GREENEVIEW LOCAL SCHOOL DISTRICT-GREENE COUNTY

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS ENDED JUNE 30, 2020, 2021 and 2022 ACTUAL FORECASTED FISCAL YEARS ENDING JUNE 30, 2023 THROUGH JUNE 30, 2027

Forecast Provided By
Greeneview Local School District
Treasurer's Office
Inga Fisher, Treasurer/CFO
May 18, 2023

Greeneview Local School District – Greene County
Assumptions to the Five-Year Forecast
General Fund Only
May 18, 2023

Introduction to the Five-Year Forecast
The five-year forecast is viewed as a key management tool and must be updated periodically. In Ohio, most school districts understand how they will manage their finances in the current year. The five-year forecast encourages district management teams to examine future years' projections and identify when challenges will arise. This then helps district management to be proactive in meeting those challenges. School districts are encouraged to update their forecasts with Ohio Department of Education when events take place that will significantly change their forecast or, at a minimum, when required under statute.

In a financial forecast, the numbers only tell a small part of the story. For the numbers to be meaningful, the reader must review and consider the Assumptions to the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are especially important to understanding the rationale of the numbers, particularly when a significant increase or decrease is reflected.

Here are at least three purposes or objectives of the five-year forecast:
(1) To engage the local board of education and the community in 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 Ohio Revised Code §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

O.R.C. §5705.391 and Ohio Administrative Code §3301-92-04 require a Board of Education (BOE) to file a five (5) year financial forecast by November 30, 2022, and May 31, 2023 for fiscal year 2023 (July 1, 2022 to June 30, 2023). The five-year forecast includes three years of actual and five years of projected General Fund revenues and expenditures. Fiscal year 2023 (July 1, 2022-June 30, 2023) is the first year of the five-year forecast and is considered the baseline year. Data and assumptions noted in this forecast are based on the best and most reliable data available to us as of the date of this forecast.

May 2023 Updates:

<u>Revenues FY23</u>
The overview of revenues shows that we are substantially on target with original estimates at this point in the year. Total General Fund revenues (line 1.07) are estimated to be $15.18 million or .62% lower than the November forecasted amount of $15.28 million. This indicates the November forecast was 99.38% accurate.

Line 1.01 and 1.02 - Property tax revenues represent 29.49% of our revenues and are estimated to be $4.48 million, which is $31 thousand lower for FY23 than the original November estimate of $4.51 million.

Line 1.03 – Income Tax receipts are increasing from losses due to the pandemic; they represent 17.77% of our total revenues and are estimated to be $59 thousand less than the original estimate in November of $2.76 million.

Line 1.035 and 1.04 - State Aid continues the implementation of the Fair School Funding Plan (FSFP), which has caused significant changes to the way our State revenues are calculated. We are estimating our State aid to be $6.63 million, which is $3 thousand lower than the original estimate for FY23. We are currently on the formula and are expected to remain as a formula district for FY24 through FY27.

All areas of revenue are tracking as anticipated for FY23 based on our best information at this time.

Expenditures FY23

Total General Fund expenditures (line 4.5) are estimated to be $15.57 million for FY23, which is $314 thousand lower than the original estimate of $15.89 million in the November forecast. The expenditure line most significantly under projection is Capital Outlay (line 3.05) as the school bus for FY23 will not be delivered until FY24.

All other areas of expenses are expected to remain on target with original projections for the year.

Unreserved Ending Cash Balance

With revenues decreasing from estimates and expenditures decreasing, our ending unreserved cash balance June 30, 2023, is anticipated to be roughly $5.31 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2027 if assumptions we have made for property tax collections, State aid in future State budgets, and expenditure assumptions remain close to our estimates.

Forecast Risks and Uncertainty:

A five-year financial forecast has risks and uncertainty not only due to economic uncertainties noted above but also due to State legislative changes that will occur in the spring of 2023 and 2025 due to deliberation of the next two (2) State biennium budgets for FY24-25 and FY26-27, both of which affect this five-year forecast. We have estimated revenues and expenses based on the best data available to us and the laws in effect at this time. The items below give a short description of the current issues and how they may affect our forecast long term:

I. Greene County experienced a reappraisal update and Clinton County a reappraisal in the 2020 tax year to be collected in 2021. The 2020 updates decreased overall Class I assessed values by $2.4 million or a decrease of 1.12%. Fayette County is later in the reappraisal cycle from our other two counties, and we experienced a decrease of 1.04% or $217 thousand in 2018 for collection in 2019. These decreases in values came from the changes due to HB49 decreases of CAUV values. Greene and Clinton counties will either have a full reappraisal or update occur in tax year 2023 for collection in 2024, we anticipate value increases for Class I and II property by $63.28 million for an overall increase or 28.0%. There is however always a minor risk that the District could sustain a reduction in values in the next appraisal update, but we do not anticipate that at this time.

II. Income tax collections are dependent upon the economy. As unemployment decreases, the amount of funding increases for the District. We have seen an increase in the payments as employment has recovered from the decrease that was experienced with the pandemic. There is a risk that we could see decreases in the future but at this time, we are not anticipating any for future years of the forecast.

III. The State budget represents 47.57% of District revenues, which means it is a significant area of risk to revenue. The future risk comes in FY24 and beyond if the State economy stalls or worsens and the fair school funding plan is not funded in future State budgets or if an economic downturn results in a reduction in State aid. There are two future State Biennium Budgets covering the period from FY24-25 and FY26-27 in this forecast. Future uncertainty in both the State Foundation funding formula and the State's economy makes this area an elevated risk to District funding long range through FY27. We have projected our State funding to be in line with the FY23 funding levels through FY27 which we feel is conservative and should be close to whatever the State approves for the FY24-FY27 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.

IV. HB110, the current State Budget, implements that has been referred to as the Fair School Funding Plan (FSFP) for FY22 and FY23. The full release of the new Fair School Funding Plan formula calculations was delayed until March 2022. The FSFP had many significant changes to the way Foundation revenues were calculated for school districts and how expenses were charged off. State Foundation basic aid will be calculated on a base cost methodology with funding paid to the District where a student is enrolled to be educated. Beginning in FY22, open enrollment payments were no longer paid separately to a district as those payments were included with basic aid. A change in expenditures beginning in FY22 also occurred, in that there were no longer deductions for students that attended elsewhere for open enrollment, community schools, STEM schools and scholarship recipients as these payments were paid directly to those districts from the State. The initial impact of these changes on the forecast will be noticed in that the historic actual costs for FY20 through FY21 potentially reflecting different trends on Lines 1.035, 1.04, 1.06 and 3.03 beginning in FY22. In June 2022, the legislature passed HB583 to resolves issues and possible unintended consequences in the new funding formula. Some of these changes impacted FY22 and future years funding. Our State aid projections have been based on the best information on the new HB110 formula as amended by HB583 that are available as of this forecast.

V. HB110 direct-pays costs associated with open enrollment, community and STEM schools, and for all scholarships including EdChoice Scholarships. These costs will no longer be deducted from our State aid. However, there still are education option programs such as College Credit Plus which continue to be deducted from State aid which will increase costs to the District. Expansion or creation of programs that are not directly paid by the State of Ohio can expose the District to new expenditures that are not currently in the forecast. We are monitoring closely any new threats to our State aid and increased costs as any new proposed laws are introduced in the legislature.

VI. The current proposed State budget for FY24-25, HB33 was introduced on Feb. 15, 2023 and proposes to continue the implementation of the Fair School Funding Plan (FSFP). In the initial proposal of HB33, the base cost statewide factors are the area of most significance and remain at FY18 levels. Formula districts would benefit from the continued phase-in of the FSFP, while ensuring districts would not receive less than FY21 Foundation funding. Certainty surrounding these and other significant funding components will not likely be known until late June 2023, after the filing of this forecast. We will be closely monitoring the progress of HB33 as it works its way through the legislative process.

