

Medina City School District

Five Year Forecast Financial Report

November, 2023



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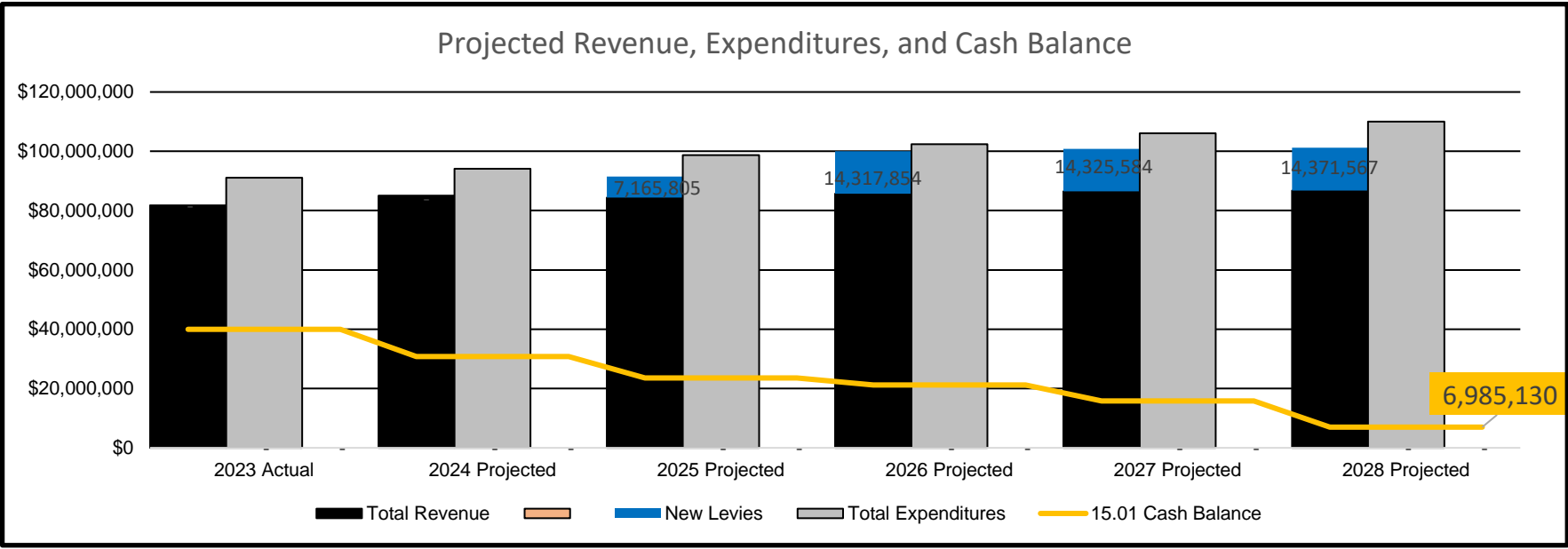
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Forecast Purpose/Objectives

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 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
Beginning Balance (Line 7.010) Plus Renewal/New Levies Modeled	39,972,859	30,819,823	23,583,501	21,149,271	15,831,223
+ Revenue	85,016,906	84,345,233	85,672,821	86,488,632	86,783,180
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	7,165,805	14,317,854	14,325,584	14,371,567
- Expenditures	(94,169,942)	(98,747,360)	(102,424,904)	(106,132,264)	(110,000,840)
= Revenue Surplus or Deficit	(9,153,036)	(7,236,322)	(2,434,230)	(5,318,048)	(8,846,093)
Line 7.020 Ending Balance with renewal/new levies	30,819,823	23,583,501	21,149,271	15,831,223	6,985,130

Analysis Without Renewal Levies Included:

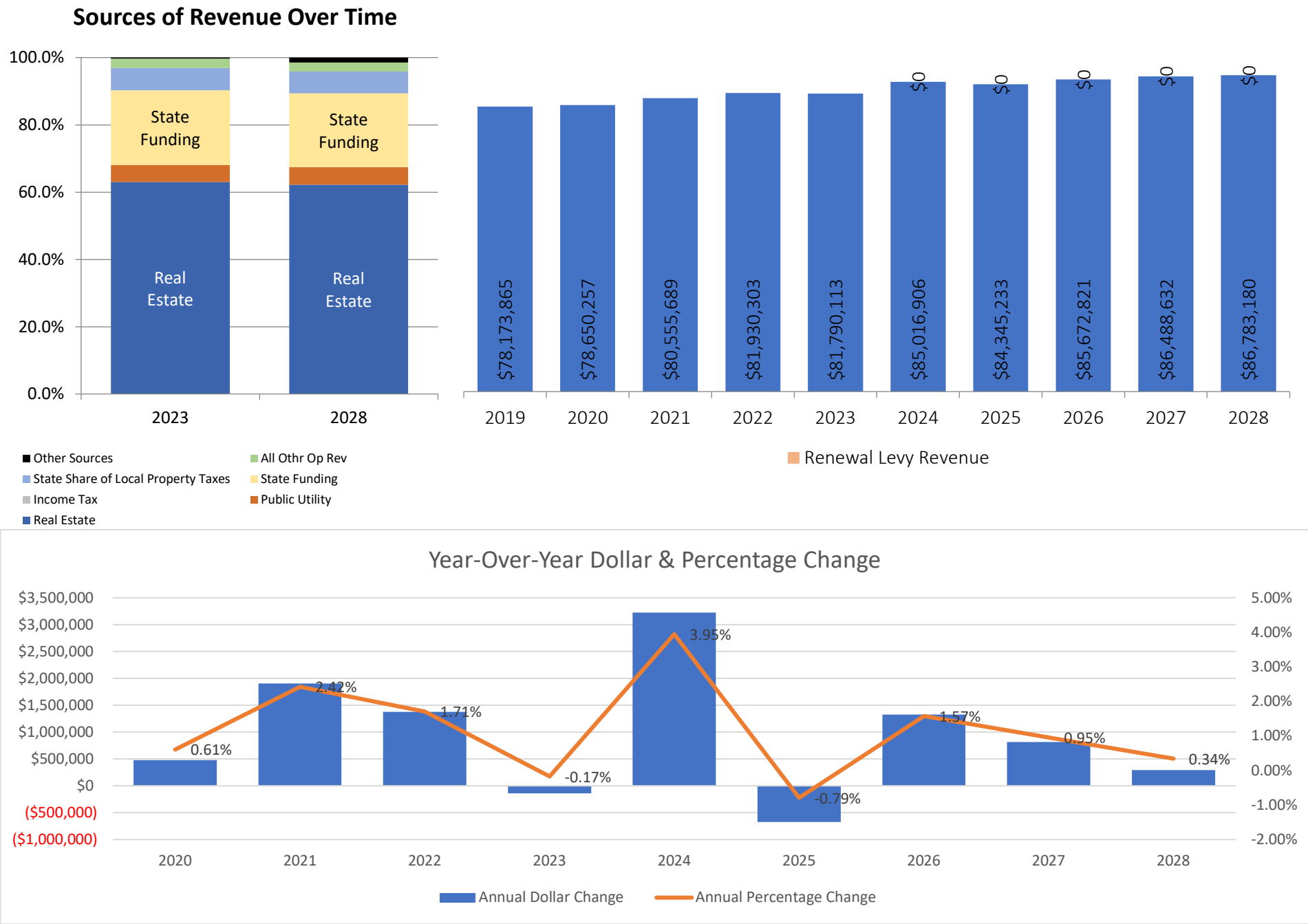
Revenue Surplus or Deficit w/o Levies	(9,153,036)	(14,402,127)	(16,752,084)	(19,643,632)	(23,217,660)
Ending Balance w/o Levies	30,819,823	16,417,696	(334,388)	(19,978,020)	(43,195,680)

In FY 2024 a revenue shortfall is expected. This means that expenditures are expected to be greater than revenue by \$9,153,036 in FY 2024. By the last year of the forecast, FY 2028, the district is expected to have a revenue shortfall where expenditures are projected to be greater than revenue by \$23,217,660. The district would need to cut its FY 2028 projected expenses by 21.11% in order to balance its budget without additional revenue.

The district's cash balance is positive at year-end in FY 2024 and is projected to worsen by FY 2028. A worsening cash balance can erode the district's financial stability over time.

Ohio adopted the Fair School Funding Plan (FSFP) in FY 2022. The plan was continued with increasing phase-in of the formula results. In FY 2024 the per pupil base cost calculations were updated from FY 2018 cost data to FY 2022. For Medina City School District the calculated Base Cost total is \$48,784,134 in FY 2024. The state's share of the calculated Base Cost total is \$8,115,005 or \$1,383 per pupil.

