



MADISON - PLAINS
LOCAL SCHOOL DISTRICT

Madison-Plains Local School District

Five Year Forecast Financial Report

May, 2024

Table of Contents

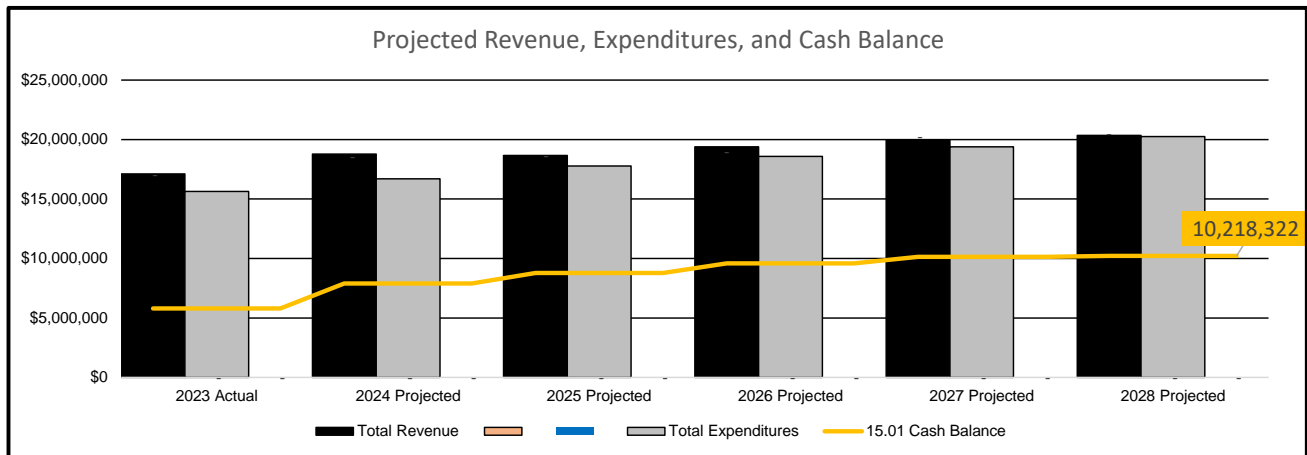
	<u>Page</u>
Table of Contents	2
Forecast Summary	3
Revenue Sources and Forecast Year-Over-Year Projected Overview	4
1.010 - General Property Tax (Real Estate)	5
1.020 - Public Utility Personal Property	6
1.030 - Income Tax	7
1.035 - Unrestricted Grants-in-Aid	8
1.040 & 1.045 - Restricted Grants-in-Aid	9
1.050 - State Share-Local Property Taxes	10
1.060 - All Other Operating Revenues	11
2.070 - Total Other Financing Sources	12
Expenditures Overview	13
3.010 - Personnel Services	14
3.020 - Employee Benefits	15
3.030 - Purchased Services	16
3.040 - Supplies and Materials	17
3.050 - Capital Outlay	18
3.060 - 4.060 - Intergovernmental & Debt	19
4.300 - Other Objects	20
5.040 - Total Other Financing Uses	21
Five Year Forecast	22

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	5,798,805	7,890,198	8,771,615	9,583,706	10,133,246
+ Revenue	18,785,767	18,662,777	19,397,479	19,947,000	20,346,737
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(16,694,374)	(17,781,360)	(18,585,389)	(19,397,460)	(20,261,661)
= Revenue Surplus or Deficit	2,091,393	881,417	812,091	549,540	85,076
Line 7.020 Ending Balance with renewal/new levies	7,890,198	8,771,615	9,583,706	10,133,246	10,218,322

Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	2,091,393	881,417	812,091	549,540	85,076
Ending Balance w/o Levies	7,890,198	8,771,615	9,583,706	10,133,246	10,218,322

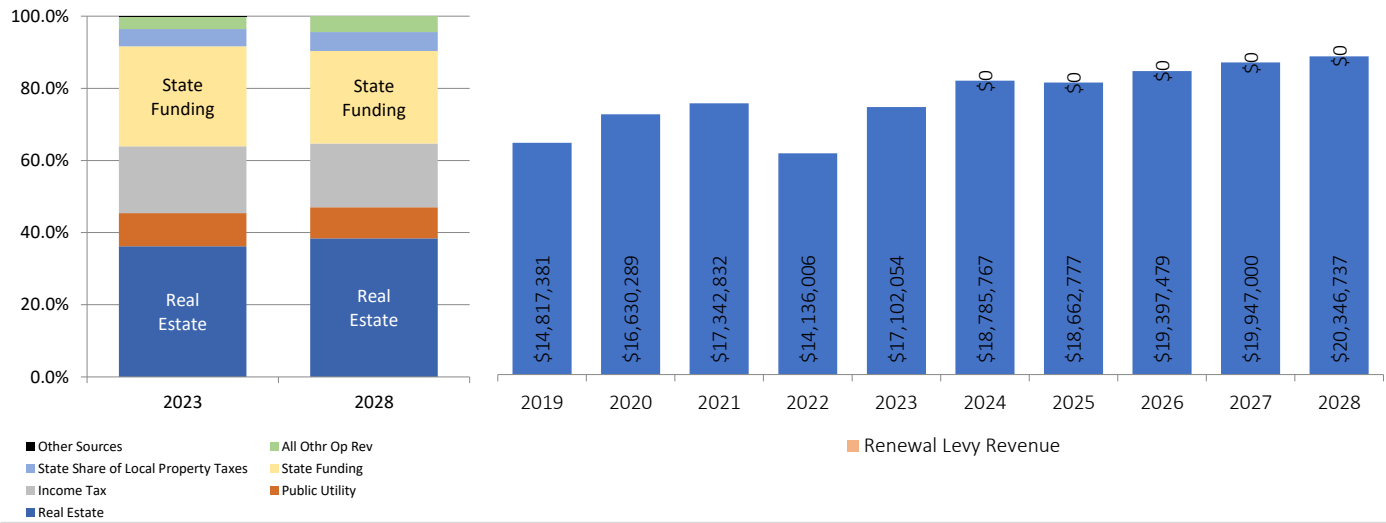
In FY 2024 a revenue surplus is expected. This means that expenditures are expected to be less than revenue by -\$2,091,393 in FY 2024. By the last year of the forecast, FY 2028, the district is expected to have a revenue surplus where expenditures are projected to be less than revenue by -\$85,076. The district would need to cut its FY 2028 projected expenses by -0.42% 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 improve by FY 2028. A worsening cash balance can erode the district's financial stability over time.

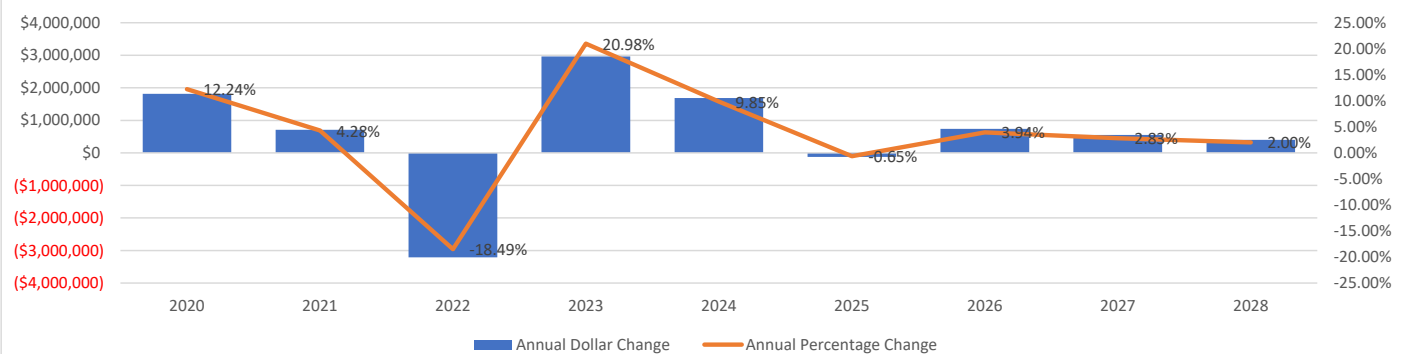
Ohio adopted the Fair School Funding Plan (FSFP) in FY 2022. The plan was continued with increasing phase-in of the formula results. In FY 2024 the per pupil base cost calculations were updated from FY 2018 cost data to FY 2022. For Madison-Plains Local School District the calculated Base Cost total is \$9,282,500 in FY 2024. The state's share of the calculated Base Cost total is \$2,506,720 or \$2,318 per pupil.

