

Clinton-Massie Local School District

Five Year Forecast Financial Report

November, 2023

Carrie Bir, Treasurer

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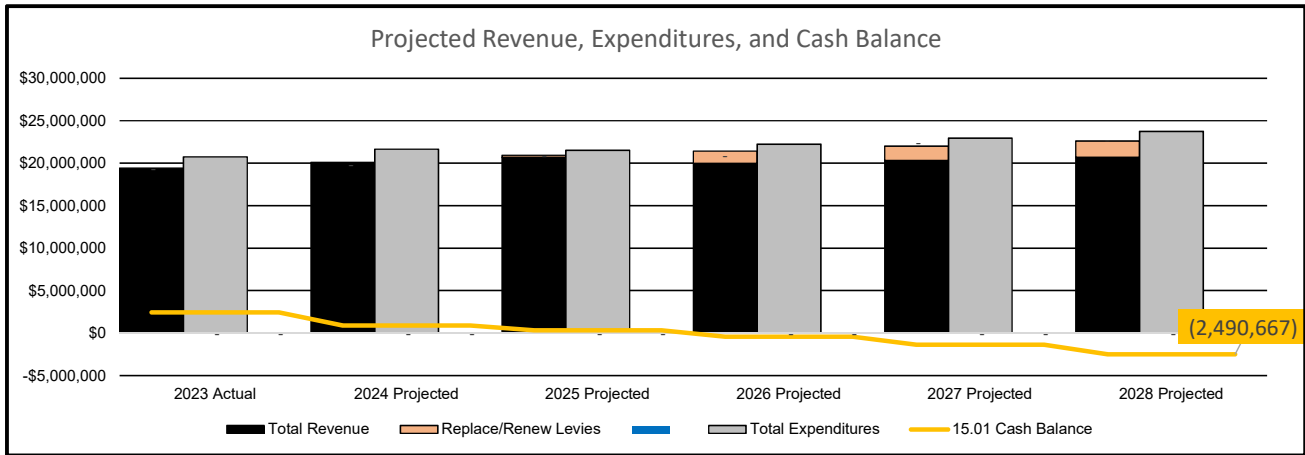
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Forecast Purpose/Objectives

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	2,432,248	896,320	343,139	(433,653)	(1,365,628)
+ Revenue	20,102,147	20,677,047	19,961,846	20,302,371	20,690,624
+ Proposed Renew/Replacement Levies	-	268,964	1,477,507	1,712,061	1,910,375
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(21,638,075)	(21,499,191)	(22,216,145)	(22,946,407)	(23,726,037)
= Revenue Surplus or Deficit	(1,535,928)	(553,181)	(776,792)	(931,975)	(1,125,039)
Line 7.020 Ending Balance with renewal/new levies	896,320	343,139	(433,653)	(1,365,628)	(2,490,667)

Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	(1,535,928)	(822,144)	(2,254,299)	(2,644,036)	(3,035,413)
Ending Balance w/o Levies	896,320	74,175	(2,180,123)	(4,824,160)	(7,859,573)

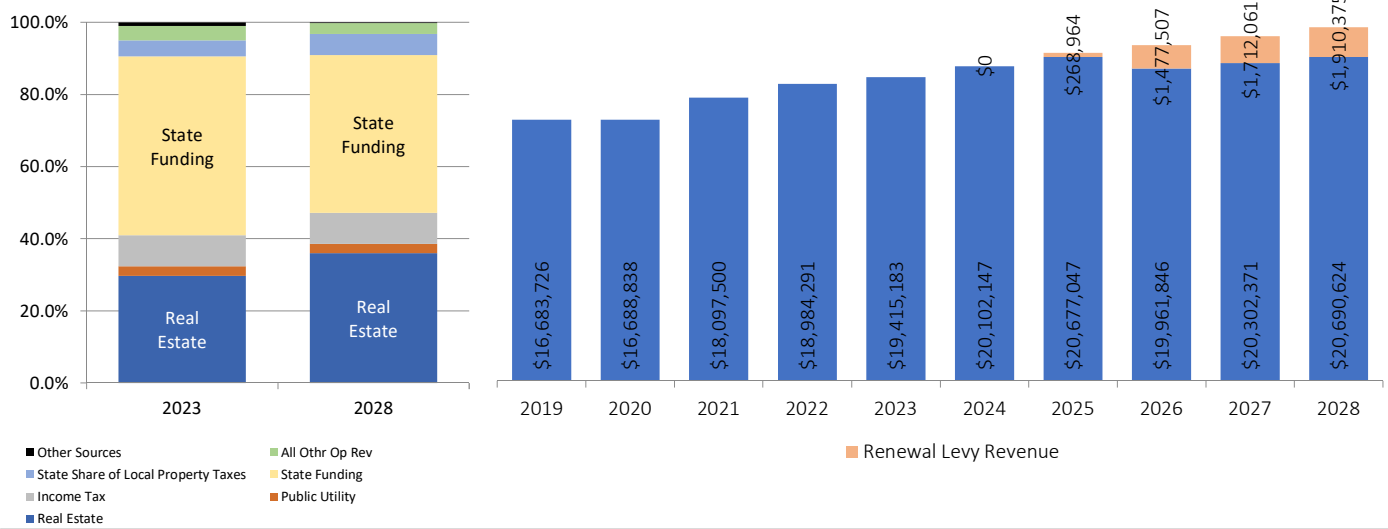
In FY 2024 a revenue shortfall is expected. This means that expenditures are expected to be greater than revenue by \$1,535,928 in FY 2024. By the last year of the forecast, FY 2028, the district is expected to have a revenue shortfall where expenditures are projected to be greater than revenue by \$3,035,413. The district would need to cut its FY 2028 projected expenses by 12.79% 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.

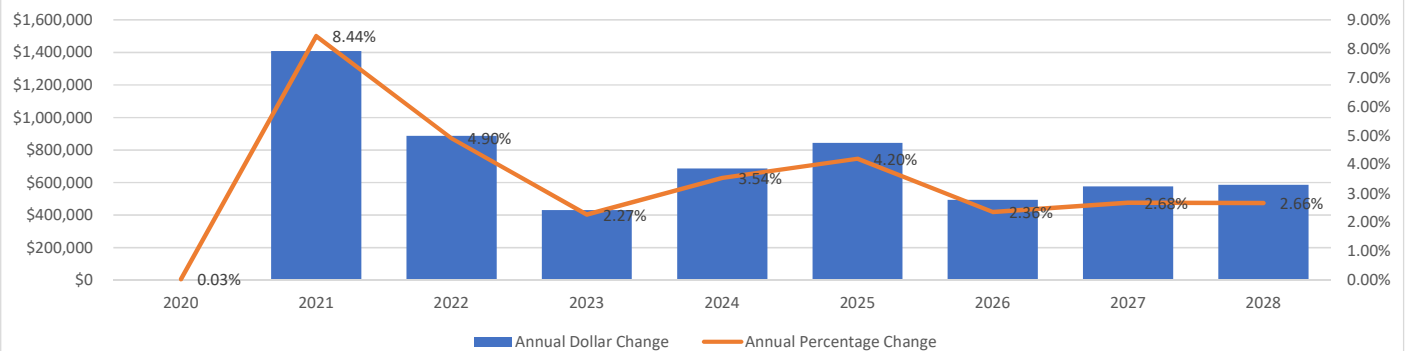
Ohio adopted the Fair School Funding Plan (FSFP) in FY 2022. The plan was continued with increasing phase-in of the formula results. In FY 2024 the per pupil base cost calculations were updated from FY 2018 cost data to FY 2022. For Clinton-Massie Local School District the calculated Base Cost total is \$13,531,913 in FY 2024. The state's share of the calculated Base Cost total is \$5,279,819 or \$3,273 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

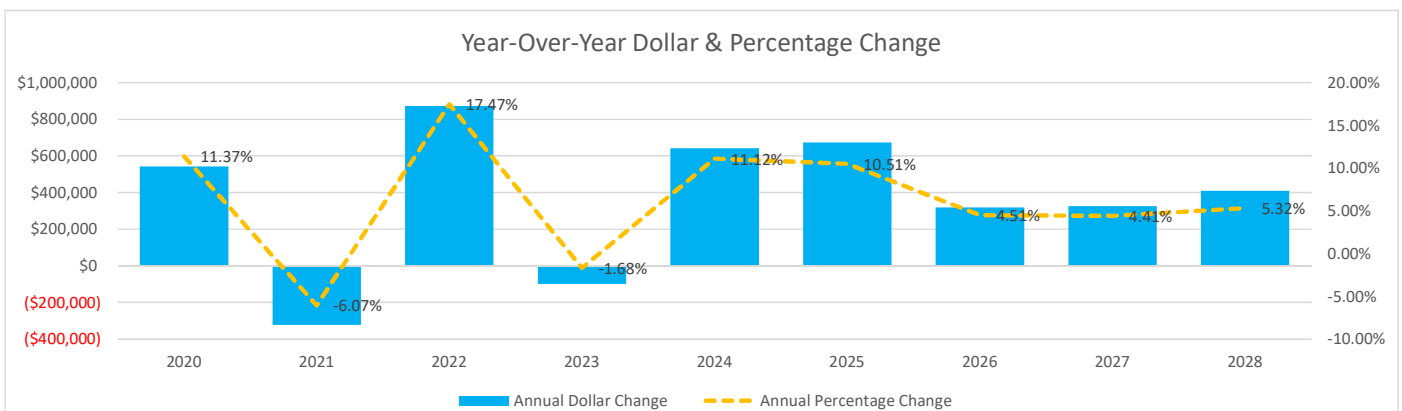
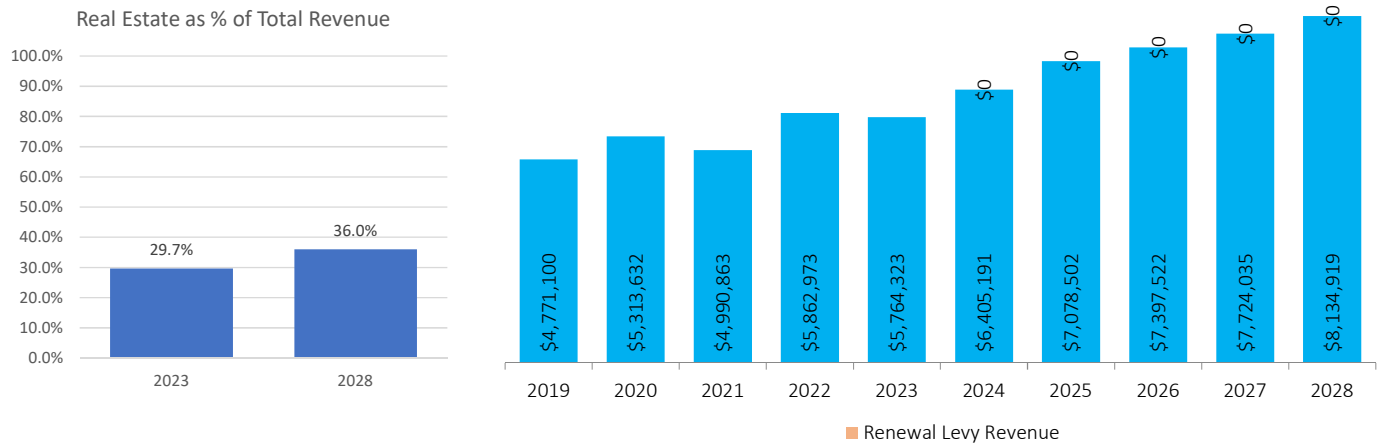
	Historical Average Annual \$\$ Change	Projected Average Annual \$\$ Change	Projected Compared to Historical Variance	Total revenue increased 3.91% or \$682,864 annually during the past 4-Year period and is projected to increase 3.09% or \$637,163 annually through FY2028. Income Tax has the most projected average annual variance compared to the historical average at - \$355,942
Real Estate	248,306	474,119	\$225,813	
Public Utility	(\$20,150)	\$9,209	\$29,360	
Income Tax	\$415,452	\$59,510	(\$355,942)	
State Funding	\$190,320	47,890	(\$142,430)	
Prop Tax Alloc	\$33,288	\$93,310	\$60,022	
All Othr Op Rev	(\$184,035)	(\$16,536)	\$167,499	
Other Sources	(\$316)	(\$30,339)	(\$30,023)	
Total Average Annual Change	682,864 3.91%	637,163 3.09%	(\$45,701) -0.82%	

