
Mayfield City Schools Financial Update

Board of Education
Work Session
June 25, 2024

Presentation Objectives

1. Review Fiscal year 2023-24 (July 1 - June 30) Results

 2. Five-Year Forecast Update
 - Revenue Summary & Key Assumptions
 - Expenditure Summary & Key Assumptions
 - Ending Cash Balances
 - Identification of Key Deficits
 - Impact of different reappraisal increases

 3. Levy Considerations & Proposed Timeline
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SM-1 (Annual Spending Plan) - VARIANCE ANALYSIS

2023-24

Line Number	Description	%	SM-1 Est-to-Date	+/- Difference	Est. v Est. %	Act. v Est. %	SM-1 Annual Actual	END OF YEAR 2023-24 NOTES
REVENUES:								
1.010	General Property Tax (Real Estate)	76%	60,007,040	3,173,291	100%	105%	63,180,331	\$2.0M from FY23 Class II collection
1.020	Tangible Personal Property Tax	3%	2,683,597	155,906	95%	100%	2,839,503	
1.030	Income Tax	0%	0	0	0%	0%	0	
1.035	Unrestricted Grants-in-Aid (All 3100's except 3130)	6%	4,811,809	311,399	94%	100%	5,123,207	State Catastrophic subsidy + \$400K
1.040	Restricted Grants-in-Aid (All 3200's)	1%	410,273	175,635	70%	100%	585,908	
1.050	Property Tax Allocation (3130)	7%	5,600,714	74,554	99%	100%	5,675,268	
1.060	All Other Revenues except 1931,1933,1940,1950,5100, 5200	6%	4,924,028	107,104	98%	100%	5,031,132	
1.070	Total Operating Revenues	99%	78,437,461	3,997,887	99%	104%	82,435,348	
OTHER FINANCING SOURCES:								
2.050	Advances-In (5200)	1%	772,500	(150,901)	124%	100%	621,599	
2.070	Total Other Financing Sources	1%	772,500	(150,901)	124%	100%	621,599	
2.080	Total Revenues and Other Financing Sources	100%	79,209,961	3,846,986	99%	104%	83,056,946	
EXPENDITURES:								
3.010	Personal Services	48%	42,365,414	341,593	101%	100%	42,023,821	
3.020	Employees' Retirement/Insurance Benefits	21%	18,051,620	16,545	100%	100%	18,035,075	
3.030	Purchased Services	15%	13,301,215	(88,542)	99%	100%	13,389,757	
3.040	Supplies and Materials	2%	1,960,810	353,691	122%	100%	1,607,119	
3.050	Capital Outlay	1%	224,930	(586,847)	28%	100%	811,777	
DEBT SERVICE:								
4.300	Other Objects	2%	1,632,926	(29,929)	98%	100%	1,662,855	
4.500	Total Operating Expenditures	89%	77,536,915	6,511	100%	100%	77,530,404	
OTHER FINANCING USES:								
5.010	Transfers-Out	10%	609,760	(7,990,636)	7%	100%	8,600,396	\$8.0M transfer, HS roofing & HVAC
5.020	Advances-Out	1%	772,500	74,835	111%	100%	697,665	
5.040	Total Other Financing Uses	11%	1,382,260	(7,915,801)	15%	100%	9,298,061	
5.050	Total Expenditures and Other Financing Uses	100%	78,919,175	(7,909,290)	91%	100%	86,828,465	
6.010	Operating Surplus/ (Deficit)		290,786	(4,062,304)	-4%	54%	(3,771,518)	
7.010	Cash Balance July 1 - Excluding Proposed New Levies		36,472,350	0	100%	100%	36,472,350	
7.020	Cash Balance June 30		36,763,136	(4,062,304)	125%	111%	32,700,832	
8.010	Estimated Encumbrances June 30		4,663,014	(191,727)	104%	100%	4,471,287	
10.010	Fund Balance June 30 for Certification of Appropriations		32,100,122	(3,870,577)	128%	113%	28,229,545	

