



Monroe Local School District

Five Year Forecast Financial Report

May, 2024

Amy Moore, Treasurer/CFO

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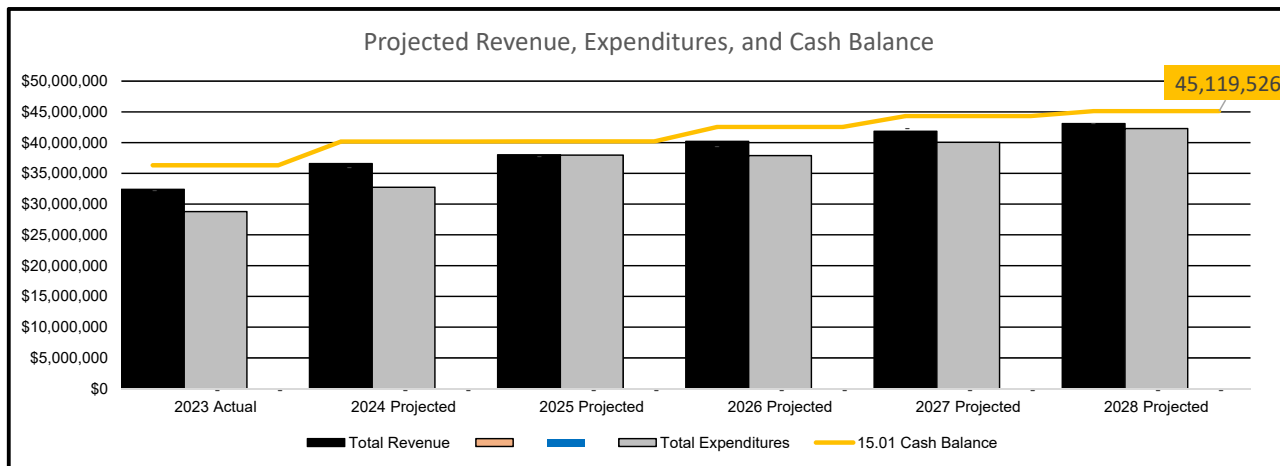
Forecast Purpose/Objectives

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.

Forecast Summary



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	36,321,154	40,171,050	40,206,725	42,529,613	44,319,256
+ Revenue	36,586,863	38,004,377	40,198,700	41,835,728	43,082,681
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(32,736,968)	(37,968,701)	(37,875,813)	(40,046,085)	(42,282,411)
= Revenue Surplus or Deficit	3,849,895	35,676	2,322,888	1,789,643	800,270
Line 7.020 Ending Balance with renewal/new levies	40,171,050	40,206,725	42,529,613	44,319,256	45,119,526

Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	3,849,895	35,676	2,322,888	1,789,643	800,270
Ending Balance w/o Levies	40,171,050	40,206,725	42,529,613	44,319,256	45,119,526

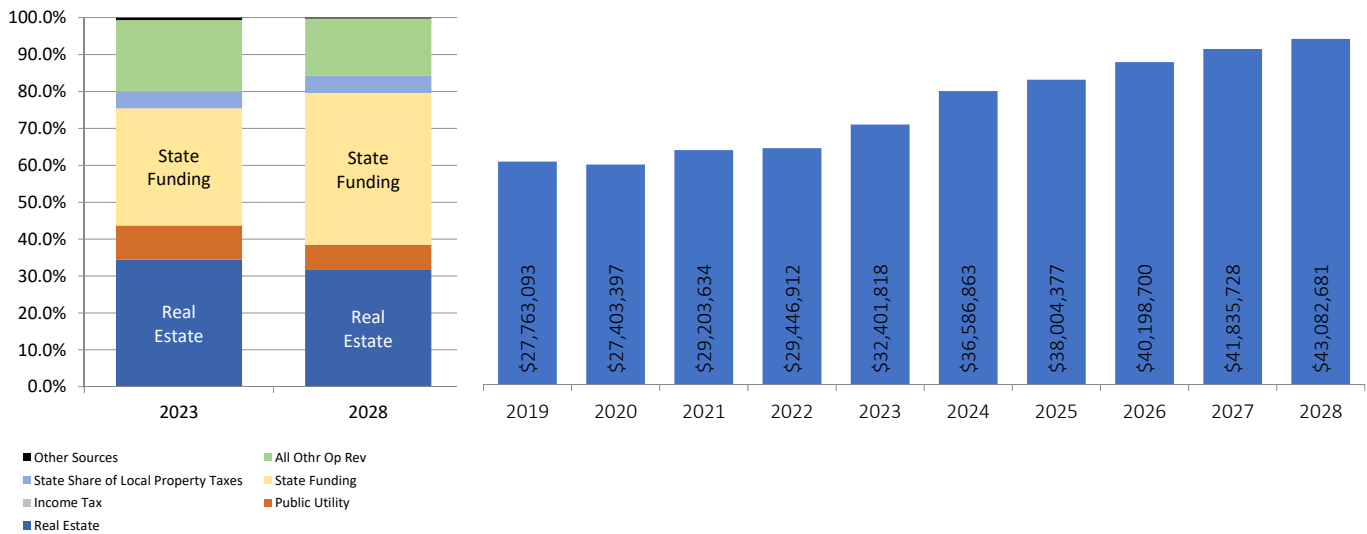
In FY 2024 a revenue surplus is expected. This means that expenditures are expected to be less than revenue by -\$3,849,895 in FY 2024. By the last year of the forecast, FY 2028, the district is expected to have a revenue surplus where expenditures are projected to be less than revenue by -\$800,270. The district would need to cut its FY 2028 projected expenses by -1.89% 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.

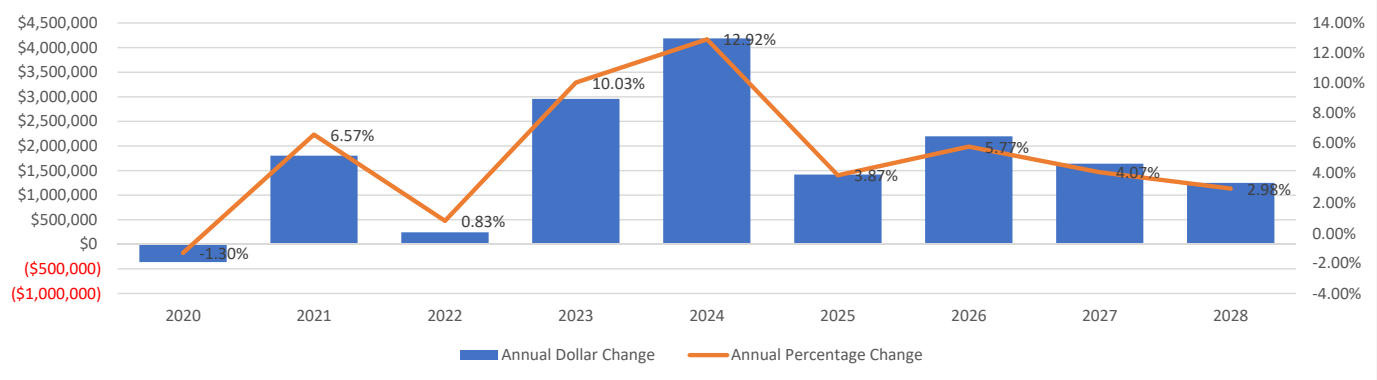
Ohio adopted the Fair School Funding Plan (FSFP) in FY 2022. The plan was continued with increasing phase-in of the formula results. In FY 2024 the per pupil base cost calculations were updated from FY 2018 cost data to FY 2022. For Monroe Local School District the calculated Base Cost total is \$21,625,397 in FY 2024. The state's share of the calculated Base Cost total is \$11,216,518 or \$4,198 per pupil.

Revenue Sources and Forecast Year-Over-Year Projected Overview

Sources of Revenue Over Time



Year-Over-Year Dollar & Percentage Change



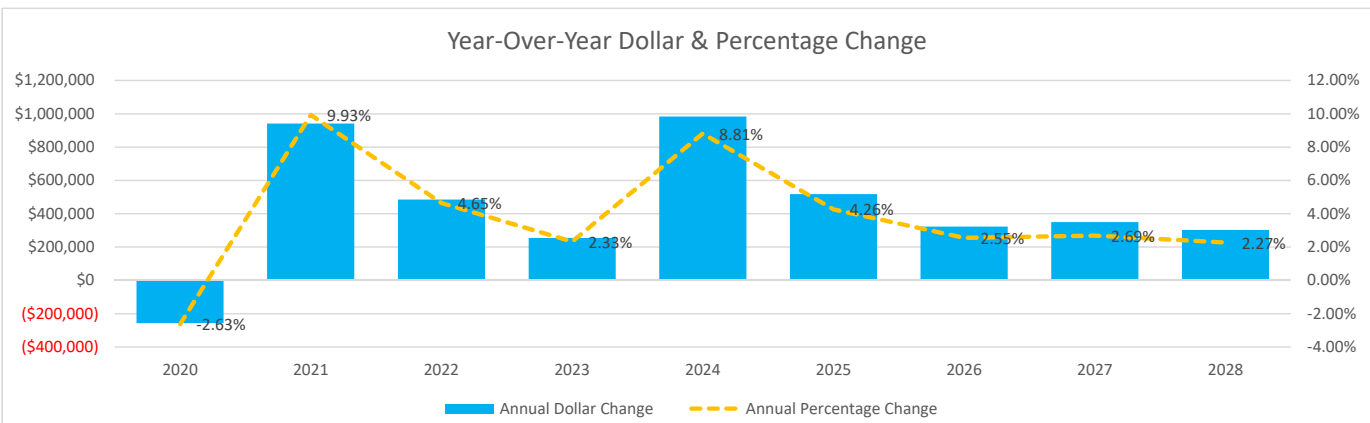
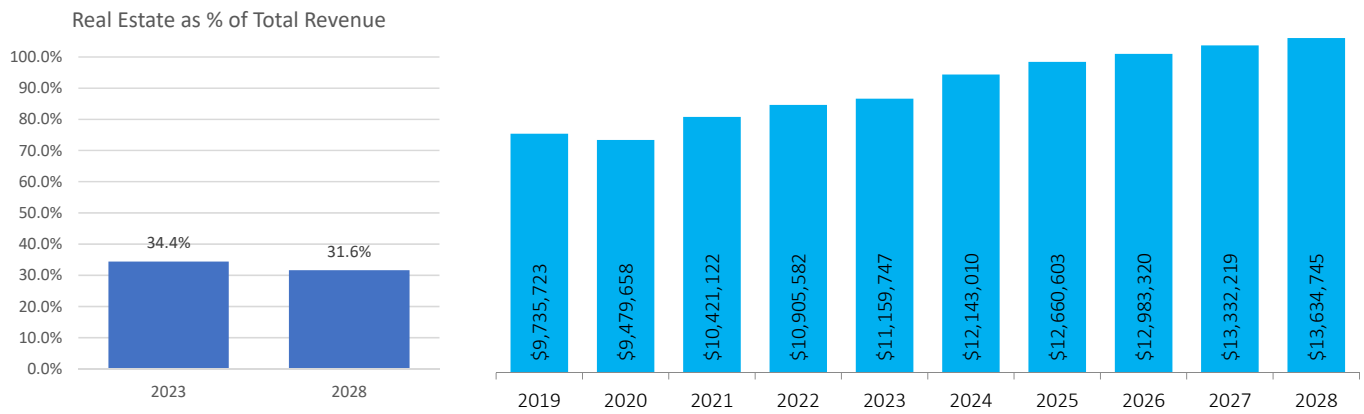
4-Year Historical Actual Average Annual Dollar Change Compared to 5-year Projected

