



Medina City School District

Five Year Forecast Financial Report

November 2021



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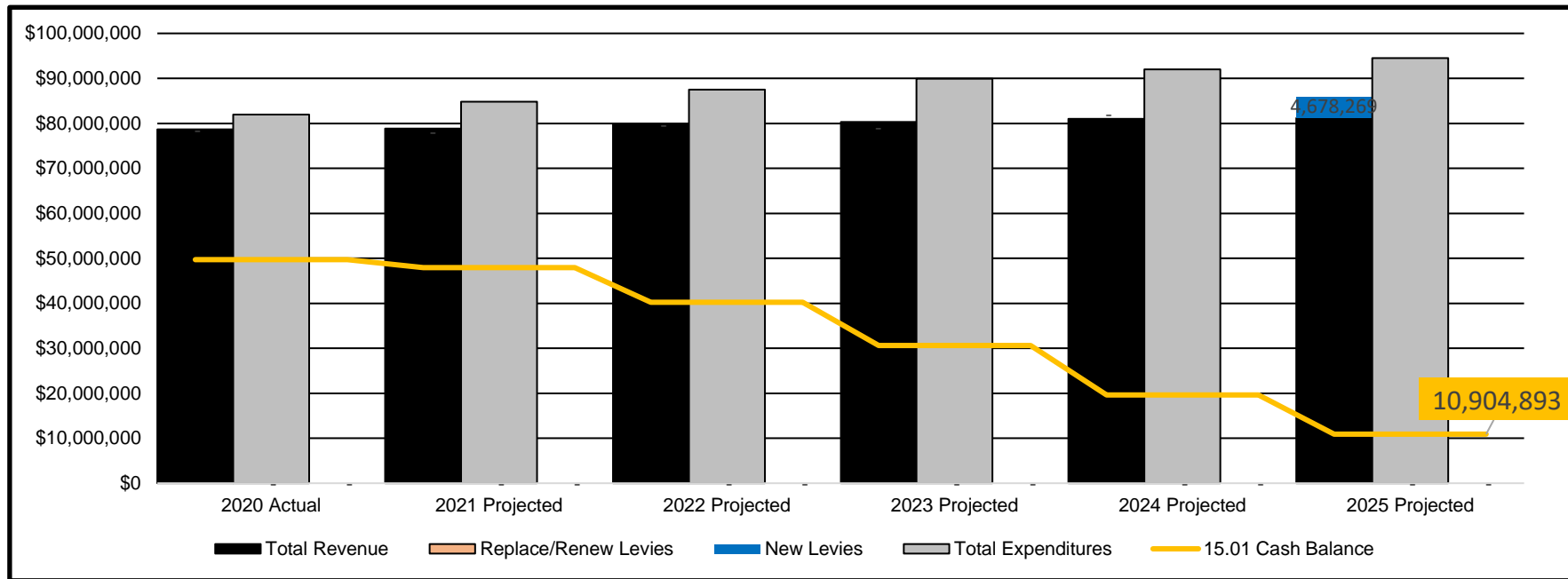
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Forecast Purpose/Objectives

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

Financial Forecast

	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Beginning Balance	54,676,370	48,760,008	41,058,352	31,452,096	20,471,563
+ Revenue	78,855,423	79,820,063	80,288,680	81,027,354	81,143,178
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	4,678,269
- Expenditures	(84,771,786)	(87,521,719)	(89,894,937)	(92,007,887)	(94,536,317)
= Revenue Surplus or Deficit	(5,916,362)	(7,701,656)	(9,606,256)	(10,980,533)	(8,714,870)
Ending Balance with renewal levies Note: Not Reduced for Encumbrances	48,760,008	41,058,352	31,452,096	20,471,563	11,756,693

Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	(5,916,362)	(7,701,656)	(9,606,256)	(10,980,533)	(13,393,139)
Ending Balance w/o Levies	48,760,008	41,058,352	31,452,096	20,471,563	7,078,424

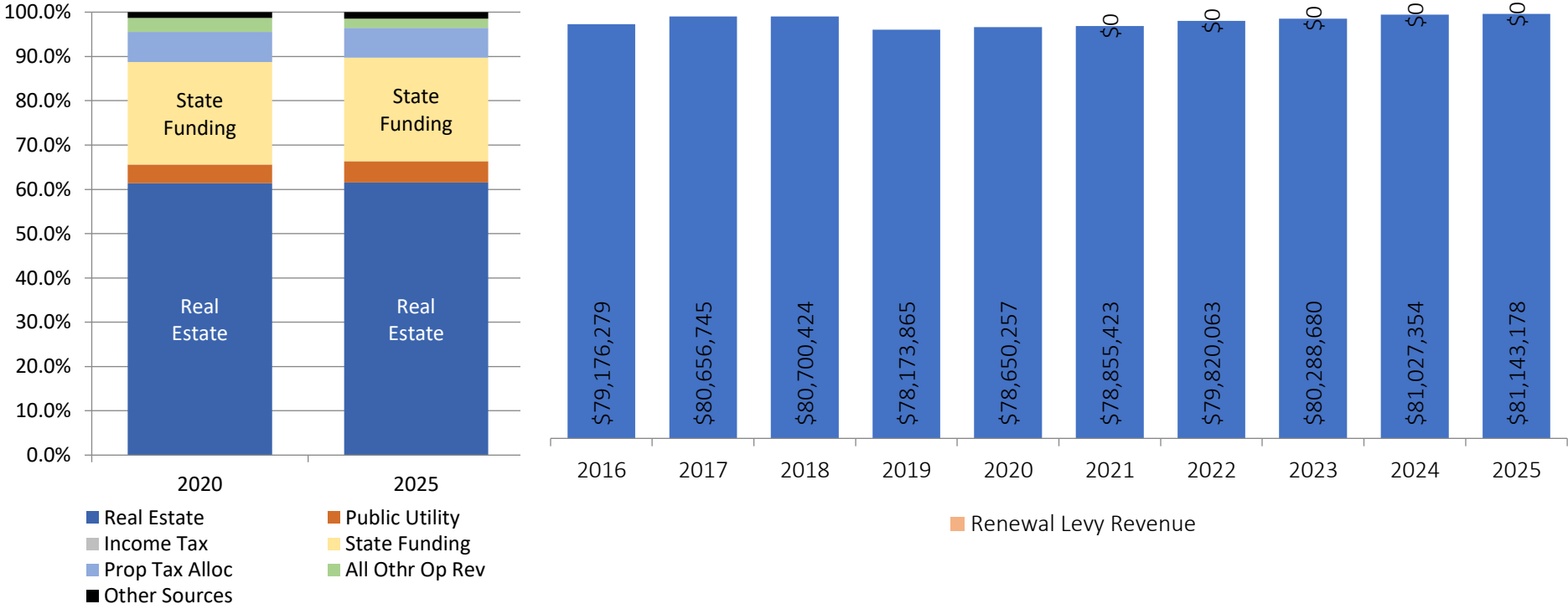
In FY 2021 a revenue shortfall is expected. This means that expenditures are expected to be greater than revenue by \$5,916,362 in FY 2021. By the last year of the forecast, FY 2025, the district is expected to have a revenue shortfall where expenditures are projected to be greater than revenue by \$13,393,139. The district would need to cut its FY 2025 projected expenses by 16.51% in order to balance its budget without additional revenue.

The district's cash balance is positive at year-end in FY 2021 and is projected to worsen by FY 2025

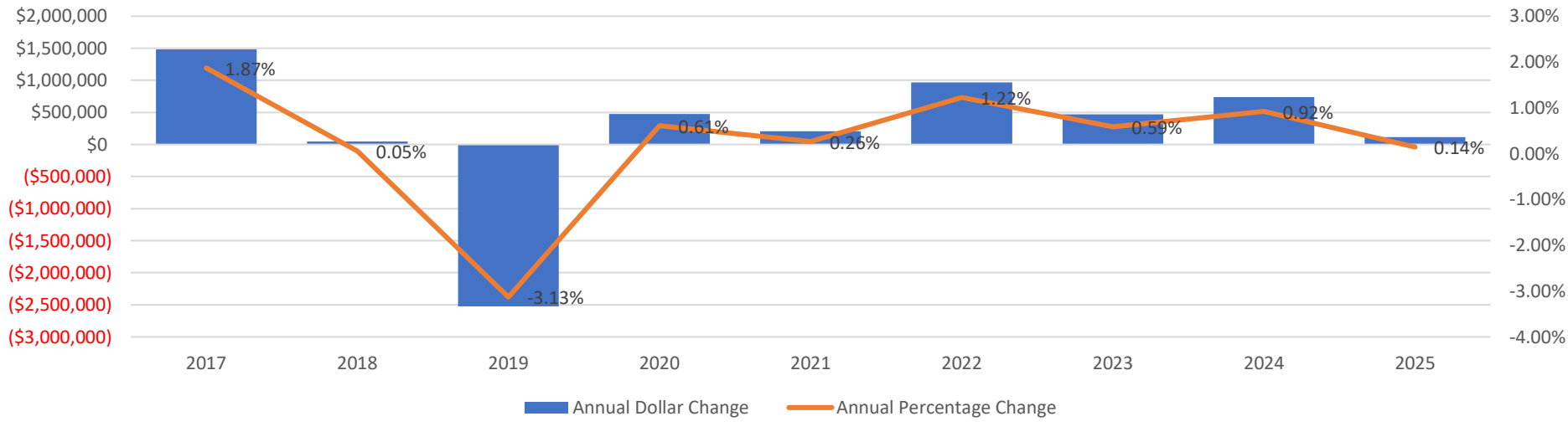
This is in line with what the District said to the community in the spring of 2018 as part of the levy process. The District was planning to reduce the cash balance before asking for additional monies from taxpayers. If projections in the forecast hold, new monies will not be needed until the 2024-2025 fiscal year and would mean the District had not requested new money for over 10 years.

Revenue Sources and Forecast Year-Over-Year Projected Overview

Sources of Revenue Over Time



Year-Over-Year Dollar & Percentage Change



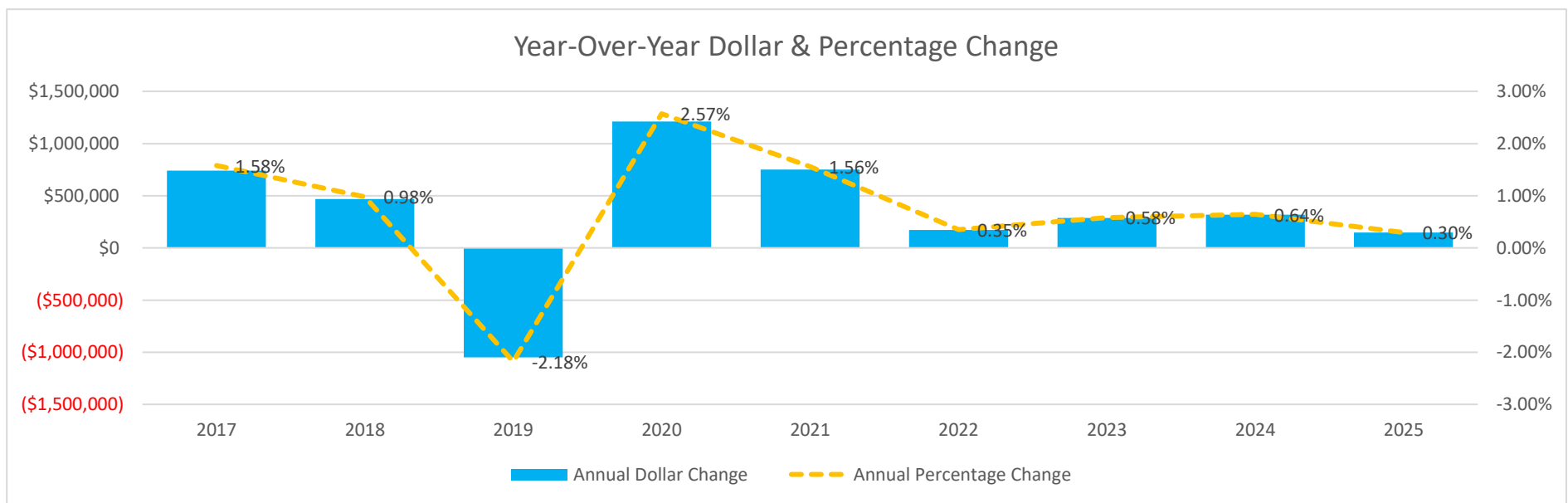
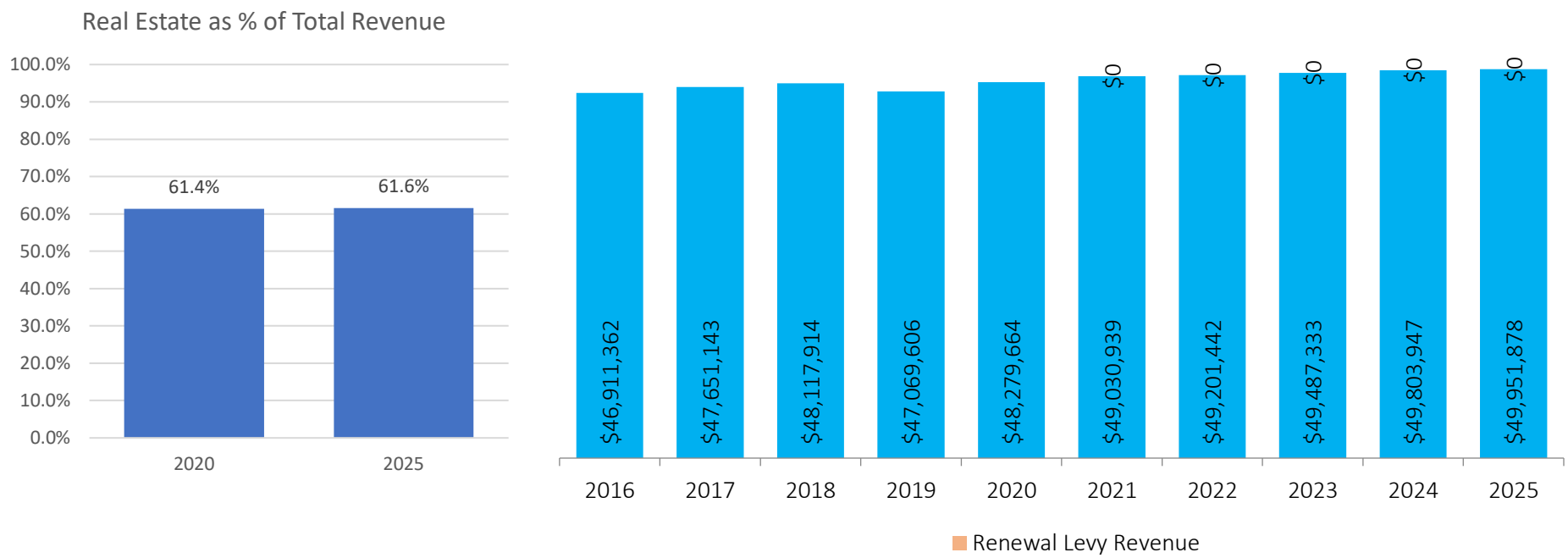
3-Year Historical Actual Average Annual Dollar Change Compared to 5-Year Projected