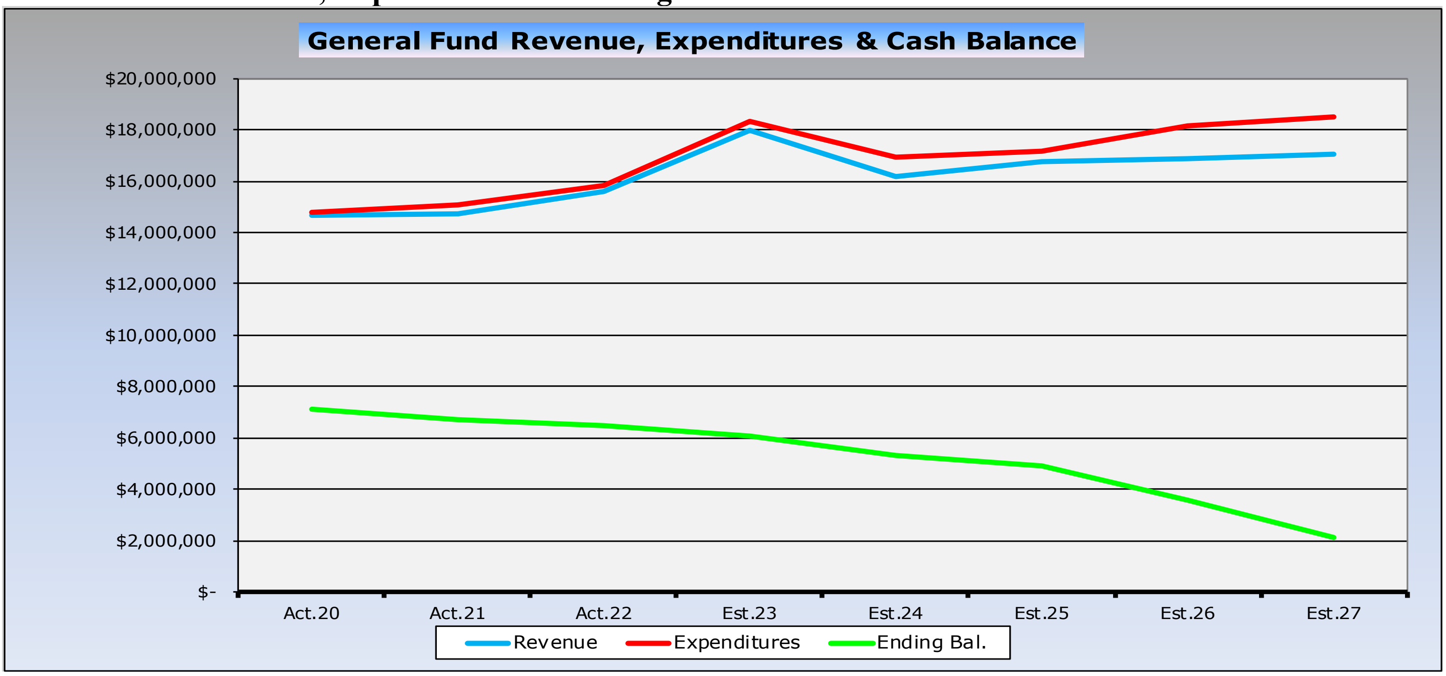
VII. The legislature has introduced House Bill 1 (HB1), which proposes to modify the law regarding property taxation and Ohio income tax rates. Proposed changes to existing law include applying a single income tax rate of 2.75%, eliminating the 10% property tax rollback reimbursement, revising the 2.5% owner-occupied property tax rollback to be a flat \$125 credit, indexing the homestead exemption amounts to inflation, and reducing the property tax assessment percentage for Class I and II property from 35% to 31.5% to offset the 10% rollback which would be paid by local taxpayers. HB1 as currently written would increase the effective rates for local property owners through HB920 due to the reduction in the assessed valuation for Class I and II property. HB920, enacted in 1976, states that voted school district levies collect the amount of tax revenues stated on the ballot at the time of passage and no more. As property values grow, the "effective" millage rate on voted levies will decrease. If HB1 causes the assessed property values to decrease by changing the taxable values from 35% to 31.5%, this would cause "effective" millage rates to increase and would increase local taxpayers' property tax liability in nearly all cases. Taxpayers would, however, see a reduction in their tax liability on inside millage, which local governments are granted by the Ohio Constitution, and would also be a direct loss of revenue for our District. The House Ways and Means Committee had its fifth hearing in regard to HB1 on Mar. 28, 2023. As this bill is facing opposition from various entities due to the significant implications to the taxable valuation of property statewide, it will remain an area of increased risk and uncertainty and will be closely monitored to determine what the outcome will be. In the House approved

Substitute House Bill 33, HB 1 was not included. It creates the Joint Committee on Property Tax Review and Reform.

VIII. Labor relations in the District have been very amicable with all parties working for the best interest of students and realizing the resource challenges the District faces. We believe as the District moves forward a strong working relationship will continue.

The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our District. If you would like further information please feel free to contact Mrs. Inga Fisher, Treasurer/CFO of Greeneview Local Schools.

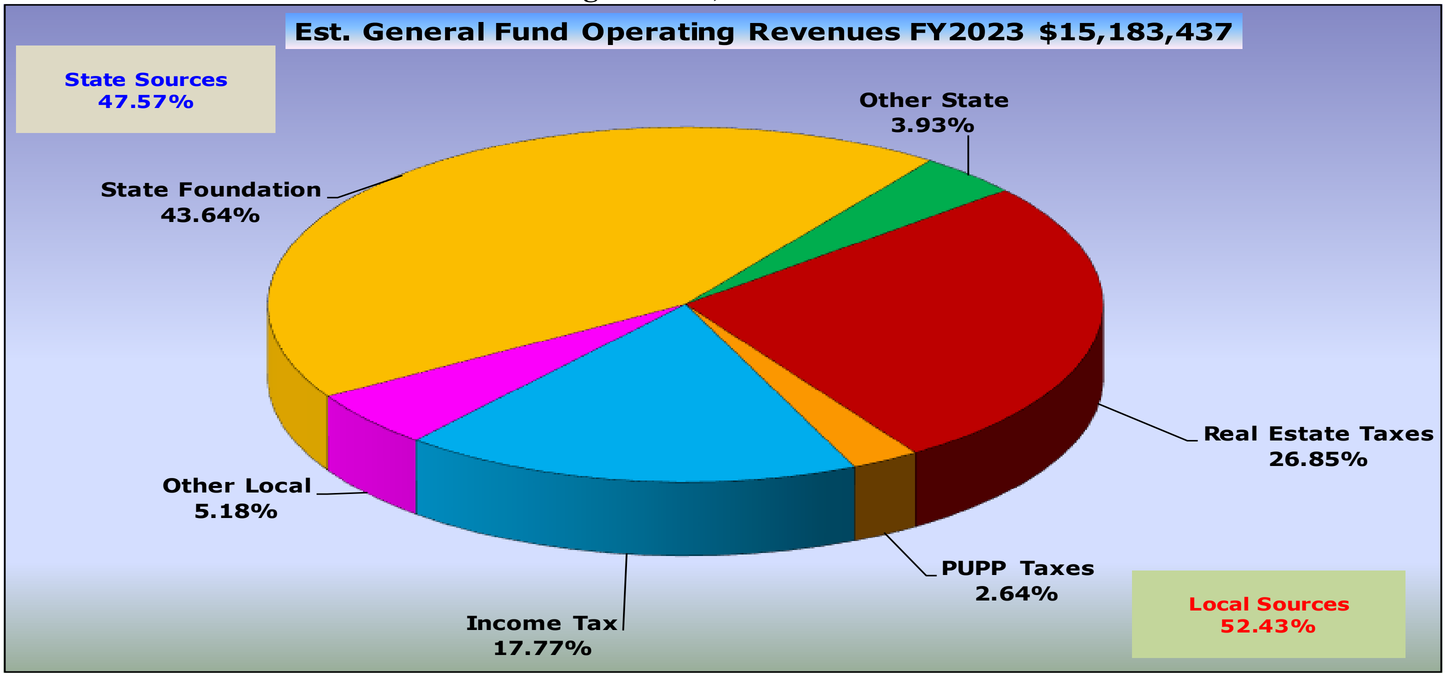
General Fund Revenue, Expenditure and Ending Cash Balance Actual FY20-22 and Estimated FY23-27



The graph above captures the finances in one snapshot the operating scenario facing Greeneview Local Schools over the next few years.

Revenue Assumptions

Estimated Revenues for Fiscal Year Ending June 30, 2023



Real Estate Value Assumptions – Line #1.010

Property Values are established each year by the County Auditors in Greene, Clinton and Fayette counties based on new construction and complete reappraisal or updated values. The counties are on different cycles for the reappraisal or triennial updates. Greene County is the county of record and we use that county as the base for estimating future years of reappraisal values. The reappraisal for Greene County and triennial update for Clinton County was completed in 2020 for collection in 2021 and will have a reappraisal or update in 2023 for 2024 collections. Fayette County went through the triennial update in 2021 for collection in 2022 with a reappraisal in 2024 for collection in 2025.

HB49 authorized a reduction in CAUV computations that resulted in those values falling on average by 30%, which is only a portion of the total residential/agricultural value beginning with reappraisal cycles in 2017. Greene and Clinton County were included in the first changes for the CAUV computations. The agricultural values decreased in 2020 by $18.98 million or 22.52%, and the residential values increased by $17.95 million or 14.15%. Based on the reappraisal of existing Class I property, there was a decrease of 1.12% in assessed value. With this loss of value, the District millage rate has remained above the 20-mill floor. Since the changes with HB49 the agriculture values have decreased by $19.2 million or 22.7%. This did cause somewhat of a shift in taxes from agricultural taxpayers to residential taxpayers but should not result in lower taxes to our District.