Revenue Sources and Forecast Year-Over-Year Projected Overview

Sources of Revenue Over Time



Year-Over-Year Dollar & Percentage Change



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

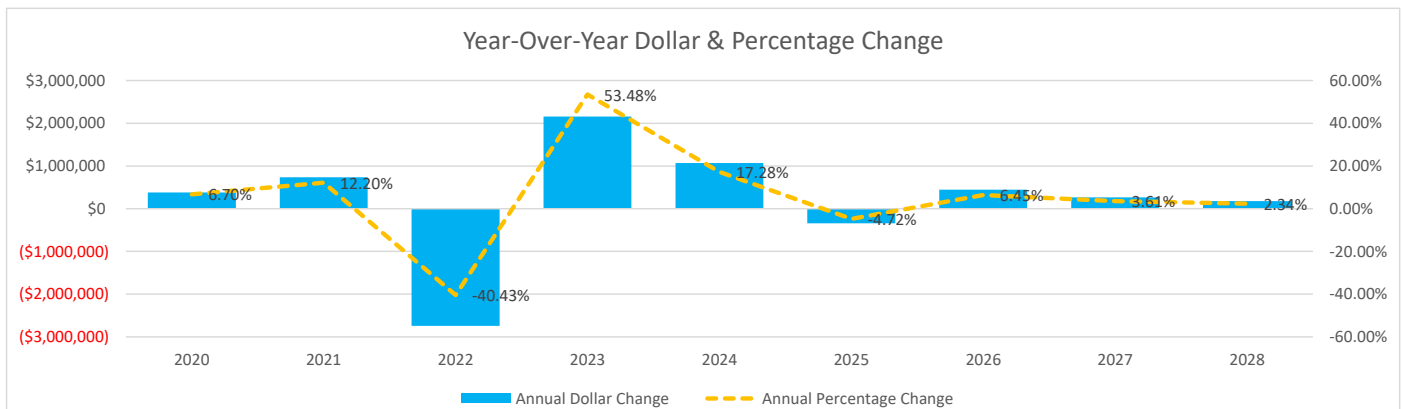
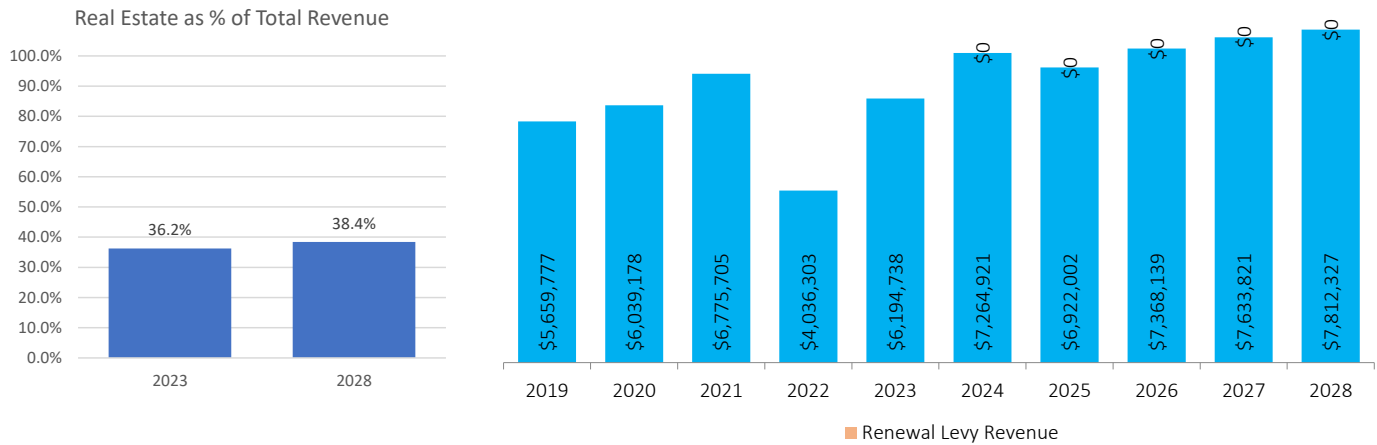
	Historical Average Annual \$\$ Change	Projected Average Annual \$\$ Change	Projected Compared to Historical Variance	Total revenue increased 4.75% or \$571,168 annually during the past 4-Year period and is projected to increase 3.59% or \$648,937 annually through FY2028. Income Tax has the most projected average annual variance compared to the historical average at -\$664,587
Real Estate	133,740	323,518	\$189,778	
Public Utility	\$185,338	\$35,550	(\$149,788)	
Income Tax	\$752,558	\$87,971	(\$664,587)	
State Funding	(\$103,219)	96,048	\$199,266	
Prop Tax Alloc	(\$3,803)	\$47,324	\$51,127	
All Othr Op Rev	(\$144,866)	\$61,694	\$206,560	
Other Sources	(\$248,581)	(\$3,169)	\$245,412	
Total Average Annual Change	571,168 4.75%	648,937 3.59%	\$77,768 -1.16%	

Note: Expenditure average annual change is projected to be >

\$925,383 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).



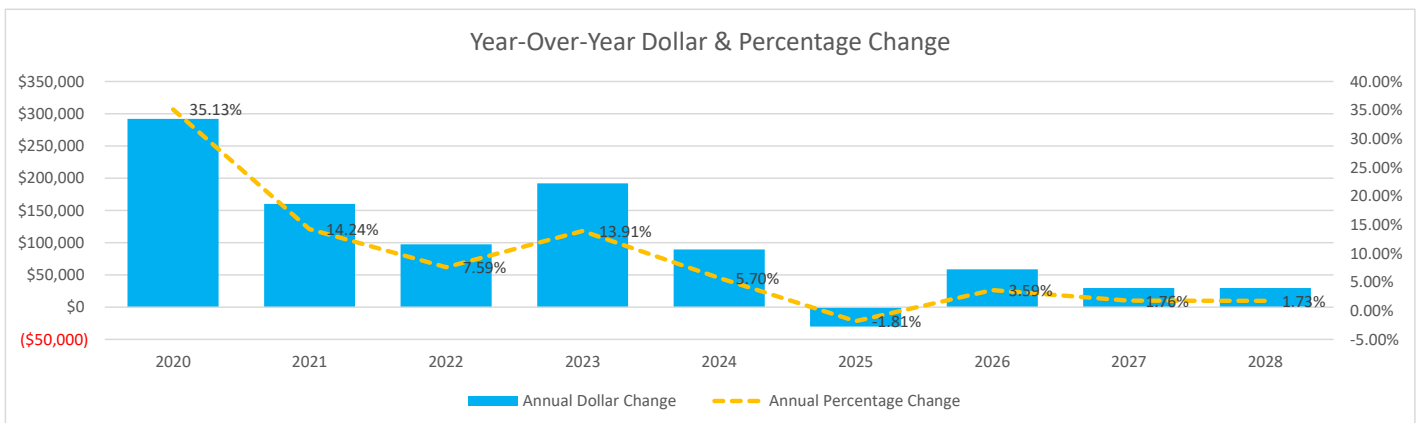
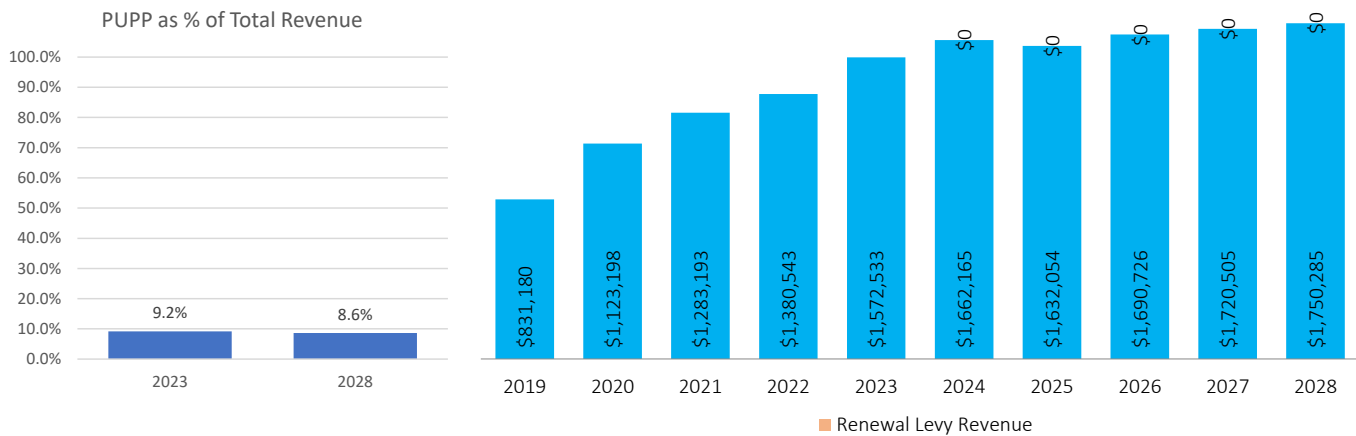
Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2022	300,550,410	3,220,990	22.31	-	45.01	-	101.5%
2023	401,400,410	100,850,000	20.00	(2.31)	35.20	(9.82)	100.2%
2024	404,000,410	2,600,000	20.00	-	35.20	(0.00)	100.2%
2025	406,600,410	2,600,000	20.00	-	35.20	(0.00)	100.2%
2026	429,200,410	22,600,000	20.00	-	35.20	(0.00)	100.2%
2027	431,800,410	2,600,000	20.00	-	35.20	(0.00)	100.2%

Real estate property tax revenue accounts for 36.22% of total revenue. Class I or residential/agricultural taxes make up approximately 91.73% of the real estate property tax revenue. The Class I tax rate is 20. mills in tax year 2023. The projections reflect an average gross collection rate of 100.2% annually through tax year 2027. The revenue changed at an average annual historical rate of 7.99% and is projected to change at an average annual rate of 4.99% 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.



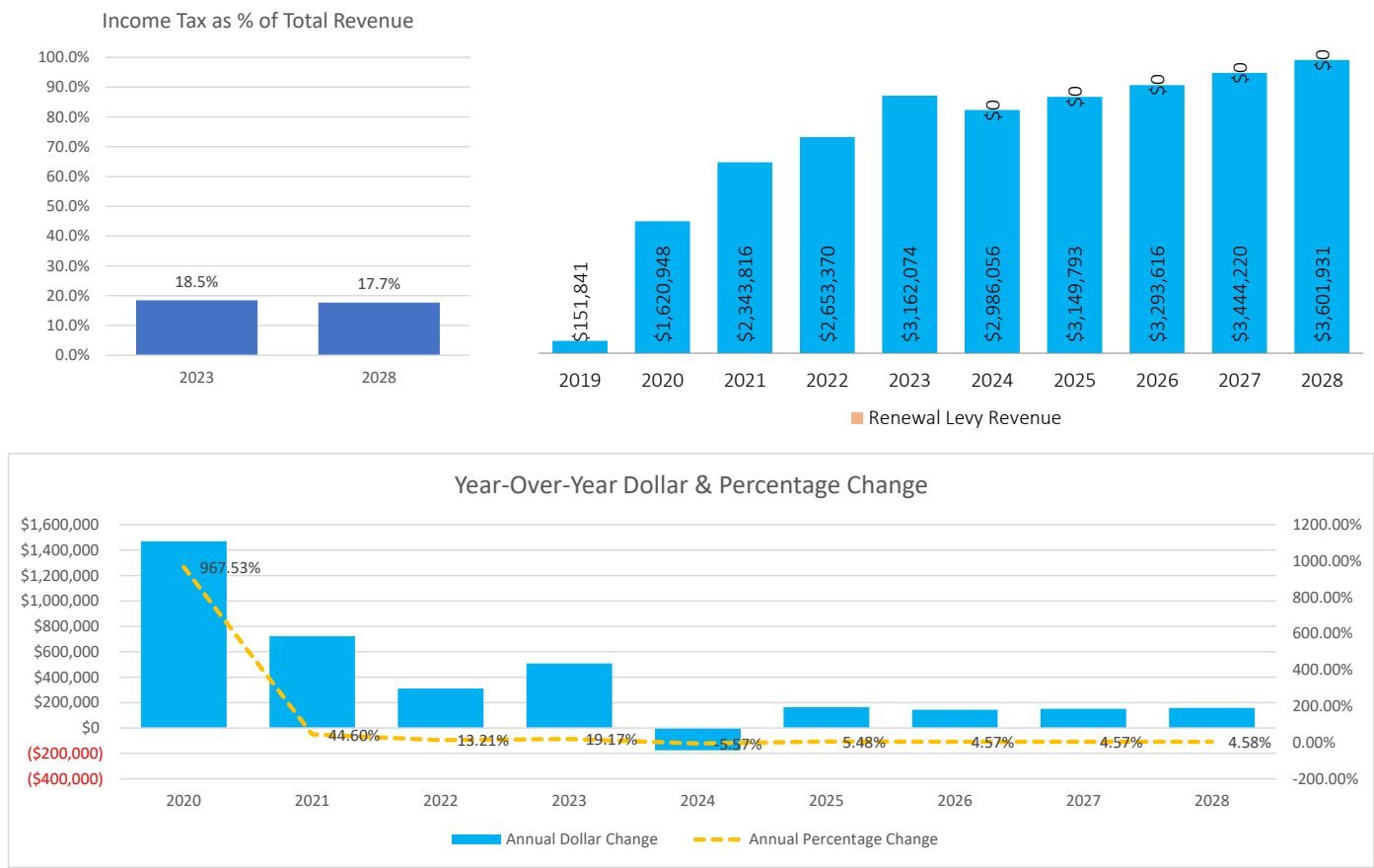
Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2022	35,250,470	3,060,350	45.95	-	96.6%
2023	35,900,470	650,000	45.95	-	100.0%
2024	36,550,470	650,000	45.95	-	99.7%
2025	37,200,470	650,000	45.95	-	99.7%
2026	37,850,470	650,000	45.95	-	99.7%
2027	38,500,470	650,000	45.95	-	99.7%

