GREENEVIEW LOCAL SCHOOL DISTRICT-GREENE COUNTY

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS ENDED JUNE 30, 2019, 2020 and 2021 ACTUAL FORECASTED FISCAL YEARS ENDING JUNE 30, 2022 THROUGH JUNE 30, 2026

Forecast Provided By
Greeneview Local School District
Treasurer's Office
Inga Fisher, Treasurer
May 18, 2022

Greeneview Local School District – Greene County
Assumptions to the Five -Year Forecast
General Fund Only
May 18, 2022

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 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 (5) year financial forecast by November 30, 2021, and May 31, 2022 for fiscal year 2022 (July 1, 2021 to June 30, 2022). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Fiscal year 2022 (July 1, 2021-June 30, 2022) is the first year of the five-year forecast and is considered the baseline year. Our forecast is being updated to reflect the most current economic data available to us for the May 2022 filing.

Economic Outlook

This five-year forecast is being filed during the recovery from the COVID-19 Pandemic which began in early 2020. The effects of the pandemic continue to impact our state, country and our globalized economy. Inflation during April hit a 40 year high not seen since the early 1980's. While increased inflation impacting district costs are expected to continue in the short term, 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.

While all school districts are being aided by three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER) which began in fiscal year 2020, the most recent allocation of ESSER funds must be spent or encumbered by September 30, 2024.

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 2022 Updates

Revenues FY22:

The overview of revenues shows that the district is substantially on target with original estimates at this point in the year. Total General Fund revenues (line 1.07) are estimated to be $14,863,168 or 1.63% higher than the November forecasted amount of $14,863,168.

Line 1.01 and 1.02 - Property taxes represent 30.23% of our revenues and are estimated to be $4,493,487 which is $4,643 greater for FY22 than the original estimate of $4,488,844. Our estimates are 99.90% accurate for FY22 and should mean future projections are on target as well.

Line 1.03 - The district's collection of SDIT was originally projected to be lower than previous years due to the effects of the pandemic on our economy. The collections for FY22 were more than anticipated by 8.44% over our original estimate of $2,309,460. Overall, statewide collection for income taxes has been up around 11% for FY22, and we are also seeing an increase this year that is similar. We expect future years to return to more normal trends and not the increases we have seen due to the rapid recovery following the pandemic.

Line 1.035 and 1.04 - State Aid began the year with a completely new funding formula with only Legislative Service Commission (LSC) estimates to anticipate our funding for FY22 and FY23. The LSC estimated provided little to no detail on how the funding level was calculated. The November forecast used components of the LSC simulations of HB110 funding in order to project anticipated funding. In January of 2022 the first formula calculations were released in part by the Ohio Department of Education. While there are still details unpublished at this time, we can see that through early April, our state aid is estimated to be $6,636,403 which is $87,145 less than the original estimate for FY22. We are currently on the guarantee and are expected to remain on a guarantee for FY23 through FY26.

All other areas of revenue are tracking as anticipated for FY22.

Expenditures FY22:

Total General Fund expenditures (line 4.5) are estimated to be $15,366,156 for FY22 which have increased from the November forecast by $77,827. The district is expecting some increased expenses from tuition, ESC services and inflation costs for maintenance/transportation supplies.

***Unreserved Ending Cash Balance*:**

With both revenues increasing over estimates and expenditures increasing, the ending unreserved cash balance June 30, 2022 is anticipated to be $5.37 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to have a positive accumulative balance through 2025 if assumptions for state aid in future state budgets remain close to 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 $217,000 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 that will occur in tax year 2023 for collection in 2024. We anticipate value increases for Class I and II property by $6.8 million for an overall increase of 3.03%. 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. The state budget represented 48.66% 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 FY26. We have projected our state funding to be in line with the FY23 funding levels through FY26 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.