	Historical Average Annual \$\$ Change	Projected Average Annual \$\$ Change	Projected Compared to Historical Variance	Total revenue decreased -0.82% or -\$668,829 annually during the past five years and is projected to increase 0.63% or \$498,584 annually through FY2025. State Funding has the most projected average annual variance compared to the historical average at \$1,016,961
Real Estate	\$209,507	\$334,443	\$124,936	
Public Utility	\$98,530	\$110,353	\$11,823	
Income Tax	\$0	\$0	\$0	
State Funding	(\$853,889)	\$163,072	\$1,016,961	
Prop Tax Alloc	(\$256,813)	\$15,466	\$272,279	
All Othr Op Rev	\$136,462	(\$160,000)	(\$296,462)	
Other Sources	(\$2,627)	\$35,250	\$37,877	
Total Average Annual Change	(\$668,829)	\$498,584	\$1,167,414	
	-0.82%	0.63%	1.45%	

Note: Expenditure average annual change is projected to be > \$2,513,146 On an annual average basis, expenditures are projected to grow faster than revenue.

1.010 - General Property Tax (Real Estate)

Revenue collected from taxes levied by a school district by the assessed valuation of real property using effective tax rates for class I (residential/agricultural) and class II (business).



Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2019	1,450,894,050	165,078,790	36.58	-	41.68	-	99.5%
2020	1,456,816,119	5,922,069	36.48	(0.09)	42.13	0.45	99.4%
2021	1,461,860,819	5,044,700	36.47	(0.01)	42.20	0.08	99.4%
2022	1,513,960,819	52,100,000	35.50	(0.97)	40.97	(1.23)	99.4%
2023	1,522,445,819	8,485,000	35.45	(0.05)	41.08	0.11	99.4%
2024	1,525,980,819	3,535,000	35.40	(0.05)	41.13	0.05	99.4%

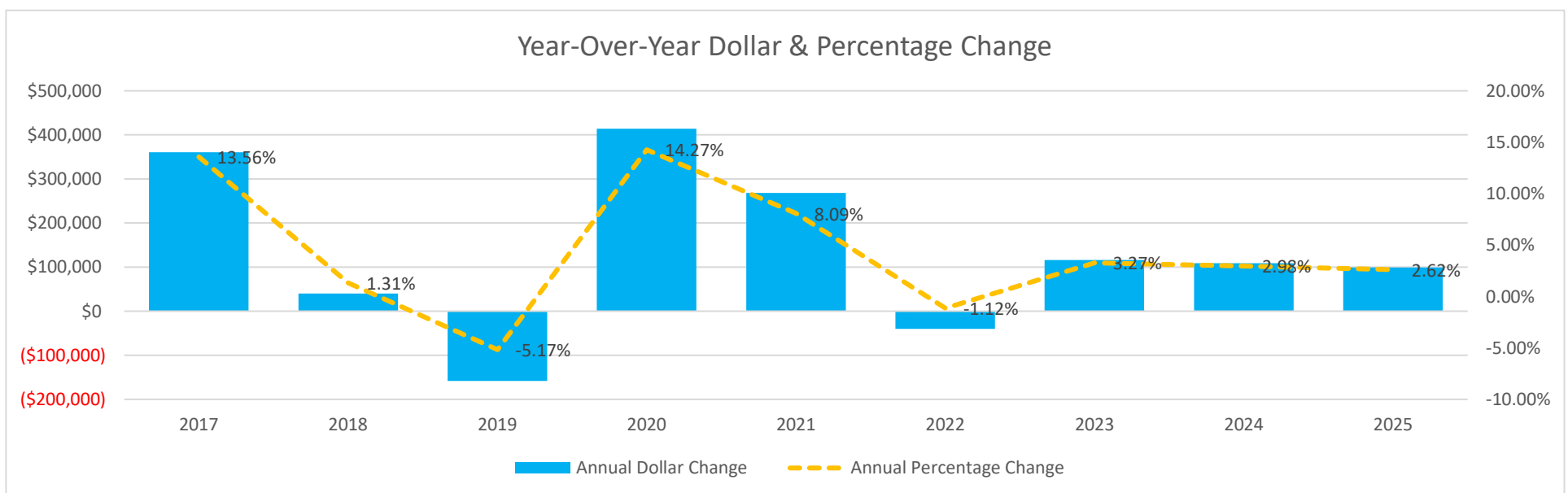
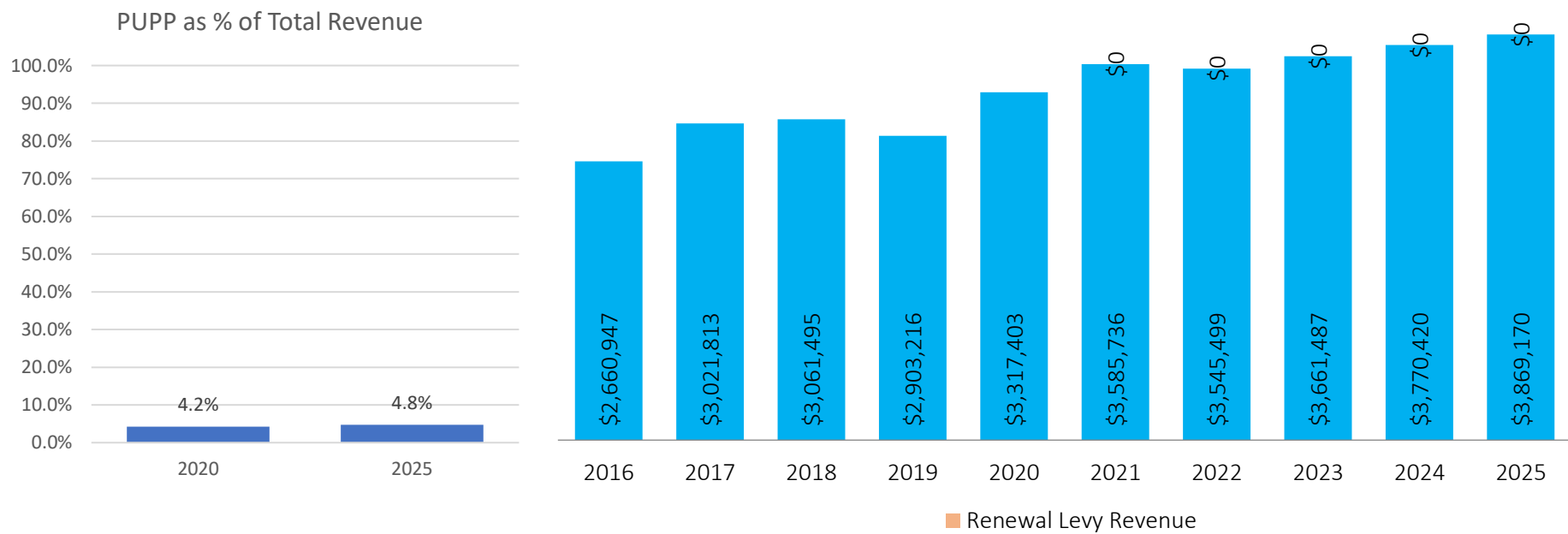
Real estate property tax revenue accounts for 61.39% of total revenue. Class I or residential/agricultural taxes make up approximately 75.18% of the real estate property tax revenue. The Class I tax rate is 36.48 mills in tax year 2020. The projections reflect an average gross collection rate of 99.4% annually through tax year 2024. The revenue changed at an average annual historical rate of 0.46% and is projected to change at an average annual rate of 0.68% through FY 2025.

The District is grateful to our community for the support shown through property tax payments as this represents a majority of the annual revenue received.

*Projected % trends include renewal levies

1.020 - Public Utility Personal Property

Revenue generated from public utility personal property valuations multiplied by the district's full voted tax rate.



Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2019	48,975,560	15,377,150	87.33	(0.60)	100.0%
2020	40,475,560	(8,500,000)	87.28	(0.05)	86.1%
2021	41,735,275	1,259,715	87.28	(0.00)	98.8%
2022	43,235,275	1,500,000	87.14	(0.14)	98.8%
2023	44,335,275	1,100,000	87.13	(0.01)	98.8%
2024	45,535,275	1,200,000	87.13	(0.01)	98.8%