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 9.19% of total district revenue. The property is taxed at the full voted tax rate which in tax year 2023 is 45.95 mills. The forecast is modeling an average gross collection rate of 99.76%. The revenue changed historically at an average annual dollar amount of \$185,338 and is projected to change at an average annual dollar amount of \$35,550 through FY 2028.

*Projected % trends include renewal levies

1.030 - 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.

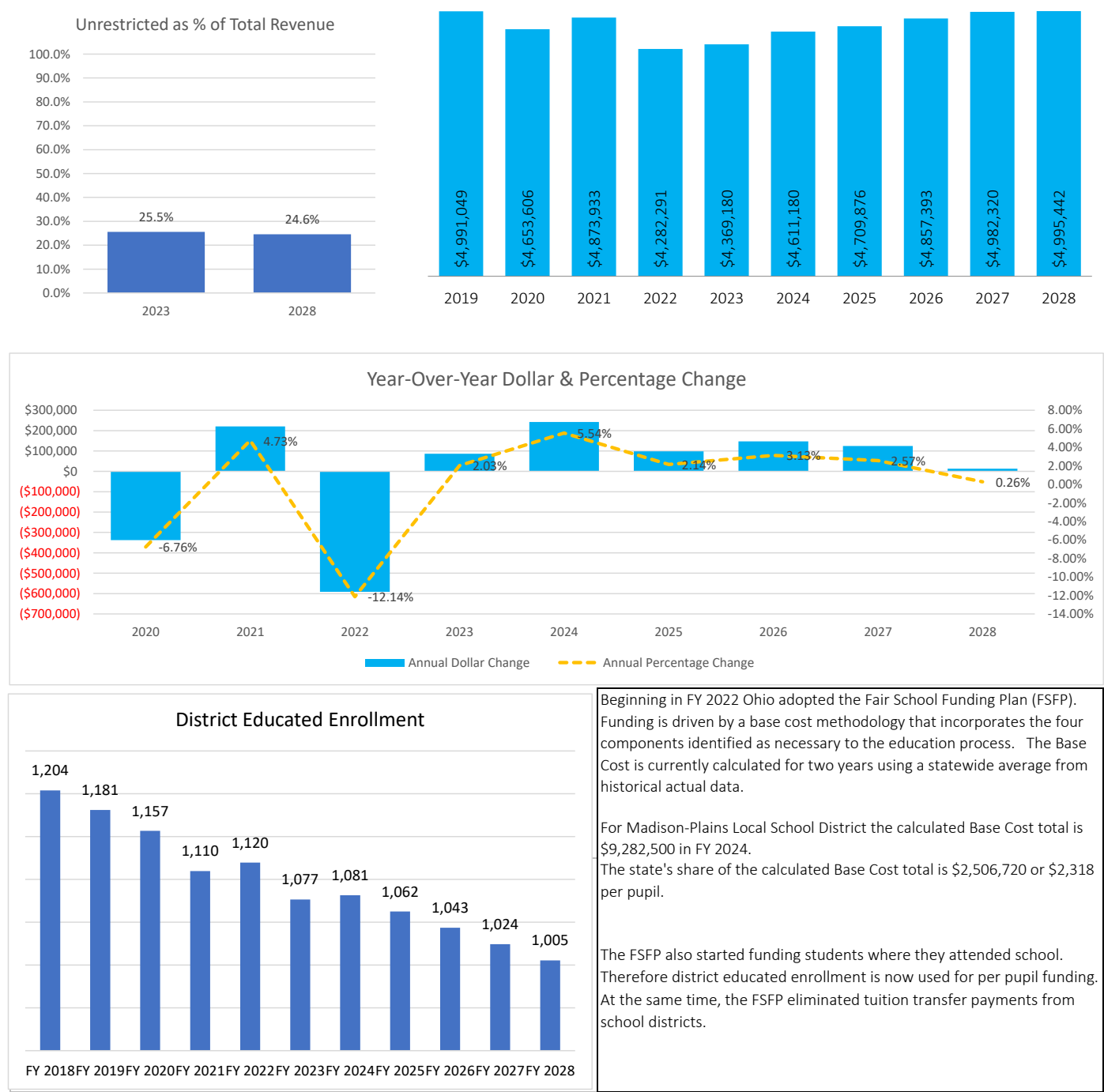


The district maintained one income tax levy in FY 2023. The average annual dollar change in total income tax revenue is forecasted to be \$87,971 through FY 2028. Income tax revenue is projected to account for 17.7% of total district revenue in FY 2028.

*Projected % trends include renewal levies

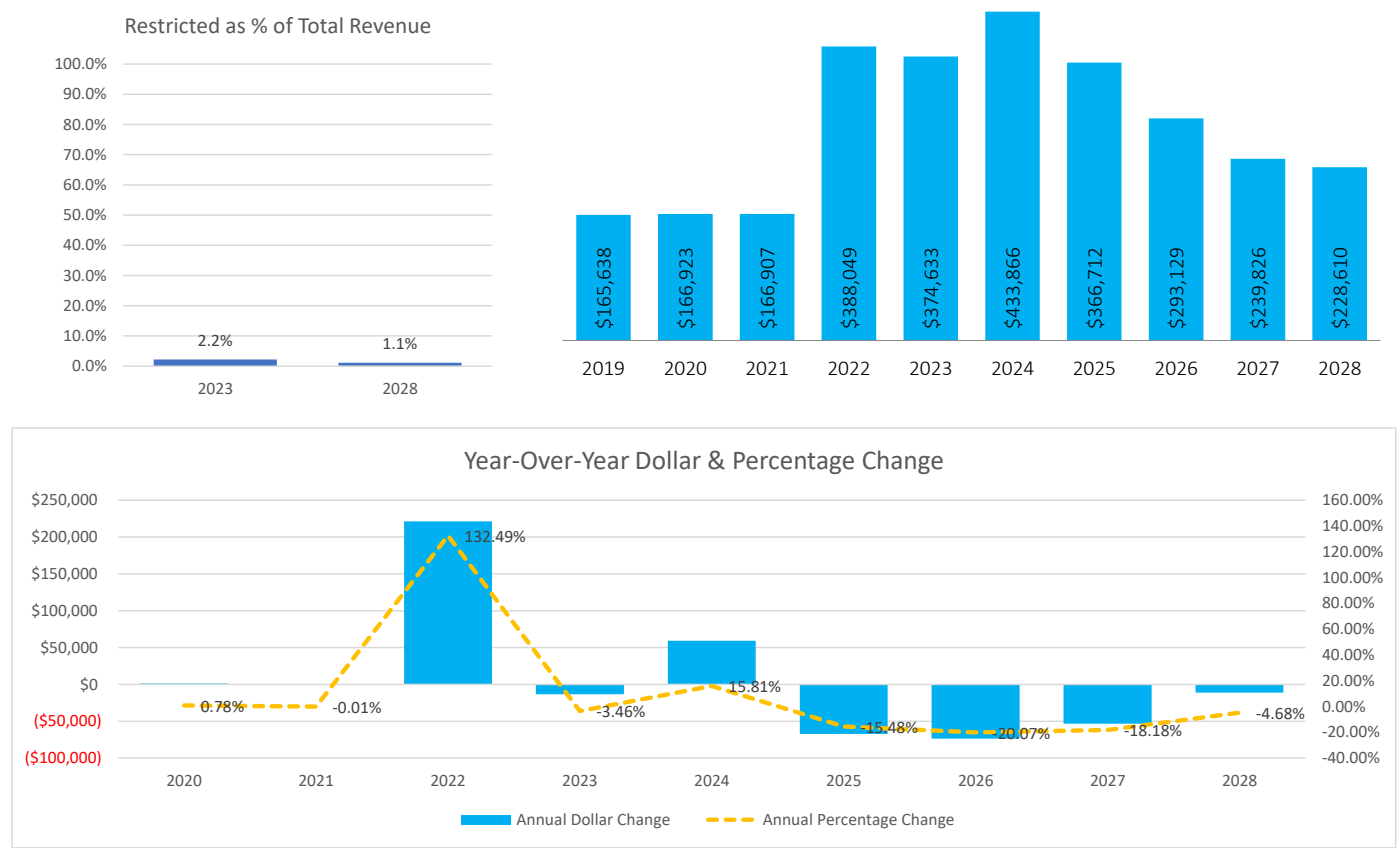
1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