Revenue Sources and Forecast Year-Over-Year Projected Overview



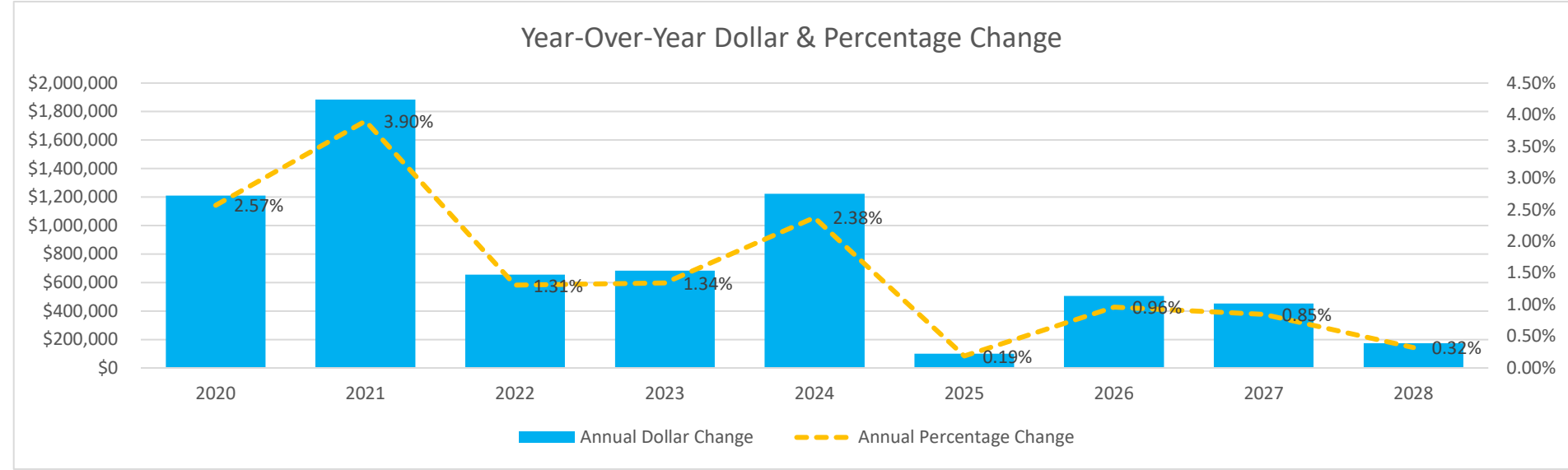
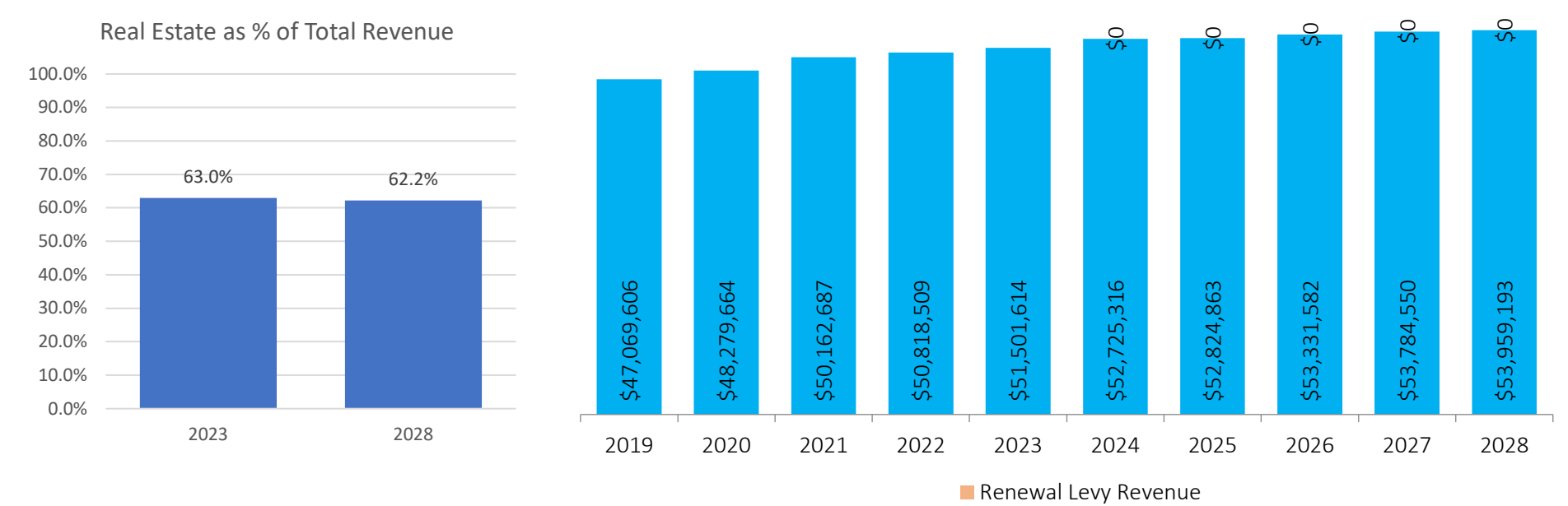
4-Year Historical Actual Average Annual Dollar Change
Compared to 5-year Projected

	Historical Average Annual \$\$ Change	Projected Average Annual \$\$ Change	Projected Compared to Historical Variance	Total revenue increased 1.14% or \$904,062 annually during the past 4-Year period and is projected to increase 1.20% or \$998,613 annually through FY2028. Real Estate has the most projected average annual variance compared to the historical average at - \$616,486
Real Estate	1,108,002	491,516	(\$616,486)	
Public Utility	\$308,617	\$86,451	(\$222,166)	
Income Tax	\$0	\$0	\$0	
State Funding	(\$312,084)	157,493	\$469,577	
Prop Tax Alloc	\$30,715	\$45,691	\$14,976	
All Othr Op Rev	(\$105,769)	\$12,047	\$117,815	
Other Sources	(\$125,419)	\$205,416	\$330,835	
Total Average Annual Change	904,062	998,613	\$94,551	
	1.14%	1.20%	0.06%	

Note: Expenditure average annual change is projected to be > \$3,780,800 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).



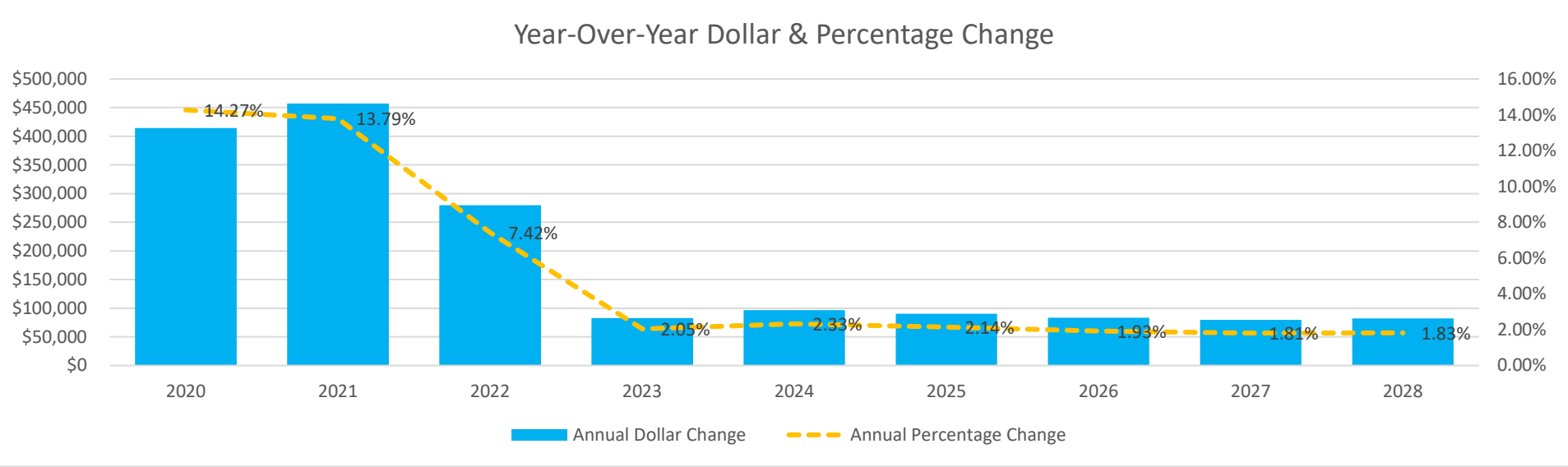
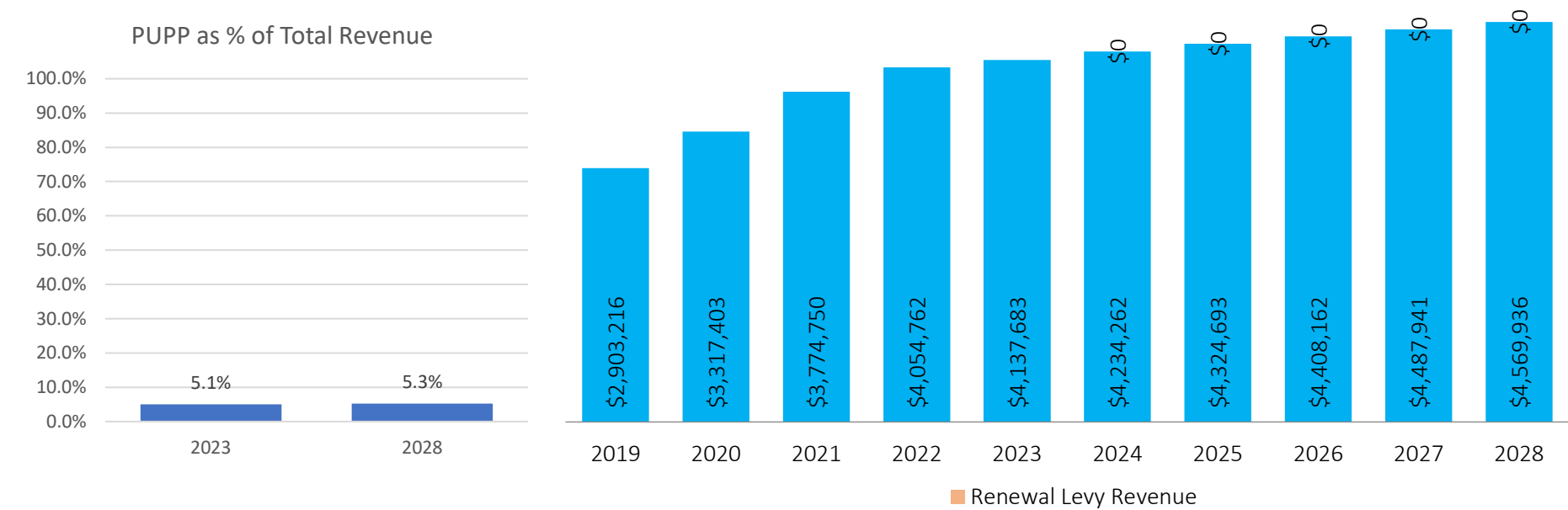
Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2022	1,838,232,180	337,596,800	30.03	-	38.50	-	100.3%
2023	1,846,917,180	8,685,000	29.99	(0.05)	38.63	0.13	100.0%
2024	1,858,062,180	11,145,000	29.91	(0.07)	38.67	0.04	100.0%
2025	1,998,657,180	140,595,000	28.08	(1.83)	37.53	(1.14)	100.0%
2026	2,007,342,180	8,685,000	28.04	(0.04)	37.70	0.17	100.0%
2027	2,016,842,180	9,500,000	28.00	(0.04)	37.79	0.08	100.0%

Real estate property tax revenue accounts for 62.97% of total revenue. Class I or residential/agricultural taxes make up approximately 75.73% of the real estate property tax revenue. The Class I tax rate is 29.99 mills in tax year 2023. The projections reflect an average gross collection rate of 100.0% annually through tax year 2027. The revenue changed at an average annual historical rate of 2.28% and is projected to change at an average annual rate of 0.94% through FY 2028.

*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.