**FIVE
YEAR
FORECAST

NUMERICAL
&
KEY
ASSUMPTION
UPDATE**

DESCRIPTION	FY2021/22	FY2022/23	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29
	Actual	Actual	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
1 Real Taxes plus Homestead & Rollback	68,602,301	67,185,110	71,695,101	70,825,116	72,169,144	72,665,513	73,356,380	73,795,606
2 State Support - Basic Aid & SF Cat	3,099,962	5,042,662	5,709,115	5,755,849	6,498,430	7,085,873	7,357,664	7,543,557
3 Interest, TIF/PILOT pymnts, Misc. Rev	4,286,776	5,581,128	5,652,730	4,414,007	4,481,195	4,550,086	4,620,731	4,693,182
TOTAL REVENUE	75,989,040	77,808,900	83,056,946	80,994,972	83,148,769	84,301,472	85,334,774	86,032,345
<i>percentage change</i>	-0.25%	2.39%	6.74%	-2.48%	2.66%	1.39%	1.23%	0.82%
1 Personnel Costs	57,222,149	58,253,238	60,058,896	63,005,276	66,363,276	69,372,176	72,518,776	75,837,476
2 Purchased Services	11,430,529	12,106,423	13,389,757	13,666,394	14,040,315	14,422,807	14,818,559	15,233,045
3 Supplies, Materials, & Equip	1,889,287	2,054,500	2,418,896	3,103,538	2,706,940	2,357,787	2,415,520	2,475,024
4 Other Expenses	3,212,417	29,412,394	10,960,916	2,914,004	2,930,880	2,948,064	2,965,561	2,983,379
TOTAL EXPENSES	73,754,382	101,826,554	86,828,465	82,689,212	86,041,411	89,100,834	92,718,416	96,528,923
<i>percentage change</i>	-1.57%	38.06%	-14.73%	-4.77%	4.05%	3.56%	4.06%	4.11%

- REVENUES:**
- Updated FY2024-25 Property Tax Collections with the following key stats: delinquency collections of \$1.3M per year based on historical rates, an overall collection percentage rate of 97.17% with a .25% increase each year, and **assumed 20% Assessed Valuation growth rate for Class I & Class II real property due to reappraisal in TY2024.**
 - Continued implementation of the Fair School Funding Model assuming no substantive changes by the Ohio General Assembly. **Reduced SF-CAT back to historical reimbursement level of \$865K and then used a 3% inflator for each projected year.**
 - Reduced TIF payments by ½ or \$867K beginning in FY2024-25 from Progressive Insurance due to their property valuation complaint recently filed. Reduced interest baseline by \$400K in FY2024-25.**

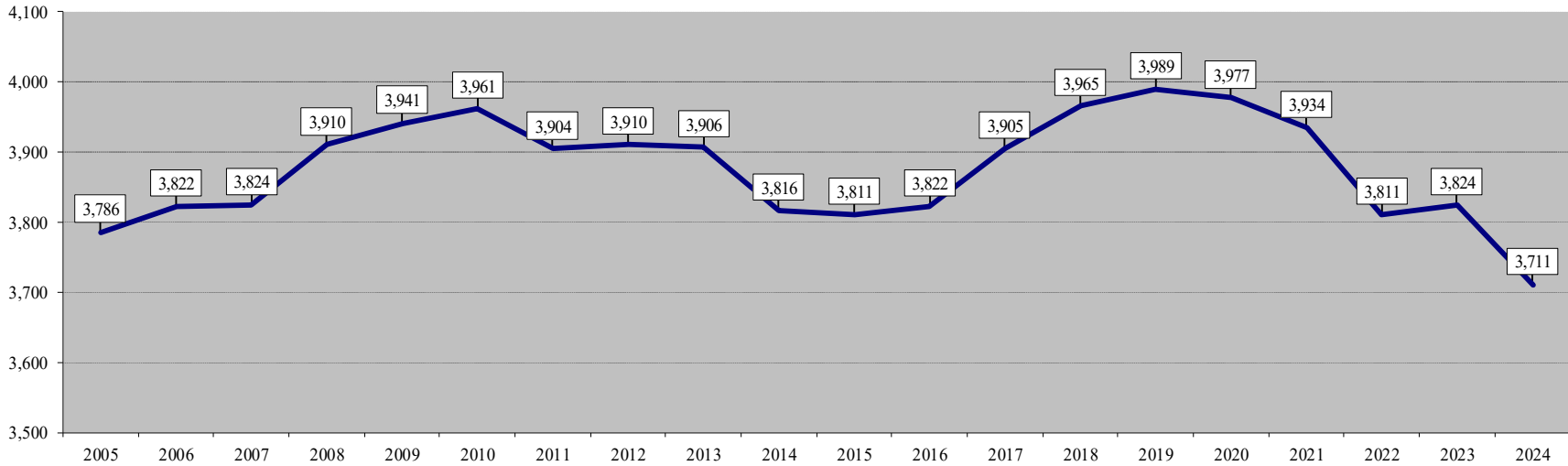
- EXPENSES:**
- Post FY 2025-26, **assumed 2.00% base increases & normal step movements for projected years beyond current CBAs. Assumed staffing levels consistent with Focus Forward Mayfield priorities.**
 - Assumed normal increases in all purchased service categories consistent with past trends and confirmed FY2023-24 base levels.
 - FY2024-25 includes the one-time purchase ODEW prescribed K-5 ELA materials costing \$470,946, of which, Mayfield CSD must pay \$296,402 from its local sources. Also included in FY2024-25 and FY2025-26 are bus capital lease payments of \$405K.**
 - Assumed a return to normalized patterns absent any additional transfers into the Capital Improvements Fund.