	Historical Average Annual \$\$ Change	Projected Average Annual \$\$ Change	Projected Compared to Historical Variance	Total revenue increased 4.04% or \$1,159,681 annually during the past 4-year period and is projected to increase 5.92% or \$2,136,173 annually through FY2028. State Funding has the most projected average annual variance compared to the historical average at \$999,269
Real Estate	356,006	495,000	\$138,994	
Public Utility	\$38,962	(\$12,471)	(\$51,434)	
Income Tax	\$0	\$0	\$0	
State Funding	\$485,176	1,484,446	\$999,269	
Prop Tax Alloc	(\$10,678)	\$100,720	\$111,398	
All Othr Op Rev	\$279,047	\$91,138	(\$187,909)	
Other Sources	\$11,167	(\$22,660)	(\$33,827)	
Total Average Annual Change	1,159,681 4.04%	2,136,173 5.92%	\$976,491 1.89%	

Note: Expenditure average annual change is projected to be > \$2,698,970 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	344,268,410	1,359,030	35.41	-	35.41	-	103.2%
2023	451,709,410	107,441,000	32.06	(3.35)	32.06	(3.35)	99.9%
2024	456,909,410	5,200,000	32.53	0.28	32.53	0.28	99.9%
2025	462,109,410	5,200,000	32.49	(0.04)	32.49	(0.04)	99.9%
2026	488,579,410	26,470,000	31.98	(0.51)	31.98	(0.51)	99.9%
2027	493,029,410	4,450,000	31.94	(0.04)	31.94	(0.04)	99.9%

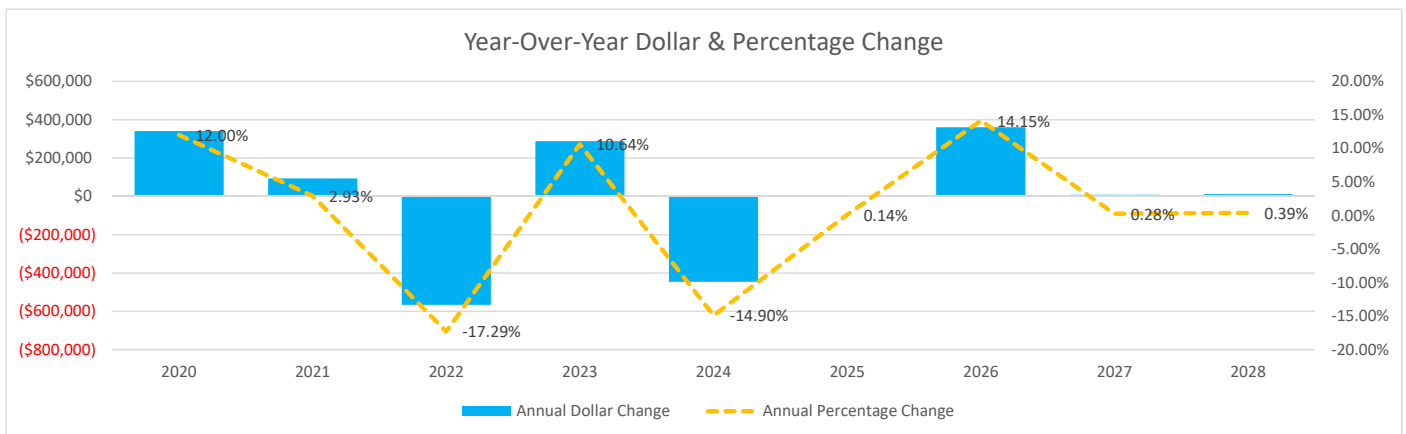
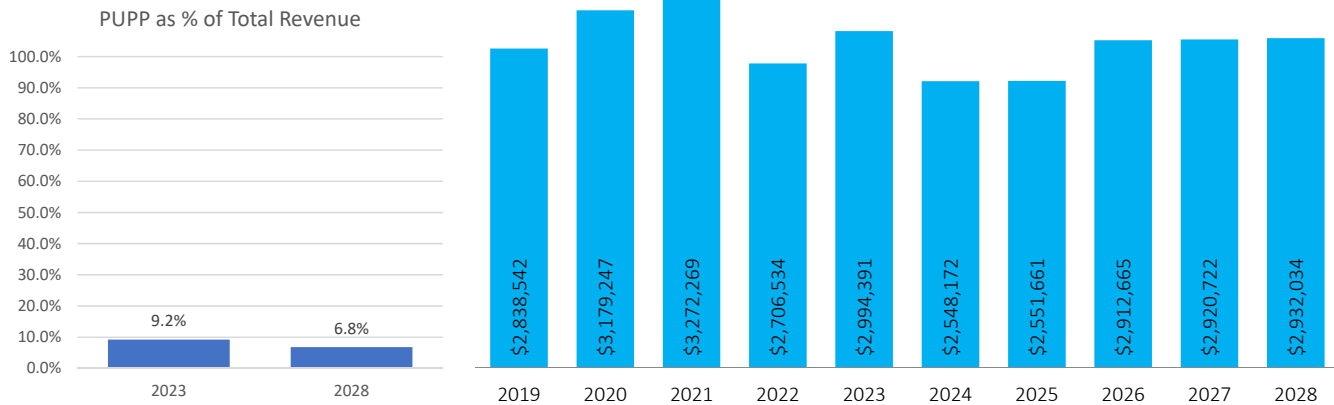
Real estate property tax revenue accounts for 34.44% of total revenue. Class I or residential/agricultural taxes make up approximately 65.91% of the real estate property tax revenue. The Class I tax rate is 32.06 mills in tax year 2023. The projections reflect an average gross collection rate of 99.9% annually through tax year 2027. The revenue changed at an average annual historical rate of 3.57% and is projected to change at an average annual rate of 4.12% through FY 2028.

Tax year 2023 (calendar year) was a reappraisal year for Butler County. Collections on the new values cross district fiscal years. The first collection shows in the spring of 2024 - fiscal year 2024; and the second collection will occur in the fall of 2024 - fiscal year 2025. The average valuation increase for residents was about 40%. Our tax rates were able to decrease by 3.35 mills for our fixed sum levies - the amounts collected on those levies remains the same regardless of the valuations, so the rates were reduced accordingly.

*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	93,066,450	435,690	36.81	-	76.7%
2023	95,354,400	2,287,950	33.65	(3.16)	77.2%
2024	85,354,400	(10,000,000)	33.93	0.28	76.6%
2025	86,354,400	1,000,000	33.89	(0.04)	100.0%
2026	87,354,400	1,000,000	33.38	(0.51)	100.0%
2027	88,354,400	1,000,000	33.34	(0.04)	100.0%

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 9.24% of total district revenue. The property is taxed at the full voted tax rate which in tax year 2023 is 33.65 mills. The forecast is modeling an average gross collection rate of 90.77%. The revenue changed historically at an average annual dollar amount of \$38,962 and is projected to change at an average annual dollar amount of -\$12,471 through FY 2028.

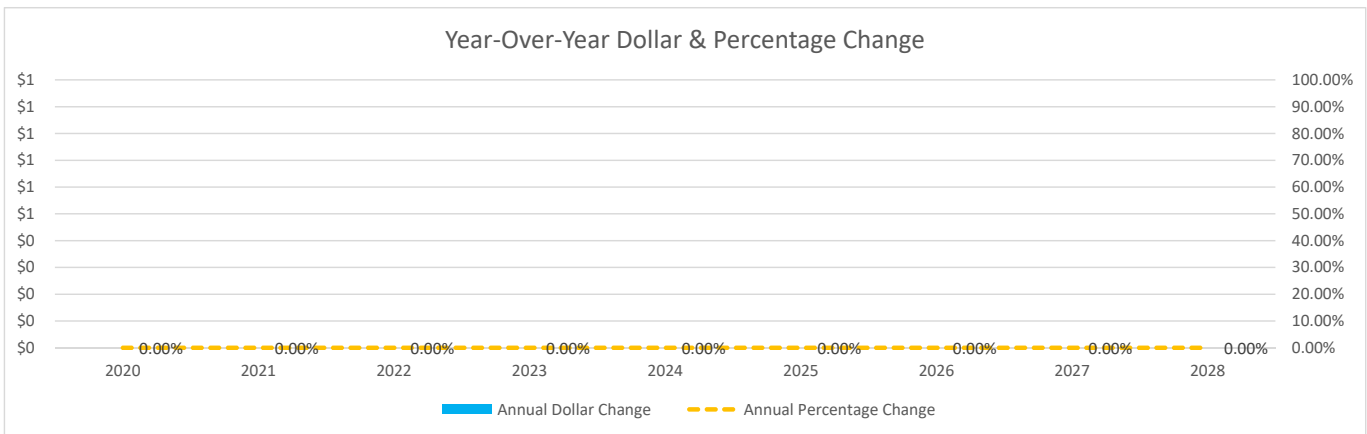
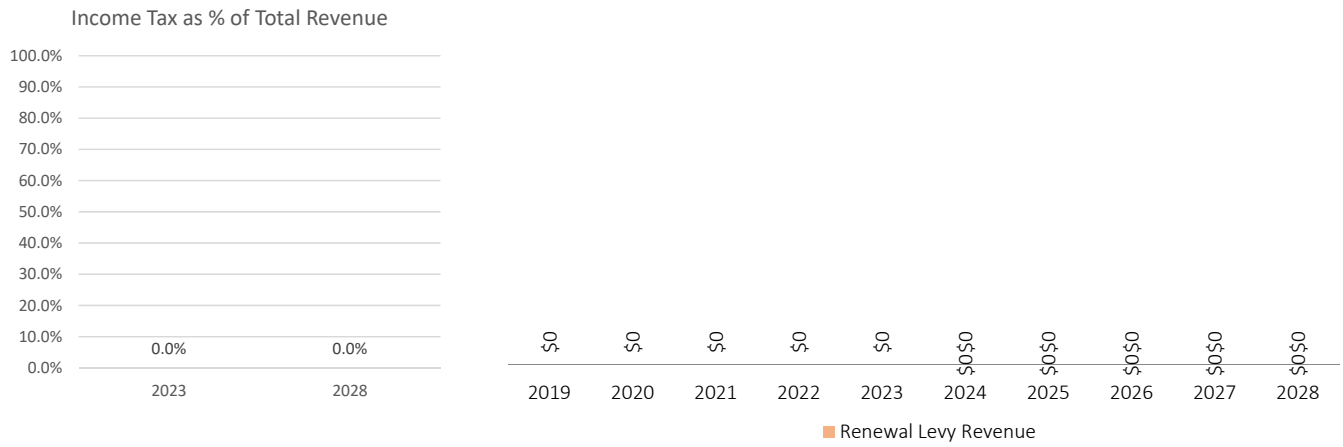
Note years 2022-2024 show around 76% collection rate. This was due to Rockies Express filing for a valuation reduction. Rockies paid less than than what was billed in those years. They were awarded a settlement at 88% of their valuation. Fiscal year 2025 includes an estimate of the revised valuation and the collection rates are expected to go back to 100%. We do not have official notification of the changes from the County and these figures may be adjusted if necessary.

