



Madeira City School District

Fiscal Year  
**2026**  
February

Financial  
Forecast  
Report



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Madeira City School District



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## Forecast Purpose/Objectives

Ohio Department of Education and Workforce's purposes/objectives for the financial forecast are:

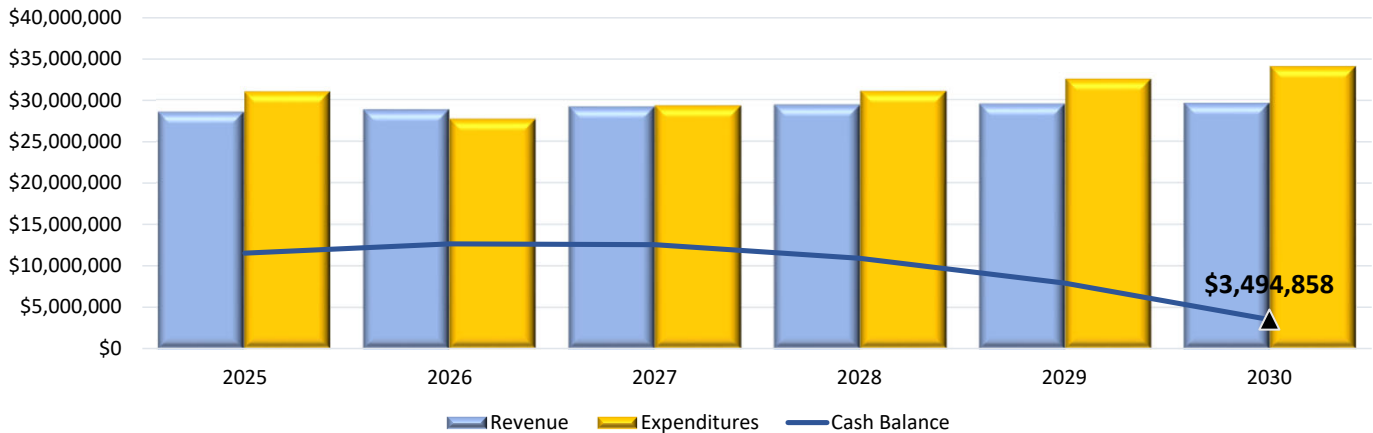
1. To engage the local board of education and the community in the long range planning and discussions of financial issues facing the school district.
2. To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 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

## Forecast Summary

### Projected Revenue, Expenditures, and Cash Balance



### Financial Forecast Summary

	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
Beginning Balance (Line 7.010) <i>*Includes Renewal/New Levy Revenue, see Disclosures</i>	11,523,308	12,653,356	12,544,220	10,901,715	7,895,851
+ Revenue	28,862,491	29,216,108	29,437,564	29,557,735	29,678,640
- Expenditures	(27,732,443)	(29,325,244)	(31,080,069)	(32,563,599)	(34,079,633)
= Revenue Surplus or Deficit	1,130,048	(109,136)	(1,642,505)	(3,005,864)	(4,400,993)
Line 7.020 Ending Balance with Renewal/New Levies	12,653,356	12,544,220	10,901,715	7,895,851	3,494,858
<b>Operating Months - Cash Balance</b>	<b>5.48</b>	<b>5.13</b>	<b>4.21</b>	<b>2.91</b>	<b>1.23</b>

### Financial Summary Notes

Expenditure growth is projected to outpace revenue change. By the end of 2030, the cash balance is projected to decline by a total of \$8,028,450 compared to 2025. For fiscal year 2030, expenditures are currently projected to exceed revenue, resulting in a revenue shortfall the final year of the forecast period.

**Financial Guidelines and Parameters** - The Board of Education accepted by motion (44-19) the financial guidelines and parameters during the March 18, 2019 board meeting. The document establishes "Best Practices" for successful fiscal stewardship and is an addendum to the Notes. The ending cash balance is dropping below the minimum 4 months of expenditures in FY2029. Madeira is forecasted to begin "deficit spending" slightly in FY2027. This is an indicator of a need for additional operating revenue. Because of the lag in receiving new tax revenue from one calendar to the beginning of the next calendar year, levy planning must begin about 18 months out from the planned date of placement on the ballot.

**Legislation** - Many property tax reform bills have passed. Due to Madeira's property tax makeup and the fact that House Bill 920 has been working in this community for many years, the bills have little impact on Madeira.

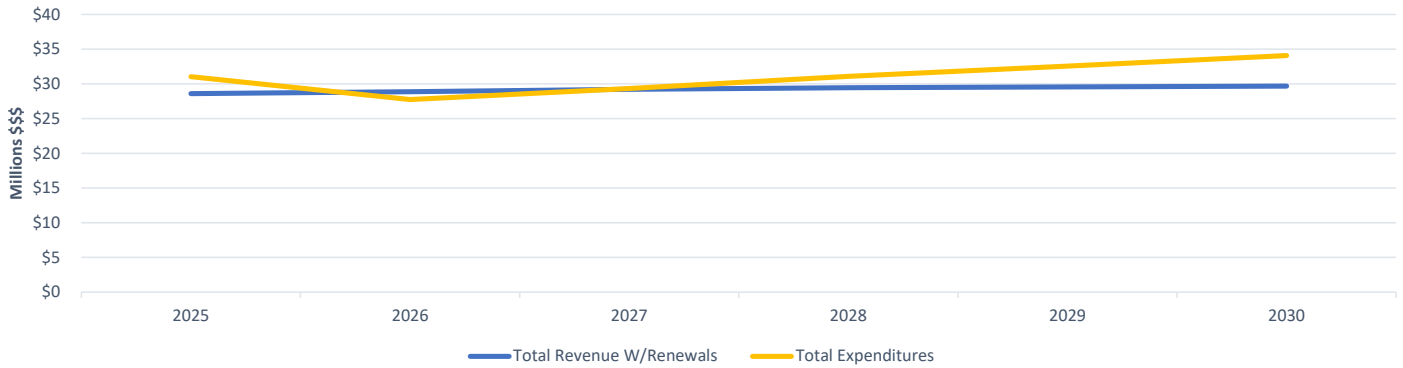
**TIFs & Tax Abatements:**

- **Kenwood Senior Star abatement expiration:** In FY2024 the district received \$311,000 in TIF revenue from Kenwood Senior Star. In FY2025, the district received its last payment of \$149,000 from Kenwood Senior Star. Beginning January 2025 the abatement expired and the district began to receive approximately \$711K annually in tax revenue. Simultaneously, the corresponding TIF revenue of \$311K was lost, resulting in a net increase of approximately \$400K. Half of the revenue was seen in FY2025 and the full revenue will be seen in FY2026.

- **Traditions of Madeira/Swingline Grill TIF Agreements:** Both properties have a 30 year TIF (tax increment financing) agreement that will "keep the School District "whole". See the "other revenue" page for more detailed information.

# Forecast Analysis

## Revenue Compared to Expenditures

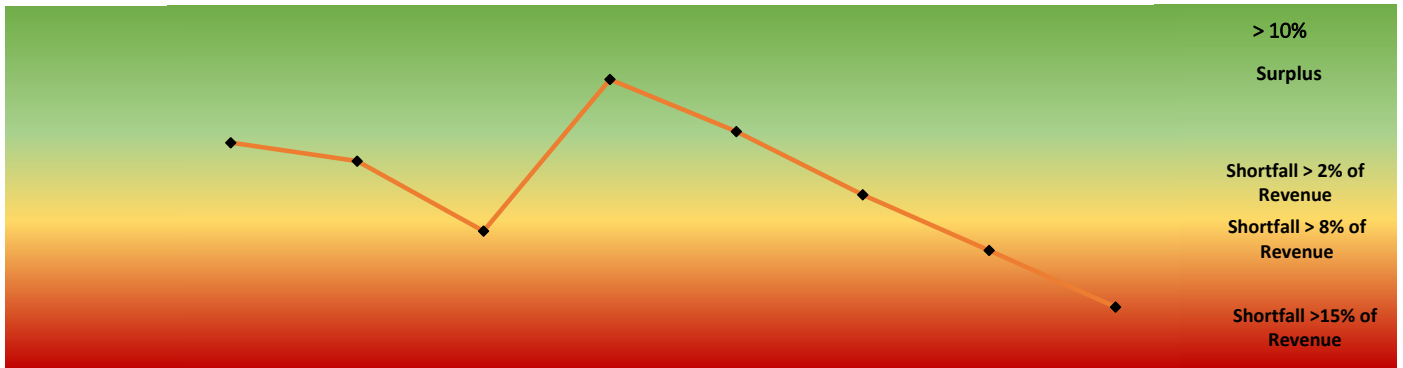


From 2026 to 2030, total revenues are projected to change by 0.75%

Expenditure change is expected to outpace revenue change.

From 2026 to 2030, total expenses are projected to change by 2.10%

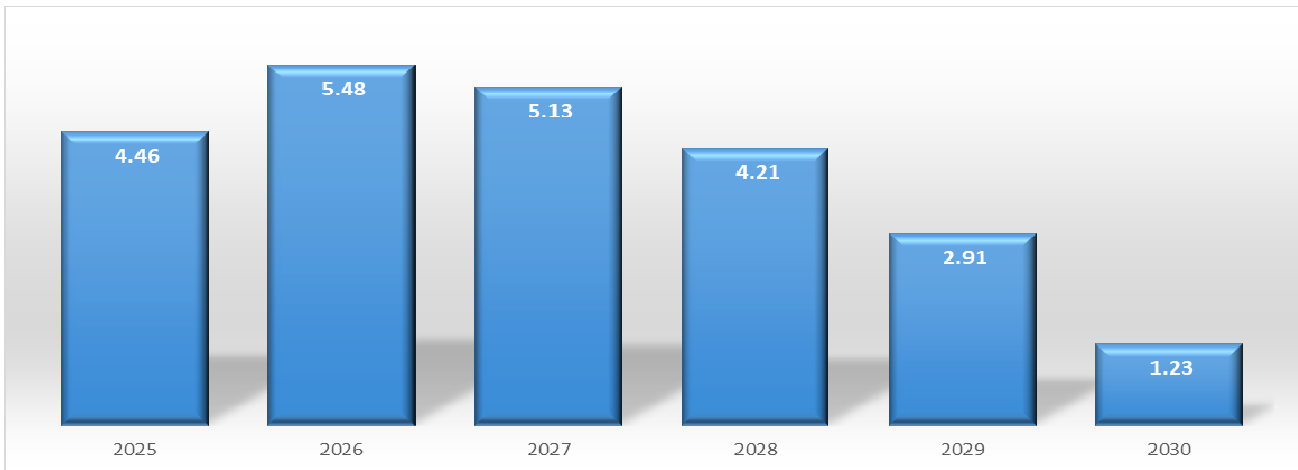
## Revenue Surplus/(Shortfall) as a Percentage of Revenue



Current Forecast	2024	2025	2026	2027	2028	2029	2030
Surplus/(Shortfall)	-2.8%	-8.6%	3.9%	-4%	-5.6%	-10.2%	-14.8%

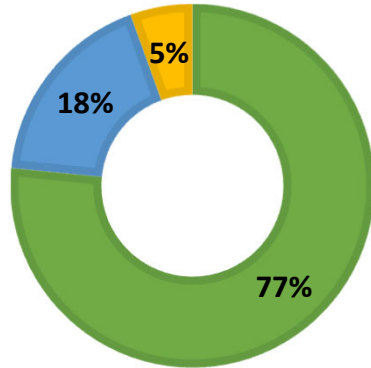
The district is trending toward revenue shortfall with the expenditures growing faster than revenue.