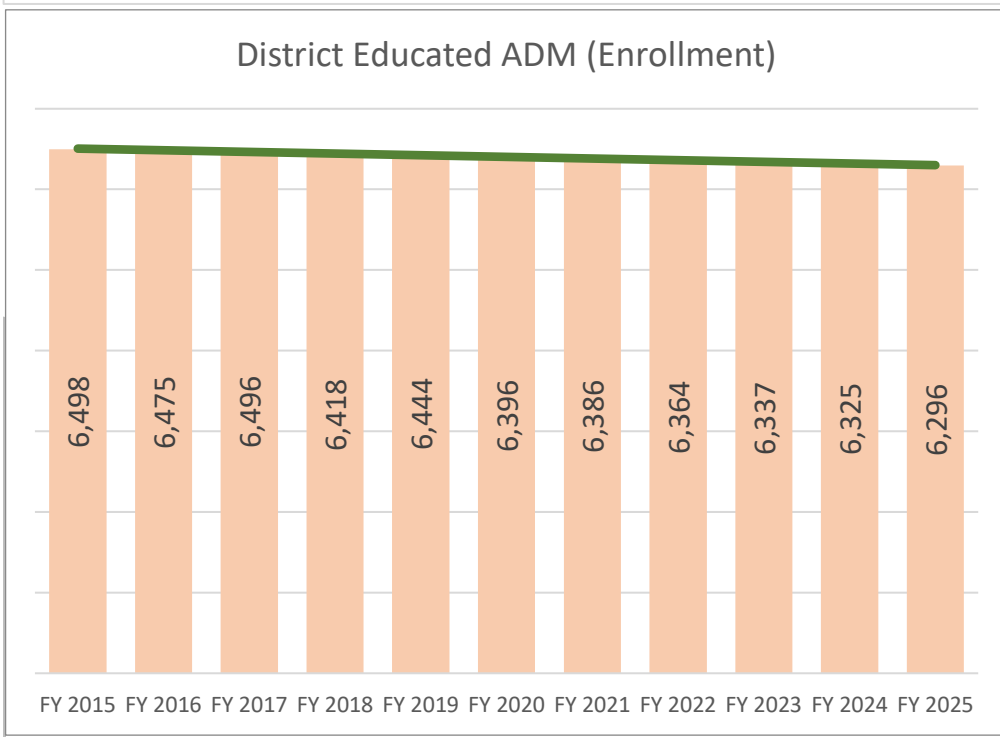
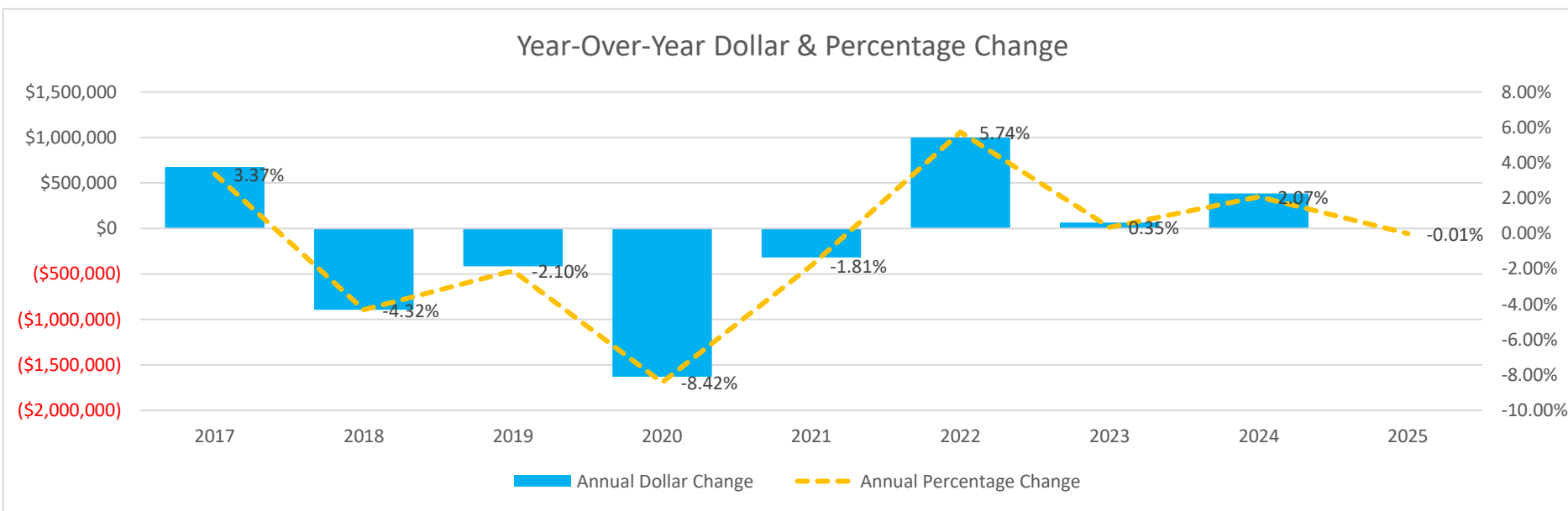
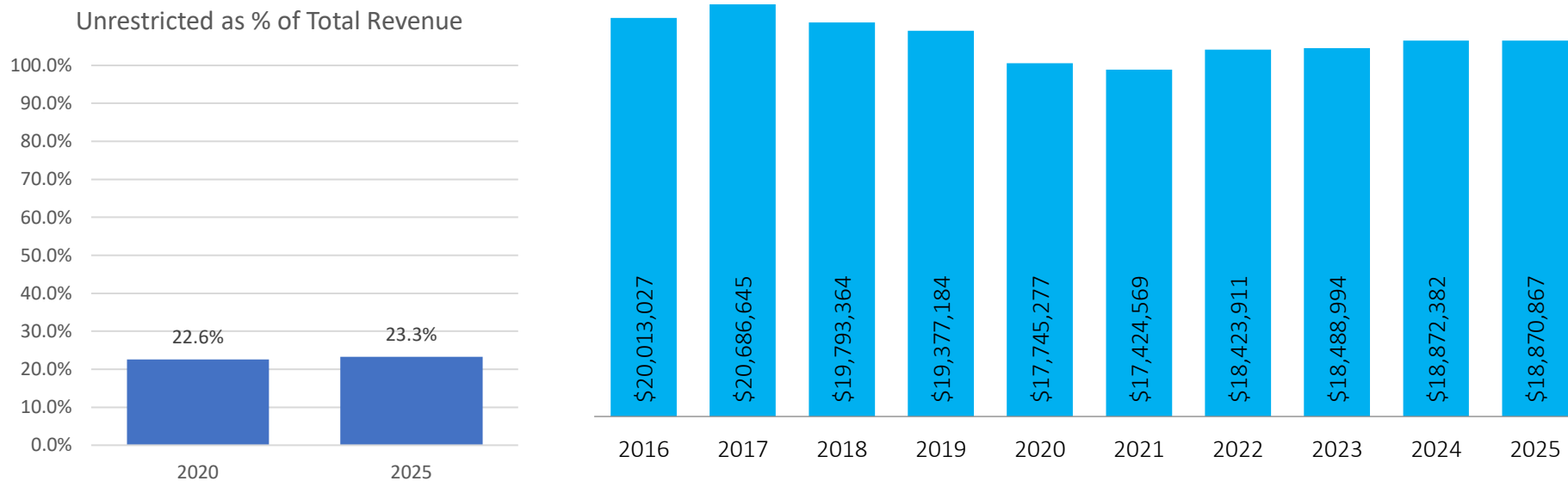
The public utility personal property tax revenue is generated from the personal property values, additions, and depreciation reported by the utility companies. This category currently makes up 4.22% of total district revenue. The property is taxed at the full voted tax rate which in tax year 2020 is 87.28 mills. The forecast is modeling an average gross collection rate of 96.27%. The revenue changed historically at an average annual dollar amount of \$98,530 and is projected to change at an average annual dollar amount of \$110,353 through FY 2025.

The District is assuming a decrease in Public Utility Valuation due to the NEXUS appeals. As such, the estimated loss of value is 8,500,000 in the 2020 Tax Year. The assumption further shows other utilities increases will somewhat offset this loss.

**Projected % trends include renewal levies*

1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.

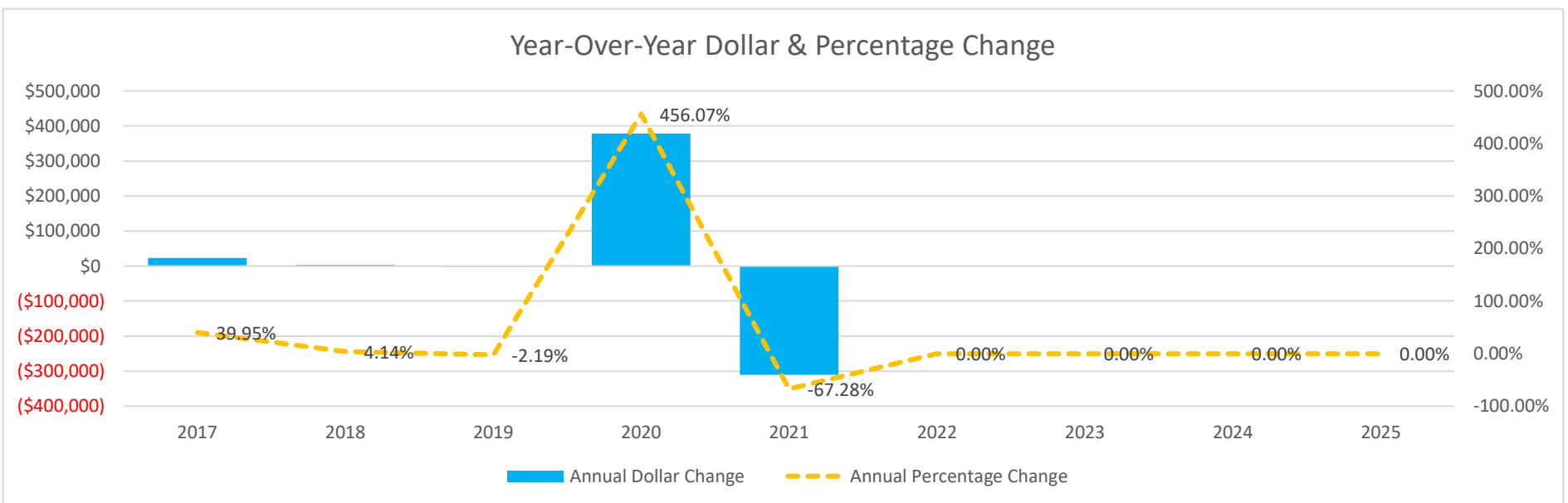
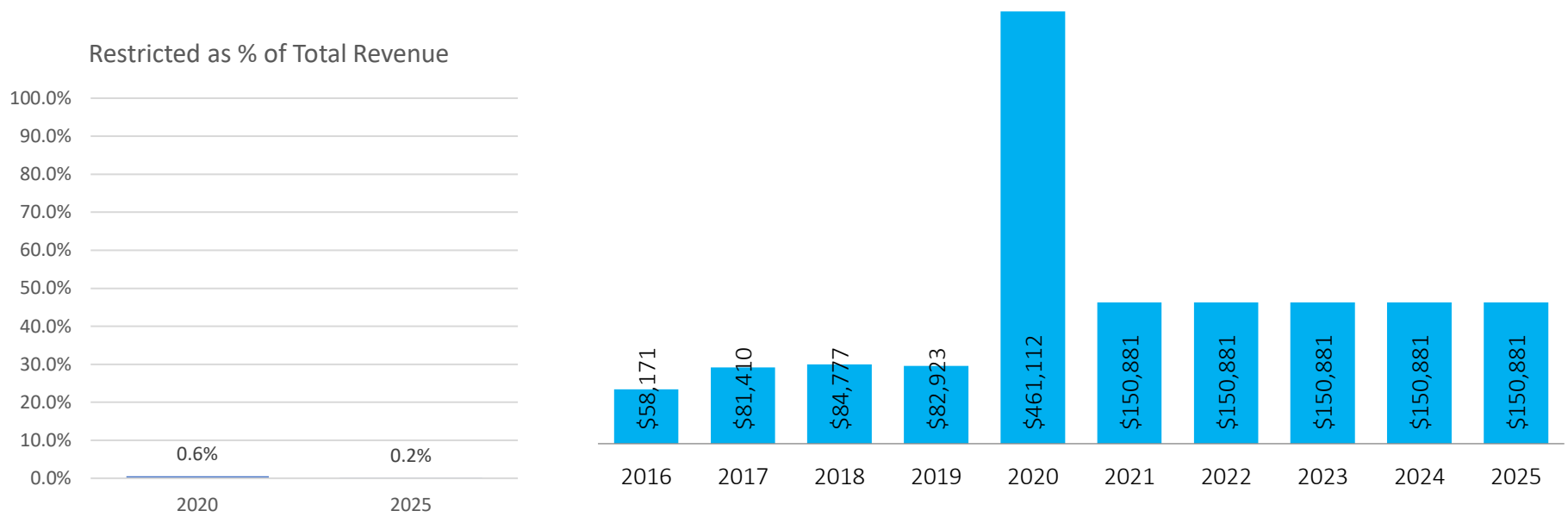


The FY 2019 per pupil and foundation revenue amount is the base aid amount used in FY 2019. In addition to its FY 2021 base funding amount of \$18,283,591 the district calculated FY 2021 categorical funding such as spec. ed., preschool, casino of \$679,917. Projected amounts less than the FY 2019 base indicate state budget cuts and other assumed change. For fiscal year 2022 - 2025, the district is projecting an average annual increase of 2.04% Note: Wellness funding is not included in these calculations.

The District saw a decrease of \$1.5 million at the end of the 2019-2020 fiscal year. We have received information from the State this loss will continue through the 2020-2021 fiscal year. With the new biennium, we are projecting an increase. This increase does not reflect passage of SB376 Fair School Funding Plan.

1.040 & 1.045 - Restricted Grants-in-Aid

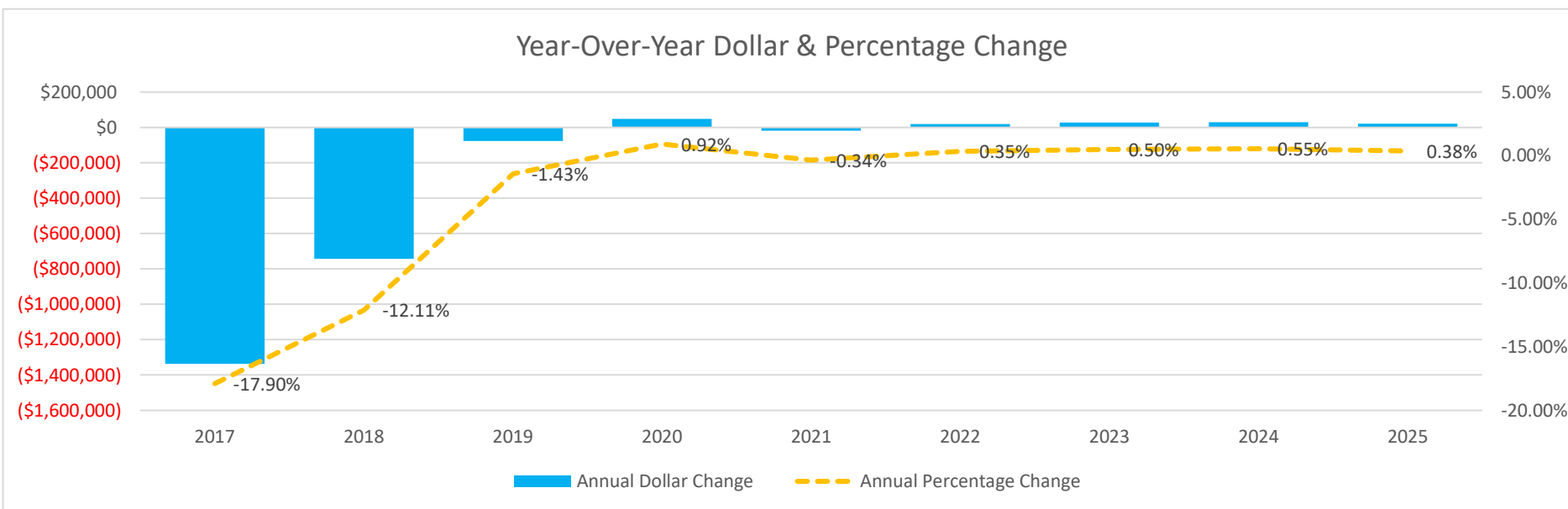
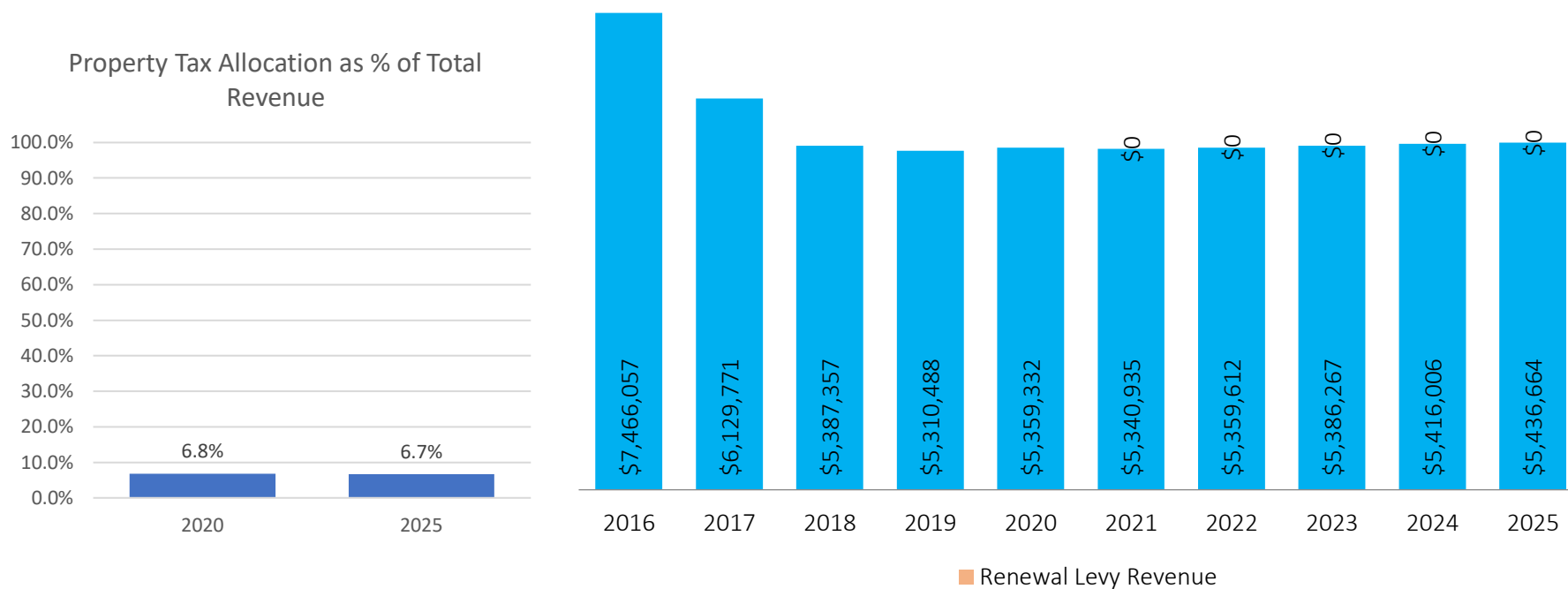
Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