Note: Expenditure average annual change is projected
to be >

\$595,672 On an annual average basis, expenditures are projected to grow slower 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).



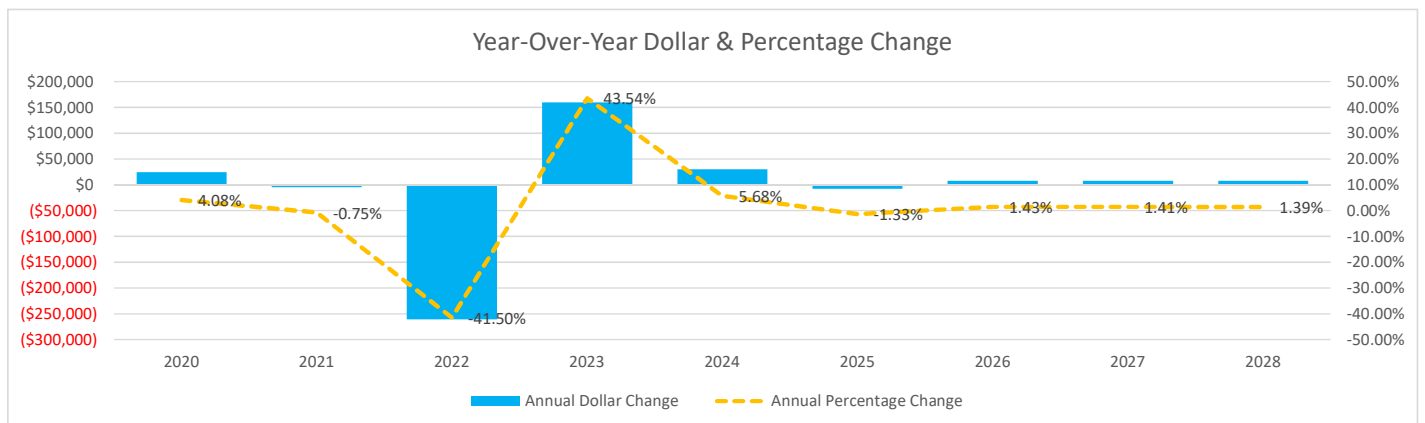
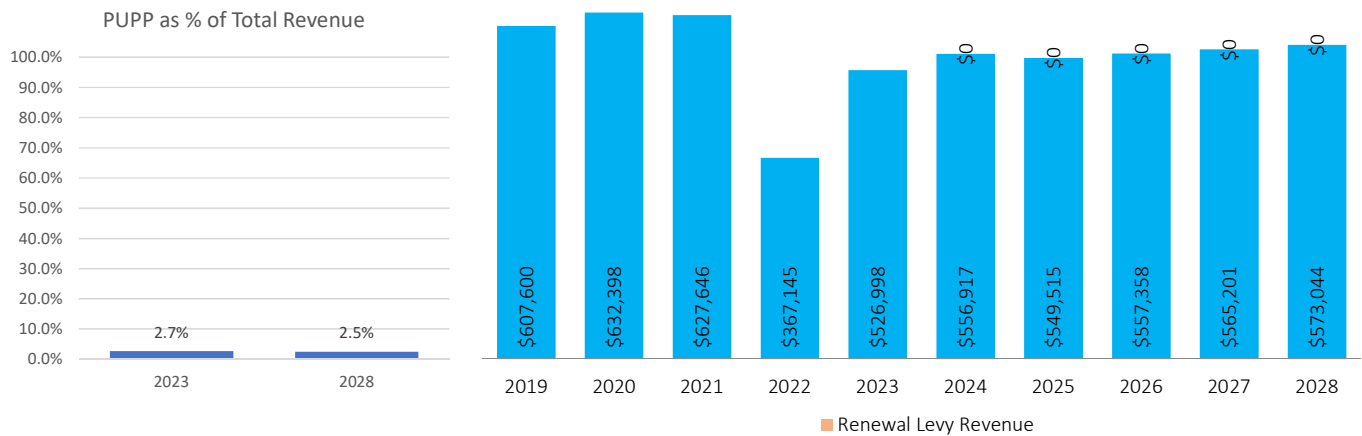
Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2022	332,367,710	5,223,340	20.00	-	24.56	-	104.7%
2023	384,067,710	51,700,000	20.00	(0.00)	24.56	-	100.0%
2024	425,784,480	41,716,770	20.00	-	24.56	-	100.0%
2025	427,734,480	1,950,000	20.00	-	24.56	-	100.0%
2026	458,934,480	31,200,000	20.00	-	24.56	-	100.0%
2027	477,634,480	18,700,000	20.00	-	24.56	-	100.0%

Real estate property tax revenue accounts for 29.69% of total revenue. Class I or residential/agricultural taxes make up approximately 94.89% 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 100.0% annually through tax year 2027. The revenue changed at an average annual historical rate of 5.27% and is projected to change at an average annual rate of 7.17% 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.



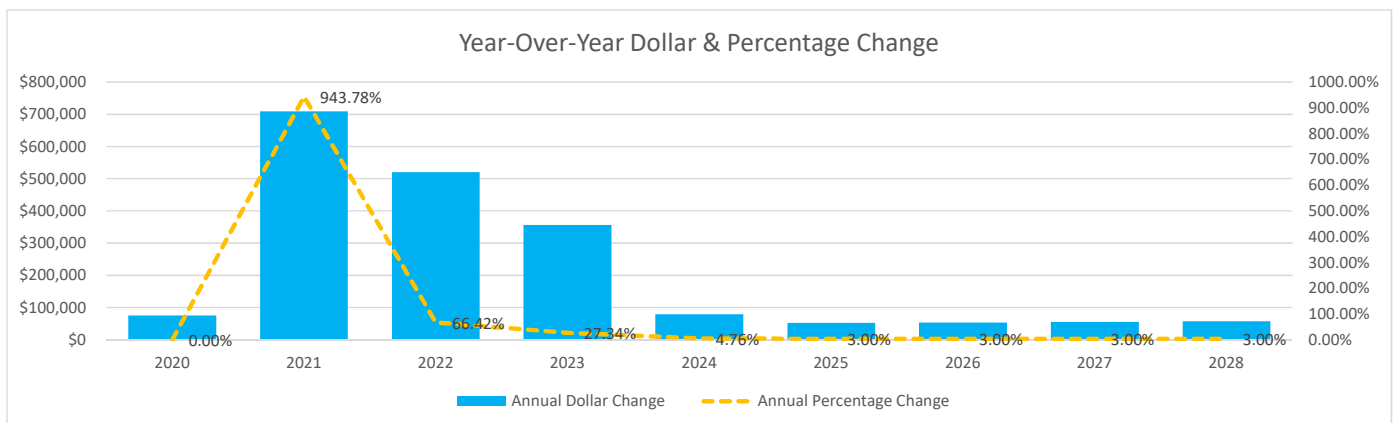
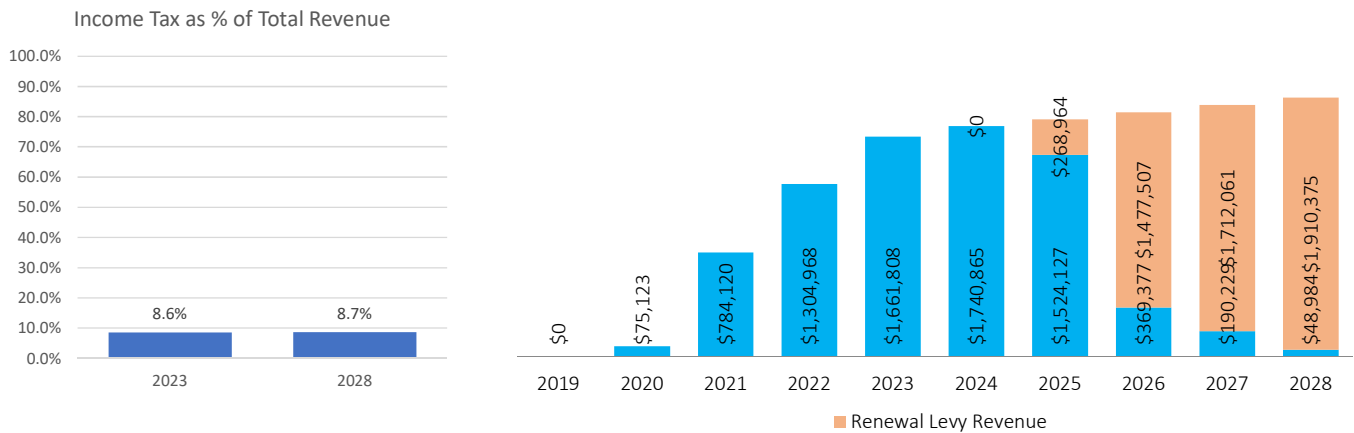
Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2022	23,439,280	439,610	27.50	-	83.8%
2023	20,863,317	(2,575,963)	27.50	-	88.3%
2024	21,163,317	300,000	27.50	-	95.1%
2025	21,463,317	300,000	27.50	-	95.1%
2026	21,763,317	300,000	27.50	-	95.1%
2027	22,063,317	300,000	27.50	-	95.1%

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 2.71% of total district revenue. The property is taxed at the full voted tax rate which in tax year 2023 is 27.5 mills. The forecast is modeling an average gross collection rate of 93.72%. The revenue changed historically at an average annual dollar amount of -\$20,150 and is projected to change at an average annual dollar amount of \$9,209 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.



