GREENEVIEW LOCAL SCHOOL DISTRICT - GREENE COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2021, 2022, and 2023 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2024, THROUGH JUNE 30, 2028**

**Forecast Provided By
Greeneview Local School District
Treasurer's Office
Inga Fisher, Treasurer
November 16, 2023**

Greeneview Local School District – Greene County
Assumptions to the Five-Year Forecast
General Fund Only
November 16, 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 Five-Year 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 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

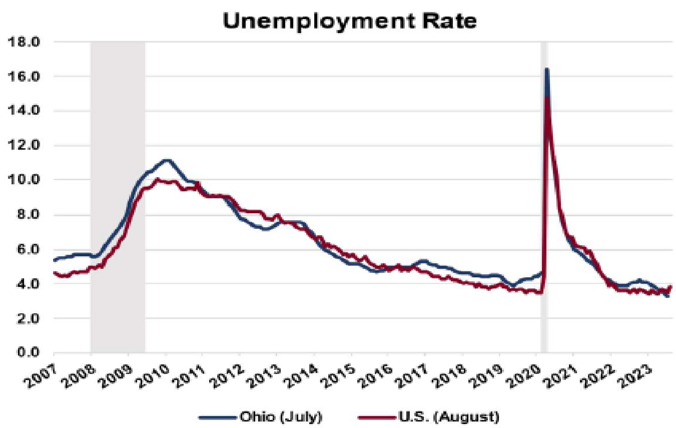
O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five-year financial forecast by November 30, 2023, and May 31, 2024, for the fiscal year 2024 (July 1, 2023, to June 30, 2024). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The fiscal year 2024 (July 1, 2023-June 30, 2024) is the first year of the five-year forecast and is considered the baseline year. Our forecast is updated to reflect the most current economic data available for the November, 2023, filing.

Economic Outlook

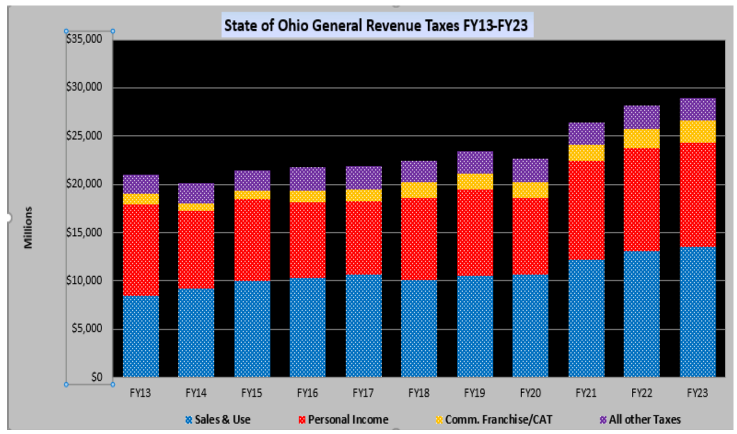
This five-year forecast is being filed during a two-year economic recovery following the COVID-19 Pandemic which began in early 2020. The effects of the pandemic have lessened but several supply chain concerns and high inflation continues to impact our state, country and broader globalized economy. Inflation in June, 2022, hit a 40 year high of 9.1% before falling to 8.3% in August. Costs in FY23 were notably impacted in areas such a diesel fuel for busses, electric and natural gas, and building materials for facility maintenance and repair. Increased inflation impacting district costs are expected to continue in FY24. It remains to be seen if these costs are transitory or will last over the next few years which could have a significant impact on our forecast in addition to negative effects on state and local funding.

The Federal Reserve Bank has made fighting inflation its number one concern. Interest rates are expected to increase again before December, 2023, which may result in increased unemployment. Still, many economists anticipate a "full employment recession" in the first half of 2024. In the history of our country, there has never been a full employment recession. However, the possibility of one underscore why this is a very unique time in our economic history.

As noted in the graphs below, the State of Ohio has enjoyed economic growth over the past three years, and the state's Rainy-Day Fund is at $3.7 Billion, which is a record high. School funding cuts made in FY20 have been fully restored, and a new state funding formula is in the third year of a projected five-year phase-in. While increased inflation impacting district costs is expected to continue over the next few years, the state's economy has grown, and many school districts received new funding in HB33 for FY24 and FY25. The ongoing growth in Ohio's economy should enable the state to continue the phase-in of the new funding formula even if a cyclical recession occurs. Regardless, the state is well-positioned to continue state aid payments to Ohio's school districts.



Source: Bureau of Labor Statistics through FRED



Source: Ohio Office of Budget and Management

While all school districts are being aided by three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER), which began in the fiscal year 2020, the most recent allocation of ESSER funds must be spent or encumbered by September 30, 2024. Any ongoing costs are absorbed back into the district General Fund. ESSER funds positively impacted school resources.

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.

Forecast Risks and Uncertainty:
A five-year financial forecast has risks and uncertainty not only due to economic delays noted above but also due to state legislative changes that will occur in the spring of 2025 and 2027 due to deliberation of the following two (2) state biennium budgets for FY26-27 and FY28-29, both of which affect this five-year forecast. We have estimated revenues and expenses based on the best data available and the laws currently in effect. The items below give a short description of the current issues and the affect that may occur in the forecast in the long term:

I. Greene County experienced a reappraisal update and Clinton County a full 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. Greene and Clinton counties will either have a full reappraisal or update will occur in tax year 2023 for collection in 2024, we anticipate value increases for Class I and II property by $64.94 million for an overall increase or 28.74%. 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. At the time of preparation of the Five-Year Forecast, HB 187– a bill that would temporarily require the use of a three-year average for reevaluating property values, including current agriculture use value (CAUV) for farmland - passed the Ohio House on October 11. It still has not made any progress in the Senate.

This results in real property valuations being based equally on the past three years (rather than a three-year look back on sales with an emphasis placed on the most recent year's sales occurring closest to the tax lien date). Further, HB 187 would give county auditors, rather than the tax commissioner, the final authority regarding the property tax equalization of a county's real property, with the tax commissioner able to appeal to the tax appeals board. These changes to property tax reappraisals or triennial updates (which 2023 is an update year for Greene County) would be applicable for 2023, 2024 or 2025, after which, the changes would "sunset." Some of the county auditors are arguing against this due to the timing. They are unsure how they would be able to calculate new values and still get tax bills out by the required date. If it passes, it is possible that there might be a six month lag in TY 24 collections. If this passes, it could cause a decrease in what was estimated for property tax revenue increases.