## Months Cash on Hand at Fiscal Year-end



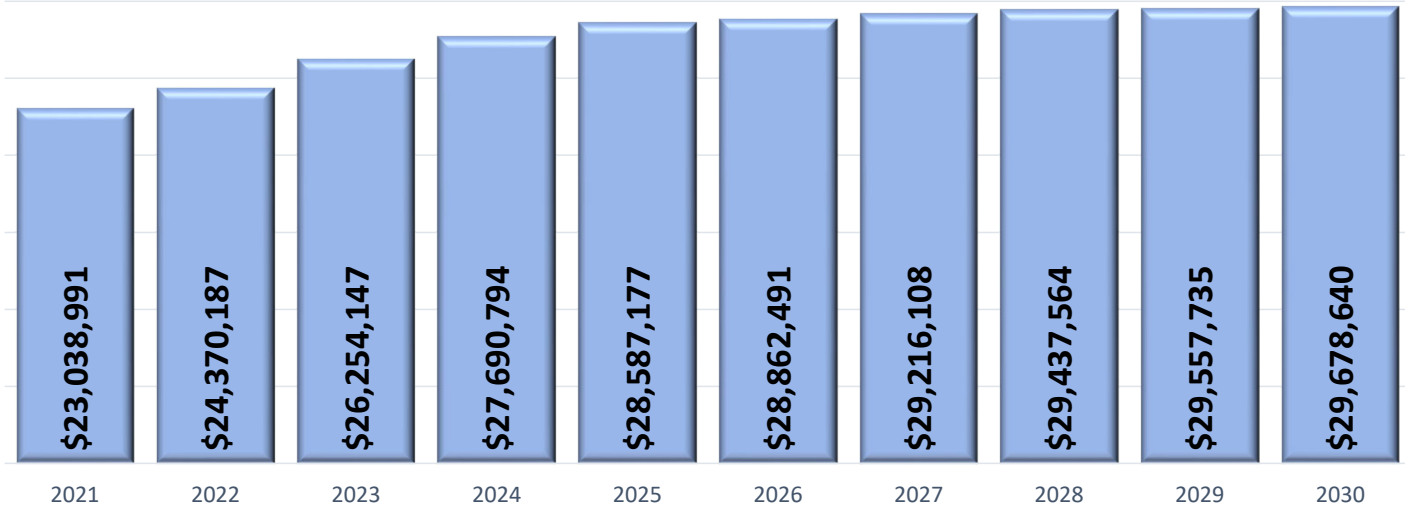
# Revenue Overview

## Revenue Sources



Local Taxes	
Real Estate Tax	72.01%
Public Utility Tax	4.56%
Income Tax	0.00%
State Sources	
State Funding	10.22%
Restricted Aid	0.67%
State Reimb Prop Tax Credit	7.03%
All Other Revenue	
Other Revenue	5.51%
Other Sources	0.00%

## Annual Revenue Actual + Projected



## Historic Revenue Change versus Projected Revenue Change

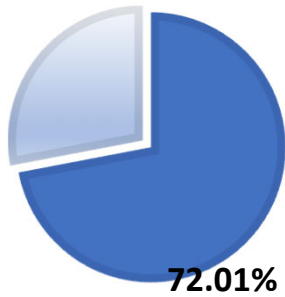
	Historical Average Annual \$\$ Change	Projected Average Annual \$\$ Change	Projected Compared to Historical Variance	
Real Estate	\$869,501	\$269,991	(\$599,510)	The largest variance in historical vs. projected is in real estate due to the passage of a levy in 2021 and the real estate revenue from Kenwood Senior Star abatement expiration. Simultaneously, all other revenue is expected to decrease due to the loss of Kenwood Senior Star TIF revenue with the expiration of the tax abatement.
Public Utility	\$95,317	\$32,583	(\$62,734)	
Income Tax	\$0	\$0	\$0	
State Funding	\$82,220	\$39,698	(\$42,522)	
State Reimb Prop Tax Credits	\$27,039	\$22,685	(\$4,354)	
All Othr Op Rev	\$201,967	(\$95,567)	(\$297,534)	
Other Sources	\$48,539	(\$51,098)	(\$99,637)	
<b>Total Average Annual Change</b>	<b>\$1,324,583</b>	<b>\$218,293</b>	<b>(\$1,106,290)</b>	
	5.42%	0.75%	-4.67%	

For Comparison:  
Expenditure average annual change is projected to be >

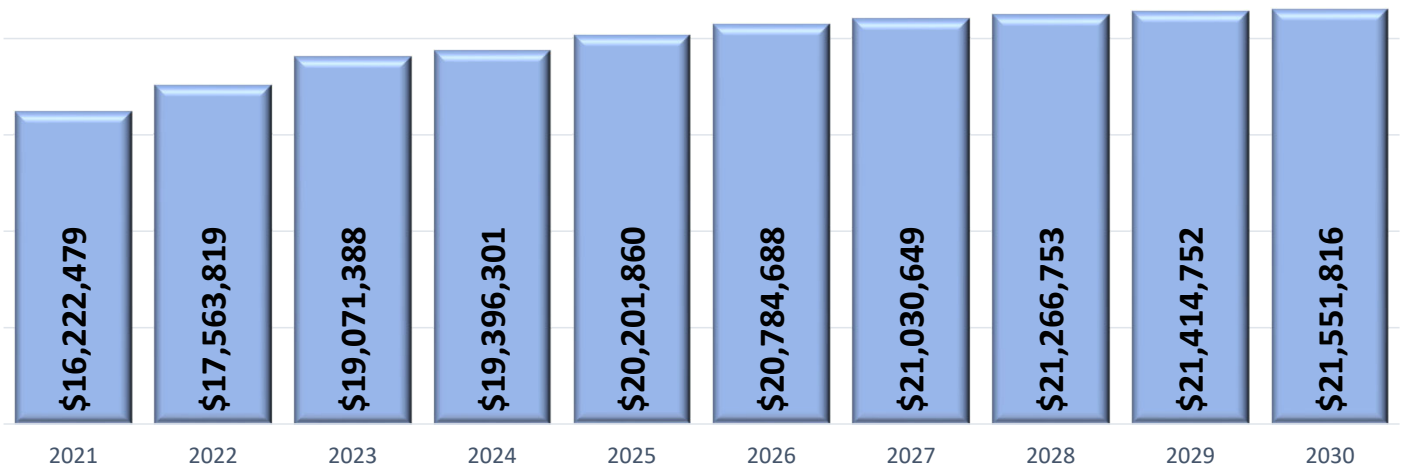
\$608,497 On an annual average basis, expenditures are projected to grow faster than revenue.

### 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).



Real estate property tax revenue accounts for 72.01% of total district general fund revenue.



#### Key Assumptions & Notes

Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class 2 Rate	Change	
2024	577,686,870	18,588,020	37.54	-	58.05	-	100.3%
2025	584,470,780	6,783,910	37.51	(0.03)	58.05	(0.00)	100.0%
2026	655,645,012	71,174,232	33.82	(3.69)	55.78	(2.27)	100.0%
2027	660,591,274	4,946,262	33.82	(0.00)	55.78	(0.00)	100.0%
2028	665,309,161	4,717,887	33.82	(0.00)	55.78	(0.00)	100.0%
2029	669,545,956	4,236,795	33.82	(0.00)	55.78	-	100.0%

Class I, or residential/agricultural taxes make up approximately 89.63% of the real estate property tax revenue. The Class I tax rate is 37.51 mills in tax year 2025. The projections reflect an average gross collection rate of 100.0% annually through tax year 2029.

**Levy Passage** - Madeira community voted to pass a 5.2 Mill operating levy Nov 2, 2021. Half of the revenue was seen in FY22 and full in FY23.

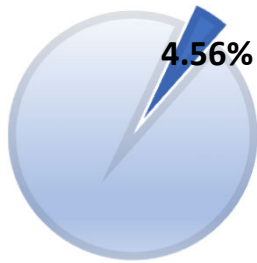
**Reappraisal** - Hamilton County went through the full triennial update in 2023 and a mid mid-term update will be in 2026. Residential valuations increased by 29% and Class II by 9%. However, because of H.B. 920, as values increase due to reappraisal, tax rates are pushed down resulting in no additional revenue on voted levies. Due to the residential valuation increase of 29%, tax rates were rolled back by over 9 mills and Class II by 4 mills. Madeira does receive additional revenue on 4.26 of inside millage and is projected in the forecast. HB335 caps inside millage growth at GDP-D, which is estimated to be 9.15% in 2026, resulting a small decreases in projected increased revenue. Overtime, this will cause the inside millage rate to be reduced similar to that of voted levies. The next full triennial update was moved from 2029 to 2030.

**Kenwood Senior Star Abatement** - In tax year 2024, the abatement on Kenwood Senior Star expired. The property came on the valuation as new construction. Beginning Jan. 2025 the district began receiving approximately \$711K annually. Simultaneously, the corresponding TIF revenue of \$311K (found on page 12) was lost resulting in a net increase of approximately \$400K. Half of the revenue was seen in FY25 and the full revenue will be seen in FY26.

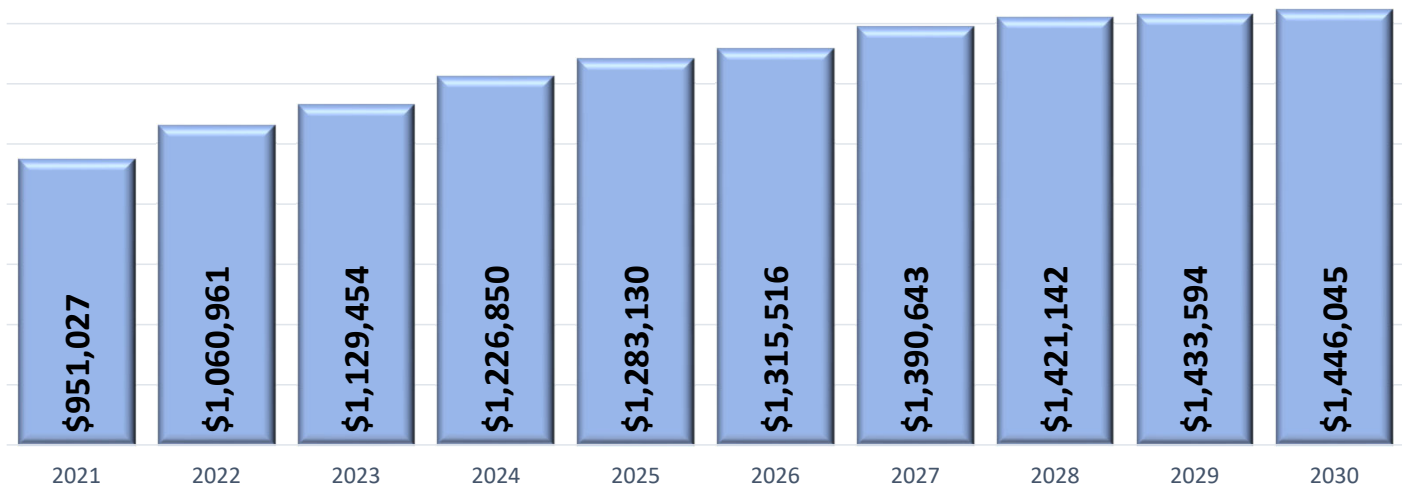
**Bradford Place Abatement** - Bradford place was 50% abated for 15 years. Abatements expire in 2024-2028. After all abatements expire the estimated revenue is approximately \$77K and is included in the forecast.

### 1.020 - Public Utility Personal Property

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



Public Utility Personal Property tax revenue accounts for 4.56% of total district general fund revenue.