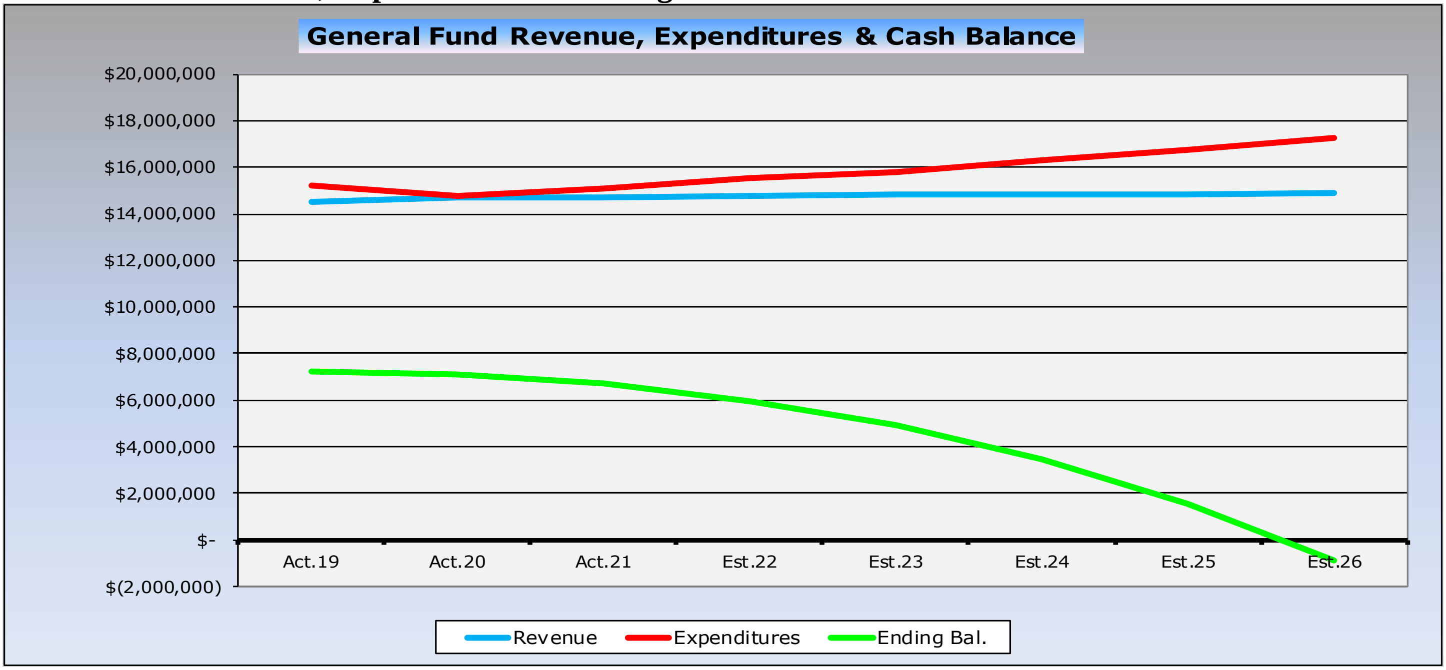
III. HB110, the current state budget implemented what has been referred to as the Fair School Funding Plan (FSFP) for FY22 and FY23. The actual release of the new Fair School Funding Plan formula calculations was delayed until January, 2022. The FSFP has many significant changes to the way foundation 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. There will be no separate open enrollment revenue payments to school districts beginning in FY22. There will also be direct funding to the district where students are educated for expenses previously deducted from districts state foundation funding for open enrollment, community schools, STEM schools and scholarship recipients. The initial impact on the forecast will be noticed that the historic actual costs for FY19 through FY21 on the forecast will potentially reflect different trends on Lines 1.035, 1.04, 1.06 and 3.03 beginning in FY22. Longer term there may be adjustments to state aid for FY23 as the Ohio Department of Education resolves issues and possible unintended consequences as they create and implement the numerous changes to the complicated new formula. Our state aid projections have been based on the best information on the new HB110 formula available as of this forecast.