II. Income tax collections are dependent upon the economy. The past few payments we received have been greater than in previous years, making income tax forecasting even more difficult. We will monitor the income tax revenue very closely for any positive or negative changes that may occur.

III. The state budget represents 48.08% of district revenues, which means it is a significant risk to the revenue. The future risk comes in FY26 and beyond if the state economy stalls due to the record high inflation or the Fair School Funding Plan is not funded in future state budgets due to an economic recession. In this forecast, two forthcoming State Biennium Budgets cover FY26-27 and FY28-29. Future uncertainty in the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long-range through FY28. We have projected our state funding in FY24 and FY25 based on the additional phase-in of HB33 (the fair school funding plan). This forecast reflects state revenue to align with the FY25 funding levels through FY28, which we feel is conservative and should be close to what-the state approves for the FY26-FY28 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.

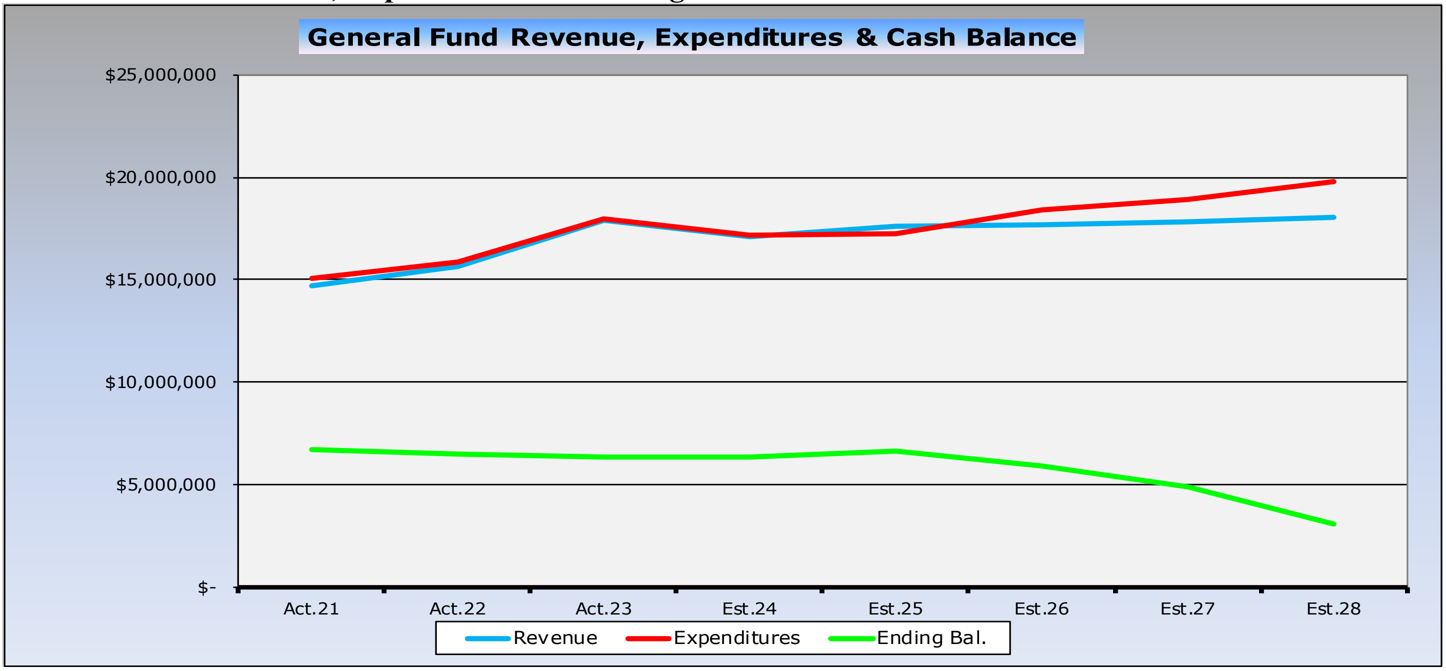
IV. HB33, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY24 and FY25. FY24 reflects 50% of the implementation cost at year three of a six-year phase-in plan, which increases by 16.66% each year. FY25 will result in 66.66% funding of (FSFP), however, the final two years of the phase-in are not guaranteed. The FSFP has made many significant changes to how foundation revenues are calculated for school districts and how expenses are 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. We have used the most recent simulations published by the Department of Education and Workforce for our forecasted revenues in FY24 and FY25.

V. HB33 directly pays costs associated with open enrollment, community and STEM schools, and all scholarships, including EdChoice Scholarships. These costs are no longer deducted from our state aid. However, education option programs such as College Credit Plus continue to be removed from state aid, increasing costs to the district. Expansion or creation of programs not directly paid by the State of Ohio can expose the district to new expenditures currently outside the forecast. We closely monitor any new threats to our state aid and increased costs as new proposed laws are introduced in the legislature.