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 \$126,567 and is projected to change annually on average by -\$62,046. Restricted funds represent 0.59% of total revenue.

1.050 - Property Tax Allocation

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



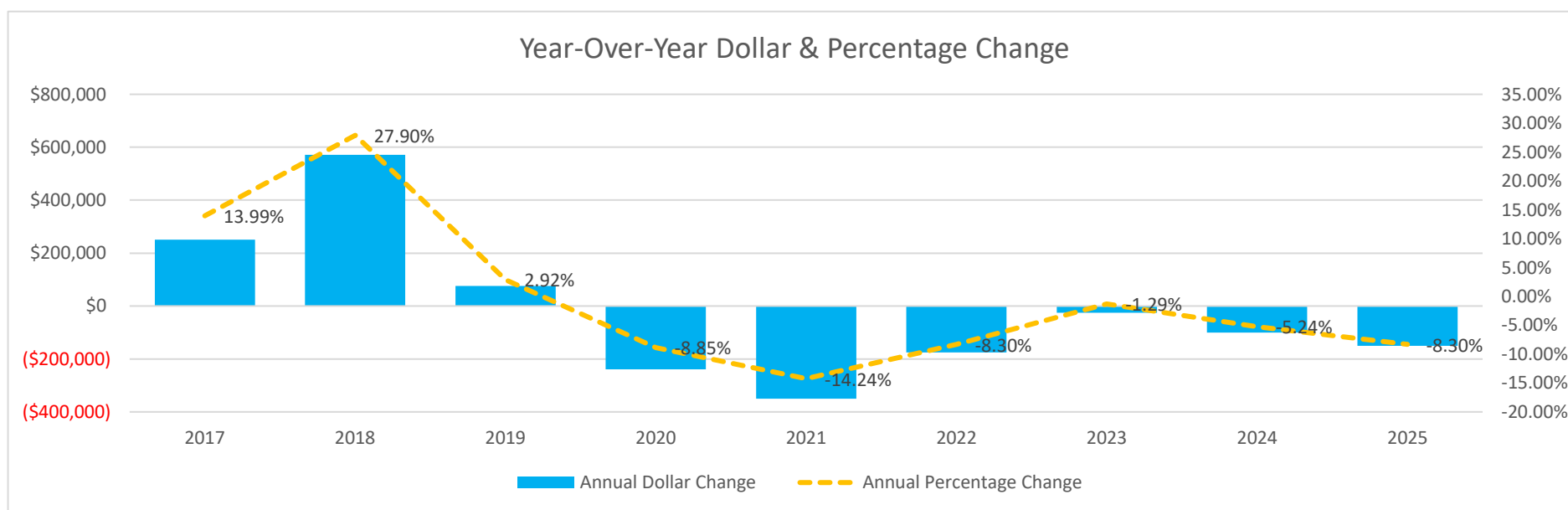
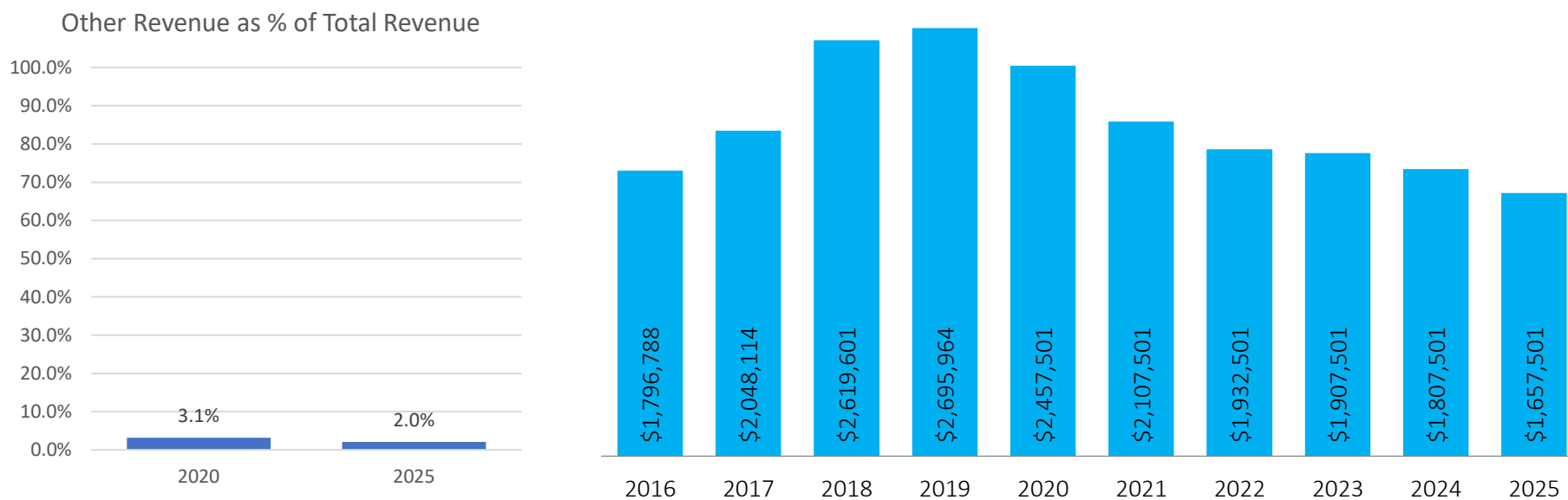
Property tax allocation primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In FY 2021, approximately 10.6% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 1.9% will be reimbursed in the form of qualifying homestead exemption credits.

The District has assumed the Property Tax Allocation monies move with the Real Property Tax collections. The lowering of historical collections came from the State reducing Tangible Personal Property Tax Loss Reimbursements prior to 2016. The District has not received this reimbursement since fiscal year 2018.

*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.

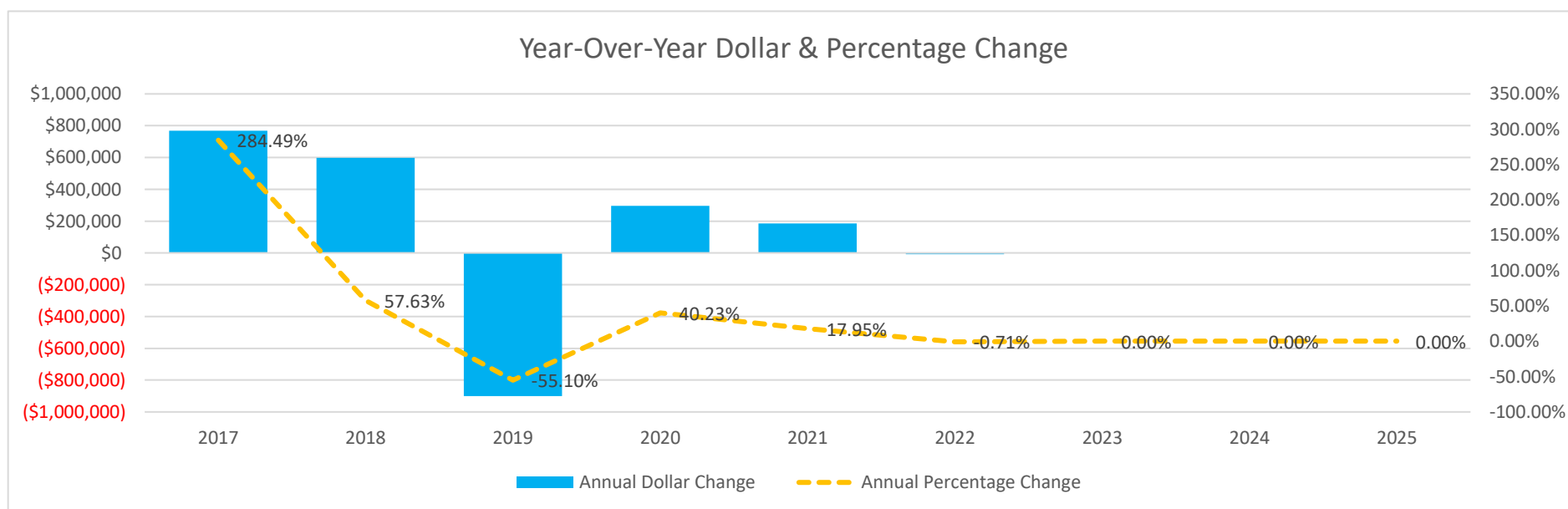
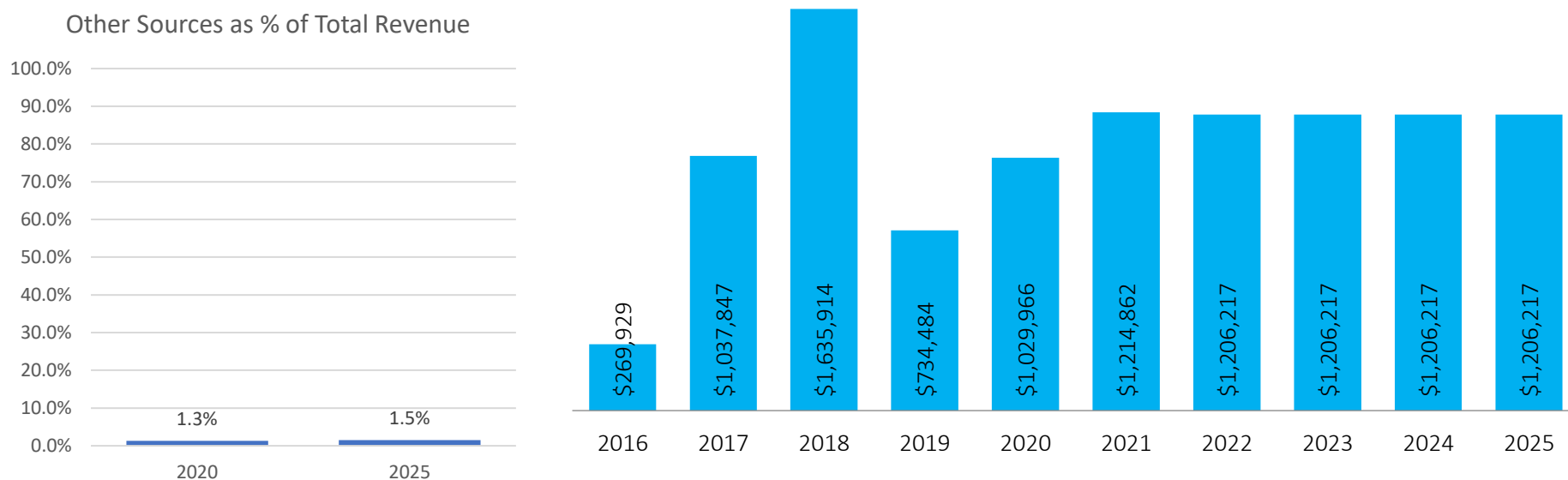


Other revenue includes tuition received by the district for non-resident students educated by the district. It also includes interest income, payments in lieu of taxes, and miscellaneous revenue. The historical average annual change was \$136,462. The projected average annual change is -\$160,000 through FY 2025.