A repayment of the underpaid amounts up to the 88% settlement are expected, but are not reflected in this forecast. An amount will be added once official valuations are determined.

**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.

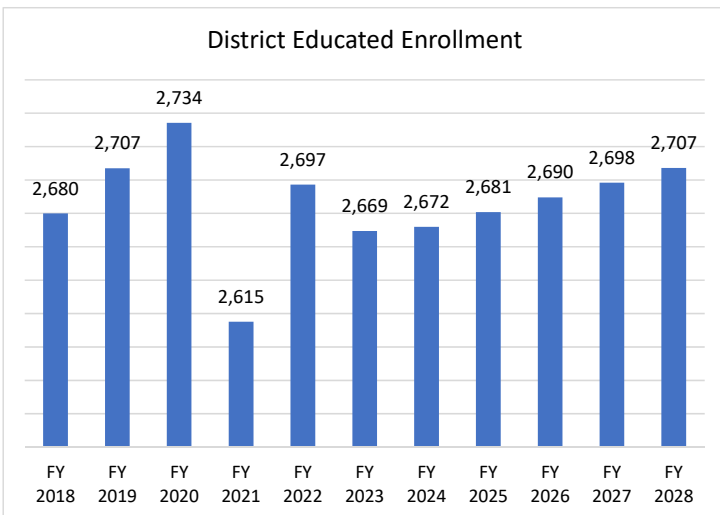
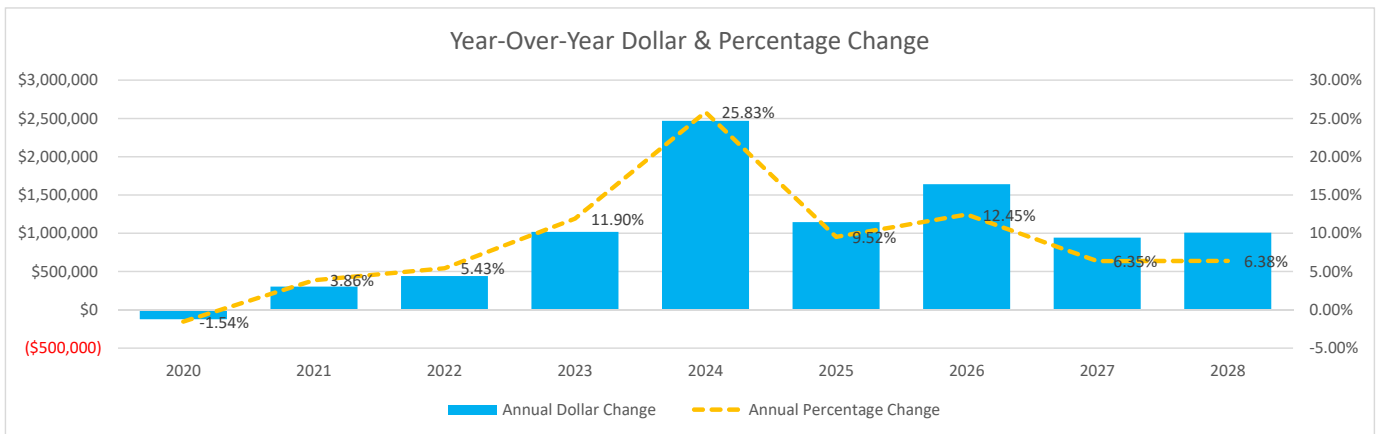
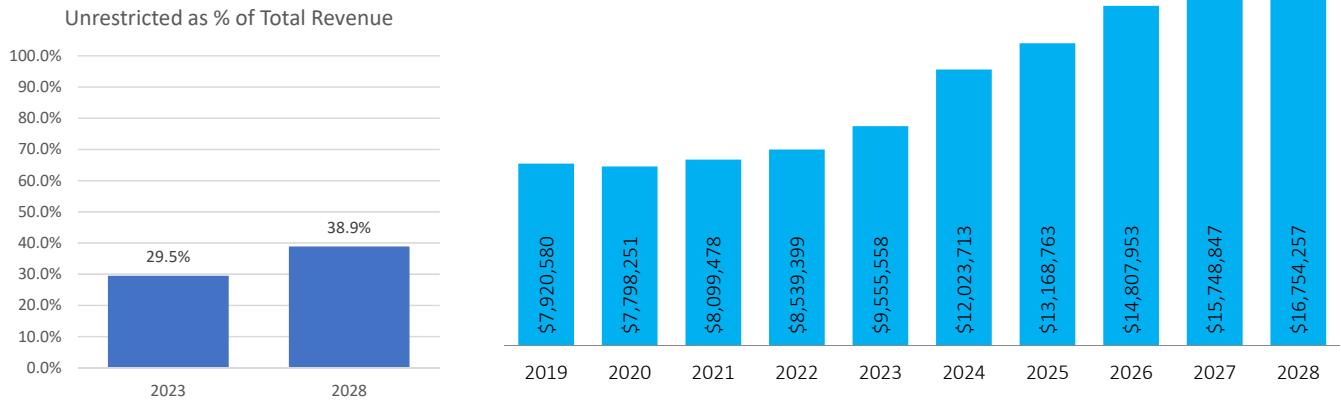


The district does not have an income tax levy.

*Projected % trends include renewal levies

1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



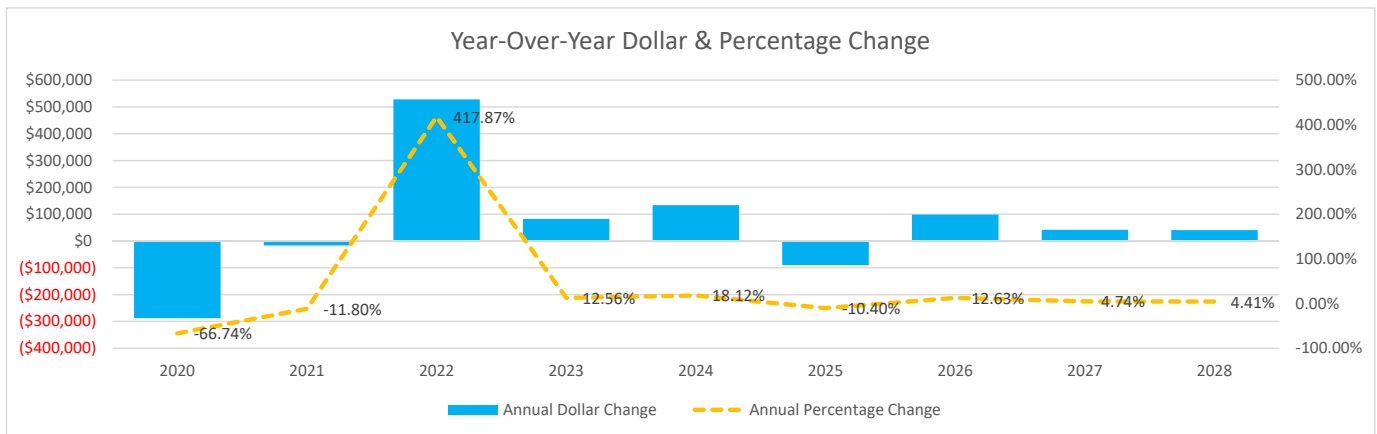
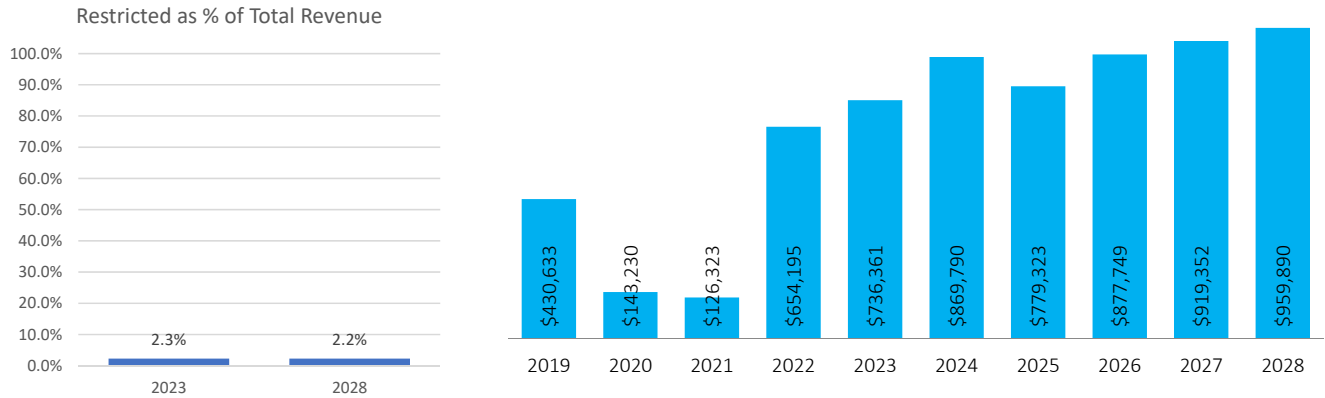
Beginning in FY 2022 Ohio adopted the Fair School Funding Plan (FSFP). Funding is driven by a base cost methodology that incorporates the four components identified as necessary to the education process. The Base Cost is currently calculated for two years using a statewide average from historical actual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

For Monroe Local School District the calculated Base Cost total is \$21,625,397 in FY 2024. The state's share of the calculated Base Cost total is \$11,216,518 or \$4,198 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.