The next set of reappraisal or triennial updates will begin in 2023 for collection in 2024 in Greene and Clinton Counties and the following year for Fayette County. For the November forecast, we were anticipating a 6% increase or $12.7 million in the Class I reappraisals and an increase in Class II of 0.5% or $58,179, however, we have received new information from the Greene County Auditor that the percentage increase for is anticipated to be 29% for residential values and 30% for agriculture values which is a combined increase of 29.19% or $62.3 million in values. In this 29% increase, there was no increase for new construction. This is an area for the School District to watch as the construction of the new Honda Battery plant continues to progress. This new plant, although it is located in Fayette County, may bring an influx of new residential construction into the District. Honda is providing incentives for employees to live within 30 minutes of work, and there are anticipated to be around 2,500 employees. Developers are already seeking out land. There is a potential of 200-400 families that could be coming to the Jamestown area.

The District millage rate increased from the 20-mill floor with the loss of CAUV values with the reappraisal in 2020 for Class I, however, with the anticipated increase with the next reappraisal cycle the District will be on the 20-mill floor for both classes of property values.

Public Utility Personal Property (PUPP) values increased by $495,430 in Tax Year 2022. We expect our values to continue to grow by $400,000 each year of the forecast.

Estimated Assessed Property Valuations by Collection Year

Classification	Actual TAX YEAR2022 COLLECT 2023	Estimated TAX YEAR2023 COLLECT 2024	Estimated TAX YEAR2024 COLLECT 2025	Estimated TAX YEAR 2025 COLLECT 2026	Estimated TAX YEAR 2026 COLLECT 2027
Res./Ag.	$213,415,830	$276,501,911	$278,397,918	$279,187,918	$288,353,556
Comm./Ind.	$12,556,860	$12,752,429	$12,822,429	$12,892,429	$13,091,353
Public Utility (PUPP)	$17,088,600	$17,488,600	$17,888,600	$18,288,600	$18,688,600
Total	$243,061,290	$306,742,939	$309,108,947	$310,368,947	$320,133,509

Estimated Real Estate Tax Collections

Property tax levies are estimated to be collected at 97.57% of the annual amount. Technically 100% of taxes will be settled on property due to Ohio's property tax laws. The District receives tax payments for delinquent taxes at the rate of 0.6% in August and 2.6% in February collections. Property taxes are estimated to be collected at 57.18% of the Res/Ag and Comm/Ind in the February tax settlements and 42.82% collected in the August tax settlements.

Estimated Real Estate Tax Collections - Line #1.010

Category	FY23	FY24	FY25	FY26	FY27
Real Estate Tax Line #1.010	$4,076,589	$4,704,325	$5,121,259	$5,144,628	$5,246,649

The property tax collection is estimated to increase with the increase in values greater than the District expected with the November forecast. The increase in values will not occur until the second half of FY24. The chart below shows the increases/(decreases) based on the estimates for November to the May forecasts.

Valuation Increase 2023 for 2024 - Class I Taxes	FY23	FY24	FY25	FY26	FY27
November 2022 Forecast	$4,111,820	$4,155,844	$4,194,905	$4,208,007	$4,214,498
May 2023 Forecast	$4,076,589	$4,704,325	$5,121,259	$5,144,628	$5,246,649
Line #1.010 Differences	($35,231)	$548,481	$926,354	$936,621	$1,032,151

Estimated Public Utility Personal Tax – Line #1.020

The phase out of TPP taxes as noted earlier began in FY06. HB66 was adopted in June 2005 and the provisions of the legislation eliminated local collections after FY11.

Public Utility tax settlements (PUPP taxes) are estimated to be received 52.97% in March and 47.03% in August settlement from the County Auditor.

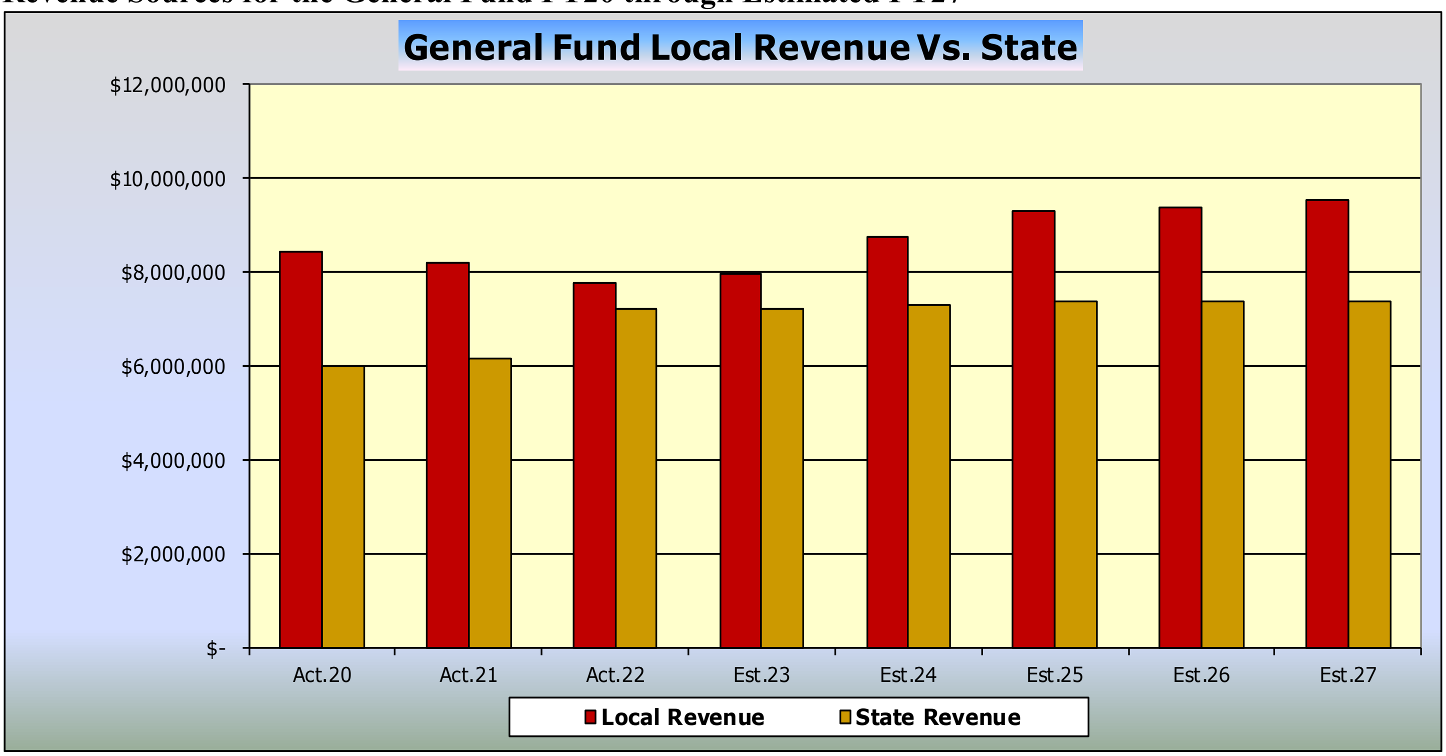
Category	FY23	FY24	FY25	FY26	FY27
Public Utility Personal Property Taxes (PUPP)	$400,909	$480,089	$491,189	$502,289	$513,389

School District Income Tax Collections – Line #1.030
The District has two 0.5% continuous income tax levies that were approved in 1991 and 2021.

Our income tax in FY22 was up 13.21% over FY21 which we feel was due to the increases from the pandemic. The final increase for FY23 is 7.17% over FY22, which is a greater increase than in previous years before the pandemic, but we feel is due to the increases in salaries from the overall economy with wage increases caused by the pandemic. For future years we are anticipating a 4% increase in FY24, 3% in FY25 and a 2% increase each year for FY26 through FY27 as the concerns over a recession may slow growth in this area. We will monitor and adjust the amounts as more information is known to the District.

Category	FY23	FY24	FY25	FY26	FY27
SDIT Collection	$2,504,349	$2,697,887	$2,805,802	$2,889,976	$2,947,776
Adjustments	$193,538	$107,915	$84,174	$57,800	$58,956
Total Line #1.030	$2,697,887	$2,805,802	$2,889,976	$2,947,776	$3,006,732

Revenue Sources for the General Fund FY20 through Estimated FY27



State Foundation Revenue Estimates – Line #1.035, #1.040, and #1.045
Current State Funding Model per HB110 through June 30, 2023

A) Unrestricted State Foundation & Casino Revenue – Line #1.035

The full release of the new Fair School Funding Plan formula occurred in March 2022 and was amended in HB583 passed in June 2022. We have projected FY23 funding based on the April #1 2023 Foundation settlement and adjustments from FY22.