#### Key Assumptions & Notes

Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2024	13,154,430	875,630	106.27	-	90.5%
2025	13,704,120	549,690	106.27	0.00	93.8%
2026	14,204,120	500,000	106.17	(0.10)	93.8%
2027	14,329,120	125,000	106.17	-	93.8%
2028	14,454,120	125,000	106.17	-	93.8%
2029	14,579,120	125,000	106.17	-	93.8%

The public utility personal property tax revenue is generated from the personal property values, additions, and depreciation reported by the utility companies. The property is taxed at the full voted tax rate which in tax year 2025 is 106.27 mills. The forecast is modeling an average gross collection rate of 93.82%. The revenue changed historically at an average annual dollar amount of \$95,317 and is projected to change at an average annual dollar amount of \$32,583 through fiscal year 2030.

PUPP values have seen significant increases in the last few year, bringing in additional revenue to the district. PUPP is taxed at the full voted rate and does not see the reduction factor that residential and commercial properties do.

**Duke Contesting Values** - The 2025 PUPP collections were lower than projected due to Duke contesting their values. They are only required to pay on the value that is not being contested. If values are decreased, it would result in a loss of revenue. We are showing a reduced collection rate of 93.8% to account for potential reduction in Duke valuation.

**HB15** reduces the assessment rate applied to Public Utility new properties by about 70%. We have reduced our expected PUPP valuation increase in 2027 and beyond to account for this change.

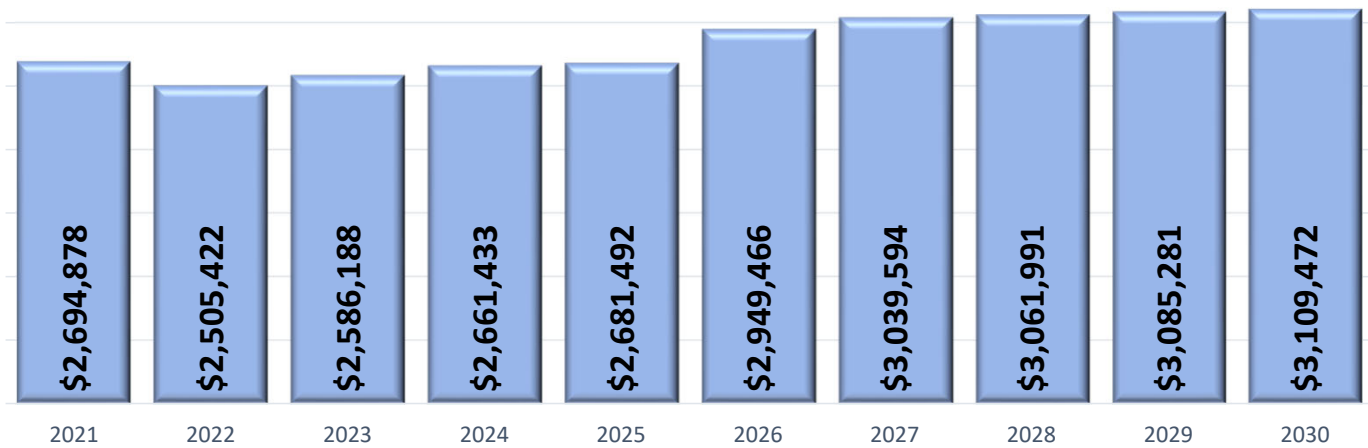


### 1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



Unrestricted State Aid revenue accounts for 10.22% of total district general fund revenue.



#### Key Assumptions & Notes

Beginning in fiscal year 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 Madeira, the calculated Base Cost is \$12,947,201 in 2026. The State's share of the calculated Base Cost is \$1,301,531, or \$808 per pupil.

**Madeira is a guarantee funded district**, meaning that the state guarantees that we will receive the same amount of funding as the year before. Therefore, the changes mentioned above have no effect on Madeira's funding. If legislation is ever passed to reduce the guarantee, Madeira could lose funding. Madeira's enrollment would have to increase exponentially to come off of the guarantee.

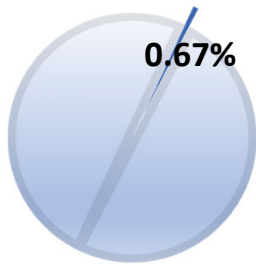
Transportation funding is outside of the guarantee. The minimum state share for transportation funding is moving to 50%. Madeira's transportation state share was 5% and will gradually move to 50% by 2027, which represents the slight increase in state funding above.

**House Bill 96** - While HB96 went through many iterations, what ultimately passed and is current law is what is represented in the Forecast. There were many introduced provisions that would have impacted Madeira's revenue but were ultimately veto'd by the Governor on June 30. The general assembly has until December, 2026 to override those vetos. After all iterations, Madeira ultimately ended up receiving slightly more state funding. HB96 included three new supplements; a per pupil supplement, a performance supplement and an enrollment growth supplement. Overall, our enrollment has not grown enough to reach the enrollment growth supplement but if our enrollment continues to grow, then we could in the future. Madeira will receive \$27/student in FY26 equaling approximately \$43,000 and \$40/student in FY27 equaling approximately \$65,000 for the per pupil supplement. Madeira will also receive \$65/student equaling approximately \$105,000 for the performance supplement for getting 5 stars on the state report card.

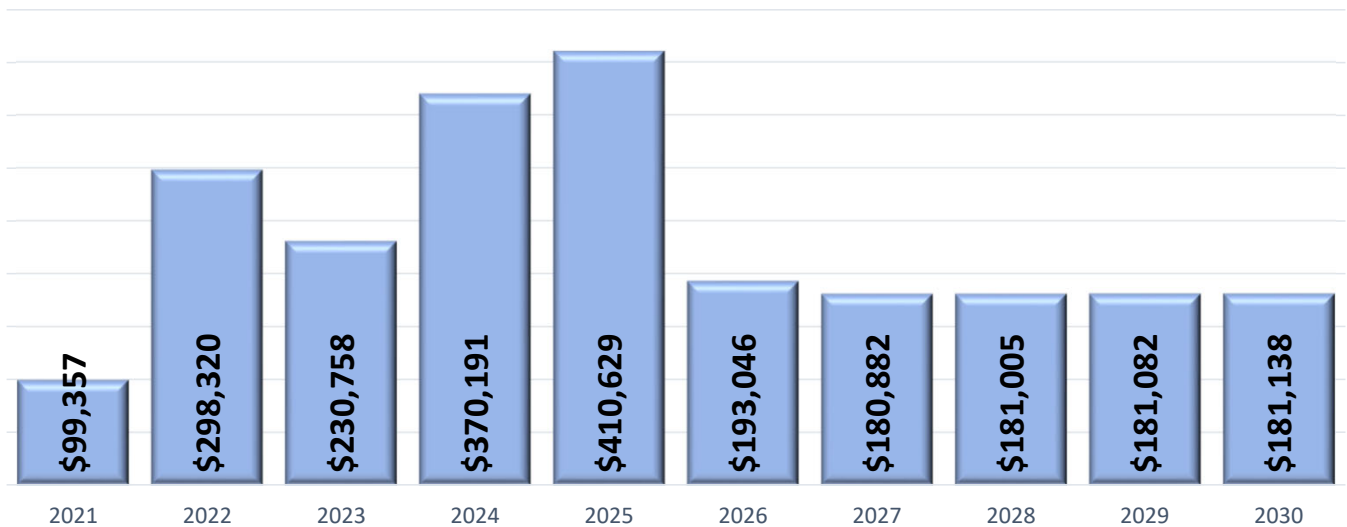
**A recap on House Bill 96 and how we ended up where we are today:** The governor's introduced House Bill 96 proposal would have resulted in the reduction of the guarantee funding by 5% in FY26 and 10% in FY27, equaling a loss of nearly \$800K over 4 years. Alternatively, the House's proposal limited the amount of carryover cash balance a district can maintain to 30%. The amount over 30% would be returned by way of a "tax credit" and result in the loss of approximately \$7M. The Senate's proposal adjusted the amount of carryover cash balance a district can maintain to 40% and would result in the loss of approximately \$4.3M. If either of these provisions became law, it would have greatly impacted the positive financial position of the district. The district had outstanding debt obligations from the renovation of the MHS auditorium/commons. Madeira also has a long-term permanent improvement strategy and is disciplined in transferring money each year to cover facility needs. The Board passed a motion to pay off the outstanding debt, accelerate the annual P.I. transfer and establish a termination benefits fund for the payment of staff severance, therefore safeguarding the resources necessary to meet our obligations and maintain district facilities. The acceleration of these payments have no negative long-term impact on district finances. Ultimately, the Governor vetoed the cash balance provision on June 30th.

### 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 State Aid revenue accounts for 0.67% of total district general fund revenue.



#### Key Assumptions & Notes

Restricted aid is the portion of state per pupil funding that must be classified as restricted use. Starting in fiscal year 2022, restricted funding includes student wellness and success, gifted students, English language learners, career teach, disadvantaged pupils.

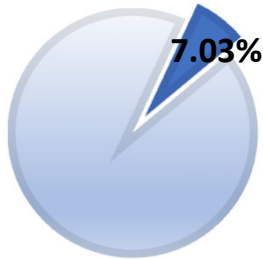
Threshold Cost Reimbursement is the largest source of restricted revenue and is dependent upon the State budget line, the number of schools requesting reimbursement, and the amount of the total reimbursement requested from all public schools for that budget line.

In FY24, the state made a one time payment of \$85K to Madeira for the purchase of materials aligned with the science of reading. The state also allocated funds for the payment of stipends to specific teachers for completing the science of reading training. The amounts are determined in law and not up to district descretion. Districts were be reimbursed for those stipends and associated benefits paid to teachers after payment. We were reimbursed \$80,000 in FY25 and \$22,000 in FY26. Those are one time payments.

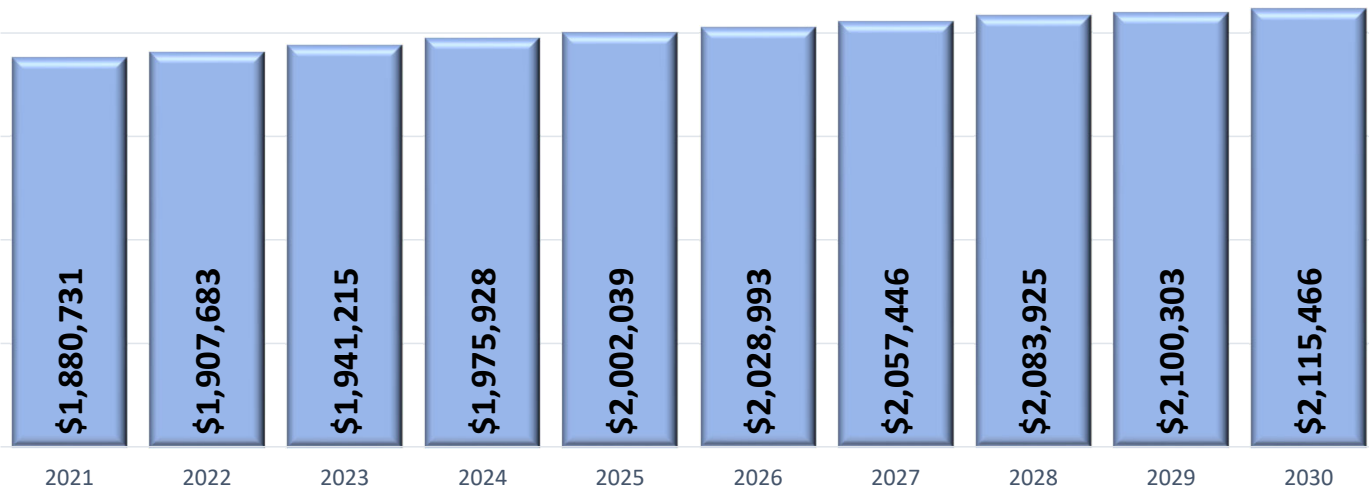
Historically, Medicaid reimbursement has been posted as restricted state aide. Due to a change in the state accounting manual, that funding will now be shown on the other revenue tab and represents a large portion of the reduced revenue shown above.