A major source of other revenue is investment income. With the Fed Rates lowered to 0.00% - 0.25%, investment income has declined and will continue to decline as the cash balances reduce.

2.070 - Total Other Financing Sources

Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.

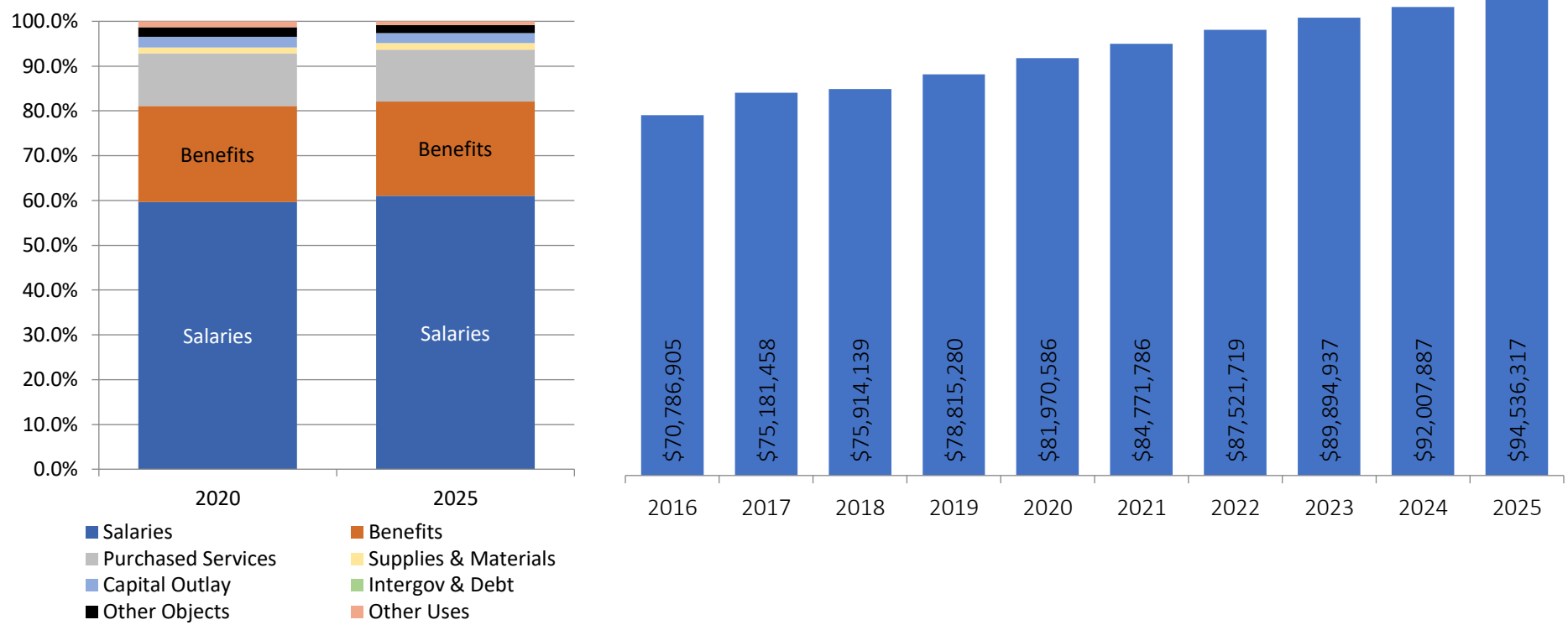


	2020	2021	2022	FORECASTED		
				2023	2024	2025
Transfers In	-	14,221	5,576	5,576	5,576	5,576
Advances In	478,648	649,323	649,323	649,323	649,323	649,323
All Other Financing Sources	551,318	551,318	551,318	551,318	551,318	551,318

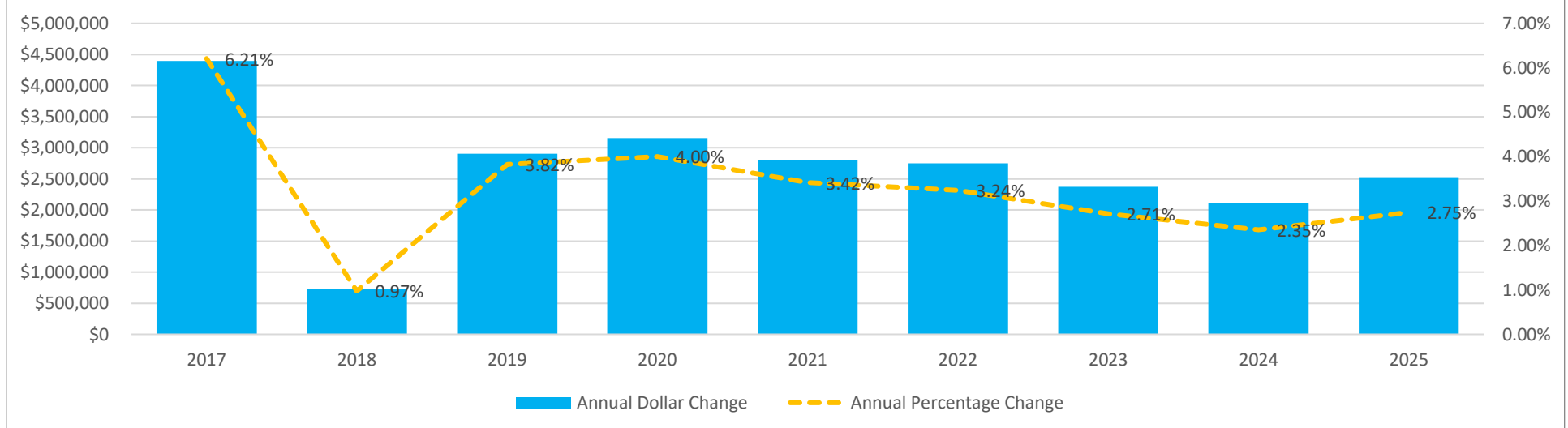
Other sources includes revenue that is generally classified as non-operating. It is typically in the form of advances-in which are the repayment of temporary loans made from the general fund to other district funds. In FY 2020 the district receipted \$478,648 as advances-in and is projecting advances of \$649,323 in FY 2021. The district also receives other financing sources such as refund of prior year expenditures in this category. The district is projecting that all other financing sources will be \$551,318 in FY 2021 and average \$551,318 annually through FY 2025.

Expenditure Categories and Forecast Year-Over-Year Projected Overview

Expenditure Categories Over Time



Year-Over-Year Dollar & Percentage Change



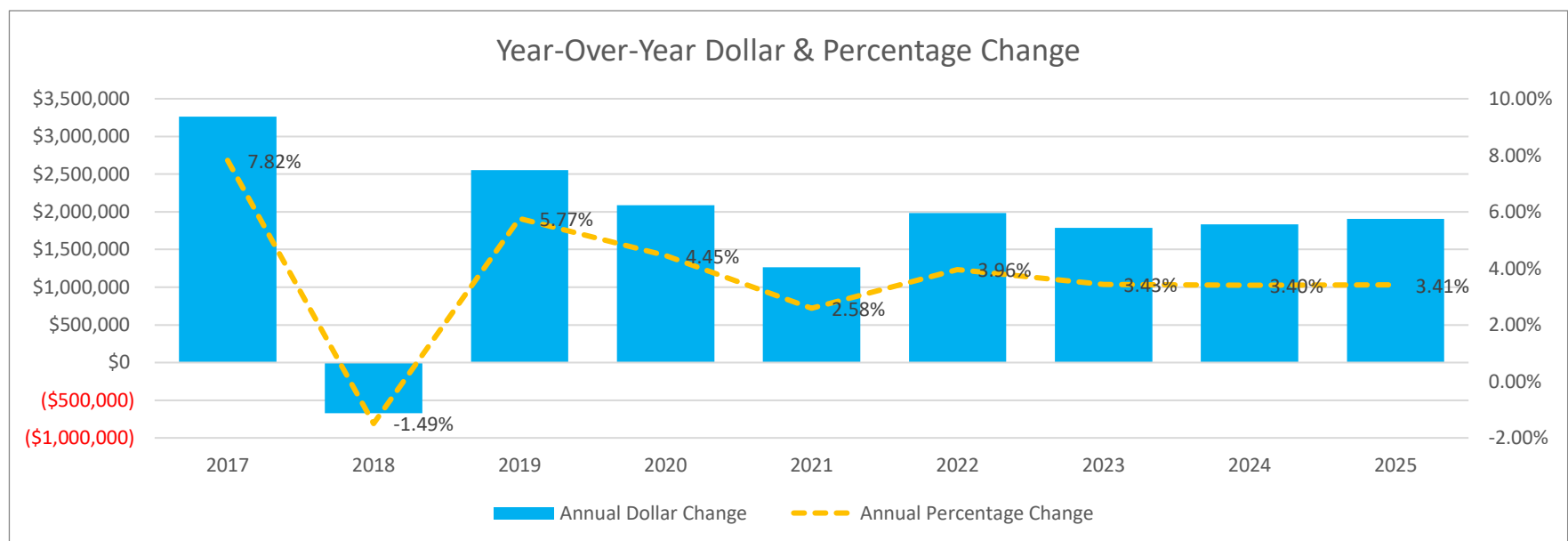
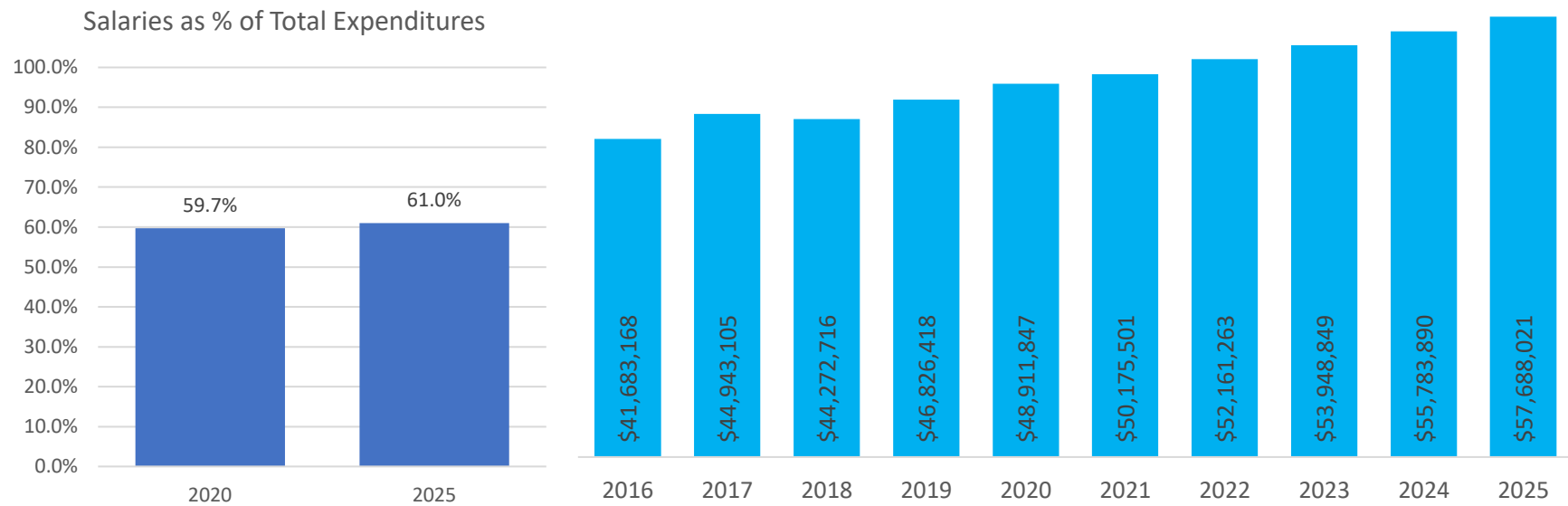
3-Year Historical Actual Average Annual Dollar Change Compared to 5-Year Projected

	Historical Average Annual \$\$ Change	Projected Average Annual \$\$ Change	Projected Compared to Historical Variance	Total expenditures increased 2.93% or \$2,263,043 annually during the past five years and is projected to increase 3.07% or \$2,513,146 annually through FY2025. Salaries has the largest projected average annual variance compared to the historical average at \$432,321.
Salaries	\$1,322,914	\$1,755,235	\$432,321	
Benefits	\$551,866	\$476,277	(\$75,589)	
Purchased Services	\$117,225	\$254,945	\$137,719	
Supplies & Materials	(\$165,116)	\$68,600	\$233,716	
Capital Outlay	\$340,097	\$25,480	(\$314,617)	
Intergov & Debt	\$0	\$0	\$0	
Other Objects	\$17,923	\$0	(\$17,923)	
Other Uses	\$78,133	(\$67,390)	(\$145,524)	
Total Average Annual Change	\$2,263,043 2.93%	\$2,513,146 3.07%	\$250,104 0.13%	

Note: Expenditure average annual change is projected to be > \$2,513,146 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.