IV. 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.

V. 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.

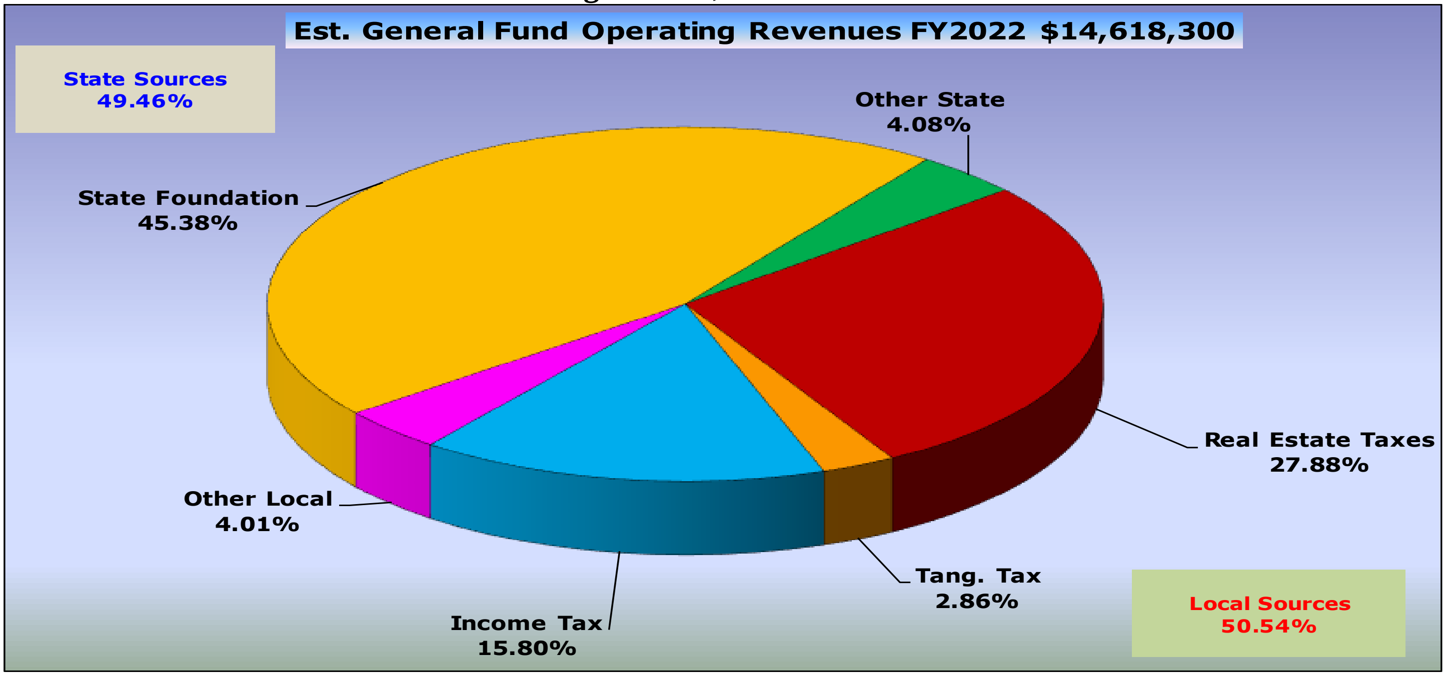
General Fund Revenue, Expenditure and Ending Cash Balance Actual FY19-21 and Estimated FY22-26



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

Revenue Assumptions

Estimated Revenues for Fiscal Year Ending June 30, 2022



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 will have gone through the triennial update in 2021 for collection in 2022.

HB49 authorized a reduction in CAUV computations that will result in these 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 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. We are anticipating a 3% increase or $6.4 million in the Class I reappraisals and an increase in Class II of 0.5% or $58,179. With the loss of values from CAUV, the district is no longer on the 20 mill floor for Class I.

Public Utility Personal Property (PUPP) values increased by $558,390 in Tax Year 2021. We expect our values to continue to grow by $200,000 each year of the forecast.