VI. 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 of Greeneview Local Schools.

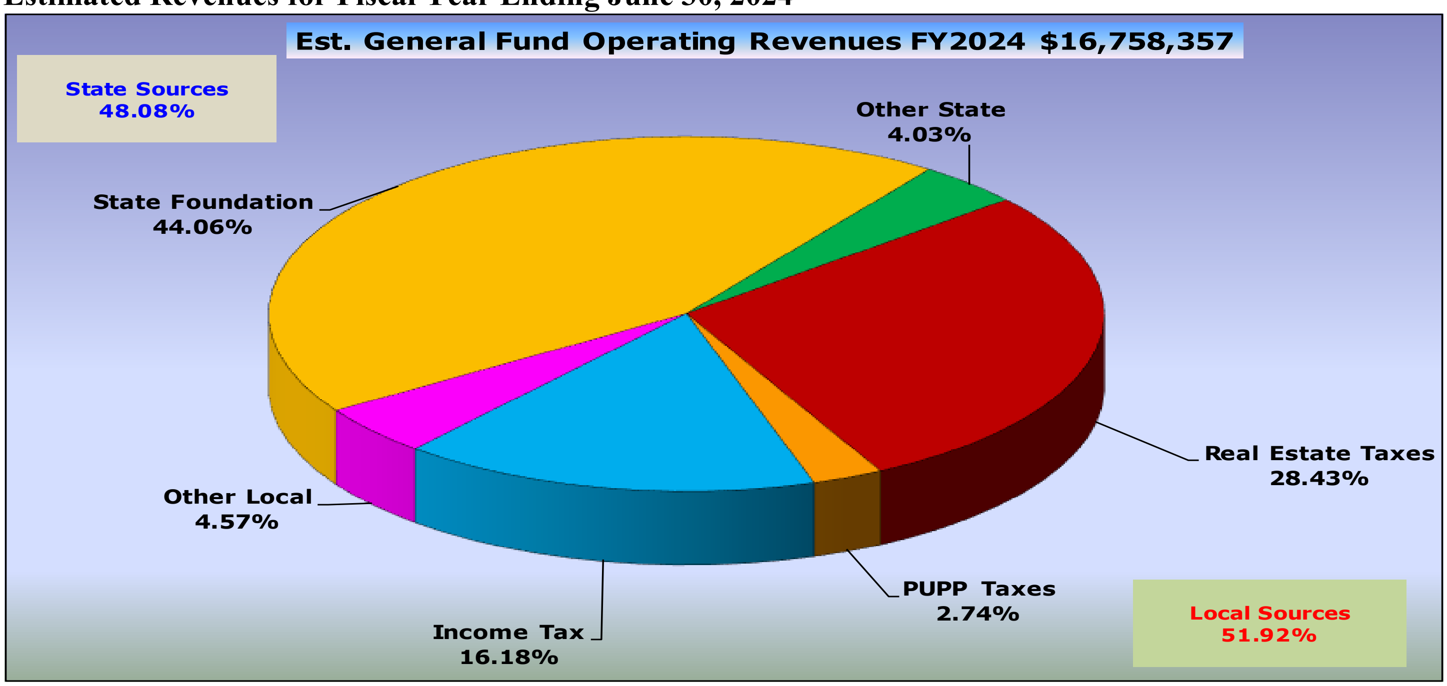
General Fund Revenues, Expenditure and Ending Cash Balance Actual FY21-23 and Estimated FY24-28



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, 2024



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 has had a reappraisal or update in 2023 for 2024 collections. Fayette County will have gone 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 lowered the values in the last reappraisal cycle. With this loss of value the district millage rate has remained above the 20 mill floor. This will 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. Based on information from the county auditor the reappraisal values are increasing more than we had expected to 30% for Class I or $64.02 million and 0.41% for Class II or $51,483.

Public Utility Personal Property (PUPP) values increased by $631,180 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	Estimated TAX YEAR2023 COLLECT 2024	Estimated TAX YEAR2024 COLLECT 2025	Estimated TAX YEAR 2025 COLLECT 2026	Estimated TAX YEAR 2026 COLLECT 2027	Estimated TAX YEAR 2027 COLLECT 2028
Res./Ag.	$278,230,579	$280,133,501	$280,923,501	$290,141,206	$292,091,771
Comm./Ind.	$12,678,343	$12,748,343	$12,818,343	$13,016,527	$13,086,527
Public Utility (PUPP)	$17,624,350	$18,024,350	$18,424,350	$18,824,350	$19,224,350
Total	$308,533,272	$310,906,194	$312,166,194	$321,982,083	$324,402,648

Tax Rates

The county auditor sets tax rates for each levy voted on to provide tax revenues for the school district. Ohio law provides for “reduction factors” of all voted property tax levies to adjust the millage rates lower for the levy to not increase from inflation of property values for the taxes received by a district to that of the actual amount of the levy at the time of the election. The reduction factors are applied separately to Residential/Agriculture (Class I) and Commercial/Industrial (Class II), resulting in different effective millage rates. The district-voted rate for all levies is 27.75 mills while the Class I effective millage rate is 20.866491 mills and the Class II effective millage rate is 20.00013 mills. The Ohio law has a provision that the reduction factors cannot lower the total millage rate for each class less than 20 mills, which includes both the voted and the non-voted millage rates; this is called the “20-Mill Floor”. With the increases in values for the 2023 reappraisal we are anticipating being on the 20 mill floor in 2024 for both Class I and Class II properties.

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 57.25% 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	FY24	FY25	FY26	FY27	FY28
Real Estate Tax Line #1.010	$4,764,752	$5,150,147	$5,173,552	$5,276,200	$5,366,115

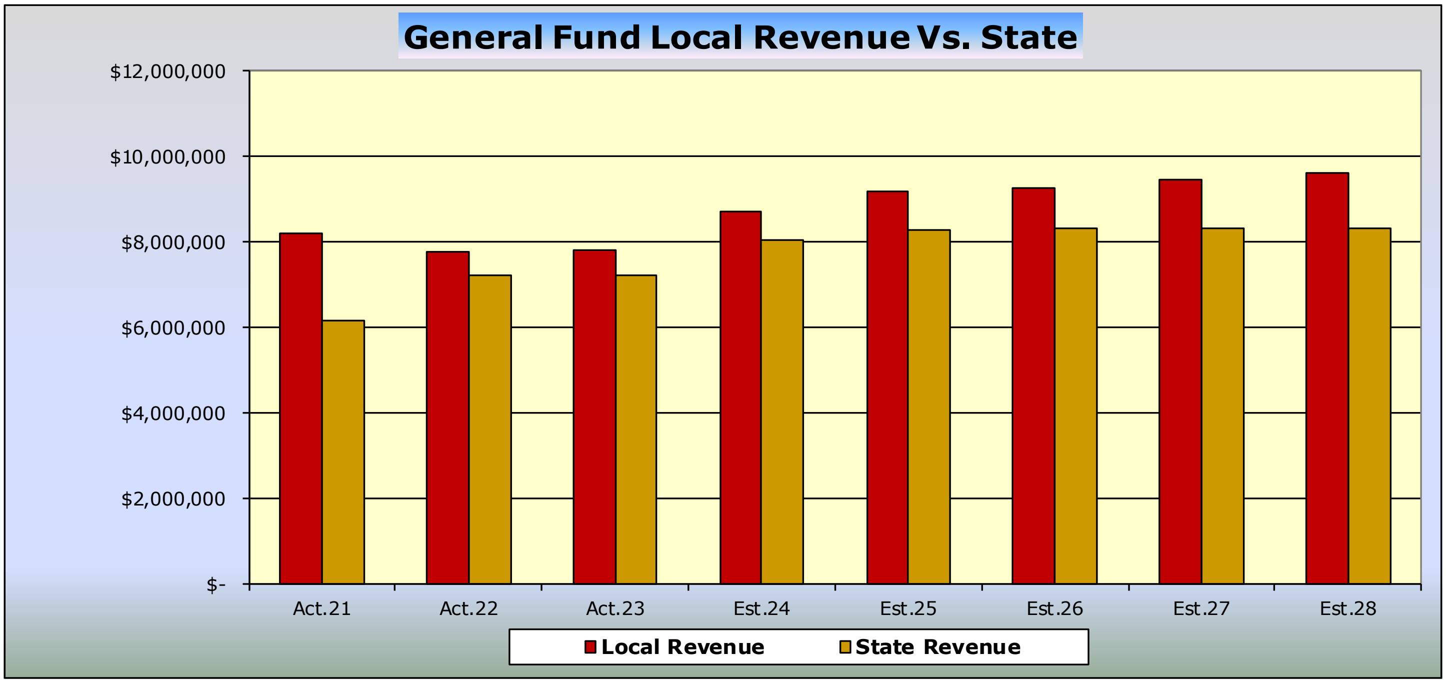
Estimated Public Utility Personal Tax – Line #1.020
The amounts below are public utility tangible personal property (PUPP) tax payments from public utilities. The values for PUPP are noted in the table above, which was $17.2 million in assessed values in 2022 and is collected at the district's gross voted millage rate. Collections are typically 52.97% in March and 47.03% in August, along with the real estate settlements from the county auditor. The values in 2022 rose by 3.8% or $631 thousand and are expected to grow by $400,000 each year of the forecast.