Our District is currently a formula district in FY23 and is expected to continue on the formula in FY24-FY27 on the new Fair School Funding Plan (FSFP). The State Foundation funding formula has gone through many changes in recent years. The most recent funding formula began in FY14 and was dropped in FY19 after six (6) years, followed by no Foundation formula for two (2) years in FY20 and FY21, and now HB110, as amended by HB583, implements the newest and possibly the most complicated funding formula in recent years for FY22 and FY23. The current formula introduces many changes to how State Foundation is calculated and expenses deducted from State funding which will potentially make the actual five-year forecast look different with estimates FY23 through FY27 compared to actual data FY20 through FY21 on Lines 1.035, 1.04, 1.06 and 3.03 of the forecast.

Overview of Key Factors that Influence State Basic Aid in the Fair School Funding Plan

A. Student Population and Demographics
B. Property Valuation
C. Personal Income of District Residents
D. Historical Funding- CAPS and Guarantees from prior funding formulas

<u>Base Cost Approach- Unrestricted Basic Aid Foundation Funding</u>

The new funding formula uses FY18 statewide average district costs and developed a base cost approach that includes minimum service levels and student teacher ratios to calculate a unique base cost for each district that includes base funding for five (5) areas:

1. Teacher Base Cost (4 subcomponents)
2. Student Support (7 subcomponents-including a restricted Student Wellness component)
3. District Leadership & Accountability (7 subcomponents)
4. Building Leadership & Operations (3 subcomponents)
5. Athletic Co-curricular (contingent on participation)

<u>State Share Percentage – Unrestricted Basic Aid Foundation Funding</u>

Once the base cost is calculated, which is estimated to be as high as $7,202 per pupil when fully phased in, the FSFP calculates a state share percentage (SSP) calculation. The State share percentage in concept will be higher for districts with less capacity (lower local wealth) and be a lower State share percentage for districts with more capacity (higher local wealth). The higher the district's ability to raise taxes based on local wealth, the lower the State share percentage. The State share percentage will be based on 60% property valuation of the district, 20% on federally adjusted gross income and 20% on federal median income, as follows:

1. 60% based on most recent three (3) year average assessed values or the most recent year, whichever is lower divided by base students enrolled.
2. 20% based on most recent three (3) year average federal adjusted gross income of district residents or the most recent year, whichever is lower divided by base students enrolled
3. 20% based on most recent year federal median income of district residents multiplied by number of returns in that year divided by base students enrolled
4. When the weighted values are calculated and Items 1 through 3 above added together, the total is then multiplied by a Local Share Multiplier Index from ranging from 0% for low wealth districts to a maximum of 2.5% for wealthy districts.

When the unrestricted base cost is determined and multiplied by the State share percentage, the resulting amount is multiplied by the current year enrolled students (including open enrolled students being educated in each district), and finally multiplied by the local share multiplier index for each district. The result is the local per pupil capacity amount of the base per pupil funding amount. The balance of this amount is the State share to pay.

Categorical State Aid

In addition to the base State Foundation funding calculated above, the FSFP also has unrestricted categorical funding and new restricted funding beginning in FY22, some of which will have the State share percentage applied to these calculations as noted below:

Unrestricted Categorical State Aid

1. Targeted Assistance/Capacity Aid – Provides additional funding based on a wealth measure using 60% weighted on property value and 40% on income. Uses current year enrolled average daily membership (ADM). Also, will provide supplemental targeted assistance to lower wealth districts whose enrolled ADM is less than 88% of their total FY19 ADM.
2. Special Education Additional Aid – Based on six (6) weighted funding categories of disability and moved to a weighted funding amount and not a specific amount. An amount of 10% will be reduced from all districts' calculation to be used toward the State appropriation for Catastrophic Cost reimbursement.
3. Transportation Aid – Funding based on all resident students who ride including preschool students and those living within 1 mile of school. Provides supplemental transportation for low density districts. Increases State minimum share to 29.17% in FY22 and 33.33% in FY23.

Restricted Categorical State Aid

1. Disadvantage Pupil Impact Aid (DPIA) - Formerly Economically Disadvantaged Funding, DPIA is based on number and concentration of economically disadvantaged students compared to State average and multiplied by $422 per pupil. Phase-in increases are limited to 0% for FY22 and 33.33% in FY23.
2. English Learners – Based on funded categories based on time student enrolled in schools and multiplied by a weighted amount per pupil.
3. Gifted Funds –Based on average daily membership multiplied by a weighted amount per pupil.
4. Career-Technical Education Funds – Based on career technical average daily membership and five (5) weighted funding categories students enrolled in.
5. Student Wellness & Success Funding – moved into DPIA funding, is restricted funding and will be spent on same initiatives and requirements that were previously designated under the stand-alone fund.

State Funding Phase-In FY22 and FY23 and Guarantees

While the FSFP was presented as a six (6) year phase-in plan, the State legislature approved the first two (2) years of the funding plan in HB110, which was amended in HB583 in June 2022. The FSFP does not include caps on funding, rather it includes a general phase-in percentage for most components in the amount of 16.67% in FY22 and 33.33% in FY23. DPIA funding was phased in at 0% in FY22 but has now been included in the overall phase in at 33.33% in FY23. Transportation categorical funds will not be subject to phase-in.

HB110 includes three (3) guarantees: 1) "Formula Transition Aid"; 2) Supplemental Targeted Assistance, and, 3) Formula Transition Supplement. The three (3) guarantees in both temporary and permanent law ensure that no district will get less funds in FY22 and FY23 than they received in FY21. The guarantee level of funding for FY22 is a calculated funding guarantee level based on full State funding cuts from May 2020 restored, net of transfers and deductions, plus Student Wellness and Success funds (based on FY21 SWSF amounts), enrollment growth supplement funds paid in FY21 and special education preschool and special education transportation additional aid items. It is estimated that nearly 420 districts are on one form of a guarantee in FY22 and in general the same number will occur in FY23, since State average costs were frozen at FY18 in the Base Cost calculations, while property values and Federal Adjusted Gross Income will be allowed to update and increase for FY23, which should push districts toward one of the three (3) guarantees.

Future State Budgets Projections beyond FY23

Our funding status for FY24-27 will depend on two new State budgets. The current proposed State budget for FY24-25, HB33, was introduced on February 15, 2023, and continues the implementation of the FSFP, with the following changes.

Unrestricted Basic Aid Foundation Funding

a) The statewide average base cost per pupil will remain at FY18 levels in FY24-25.
b) Increases the general phase-in percentage from 33.33% in FY23 to 50% in FY24 and 67% in FY25.
c) Extends payment of the temporary transitional aid and the formula transition supplement to ensure districts are guaranteed to be funded at FY21 levels, at a minimum through FY25.

Unrestricted Categorical State Aid

a) Transportation Aid - Increases the minimum state share percentage from 33.33% in FY23 to 37.5% in FY24 and 41.67% in FY25.

Restricted Categorical State Aid

a) Disadvantaged Pupil Impact Aid (DPIA) - Increases phase-in percentage from 33.33% in FY23 to 50% in FY24 and 67% in FY25.
b) Gifted Funds - Increases per pupil funding for the gifted professional development component from $14 in FY23 to $21 in FY24 and $28 in FY25.
c) Student Wellness and Success Funds
    a. Expenditures for either physical or mental health-based initiatives, or a combination of both, must comprise at least 50% of these funds.
    b. Any SWSF funds received between FY20-23 must be expended by June 30, 2025, or the funds must be returned to the ODE.
    c. School resource officer funding will be allocated on a per building basis. Funds are able to support existing SROs.

Additionally, there are two other funding components in HB33 which provide additional support for districts. The first is the sports gaming profits education fund, which is projected to appropriate $30 million in each year of the biennium, of which $15 million is targeted toward eliminating or reducing pay to participate fees. The second component is information technology support for schools and districts, which is projected to appropriate $14.3 million over the course of the biennium for cybersecurity and building connectivity. We are still awaiting concrete information on how the funds will be allocated to schools.

With these still unknown changes to the State funding for FY24-25, we will continue to project our unrestricted and categorical State funding to be in line with the FY23 funding levels through the remainder of the forecast. The State budget for FY26-27 is unknown; however, we believe that our State funding estimates are reasonable, and we will adjust the forecast in the future when we have authoritative data to work with.

Casino Revenue

On November 3, 2009, Ohio voters passed the Ohio casino ballot issue. This issue allowed for the opening of four (4) casinos one each in Cleveland, Toledo, Columbus and Cincinnati. Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% GCR that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31st of January and August each year which began for the first time on January 31, 2013.