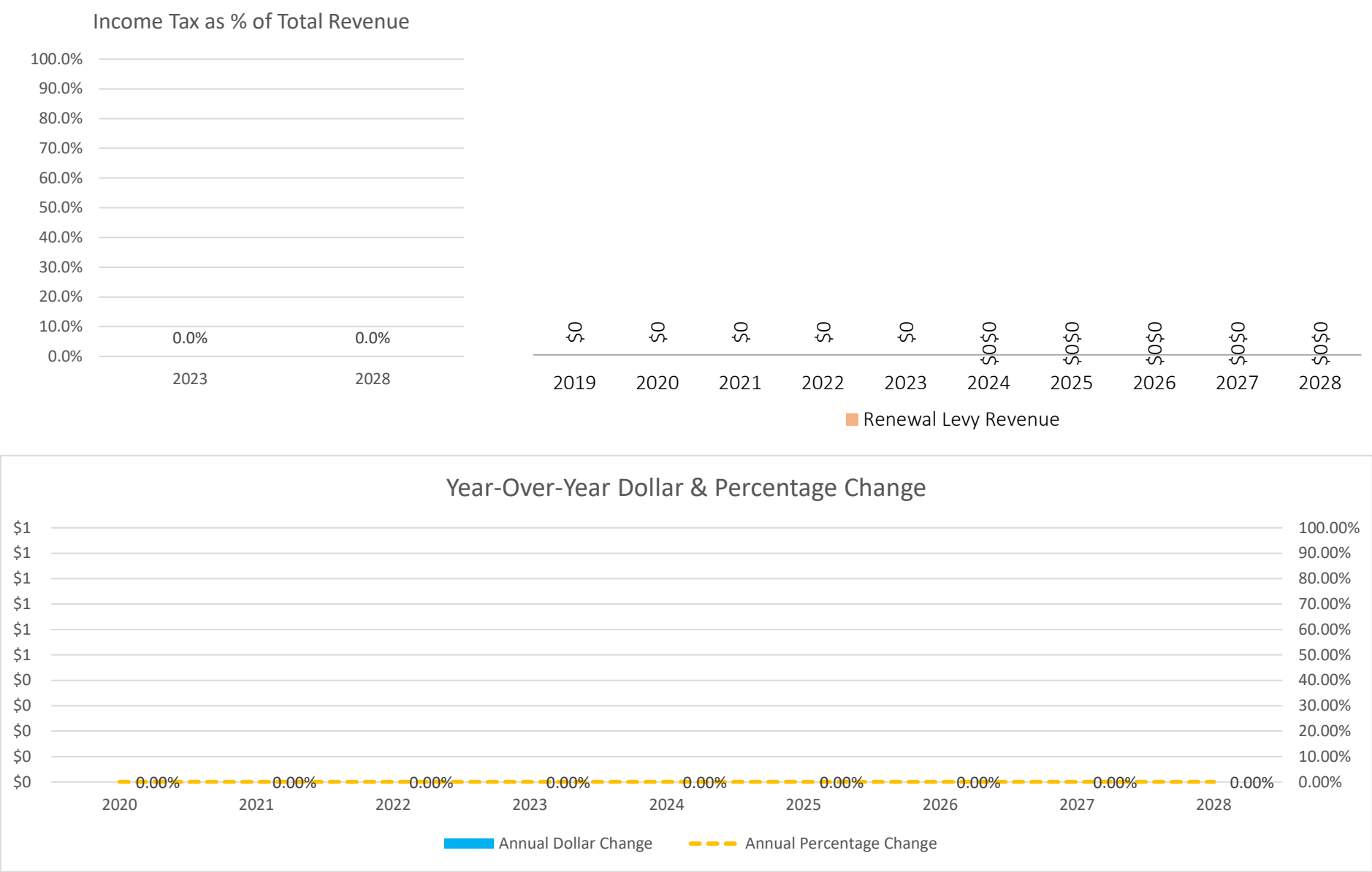
Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2022	55,982,680	2,949,600	86.53	(0.80)	89.9%
2023	57,082,680	1,100,000	86.52	(0.01)	86.5%
2024	58,282,680	1,200,000	86.51	(0.01)	86.7%
2025	59,482,680	1,200,000	86.27	(0.24)	86.7%
2026	60,582,680	1,100,000	86.27	(0.00)	86.7%
2027	61,682,680	1,100,000	86.26	(0.01)	86.7%

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 5.06% of total district revenue. The property is taxed at the full voted tax rate which in tax year 2023 is 86.52 mills. The forecast is modeling an average gross collection rate of 86.62%. The revenue changed historically at an average annual dollar amount of \$308,617 and is projected to change at an average annual dollar amount of \$86,451 through FY 2028.

*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.

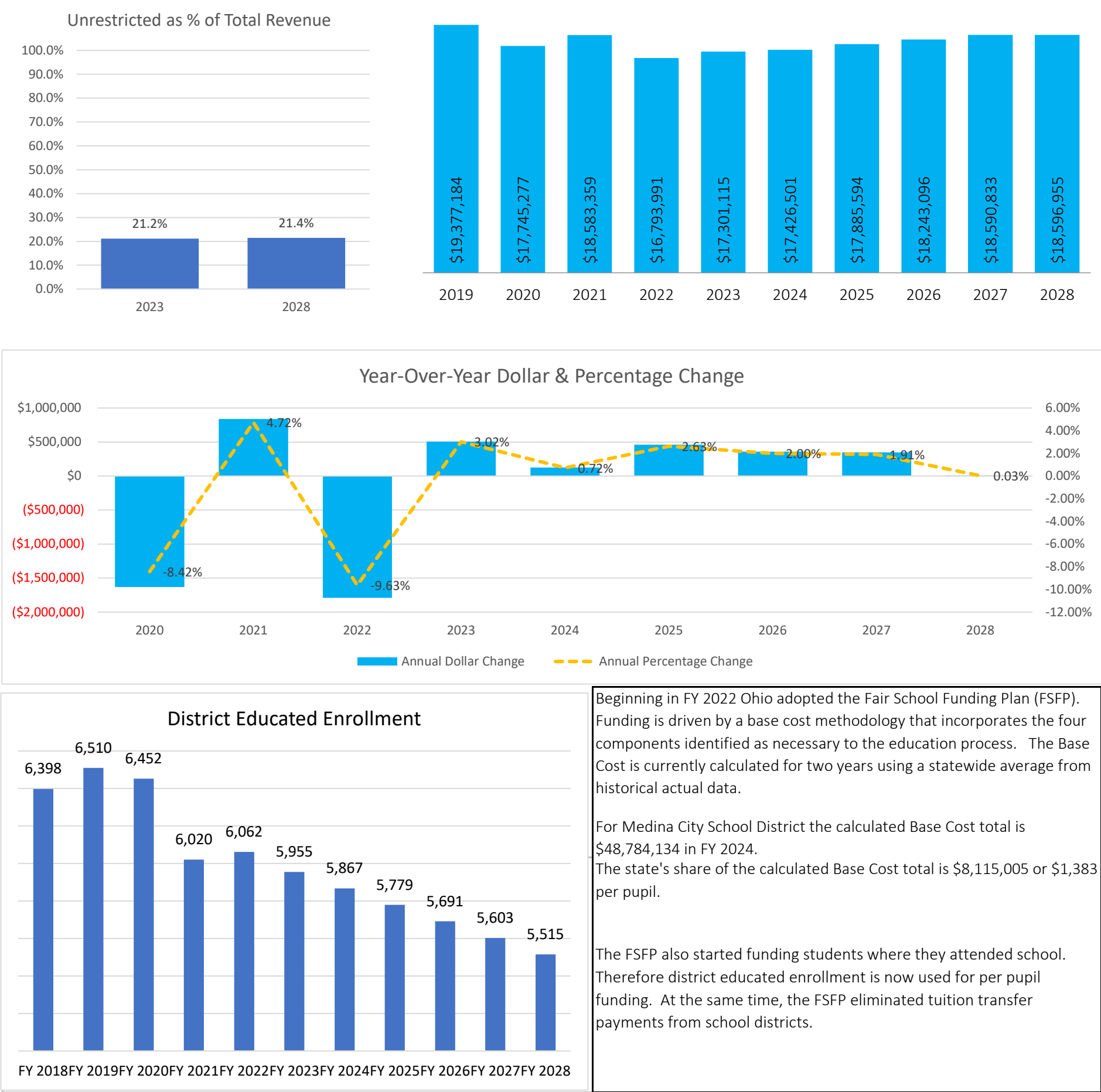


The district does not have an income tax levy.

**Projected % trends include renewal levies*

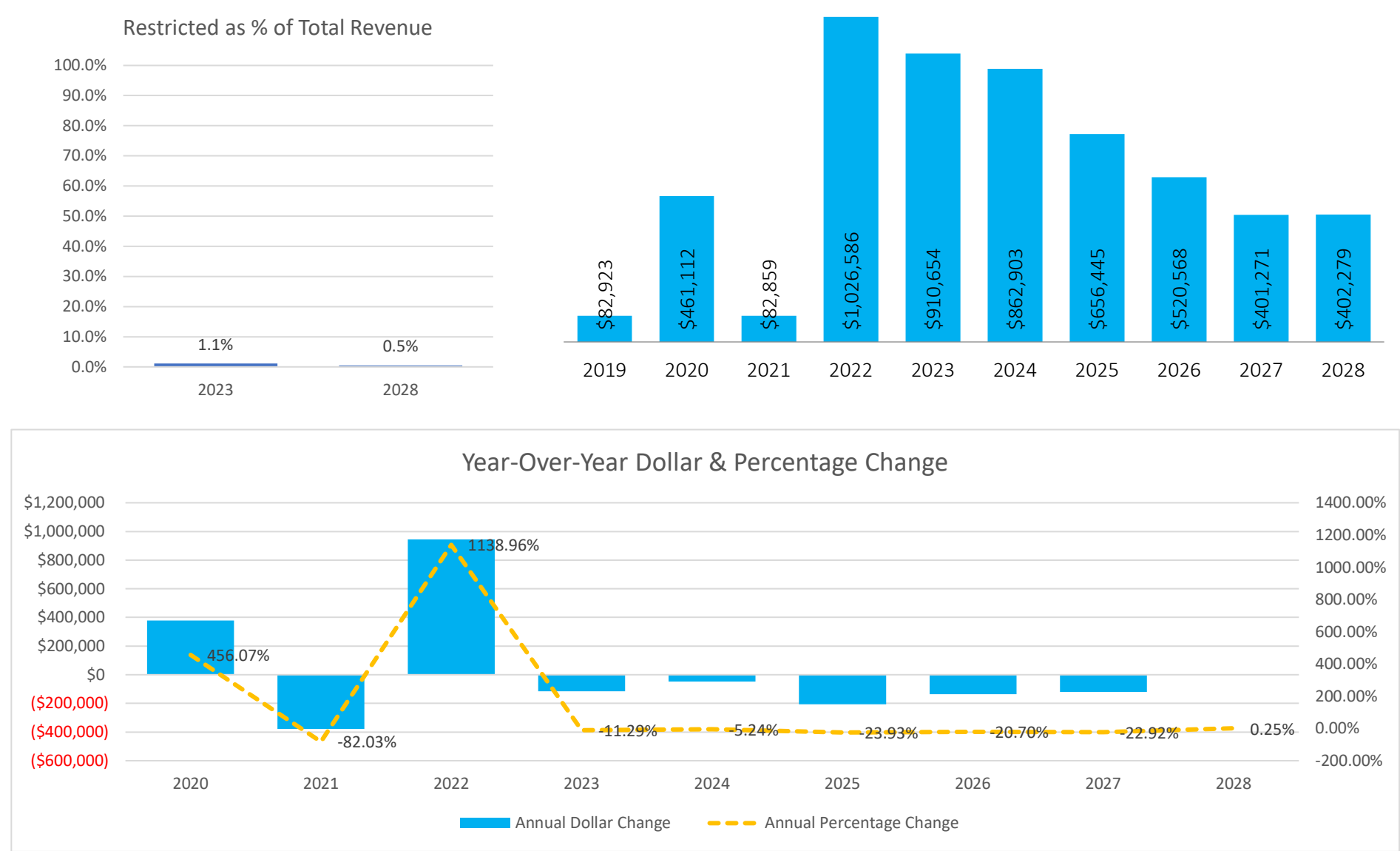
1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



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 \$149,847 and is projected to change annually on average by -\$101,675. Restricted funds represent 1.11% 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 \$520,717. 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 - State Share of Local Property Taxes