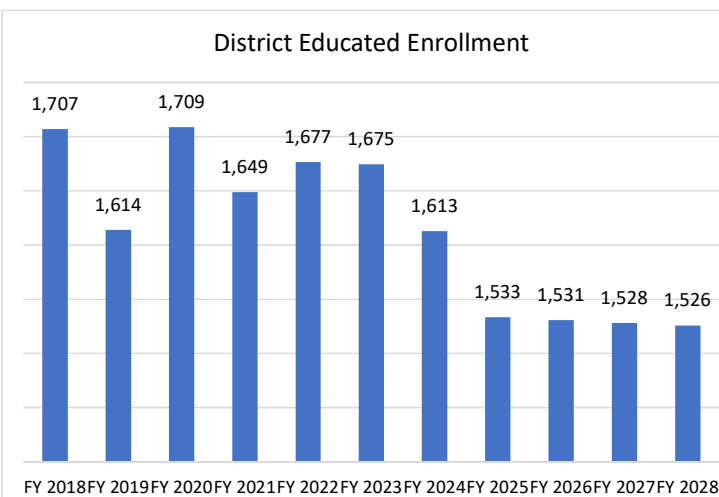
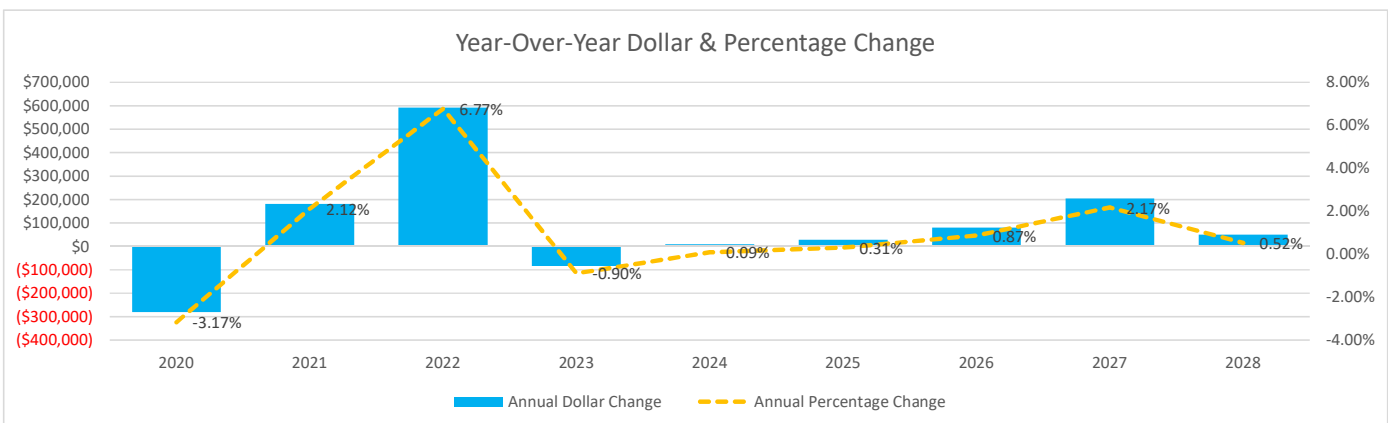
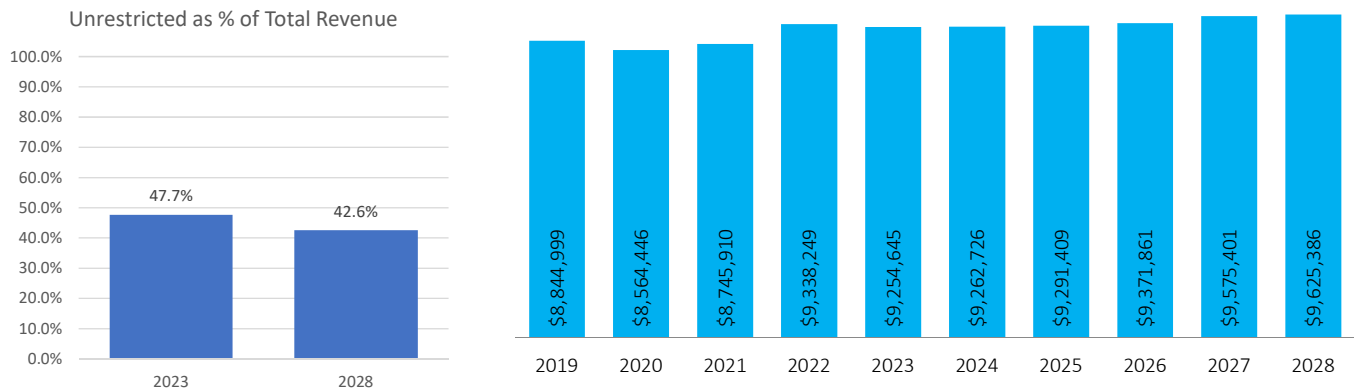
The district maintained one income tax levy in FY 2023. The average annual dollar change in total income tax revenue is forecasted to be \$59,510 through FY 2028. The district is projecting income tax renewal activity through FY 2028. Income tax revenue is projected to account for 8.7% of total district revenue in FY 2028.

The district is also considering a second 0.5% earned income tax.

**Projected % trends include renewal levies*

1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



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

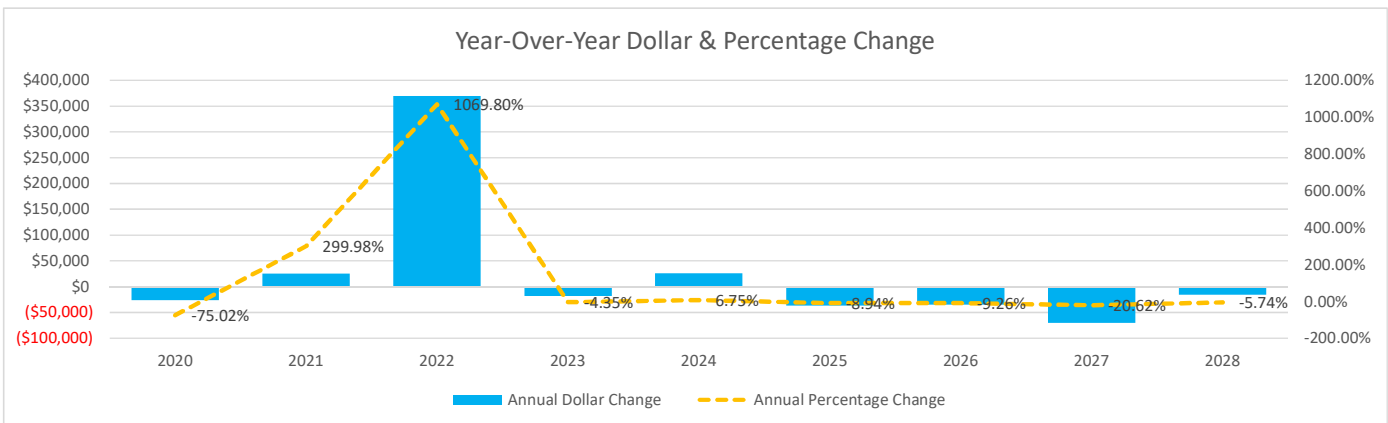
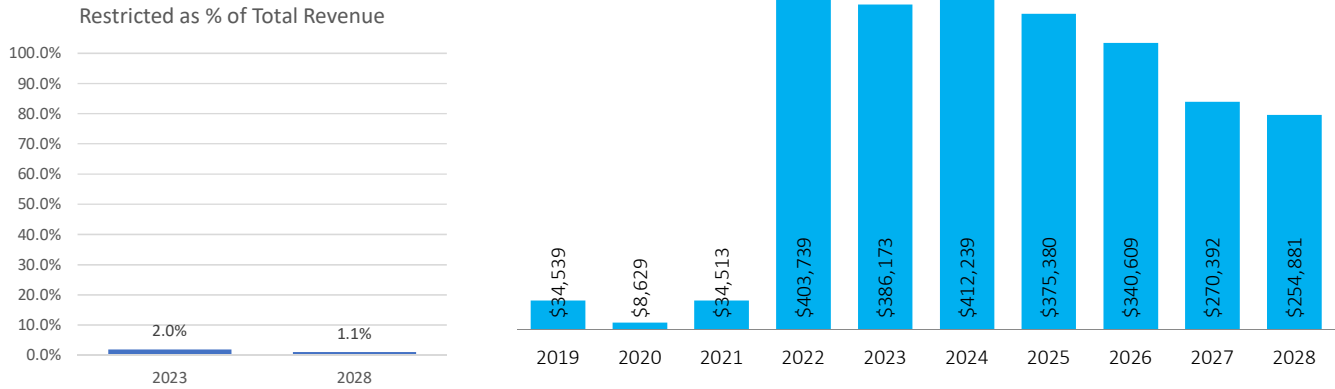
For Clinton-Massie Local School District the calculated Base Cost total is \$13,531,913 in FY 2024.

The state's share of the calculated Base Cost total is \$5,279,819 or \$3,273 per pupil.

The FSFP also started funding students where they attended school. Therefore district educated enrollment is now used for per pupil funding. At the same time, the FSFP eliminated tuition transfer payments from school districts.