### 1.050 - State Reimbursement Property Tax Credits

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



State Reimbursement of Property Tax Credit revenue accounts for 7.03% of total district general fund revenue.



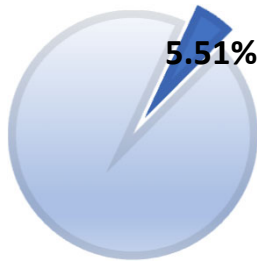
#### Key Assumptions & Notes

State Reimbursement of Property Tax Credits primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions to their tax bill. 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 fiscal year 2026, approximately 9.4% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 0.7% will be reimbursed in the form of qualifying homestead exemption credits.

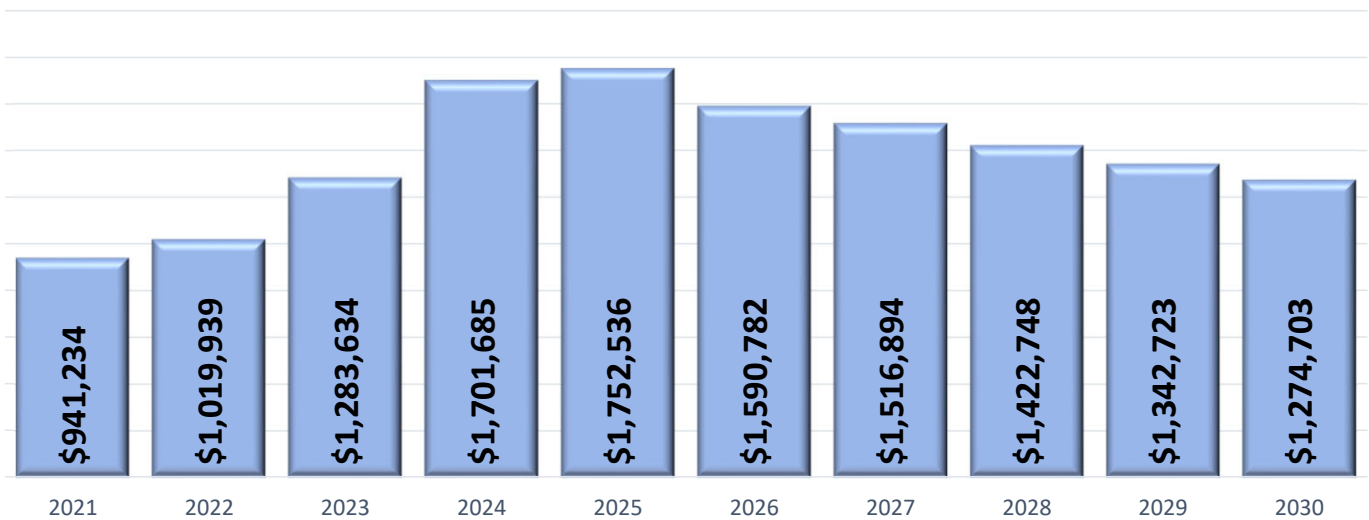
Ohio law eliminated the 2.5% exemption and the 10% reduction on any new levies approved after 2011. But the Homeowner will continue to receive them on levies passed prior to the law change.

### 1.060 - All Other Operating Revenues

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



All Other Revenue accounts for 5.51% of total district general fund revenue.



#### Key Assumptions & Notes

**The primary components of other operating revenue:**

**Kenwood Senior Star**, a Community Reinvestment Area, subject to property tax exemptions per agreement signed by the school district in Sept. 2006. The agreement established a direct payment by Senior Star to Madeira per year until 7/1/2024. Due to the revaluation of the property, the TIF payment amount has varied between \$272K and \$320K over the last several years. In calendar year 2025 the district began receiving the full amount of property taxes on the property at approximately \$711K per year. The additional revenue came in on the real estate line item and the TIF revenue of \$311K was removed from the other revenue line item. The net increase in revenue is approximately \$400K. Half of the revenue was seen in FY2025 and the full revenue will be seen in FY2026.

**Traditions of Madeira on Camargo** is a 30 year TIF exemption that will keep the School District "whole". The district receives property tax revenue directly from the City twice per year. The new construction was valued at 50% completed (\$10.7M) for collection in 2020 and was valued at 100% at \$24.4M for collection year 2021. The property was then revalued to \$21.1M due to an error at HCA. A refund was issued in FY22. The district received \$117K general fund dollars in FY20, \$357K in FY21, \$373K in FY22 and \$455K in FY23. We are estimating to receive \$462K going forward.

**Swingline Grill** is a 30 year TIF exemption that will keep the School District "whole". The district receives property tax revenue directly from the City twice per year. The first payment was FY24 at \$8K and we are estimating to receive \$16K per year going forward.

**Investment interest** rates have been favorable resulting in higher interest revenue but we are projecting rates and available cash to invest will decrease over the life of the forecast.

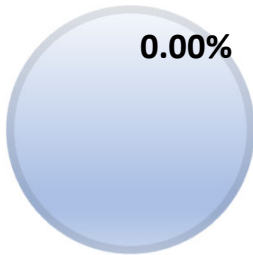
**Student fees** collected for participating extra-curricular activities and for student related technology at approximately \$140K each year.

**Other miscellaneous sources of revenue** include erate reimbursements, facility rental fees, tuition for court placed non-residential students and the administrative fee charged to St. Gertrude's auxiliary services.

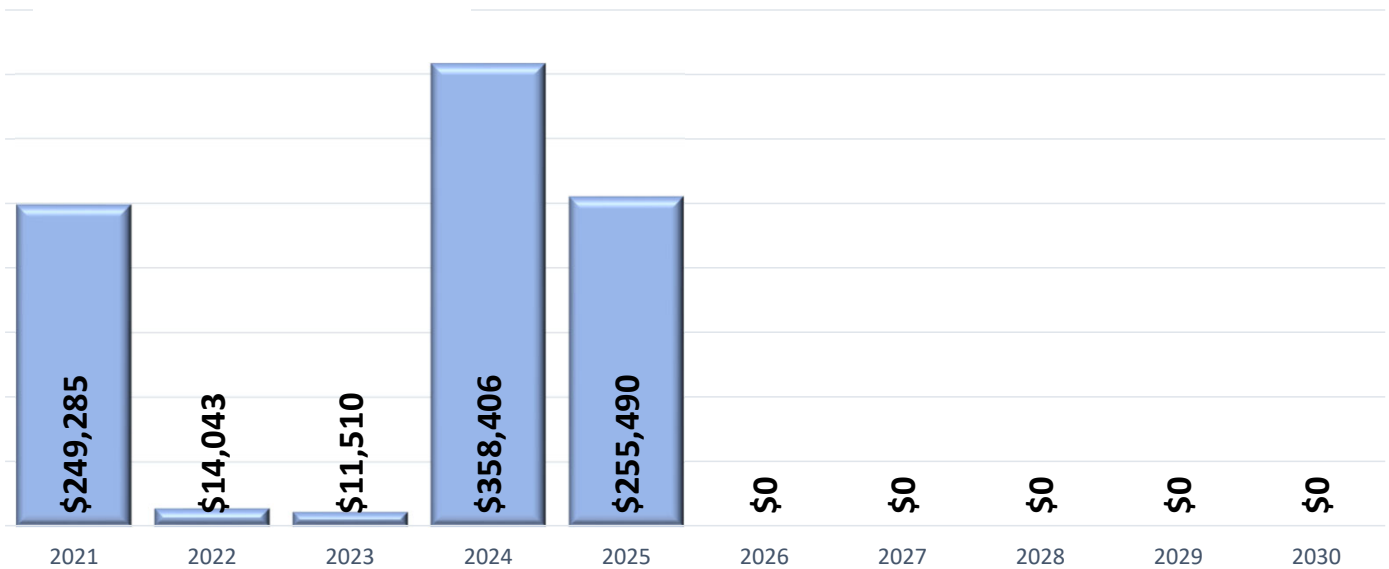
**Medicaid Reimbursement** revenue has shifted to "other revenue" due to a change in the state accounting manual.

### 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.



Other Sources of revenue accounts for 0.00% of total district general fund revenue.



#### Key Assumptions & Notes

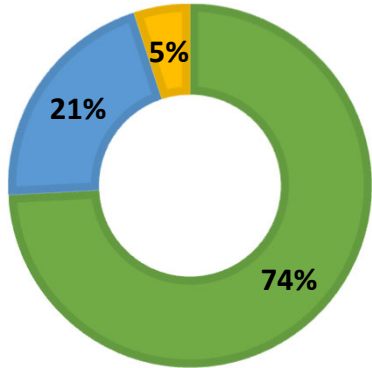
	FORECASTED					
	2025	2026	2027	2028	2029	2030
Transfers In	-	-	-	-	-	-
Advances In	-	-	-	-	-	-
All Other Financing Sources	255,490	-	-	-	-	-

Other sources includes revenue that is generally classified as non-operating.

In FY21 the district received a worker's comp refund of \$246K. In FY25, the Hamilton County Auditor distributed the over-collected fees on tax collection charges for the past 5 years in the amount of \$255K.

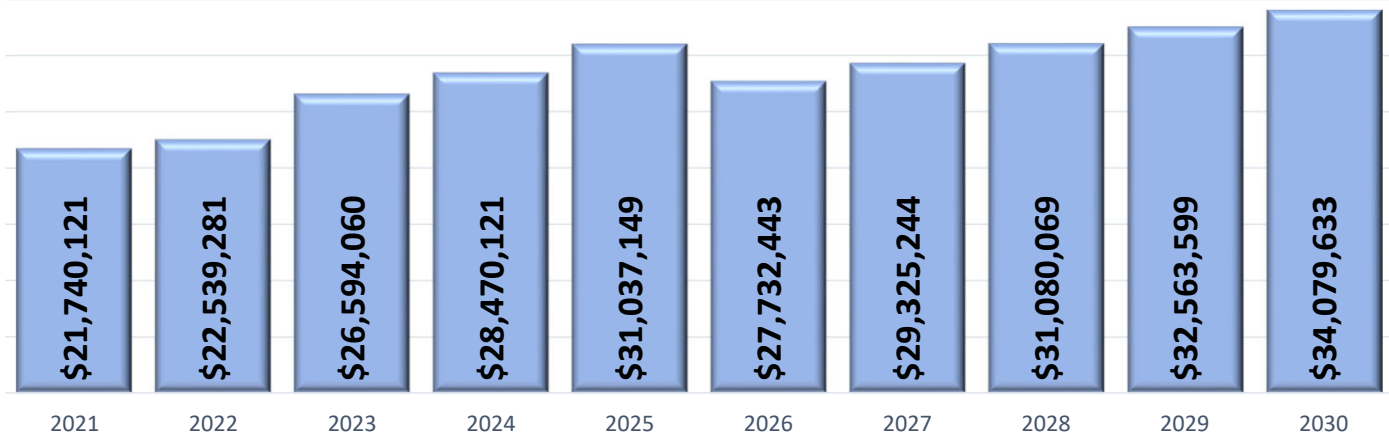
# Expenditure Overview

## Expenditure Categories



Personnel Costs	
Salaries	55.65%
Benefits	18.52%
Purchased Services	
	20.82%
All Other Expenditures	
Supplies, Capital, Debt, Other Obj	5.00%
Other Uses	0.00%