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

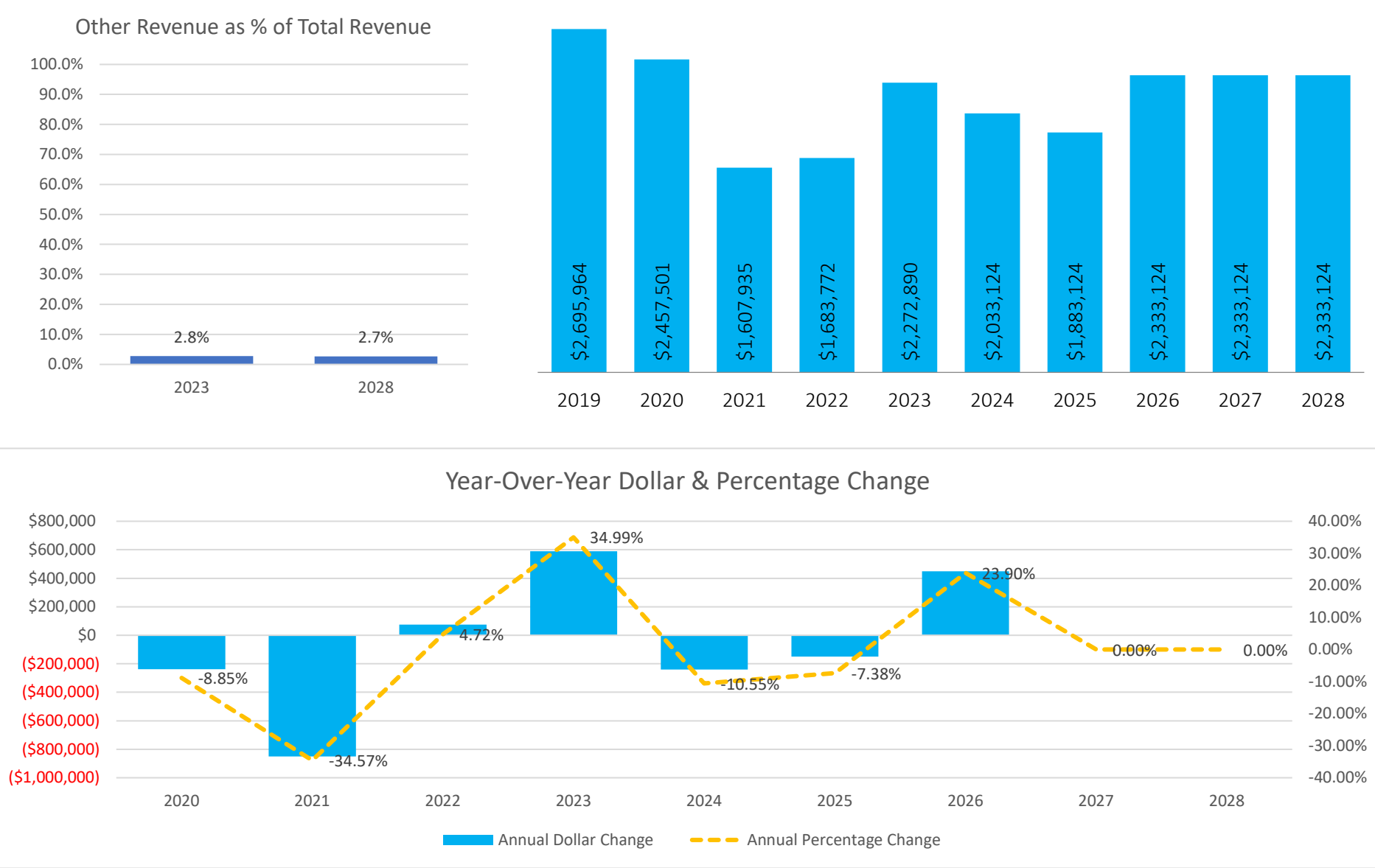


State Share of Local Property Taxes primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In FY 2024, approximately 10.6% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 1.4% will be reimbursed in the form of qualifying homestead exemption credits.

*Projected % trends include renewal levies

1.060 - All Other Operating Revenues

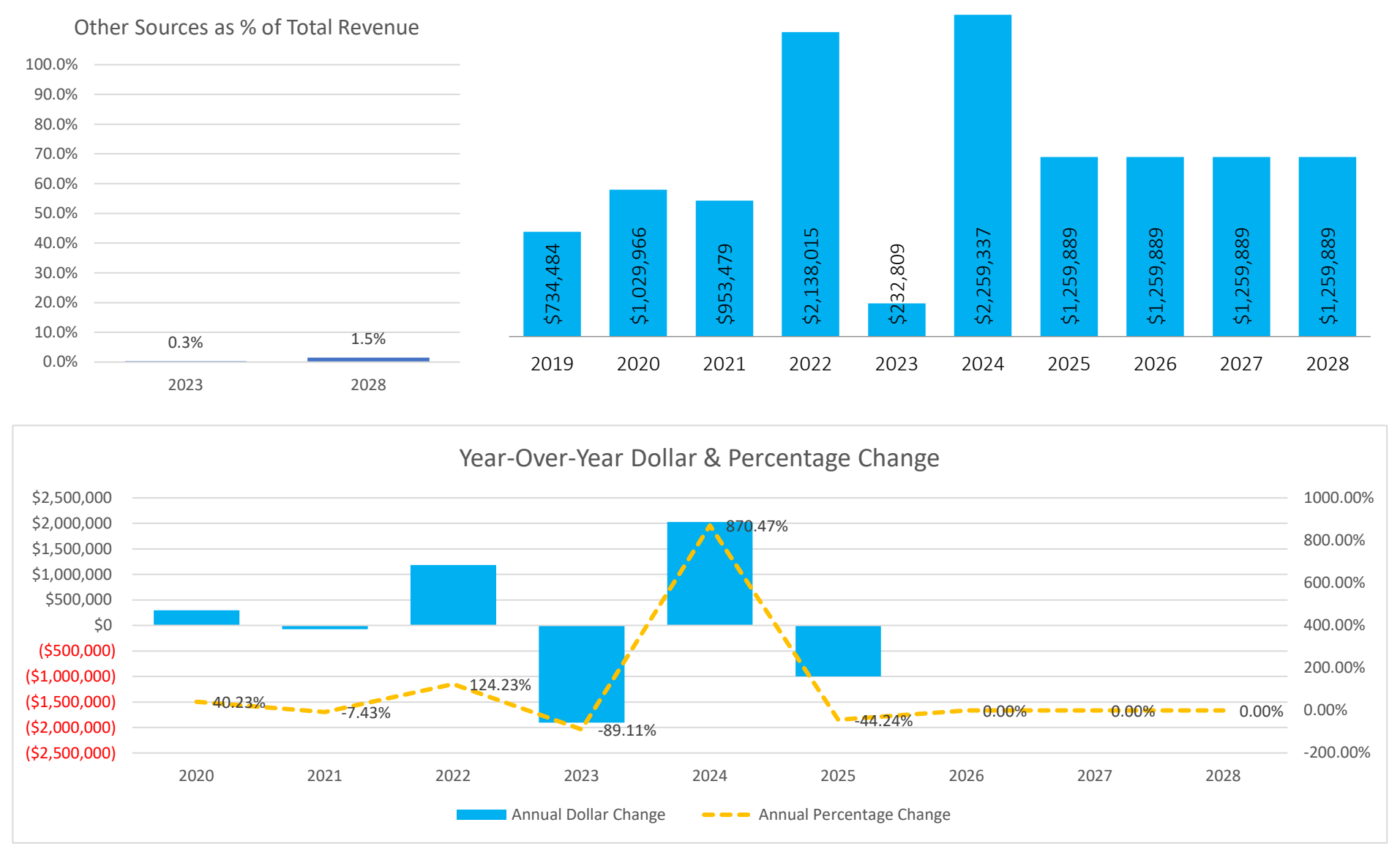
Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.



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 -\$105,769. The projected average annual change is \$12,047 through FY 2028.

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.

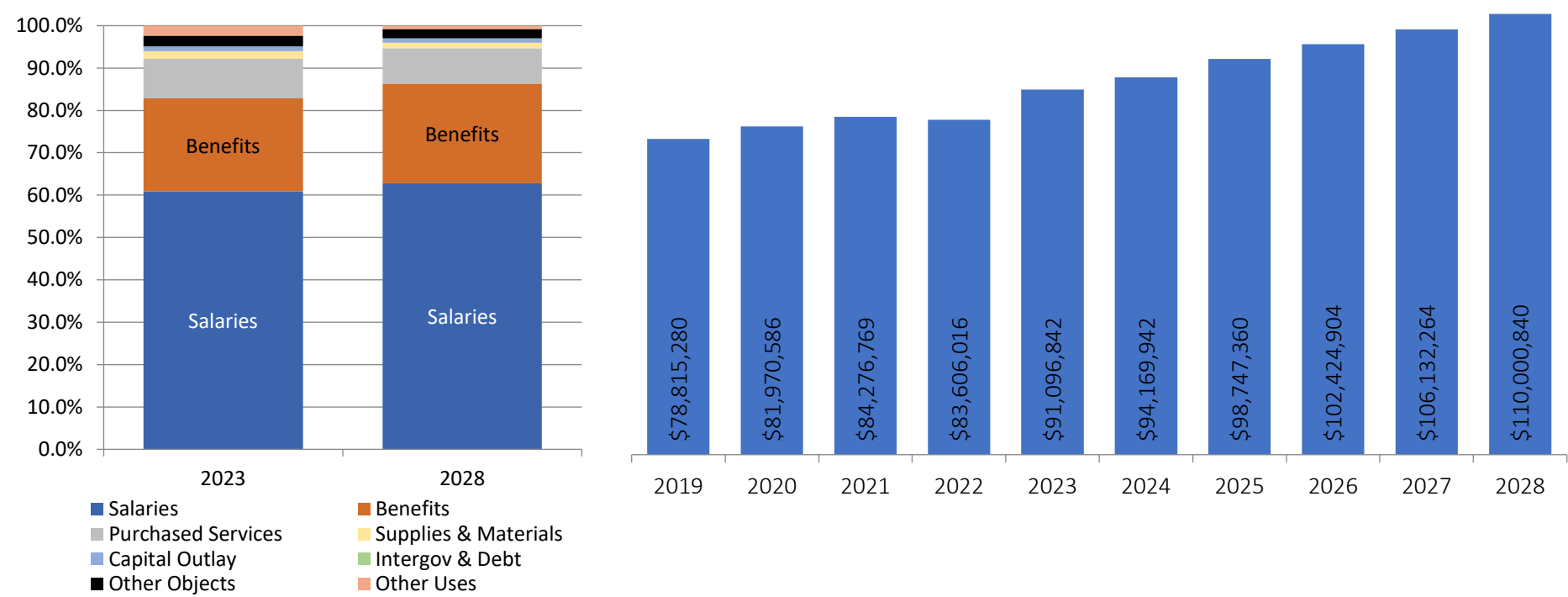


	2023	FORECASTED				
	2023	2024	2025	2026	2027	2028
Transfers In	-	5,576	5,576	5,576	5,576	5,576
Advances In	142,684	1,648,777	649,329	649,329	649,329	649,329
All Other Financing Sources	90,125	604,984	604,984	604,984	604,984	604,984