Casino revenue fell slightly in FY21 due to COVID-19 and casinos closing for a little over two months. We have increased the amount in FY22 back to pre-pandemic FY20 levels as Casino revenues appear to have dipped largely due to their closure and not in response to the economic downturn. Prior to COVID-19 closure, casino revenues were growing modestly as the economy improved. Original projections for FY23-27 estimated a .4% decline in pupils to 1,778,441 and GCR increasing to $106.35 million or $59.80 per pupil, actual payments in FY22 were $64.85 per pupil. FY24-27 Casino revenues have resumed their historical growth rate and assume a 2% annual growth rate for the forecast period.

Category	FY23	FY24	FY25	FY26	FY27
Basic Aid-Unrestricted	$5,977,280	$5,973,804	$5,973,804	$5,973,804	$5,973,804
Additional Aid Items	$241,867	$241,867	$241,867	$241,867	$241,867
Basic Aid-Unrestricted Subtotal	$6,219,147	$6,215,671	$6,215,671	$6,215,671	$6,215,671
Career Tech Credentials/Other Unrestricted	$1,000	$1,000	$1,000	$1,000	$1,000
Ohio Casino Commission ODT	$90,724	$92,540	$94,390	$96,278	$98,204
Total Unrestricted State Aid Line #1.035	$6,310,871	$6,309,211	$6,311,061	$6,312,949	$6,314,875

B) Restricted State Revenues – Line #1.040

HB110 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged Funding) and Career Technical funding. In addition, there have been new restricted funds added as noted above under "Restricted Categorical Aid" for Gifted, English Learners (ESL) and Student Wellness. Using current April funding factors, we have estimated revenues for these new restricted funding lines. The amount of DPIA is limited to 0% phase-in growth for FY22 and 33.34% in FY23. We have flat lined funding at FY23 levels for FY24-27 due to uncertainty on continued funding of the current funding formula.

Category	FY23	FY24	FY25	FY26	FY27
Disadvantage Pupil Impact Aid-(DPIA)	$47,852	$47,852	$47,852	$47,852	$47,852
Career Technical	$17,010	$17,010	$17,010	$17,010	$17,010
Gifted	$63,159	$63,159	$63,159	$63,159	$63,159
English Learner	$443	$443	$443	$443	$443
Student Wellness and Success	$185,970	$185,970	$185,970	$185,970	$185,970
Total Restricted State Revenues Line #1.040	$314,434	$314,434	$314,434	$314,434	$314,434

C) Restricted Federal Grants in Aid – Line #1.045

There are no federal restricted grants projected during this forecast.

Summary of State Foundation Revenues – Line #1.035; #1.040; and, #1.045

Category	FY23	FY24	FY25	FY26	FY27
a) Unrestricted Line #1.035	$6,310,871	$6,309,211	$6,311,061	$6,312,949	$6,314,875
b) Restricted Line #1.040	$314,434	$314,434	$314,434	$314,434	$314,434
c) Rest. Fed. Grants #1.045	$0	$0	$0	$0	$0
Total State Foundation Revenue	$6,625,305	$6,623,645	$6,625,495	$6,627,383	$6,629,309

State Taxes Reimbursement/Property Tax Allocation – Line #1.050
Rollback and Homestead Reimbursement

Rollback funds are reimbursements paid to the District from Ohio for tax credits given owner occupied residences equaling 12.5% of the gross property taxes charged residential taxpayers on tax levies passed prior to September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013 which is the effective date of HB59. HB66, the FY06-07 budget bill, previously eliminated 10% rollback on Class II (commercial and industrial) property.

Homestead Exemptions are credits paid to the District from the State of Ohio for qualified elderly and disabled. In 2007, HB119 expanded the Homestead Exemption for all seniors 65 years of age or older or who are disabled regardless of income. Effective September 29, 2013, HB59 changed the requirement for Homestead Exemptions. Individual taxpayers who do not currently have their Homestead Exemption approved or those who do not get a new application approved for tax year 2013, and who become eligible thereafter will only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who had their Homestead Exemption as of September 29, 2013 will not lose it going forward and will not have to meet the new income qualification. This will generally reduce homestead reimbursements to the District over time, and as with the rollback reimbursements above, the State is increasing the tax burden on our local taxpayers.

Summary of State Tax Reimbursements – Line #1.050

Category	FY23	FY24	FY25	FY26	FY27
Rollback and Homestead	$596,805	$672,873	$748,005	$751,626	$765,046
Total Tax Reimb./Prop. Tax Allocations #1.050	$596,805	$672,873	$748,005	$751,626	$765,046

Other Local Revenues – Line #1.060

All other local revenue encompasses any type of revenue that does not fit into the above lines. The main sources of revenue in this area have been tuition for court placed students, interest, student fees, Medicaid payments and general rental fees.

HB110, the new State budget, will stop paying open enrollment as an increase to other revenue for the District. This is projected below as zeros to help show the difference between projected FY23-FY27 Line 1.06 revenues and historical FY20 through FY21 revenues on the five-year forecast. Open enrolled students will be counted in the enrolled student base at the school district in which they are being educated and State aid will follow the students. Open enrolled student revenues will be included in Line 1.035 as State basic aid.

The school district receives tuition for special education students from other districts who attend our School District. The District is projecting no increase for tuition payments.

Interest is expected to increase in FY23 with the Federal Reserve increasing interest rates, with a 2% decrease in FY24-FY27 for declining balances. All other lines within other local revenue will be held at the current levels except for the miscellaneous line with a 1% increase for each year of the forecast.

Category	FY23	FY24	FY25	FY26	FY27
Open Enrollment Gross	$0	$0	$0	$0	$0
Interest	$60,000	$58,800	$57,624	$56,472	$55,342
Class/ Student/PTP Fees	$74,559	$74,559	$74,559	$74,559	$74,559
Tuition SF-14 & SF-14H/Preschool	$302,404	$302,404	$302,404	$302,404	$302,404
Other & Miscellaneous Local Revenue	$348,979	$352,469	$355,994	$359,554	$363,150
Total Line #1.060	$785,942	$788,232	$790,581	$792,989	$795,455

Transfers In / Return of Advances – Line #2.040 & Line #2.050

The District expects to make advances to other funds each year of the forecast. The advances are returned the following year to the General Fund from the fund that they were advanced to, in FY22 the advanced amount was $652,461 with additional advances for grant balancing during FY23 that will only happen in this year. The District expects that the advances will be $50,000 per year for the remainder of the forecast.

Category	FY23	FY24	FY25	FY26	FY27
Transfers In - Line #2.040	$0	$0	$0	$0	$0
Advance Returns - Line #2.050	$2,652,461	$50,000	$50,000	$50,000	$50,000
Total Transfer & Advances In	$2,652,461	$50,000	$50,000	$50,000	$50,000

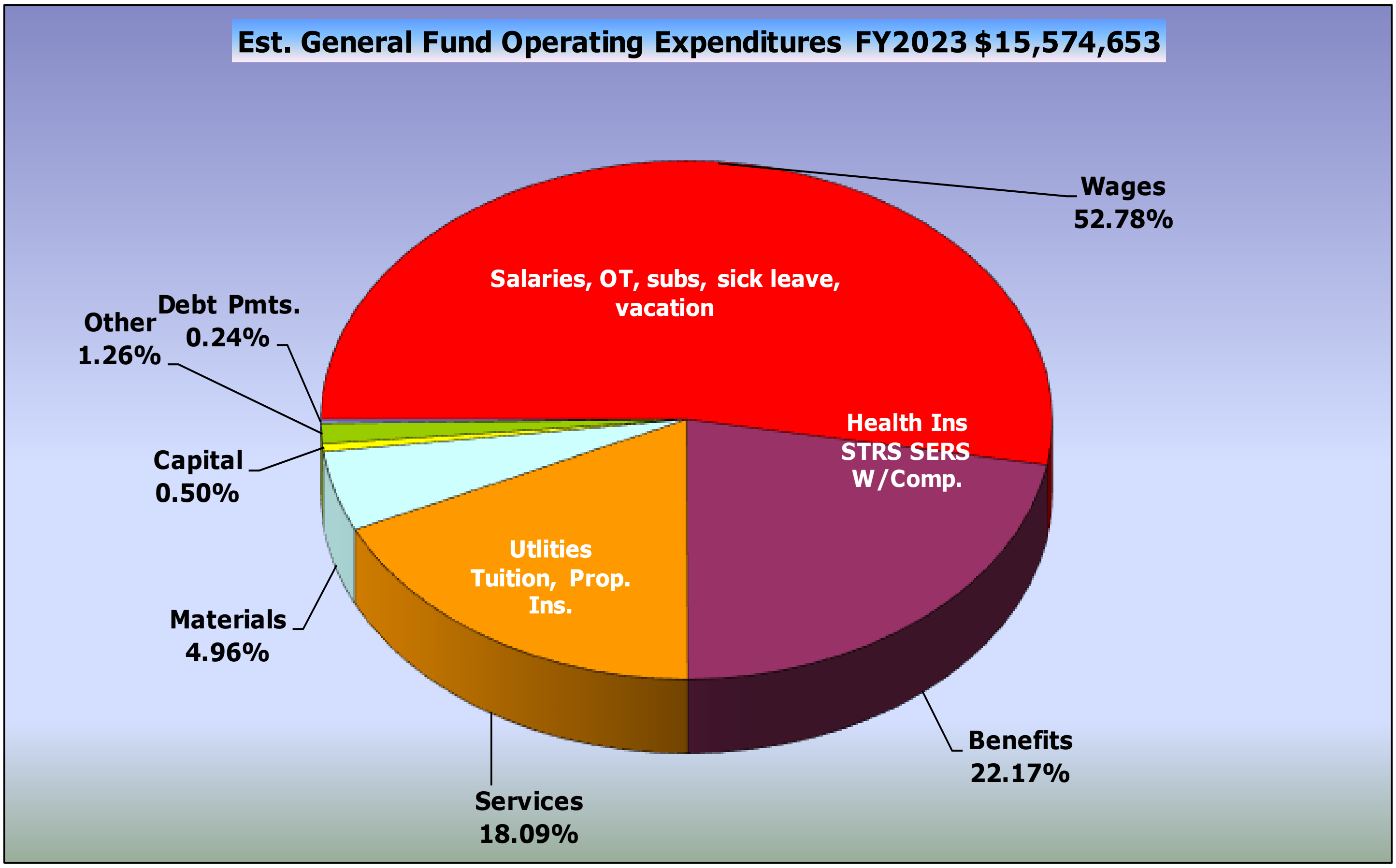
All Other Financial Sources – Line #2.060