1.040 & 1.045 - Restricted Grants-in-Aid

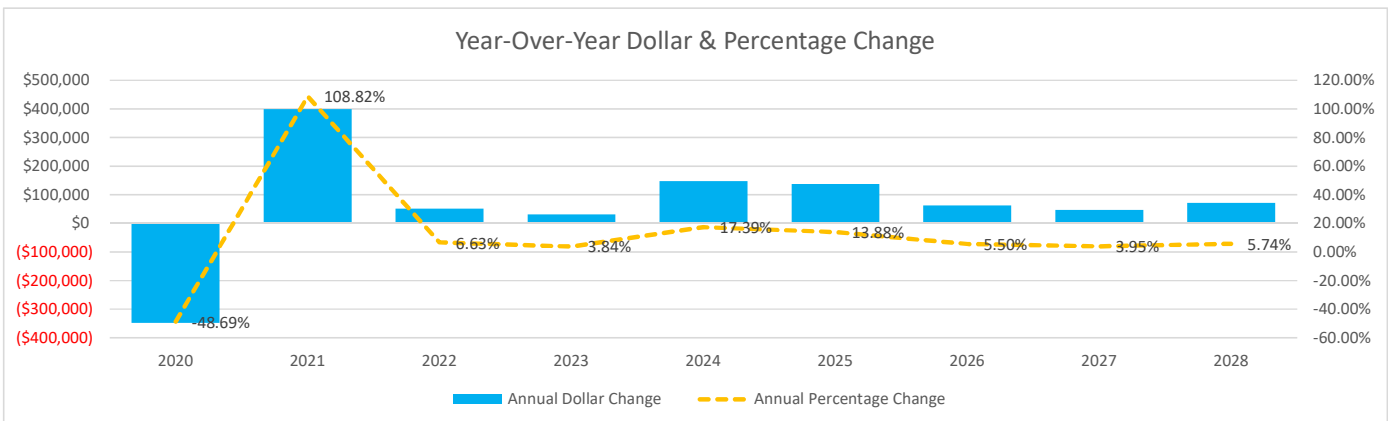
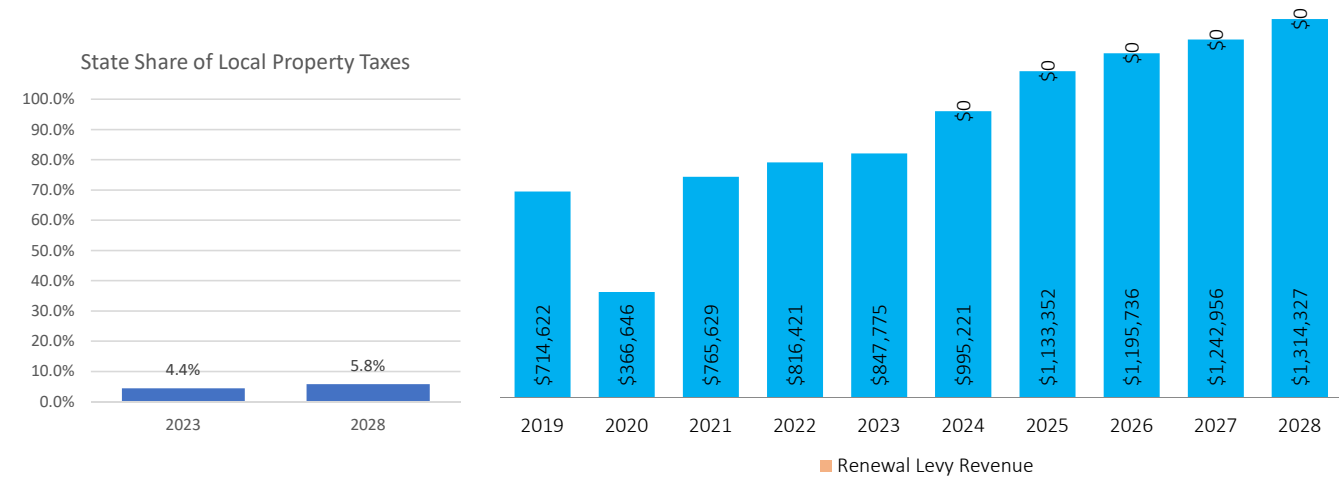
Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



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 \$125,848 and is projected to change annually on average by -\$26,258. Restricted funds represent 1.99% 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 \$280,008. 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.

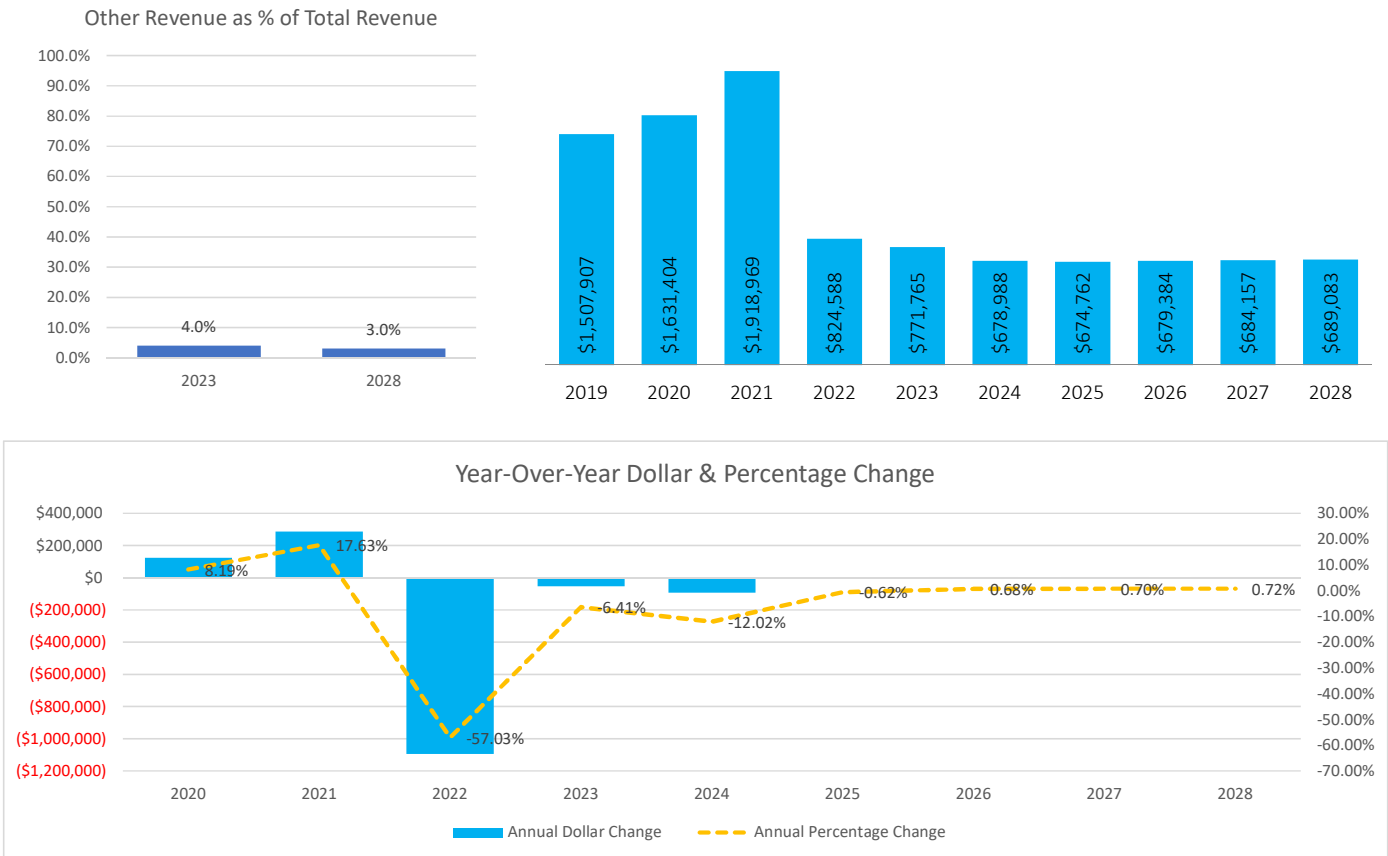


State Share of Local Property Taxes primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In FY 2024, approximately 12.7% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 1.7% will be reimbursed in the form of qualifying homestead exemption credits.

**Projected % trends include renewal levies*

1.060 - All Other Operating Revenues

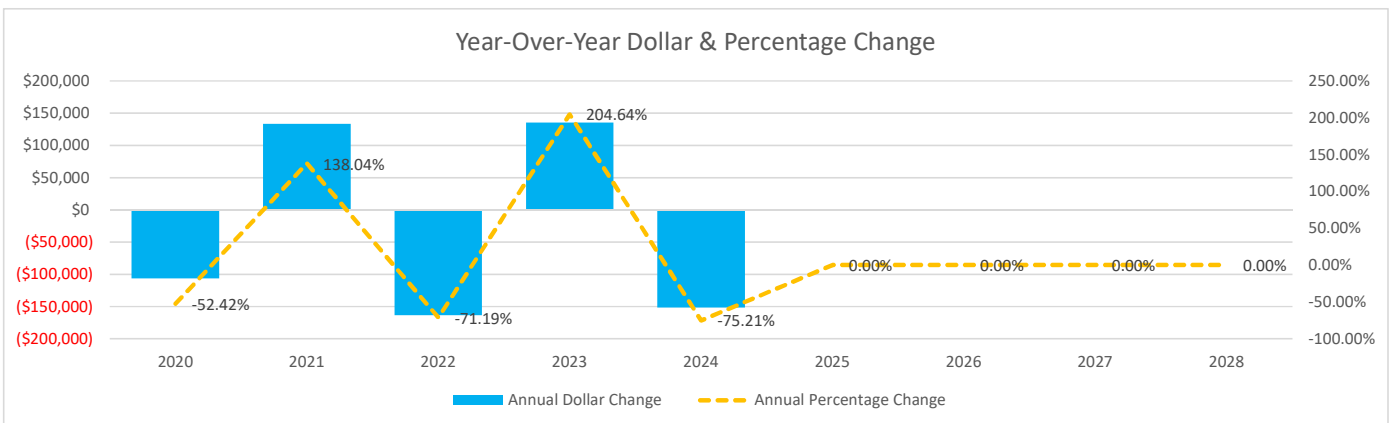
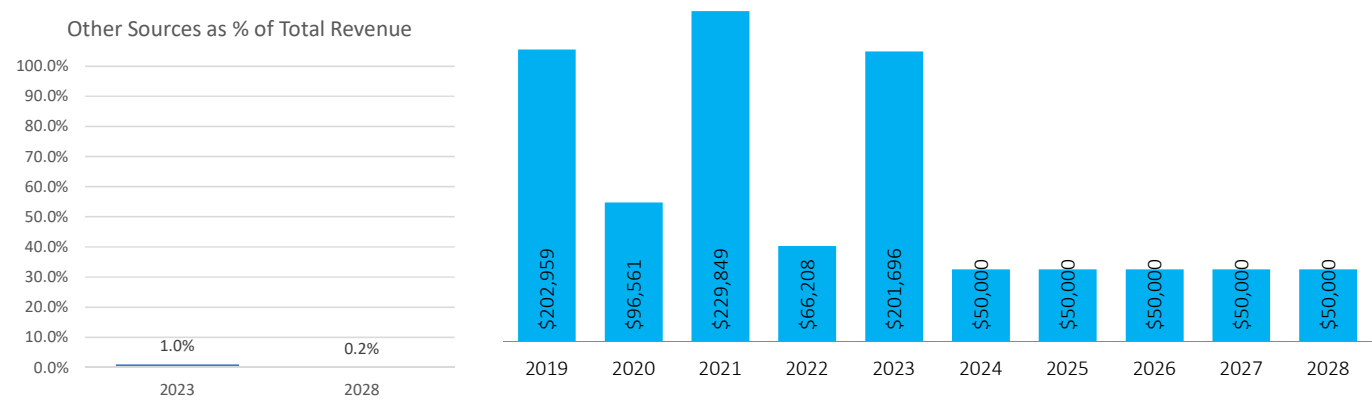
Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.