1.040 & 1.045 - Restricted Grants-in-Aid

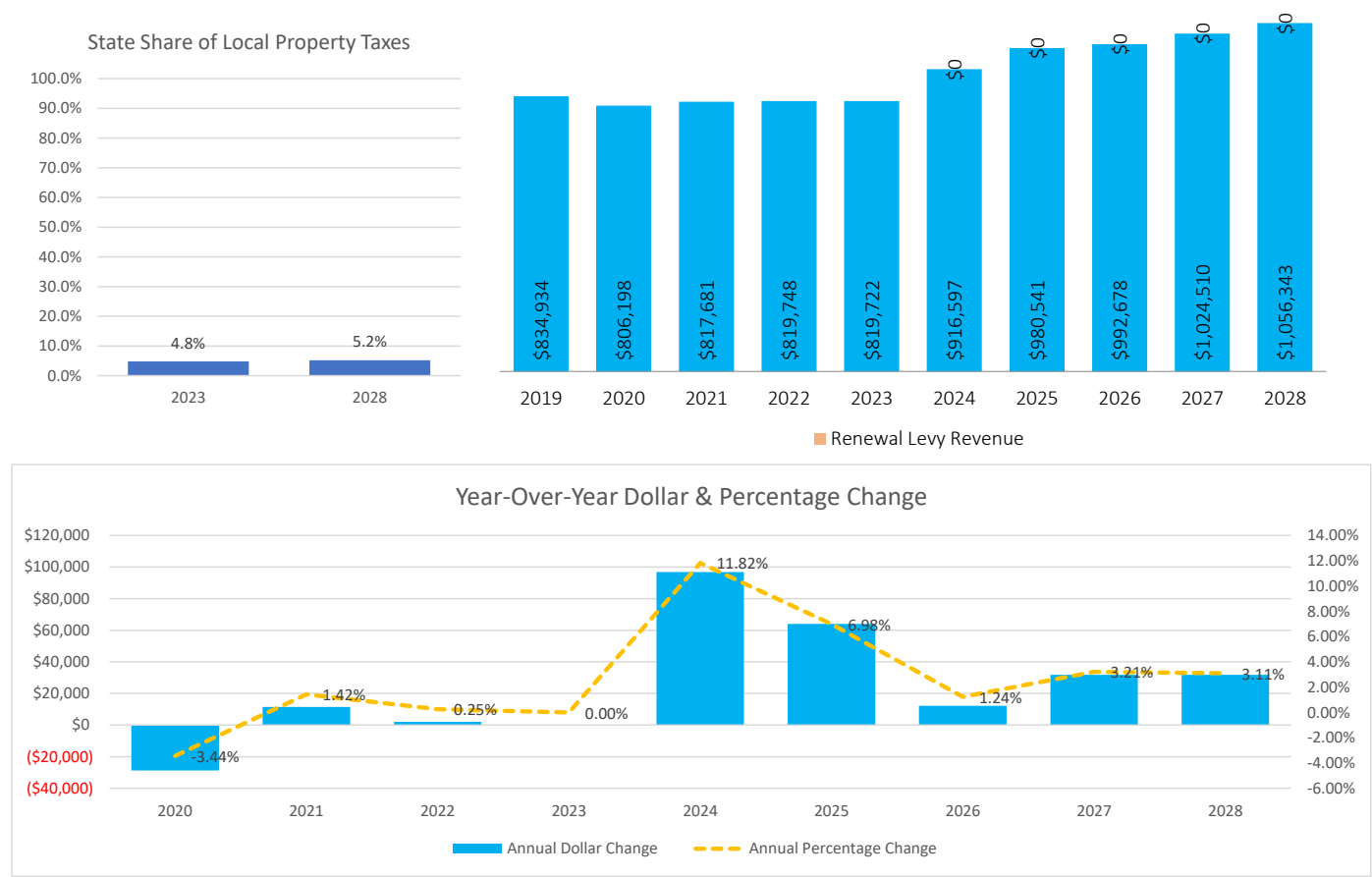
Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



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 \$69,237 and is projected to change annually on average by -\$29,205. Restricted funds represent 2.19% 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 \$121,973. 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.

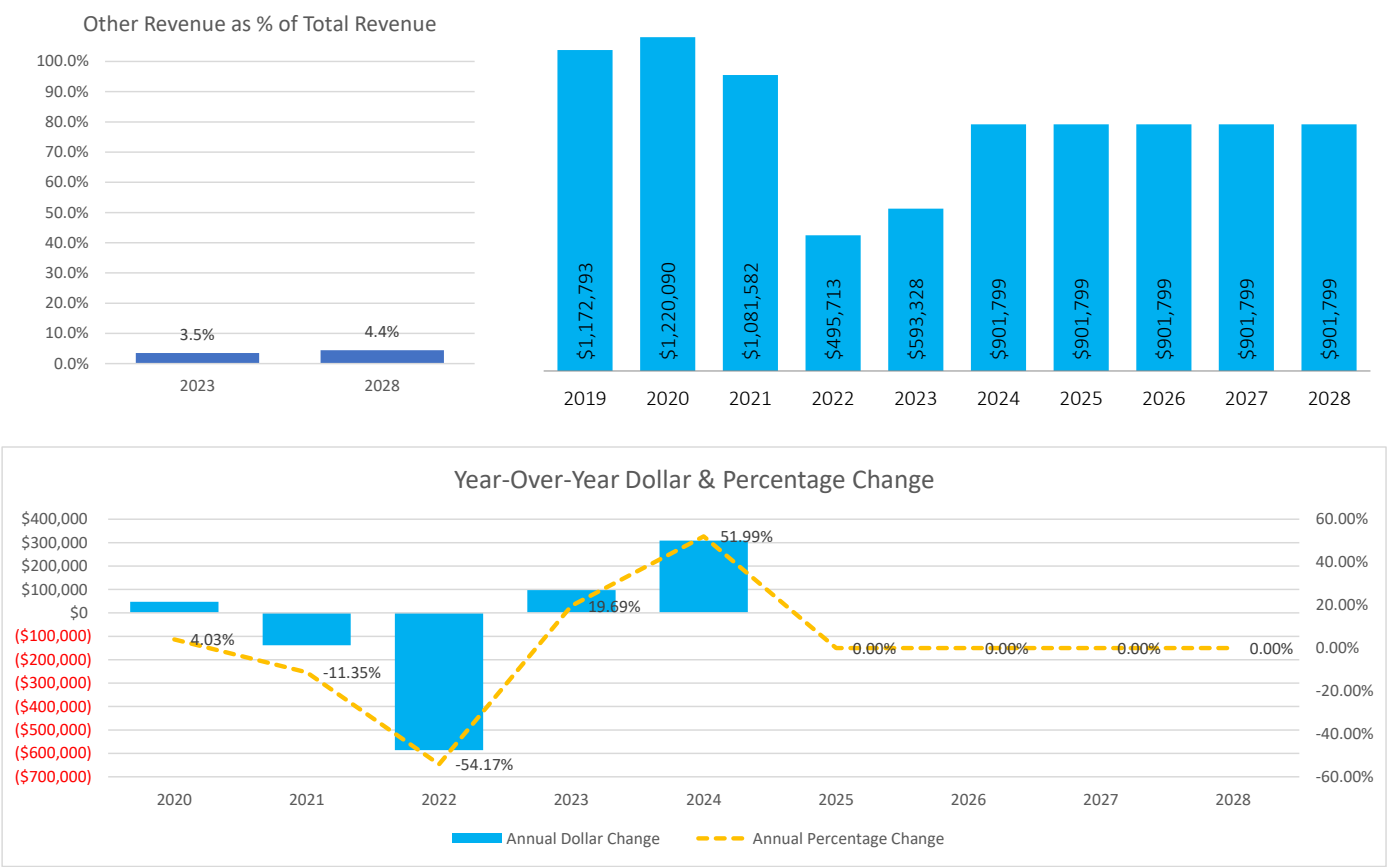


State Share of Local Property Taxes primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In FY 2024, approximately 11.3% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 1.5% will be reimbursed in the form of qualifying homestead exemption credits.

*Projected % trends include renewal levies

1.060 - All Other Operating Revenues

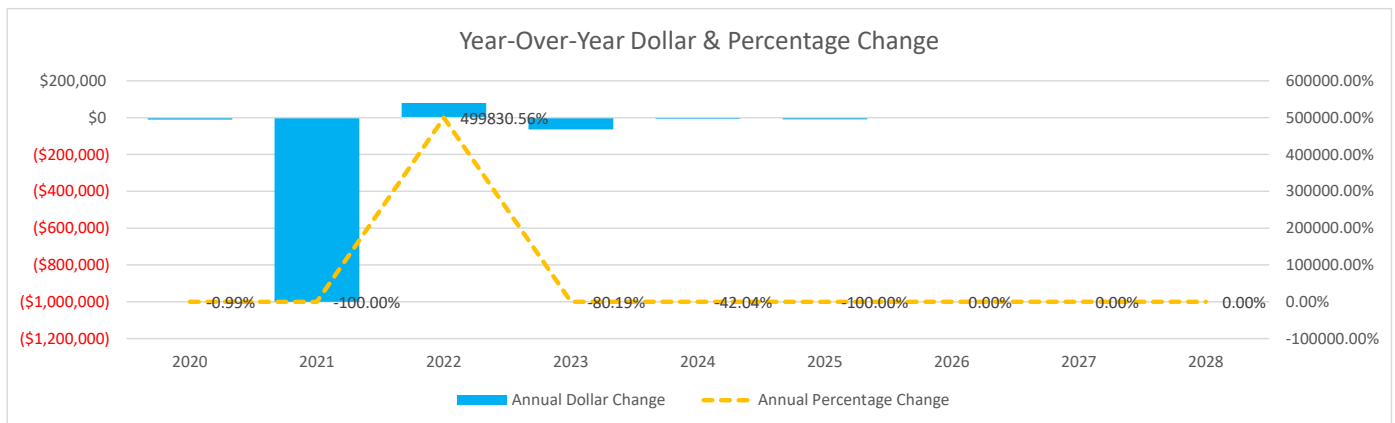
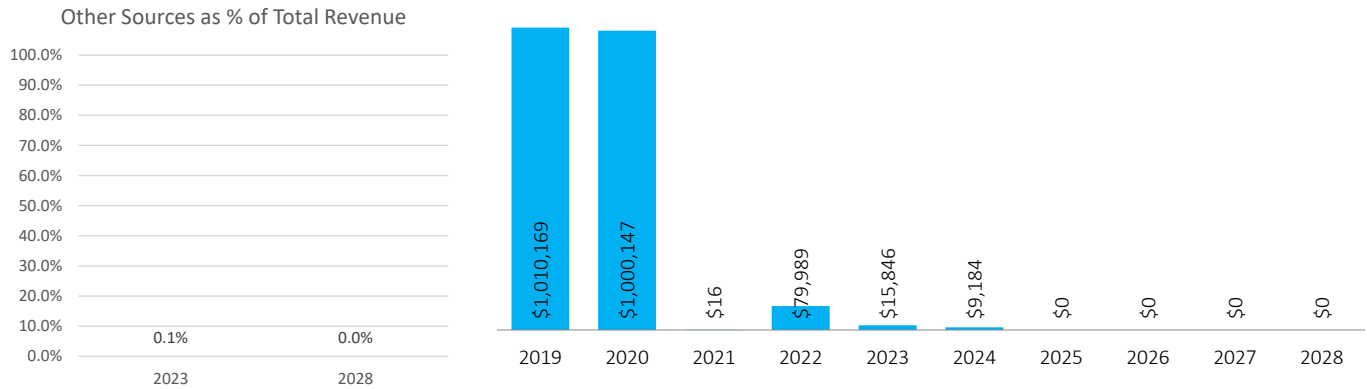
Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.