Category	FY24	FY25	FY26	FY27	FY28
Public Utility Personal Property Taxes (PUPP)	$459,190	$494,956	$506,056	$517,156	$528,256

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. The changes in tax amounts are leveling off from the pandemic. So far, in FY24, income tax collection statewide has risen by around 5.6%. The July 2023 payment included the April 15th tax returns, which included most of the tax decrease in collections. We will assume that income from withholdings will continue to increase in future collections. We will assume an annual growth rate of 4% for FY24, 3% in FY25 and 2% for FY26-FY28 as the concerns over inflation may slow growth in this area.

Category	FY24	FY25	FY26	FY27	FY28
SDIT Collection	$2,697,887	$2,711,223	$2,792,560	$2,848,411	$2,905,379
Adjustments	$13,336	$81,337	$55,851	$56,968	$58,108
Total Line #1.030	$2,711,223	$2,792,560	$2,848,411	$2,905,379	$2,963,487

Revenue Sources for the General Fund FY21 through Estimated FY28



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
HB33, the current state budget, continued the Fair School Funding Plan for FY24 and FY25. We have projected the funding in FY24 based on the October 2023 foundation settlement and funding factors for FY25 on the simulations provided by the Department of Education and Workforce.

Our District is currently a formula district in FY24 and is expected to continue on the formula in FY25-FY28 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. It was dropped in FY19 after six (6) years, followed by no foundation formula for two (2) years in FY20 and FY21, then HB110, as amended by HB583 for FY22 and FY23, with continuation of this formula in HB33 for FY24 and FY25. The current formula introduced 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 FY24 through FY28 compared to real data in FY21 through FY23 on Lines 1.035, 1.04, 1.06, and 3.03 of the forecasts.

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 current funding formula uses FY22 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. Newer, more up-to-date statewide average prices will not update for FY24 and FY25 and remain frozen at FY22 levels, while other factors impacting a district's local capacity will update for FY24. Base costs per pupil include 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)

State Share Percentage – Unrestricted Basic Aid Foundation Funding

Once the base cost is calculated, which is currently at a state-wide average of $8,242.19 per pupil in FY24, 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. HB33 increased the minimum state share from 5% in FY23 to 10% for FY24 and FY25. 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 that began 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 one mile of school. Provides supplemental transportation for low density districts. Increases state minimum share to 37.5% in FY24 and 41.67% in FY25.

Restricted Categorical State Aid

1. Disadvantaged 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 50% for FY24 and 66.67% in FY25.
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 by HB583 in June 2022 and has now extended the plan in HB33 for FY24 and FY25. The FSFP does not include caps on funding; instead, it will consist of a general phase-in percentage for most components of 50% in FY24 and 66.67% in FY25.

The funding formula 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 fewer funds in FY24 and FY25 than they received in FY21.

Future State Budgets Projections beyond FY25

Our funding status for FY26-28 will depend on unknown (2) new state budgets. There is no guarantee that the current Fair School Funding Plan in HB33 will be funded or continued beyond FY25; therefore, our State funding estimates are reasonable, and we will adjust the forecast when we have authoritative data to work with. For this reason, funding is held constant in the forecast for FY26 through FY28.

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.

The casino revenue has recovered from the pandemic from closing the casinos in 2020. Total funding in FY21 was $73.83 million or $42.18 per pupil. In FY22, the funding was increased to $109.39 million for schools or $62.86 per pupil, and in FY23, the funding totaled $113.1 million or $64.90 per pupil. We expect the Casino revenues to have resumed their historical growth rate and are assuming a 2% annual growth rate for the remainder of the forecast.

Category	Actual	FY25	FY26	FY27	FY28
Basic Aid-Unrestricted	$6,646,766	$6,832,883	$6,832,883	$6,832,883	$6,832,883
Additional Aid Items	$252,486	$268,100	$268,100	$268,100	$268,100
Basic Aid-Unrestricted Subtotal	$6,899,252	$7,100,983	$7,100,983	$7,100,983	$7,100,983
Career Tech Credentials/Other Unrestricted	$1,000	$1,000	$1,000	$1,000	$1,000
Ohio Casino Commission ODT	$92,540	$94,390	$96,278	$98,204	$100,168
Total Unrestricted State Aid Line #1.035	$6,992,792	$7,196,373	$7,198,261	$7,200,187	$7,202,151

B) Restricted State Revenues – Line #1.040

HB33 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. We have estimated revenues for these new restricted funding lines using current October funding factors and using the simulations from the Department of Education and Workforce for FY25. There is no new amount included in those estimates for the Student Wellness, so we are using the FY24 amount. The amount of DPIA is limited to a 50% phase in growth for FY24 and 66.67% in FY25. We have flat-lined funding at FY25 levels for FY26-FY28 due to uncertainty on continued funding of the current funding formula.