## Annual Expenditures Actual + Projected



## Historic Expenditures Change versus Projected Expenditures Change

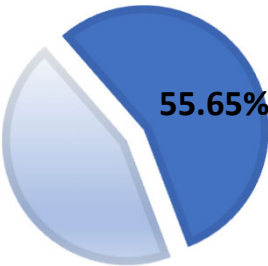
	Historical Average Annual \$\$ Change	Projected Average Annual \$\$ Change	Projected Compared to Historical Variance	Expenditures increased by 6.13% (\$1,526,521 annually) during the past 5-year period, and are projected to increase by 2.10% (\$608,497 annually) through 2030.
Salaries	\$643,891	\$705,944	\$62,053	
Benefits	\$245,811	\$381,020	\$135,209	
Purchased Services	\$320,744	\$208,193	(\$112,551)	
Supplies & Materials	\$30,934	\$69,379	\$38,444	
Capital Outlay	\$462,447	(\$465,740)	(\$928,187)	
Intergov & Debt	\$0	\$0	(\$0)	
Other Objects	\$20,694	\$12,701	(\$7,992)	
Other Uses	(\$198,000)	(\$303,000)	(\$105,000)	
<b>Total Average Annual Change</b>	<b>\$1,526,521</b> 6.13%	<b>\$608,497</b> 2.10%	<b>(\$918,025)</b> -4.02%	

For Comparison:  
Revenue average annual change is projected to be >

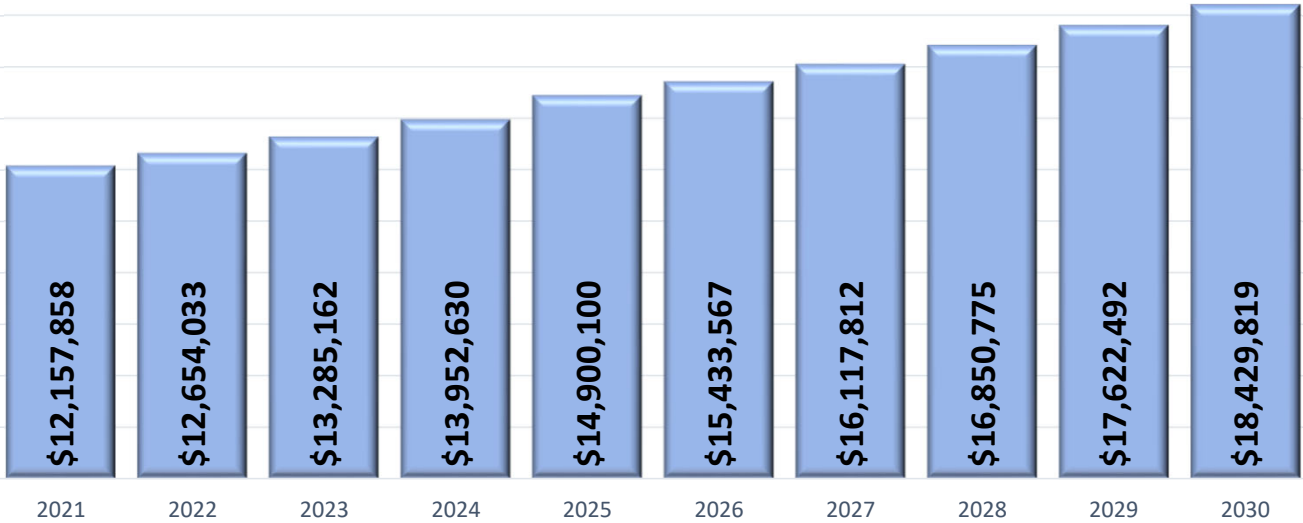
\$218,293 On an annual average basis, revenues are projected to grow slower than expenditures.

### 3.010 - Personnel Services

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



Salaries account for 55.65% of the district's total general fund spending.



#### Key Assumptions & Notes

Salaries represent 55.65% of total expenditures and increased at a historical average annual rate of 4.99% (or \$643,891). This category of expenditure is projected to grow at an annual average rate of 4.34% (or \$705,944) through fiscal year 2030. The projected average annual rate of change is 0.65% less than the five year historical annual average.

Personnel cost changes are a result of staff movement both academically and experientially and includes a projection of 2.5% base increase to salary schedules. Each year, the Madeira Planning Commission performs a salary study of Greater Cincinnati area school districts to remain competitive and provides a recommendation to the BOE. The BOE reviews the study and decides upon the recommended increase to the Board targeted to keep the professional staff in the top third. The average of the past 5 years increase has been 2.25%.

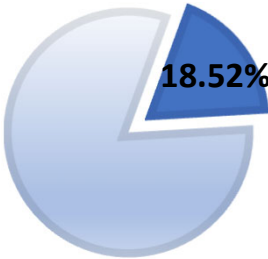
Madeira has been experiencing enrollment growth which has resulted in the need for additional staff members. This has pushed the year-over-year percentage increase higher than historically. The current year salary cost is based on staff in place at this time and changes we know for the future. Future years of the forecast include estimated staff necessary for growing enrollment/needs.

The state allocated funds for the payment of stipends to specific teachers for completing the science of reading training. The amounts were determined by law and not up to district discretion. Districts were reimbursed for most of those stipends and associated benefits paid to teachers after payment. The salary cost paid in FY25 was \$107K.

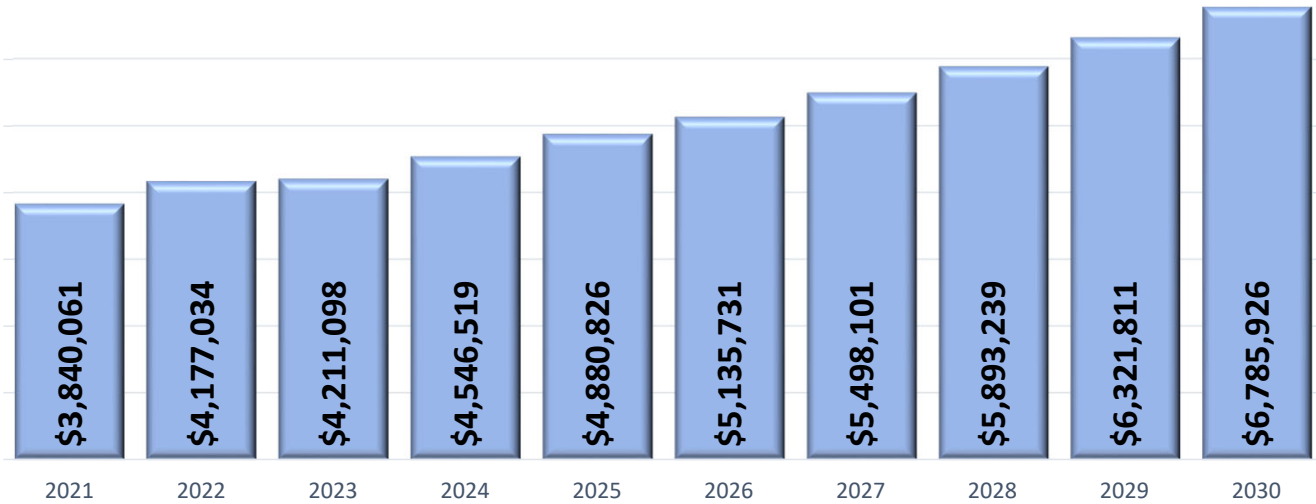
In FY25 the Board passed a motion to transfer funds to a retirement benefits fund and pay severance out of that fund in lieu of general fund. The estimated severance payments have been removed from the salaries.

### 3.020 - Employees' Benefits

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



Benefits account for 18.52% of the district's total general fund spending.



#### Key Assumptions & Notes

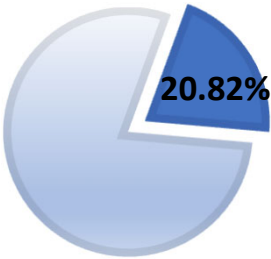
Benefits represent 18.52% of total expenditures and increased at a historical average annual rate of 6.01%. This category of expenditure is projected to grow at an annual average rate of 6.82% through fiscal year 2030. The projected average annual rate of change is 0.80% more than the five year historical annual average.

Madeira is a member of a 14 school district health consortium that negotiates rates and benefits. Effective 7/1/2025 a 4.5% increase in health premium was approved by the consortium and a 10% annual increase is budgeted for future years. Over the course of the last 5 years, the consortium's average rate health insurance increase was kept to 4.72% annually.

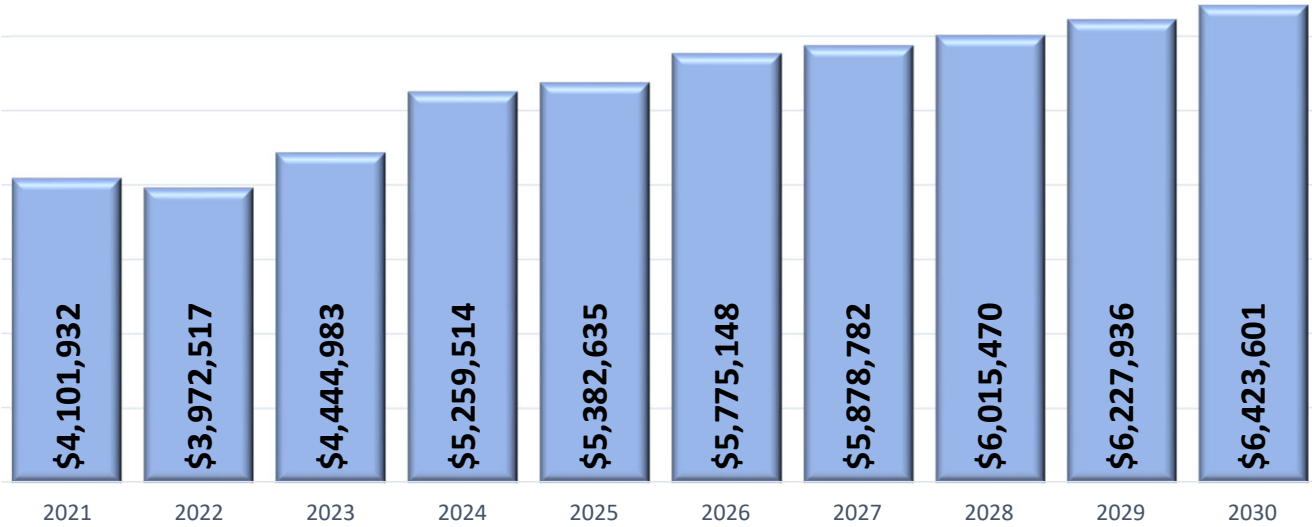
Additionally, assuming increased cost for Worker's Compensation due to switch from Group Rating Program to Group Retrospective Program.

### 3.030 - Purchased Services

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



Purchased Services account for 20.82% of the district's total general fund spending.



**Key Assumptions & Notes**

Purchased Services represent 20.82% of total expenditures and increased at a historical average annual rate of 7.59%. This category of expenditure is projected to grow at an annual average rate of 3.62% through fiscal year 2030.

Purchased Services includes; custodial, facility maintenance, transportation, special education and other student service contracts based on student need, students taking college credit plus courses, substitute staff costs, nursing services, technology support, professional development and contracts to ensure the safety and security of the district.

FY23 included increased services in a number of areas: police partnership for safety/security, additional tech support needs, increased cost for custodial, increased cost for payment in lieu of transportation, additional student support in the areas of ESL/gifted.

FY24 brought additional costs due to the need for an additional bus route, S&G custodial/moving increases for MES move, additional copier, and reading professional development. Additionally, underground pipe repairs were fixed at MHS for \$255K.

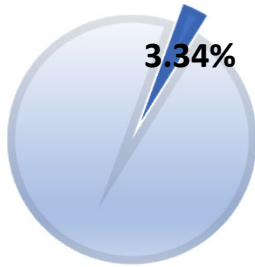
FY25 includes additional special education student specific costs, athletic costs for transportation/rental/training, new treasurer's office software, support for science of reading training and professional development, parking lot partnership with Madeira Silverwood, 40% increase in CCP, 32% increase in payment in lieu of transportation and additional building/equipment repairs.

