined every two years and FY21 is the second year of this cycle's biennium budget. Efforts to come up with a more equitable and stable funding formula continue from year to year. The current effort is the Fair School Funding Plan (FSFP). The District will monitor its progress and the potential impact upon Sheffield-Sheffield Lake schools. Present simulations roll the Governor's proposed Student Wellness & Success funds (SWSF) into unrestricted aid and is reflected in line 1.035 starting in FY22. Simulations show our FSFP amounts to remain similar to our pre-COVID state funding. Final funding always ends up different from initial proposals for a variety of reasons. Until there is a better understanding of the next biennium budget, the forecast assumes the FSFP's funding level as incorporated into the House version of the budget.

Per AOS bulletin 2012-08 casino revenue is reflected in line 1.035 (86K in FY16, 86K in FY17, 90K in FY18, 91K in FY19 and 92K in FY20). FY21 casino revenues came in above 69K, the drop being due to COVID. Future years show 10K increase per year to where casino revenues rebound back to pre-COVID amounts in FY25 FY23.

**1.040 Restricted Grants-in-Aid** – For FY21 this line includes \$11,950 for career tech, \$150,000 for economically disadvantaged students, and \$50,000 for catastrophic aid reimbursement. Although not reflected in years FY20 and FY21 of the forecast, the State budget has provided Student Wellness & Success funding to districts and similar funds are assumed to be in the upcoming biennial budget as part of line 1.035. For FY20 and FY21, the Auditor of State required that these wellness funds and the associated expenses be tracked in a separate fund (467), which is not to be shown on the forecast. The District used these funds to add a guidance counselor and the rest are being used to cover existing expenditures. Such expenses are in lines 3.010 and 3.020 starting in FY22.

**1.050 Property Tax Allocation** – These are taxes paid by the State on behalf of taxpayers (aka rollbacks and homestead credits). Property tax allocation revenues are based on historical growth patterns, including scheduled updates and reappraisals. Prior to 2016 this line also included another 528K which was the State's hold harmless reimbursement for the District's lost commercial tangible property taxes that came about from past tax reforms. Over the years, the State has gradually phased that reimbursement out until Sheffield-Sheffield Lake will be completely phased out from such payments at the end of calendar year 2020.

**1.060 All Other Revenues** – This line includes tuition from other districts, investment earnings, revenue in lieu of taxes and all other miscellaneous revenue. FY21-FY25 anticipates lower investment income due to low rates and a declining cash balance. However, the district may increase incoming open enrollment from other districts which amounts to about \$6,000 per student. Similarly, the district needs to decrease outgoing open enrollment which sends about \$6,000 per student to other districts and is reflected in line 3.030. The FSFP may result in such amounts showing up in different lines of the forecast.

**2.010 Proceeds from Sale of Notes** - The District does not anticipate any sales of notes.

**2.050 Advances-In** – Revenues received by a fund as a result of a transfer or advance from another fund in anticipation of future revenue. These are monies that were advanced out in previous year(s) and returned back to the general fund. Line 2.050 should match the previous year's line 5.020.

**2.060 All Other Financing Sources**—This line includes revenue for the sale of assets and refunds of prior year expenditures, such as SERS refund amounts and BWC rebate checks. FY21 includes 122K from SERS and a 37K rebate along with a one-time dividend of 137K from Workers Compensation.

## **EXPENDITURES:**

**3.010 Personnel Services** – The amounts for salaries and benefits are based on existing negotiated agreements. The agreement with teachers expires in June 2021 and includes 2.5% base salary increase for FY19, FY20 and FY21. The agreement with classified staff expires in June 2022 and includes a base salary increase of 2.5% in FY21 and 2.0% in FY22. Years beyond assume a 2.5% base salary increase. Personnel services will increase more than usual in FY22 due to the return of salaries having to be paid by the general fund which were temporarily covered by the Student Wellness & Success funds (fund 467) and COVID relief funds (fund 507). This line also includes substitute teaching costs which were down to 146K in FY20 compared to 218K in FY19. FY21 substitute costs are forecast to be slightly less than FY20 due to COVID.

**3.020 Employees' Retirement/Insurance Benefits** – This line includes the Board's contribution to each employee's retirement system (STRS or SERS) which is equal to 14% of wages paid. It also includes 1.45% of each employee's wages that the Board matches into Medicare. These board shares are in addition to similar amounts that employees must pay themselves. This line also contains unemployment, workers compensation, and health and life insurance costs. The District belongs to a consortium of area school districts (LERC) which helps spread the risk of insurance claims costs and allows for more favorable annual bidding because of the larger number of lives it represents. FY21 health insurance includes a 6.5% premium increase and a December 2020 premium holiday of 245K due to the consortium's favorable claims in the preceding year. Future years assume premium increases ranging from 5-7% with no premium holidays.

**3.030 Purchased Services** – Purchased services include contracted technology, utilities, repairs, leases, professional development, and tuition payments. This line is forecast to remain relatively steady in FY22 through FY25. Tuition payments are on behalf of Sheffield-Sheffield Lake residents and include open enrollment, charter schools, foster placed students, special education scholarships and/or autism scholarships to private schools. The Fair School Funding Plan's method of funding students may remove most of these tuitions costs from this line but are reflected within line 1.035's figures starting in FY22 based on April 2020 simulations.

**3.040 Supplies and Materials** – This includes textbooks and classroom supplies, as well as office, health, custodial, maintenance and transportation supplies and materials. Rotation and replacement of curriculum and instructional materials is included in this forecast where some years may have more expensive textbook adoptions than others such as FY24's K-6 math adoption.

**3.050 Capital Outlay** – In FY20 the District replaced many Chromebook devices. This was a partial replacement of those at or beyond the typical useful life. Projections include the continued rotation and replacement of technology equipment. Most building related capital improvements are handled by the permanent improvement fund outside of this forecast.

**4.300 Other Objects** – This line includes county auditor and treasurer fees, annual audit fees, bank charges and other district dues and fees. It also includes some payments to the county educational service center. Recent adjustments to the ESC multiservice agreement decreased these costs in FY21 and then they will remain relatively flat throughout the rest of the forecast.

**5.010 & 5.020 Operating Transfer-Out and Advances Out** – In the past, this was typically done for other funds that carried a negative balance, particularly the food service and athletic funds. Changes in procedures and operations over the last several years have made that no longer necessary. A transfer leaves the general fund forever while an advance is considered a loan where the receiving fund is expected to pay back the general fund.