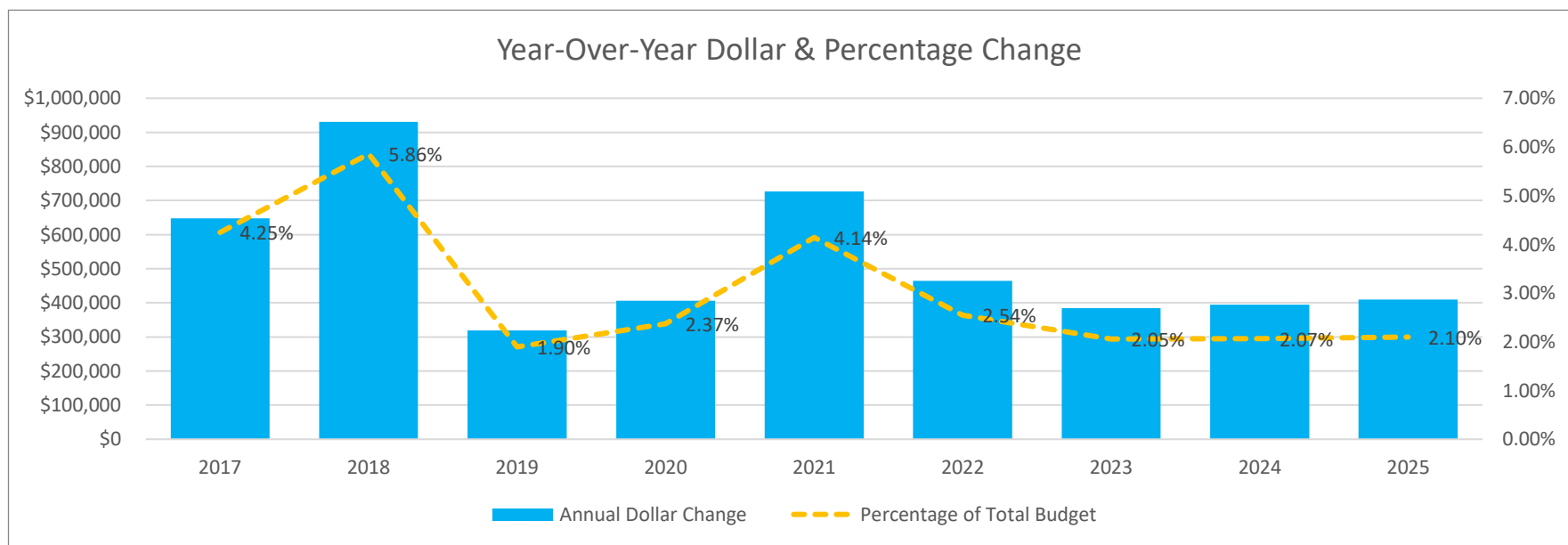
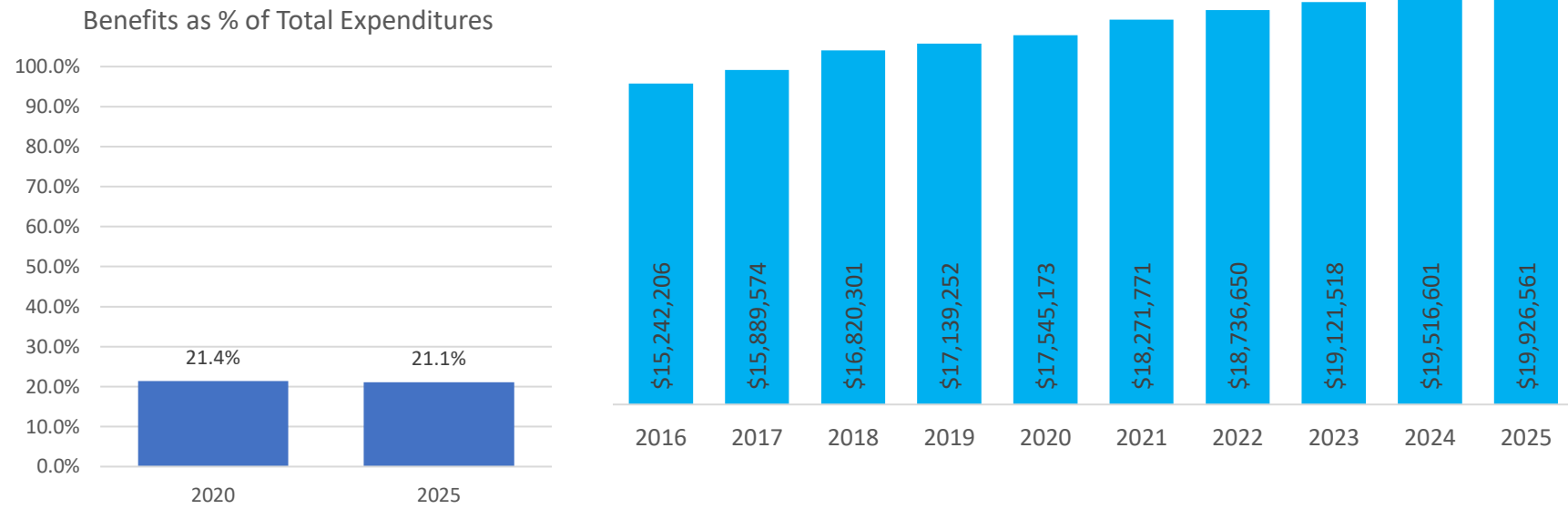


Salaries represent 59.67% of total expenditures and increased at a historical average annual rate of 2.91% or \$1,322,914. This category of expenditure is projected to grow at an average annual rate of 3.36% or \$1,755,235 through FY 2025. The projected average annual rate of change is 0.45% more than the five year historical annual average.

The District assumes the number of staff currently working will continue to work into 2025. We also assume steps increases for our union employees per their respective collective bargaining agreement. Salaries includes substitute, co-curriculars, supplemental, board, and student worker pay.

3.020 - Employees' Benefits

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

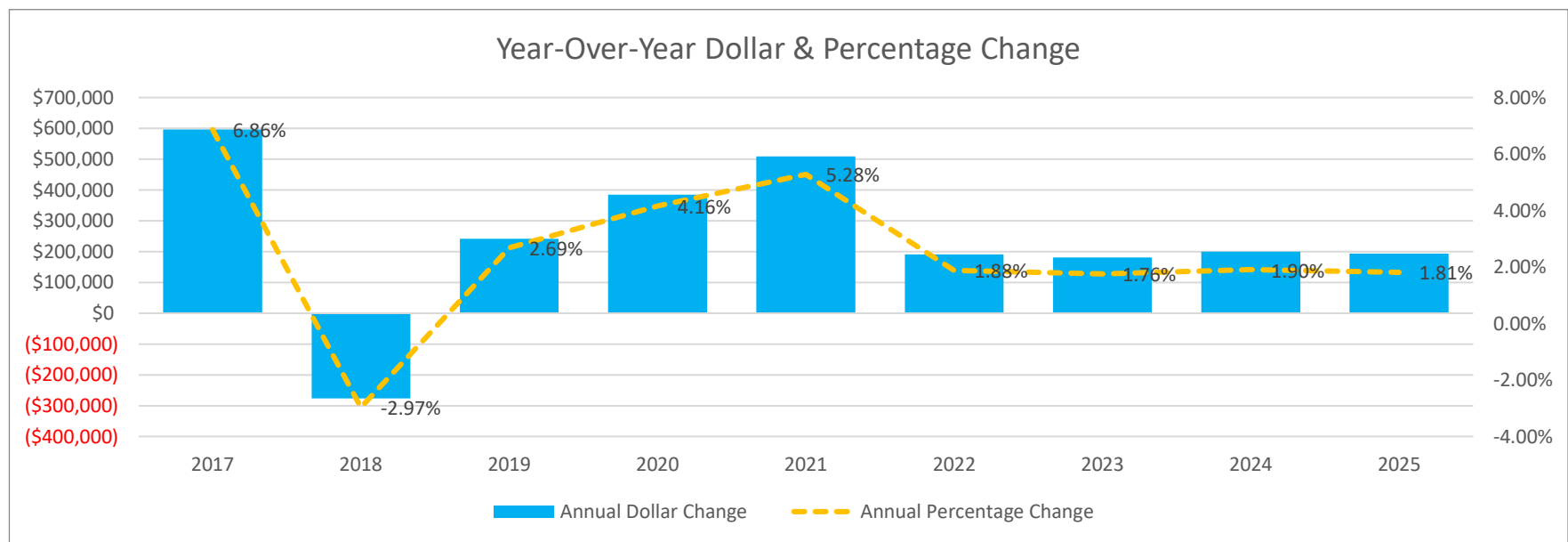
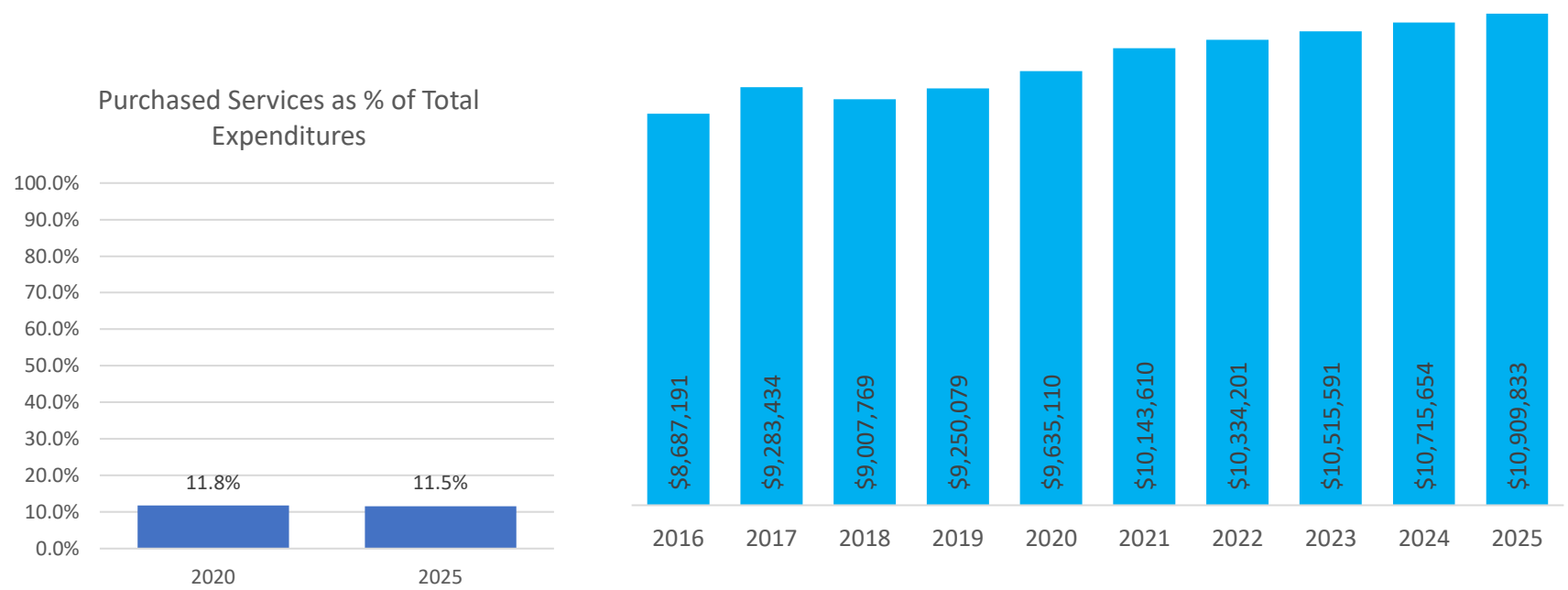


Benefits represent 21.40% of total expenditures and increased at a historical average annual rate of 3.37%. This category of expenditure is projected to grow at an annual average rate of 2.58% through FY 2025. The projected average annual rate of change is -0.79% less than the five year historical annual average.

The projected average annual rate is lower as each of the District unions have bargained higher employee benefit payments into their respective contracts. The District anticipates savings based upon the wellness program and their ability to limit costs by being self insured.

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.