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 -\$144,866. The projected average annual change is \$61,694 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.

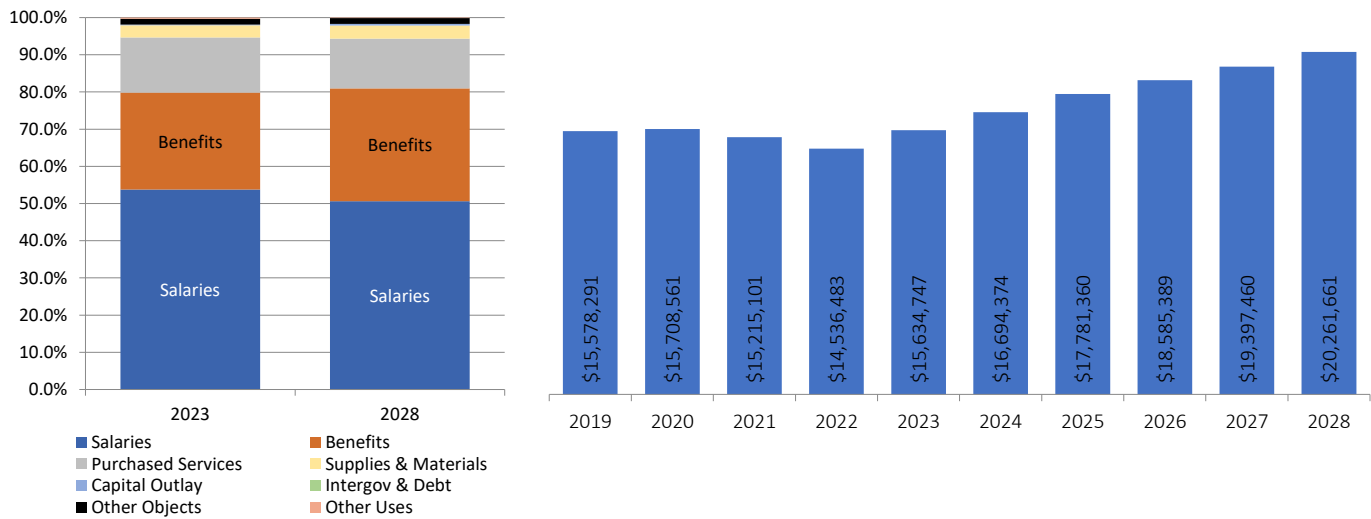


	2023	2024	2025	FORECASTED		
				2026	2027	2028
Transfers In	-	-	-	-	-	-
Advances In	-	-	-	-	-	-
All Other Financing Sources	15,846	9,184	-	-	-	-

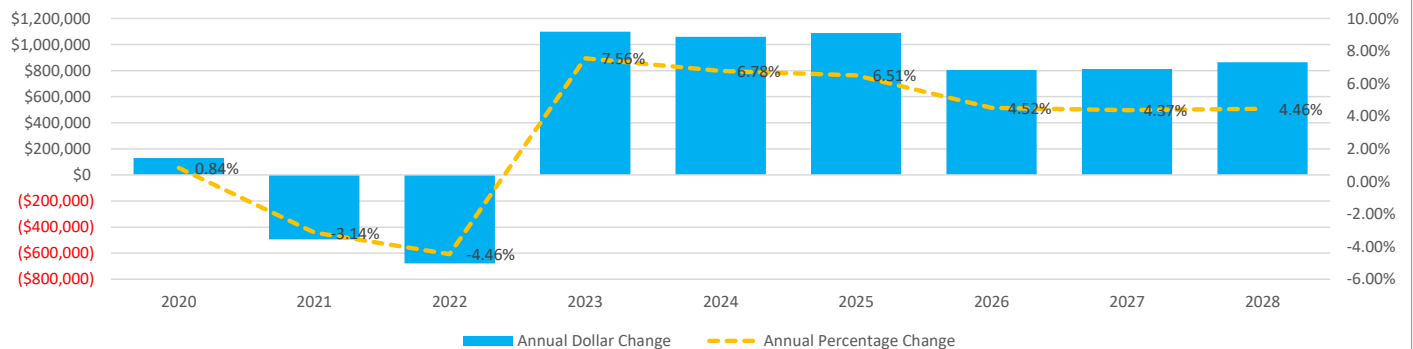
Other sources includes revenue that is generally classified as non-operating. Return advances-in are the most common revenue source. In FY 2023 the district receipted \$0 as advances-in and is projecting advances of \$0 in FY 2024. The district also receives other financing sources such as refund of prior year expenditures in this category. The district is projecting that all other financing sources will be \$9,184 in FY 2024 and average \$0 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

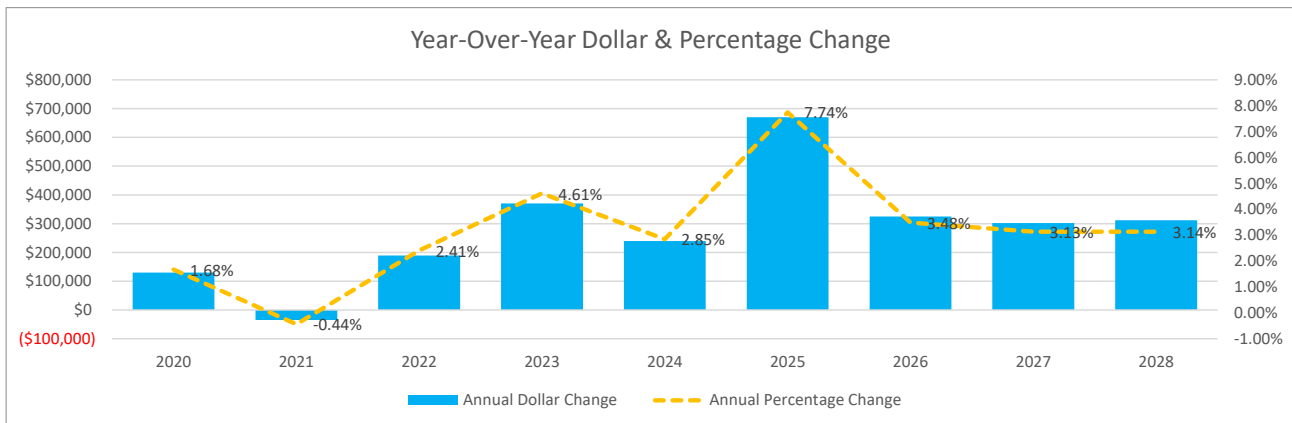
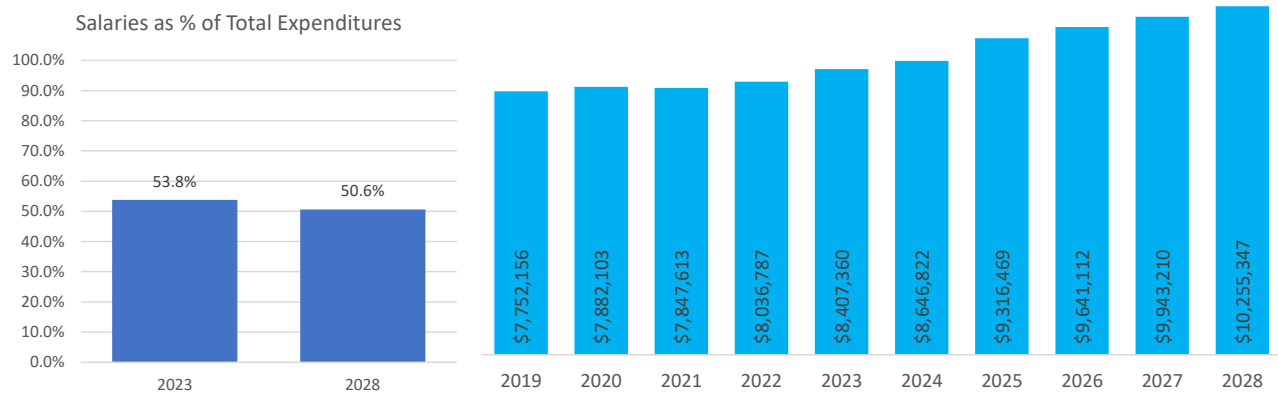
	Historical Average Annual \$\$ Change	Projected Average Annual \$\$ Change	Projected Compared to Historical Variance	Total expenditures increased 0.20% or \$14,114 annually during the past 4-Year period and is projected to increase 5.92% or \$925,383 annually through FY2028. Benefits has the largest projected average annual variance compared to the historical average at \$251,349.
Salaries	163,801	369,597	\$205,796	
Benefits	\$164,212	\$415,561	\$251,349	
Purchased Services	(\$104,186)	\$78,368	\$182,554	
Supplies & Materials	\$17,524	\$39,636	\$22,112	
Capital Outlay	\$7,804	\$13,092	\$5,289	
Intergov & Debt	\$0	\$0	\$0	
Other Objects	\$10,024	\$12,993	\$2,969	
Other Uses	(\$245,065)	(\$3,864)	\$241,200	
Total Average Annual Change	\$14,114	\$925,383	\$911,269	
	0.20%	5.92%	5.72%	