Estimated Assessed Property Valuations by Collection Year

	Actual	Estimated	Estimated	Estimated	Estimated
	TAX YEAR2021	TAX YEAR2022	TAX YEAR2023	TAX YEAR2024	TAX YEAR 2025
Classification	COLLECT 2022	COLLECT 2023	COLLECT 2024	COLLECT 2025	COLLECT 2026
Res./Ag.	$211,863,770	$212,153,770	$218,808,383	$219,098,383	$219,388,383
Comm./Ind.	$11,565,840	$11,635,840	$11,764,019	$11,834,019	$11,904,019
Public Utility (PUPP)	$16,593,170	$16,793,170	$16,993,170	$17,193,170	$17,393,170
Total	$240,022,780	$240,582,780	$247,565,572	$248,125,572	$248,685,572

Estimated Real Estate Tax Collections

Property tax levies are estimated to be collected at 97% of the annual amount. Technically, 100% of taxes will be settled on property due to Ohio's property tax laws. The timing of the tax payments is always in flux, but they appear to have normalized. The district receives tax payments for delinquent taxes at the rate of 1.1% in August and 2.5% in February collections. Property taxes are estimated to be collected at 57.70% of the Res/Ag and Comm/Ind in the February tax settlements and 42.30% collected in the August tax settlements.

Estimated Real Estate Tax Collections - Line #1.010

Category	FY22	FY23	FY24	FY25	FY26
Real Estate Tax Line #1.010	$4,074,880	$4,062,665	$4,078,268	$4,092,224	$4,102,420

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 50% in March and 50% in August settlement from the County Auditor.

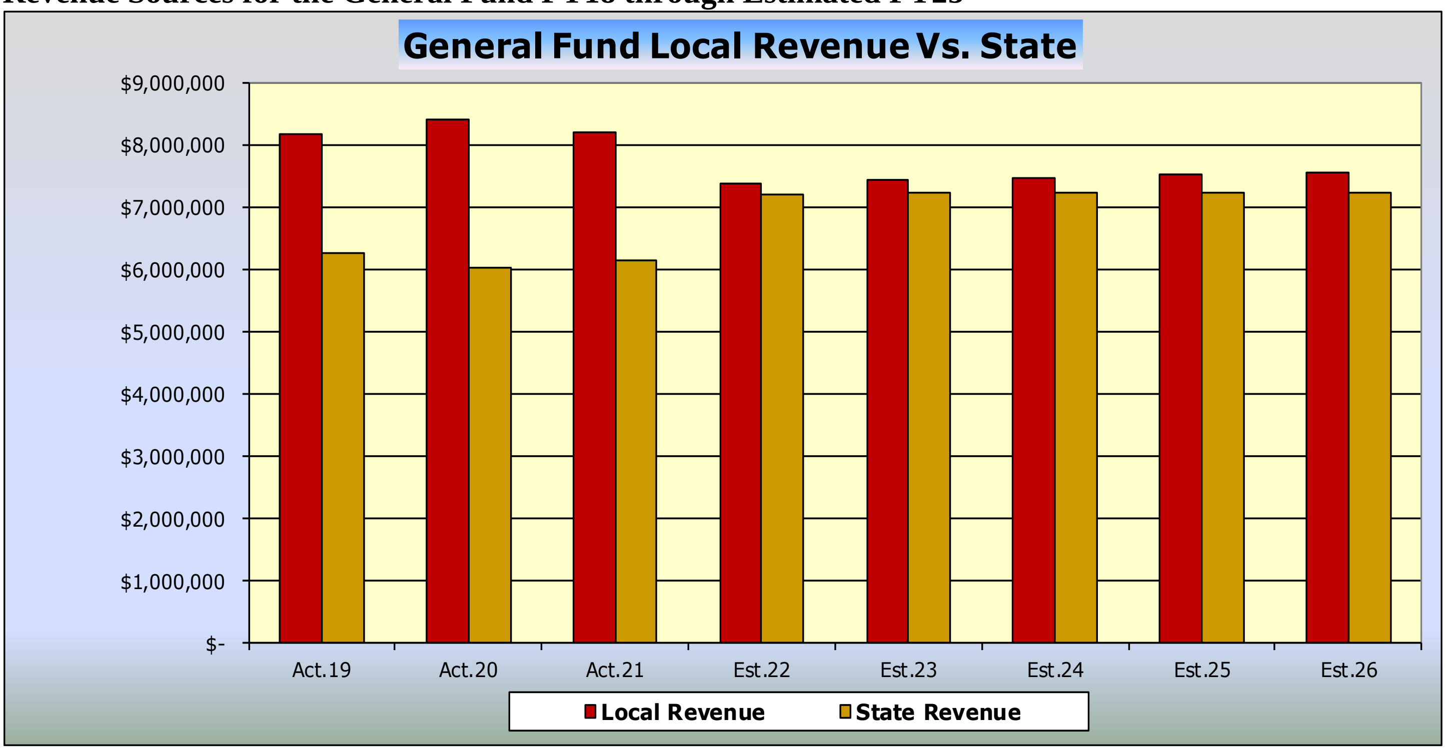
Category	FY22	FY23	FY24	FY25	FY26
Public Utility Personal Property Taxes (PUPP)	$417,780	$463,235	$468,785	$474,335	$479,885