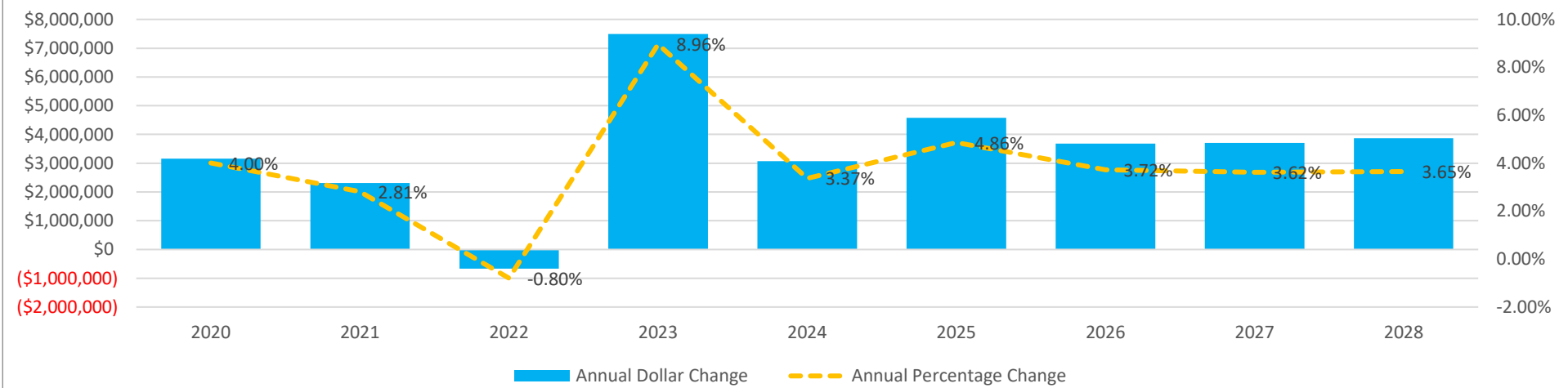
Other sources includes revenue that is generally classified as non-operating. Return advances-in are the most common revenue source. In FY 2023 the district receipted \$142,684 as advances-in and is projecting advances of \$1,648,777 in FY 2024. The district also receives other financing sources such as refund of prior year expenditures in this category. The district is projecting that all other financing sources will be \$604,984 in FY 2024 and average \$604,984 annually through FY 2028.

Expenditure Categories and Forecast Year-Over-Year Projected Overview

Expenditure Categories Over Time



Year-Over-Year Dollar & Percentage Change



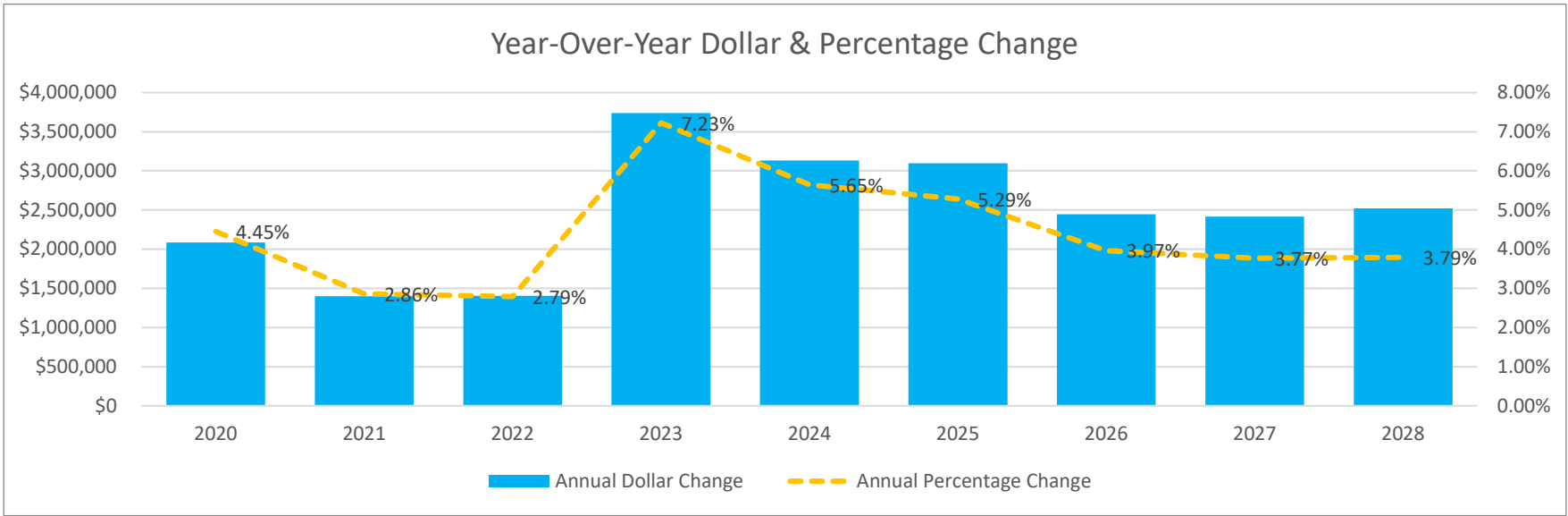
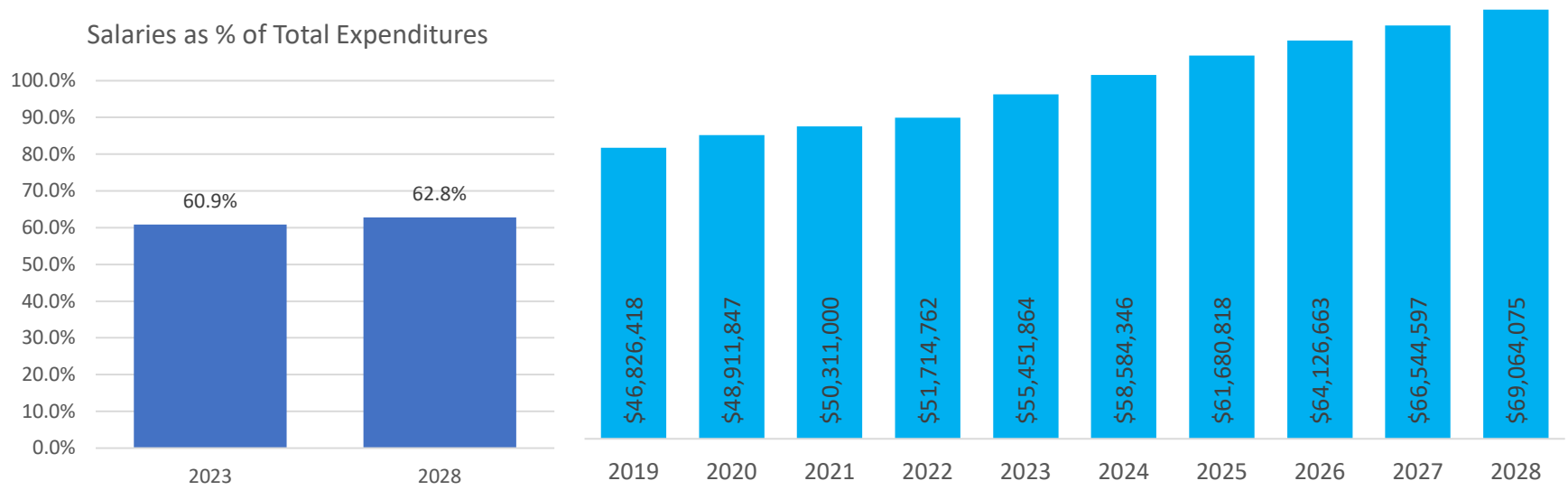
4-Year Historical Actual Average Annual Dollar Change
Compared to 5-Year Projected

	Historical Average Annual \$\$ Change	Projected Average Annual \$\$ Change	Projected Compared to Historical Variance	Total expenditures increased 3.75% or \$3,070,391 annually during the past 4-Year period and is projected to increase 4.15% or \$3,780,800 annually through FY2028. Salaries has the largest projected average annual variance compared to the historical average at \$566,081.
Salaries	2,156,362	2,722,442	\$566,081	
Benefits	\$709,697	\$1,185,501	\$475,804	
Purchased Services	(\$155,139)	\$103,338	\$258,476	
Supplies & Materials	(\$79,697)	(\$19,702)	\$59,995	
Capital Outlay	\$1,881	\$28,319	\$26,438	
Intergov & Debt	\$0	\$0	\$0	
Other Objects	\$129,094	\$18,345	(\$110,749)	
Other Uses	\$308,193	(\$257,444)	(\$565,637)	
Total Average Annual Change	\$3,070,391	\$3,780,800	\$710,409	
	3.75%	4.15%	0.41%	

Note: Revenue average annual change is projected to be > \$998,613 On an annual average basis, revenues are projected to grow slower than expenditures.

3.010 - Personnel Services

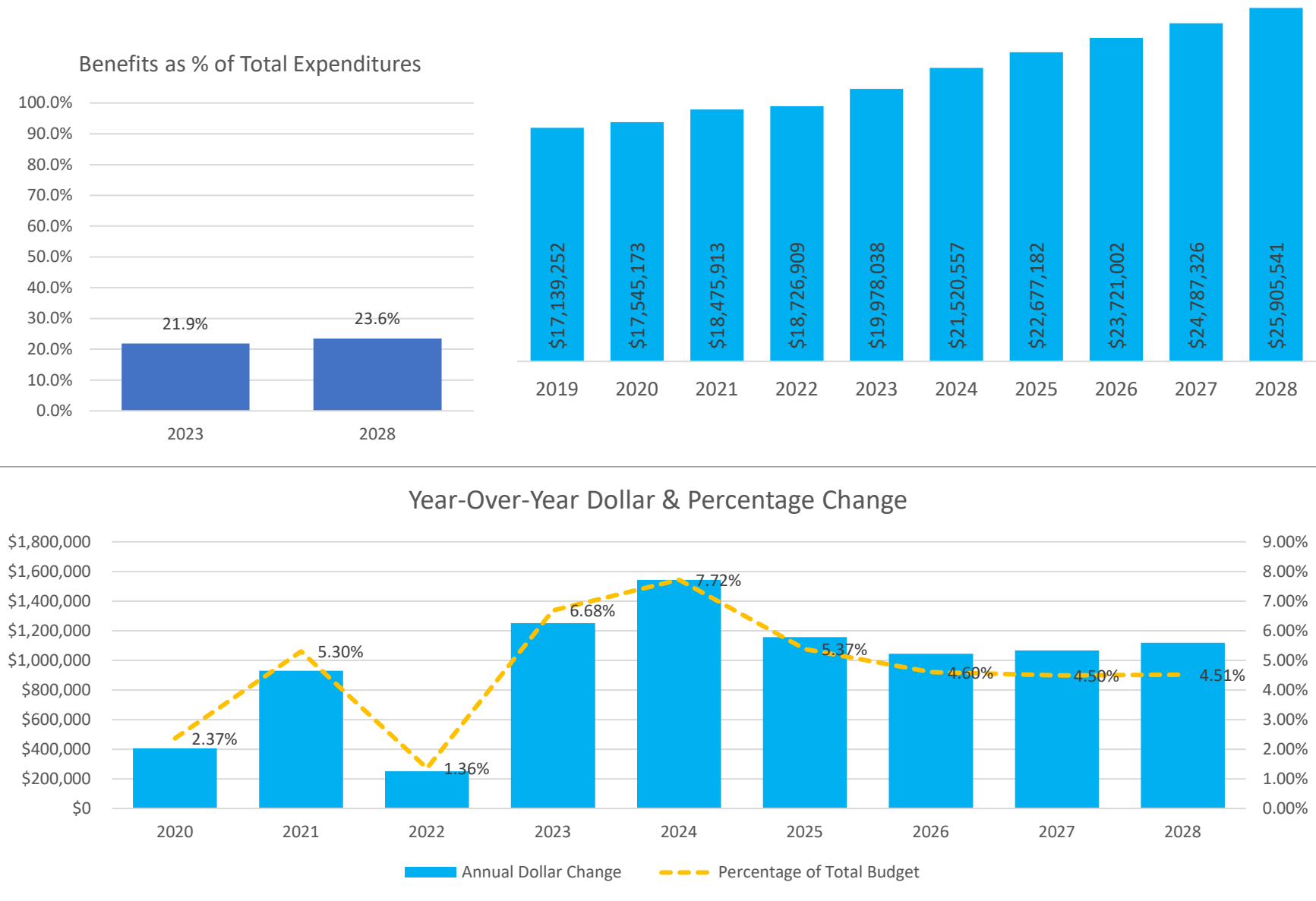
Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.