Note: Revenue average annual change is projected to be > \$648,937

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

3.010 - Personnel Services

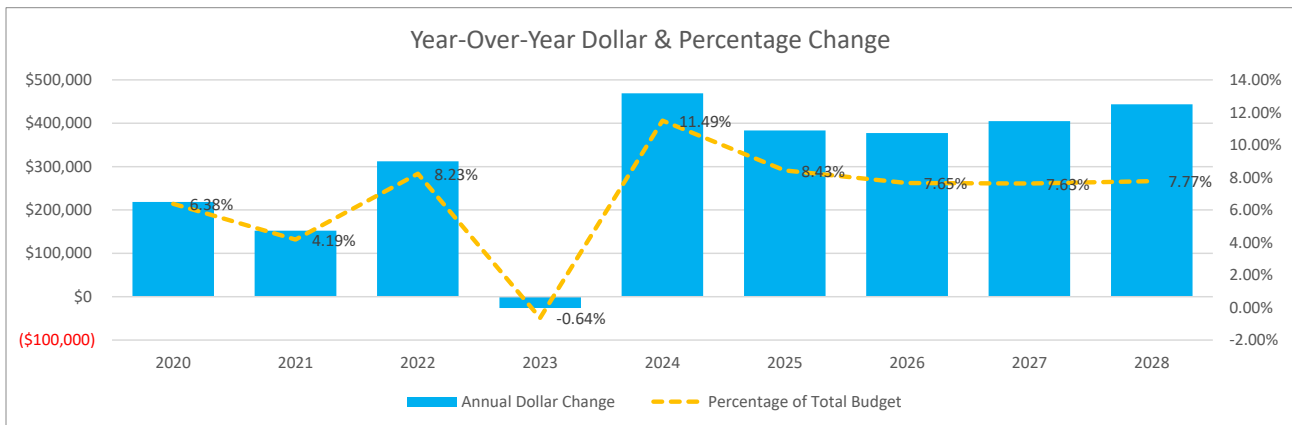
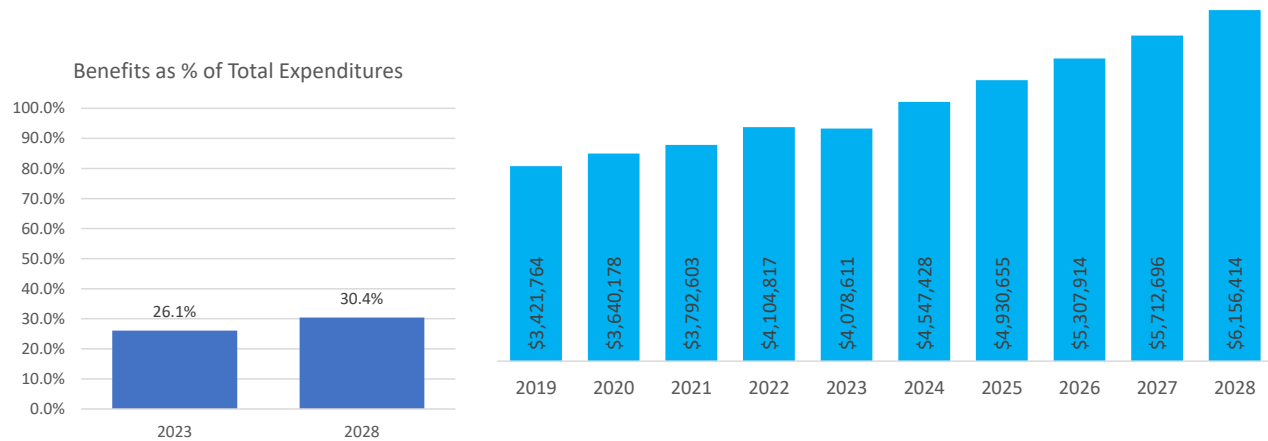
Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.



Salaries represent 53.77% of total expenditures and increased at a historical average annual rate of 2.07% or \$163,801. This category of expenditure is projected to grow at an annual average rate of 4.07% or \$369,597 through FY 2028. The projected average annual rate of change is 2.00% more than the five year historical annual average.

3.020 - Employees' Benefits

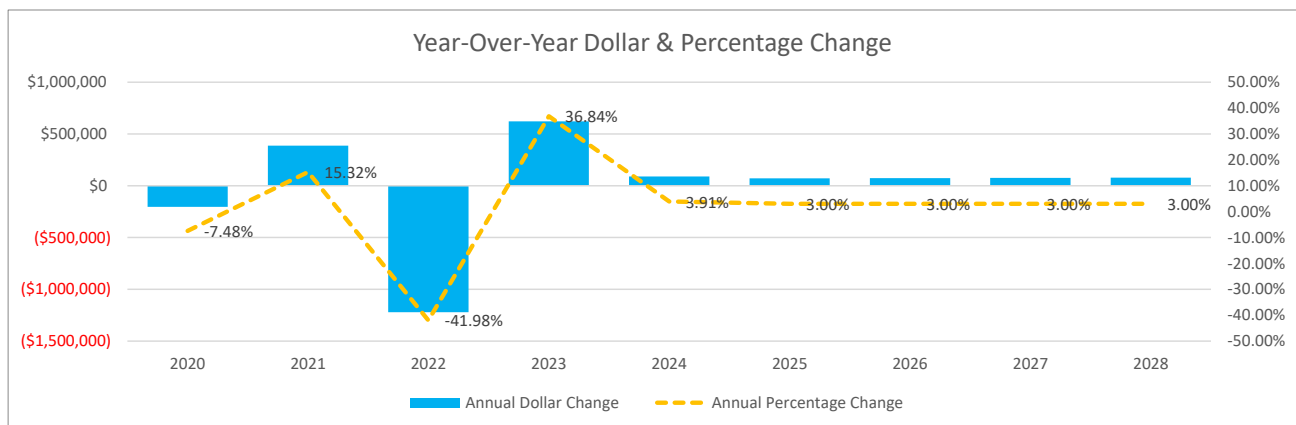
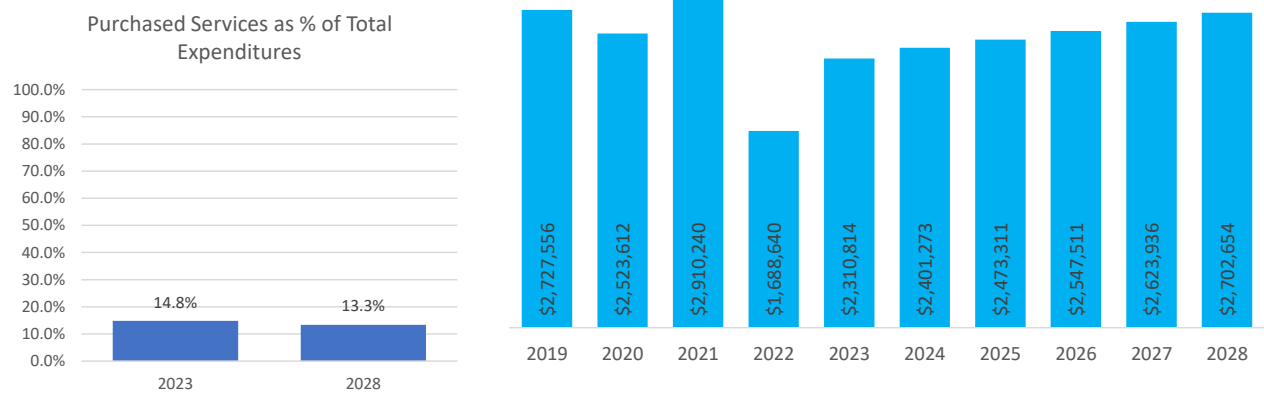
Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.



Benefits represent 26.09% of total expenditures and increased at a historical average annual rate of 4.54%. This category of expenditure is projected to grow at an annual average rate of 8.59% through FY 2028. The projected average annual rate of change is 4.05% more than the five year historical annual average.

3.030 - Purchased Services

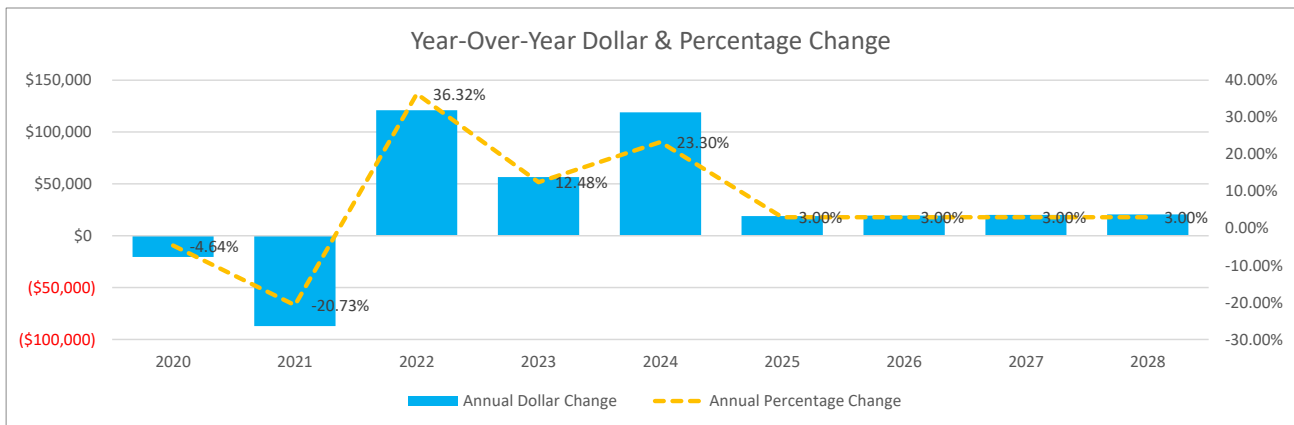
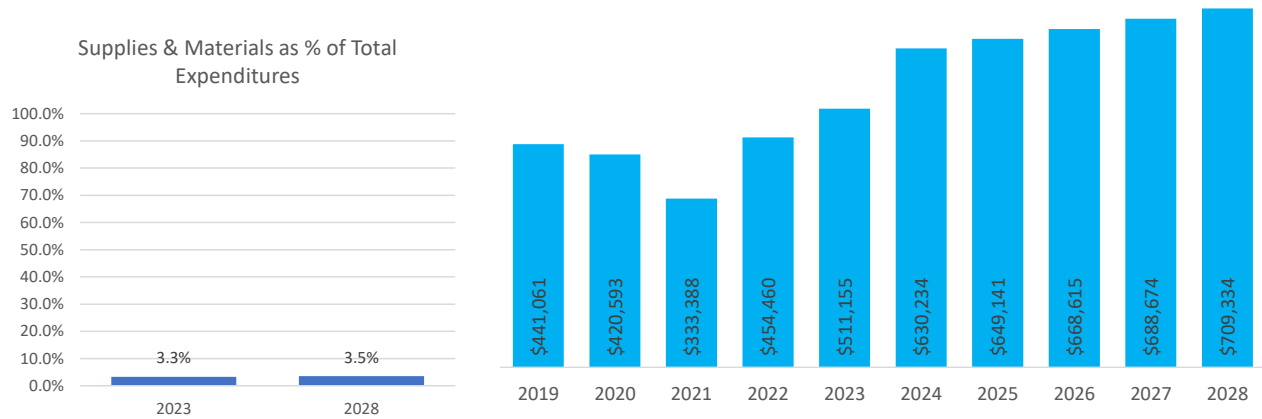
Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, expenses for tuition paid to other districts, utilities costs and other services which the school district may purchase.