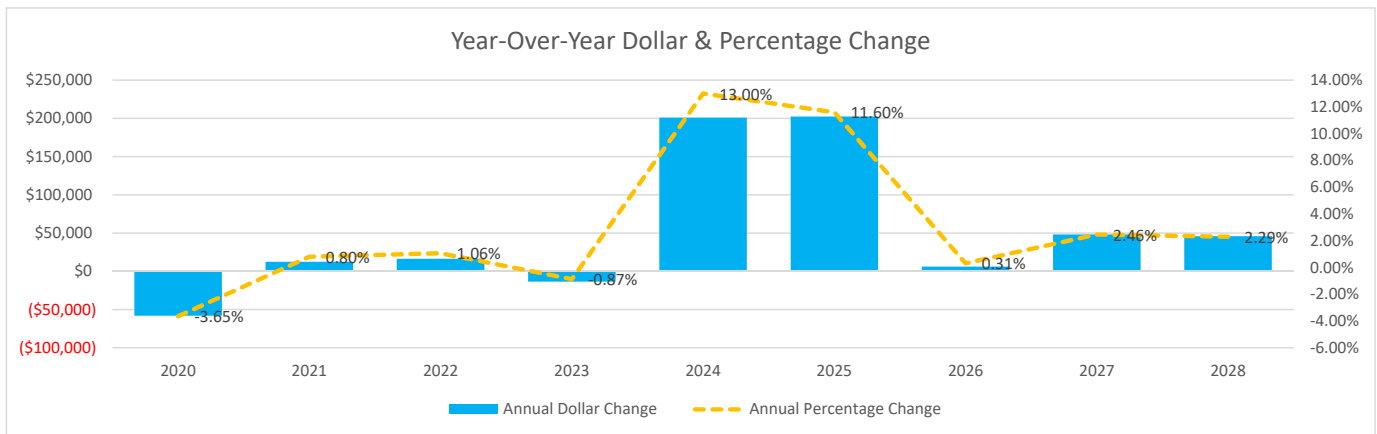
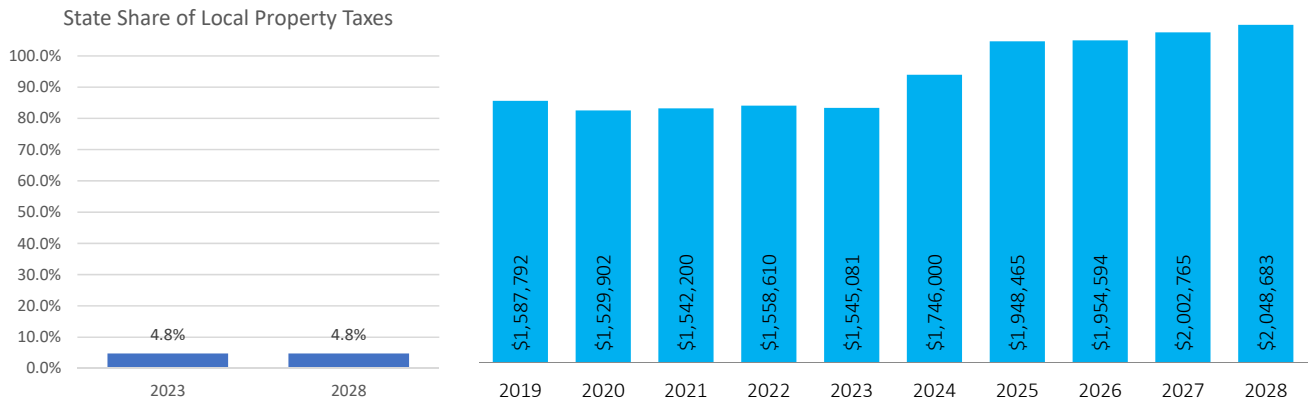


Restricted aid is the portion of state per pupil funding that must be classified as restricted use. Historically the district's restricted state aid changed annually on average by \$197,710 and is projected to change annually on average by \$44,706. Restricted funds represent 2.27% of total revenue. 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 \$368,250. 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.

Note: In 2024, a one time receipt of \$159,202 was received from the State for High Quality Instructional Materials.

1.050 - State Share of Local Property Taxes

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

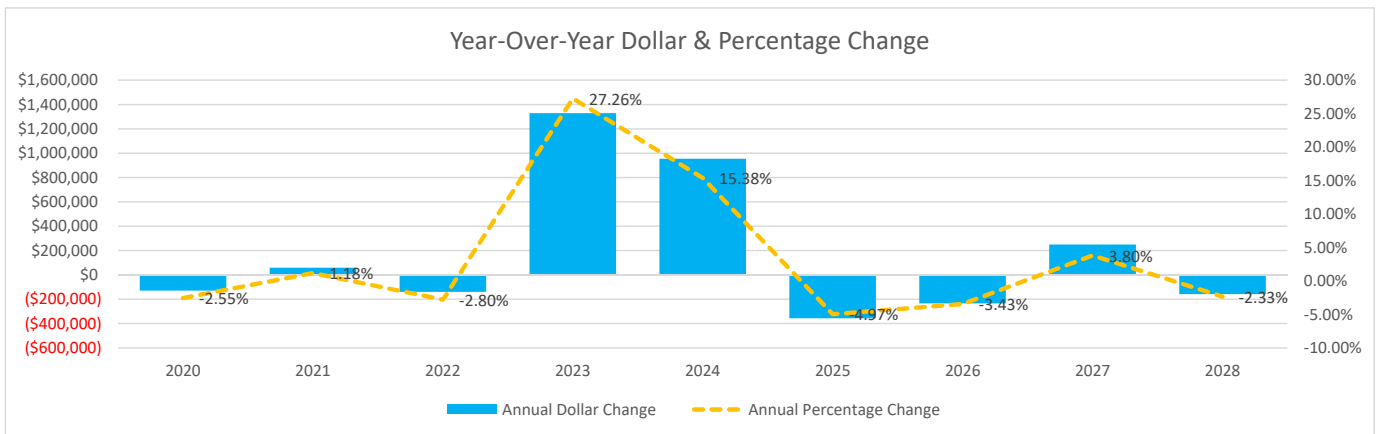
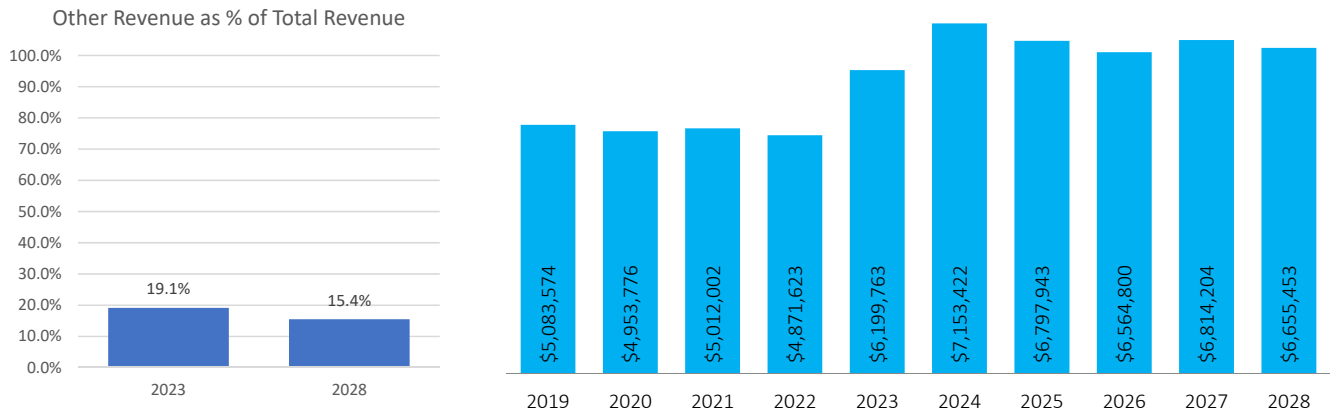


State Share of Local Property Taxes primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In FY 2024, approximately 15.8% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 2.1% 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.