FY26 includes an additional bus route, cyber security and firewall support, a sink hole repair, fencing and roof repairs, increased utility costs.

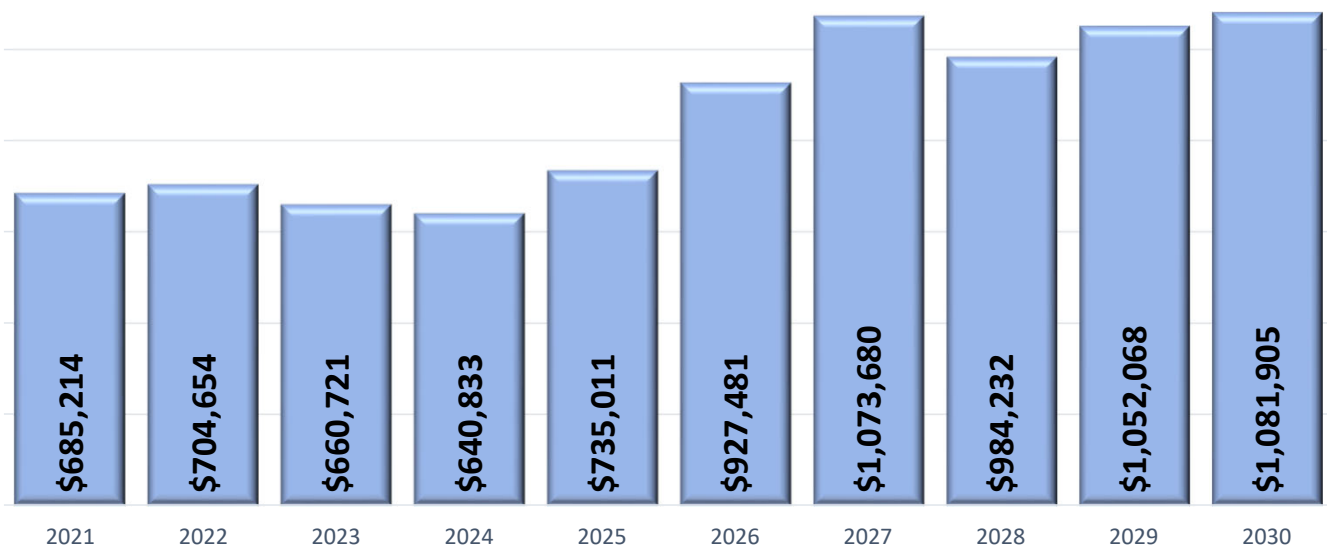
In June, 2025 the auditor of state released a new accounting code manual. Due to the new manual we have moved about \$123K of expenses that were coded as purchase services to supplies. Most of the expenses are for electronic resources and software.

### 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 and Materials account for 3.34% of the district's total general fund spending.



#### Key Assumptions & Notes

Supplies & Materials represent 3.34% of total expenditures and increased at a historical average annual rate of 5.27%. This category of expenditure is projected to grow at an annual average rate of 8.67% through fiscal year 2030. The projected average annual rate of change is 3.40% more than the five year historical annual average.

Supplies and Materials include instructional student technology 1:1, purchase of curriculum materials as textbooks in hard copy or online, custodial and maintenance materials and supplies and fuel for bus operations, etc.

The district transitioned to purchase technology without utilizing a lease purchase agreement. This saves the district money each year on interest payments. The district has developed a longterm technology replacement schedule. The technology replaced from year to year varies and therefore costs will vary. For example, in FY27 we will need to replace staff laptops and a macbook cart causing the budget for that year to be elevated and in FY29 we will need to begin replacing smartboards in classrooms.

FY25: Wireless Access Points were included in last year's budget and encumbered last year. The bill for the Wireless Access Points was received after the close of the fiscal year and therefore is included in this year's expenses.

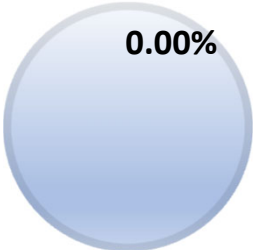
Madeira received \$85K from the state for high quality instructional materials and has been spending that money on materials over the last couple years.

We budgeted in 2025 for wireless access points and battery backups that will be purchased in FY26 instead of FY25 due to a e-rate reimbursement cycle.

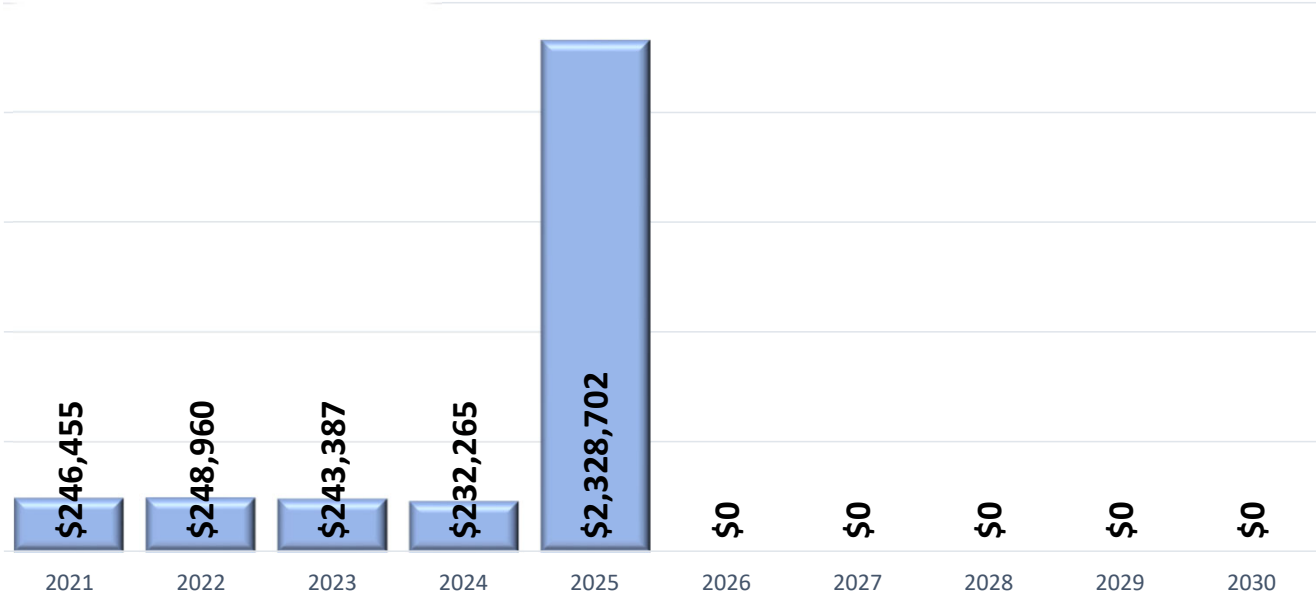
In June, 2025 the auditor of state released a new accounting code manual. Due to the new manual we have moved about \$123K of expenses that were coded as purchase services to supplies. Most of the expenses are for electronic resources and software.

### 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 account for 0.00% of the district's total general fund spending.

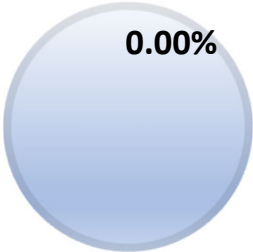


**Key Assumptions & Notes**

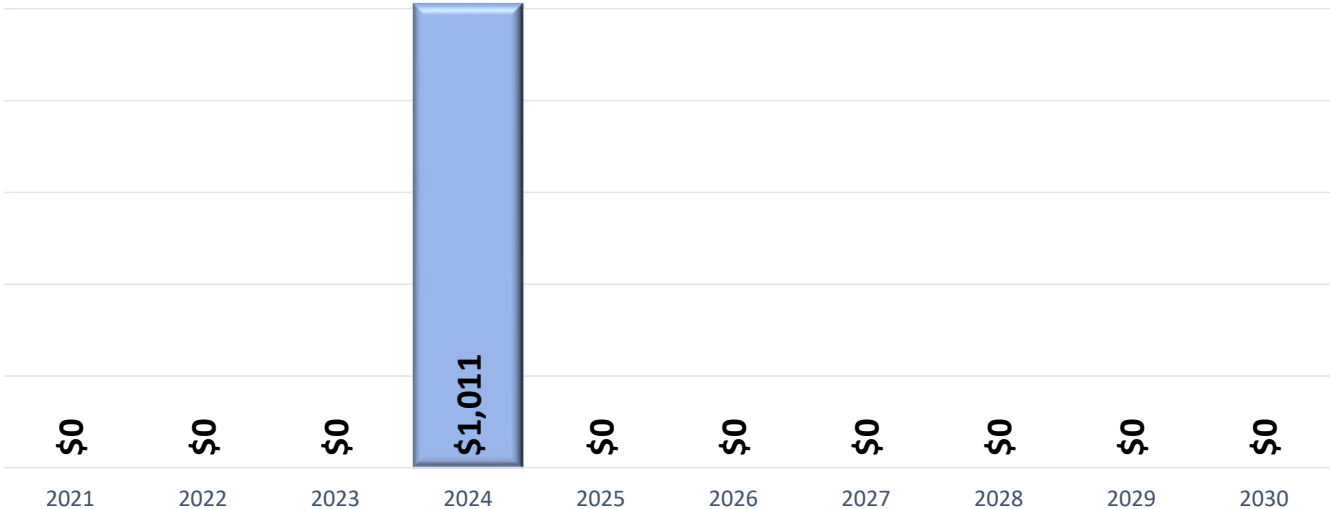
In FY2020 the district began a renovation project of the current auditorium/commons wing at the high school. The project was anticipated to be approximately \$6M. \$3M was financed through a bank private placement financing and planned to be repaid over the next 15 years through FY35. The district accelerated the payoff of the outstanding debt in FY2025, safeguarding the resources necessary to meet our debt obligations from the proposed legislation limiting carryover reserves as mentioned on the state funding page.

### 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.



Intergovernmental and Debt account for 0.00% of the district's total general fund spending.

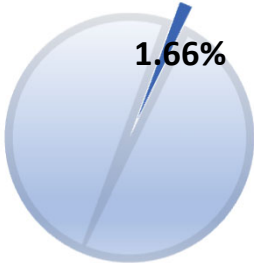


**Key Assumptions & Notes**

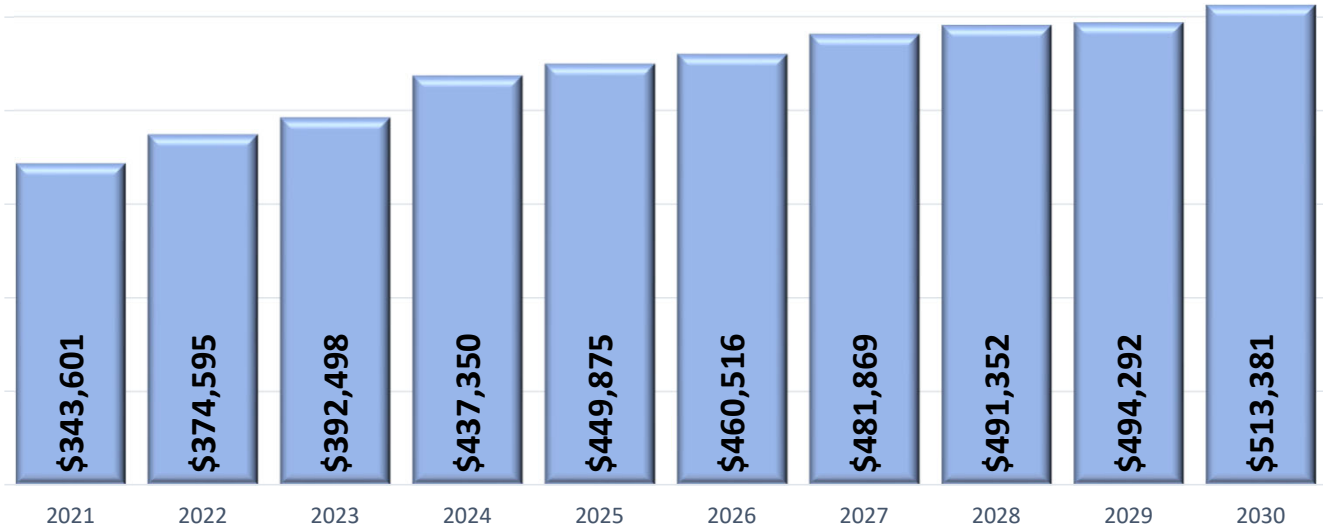
The Intergovernmental/Debt expenditure category details general fund debt issued by the District.