Property Tax Collection - Detail

Fiscal Year	ACTUAL		ESTIMATE				
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Tax Year	2021	2022	2023	2024	2025	2026	2027
Collection Year	2022	2023	2024	2025	2026	2027	2028
MILLAGE RATES							
Inside Millage	0.00502	0.00502	0.00502	0.00502	0.00502	0.00502	0.00502
Outside Effective Class I	0.03729	0.03729	0.03732	0.02983	0.02941	0.02898	0.02771
Outside Effective Class II	0.04471	0.04465	0.04596	0.03607	0.03556	0.03510	0.03363
Total Voted	0.08547	0.08547	0.08547	0.08547	0.08547	0.08547	0.08547
ASSESSED VALUES							
<i>Reappraisal or Triennial</i>	<i>Triennial</i>			<i>Reappraisal</i>			<i>Triennial</i>
Carryover Property YOY chg %	8.81%	1.17%	-0.13%	20.23%	1.39%	1.41%	4.26%
(A+A1+B+B1+C)	1,520,137,420	1,540,222,420	1,548,632,200	1,846,610,866	1,872,613,135	1,896,667,864	1,978,405,359
Current Year Collection Rates	0.97171	0.9717	0.9717	0.9737	0.9757	0.9777	0.9777
Current Year Tax Collections							
Inside Millage	7,280,869	7,307,099	8,077,388	8,877,988	9,022,368	9,306,284	9,560,996
Class I Carryover	38,530,384	38,729,386	39,067,539	39,430,093	39,701,616	39,960,129	40,116,258
Class I New Construction	213,175	338,153	281,564	190,142	176,769	156,130	123,086
Class II Carryover	18,558,209	18,653,185	18,919,025	19,172,837	19,245,936	19,295,633	19,344,135
Class II New Construction	97,743	273,582	260,668	74,920	50,830	49,609	62,302
Public Utility	2,632,810	2,727,472	2,900,807	3,026,184	3,047,105	3,088,277	3,125,051
SUB-TOTAL T1	67,313,188	68,028,877	69,506,991	70,772,165	71,244,625	71,856,061	72,331,828
Cuyahoga Budget Commission:	67,610,896	67,778,599					
Delinquent Collections T2	1,227,643	1,257,672	1,318,125	1,396,979	1,420,888	1,500,319	1,463,778
Real Taxes plus H&R (T1 + T2)	68,540,832	69,286,549	70,825,116	72,169,144	72,665,513	73,356,380	73,795,606
Actual Collections:	67,185,110	71,695,101					
Difference:	(1,355,722)	2,408,552					