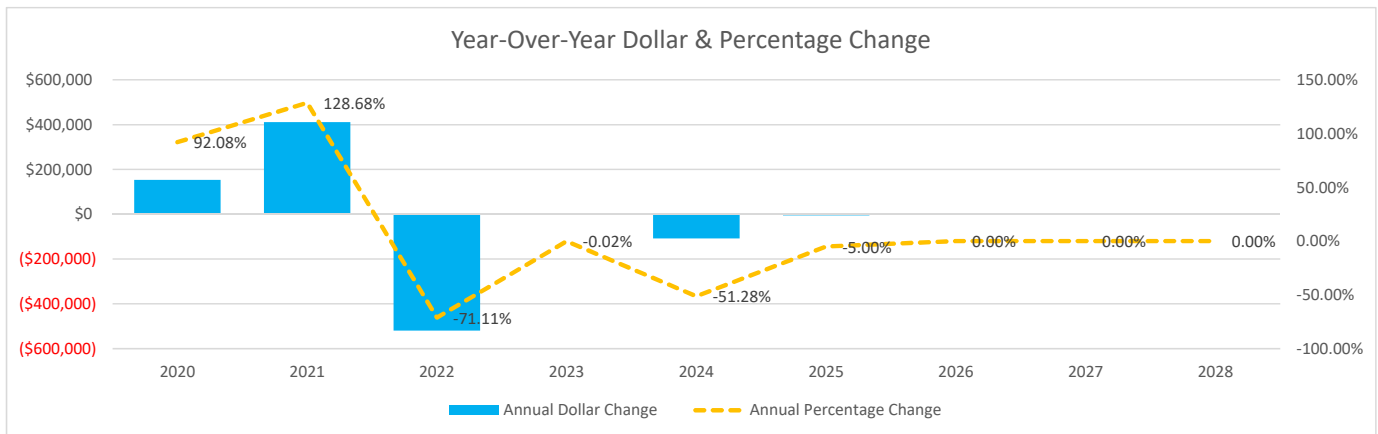
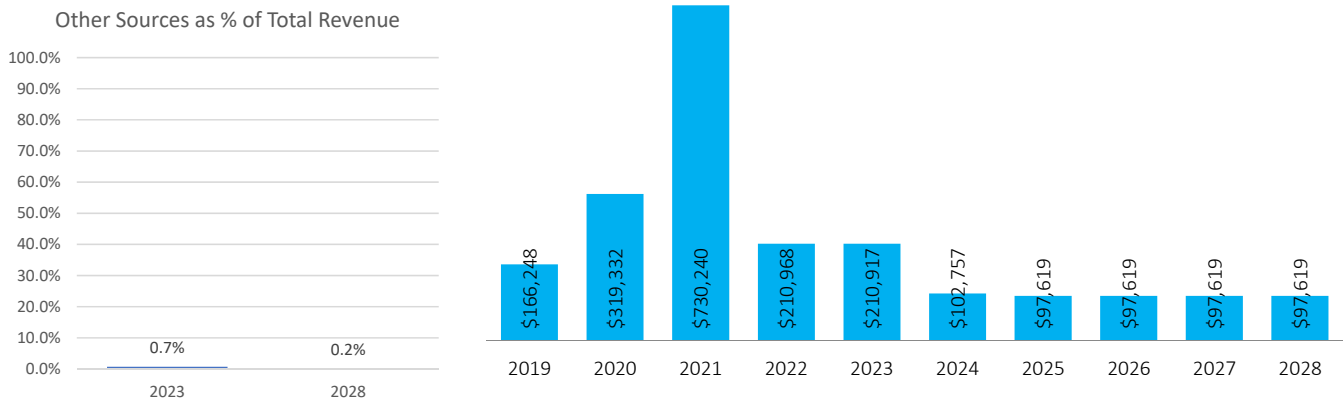


Other revenue includes tuition received by the district for non-resident students educated by the district. It also includes interest income, payments in lieu of taxes, and miscellaneous revenue. The historical average annual change was \$279,047. The projected average annual change is \$91,138 through FY 2028.

Note: Fiscal year 2024 interest on investments is on track to represent an increase of about 54% over 2023.

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.

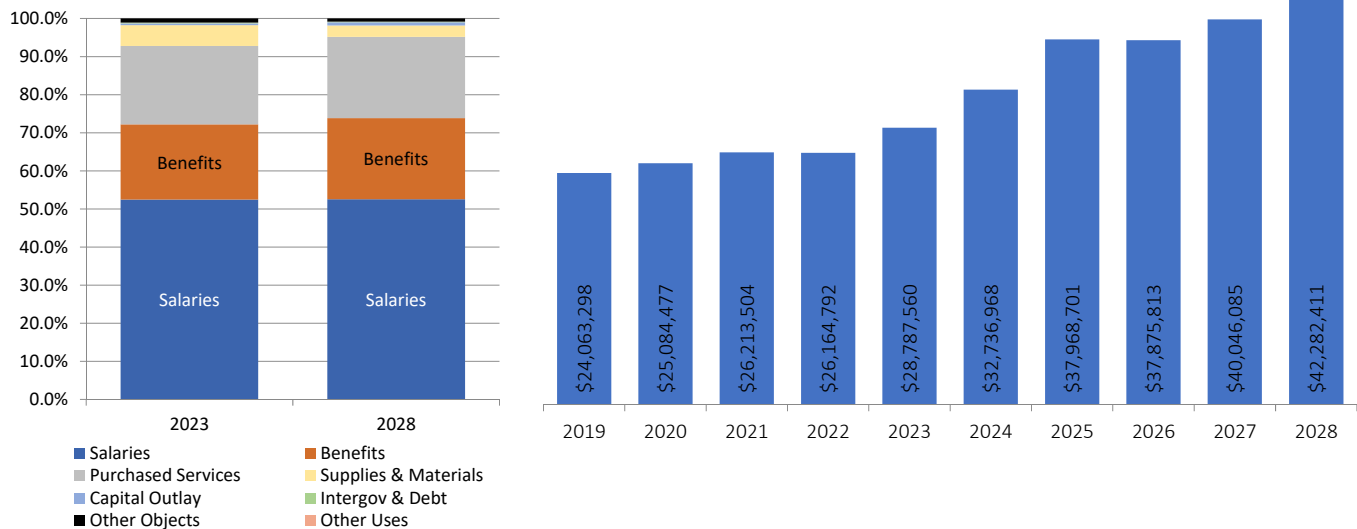


	2023	2024	2025	2026	2027	2028
Transfers In	-	-	-	-	-	-
Advances In	-	-	-	-	-	-
All Other Financing Sources	210,917	102,757	97,619	97,619	97,619	97,619

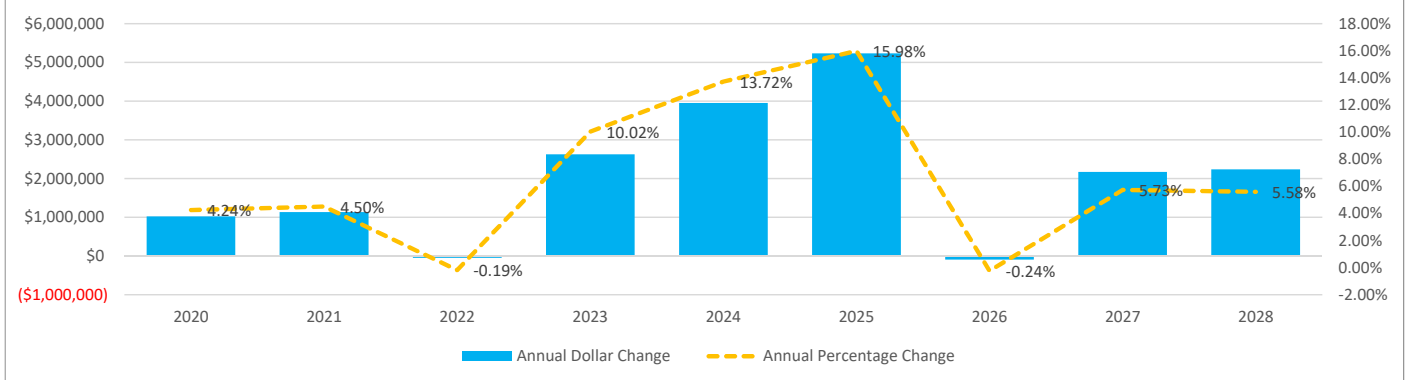
Other sources includes revenue that is generally classified as non-operating. Return advances-in are the most common revenue source. In FY 2023 the district received \$0 as advances-in and is projecting advances of \$0 in FY 2024. The district also receives other financing sources such as refund of prior year expenditures in this category. The district is projecting that all other financing sources will be \$102,757 in FY 2024 and average \$97,619 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

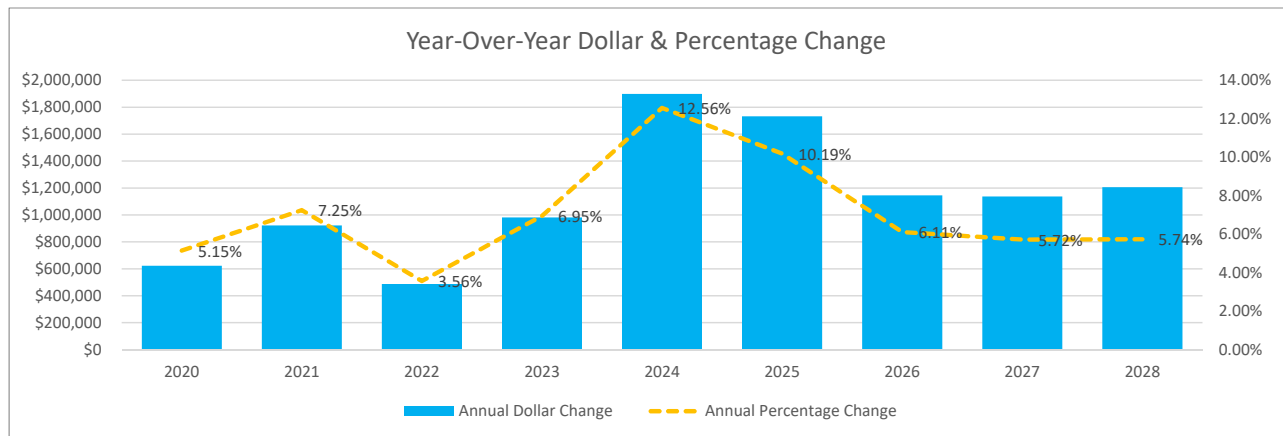
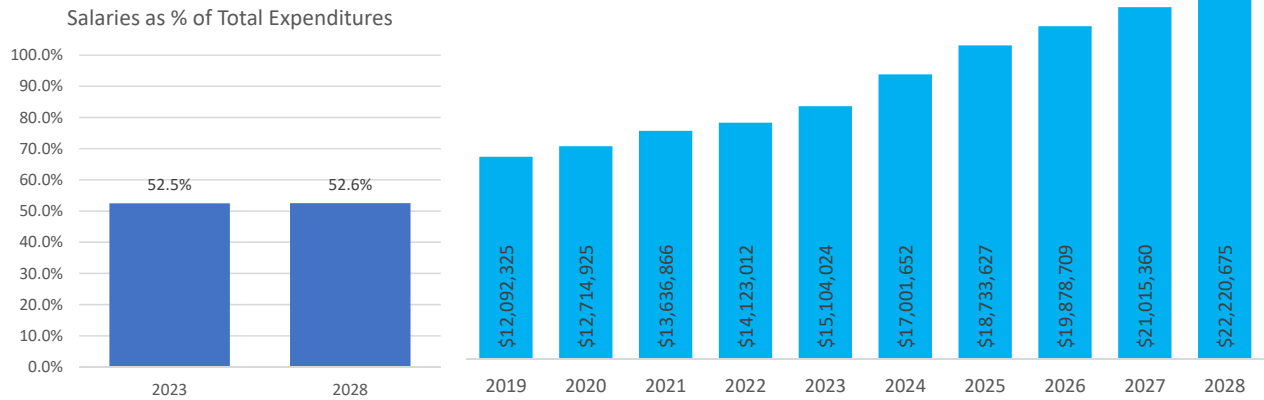
	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	
Salaries	752,925	1,423,330	\$670,406	Total expenditures increased 4.65% or \$1,181,066 annually during the past 4-Year period and is projected to increase 9.38% or \$2,698,970 annually through FY2028. Purchased Services has the largest projected average annual variance compared to the historical average at \$733,346. Overall, estimated expenditures appear to be high in 2025 and to slightly decrease in 2026. Operating expenditures are actually expected to increase 9.8% from 2024 to 2025 and then increase another 5.3% in 2026. This graphic includes in 2025 an estimated \$2,000,000 transfer to capital funds for pending projects.
Benefits	\$317,637	\$662,545	\$344,908	
Purchased Services	(\$111,399)	\$621,947	\$733,346	
Supplies & Materials	\$285,038	(\$61,283)	(\$346,321)	
Capital Outlay	(\$81,650)	\$43,225	\$124,874	
Intergov & Debt	\$8,877	(\$232)	(\$9,110)	
Other Objects	\$10,168	\$9,438	(\$730)	
Other Uses	(\$531)	\$0	\$531	
Total Average Annual Change	\$1,181,066 4.65%	\$2,698,970 9.38%	\$1,517,905 4.73%	