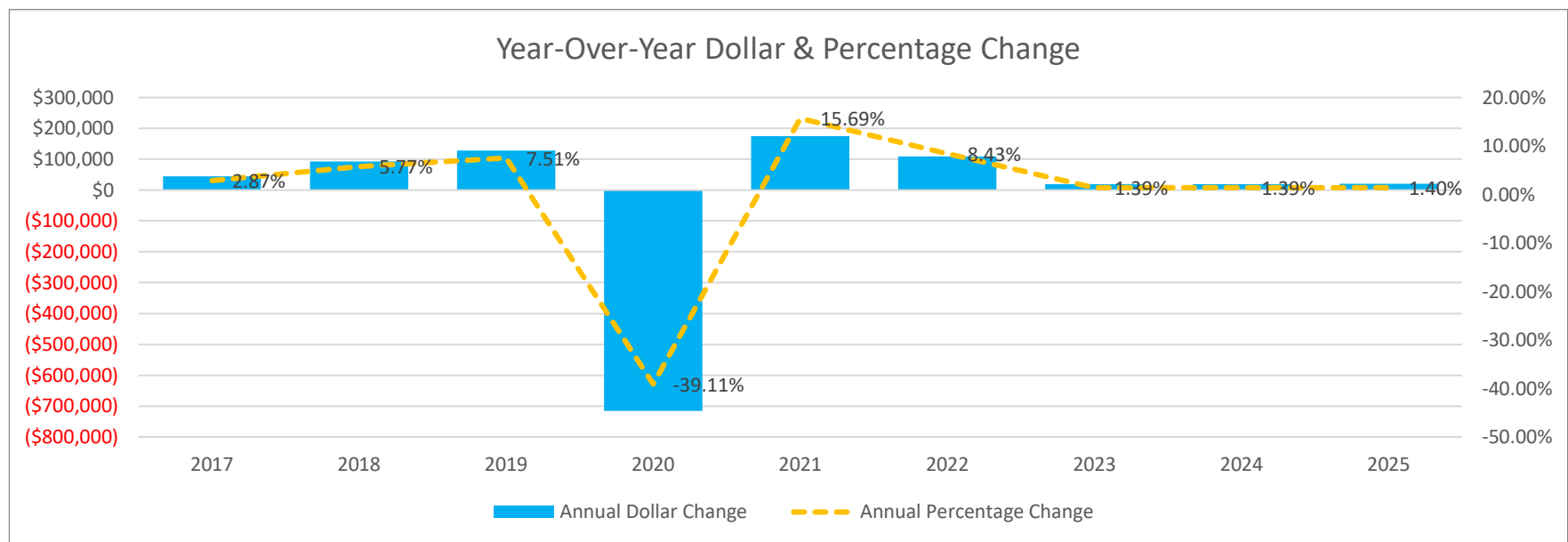
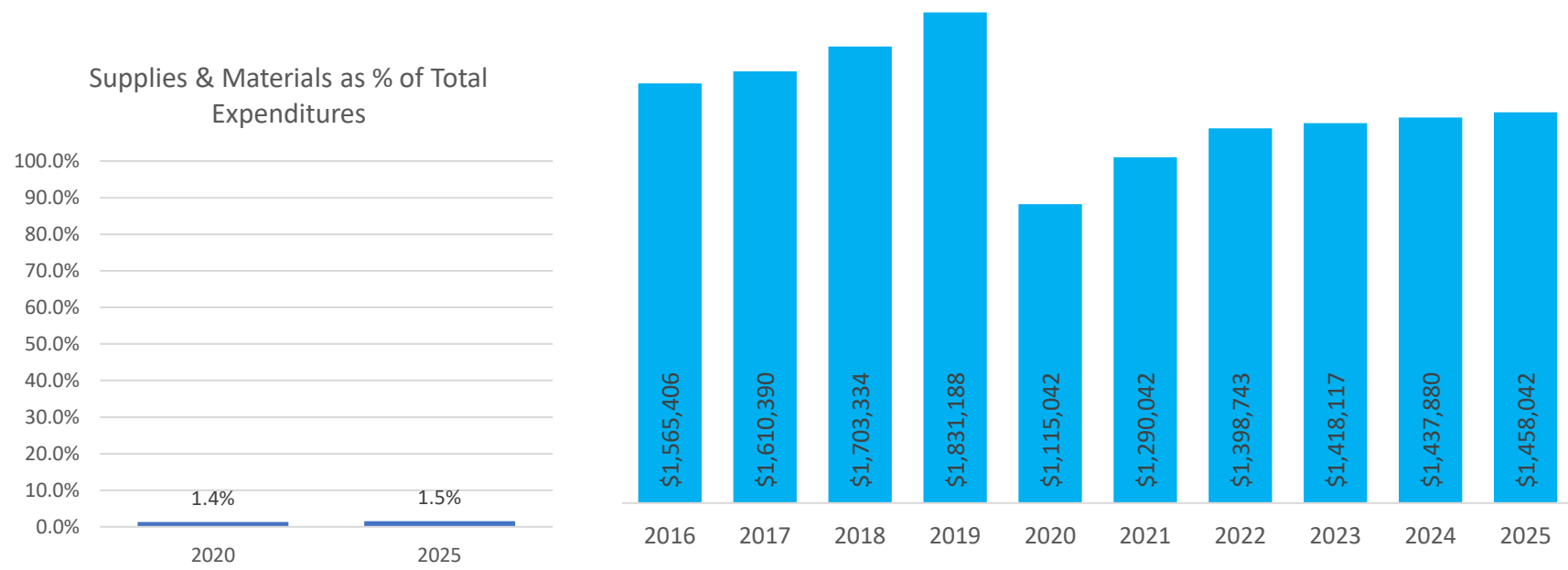


Purchased Services represent 11.75% of total expenditures and increased at a historical average annual rate of 1.29%. This category of expenditure is projected to grow at an annual average rate of 2.53% through FY 2025. The projected average annual rate of change is 1.23% more than the five year historical annual average.

A major portion of purchased services is tuition to other districts. These costs represent nearly half of all purchased services and include open enrollment out and community schools payments. The assumption by the District is these payments will continue and these cost will rise throughout the fiscal years.

3.040 - Supplies & Materials

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

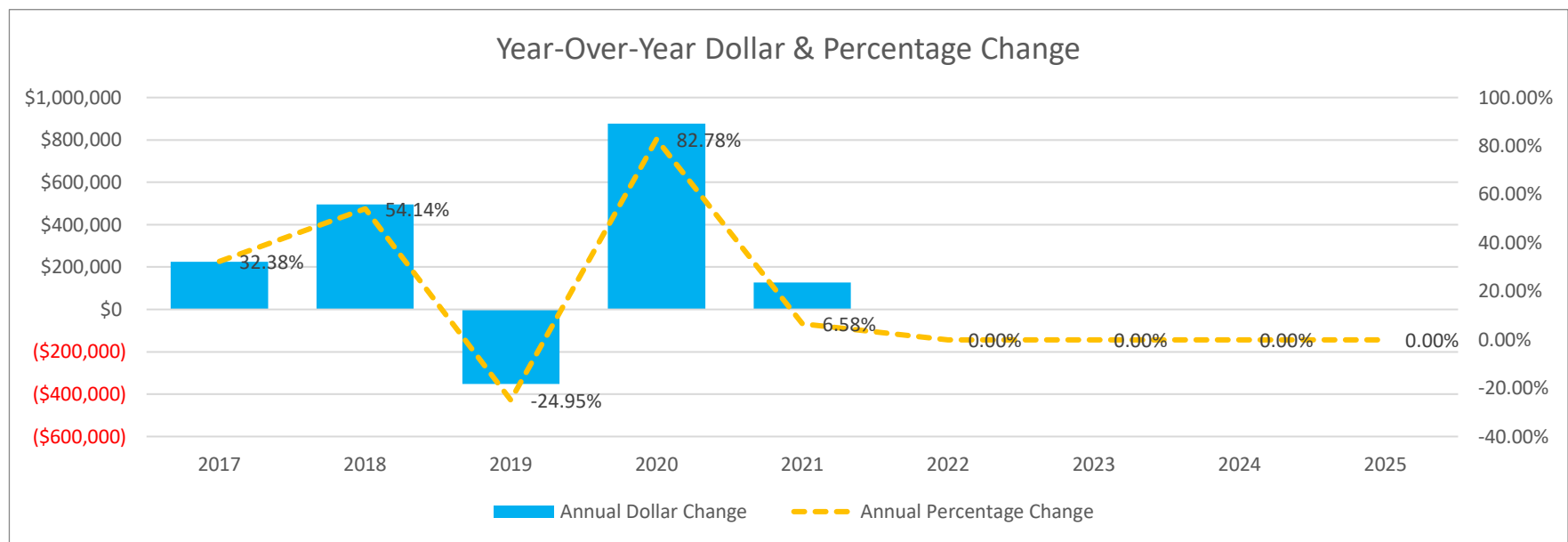
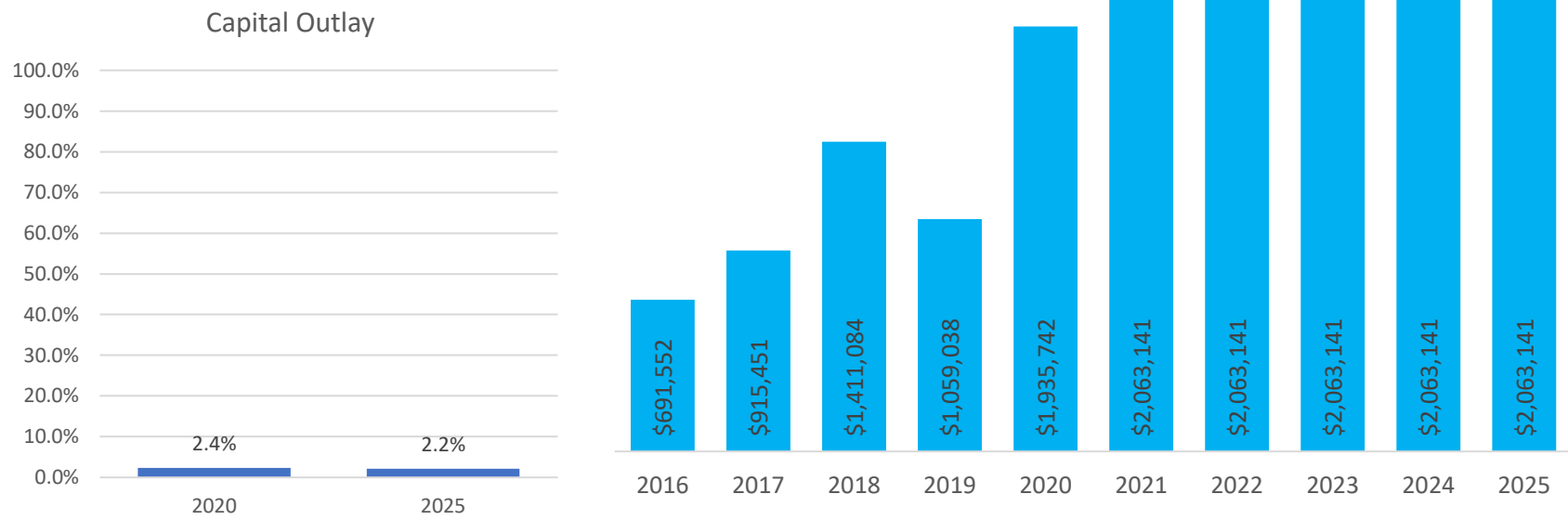


Supplies & Materials represent 1.36% of total expenditures and decreased at a historical average annual rate of -8.61%. This category of expenditure is projected to grow at an annual average rate of 5.66% through FY 2025. The projected average annual rate of change is 14.27% more than the five year historical annual average.

The District spent nearly \$800,000 on textbooks in fiscal year 2019 and only \$145,000 the following year. We anticipate spending over \$320,000 in the current year and forward in the forecast.

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.

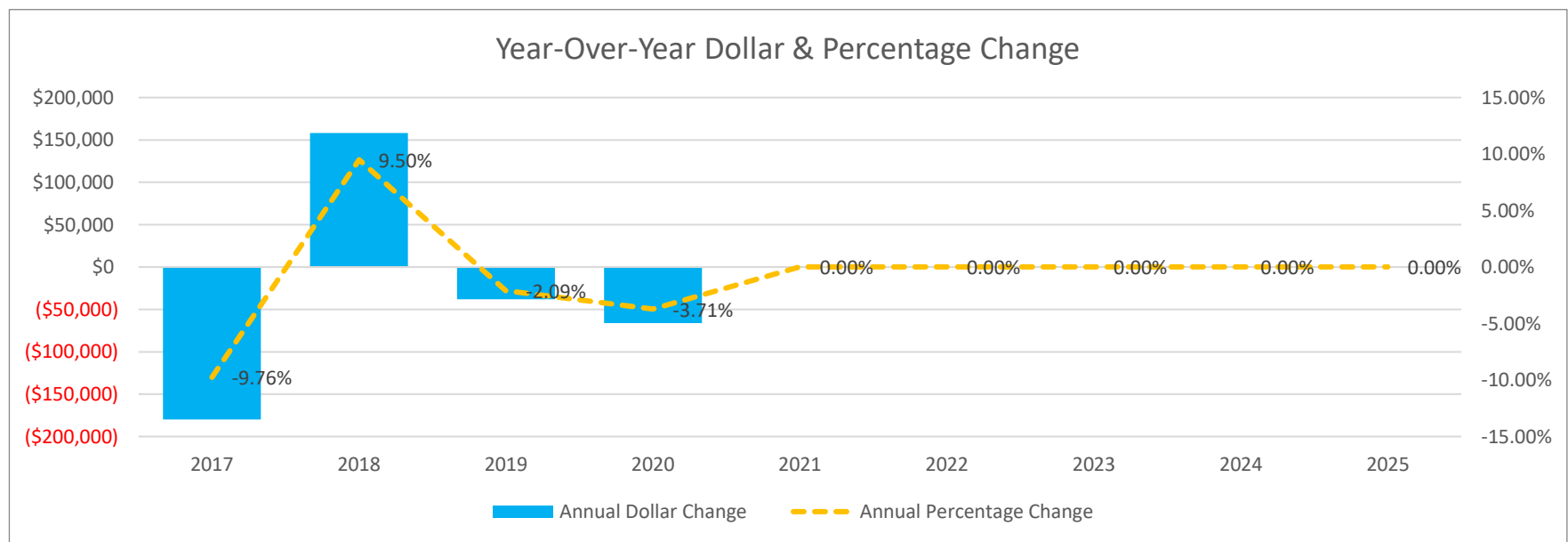
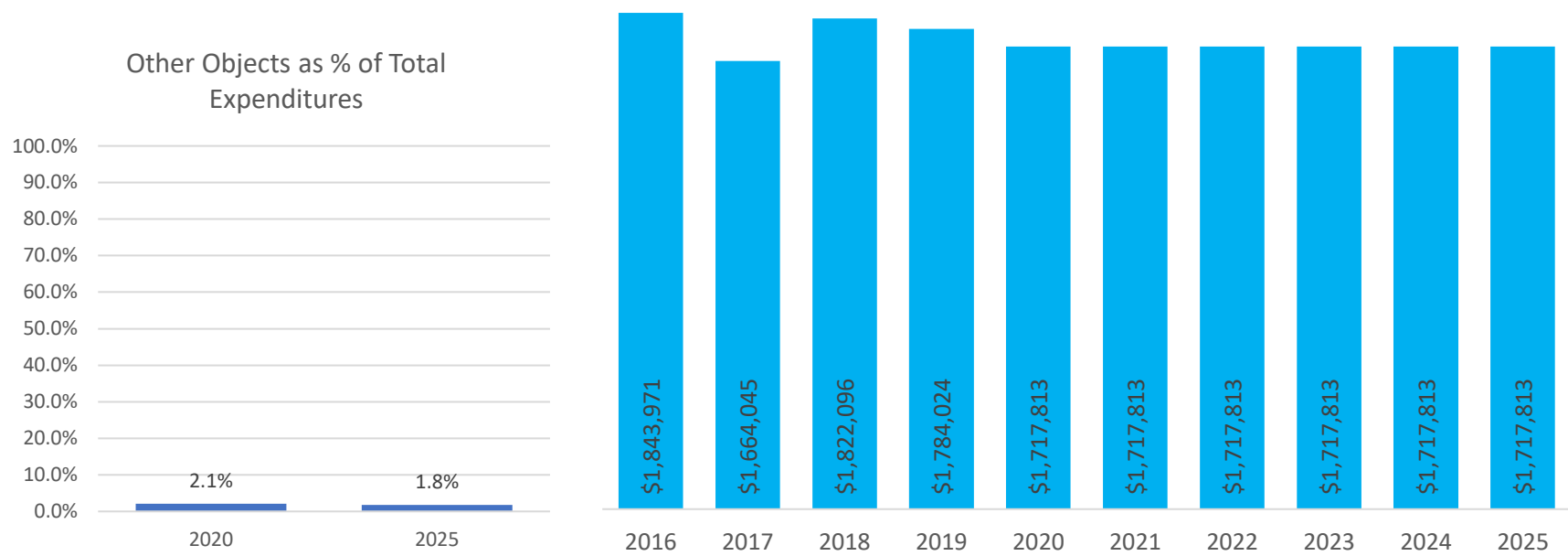