Salaries represent 60.87% of total expenditures and increased at a historical average annual rate of 4.33% or \$2,156,362. This category of expenditure is projected to grow at an annual average rate of 4.49% or \$2,722,442 through FY 2028. The projected average annual rate of change is 0.16% more than the five year historical annual average. The district is projecting current negotiated agreements until their ending and then projecting a 1% increase for each of the unions following the end of the current agreements.

3.020 - Employees' Benefits

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

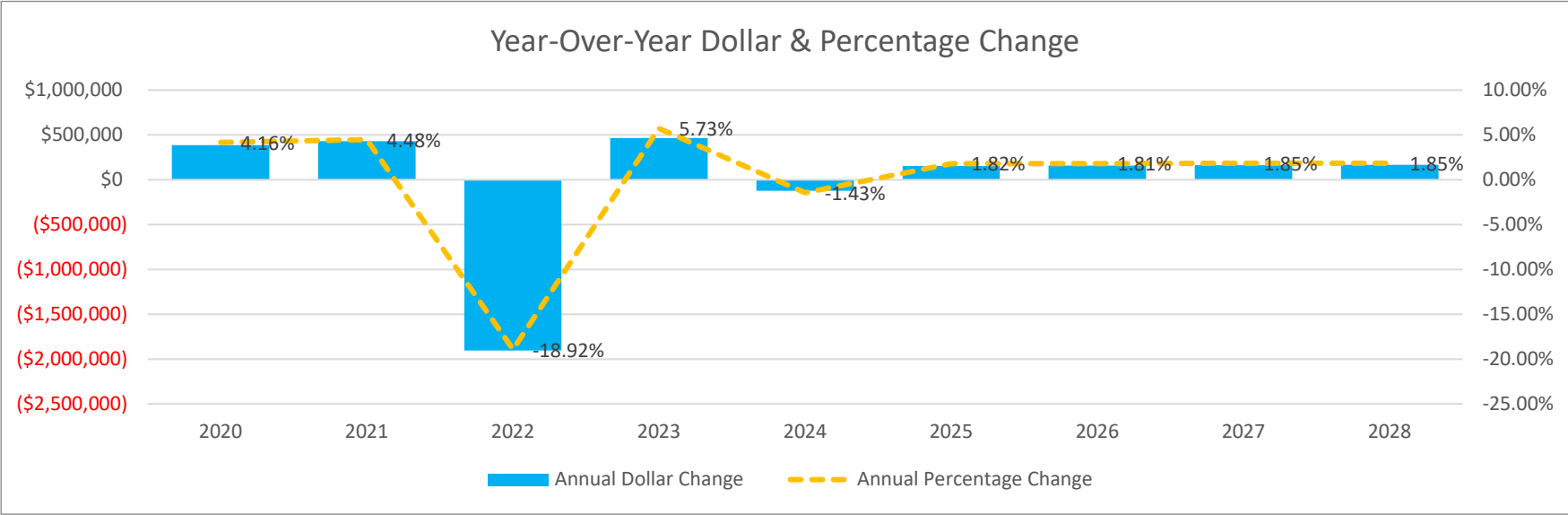
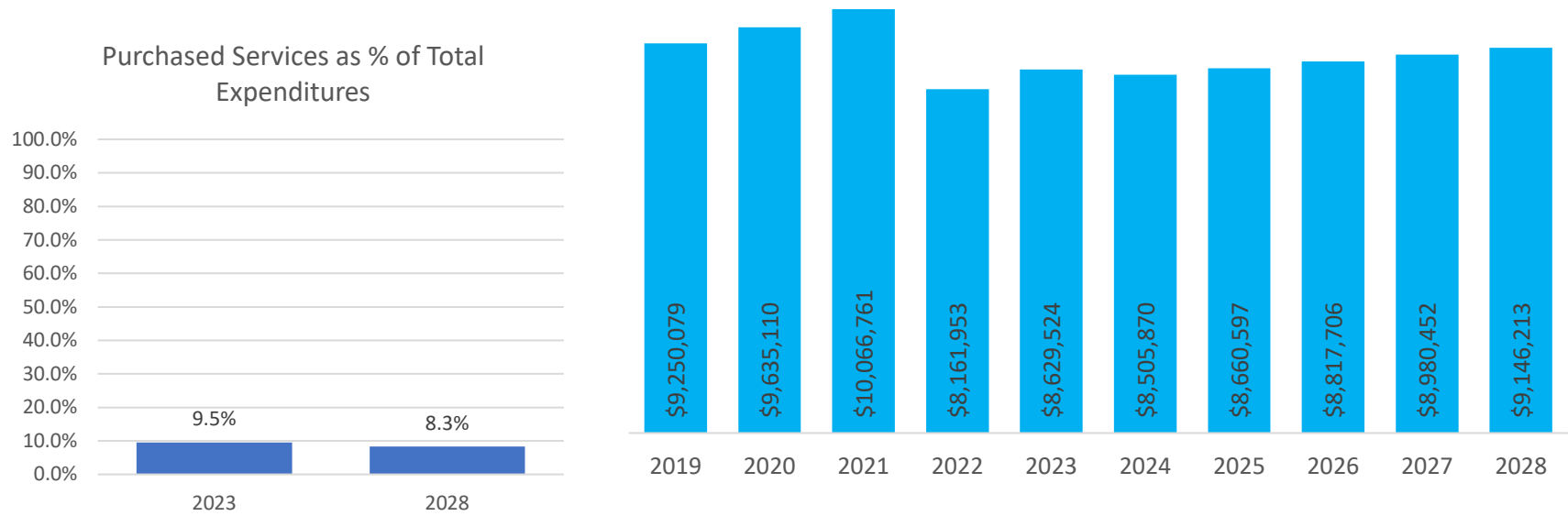


Benefits represent 21.93% of total expenditures and increased at a historical average annual rate of 3.93% This category of expenditure is projected to grow at an annual average rate of 5.34% through FY 2028. The projected average annual rate of change is 1.41% more than the five year historical annual average.

"The district is a self-insured district and has had very good prior years as can be seen in 2020 and 2022. This has not been the case with recent years claims and growing premiums. The projections are based upon these recent trends."

3.030 - Purchased Services

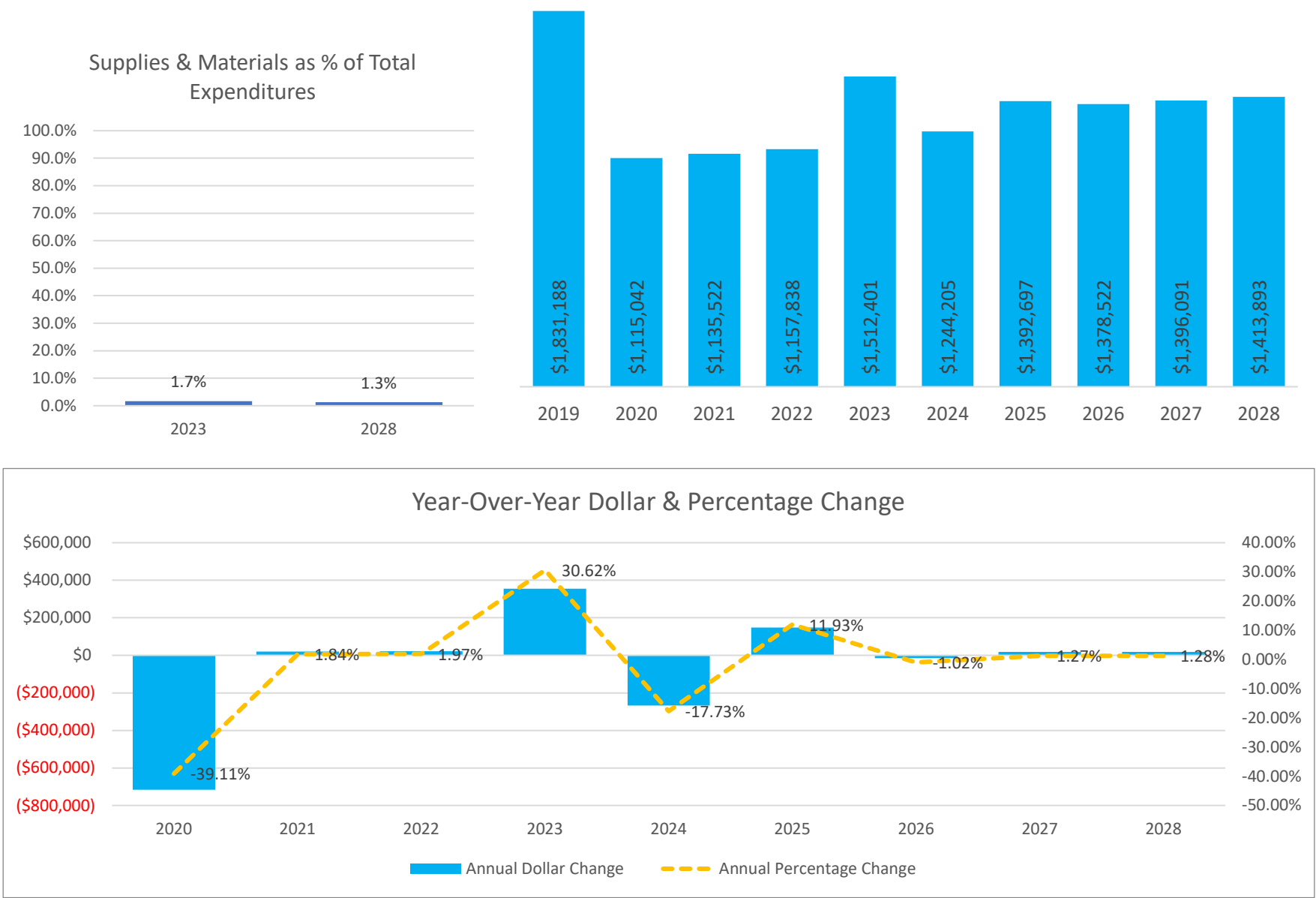
Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, expenses for tuition paid to other districts, utilities costs and other services which the school district may purchase.