Note: Revenue average annual change is projected to be > \$2,136,173

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

3.010 - Personnel Services

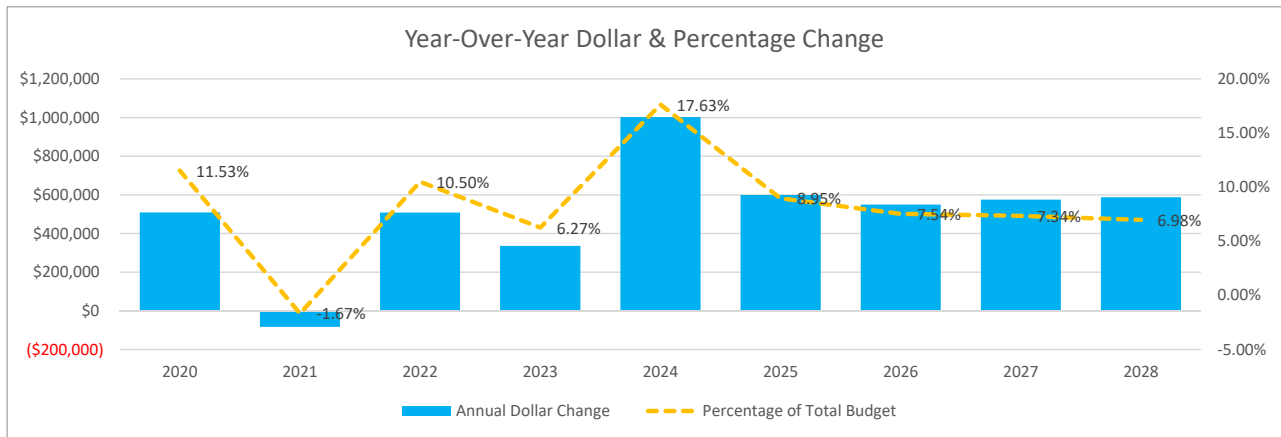
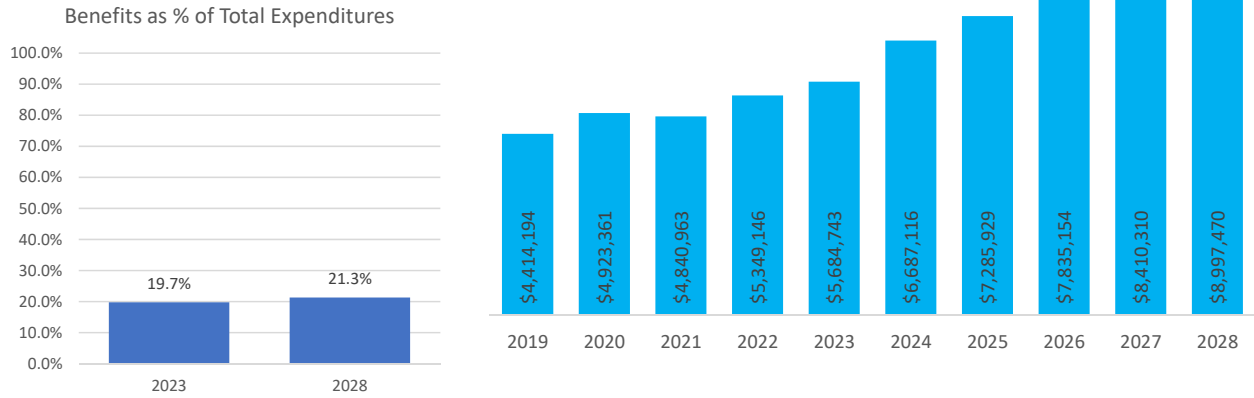
Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.



Salaries represent 52.47% of total expenditures and increased at a historical average annual rate of 5.73% or \$752,925. This category of expenditure is projected to grow at an annual average rate of 8.06% or \$1,423,330 through FY 2028. The projected average annual rate of change is 2.34% more than the five year historical annual average.

3.020 - Employees' Benefits

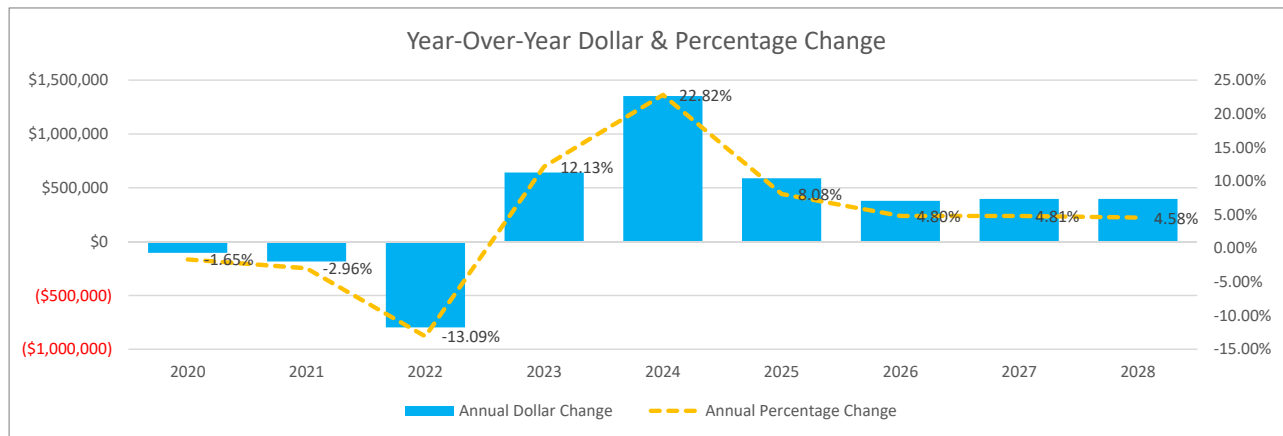
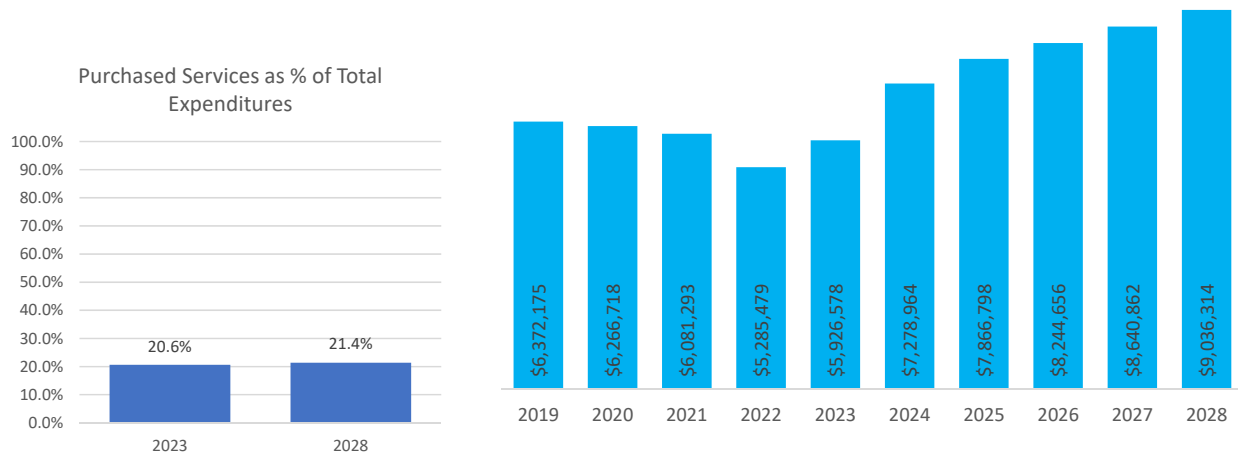
Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.



Benefits represent 19.75% of total expenditures and increased at a historical average annual rate of 6.66%. This category of expenditure is projected to grow at an annual average rate of 9.69% through FY 2028. The projected average annual rate of change is 3.03% more than the five year historical annual average.