Average Daily Membership – 20 yr. History

Table - 20-year History of Average Daily Membership
(Source: Ohio Department of Education, Foundation Program)



FINANCIAL PROJECTOR - SM-5 (Five-Year Forecast)_ NO LEVY CONSIDERED, 20% REAPPRAISAL IN TY2024

YEARS			1	2	3	4	5	6	7	
	2016 Levy period	7.5	8							
	2024 Levy period		0.5	1.5	2.5	3.5	4			
Line Number	Description	FY2023/24	INPUT	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31
7.01	Beginning Cash Balance (July 1)	36,472,351		28,229,545	26,535,306	23,642,664	18,843,302	11,459,660	963,081	(12,976,495)
2.08	Total Revenues and Other Financing Sources	83,056,946		80,994,972	83,148,769	84,301,472	85,334,774	86,032,345	86,568,831	86,891,246
5.05	Total Expenditures and Other Financing Uses	86,828,465		82,689,212	86,041,411	89,100,834	92,718,416	96,528,923	100,508,408	104,668,910
6.01	Operating Surplus/(Deficit)	(3,771,518)		(1,694,239)	(2,892,642)	(4,799,362)	(7,383,642)	(10,496,579)	(13,939,576)	(17,777,663)
8.01	Estimated Encumbrances June 30	4,471,287								
13.020A	REVISED ENDING BALANCES	28,229,545		26,535,306	23,642,664	18,843,302	11,459,660	963,081	(12,976,495)	(30,754,159)
13.021C	Target Ending balance % of expenses = 25%	21,707,116		20,672,303	21,510,353	22,275,209	23,179,604	24,132,231	25,127,102	26,167,227
13.021C1	Targeted True Days Cash Carryover 90 days	119		117	100	77	45	4	(47)	(107)
				REAPPRAISAL			TRIENNIAL			REAPPRAISAL

FINANCIAL PROJECTOR - SM-5 (Five-Year Forecast)_ NO LEVY CONSIDERED, 30% REAPPRAISAL IN TY2024

YEARS			1	2	3	4	5	6	7	
	2016 Levy period	7.5	8							
	2024 Levy period		0.5	1.5	2.5	3.5	4			
Line Number	Description	FY2023/24	INPUT	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31
7.01	Beginning Cash Balance (July 1)	36,472,351		28,229,545	26,977,447	24,926,515	20,954,597	14,401,298	4,736,355	(8,379,419)
2.08	Total Revenues and Other Financing Sources	83,056,946		81,437,113	83,990,479	85,128,916	86,165,117	86,863,981	87,392,634	87,701,515
5.05	Total Expenditures and Other Financing Uses	86,828,465		82,689,212	86,041,411	89,100,834	92,718,416	96,528,923	100,508,408	104,668,910
6.01	Operating Surplus/(Deficit)	(3,771,518)		(1,252,099)	(2,050,932)	(3,971,918)	(6,553,299)	(9,664,943)	(13,115,773)	(16,967,394)
8.01	Estimated Encumbrances June 30	4,471,287								
13.020A	REVISED ENDING BALANCES	28,229,545		26,977,447	24,926,515	20,954,597	14,401,298	4,736,355	(8,379,419)	(25,346,813)
13.021C	Target Ending balance % of expenses = 25%	21,707,116		20,672,303	21,510,353	22,275,209	23,179,604	24,132,231	25,127,102	26,167,227
13.021C1	Targeted True Days Cash Carryover 90 days	119		119	106	86	57	18	(30)	(88)
				REAPPRAISAL			TRIENNIAL			REAPPRAISAL

FACTORS USED TO DETERMINE THE MILLAGE RATE (LEVY)

1-mill equals: 1,400,000
Levy Duration Expressed in Years: 4
Year over Year Expenditure Change: 3,000,000
Year over Year Percentage Change: 4.50%
Structural Operating Deficit: (1,000,000)

					Year
Future Year 1:	3,000,000				3,000,000
Future Year 2:	3,135,000	3,135,000			6,270,000
Future Year 3:	3,291,750	3,291,750	3,291,750		9,875,250
Future Year 4:	3,456,338	3,456,338	3,456,338	3,456,338	13,825,350
Cumulative	12,883,088	9,883,088	6,748,088	3,456,338	32,970,600