Category	FY24	FY25	FY26	FY27	FY28
Disadvantage Pupil Impact Aid-(DPIA)	$84,460	$47,324	$47,324	$47,324	$47,324
Career Technical	$31,154	$38,986	$38,986	$38,986	$38,986
Gifted	$65,662	$63,599	$63,599	$63,599	$63,599
English Learner	$708	$348	$348	$348	$348
Student Wellness and Success	$208,304	$208,304	$208,304	$208,304	$208,304
Total Restricted State Revenues Line #1.040	$390,288	$358,561	$358,561	$358,561	$358,561

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	FY24	FY25	FY26	FY27	FY28
a) Unrestricted Line #1.035	$6,992,792	$7,196,373	$7,198,261	$7,200,187	$7,202,151
b) Restricted Line #1.040	$390,288	$358,561	$358,561	$358,561	$358,561
c) Rest. Fed. Grants #1.045	$0	$0	$0	$0	$0
Total State Foundation Revenue	$7,383,080	$7,554,934	$7,556,822	$7,558,748	$7,560,712

State Share of Local Property Tax – 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 Share of Local Property Tax Reimbursement – Line #1.050

Category	FY24	FY25	FY26	FY27	FY28
Rollback and Homestead	$674,594	$752,675	$756,305	$769,795	$784,850
Total Tax Reimb./Prop. Tax Allocations #1.050	$674,594	$752,675	$756,305	$769,795	$784,850

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 previous state budget, stopped 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 FY24-FY28 Line 1.06 revenues and historical FY21 through FY23 revenues on the five-year forecast. Open enrolled students will be counted in the enrolled student base at the school district they are being educated at 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 income is based on the district cash balances and increased interest rates due to the Federal Reserve raising rates to curb inflation. Once the economy stabilizes, there will be pressure on the Federal Reserve to lower interest rates, which we believe will be sometime in 2024, decreasing the opportunity for more significant interest income for the district. We will continue to monitor the investments for the district.

Category	FY24	FY25	FY26	FY27	FY28
Open Enrollment Gross	$0	$0	$0	$0	$0
Interest	$250,000	$245,000	$240,100	$235,298	$230,592
Class/ Student/PTP Fees	$85,819	$85,819	$85,819	$85,819	$85,819
Tuition SF-14 & SF-14H/Preschool	$328,013	$328,013	$328,013	$328,013	$328,013
Other & Miscellaneous Local Revenue	$101,685	$102,702	$103,729	$104,766	$105,814
Total Line #1.060	$765,517	$761,534	$757,661	$753,896	$750,238

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 FY24 the district expects to have monthly grant balancing of $250,000 and $50,000 from the previous year to be returned to the forecast. The district expects that the advances will be $50,000 per year for the remainder of the forecast.

Category	FY24	FY25	FY26	FY27	FY28
Transfers In - Line #2.040	$0	$0	$0	$0	$0
Advance Returns - Line #2.050	$300,000	$50,000	$50,000	$50,000	$50,000
Total Transfer & Advances In	$300,000	$50,000	$50,000	$50,000	$50,000

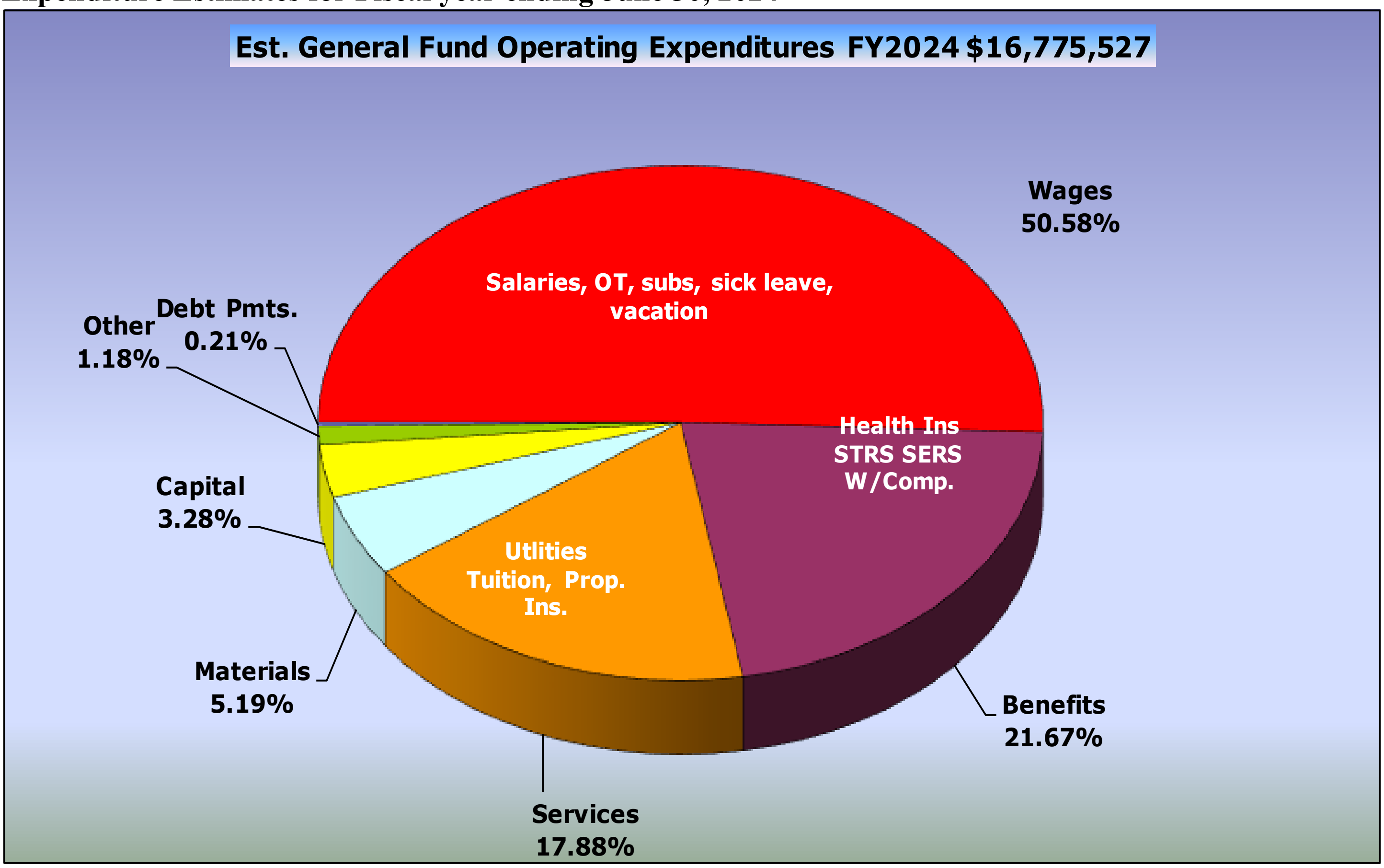
All Other Financial Sources – Line #2.060