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 -\$184,035. The projected average annual change is -\$16,536 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.

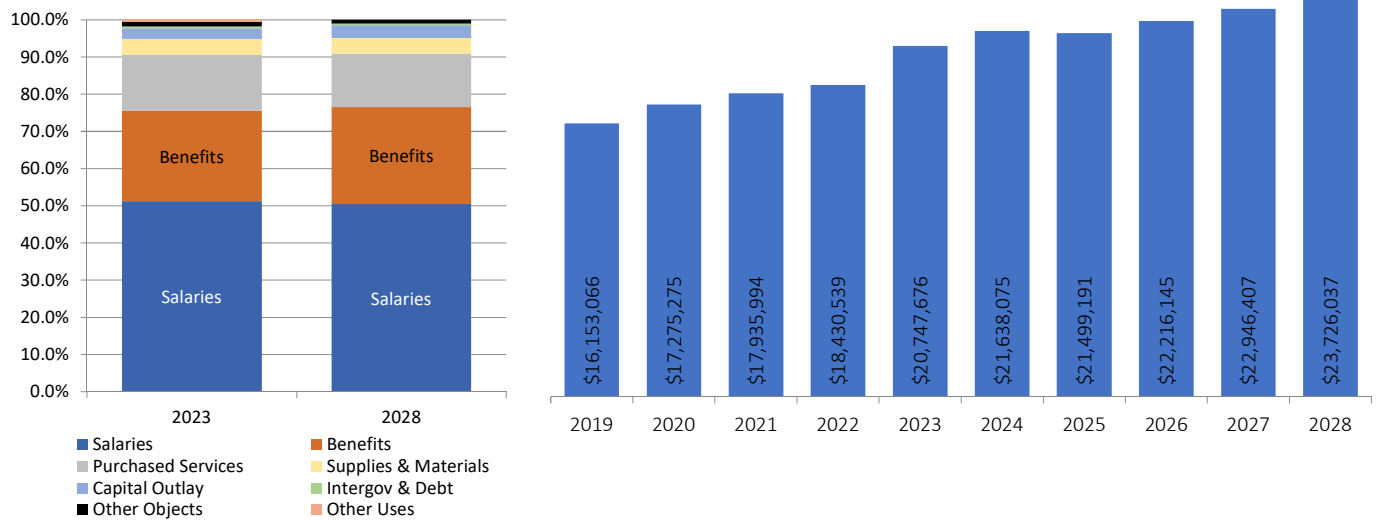


	2023	FORECASTED				
		2024	2025	2026	2027	2028
Transfers In	-	-	-	-	-	-
Advances In	164,532	-	-	-	-	-
All Other Financing Sources	37,164	50,000	50,000	50,000	50,000	50,000

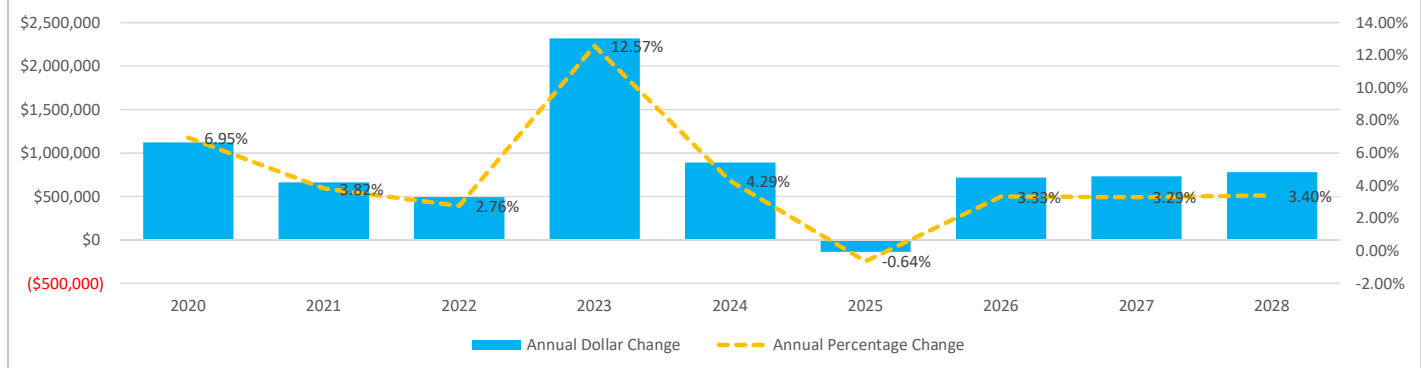
Other sources includes revenue that is generally classified as non-operating. Return advances-in are the most common revenue source. In FY 2023 the district receipted \$164,532 as advances-in and is projecting advances of \$0 in FY 2024. The district also receives other financing sources such as refund of prior year expenditures in this category. The district is projecting that all other financing sources will be \$50,000 in FY 2024 and average \$50,000 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 6.53% or \$1,148,653 annually during the past 4-Year period and is projected to increase 2.87% or \$595,672 annually through FY2028. Salaries has the largest projected average annual variance compared to the historical average at -\$259,132.
Salaries	528,113	268,981	(\$259,132)	
Benefits	\$355,265	\$226,805	(\$128,461)	
Purchased Services	\$107,813	\$58,689	(\$49,124)	
Supplies & Materials	\$100,353	\$22,309	(\$78,044)	
Capital Outlay	\$53,388	\$48,294	(\$5,094)	
Intergov & Debt	(\$15,413)	(\$1,129)	\$14,284	
Other Objects	\$14,573	(\$2,286)	(\$16,858)	
Other Uses	\$4,561	(\$25,990)	(\$30,551)	
Total Average Annual Change	\$1,148,653	\$595,672	(\$552,980)	
	6.53%	2.87%	-3.65%	

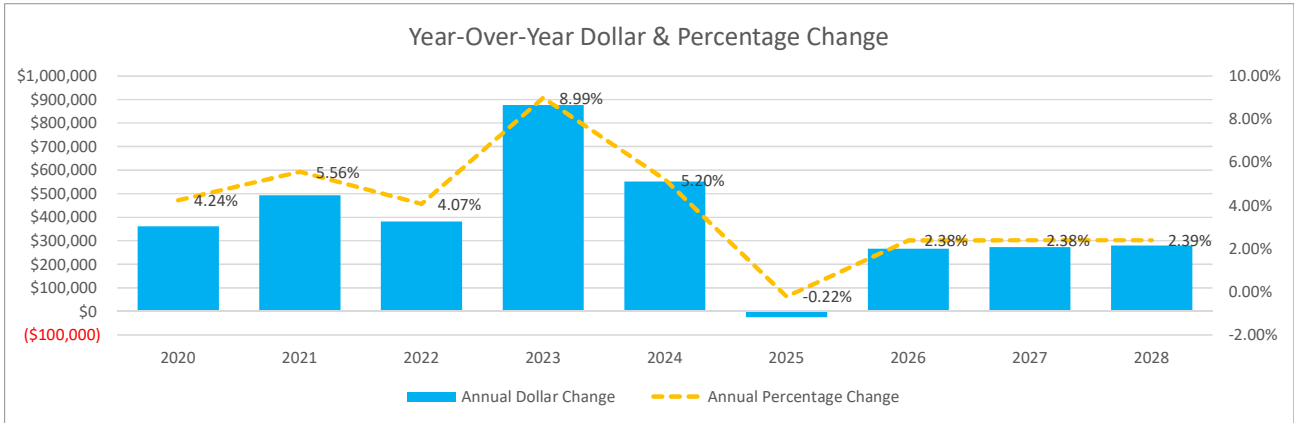
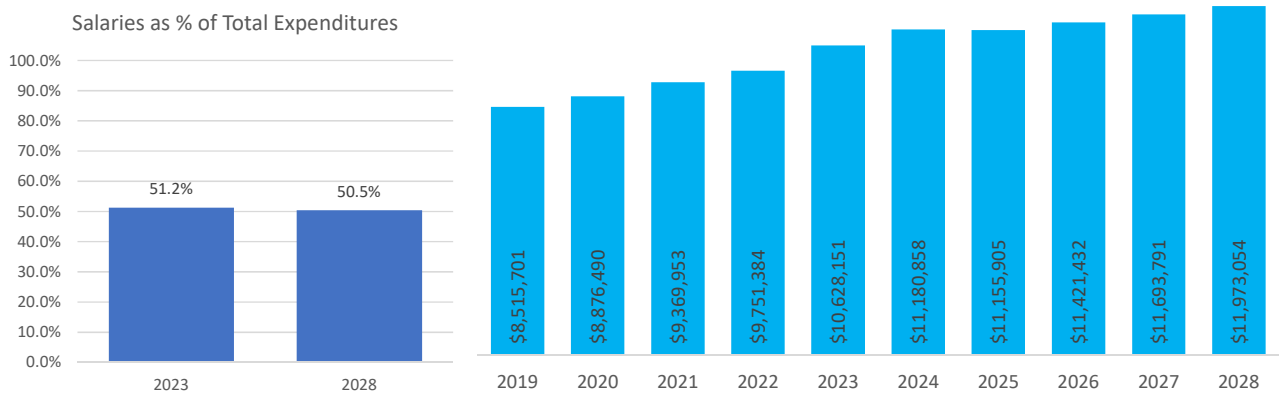
Note: Revenue average annual change is projected to