### 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 account for 1.66% of the district's total general fund spending.



#### Key Assumptions & Notes

Other Objects represent 1.66% of total expenditures and increased at a historical average annual rate of 5.46%. This category of expenditure is projected to grow at an annual average rate of 2.69% through fiscal year 2030. The projected average annual rate of change is 2.77% less than the five year historical annual average.

The primary category of other expenditures are the costs charged by the Hamilton County Auditor as tax collection fees for advertising delinquent taxes, County auditor and treasurer fees and election expenses.

Additionally the district is required to have a financial audit each year and provide financial reports that follow generally accepted financial accounting principles. The State of Ohio Auditor of State's office is contracted for the annual compliance audit and the district contracts with a local CPA firm to convert cash basis financial accounting data to generally accepted accounting principal accrual reporting and providing compliance with current GASB requirements for financial reporting. The annual cost associated with both audits is approximately \$47,000.

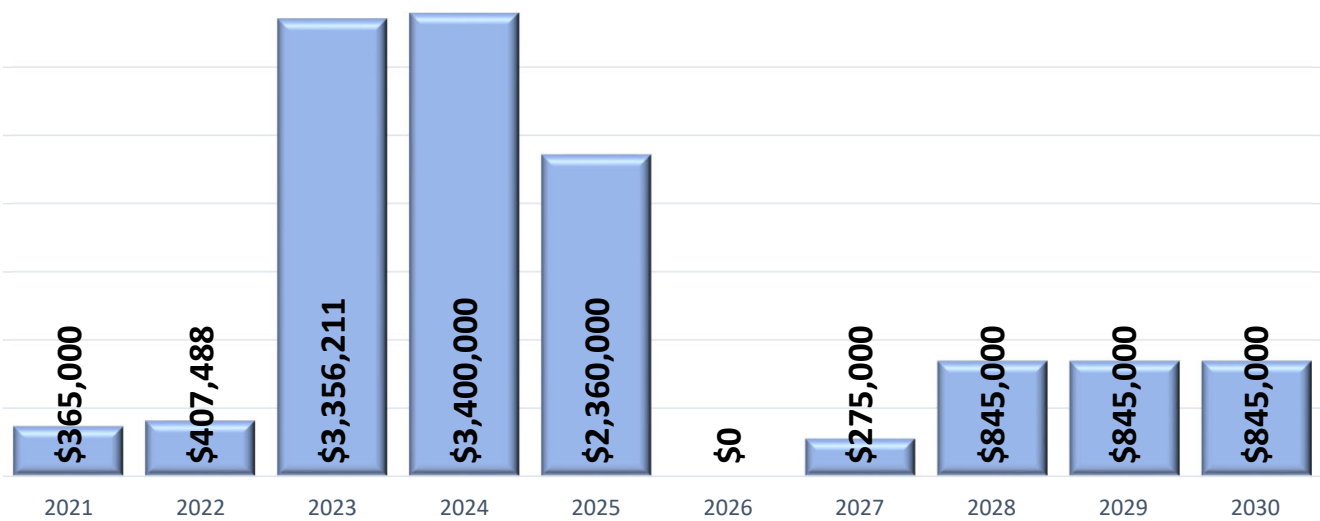
Other expenditures included in this category are tuition reimbursement and staff memberships in professional organizations, district liability insurance and bond insurance for the Board President, Superintendent and Treasurer. Property insurance costs have continued to rise.

**5.040 - Total Other Financing Uses**

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



Other Uses account for 0.00% of the district's total general fund spending.



**Key Assumptions & Notes**

	FORECASTED					
	2025	2026	2027	2028	2029	2030
Transfers Out	2,360,000	-	275,000	845,000	845,000	845,000
Advances Out	-	-	-	-	-	-
Other Financing Uses	-	-	-	-	-	-

The Board developed a **25 year Permanent Improvement Plan** to identify facility maintenance, furniture, security, HVAC replacements, roof/windows/flooring replacements, exterior parking lots, playgrounds, athletic fields, and other physical plant needs. Since 2010 the Board of Education has committed to an annual transfer equivalent to approximately one mill of taxation from the general fund to the permanent improvement fund to meet the needs of the 25 year Plan. In FY25, the transfer was increased to \$570K matching one mill of taxation.

**FY20:** transfer of \$3M for renovation at the high school in the auditorium/commons wing of the building.

**FY23:** transfer of \$2.6M to make up the difference for scope changes and inflationary costs for the MES addition/renovation project.

**FY24:** transfer of \$3M to begin phase II of the Athletic and Science Feasibility Study to make improvements to athletic facilities.

**FY25:** Madeira has a long-term permanent improvement strategy and transfers money each year to cover facility needs. Included in this forecast is accelerating the annual P.I. transfer, therefore safeguarding the resources necessary to maintain district facilities. Three years of the annual P.I. transfer were made in FY25 and therefore will not be a transfer in FY26 or FY27.

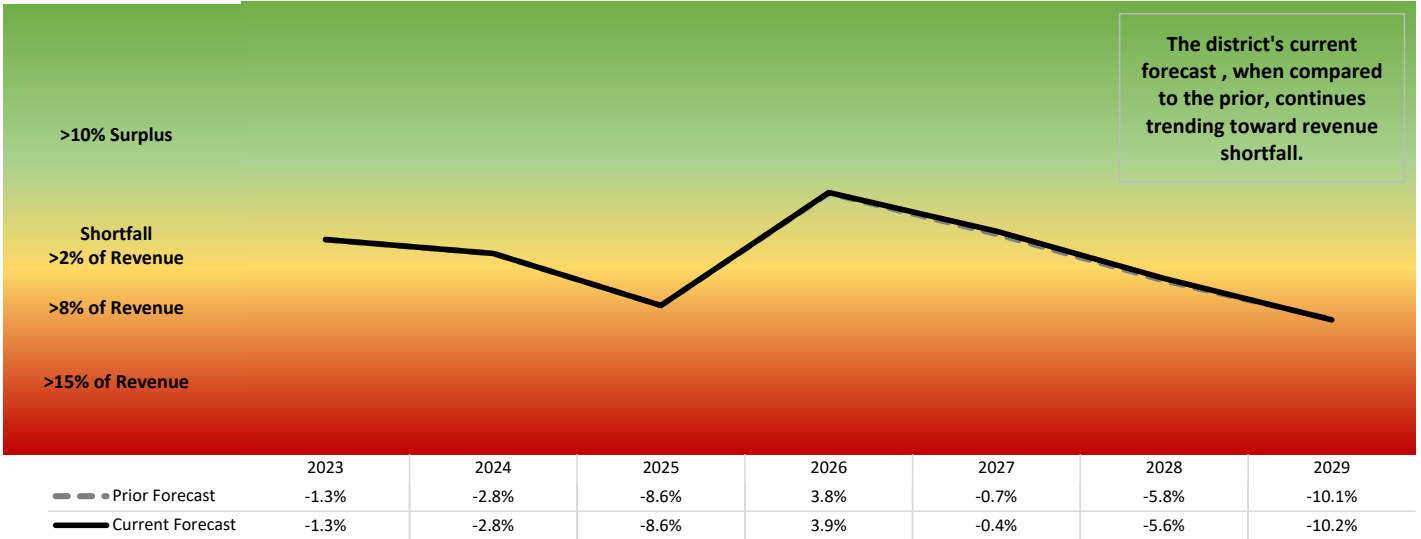
**FY25:** Established a Termination Benefits Fund: Allocating district resources in a separate fund necessary to pay upcoming staff severance upon retirement. The transfer will cover Madeira’s obligations for roughly the next 2-3 years.

**FY27:** We are projecting that the termination benefits fund will need to receive funding of approximately \$275K annually. This may change depending on our staff experience levels.

**Madeira City School District**  
 Five Year Forecast  
 February Fiscal Year 2026

Fiscal Year:	Actual	FORECASTED				
	2025	2026	2027	2028	2029	2030
<b>Revenue:</b>						
1.010 - General Property Tax (Real Estate)	20,201,860	20,784,688	21,030,649	21,266,753	21,414,752	21,551,816
1.020 - Public Utility Personal Property	1,283,130	1,315,516	1,390,643	1,421,142	1,433,594	1,446,045
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	2,681,492	2,949,466	3,039,594	3,061,991	3,085,281	3,109,472
1.040 - Restricted Grants-in-Aid	410,629	193,046	180,882	181,005	181,082	181,138
1.050 - State Reimb Prop Tax Credits	2,002,039	2,028,993	2,057,446	2,083,925	2,100,303	2,115,466
1.060 - All Other Operating Revenues	1,752,536	1,590,782	1,516,894	1,422,748	1,342,723	1,274,703
<b>1.070 - Total Revenue</b>	<b>28,331,687</b>	<b>28,862,491</b>	<b>29,216,108</b>	<b>29,437,564</b>	<b>29,557,735</b>	<b>29,678,640</b>
<b>Other Financing Sources:</b>						
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	255,490	-	-	-	-	-
<b>2.070 - Total Other Financing Sources</b>	<b>255,490</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2.080 - Total Rev &amp; Other Sources</b>	<b>28,587,177</b>	<b>28,862,491</b>	<b>29,216,108</b>	<b>29,437,564</b>	<b>29,557,735</b>	<b>29,678,640</b>
<b>Expenditures:</b>						
3.010 - Personnel Services	14,900,100	15,433,567	16,117,812	16,850,775	17,622,492	18,429,819
3.020 - Employee Benefits	4,880,826	5,135,731	5,498,101	5,893,239	6,321,811	6,785,926
3.030 - Purchased Services	5,382,635	5,775,148	5,878,782	6,015,470	6,227,936	6,423,601
3.040 - Supplies and Materials	735,011	927,481	1,073,680	984,232	1,052,068	1,081,905
3.050 - Capital Outlay	2,328,702	-	-	-	-	-
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	449,875	460,516	481,869	491,352	494,292	513,381
<b>4.500 - Total Expenditures</b>	<b>28,677,149</b>	<b>27,732,443</b>	<b>29,050,244</b>	<b>30,235,069</b>	<b>31,718,599</b>	<b>33,234,633</b>
<b>Other Financing Uses</b>						
5.010 - Operating Transfers-Out	2,360,000	-	275,000	845,000	845,000	845,000
5.020 - Advances-Out	-	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
<b>5.040 - Total Other Financing Uses</b>	<b>2,360,000</b>	<b>-</b>	<b>275,000</b>	<b>845,000</b>	<b>845,000</b>	<b>845,000</b>
<b>5.050 - Total Exp and Other Financing Uses</b>	<b>31,037,149</b>	<b>27,732,443</b>	<b>29,325,244</b>	<b>31,080,069</b>	<b>32,563,599</b>	<b>34,079,633</b>
<b>6.010 - Excess of Rev Over/(Under) Exp</b>	<b>(2,449,972)</b>	<b>1,130,048</b>	<b>(109,136)</b>	<b>(1,642,505)</b>	<b>(3,005,864)</b>	<b>(4,400,993)</b>
<b>7.010 - Cash Balance July 1 (No Levies)</b>	<b>13,973,280</b>	<b>11,523,308</b>	<b>12,653,356</b>	<b>12,544,220</b>	<b>10,901,715</b>	<b>7,895,851</b>
<b>7.020 - Cash Balance June 30 (No Levies)</b>	<b>11,523,308</b>	<b>12,653,356</b>	<b>12,544,220</b>	<b>10,901,715</b>	<b>7,895,851</b>	<b>3,494,858</b>
		Reservations				
8.010 - Estimated Encumbrances June 30	-	-	-	-	-	-
9.080 - Reservations Subtotal	-	-	-	-	-	-
<b>10.010 - Fund Bal June 30 for Cert of App</b>	<b>11,523,308</b>	<b>12,653,356</b>	<b>12,544,220</b>	<b>10,901,715</b>	<b>7,895,851</b>	<b>3,494,858</b>
<b>Rev from Replacement/Renewal Levies</b>						
11.010 & 11.020 - Renewal Levies	-	-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-
<b>12.010 - Fund Bal June 30 for Cert of Obligations</b>	<b>11,523,308</b>	<b>12,653,356</b>	<b>12,544,220</b>	<b>10,901,715</b>	<b>7,895,851</b>	<b>3,494,858</b>
<b>Revenue from New Levies</b>						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
<b>15.010 - Unreserved Fund Balance June 30</b>	<b>11,523,308</b>	<b>12,653,356</b>	<b>12,544,220</b>	<b>10,901,715</b>	<b>7,895,851</b>	<b>3,494,858</b>

Revenue Surplus/(Shortfall) - Current Compared to Prior Forecast



Although there were slight changes in the forecast from November, the trend towards revenue shortfall remains the same.