Annual Operating Revenue needed:	8,242,650	8,242,650	8,242,650	8,242,650	32,970,600
Annual Structural Deficit Revenue needed:	1,000,000				1,000,000
Annual Structural Deficit Revenue needed:	1,000,000	2,000,000	4,000,000	8,000,000	15,000,000
Operating Millage:	5.89				
Deficit Millage @ occurrence:	0.71	year 1			
TOTAL MILLAGE:	6.60				
Deficit Millage after occurrence:	5.71	Year 4			
TOTAL MILLAGE:	11.60				

FINANCIAL PROJECTOR - SM-5 (Five-Year Forecast) **5 MILL LEVY CY2024, 20% REAPPRAISAL IN TY2024**

		YEARS		1	2	3	4	5	6	7
	2016 Levy period	7.5		8						
	2024 Levy period			0.5	1.5	2.5	3.5	4		
Line Number	Description	FY2023/24	INPUT	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31
7.01	Beginning Cash Balance (July 1)	36,472,351		28,229,545	30,406,887	35,257,406	38,201,204	38,560,723	35,807,305	29,610,890
13.02P	Tax Levy - Assumed passage CY/2024		5.00	3,871,581	7,743,161	7,743,161	7,743,161	7,743,161	7,743,161	7,743,161
2.08	Total Revenues and Other Financing Sources	83,056,946		84,866,553	90,891,930	92,044,633	93,077,935	93,775,506	94,311,992	94,634,407
5.05	Total Expenditures and Other Financing Uses	86,828,465		82,689,212	86,041,411	89,100,834	92,718,416	96,528,923	100,508,408	104,668,910
6.01	Operating Surplus/(Deficit)	(3,771,518)		2,177,341	4,850,519	2,943,799	359,519	(2,753,418)	(6,196,415)	(10,034,502)
8.01	Estimated Encumbrances June 30	4,471,287								
13.020A	REVISED ENDING BALANCES	28,229,545		30,406,887	35,257,406	38,201,204	38,560,723	35,807,305	29,610,890	19,576,388
13.021C	Target Ending balance % of expenses = 25%	21,707,116		20,672,303	21,510,353	22,275,209	23,179,604	24,132,231	25,127,102	26,167,227
13.021C1	Targeted True Days Cash Carryover 90 days	119		134	150	156	152	135	108	68
				REAPPRAISAL			TRIENNIAL		REAPPRAISAL	

KEY FINANCIAL TAKE AWAYS

- 5-mills, for operational purposes only, is consistent with all levy requests dating back to 2002.
- 5-mills, will continue to provide a minimum levy duration of 4-years with a goal of extending, consistent with the current 8-year levy duration associated with the 2016 campaign.
- 5-mills, will cost the homeowner of a property with a fair market value of \$100,000, \$175 annually or \$14.58 per month. The tax levy will **NOT** have any impact on the current (2024) reappraisal. In fact, the 5-mills will be certified using the tax year 2023 values and will therefore be reduced to **4 effective mills** if reappraisal equals our assumption of 20% (5 times .20%).
- 2024 reappraisal percentage increases up to 30%, **ARE NOT SUFFICIENT** to offset the operational deficits projected to begin in FY2024-25 and thereafter. Only 5 of our current 46.77 effective school tax mills or approximately 10.6% can increase at the same rate as the property reappraisal percentage.

Potential Levy Placement Timeline

06/25/24 – Determine if need exists to levy an additional property tax and the necessary millage rate.

06/26/24 – Pass the first resolution “declaring the necessity to levy an additional tax” including inserting the tax millage rate. This resolution is sent to the Cuyahoga County Fiscal Office to certify the amount of tax revenue that will be generated.

07/10/24 – Pass the second resolution to “proceed with the placement of the additional tax levy” on the next ballot. All resolutions, including the certification from the Cuyahoga County Fiscal Office, must be filed 90-days prior to the election date with the Cuyahoga County Board of Elections or early August.