Purchased Services represent 9.47% of total expenditures and decreased at a historical average annual rate of -1.14%. This category of expenditure is projected to grow at an annual average rate of 1.18% through FY 2028. The FSFP funds only district educated enrollment thereby reducing tuition cost for open enrollment out, community schools, STEM, and scholarships starting in FY 2022. This change resulted in lower district cost but also less per pupil state revenue since per pupil funding was paid directly by the state to the attending school. See 1.035- Unrestricted Grants-in-Aid for more details

3.040 - Supplies & Materials

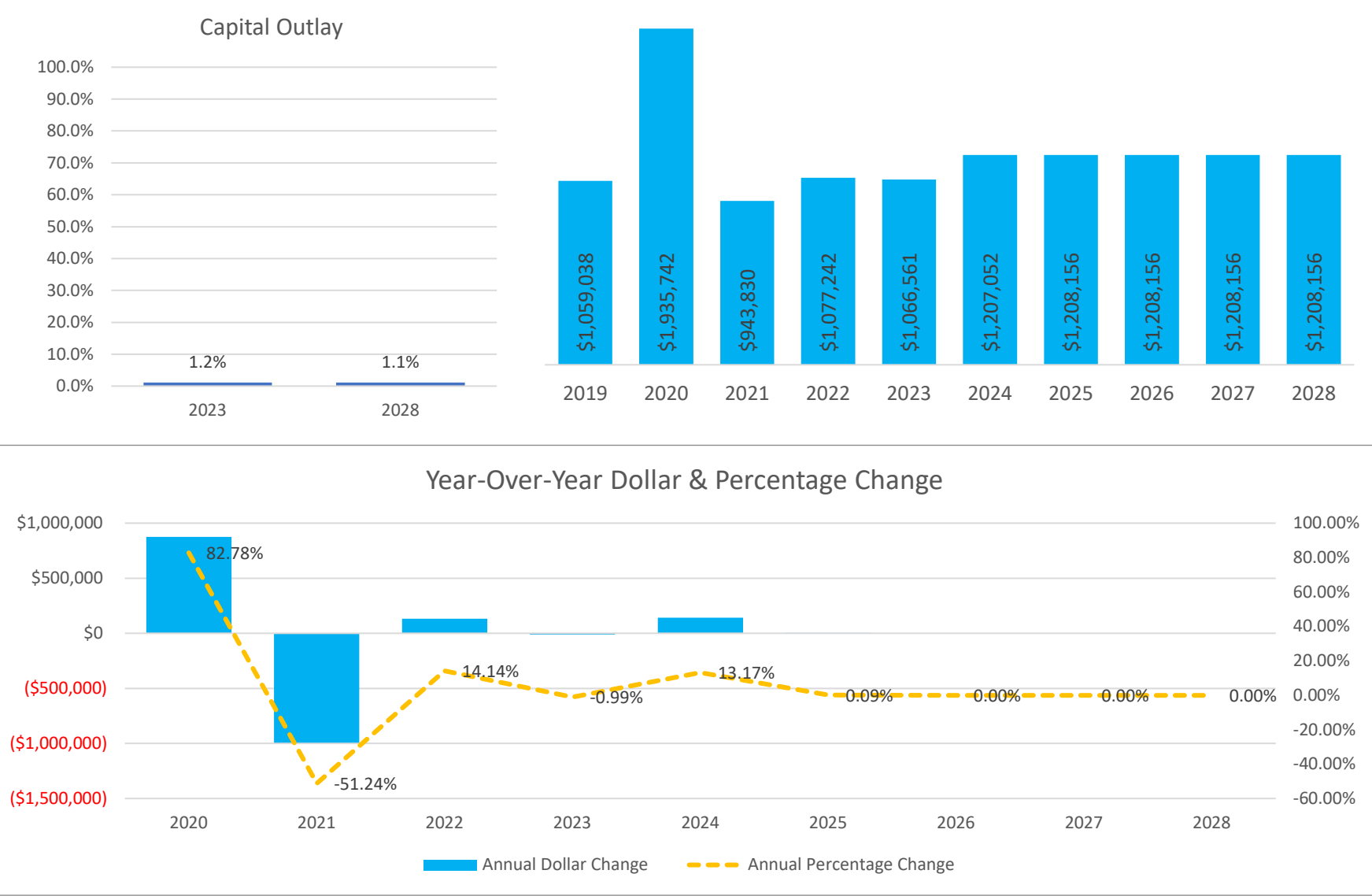
Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



Supplies & Materials represent 1.66% of total expenditures and decreased at a historical average annual rate of -1.17%. This category of expenditure is projected to decrease at an annual average rate of -0.85% through FY 2028. The projected average annual rate of change is 0.32% more than the five year historical annual average. Textbook expenses depend on which subjects are being purchased leading to highs and lows in the supplies and materials category as textbooks/subscriptions are the most expensive item in this category.

3.050 - Capital Outlay

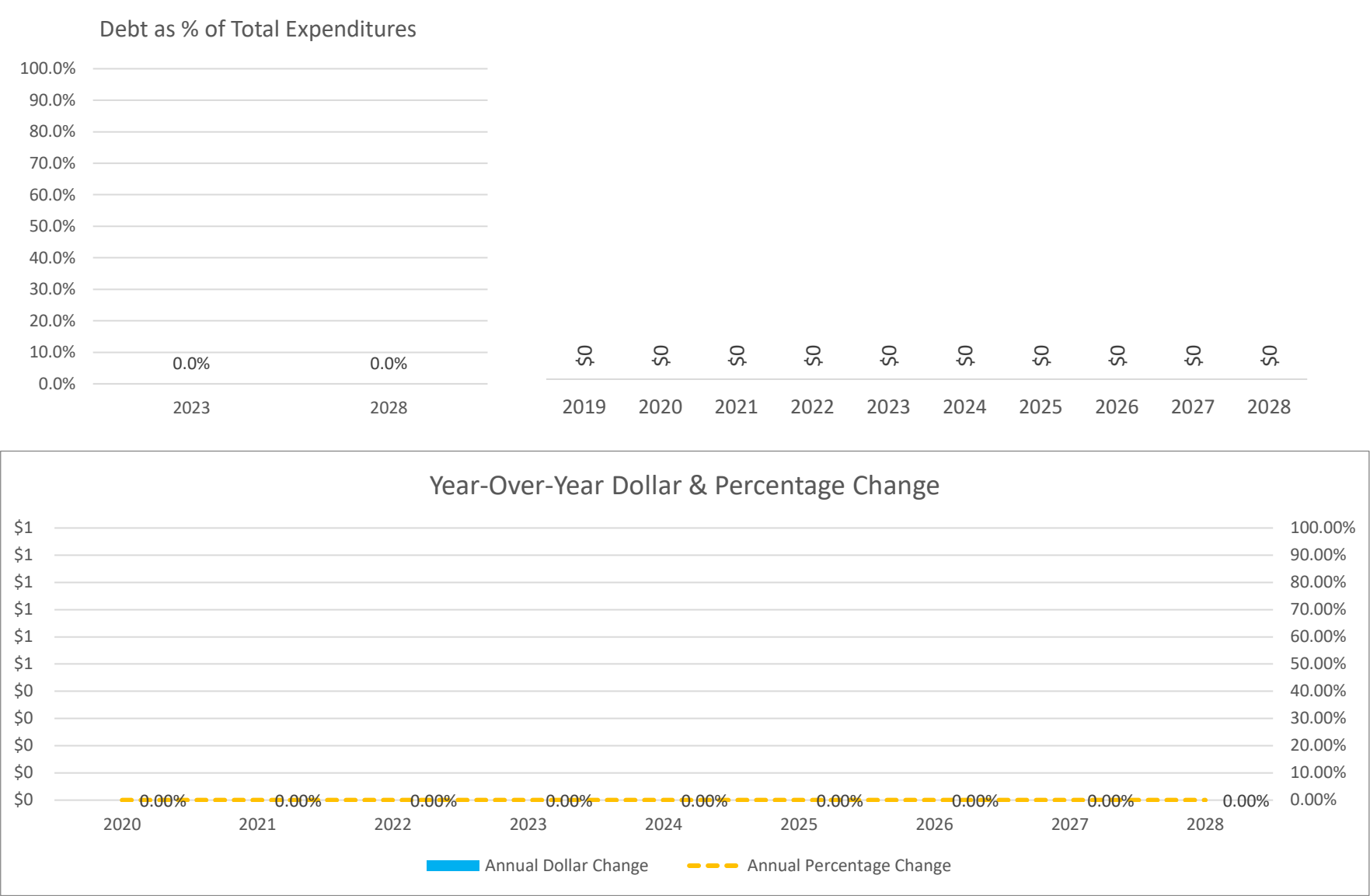
This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



Capital Outlay represent 1.17% of total expenditures and increased at a historical average annual amount of \$1,881. This category of expenditure is projected to grow at an annual average rate of \$28,319 through FY 2028. The projected average annual change is less than the five year historical annual average. Most of the capital expenses of the district are made through the Sales Tax fund and are not reflective in this forecast.