be > \$637,163

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

3.010 - Personnel Services

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

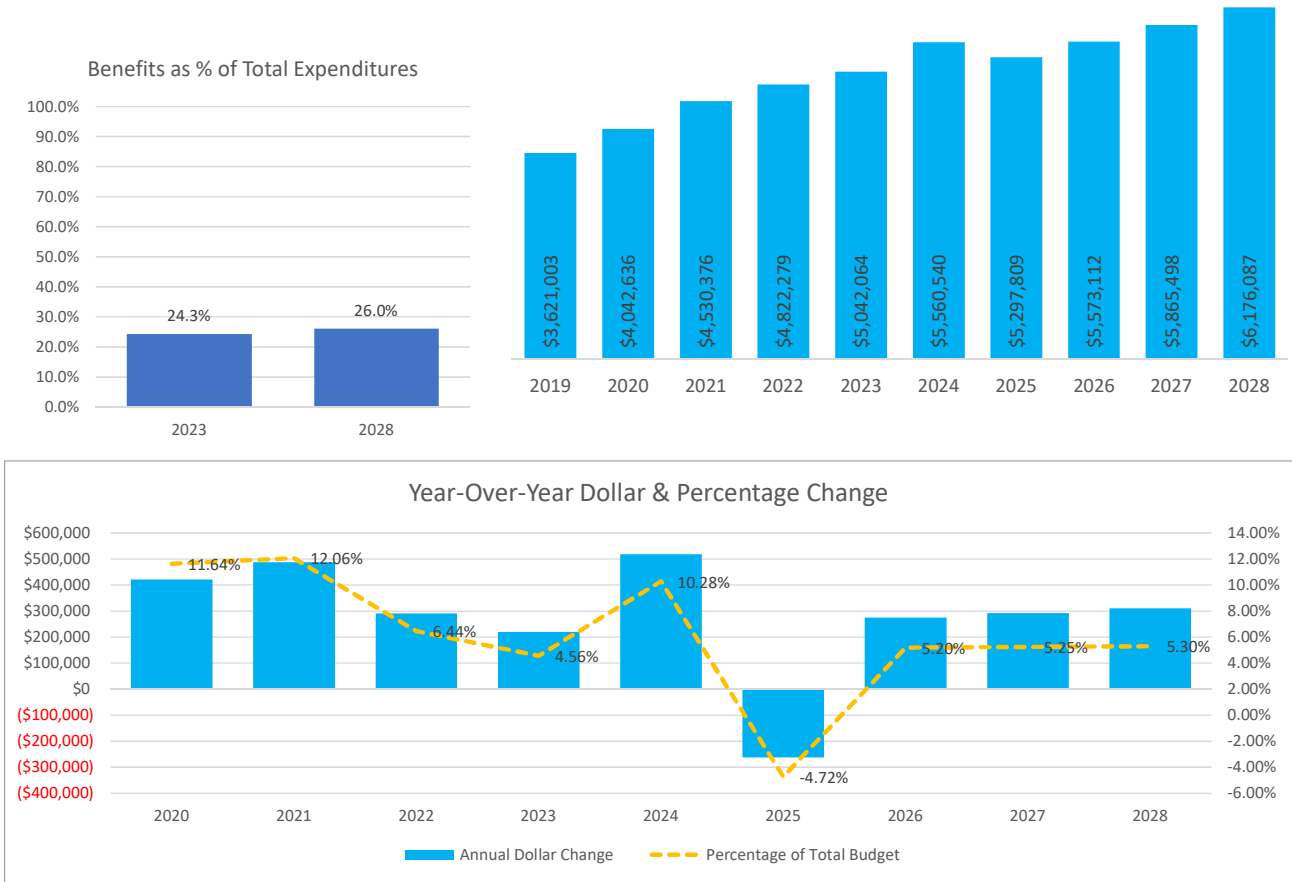


Salaries represent 51.23% of total expenditures and increased at a historical average annual rate of 5.71% or \$528,113. This category of expenditure is projected to grow at an annual average rate of 2.43% or \$268,981 through FY 2028. The projected average annual rate of change is -3.29% less than the five year historical annual average.

We have 4 teachers retiring/resigning at the end of the year which we do not intend to replace.

3.020 - Employees' Benefits

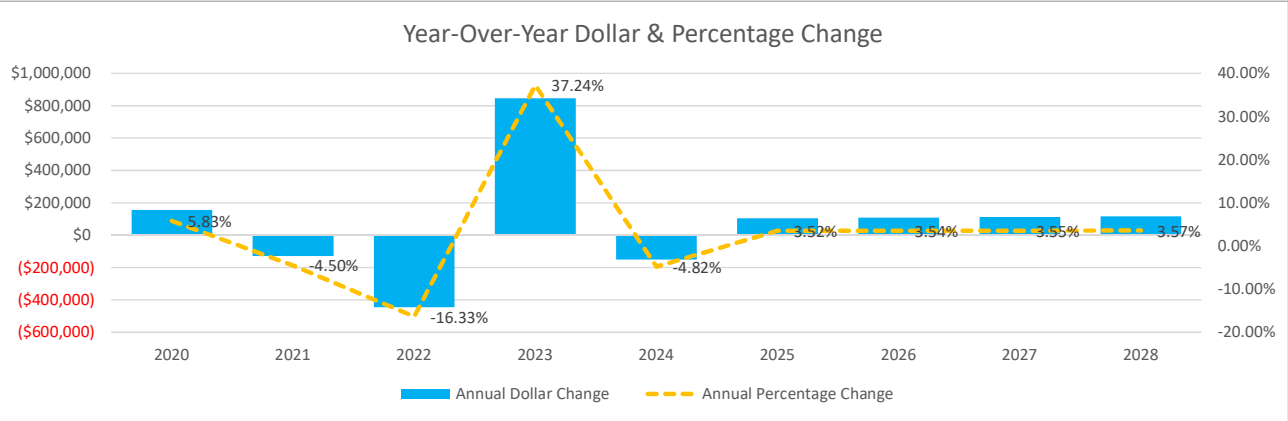
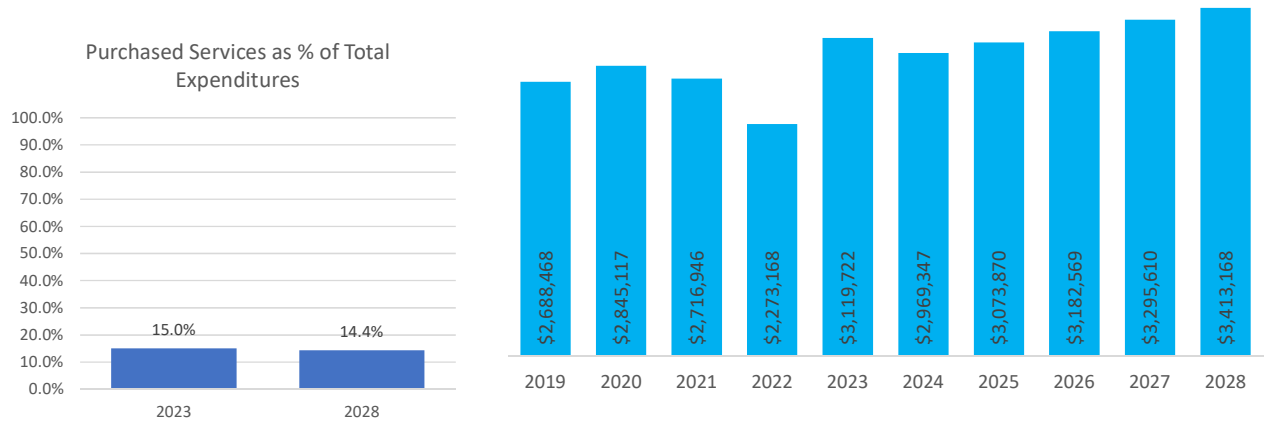
Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.



Benefits represent 24.30% of total expenditures and increased at a historical average annual rate of 8.68% This category of expenditure is projected to grow at an annual average rate of 4.26% through FY 2028. The projected average annual rate of change is -4.42% less than the five year historical annual average.

3.030 - Purchased Services

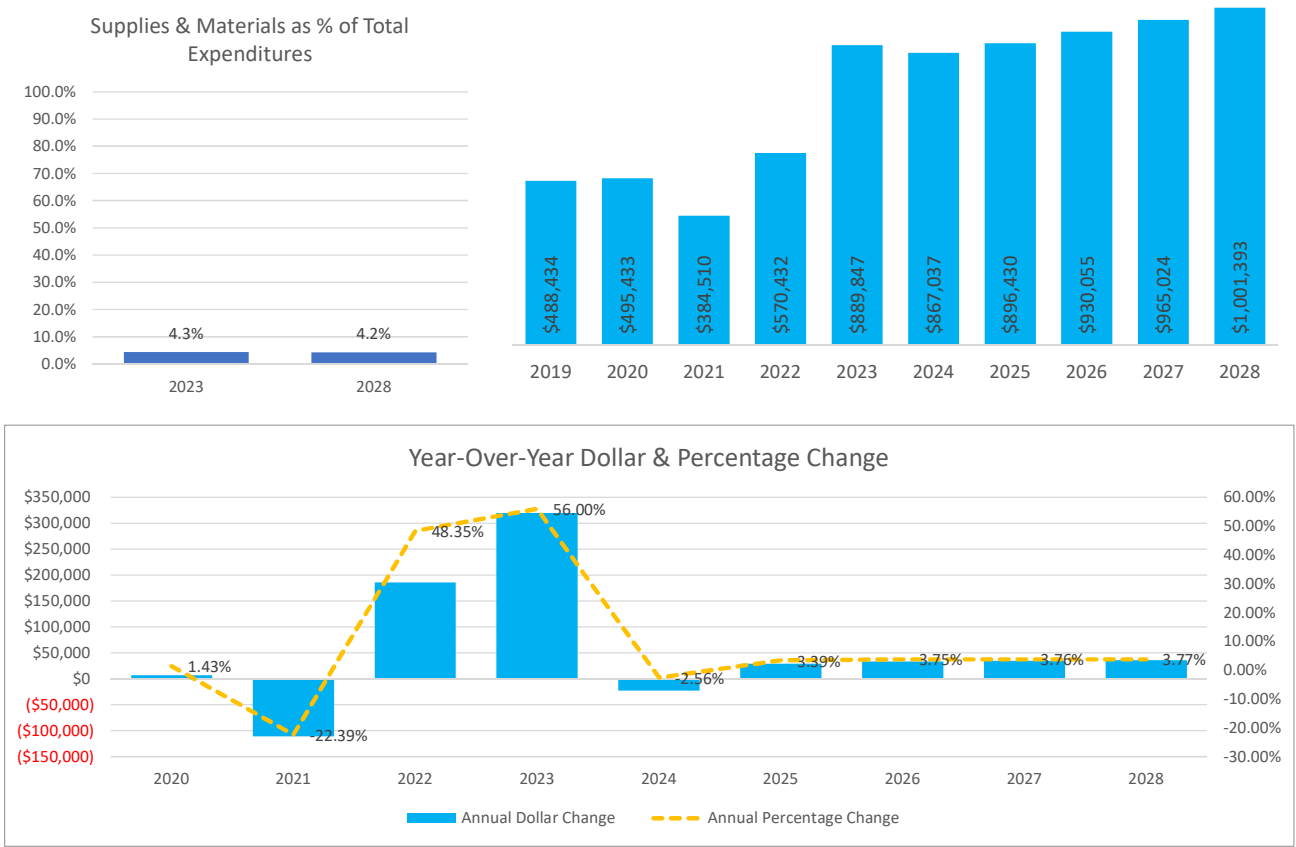
Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, expenses for tuition paid to other districts, utilities costs and other services which the school district may purchase.