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. School District Income tax was impacted by the pandemic recession due to record levels of high unemployment. The district did experience a 2.71% decrease in FY21 which is much less than what had been received in the past few years. As we move into post-pandemic economic times, we are seeing that income tax collections are beginning to increase with the economic recovery. The collections in FY22 income tax statewide have increased on average 11%. Our income tax collection in FY22 is up by 13.21% over FY21. For future years we are anticipating a 1% increase for FY23 through FY26. We will continue to monitor and adjust the amounts as more information is known to the district.

Category	FY22	FY23	FY24	FY25	FY26
SDIT Collection	$2,173,541	$2,309,460	$2,332,555	$2,355,881	$2,379,440
Adjustments	$135,919	$23,095	$23,326	$23,559	$23,794
Total Line #1.030	$2,309,460	$2,332,555	$2,355,881	$2,379,440	$2,403,234

Revenue Sources for the General Fund FY18 through Estimated FY25



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 partial release of the new Fair School Funding Plan formula occurred in January 2022 half way through FY22, and as of the date of this forecast there are still some detailed calculations not released. We have projected FY22 and FY23 funding based on the April 2022 foundation settlement and funding factors.

Our district is currently a formula district in FY22 and is expected to continue as a formula district in FY23-FY26 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 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 FY22 through FY26 compared to actual data FY19 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 14% 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

HB110 provides funding for FY22 and FY23. While the FSFP was presented as a six (6) year phase-in plan, the state legislature only approved the first two (2) years of the funding plan. The FSFP does not include caps on funding, rather it will include a general phase-in percentage for most components in the amount of 16.67% in FY22 and 33.33% in FY23. DPIA funding will be phased in 0% in FY22 and 14% in FY23. Transportation categorical funds will not be subject to a phase in.

HB110 includes "formula transition aid" which is a guarantee. There are actually three (3) guarantees in both temporary and permanent law to ensure that no district will get less funds in FY22 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.

State Funding changes for May Forecast

Fiscal Year 22 revenue has been updated based on the April #1 settlement report payment and includes the updated calculations for FY23 with new valuations and enrollment from the April #1 report instead of the simulations that were used in November. As a result, FY22 experienced a decrease from the simulations due to the changes in the funding formula and the actual data being used in the state foundation payments. FY23 revenue amounts will see changes from the simulations due to the Local Capacity that is calculated on a three-year average of valuations and federal adjusted gross income since the simulations did not include any change in this calculation from year one to year two of the simulations.

Future State Budgets Projections beyond FY23

Our funding status for the FY24-26 will depend on two (2) new state budgets which are unknown. There is no guarantee that the current Fair School Funding Plan in HB110 will be funded or continued beyond FY23. For this reason, funding is held constant FY23 through FY26.