Purchased Services represent 14.78% of total expenditures and increased at a historical average annual rate of 0.68%. This category of expenditure is projected to grow at an annual average rate of 3.18% 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.

3.040 - Supplies & Materials

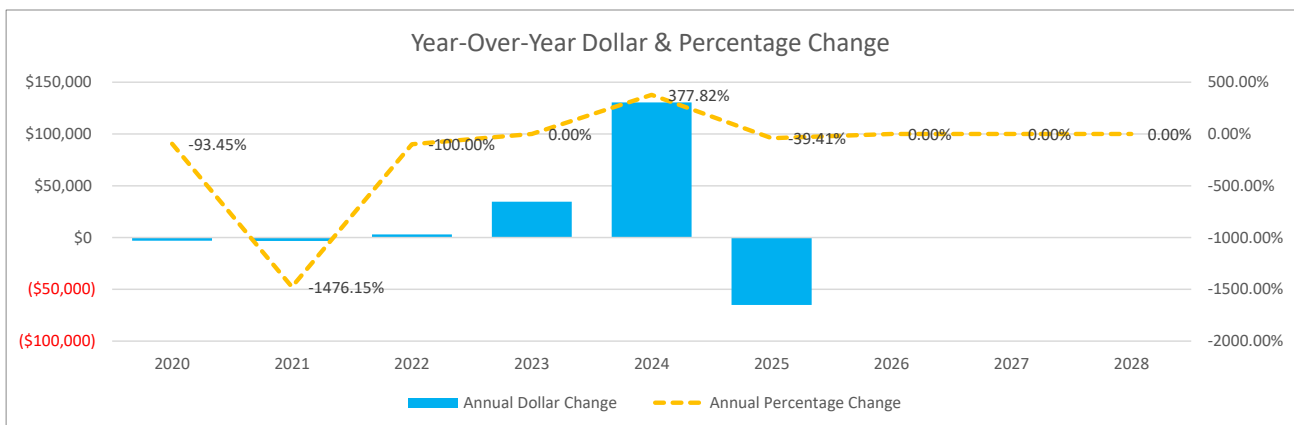
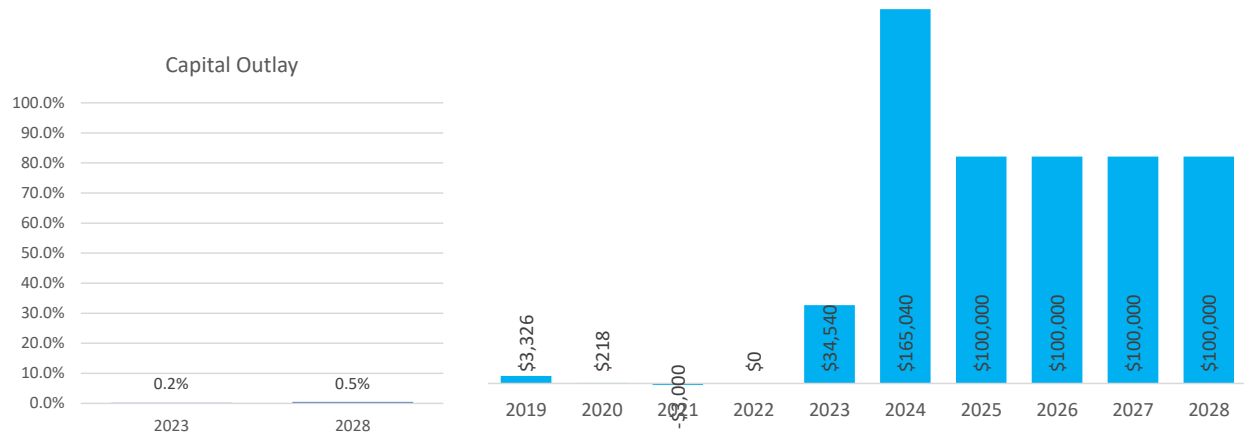
Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



Supplies & Materials represent 3.27% of total expenditures and increased at a historical average annual rate of 5.85%. This category of expenditure is projected to grow at an annual average rate of 7.06% through FY 2028. The projected average annual rate of change is 1.21% more than the five year historical annual average.

3.050 - Capital Outlay

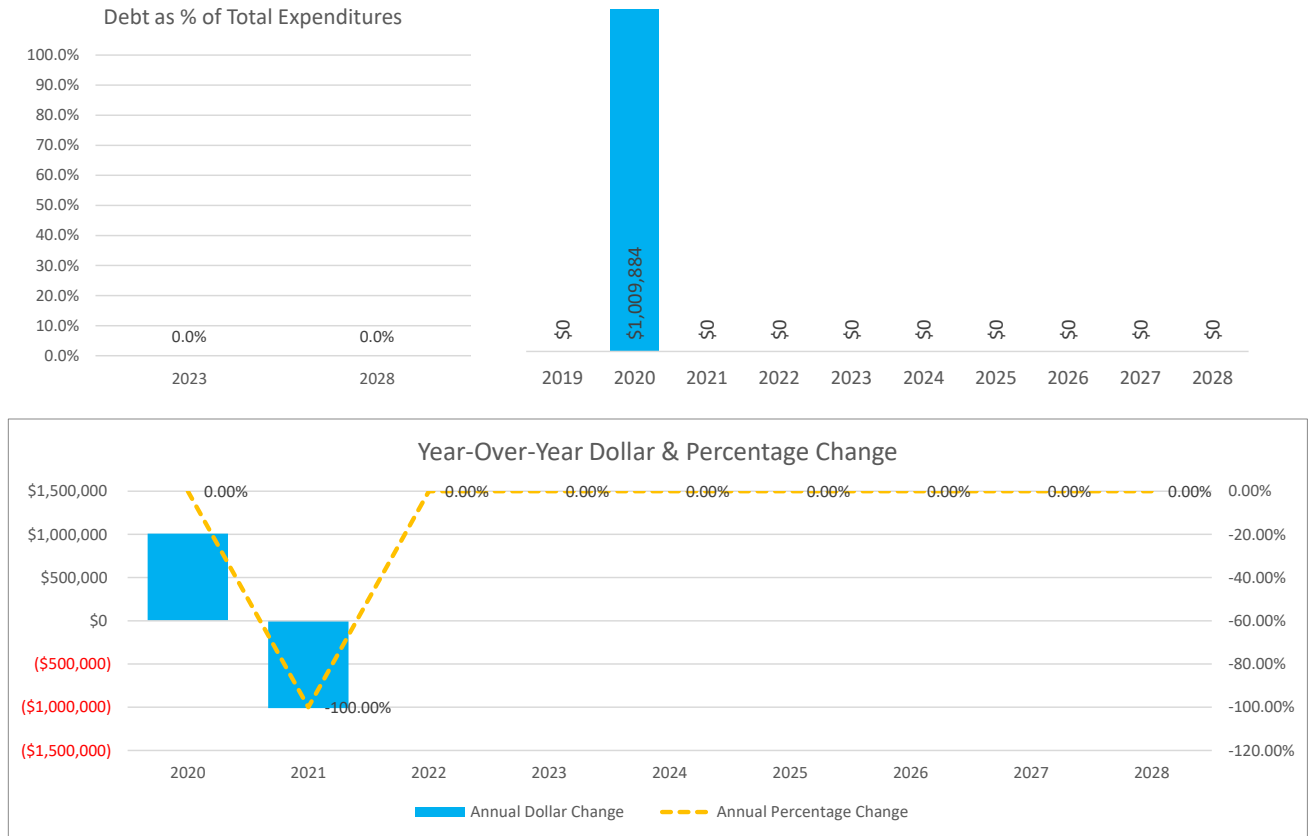
This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



Capital Outlay represent 0.22% of total expenditures and increased at a historical average annual amount of \$7,804. This category of expenditure is projected to grow at an annual average rate of \$13,092 through FY 2028. The projected average annual change is more than the five year historical annual average.