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	FY24	FY25	FY26	FY27	FY28
Refund of prior years exp., sale of assets	$28,789	$28,789	$28,789	$28,789	$28,789

Expenditures Assumptions

Expenditure Estimates for Fiscal year ending June 30, 2024



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 3% increase in FY26 through FY28 for forecasting purposes only. An additional increase in FY24 and FY25 is included in base wages for the changes that were required to increase the salary schedule to the HB33, the new state budget, for the new state minimum salary schedule. 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 FY24 through FY28. The districts attendance bonus is expected to have no increase in the amount in FY24-FY28. 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 .5 intervention specialist. ESSER funds had been paying for summer school salaries the past few years, which will now be paid from the general fund for an increase of $38,000 in FY24.

Category	FY24	FY25	FY26	FY27	FY28
Base Wages	$7,408,390	$7,952,814	$8,292,126	$8,689,766	$9,104,373
Base increase	$177,801	$148,168	$238,584	$248,764	$260,693
Steps & Training	$374,616	$198,168	$159,056	$165,843	$173,795
Staff Increases	$244,367	$29,786	$0	$0	$0
Staff Decreases	($252,360)	($36,810)	$0	$0	$0
Supplemental Contracts	$246,478	$251,408	$256,436	$261,565	$266,796
Attendance Incent	$40,550	$40,550	$40,550	$40,550	$40,550
Subs/OT/Board	$230,572	$235,183	$239,887	$244,685	$249,579
Severance - Retire Incent	$15,000	$15,000	$15,000	$15,000	$15,000
Total Wages Line #3.010	$8,485,414	$8,834,267	$9,241,639	$9,666,173	$10,110,786

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 agreed to move to a High Deductible Plan and the district would contribute to a HSA for each employee. EPC the insurance consortium has advised the district that premiums will increase by 7.5% for FY24 and we are anticipating increases of 10% each year from FY25 through FY28. The district contributes each year for the employees to HSA accounts. No increase is expected 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	FY24	FY25	FY26	FY27	FY28
STRS/SERS	$1,336,045	$1,395,784	$1,459,672	$1,527,060	$1,597,597
Insurances	$2,127,631	$2,304,495	$2,525,114	$2,767,795	$3,034,744
Workers Comp/Unemployment	$36,139	$37,604	$39,315	$41,098	$42,965
Medicare	$123,039	$128,097	$134,004	$140,160	$146,606
Other/Tuition Reimb	$12,750	$12,750	$12,750	$12,750	$12,750
Total Line #3.020	$3,635,604	$3,878,730	$4,170,855	$4,488,863	$4,834,662

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 previous state budget, will impact Purchased Services beginning in FY22 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 to 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 offer these amounts below as zeros to help reflect the difference between projected FY24-FY28 Line 3.03 costs and historical FY21 through FY23 costs on the five-year forecast. College Credit Plus, excess fees, and other tuition costs will continue to draw funds away from the district, which will continue in this area and has been adjusted based on historical trends.

Business support is expected to increase by 2% annually in FY24 through FY28. 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 and services that had been paid through ESSER funds will be returned to the forecast in FY24 for $240,000.

Category	FY24	FY25	FY26	FY27	FY28
Instructional Services	$1,722,520	$1,739,745	$1,757,142	$1,774,713	$1,792,460
Open Enrollment Deduction	$0	$0	$0	$0	$0
Community School Deductions	$0	$0	$0	$0	$0
Business Support Services	$495,431	$505,340	$515,447	$525,756	$536,271
Utilities/Telephone/Internet	$345,882	$363,176	$381,335	$400,402	$420,422
Tuition and ESC Services	$435,791	$446,686	$457,853	$469,299	$481,031
Total Line #3.030	$2,999,624	$3,054,947	$3,111,777	$3,170,170	$3,230,184

Supplies and Materials – Line #3.040
Supplies are experiencing an overall inflation of 2% in FY24 – FY28. The district utilized the ESSER funds for purchases and are returning those funds in FY24 of $75,000, another $75,000 in FY25 and for multiple year software agreement that will be renewed in FY27 for $50,000.

Due to rising costs for maintenance supplies, bus fuel and supplies we are forecasting a 5% increase for these costs in FY24 through FY28.

Category	FY24	FY25	FY26	FY27	FY28
Supplies	$531,531	$617,162	$629,505	$692,095	$705,937
Maintenance/Transportation	$339,463	$356,436	$374,258	$392,971	$412,620
Total Line #3.040	$870,994	$973,598	$1,003,763	$1,085,066	$1,118,557

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	FY24	FY25	FY26	FY27	FY28
Bus /Van Purchases	$400,000	$0	$330,000	$0	$0
Other	$150,000	$150,000	$150,000	$150,000	$150,000
Total Line #3.050	$550,000	$150,000	$480,000	$150,000	$150,000

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	FY24	FY25	FY26	FY27	FY28
HB 264 Principal Line #4.050	$30,000	$30,000	$30,000	$30,000	$30,000
Interest on HB 264 Total Line #4.060	$5,760	$4,800	$3,840	$2,880	$1,920