Revenue and Expenditure Variances - Current Compared to Prior Forecast

<u>Revenue Variance</u>		
<b>Cumulative Favorable Revenue Variance</b>	<b>0.35%</b>	\$514,262
<u>Largest Revenue Variances</u>		
1.060 All Other 2.xx Other Sources	<b>0.18%</b>	\$262,305
1.01 Real Estate	<b>0.14%</b>	\$202,519
1.050 - State Reimb Prop Tax Credits	<b>0.02%</b>	\$24,659
All Other Revenue Categories	<b>0.02%</b>	\$24,778

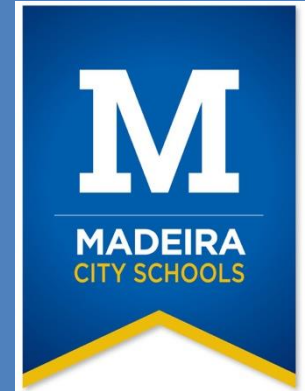
The current revenue forecast is up by 0.35% compared to the prior forecast.

NET cumulative forecast impact for the forecast period 2025 - 2029 of Revenue and Expense variances is 0.10% (or \$134,496).

The current forecast for expenditures is up by 0.25% compared to the prior forecast.

<u>Expenditure Variance</u>		
<b>Cumulative Unfavorable Expenditure Variance</b>	<b>0.25%</b>	\$379,765
<u>Largest Expenditure Variances</u>		
Intergov + Debt + Other	<b>0.15%</b>	\$225,000
3.02 Benefits	<b>0.08%</b>	\$124,900
3.01 Salaries	<b>0.05%</b>	\$69,875
All Other Expenditure Categories	<b>-0.03%</b>	(\$40,010)

# Madeira City Schools



## Financial Guidelines & Parameters – 2019 & Beyond

*The Madeira City School District commits to maintaining its strong financial position in order to provide for student success. The Board is committed to pro-actively managing district resources in the most cost effective manner. To support this commitment, the Board is continuously reviewing both short-term and long-term expenditure practices, guidelines, and parameters.*

# Madeira City Schools District Financial Parameters

## Overview

Madeira School District values the trust by the community in maintaining a strong financial position as recognized by the Auditor of State and financial rating agencies. For many years, the district has followed best practices that assure present and future fiscal stewardship. Those best practices are highlighted below and a framework for expenditure goals is further defined at a more functional level in this working document.

## Key Points of Best Practices to assure successful fiscal stewardship

- Goals for student achievement should drive the budget process
- Decisions for budgeting should be data driven
- Critical re-examination of spending patterns each year should be based on history of spending, student program planning for current year and discontinuance of programs not achieving their objectives
- Ensure equality of opportunities for students that requires differentiated educational instruction at all grade levels
- Resource allocation and budgeting for the long term given the known availability of current and future resources
- Adopt a General Fund reserve policy
- District should plan for a structurally balanced budget over a 5 year budget cycle and determine timeline of action steps upon forecast of deficit spending
- Maintain a long term plan for asset maintenance and replacement
- Establish and maintain partnerships with individuals, businesses, City of Madeira, school support organizations, PTO's, boosters and Madeira Schools Foundation
- Develop and maintain a professional career track in the Treasurer Dept.

The following is a framework for expenditures goals and to meet key elements of best practices as defined above.

**Program Budgets** - Each year student and staff program budgets will be evaluated for continuance; including student curriculum, materials and technology and staff professional development, materials and technology.

**Technology** - Each year the district will evaluate the technology needs of students and staff and budget accordingly based on the continuance/discontinuance of hardware and software. Hardware purchases will be based on a planned replacement cycle of not to exceed 4 years.

**Contracted Services** - Each year or upon renewal of each contract for services the district will evaluate needs assessment of the service, any % or flat contract increases over the life of the contract as compared to historical cost increases and other factors particular to the service; student services, district services, maintenance, technology, curriculum, transportation may have unique factors particular to each that will be

considered when evaluating and negotiating. External comparisons to other districts or statewide data will be made when available.

**Asset Management and Replacement** - A 25 year long term asset management plan will be maintained and each year the district will perform a needs assessment and update the plan. Improvements and maintenance projects will proceed according to the plan. The board will transfer no less than \$350,000 each year into a Permanent Improvement fund to meet current and long term asset management and replacement needs.

**Fees and Tuition** - Madeira establishes fees each year for participation in some extra-curricular activities, preschool, optional ½ day kindergarten and student consumable materials. Fees for extra-curricular activities that require student transportation and supplemental stipends will be established at approximately 25% of the per student total cost. Preschool and optional kindergarten tuition will cover the cost of salary and benefits, utilities, materials, supplies, equipment, asset replacement and required staff training for licensing and maintain a fund balance parameter and available operating months comparable to what is established for the general fund. Student consumable fees are established each year based on the cost of consumable materials (online or hard copy) required for classroom instruction.

**Salaries** - Madeira professionally licensed educators comprise about 82% of salary cost and include classroom teachers, counselors, speech therapists, special education teachers and psychologists. Administrative professionally licensed staff is 9% of salary cost including Superintendent, Asst. Superintendent, Treasurer, Principals, Director of Student Services, Asst. Principal and High School Dean of Students/Athletic Director. The remaining 8% of salary cost includes support personnel that are administrative assistants and educational aides providing direct services to students.

- **Staffing** - The Administration will recruit highly qualified professional staff for any vacant positions or newly identified staff additions. The district will look at all levels of academics and experience in candidates and determine the best fit for the open position based on overall district needs, student enrollment and building needs. Budgeting for open positions will be MA+5 years as a guideline, but may exceed that guideline when needs assessments indicates such. The district will determine class size ranges for grades Kindergarten to Grade 8. High school course offerings will be determined by necessary academic levels for successful core subject completion for graduation and for course offerings relevant to student achievement both within and after high school.
- **Certified Salary Planning** - Each year the board requests the Planning Commission to survey 29 local school districts that include benchmark salary data for the current school year and previous 2 or 3 years.
- The salary data results illustrate where Madeira certified salaries rank vs. the other 29 school districts
- The board directs the district to **recommend base salary % increases** to the salary schedules **targeted to keep the professional certified staff within the top third** of the 29 surveyed districts at Bachelors - entry year; Masters entry

year, 5 and 10 years; Masters + 30 entry year, 5 and 10 years; and Maximum Salary Masters + 45 at 27 years.

- **Administrative Salary** - the board requests the Treasurer to complete an annual survey of Administrative Compensation of comparable districts.
- The board directs the Superintendent to recommend competitive compensation (within at least a middle range) to maintain comparable **Administrative** salaries.
- The board directs the Treasurer to maintain support salary schedules using the same board approved base increases annually.

**Benefits** - Benefit costs include the required obligation by the board for STRS and SERS pensions (14%) and Medicare (1.45%). Other benefits paid by the Board are for Medical and Dental plans. Madeira is a member of the fully funded Greater Cincinnati Insurance Consortium (GCIC), 14 local public school districts, that contracts for medical, dental, vision, and wellness services. Madeira funds a % of the cost for medical and dental plans. The consortium establishes the annual medical and dental premium each year. The district establishes the % share between the employer and employee.

- The district will continue as a member of the GCIC
- The annual Planning Commission Salary Study will include a benefit survey on the % shared cost of medical and dental plans.
- The Board will maintain a competitive % shared cost.

### **Budgeting/Forecast and Levy Planning**

- **Five Year Forecast** - The Treasurer will develop and submit to the board in May and October (dates required by law) a **Five Year Forecast** based upon framework of expenditure goals, known staffing requirements, known benefit costs and known resource allocation.
- **Salary Forecast** - Current and future 4 years will be within 1-2% over or under the average of the previous 3 years and 5 years. Considerations will include added staffing due to framework of expenditures listed above.
- **Benefit Forecast** - Current and future 4 years will be determined based on GCIC premium forecast and board % share split and any changes to the state pension systems or Medicare.
- **All other Expenses** - Current and future 4 years will be based on the framework of expenditure goals and can be up to +10% in any one given year dependent upon needs assessments.
- **Total Expenditures** - Current and future 4 years will be within 1-2% over or under the average of the previous 3 years and 5 years.
- **Levy Decision Points** - The administration and board will review each **Five Year Forecast** to establish a timeline for levy planning and/or development of cost reduction plan. Levy Planning will be based on data available from the Five Year Forecast.
  - The district will maintain a **positive general fund ending cash balance** at all times.
  - **Ending cash balance** shall be in the range of **no less than 4 months to 10 months** of operating expense obligations.

- When the **Five Year Forecast** indicates in any one year forecasted **deficit spending** (operating expenses exceed current revenues) the district will begin a planning timeline for increasing revenues, **Operating Levy**, and/or cost reductions.
- **Operating Levy Millage** planning will incorporate the following:
- **Surplus revenue over expenditures** each year for no less than 2 years after receipt of full tax revenue on new levy dollars.
- Evaluation of future known resources incorporated into levy planning even though they might not be forecasted in the **Five Year Forecast**.
- **Levy Millage** shall cover current year expenditures for at least 3 to 5 years.

**Partnerships** - The district board and administration will partner with individuals, businesses, City of Madeira, Madeira Schools Foundation and building Parent Teacher Organizations whenever a workable relationship and objective makes sense while evaluating short term and long term needs assessments for students and facility needs. Some of those partnerships may be in the form of outright donations and others contractual agreements.

**Examples of current partnerships -**

- City of Madeira financially contributing to the replacement of the high school field turf for the benefit of the school and the community
- Alumni member and business donor funding a strength coach at the high school fitness facility
- MES PTO shared funding of the replacement of the playground
- Madeira Swim and Tennis Club partnership funding or renovating the tennis courts
- Community member provided individual donor funding first geothermal project / energy improvements at the high school
- Madeira School Foundation annual funding towards the technology replacement cycle for the district
- Alumni member and community member provided Individual donors funding business classroom furniture and technology at the high school and student entrepreneur scholarships
- Community member endowing the “Made in Madeira” scholarship to every high school graduate
- Business partnerships with high school students to extend their experiences in running businesses in the real world.