3.060-4.060 - Intergovernmental & Debt

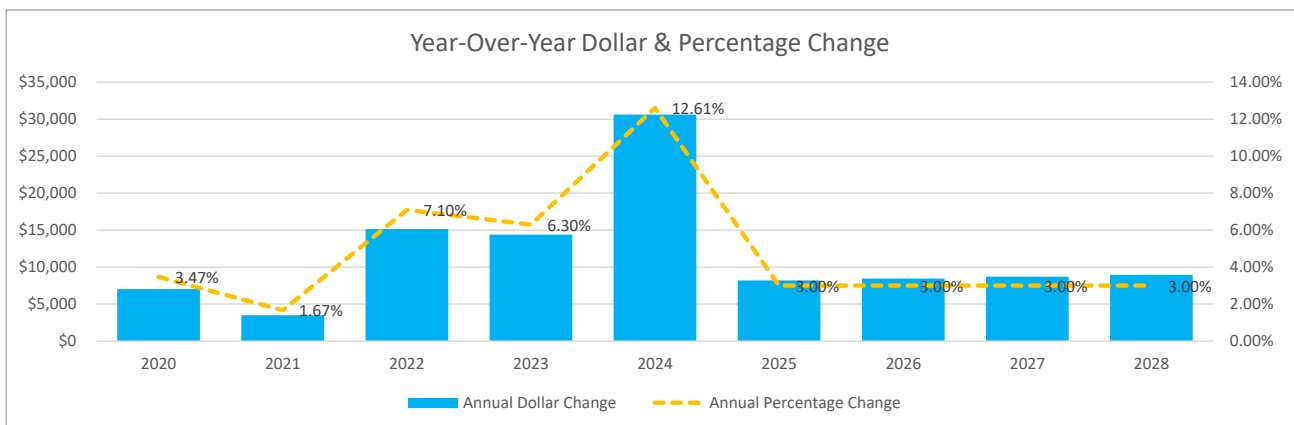
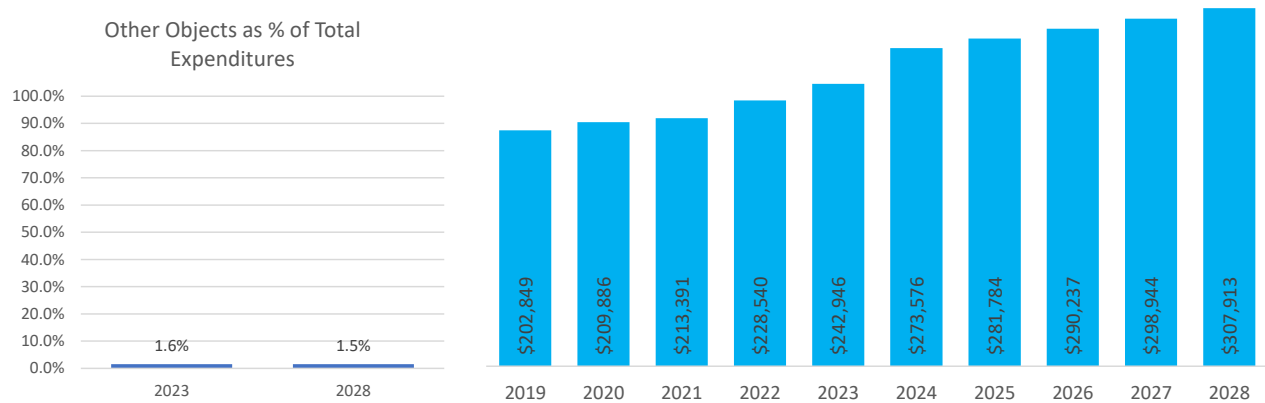
These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.



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

4.300 - Other Objects

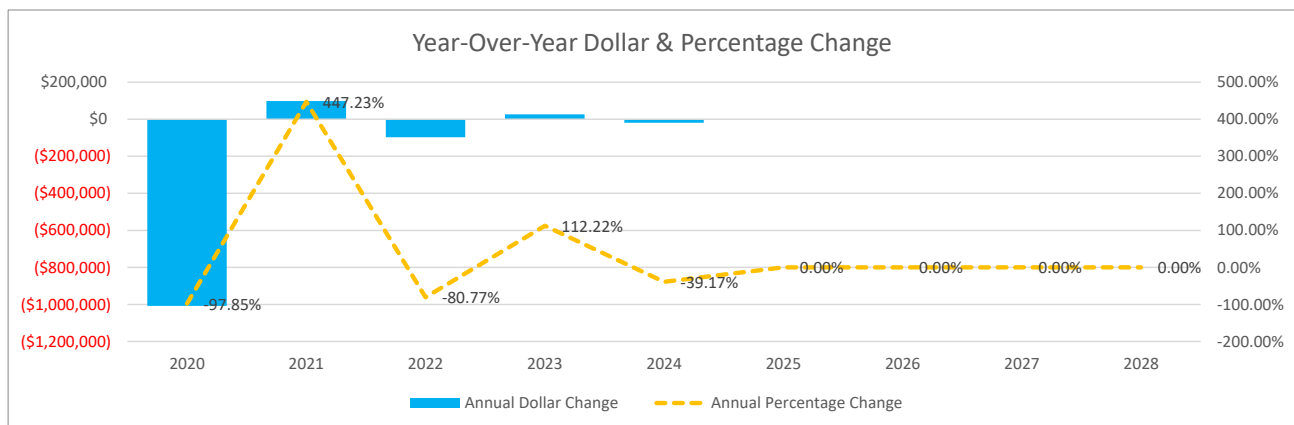
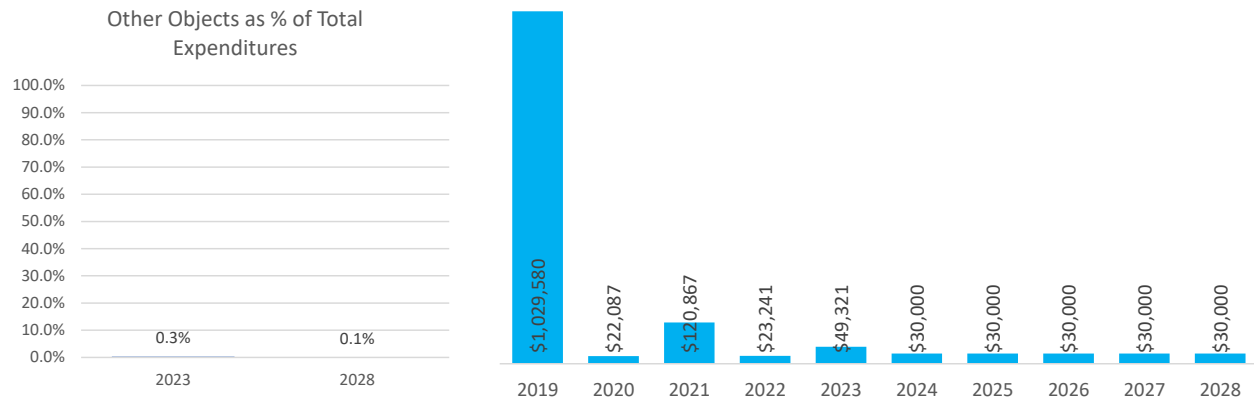
Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



Other Objects represent 1.55% of total expenditures and increased at a historical average annual rate of 4.64%. This category of expenditure is projected to grow at an annual average rate of 4.92% through FY 2028. The projected average annual rate of change is 0.29% 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.



	2023	FORECASTED				
		2024	2025	2026	2027	2028
Transfers Out	49,321	30,000	30,000	30,000	30,000	30,000
Advances Out	-	-	-	-	-	-
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 2023 the district had no advances-out and has no 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.

Madison-Plains Local School District

Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2023	2024	2025	2026	2027	2028
Revenue:						
1.010 - General Property Tax (Real Estate)	6,194,738	7,264,921	6,922,002	7,368,139	7,633,821	7,812,327
1.020 - Public Utility Personal Property	1,572,533	1,662,165	1,632,054	1,690,726	1,720,505	1,750,285
1.030 - Income Tax	3,162,074	2,986,056	3,149,793	3,293,616	3,444,220	3,601,931
1.035 - Unrestricted Grants-in-Aid	4,369,180	4,611,180	4,709,876	4,857,393	4,982,320	4,995,442
1.040 - Restricted Grants-in-Aid	374,633	433,866	366,712	293,129	239,826	228,610
1.050 - State Share-Local Property Taxes	819,722	916,597	980,541	992,678	1,024,510	1,056,343
1.060 - All Other Operating Revenues	593,328	901,799	901,799	901,799	901,799	901,799
1.070 - Total Revenue	17,086,208	18,776,583	18,662,777	19,397,479	19,947,000	20,346,737
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	-	-	-	-	-	-
2.060 - All Other Financing Sources	15,846	9,184	-	-	-	-
2.070 - Total Other Financing Sources	15,846	9,184	-	-	-	-
2.080 - Total Rev & Other Sources	17,102,054	18,785,767	18,662,777	19,397,479	19,947,000	20,346,737
Expenditures:						
3.010 - Personnel Services	8,407,360	8,646,822	9,316,469	9,641,112	9,943,210	10,255,347
3.020 - Employee Benefits	4,078,611	4,547,428	4,930,655	5,307,914	5,712,696	6,156,414
3.030 - Purchased Services	2,310,814	2,401,273	2,473,311	2,547,511	2,623,936	2,702,654
3.040 - Supplies and Materials	511,155	630,234	649,141	668,615	688,674	709,334
3.050 - Capital Outlay	34,540	165,040	100,000	100,000	100,000	100,000
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	242,946	273,576	281,784	290,237	298,944	307,913
4.500 - Total Expenditures	15,585,426	16,664,374	17,751,360	18,555,389	19,367,460	20,231,661
Other Financing Uses						
5.010 - Operating Transfers-Out	49,321	30,000	30,000	30,000	30,000	30,000
5.020 - Advances-Out	-	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	49,321	30,000	30,000	30,000	30,000	30,000
5.050 - Total Exp and Other Financing Uses	15,634,747	16,694,374	17,781,360	18,585,389	19,397,460	20,261,661
6.010 - Excess of Rev Over/(Under) Exp	1,467,307	2,091,393	881,417	812,091	549,540	85,076
7.010 - Cash Balance July 1 (No Levies)	4,331,498	5,798,805	7,890,198	8,771,615	9,583,706	10,133,246
7.020 - Cash Balance June 30 (No Levies)	5,798,805	7,890,198	8,771,615	9,583,706	10,133,246	10,218,322
		Reservations				
8.010 - Estimated Encumbrances June 30	110,000	110,000	110,000	110,000	110,000	110,000
9.080 - Reservations Subtotal	540,000	540,000	540,000	540,000	540,000	540,000
10.010 - Fund Bal June 30 for Cert of App	5,148,805	7,240,198	8,121,615	8,933,706	9,483,246	9,568,322
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	5,148,805	7,240,198	8,121,615	8,933,706	9,483,246	9,568,322
Revenue from New Levies						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	5,148,805	7,240,198	8,121,615	8,933,706	9,483,246	9,568,322