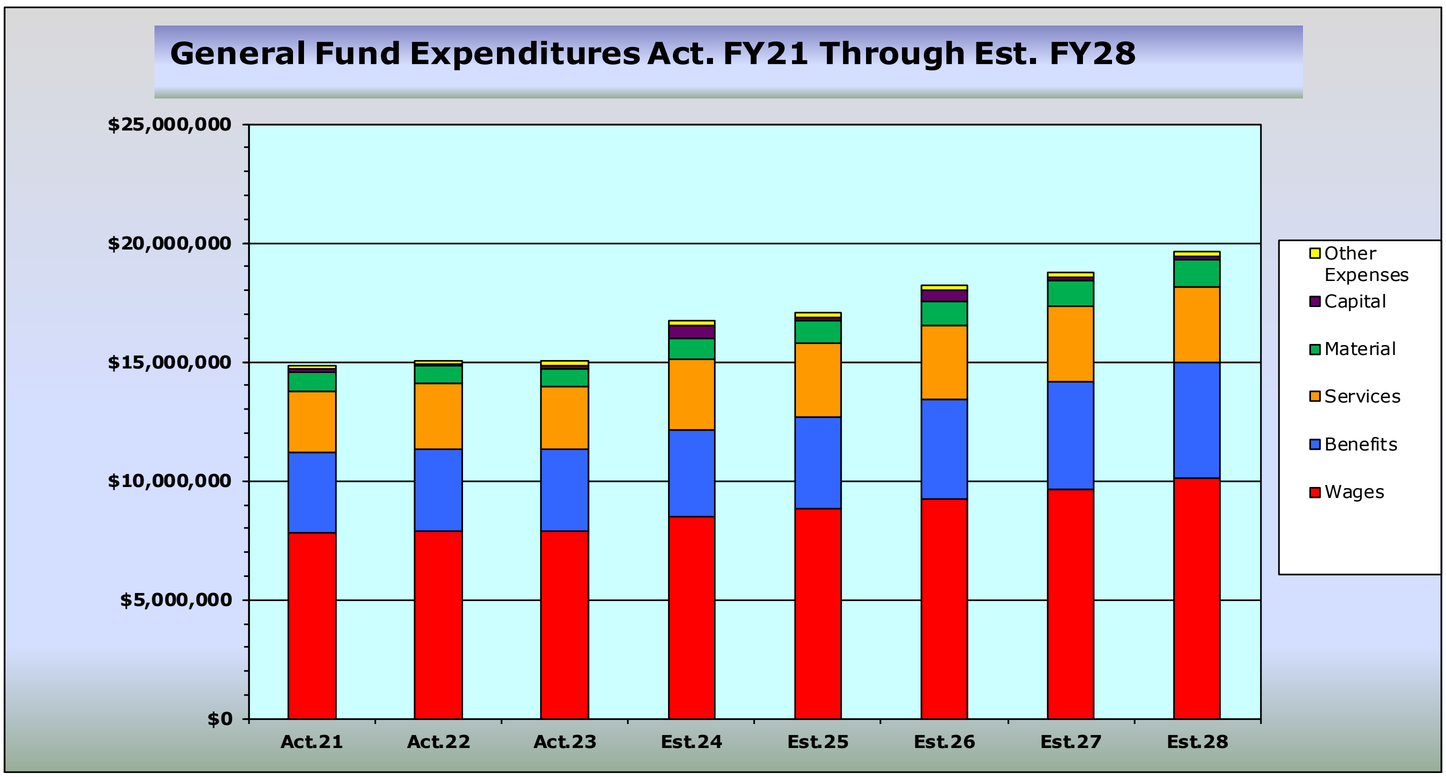
Other Expenses – Line #4.300

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.

Category	FY24	FY25	FY26	FY27	FY28
Co. Auditor & Treasurer /IT collection Fees	$85,167	$86,019	$86,879	$87,748	$88,625
County ESC	$15,077	$15,228	$15,380	$15,534	$15,689
Audit/bank fees	$23,960	$24,200	$24,442	$24,686	$24,933
Memberships, Liability Ins. & Other	$73,927	$74,666	$75,413	$76,167	$76,929
Total Line #4.300	$198,131	$200,113	$202,114	$204,135	$206,176

Operating Expenditures Actual FY21 through FY23 and Estimated FY24 through FY28

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



Total Other Financing Uses - #5.040

The district transfers each year $79,515 as required by the Ohio School Facilities Commission to the 034 Fund for OSFC project maintenance. 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 FY24 is from month end advances that have been done throughout the year but will not be completed in future years of the forecast.

Category	FY24	FY25	FY26	FY27	FY28
Operating Transfers Out Line #5.010	$79,515	$79,515	$79,515	$79,515	$79,515
Advances Out Line #5.020	$300,000	$50,000	$50,000	$50,000	$50,000
All Other Financing Uses - Line #5.030	$0	$0	$0	$0	$0
Total Line #5.040	$379,515	$129,515	$129,515	$129,515	$129,515

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	FY24	FY25	FY26	FY27	FY28
Estimated Encumbrances	$969,297	$969,297	$969,297	$969,297	$969,297

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	FY24	FY25	FY26	FY27	FY28
Budget Reserve - Line 9.030	$210,585	$210,585	$210,585	$210,585	$210,585
Total Reservations of Balance- Line #9.080	$210,585	$210,585	$210,585	$210,585	$210,585

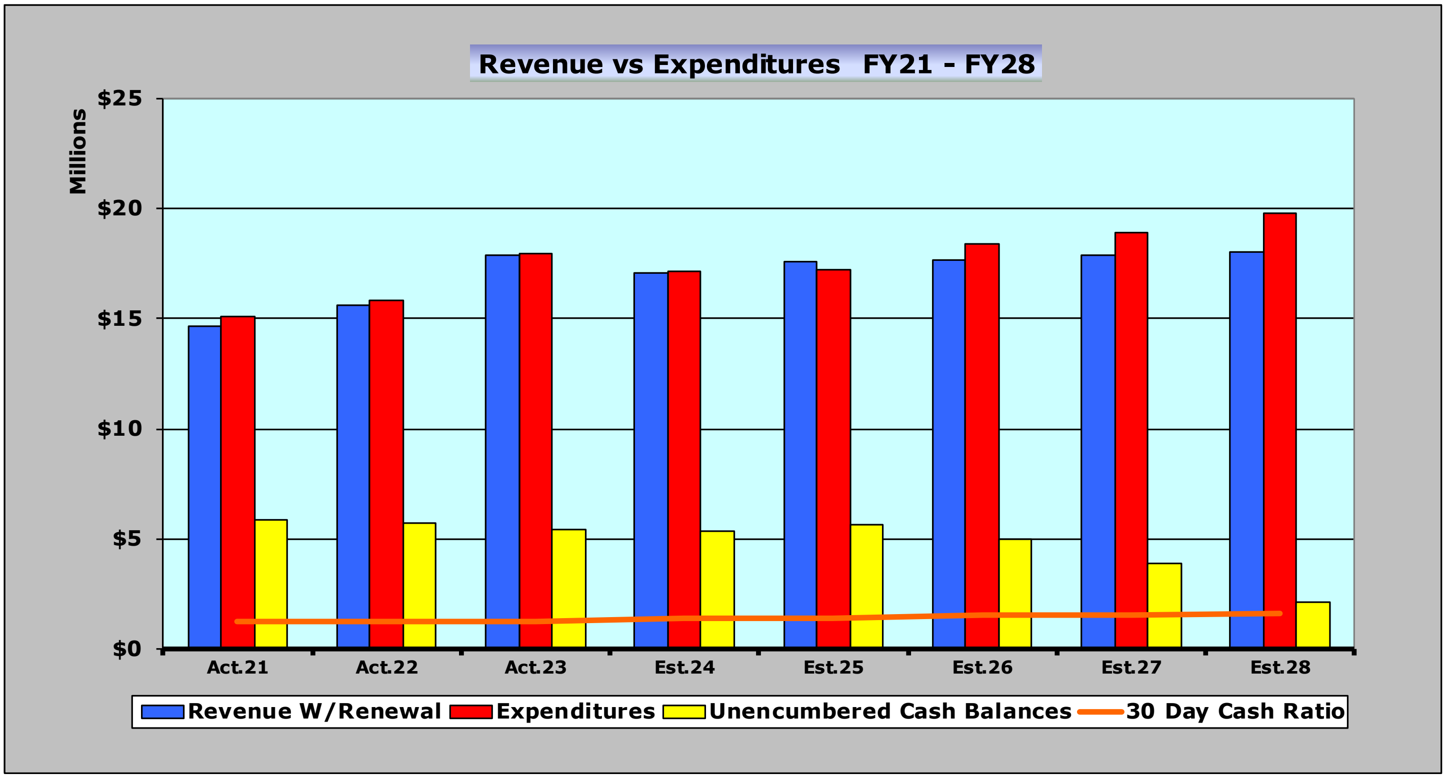
Ending Unreserved Cash Balance "The Bottom Line" – Line#15.010