Purchased Services represent 15.04% of total expenditures and increased at a historical average annual rate of 5.56%. This category of expenditure is projected to grow at an annual average rate of 1.87% 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

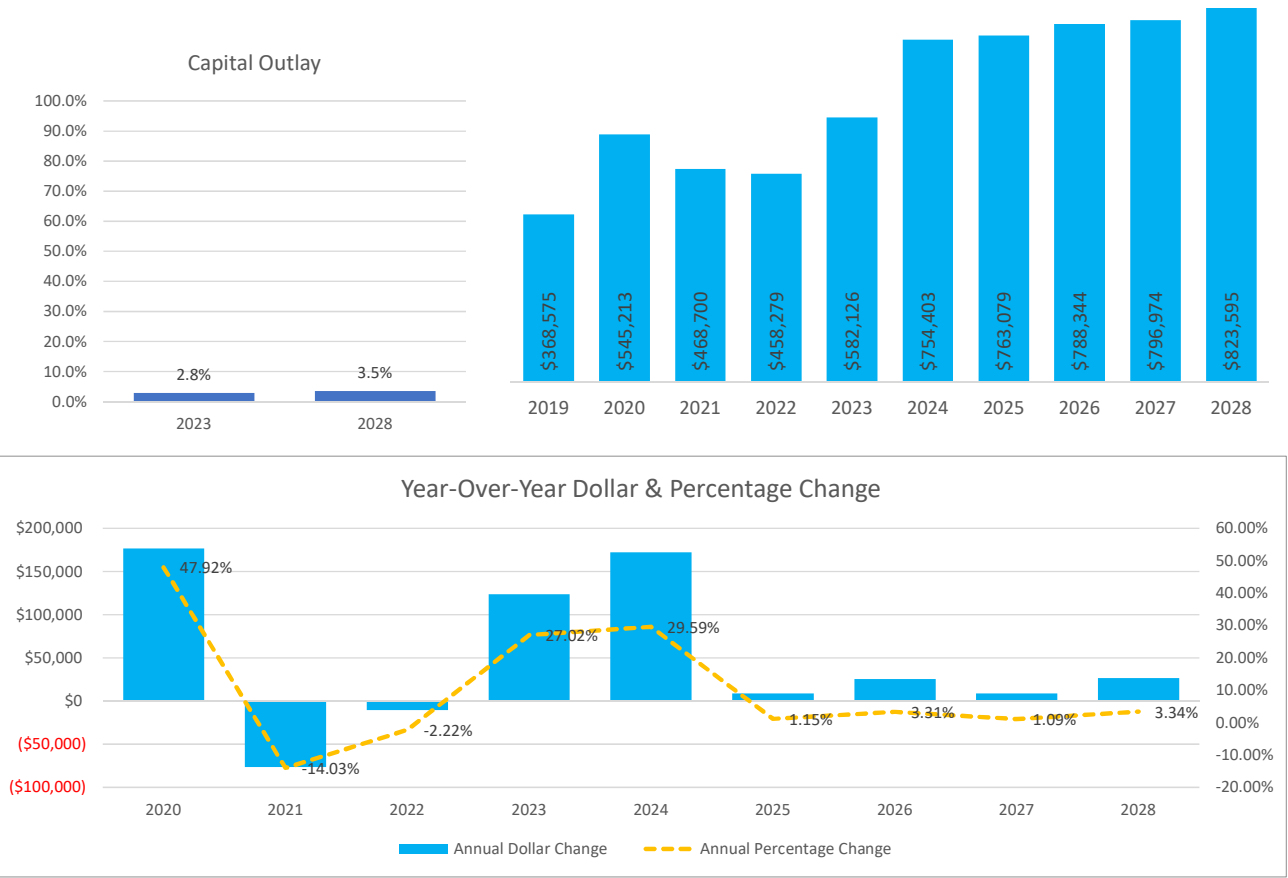
Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



Supplies & Materials represent 4.29% of total expenditures and increased at a historical average annual rate of 20.85%. This category of expenditure is projected to grow at an annual average rate of 2.42% through FY 2028. The projected average annual rate of change is -18.43% less than the five year historical annual average.

3.050 - Capital Outlay

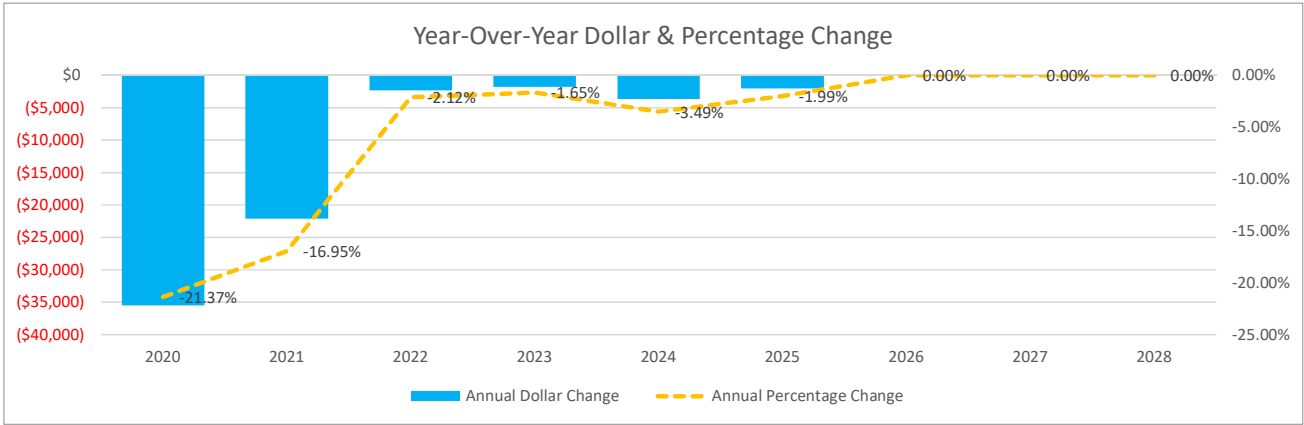
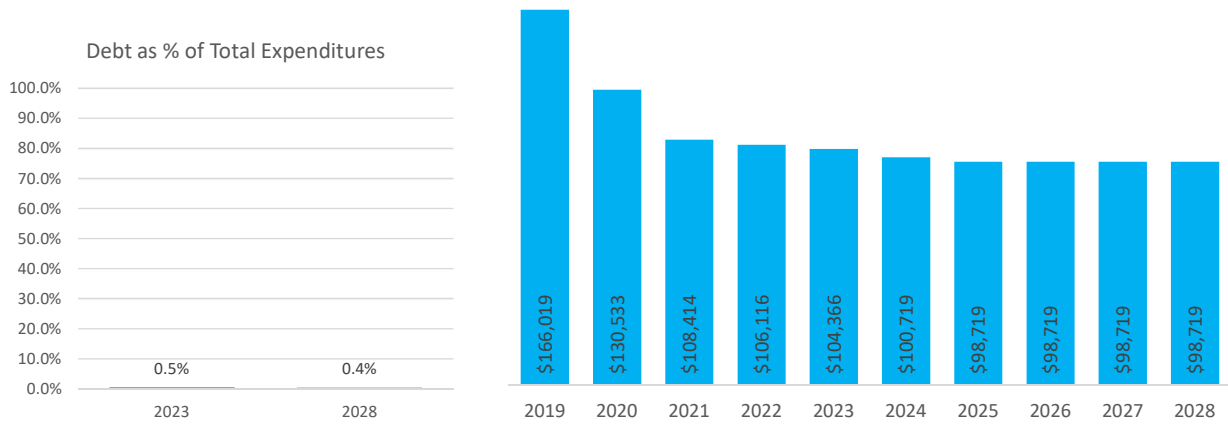
This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



Capital Outlay represent 2.81% of total expenditures and increased at a historical average annual amount of \$53,388. This category of expenditure is projected to grow at an annual average rate of \$48,294 through FY 2028. The projected average annual change is less than the five year historical annual average.