3.060-4.060 - Intergovernmental & Debt

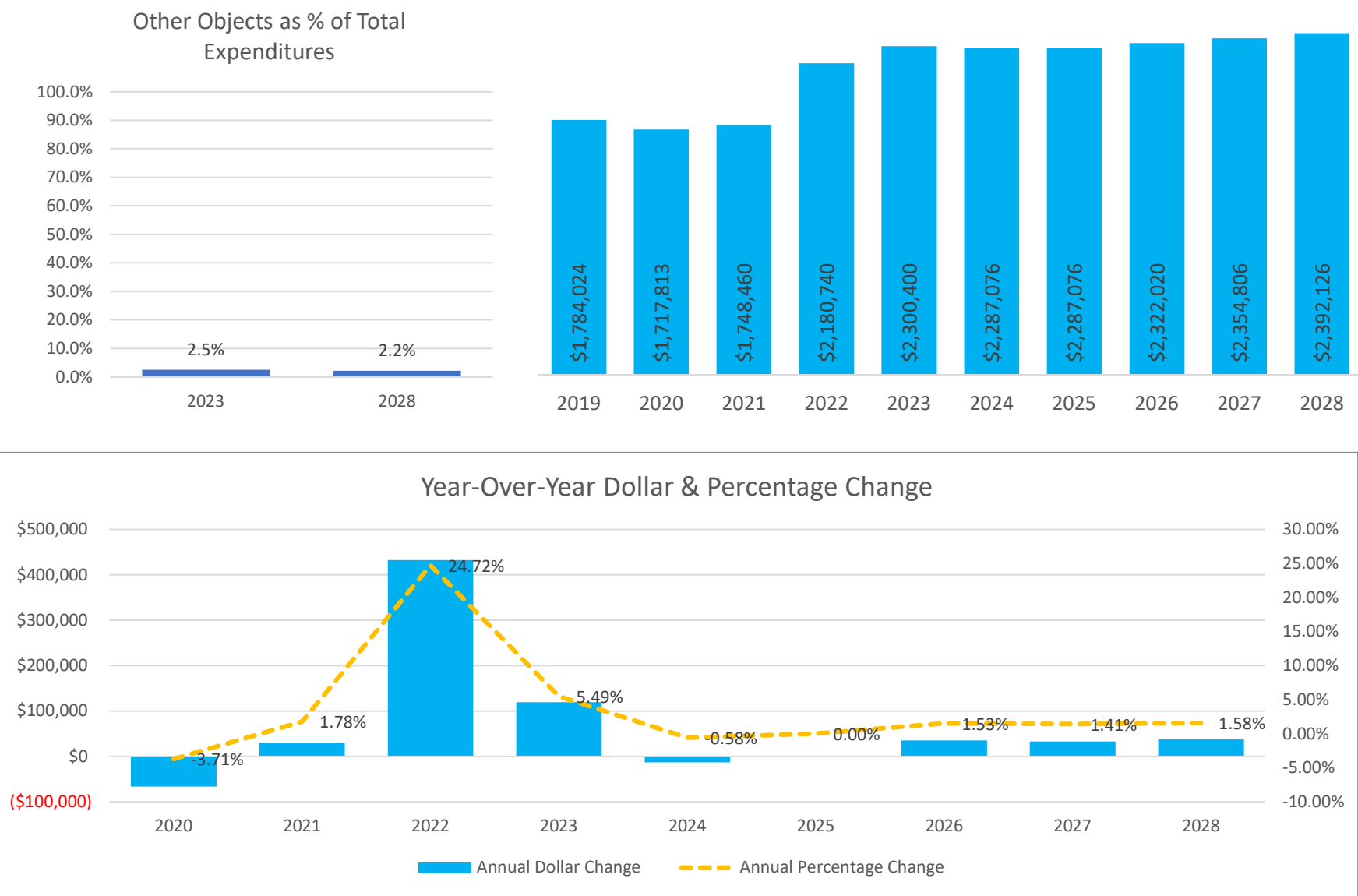
These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.



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

4.300 - Other Objects

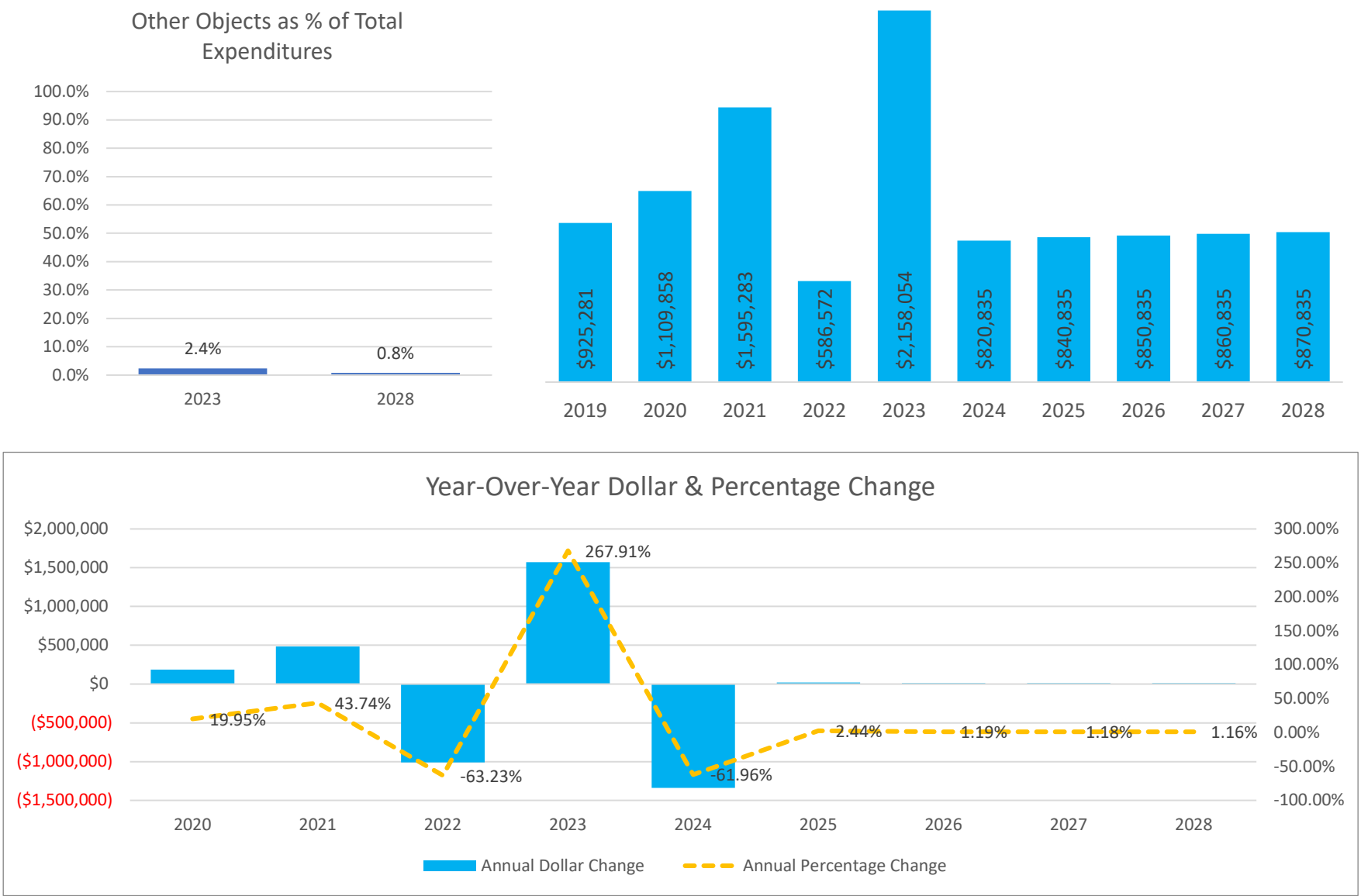
Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



Other Objects represent 2.53% of total expenditures and increased at a historical average annual rate of 7.07%. This category of expenditure is projected to grow at an annual average rate of 0.79% through FY 2028. The projected average annual rate of change is -6.28% less than the five year historical annual average. The largest expense of this category is to pay the County Auditor for the collection of property taxes.

5.040 - Total Other Financing Uses

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



	2023	FORECASTED				
	2023	2024	2025	2026	2027	2028
Transfers Out	503,272	165,501	185,501	195,501	205,501	215,501
Advances Out	1,648,777	649,329	649,329	649,329	649,329	649,329
Other Financing Uses	6,005	6,005	6,005	6,005	6,005	6,005

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 2023 the district had advances-out and has advances-out forecasted through FY 2028. The district can also move general funds permanently to other funds and as the schedule above presents, the district has transfers forecasted through FY 2028. 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.

Medina City School District

Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2023	2024	2025	2026	2027	2028
Revenue:						
1.010 - General Property Tax (Real Estate)	51,501,614	52,725,316	52,824,863	53,331,582	53,784,550	53,959,193
1.020 - Public Utility Personal Property	4,137,683	4,234,262	4,324,693	4,408,162	4,487,941	4,569,936
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	17,301,115	17,426,501	17,885,594	18,243,096	18,590,833	18,596,955
1.040 - Restricted Grants-in-Aid	910,654	862,903	656,445	520,568	401,271	402,279
1.050 - State Share-Local Property Taxes	5,433,348	5,475,462	5,510,624	5,576,399	5,631,023	5,661,803
1.060 - All Other Operating Revenues	2,272,890	2,033,124	1,883,124	2,333,124	2,333,124	2,333,124
1.070 - Total Revenue	81,557,304	82,757,568	83,085,343	84,412,931	85,228,742	85,523,290
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	5,576	5,576	5,576	5,576	5,576
2.050 - Advances-In	142,684	1,648,777	649,329	649,329	649,329	649,329
2.060 - All Other Financing Sources	90,125	604,984	604,984	604,984	604,984	604,984
2.070 - Total Other Financing Sources	232,809	2,259,337	1,259,889	1,259,889	1,259,889	1,259,889
2.080 - Total Rev & Other Sources	81,790,113	85,016,906	84,345,233	85,672,821	86,488,632	86,783,180
Expenditures:						
3.010 - Personnel Services	55,451,864	58,584,346	61,680,818	64,126,663	66,544,597	69,064,075
3.020 - Employee Benefits	19,978,038	21,520,557	22,677,182	23,721,002	24,787,326	25,905,541
3.030 - Purchased Services	8,629,524	8,505,870	8,660,597	8,817,706	8,980,452	9,146,213
3.040 - Supplies and Materials	1,512,401	1,244,205	1,392,697	1,378,522	1,396,091	1,413,893
3.050 - Capital Outlay	1,066,561	1,207,052	1,208,156	1,208,156	1,208,156	1,208,156
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	2,300,400	2,287,076	2,287,076	2,322,020	2,354,806	2,392,126
4.500 - Total Expenditures	88,938,788	93,349,106	97,906,525	101,574,069	105,271,429	109,130,005
Other Financing Uses						
5.010 - Operating Transfers-Out	503,272	165,501	185,501	195,501	205,501	215,501
5.020 - Advances-Out	1,648,777	649,329	649,329	649,329	649,329	649,329
5.030 - All Other Financing Uses	6,005	6,005	6,005	6,005	6,005	6,005
5.040 - Total Other Financing Uses	2,158,054	820,835	840,835	850,835	860,835	870,835
5.050 - Total Exp and Other Financing Uses	91,096,842	94,169,942	98,747,360	102,424,904	106,132,264	110,000,840
6.010 - Excess of Rev Over/(Under) Exp	(9,306,729)	(9,153,036)	(14,402,127)	(16,752,084)	(19,643,632)	(23,217,660)
7.010 - Cash Balance July 1 (No Levies)	49,279,588	39,972,859	30,819,823	16,417,696	(334,388)	(19,978,020)
7.020 - Cash Balance June 30 (No Levies)	39,972,859	30,819,823	16,417,696	(334,388)	(19,978,020)	(43,195,680)
		Reservations				
8.010 - Estimated Encumbrances June 30	-	851,800	851,800	851,800	851,800	851,800
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	39,972,859	29,968,023	15,565,896	(1,186,188)	(20,829,820)	(44,047,480)
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	39,972,859	29,968,023	15,565,896	(1,186,188)	(20,829,820)	(44,047,480)
Revenue from New Levies						
13.010 & 13.020 - New Levies		-	7,165,805	14,317,854	14,325,584	14,371,567
13.030 - Cumulative Balance of New Levies	-	-	7,165,805	21,483,659	35,809,243	50,180,810
15.010 - Unreserved Fund Balance June 30	39,972,859	29,968,023	22,731,701	20,297,471	14,979,423	6,133,330