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**.**

	FY24	FY25	FY26	FY27	FY28
Ending Unrserved Cash Balance- Line #15.010	$5,137,607	$5,467,232	$4,771,326	$3,704,487	$1,925,134

Revenues vs Expenditures with Deficit Spending

The chart below shows that the district is deficit spending beginning in FY26 for the remainder of the forecast.

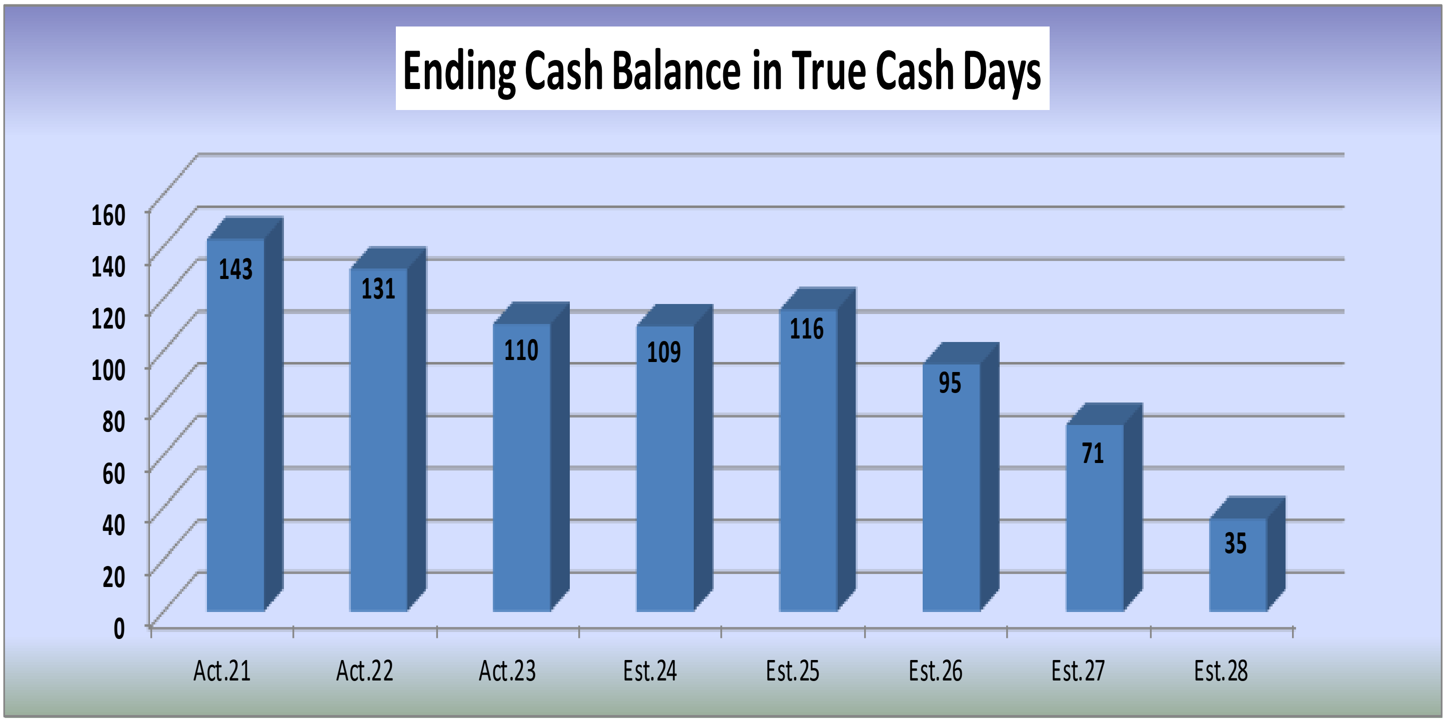


Deficit spending affects the amount of carryover that the district has to plan for the future. When reviewing the needs of the district we review the amount of spending and what would be needed to remove any deficit spending in order to have positive cash balances on the forecast. The chart below shows the amount of deficit spending that is included on Line 6.010 of the forecast and the millage for each year that would be needed in order to erase the deficit spending.

	FY24	FY25	FY26	FY27	FY28
Excess Revenues over/(under) of Expenditures	($67,896)	$329,625	($695,907)	($1,066,839)	($1,779,353)
Millage equivalent for deficit spending	0.29	0.00	2.86	3.46	5.72

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 35 days true cash at the end of FY28.



Conclusion

Greeneview Local School District receives 48.08% 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 HB33 as it has reduced the amount that was deducted for programs that were not within the district's control. However, 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-FY28.

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.