Capital Outlay represent 2.36% of total expenditures and increased at a historical average annual amount of \$340,097. This category of expenditure is projected to grow at an annual average amount of \$25,480 through FY 2025. The projected average annual change is less than the five year historical annual average.

The District will continue to work with their capital outlay budgets to determine which assets need to be repaired/replaced. We are looking to maximize the budget into the future.

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.

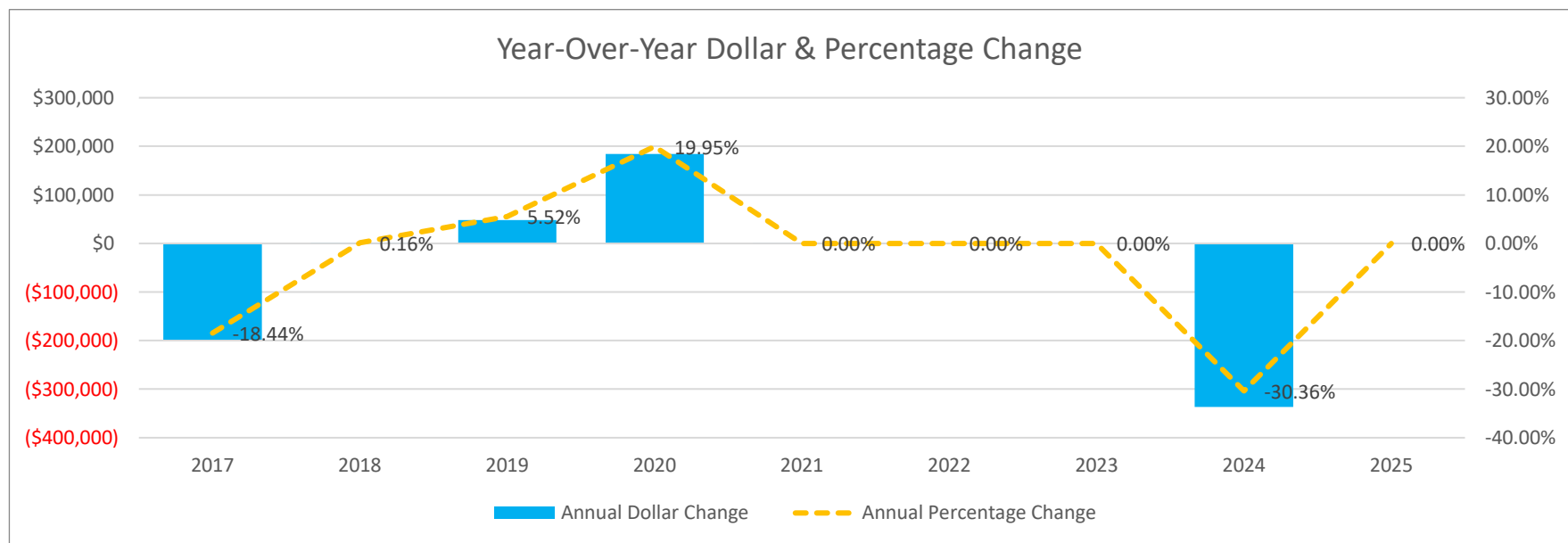
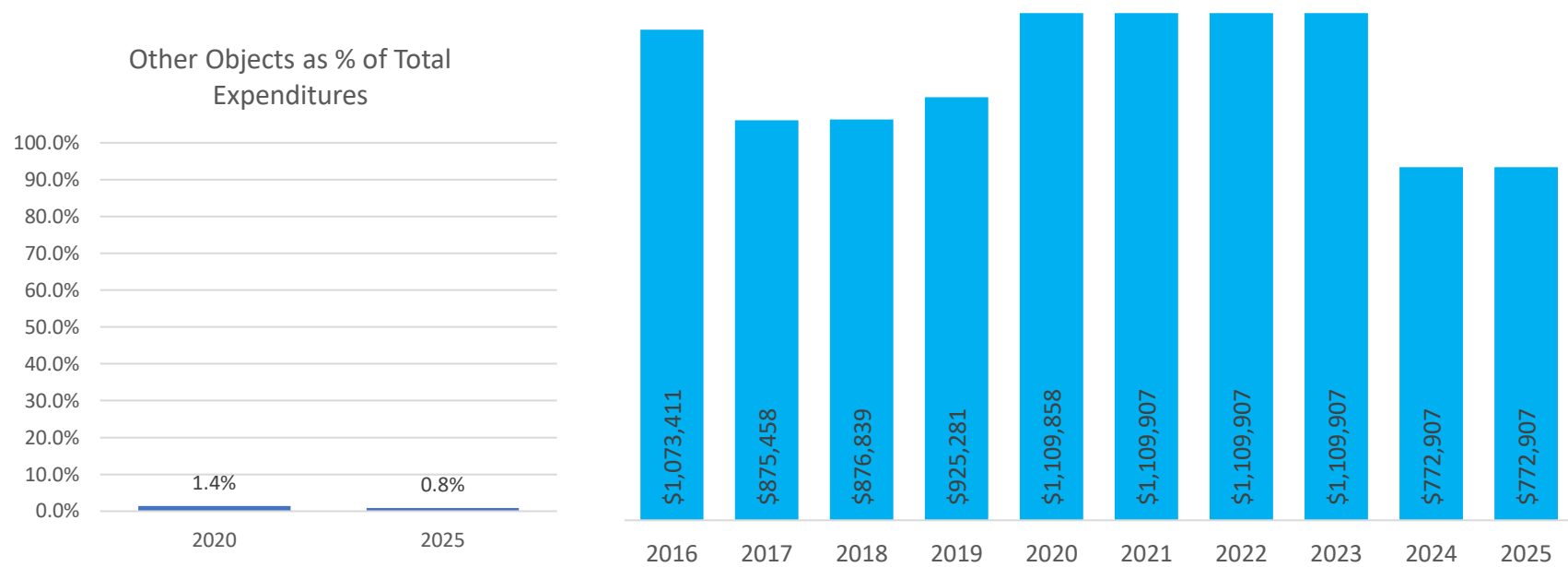


Other Objects represent 2.10% of total expenditures and increased at a historical average annual rate of 1.23%. This category of expenditure is projected to remain unchanged 0.00% through FY 2025. The projected average annual rate of change is -1.23% less than the five year historical annual average.

The District continues to monitor expenses in this category to determine what can be changed or lowered on a yearly basis. Reductions in prior years have occurred do to this strategy. Other items are outside of the District's ability to contain, such as County Auditor/Treasurer Fees. However, these fees are based upon property tax collections and as these fees increase so will the revenue from these collections.

5.040 - Total Other Financing Uses

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



	2020	2021	2022	FORECASTED		
				2023	2024	2025
Transfers Out	460,578	460,578	460,578	460,578	123,578	123,578
Advances Out	649,329	649,329	649,329	649,329	649,329	649,329
Other Financing Uses	(49)	(0)	(0)	(0)	(0)	(0)

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

The District will be making the last payments for the 2007 Energy Bonds and 2012 Transportation Facility Bonds in the 2022-2023 fiscal year. Advances have been made to Title Funds and the Cafeteria Fund in the past and the assumption is these will continue into the future.

Medina City School District

Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2020	2021	2022	2023	2024	2025
Revenue:						
1.010 - General Property Tax (Real Estate)	48,279,664	49,030,939	49,201,442	49,487,333	49,803,947	49,951,878
1.020 - Public Utility Personal Property	3,317,403	3,585,736	3,545,499	3,661,487	3,770,420	3,869,170
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	17,745,277	17,424,569	18,423,911	18,488,994	18,872,382	18,870,867
1.040 - Restricted Grants-in-Aid	461,112	150,881	150,881	150,881	150,881	150,881
1.050 - Property Tax Allocation	5,359,332	5,340,935	5,359,612	5,386,267	5,416,006	5,436,664
1.060 - All Other Operating Revenues	2,457,501	2,107,501	1,932,501	1,907,501	1,807,501	1,657,501
1.070 - Total Revenue	77,620,291	77,640,561	78,613,846	79,082,463	79,821,137	79,936,961
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	14,221	5,576	5,576	5,576	5,576
2.050 - Advances-In	478,648	649,323	649,323	649,323	649,323	649,323
2.060 - All Other Financing Sources	551,318	551,318	551,318	551,318	551,318	551,318
2.070 - Total Other Financing Sources	1,029,966	1,214,862	1,206,217	1,206,217	1,206,217	1,206,217
2.080 - Total Rev & Other Sources	78,650,257	78,855,423	79,820,063	80,288,680	81,027,354	81,143,178
Expenditures:						
3.010 - Personnel Services	48,911,847	50,175,501	52,161,263	53,948,849	55,783,890	57,688,021
3.020 - Employee Benefits	17,545,173	18,271,771	18,736,650	19,121,518	19,516,601	19,926,561
3.030 - Purchased Services	9,635,110	10,143,610	10,334,201	10,515,591	10,715,654	10,909,833
3.040 - Supplies and Materials	1,115,042	1,290,042	1,398,743	1,418,117	1,437,880	1,458,042
3.050 - Capital Outlay	1,935,742	2,063,141	2,063,141	2,063,141	2,063,141	2,063,141
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	1,717,813	1,717,813	1,717,813	1,717,813	1,717,813	1,717,813
4.500 - Total Expenditures	80,860,728	83,661,878	86,411,812	88,785,029	91,234,980	93,763,410
Other Financing Uses						
5.010 - Operating Transfers-Out	460,578	460,578	460,578	460,578	123,578	123,578
5.020 - Advances-Out	649,329	649,329	649,329	649,329	649,329	649,329
5.030 - All Other Financing Uses	(49)	(0)	(0)	(0)	(0)	(0)
5.040 - Total Other Financing Uses	1,109,858	1,109,907	1,109,907	1,109,907	772,907	772,907
5.050 - Total Exp and Other Financing Uses	81,970,586	84,771,786	87,521,719	89,894,937	92,007,887	94,536,317
6.010 - Excess of Rev Over/(Under) Exp	(3,320,329)	(5,916,362)	(7,701,656)	(9,606,256)	(10,980,533)	(13,393,139)
7.010 - Cash Balance July 1 (No Levies)	57,996,700	54,676,370	48,760,008	41,058,352	31,452,096	20,471,563
7.020 - Cash Balance June 30 (No Levies)	54,676,370	48,760,008	41,058,352	31,452,096	20,471,563	7,078,424
		Reservations				
8.010 - Estimated Encumbrances June 30	851,800	851,800	851,800	851,800	851,800	851,800
9.080 - Reservations Subtotal	4,117,430	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	49,707,140	47,908,208	40,206,552	30,600,296	19,619,763	6,226,624
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	49,707,140	47,908,208	40,206,552	30,600,296	19,619,763	6,226,624
Revenue from New Levies						
13.010 & 13.020 - New Levies	-	-	-	-	-	4,678,269
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	4,678,269
15.010 - Unreserved Fund Balance June 30	49,707,140	47,908,208	40,206,552	30,600,296	19,619,763	10,904,893