This funding source is typically a refund of prior year expenditures that is very unpredictable. The District is including the annual average amount that is received for refunds of prior year expenditures in FY23-FY27.

Category	FY23	FY24	FY25	FY26	FY27
Refund of prior years exp., sale of assets	$117,156	$28,789	$28,789	$28,789	$28,789

Expenditures Assumptions

Expenditure Estimates for Fiscal year ending June 30, 2023



Wages – Line #3.010

The District has step increases of 2% each year. The District has completed negotiations that include base wage increases of 2.25% in FY23 and FY24 and 2% in FY25 with a 1% increase in FY26 and FY27 for forecasting purposes only. There is a 2% increase for Substitutes and Supplemental contracts in each year of the forecast. The District is forecasting severance costs to be $15,000 in FY23 through FY27. The District's attendance bonus is expected to have no increase in the amount in FY23-FY27. The District has retirement/resignations of three teachers and three classified position which these positions will be replaced in FY24 and will increase the certified staff with a possible .5 intervention specialist.

Category	FY23	FY24	FY25	FY26	FY27
Base Wages	$7,467,185	$7,745,436	$8,027,999	$8,330,793	$8,571,633
Base increase	$179,212	$179,212	$154,909	$80,280	$83,308
Steps & Training	$149,344	$149,344	$154,909	$160,560	$166,616
Staff Increases	$116,195	$206,367	$29,786	$0	$0
Staff Decreases	($166,500)	($252,360)	($36,810)	$0	$0
Supplemental Contracts	$210,436	$214,645	$218,938	$223,317	$227,783
Attendance Incent	$40,550	$40,550	$40,550	$40,550	$40,550
Subs/OT/Board	$209,432	$213,621	$217,893	$222,251	$226,696
Severance - Retire Incent	$15,000	$15,000	$15,000	$15,000	$15,000
Total Wages Line #3.010	$8,220,854	$8,511,815	$8,823,174	$9,072,751	$9,331,586

Fringe Benefits Estimates Line #3.02

This area of the forecast captures all costs associated with benefits and retirement costs which are directly related to wages paid with the exception of health, vision, dental and life insurances.

A) STRS/SERS will Increase with Wages

The District pays 14% of each dollar paid in wages to either the State Teachers Retirement System or the School Employees Retirement System as required by Ohio law. The District is required to pay SERS Surcharge which is an additional employer charge based on the salaries of lower-paid members. It is exclusively used to fund health care.

B) Insurance

The District employees participate in a High Deductible Plan with the District contributing to an HSA for each employee. EPC the insurance consortium has advised the District that premiums will increase by 2% for FY23 and we are anticipating increases of 10% each year from FY24 through FY27. The District contributed $109,499 in FY22 for the employees' HSA accounts with no increase throughout the remainder of the forecast.

The Further Consolidated Appropriations Act of 2020, included a full repeal of three taxes originally imposed by the Affordable Care Act (ACA): the 40% Excise Tax on employer-sponsored coverage (a.k.a. "Cadillac Tax"), the Health Insurance Industry Fee (a.k.a. the Health Insurer Tax), and the Medical Device Tax. These added costs are no longer an uncertainty factor for our health care costs in the forecast.

C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to remain at about .42% of wages in FY23-FY27. Unemployment compensation has been a negligible cost for the District. The District expects that to be the same throughout the remainder of the forecast.

D) Medicare

Medicare will continue to increase at the rate of increase of wages. Contributions are 1.45% for all new employees to the District on or after April 1, 1986. These amounts are growing at the general growth rate of wages.

E) Other /Tuition Reimbursement

The District reimburses staff for tuition according the negotiated agreement in order to maintain their teaching licenses. We do not anticipate any increases during the forecast.

Summary of Fringe Benefits – Line #3.020

Category	FY23	FY24	FY25	FY26	FY27
STRS/SERS	$1,299,760	$1,346,103	$1,395,733	$1,436,800	$1,477,854
Insurances	$1,957,032	$2,137,186	$2,339,253	$2,562,228	$2,807,501
Workers Comp/Unemployment	$35,028	$36,250	$37,557	$38,606	$39,693
Medicare	$119,203	$123,421	$127,936	$131,554	$135,308
Other/Tuition Reimb	$41,919	$41,919	$41,919	$41,919	$41,919
Total Line #3.020	$3,452,941	$3,684,879	$3,942,397	$4,211,107	$4,502,275

Purchased Services – Line #3.030
Expenditures in this line include services received from the ESC, utilities, repairs and maintenance and tuition to other districts.

HB110, the current State budget, will impact Purchased Services as the Ohio Department of Education will directly pay these costs to the educating districts for open enrollment, community and STEM schools, and for scholarships granted students to be educated elsewhere, as opposed to deducting these amounts from our State Foundation funding and shown below as expenses. We have continued to show these amounts below as zeros to help reflect the difference between projected FY23-FY27 Line 3.03 costs and historical FY20 through FY21 costs on the five-year forecast. College Credit Pus, excess costs and other tuition costs will continue to draw funds away from the District, which will continue in this area and have been adjusted based on historical trend.

Business support is expected to increase by 2% annually in FY23 through FY27. The utilities are experiencing large increases which we are anticipating to be 5% in FY23 through FY27. The property insurance is expected to increase by 10% in FY24 for an additional $5,400.

The costs of tuition for court placed students attending other districts and our ESC contract are increasing annually with projections of 2.5% each year of the forecast.

Instructional services are increasing in FY24 by $120,000 for additional services for special education students.

Category	FY23	FY24	FY25	FY26	FY27
Instructional Services	$452,873	$577,402	$583,176	$589,008	$594,898
Open Enrollment Deduction	$0	$0	$0	$0	$0
Community School Deductions	$0	$0	$0	$0	$0
Business Support Services	$696,709	$716,043	$730,364	$744,971	$759,870
Utilities/Telephone/Internet	$325,767	$342,055	$359,158	$377,116	$395,972
Tuition and ESC Services	$1,341,821	$1,375,367	$1,409,751	$1,444,995	$1,481,120
Total Line #3.030	$2,817,170	$3,010,867	$3,082,449	$3,156,090	$3,231,860

Supplies and Materials – Line #3.040
Supplies are experiencing an overall inflation of 2% in FY23 – FY27 with an additional $75,000 being returned in FY24 from ESSER funds that will be continued for the remainder of the forecast.

Due to rising costs for maintenance supplies, bus fuel and supplies, we are forecasting a 5% increase for these costs in FY23 through FY27.

Category	FY23	FY24	FY25	FY26	FY27
Supplies	$422,089	$505,531	$515,642	$525,955	$536,474
Maintenance/Transportation	$350,327	$367,843	$386,235	$405,547	$425,824
Total Line #3.040	$772,416	$873,374	$901,877	$931,502	$962,298

Equipment – Line #3.050

The District will no longer purchase large number of buses at one time but will instead purchase one or two per year so that the cost of purchasing will not be all in one year. The schedule is to purchase two buses in FY23, however the buses will not arrive until FY24 so we have moved the expense to that year. Also, we expect to purchase a maintenance truck in FY24 and two buses in FY26. Other equipment is for technology equipment or other expenditures that are needed during the year with no increase throughout the forecast.