3.030 - Purchased Services

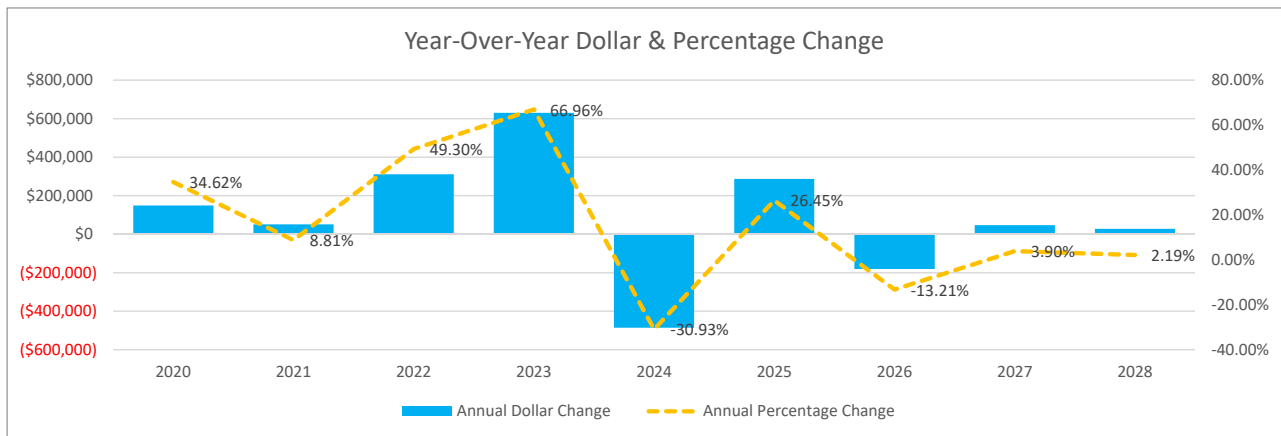
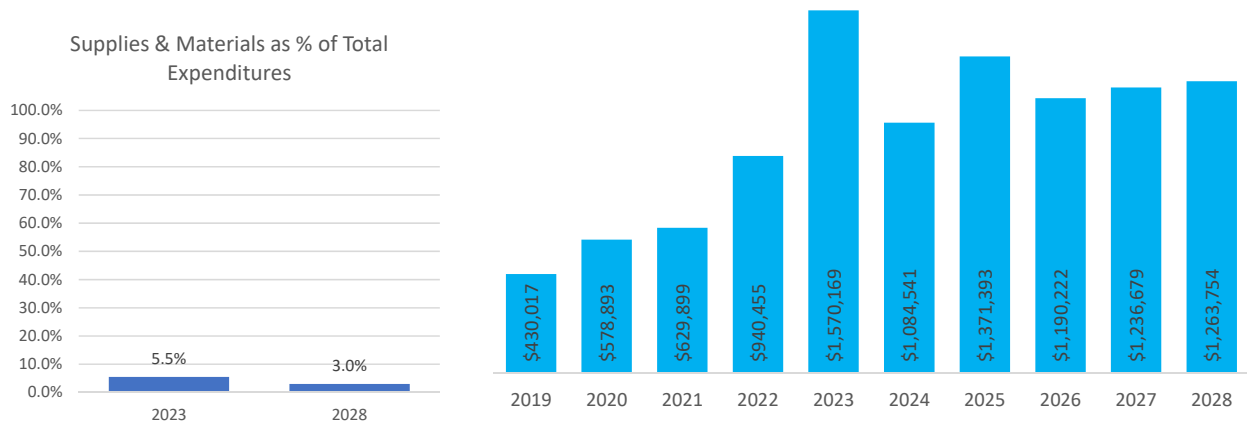
Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, expenses for tuition paid to other districts, utilities costs and other services which the school district may purchase.



Purchased Services represent 20.59% of total expenditures and decreased at a historical average annual rate of -1.39%. This category of expenditure is projected to grow at an annual average rate of 9.02% 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

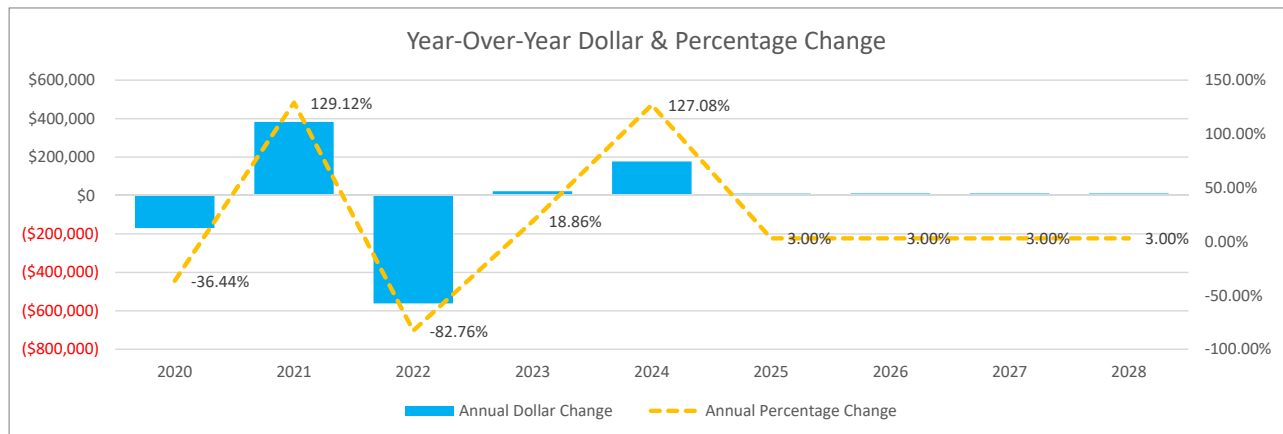
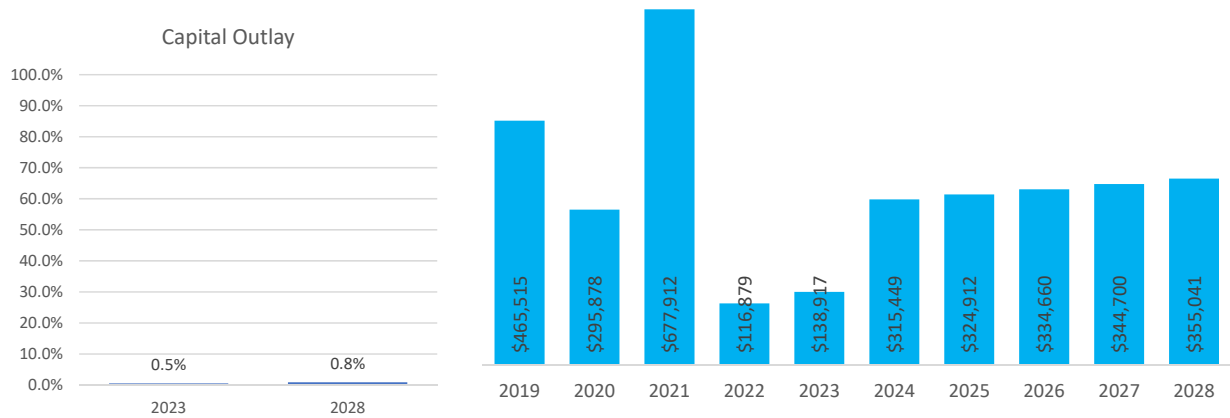
Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



Supplies & Materials represent 5.45% of total expenditures and increased at a historical average annual rate of 39.92%. This category of expenditure is projected to decrease at an annual average rate of -2.32% through FY 2028. The projected average annual rate of change is -42.24% less than the five year historical annual average.

3.050 - Capital Outlay

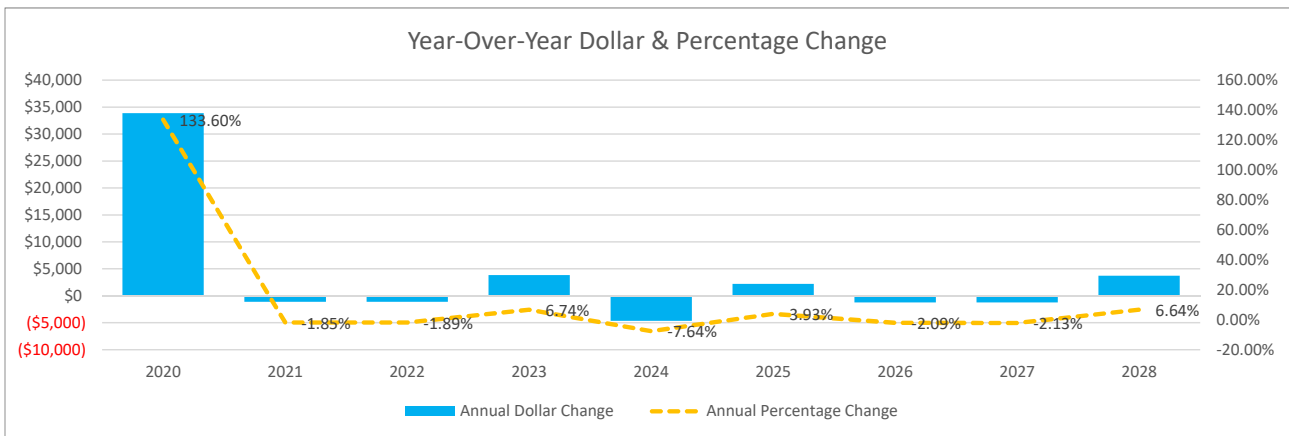
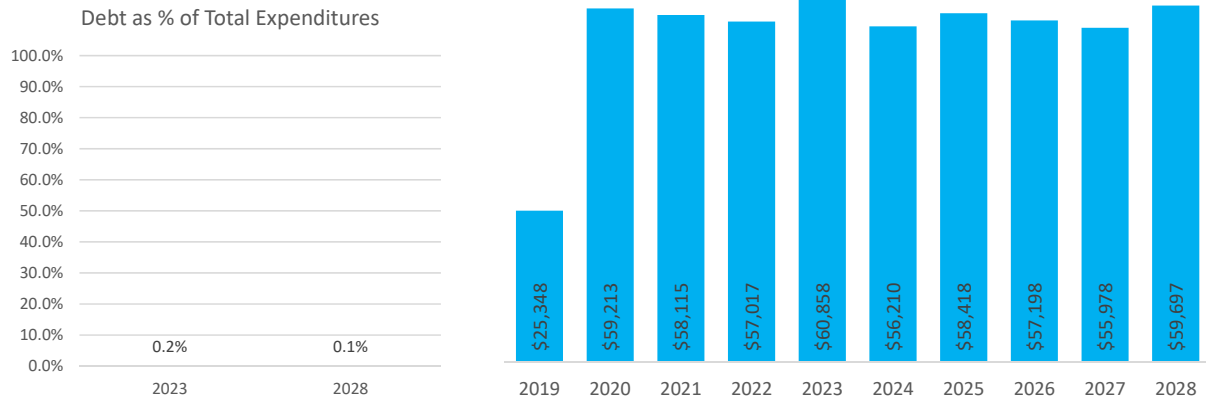
This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



Capital Outlay represent 0.48% of total expenditures and decreased at a historical average annual amount of -\$81,650. This category of expenditure is projected to grow at an annual average rate of \$43,225 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.