3.060-4.060 - Intergovernmental & Debt

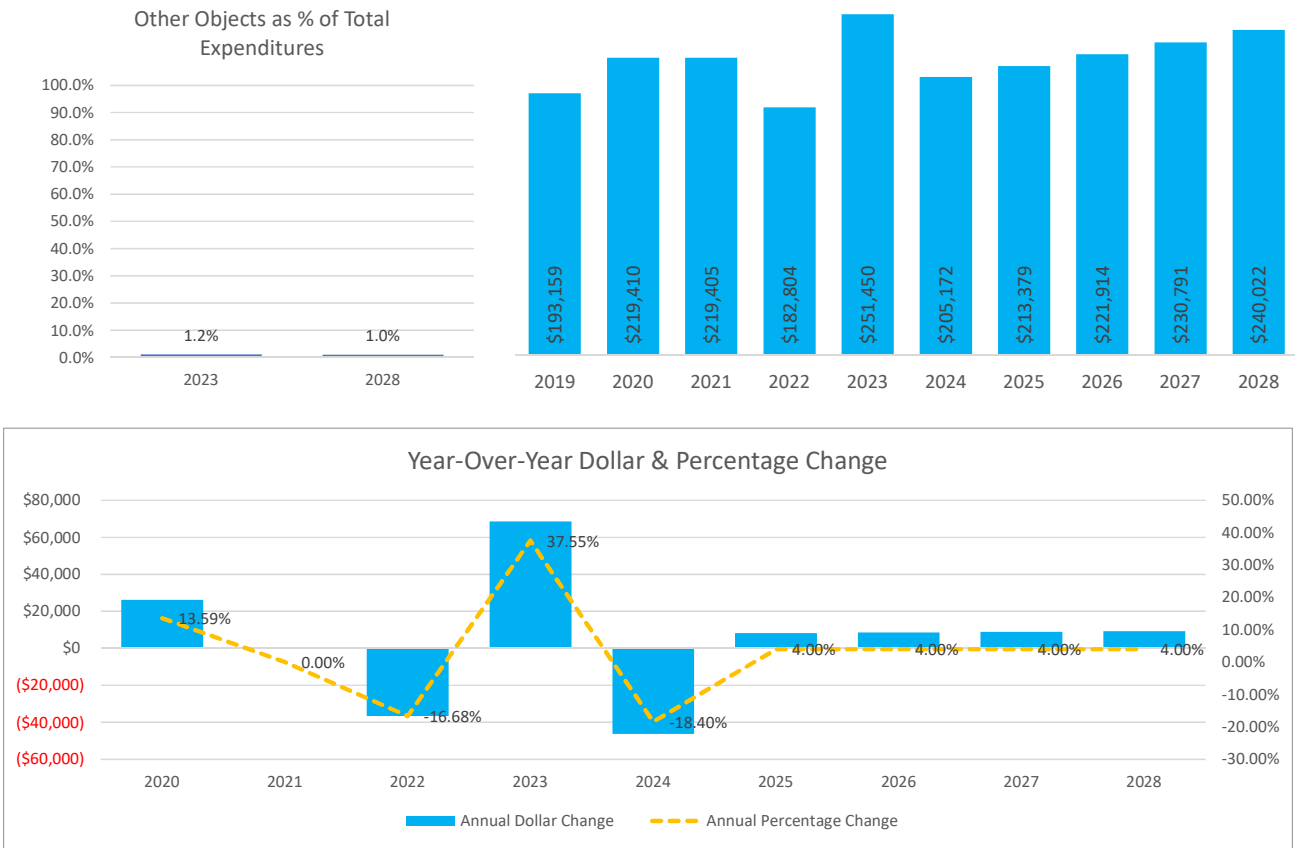
These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.



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

4.300 - Other Objects

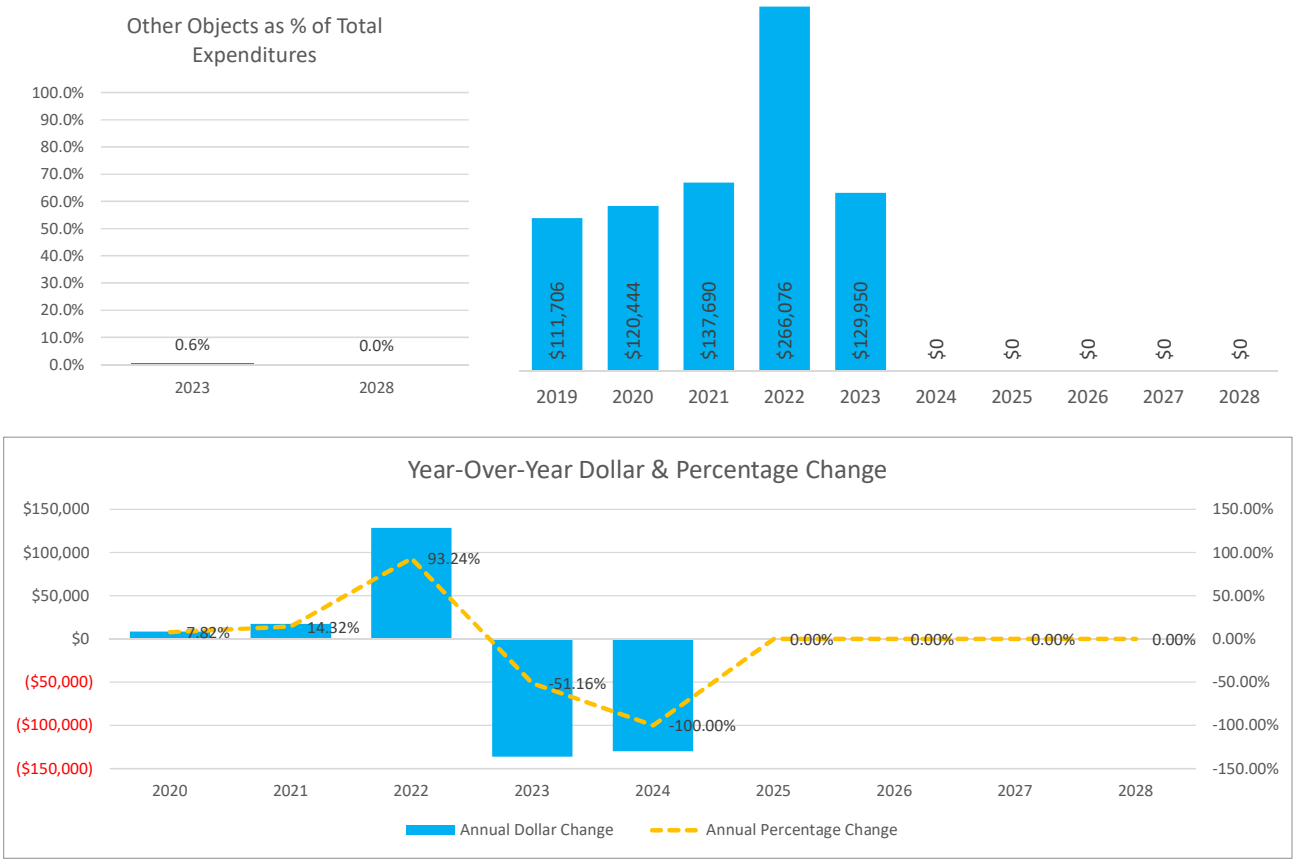
Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



Other Objects represent 1.21% of total expenditures and increased at a historical average annual rate of 8.61%. This category of expenditure is projected to decrease at an annual average rate of -0.48% through FY 2028. The projected average annual rate of change is -9.10% less 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	110,349	-	-	-	-	-
Advances Out	19,601	-	-	-	-	-
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 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 no 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.

Clinton-Massie Local School District

Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2023	2024	2025	2026	2027	2028
Revenue:						
1.010 - General Property Tax (Real Estate)	5,764,323	6,405,191	7,078,502	7,397,522	7,724,035	8,134,919
1.020 - Public Utility Personal Property	526,998	556,917	549,515	557,358	565,201	573,044
1.030 - Income Tax	1,661,808	1,740,865	1,524,127	369,377	190,229	48,984
1.035 - Unrestricted Grants-in-Aid	9,254,645	9,262,726	9,291,409	9,371,861	9,575,401	9,625,386
1.040 - Restricted Grants-in-Aid	386,173	412,239	375,380	340,609	270,392	254,881
1.050 - State Share-Local Property Taxes	847,775	995,221	1,133,352	1,195,736	1,242,956	1,314,327
1.060 - All Other Operating Revenues	771,765	678,988	674,762	679,384	684,157	689,083
1.070 - Total Revenue	19,213,487	20,052,147	20,627,047	19,911,846	20,252,371	20,640,624
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	164,532	-	-	-	-	-
2.060 - All Other Financing Sources	37,164	50,000	50,000	50,000	50,000	50,000
2.070 - Total Other Financing Sources	201,696	50,000	50,000	50,000	50,000	50,000
2.080 - Total Rev & Other Sources	19,415,183	20,102,147	20,677,047	19,961,846	20,302,371	20,690,624
Expenditures:						
3.010 - Personnel Services	10,628,151	11,180,858	11,155,905	11,421,432	11,693,791	11,973,054
3.020 - Employee Benefits	5,042,064	5,560,540	5,297,809	5,573,112	5,865,498	6,176,087
3.030 - Purchased Services	3,119,722	2,969,347	3,073,870	3,182,569	3,295,610	3,413,168
3.040 - Supplies and Materials	889,847	867,037	896,430	930,055	965,024	1,001,393
3.050 - Capital Outlay	582,126	754,403	763,079	788,344	796,974	823,595
Intergovernmental & Debt Service	104,366	100,719	98,719	98,719	98,719	98,719
4.300 - Other Objects	251,450	205,172	213,379	221,914	230,791	240,022
4.500 - Total Expenditures	20,617,726	21,638,075	21,499,191	22,216,145	22,946,407	23,726,037
Other Financing Uses						
5.010 - Operating Transfers-Out	110,349	-	-	-	-	-
5.020 - Advances-Out	19,601	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	129,950	-	-	-	-	-
5.050 - Total Exp and Other Financing Uses	20,747,676	21,638,075	21,499,191	22,216,145	22,946,407	23,726,037
6.010 - Excess of Rev Over/(Under) Exp	(1,332,493)	(1,535,928)	(822,144)	(2,254,299)	(2,644,036)	(3,035,413)
7.010 - Cash Balance July 1 (No Levies)	3,764,741	2,432,248	896,320	74,175	(2,180,123)	(4,824,160)
7.020 - Cash Balance June 30 (No Levies)	2,432,248	896,320	74,175	(2,180,123)	(4,824,160)	(7,859,573)
		Reservations				
8.010 - Estimated Encumbrances June 30	-	-	-	-	-	-
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	2,432,248	896,320	74,175	(2,180,123)	(4,824,160)	(7,859,573)
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Renewal Levies	-	-	268,964	1,477,507	1,712,061	1,910,375
11.030 - Cumulative Balance of Levies	-	-	268,964	1,746,471	3,458,532	5,368,906
12.010 - Fund Bal June 30 for Cert of Obligations	2,432,248	896,320	343,139	(433,653)	(1,365,628)	(2,490,667)
Revenue from New Levies						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	2,432,248	896,320	343,139	(433,653)	(1,365,628)	(2,490,667)