Category	FY23	FY24	FY25	FY26	FY27
Bus /Van Purchases	$0	$400,000	$0	$330,000	$0
Other	$78,493	$78,493	$78,493	$78,493	$78,493
Total Line #3.050	$78,493	$478,493	$78,493	$408,493	$78,493

HB264 Energy Conservation Note – Line #4.050 & #4.060

The District approved an energy conservation project in 2014 to be paid in full by 2029. The principal and interest are paid from proceeds of the savings of utilities of the project.

Category	FY23	FY24	FY25	FY26	FY27
HB 264 Principal Line #4.050	$30,000	$30,000	$30,000	$30,000	$30,000
Interest on HB 264 Total Line #4.060	$6,720	$5,760	$4,800	$3,840	$2,880

Other Expenses – Line #4.300

The category of Other Expenses consists primarily of bank fees, County Auditor/Treasurer fees and liability insurance. The District expects a 1% increase each year of the forecast. Since the District is once again being charged a fee for the Ohio Department of Taxation to handle the Homestead and Rollback payments we are increasing the Auditor and Treasurer fees by $2,000 in FY23 which will then be carried forward for the remainder of the forecast. We have also experienced additional Auditor & Treasurer Fees from the Counties and SDIT fess in FY23 causing a $50,000 increase in FY23 that will be carried forward throughout the forecast.

Category	FY23	FY24	FY25	FY26	FY27
Co. Auditor & Treasurer /IT collection Fees	$143,690	$145,127	$146,578	$148,044	$149,524
County ESC	$16,168	$16,330	$16,493	$16,658	$16,825
Audit/bank fees	$26,085	$26,346	$26,609	$26,875	$27,144
Memberships, Liability Ins. & Other	$10,116	$10,217	$10,319	$10,423	$10,527
Total Line #4.300	$196,059	$198,020	$199,999	$202,000	$204,020

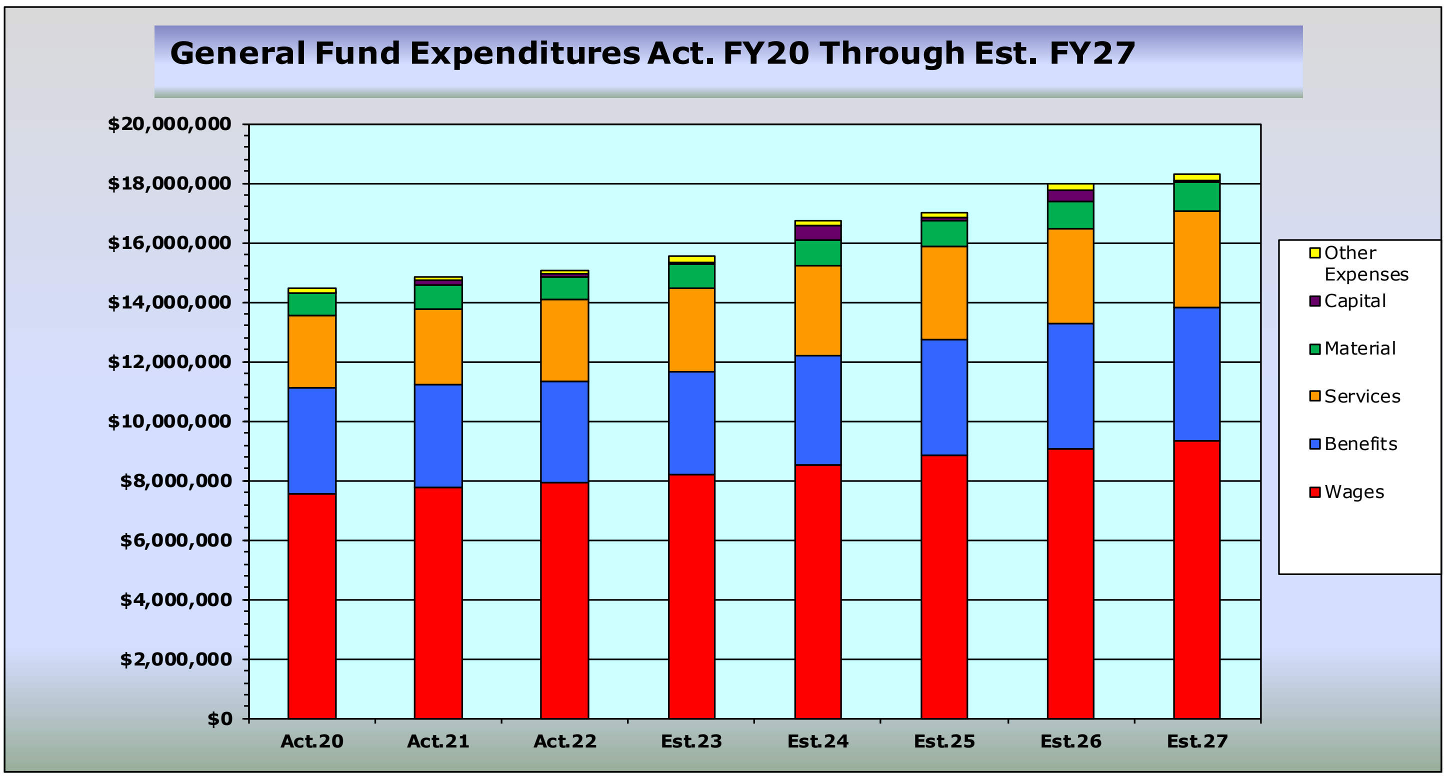
Total Other Financing Uses - #5.040

The District transfers $79,515 each year as required by the Ohio School Facilities Commission to the 034 Fund for OSFC project maintenance. In FY23 the District made a one-time transfer to athletics of $31,000. The District anticipates advancing annually for Federal Grants that are waiting on funds at the end of the fiscal year which will be returned in the next fiscal year, the additional amount in FY23 is from month-end advances that have been done throughout the year but will not be completed in future years of the forecast.

Category	FY23	FY24	FY25	FY26	FY27
Operating Transfers Out Line #5.010	$110,515	$79,515	$79,515	$79,515	$79,515
Advances Out Line #5.020	$2,652,461	$50,000	$50,000	$50,000	$50,000
All Other Financing Uses - Line #5.030	$0	$0	$0	$0	$0
Total Line #5.040	$2,762,976	$129,515	$129,515	$129,515	$129,515

Operating Expenditures Actual FY20 through FY22 and Estimated FY23 through FY27

The graph below shows a quick overview of actual and estimated expenses by proportion to total in the General Fund.



Encumbrances –Line #8.010

Encumbrances represent purchase authorizations and contracts for goods or services that are pending vendor performance and those purchase commitments which have been performed, invoiced, and are awaiting payment. Encumbrances on a budget basis of accounting are treated as the equivalent of expenditure at the time authorization is made in order to maintain compliance with spending restrictions established by Ohio law. For presentation in the forecast, outstanding encumbrances are presented as a reduction of the General Fund cash balance.

Category	FY23	FY24	FY25	FY26	FY27
Estimated Encumbrances	$785,237	$785,237	$785,237	$785,237	$785,237