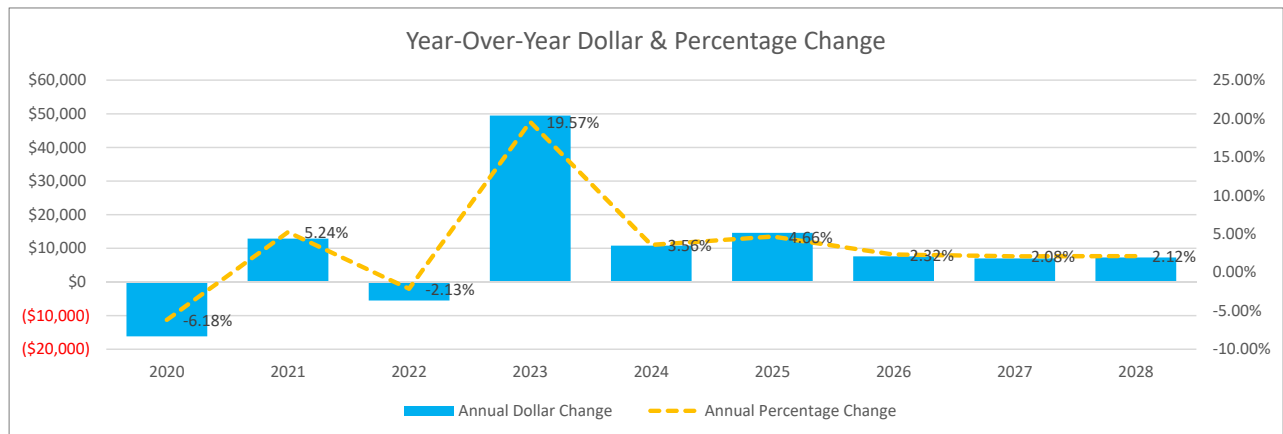
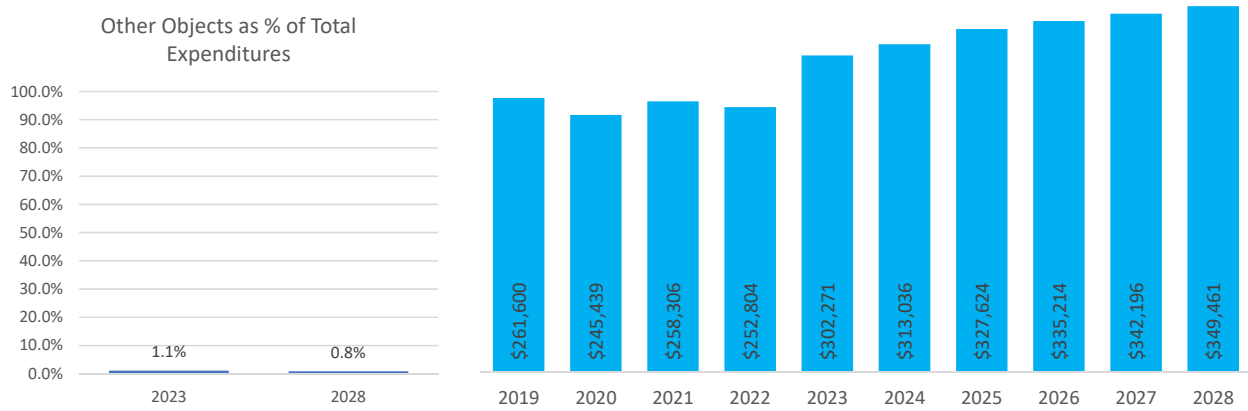


The Intergovernmental/Debt expenditure category details general fund debt issued by the District.



4.300 - Other Objects

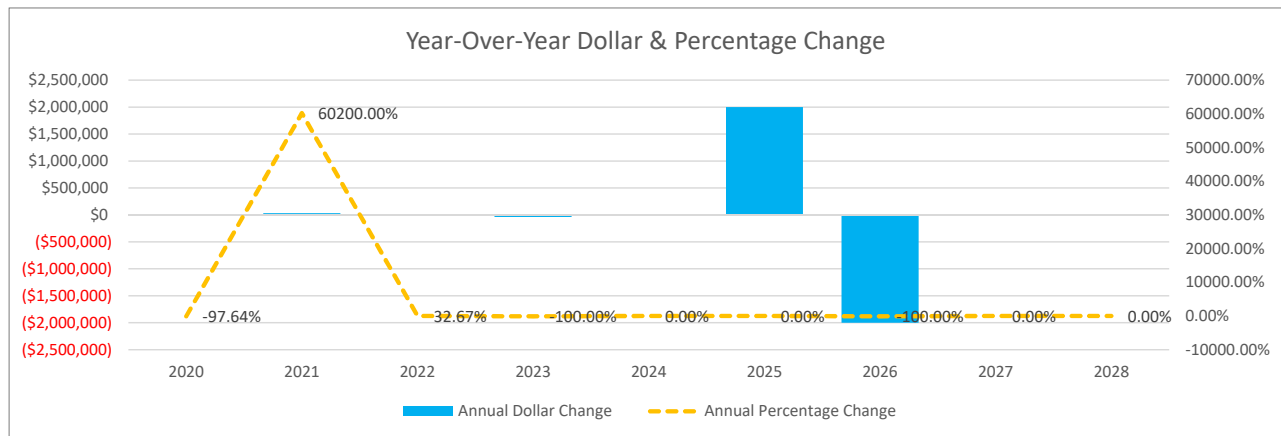
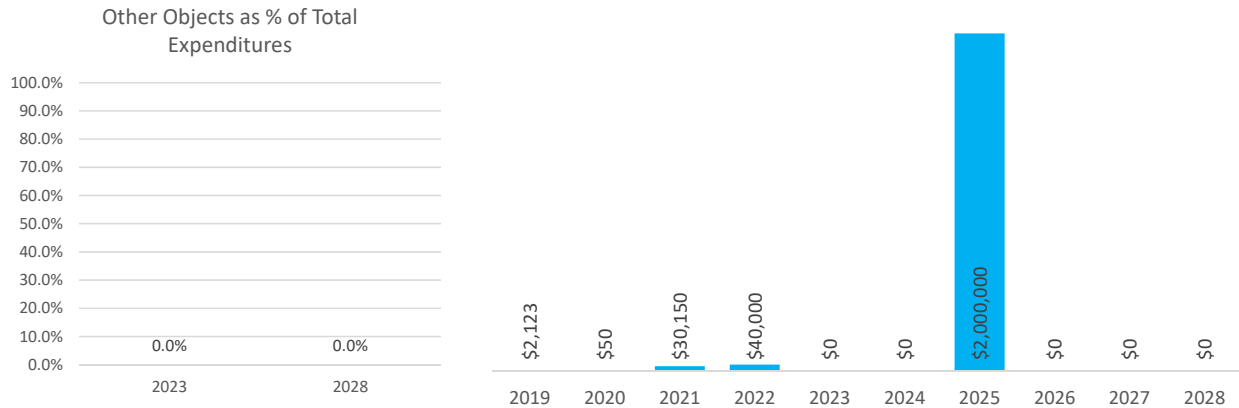
Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



Other Objects represent 1.05% of total expenditures and increased at a historical average annual rate of 4.13%. This category of expenditure is projected to grow at an annual average rate of 2.95% through FY 2028. The projected average annual rate of change is -1.18% 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.



	FORECASTED					
	2023	2024	2025	2026	2027	2028
Transfers Out	-	-	2,000,000	-	-	-
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.

A \$2,000,000 transfer to capital funds is included in the fiscal year 2025 estimate for anticipated projects. This may include the second drive to main campus and some building modifications to create more classrooms.

Monroe Local School District

Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2023	2024	2025	2026	2027	2028
Revenue:						
1.010 - General Property Tax (Real Estate)	11,159,747	12,143,010	12,660,603	12,983,320	13,332,219	13,634,745
1.020 - Public Utility Personal Property	2,994,391	2,548,172	2,551,661	2,912,665	2,920,722	2,932,034
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	9,555,558	12,023,713	13,168,763	14,807,953	15,748,847	16,754,257
1.040 - Restricted Grants-in-Aid	736,361	869,790	779,323	877,749	919,352	959,890
1.050 - State Share-Local Property Taxes	1,545,081	1,746,000	1,948,465	1,954,594	2,002,765	2,048,683
1.060 - All Other Operating Revenues	6,199,763	7,153,422	6,797,943	6,564,800	6,814,204	6,655,453
1.070 - Total Revenue	32,190,901	36,484,107	37,906,758	40,101,081	41,738,109	42,985,062
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	210,917	102,757	97,619	97,619	97,619	97,619
2.070 - Total Other Financing Sources	210,917	102,757	97,619	97,619	97,619	97,619
2.080 - Total Rev & Other Sources	32,401,818	36,586,863	38,004,377	40,198,700	41,835,728	43,082,681
Expenditures:						
3.010 - Personnel Services	15,104,024	17,001,652	18,733,627	19,878,709	21,015,360	22,220,675
3.020 - Employee Benefits	5,684,743	6,687,116	7,285,929	7,835,154	8,410,310	8,997,470
3.030 - Purchased Services	5,926,578	7,278,964	7,866,798	8,244,656	8,640,862	9,036,314
3.040 - Supplies and Materials	1,570,169	1,084,541	1,371,393	1,190,222	1,236,679	1,263,754
3.050 - Capital Outlay	138,917	315,449	324,912	334,660	344,700	355,041
Intergovernmental & Debt Service	60,858	56,210	58,418	57,198	55,978	59,697
4.300 - Other Objects	302,271	313,036	327,624	335,214	342,196	349,461
4.500 - Total Expenditures	28,787,560	32,736,968	35,968,701	37,875,813	40,046,085	42,282,411
Other Financing Uses						
5.010 - Operating Transfers-Out	-	-	2,000,000	-	-	-
5.020 - Advances-Out	-	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	-	-	2,000,000	-	-	-
5.050 - Total Exp and Other Financing Uses	28,787,560	32,736,968	37,968,701	37,875,813	40,046,085	42,282,411
6.010 - Excess of Rev Over/(Under) Exp	3,614,258	3,849,895	35,676	2,322,888	1,789,643	800,270
7.010 - Cash Balance July 1 (No Levies)	32,706,896	36,321,154	40,171,050	40,206,725	42,529,613	44,319,256
7.020 - Cash Balance June 30 (No Levies)	36,321,154	40,171,050	40,206,725	42,529,613	44,319,256	45,119,526
		Reservations				
8.010 - Estimated Encumbrances June 30	920,328	900,000	900,000	900,000	900,000	900,000
9.080 - Reservations Subtotal	14,156,521	15,487,501	16,696,218	17,499,708	18,280,484	19,412,031
10.010 - Fund Bal June 30 for Cert of App	21,244,305	23,783,549	22,610,507	24,129,905	25,138,772	24,807,495
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	21,244,305	23,783,549	22,610,507	24,129,905	25,138,772	24,807,495
Revenue from New Levies						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	21,244,305	23,783,549	22,610,507	24,129,905	25,138,772	24,807,495