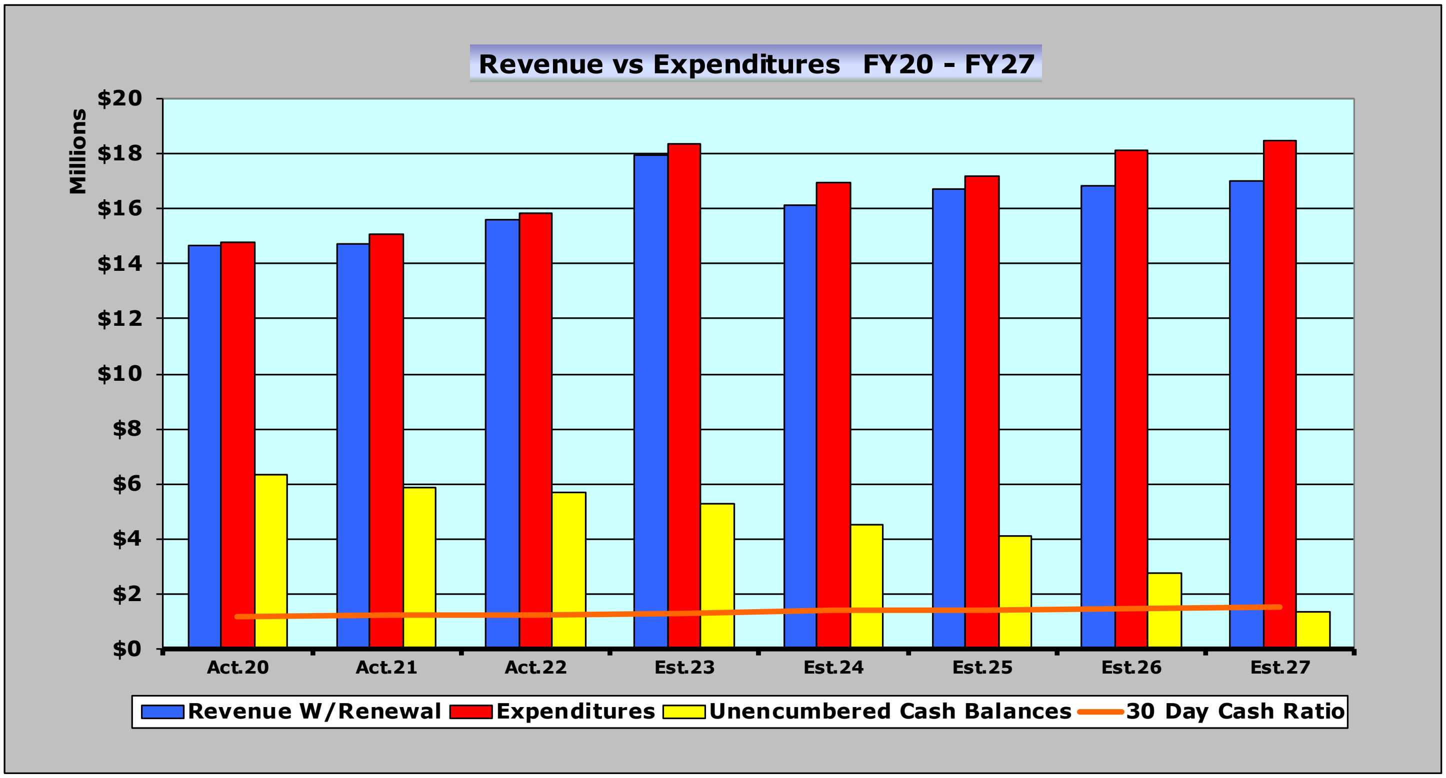
Reservations of Fund Balance – Line #9.010 to **#9.080**
The board has established a Budget Reserve of $210,585; this amount may be released for operational expenditures with board action only.

Category	FY23	FY24	FY25	FY26	FY27
Textbooks & Instructional Materials- Line 9.010	$0	$0	$0	$0	$0
Capital Improvements- Line 9.020	$0	$0	$0	$0	$0
Budget Reserve - Line 9.030	$210,585	$210,585	$210,585	$210,585	$210,585
DPIA - Line 9.040	$0	$0	$0	$0	$0
Fiscal Stabilization - Line 9.045	$0	$0	$0	$0	$0
Debt Service - Line 9.05	$0	$0	$0	$0	$0
Property Tax Advances for Future Year- Line 9.060	$0	$0	$0	$0	$0
State Bus Purchases- Line 9.070	$0	$0	$0	$0	$0
Total Reservations of Balance- Line #9.080	$210,585	$210,585	$210,585	$210,585	$210,585

Ending Unreserved Cash Balance "The Bottom Line" – Line#15.010
This amount must not go below $-0- or the District General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of $10,000; unless an alternative 412 certificate, as permitted by HB153 effective September 30, 2011, could be issued**.**

	FY23	FY24	FY25	FY26	FY27
Ending Unrserved Cash Balance- Line #15.010	$5,099,717	$4,330,750	$3,883,339	$2,583,520	$1,145,962

Revenue vs Expenditures with Deficit Spending
The chart below shows that the District is deficit spending throughout the forecast.

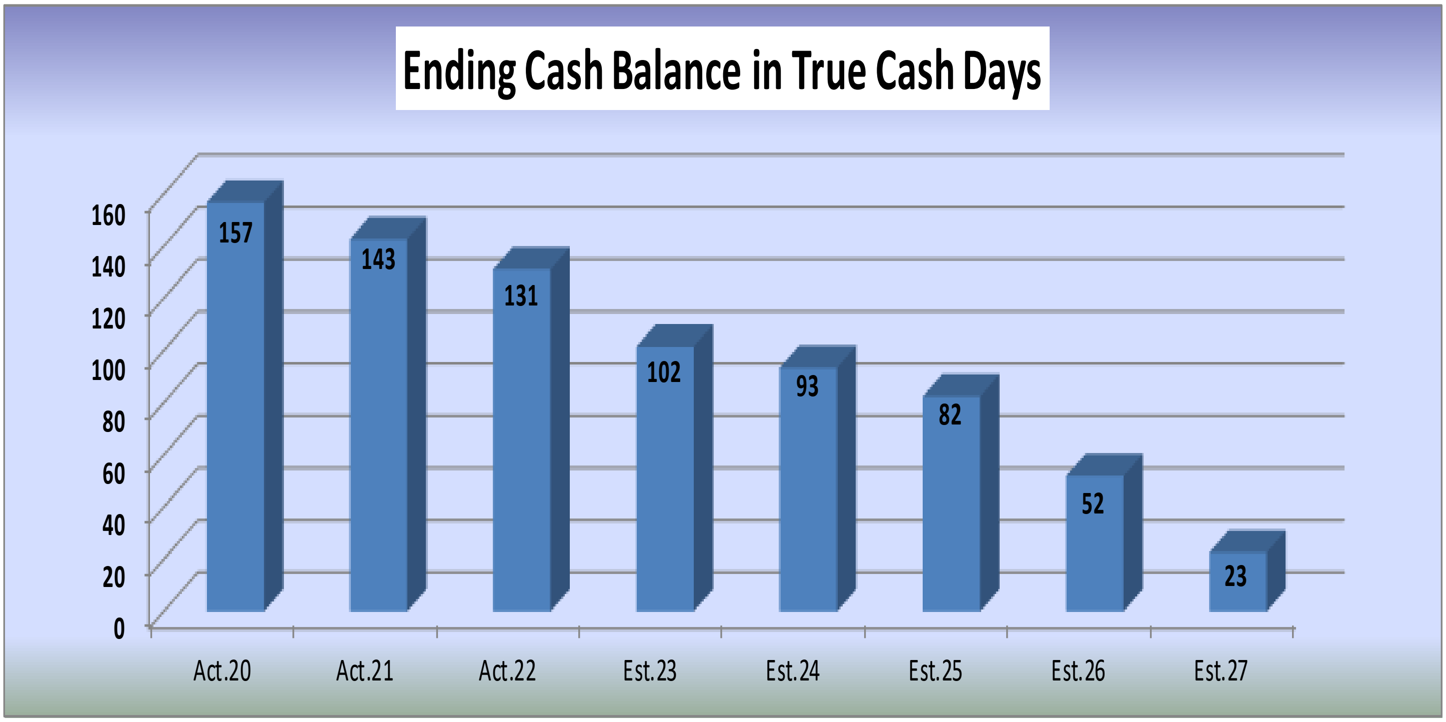


Deficit spending affects the amount of carryover that the District has to plan for the future. When reviewing for the needs of the District, we review the amount of spending and what would be needed to remove any deficit spending in order to have positive cash balances on the forecast. The chart below shows the millage for each year that would be needed in order to erase the deficit spending.

	FY23	FY24	FY25	FY26	FY27
Excess Revenues over/(under) of Expenditures	($384,575)	($768,968)	($447,411)	($1,299,819)	($1,437,558)
Millage equivalent for deficit spending	1.62	3.20	1.84	4.24	4.65

True Cash Days

The Government Financial Officers Association (GFOA) recommends a school district, at a minimum, regardless of size, maintain unrestricted budgetary fund balance in their General Fund of no less than two months or 60 days of regular General Fund operating revenues or regular General Fund operating expenditures. The projection for the District shows that there will be approximately 60 days true cash at the end of FY25.



Conclusion

Greeneview Local School District receives 47.57% of it's funding for the District from State dollars which is very beneficial to the overall operations for the education of our students.

The District administration is grateful for the changes in the current State budget HB110 as it has reduced the amount that was deducted for programs that were not within the District's control. However, the next State funding will be closely monitored as HB33 moves through the legislative process for FY24-25. Furthermore, future State budgets funding will need to be watched since, the full amount of the Fair School Funding Plan was not totally implemented with this budget and there is no guarantee for future increases in State budgets for FY26-FY27.

As the administration plans for the future, they will need to make sure that the District is able to obtain positive cash balance throughout the forecast. They will need to review the expenditures based on the current revenues in able to obtain this.

As you read through the notes and review the forecast, remember that the forecast is based on the information that is known at the time that it is prepared.