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 FY22-26 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 $62.82 per pupil. FY22 Casino revenues have resumed their historical growth rate, and we assume a 2% annual growth rate for the forecast period.

Category	FY22	FY23	FY24	FY25	FY26
Basic Aid-Unrestricted	$5,993,122	$5,985,219	$5,985,219	$5,985,219	$5,985,219
Additional Aid Items	$251,667	$251,667	$251,667	$251,667	$251,667
Basic Aid-Unrestricted Subtotal	$6,244,790	$6,236,886	$6,236,886	$6,236,886	$6,236,886
Career Tech Credentials/Other Unrestricted	$1,000	$1,000	$1,000	$1,000	$1,000
Ohio Casino Commission ODT	$87,819	$89,579	$91,370	$93,198	$95,062
Total Unrestricted State Aid Line #1.035	$6,333,609	$6,327,465	$6,329,256	$6,331,084	$6,332,948

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 14% in FY23. We have flat lined funding at FY23 levels for FY24-FY26 due to uncertainty on continued funding of the current funding formula.

Category	FY22	FY23	FY24	FY25	FY26
Disadvantage Pupil Impact Aid-(DPIA)	$48,149	$45,545	$45,545	$45,545	$45,545
Career Technical	$7,634	$15,206	$15,206	$15,206	$15,206
Gifted	$63,219	$61,259	$61,259	$61,259	$61,259
English Learner	$526	$491	$491	$491	$491
Student Wellness and Success	$181,139	$181,139	$181,139	$181,139	$181,139
Total Restricted State Revenues Line #1.040	$300,667	$303,640	$303,640	$303,640	$303,640

C) Restricted Federal Grants in Aid – Line #1.045

There are no restricted federal funds projected in this forecast for FY22-26.

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

Category	FY22	FY23	FY24	FY25	FY26
a) Unrestricted Line #1.035	$6,333,609	$6,327,465	$6,329,256	$6,331,084	$6,332,948
b) Restricted Line #1.040	$300,667	$303,640	$303,640	$303,640	$303,640
c) Rest. Fed. Grants #1.045	$0	$0	$0	$0	$0
Total State Foundation Revenue	$6,634,276	$6,631,105	$6,632,896	$6,634,724	$6,636,588

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	FY22	FY23	FY24	FY25	FY26
Rollback and Homestead	$595,951	$602,467	$604,496	$606,505	$607,889
TPP Reimbursement - Fixed Rate	$0	$0	$0	$0	$0
TPP Reimbursement - Fixed Sum	$0	$0	$0	$0	$0
Total Tax Reimb./Prop. Tax Allocations #1.050	$595,951	$602,467	$604,496	$606,505	$607,889

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 open enrollment, 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 FY22-FY26 Line 1.06 revenues and historical FY19 through FY21 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.

In FY21 interest income fell sharply due to fed rate reductions due to the pandemic which will impact our earning capability in this area until rates begin to increase. We are expecting a 25% decrease in FY22 with 2% decrease in FY23-FY26. 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.

The district has seen a growth in tuition payments for court placements to other districts and preschool students, therefore we are increasing FY22 by $127,396 with no further increases for the remainder of the forecast.

Category	FY22	FY23	FY24	FY25	FY26
Open Enrollment Gross	$0	$0	$0	$0	$0
Interest	$53,747	$52,672	$51,618	$50,586	$49,574
Class/ Student/PTP Fees	$68,008	$68,008	$68,008	$68,008	$68,008
Tuition SF-14 & SF-14H/Preschool	$254,909	$254,909	$254,909	$254,909	$254,909
Other & Miscellaneous Local Revenue	$209,289	$211,382	$213,496	$215,631	$217,787
Total Line #1.060	$585,952	$586,970	$588,031	$589,133	$590,278

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 FY21 the advanced amount was $115,309. The district expects that the advances will be $100,000 in FY22 and $50,000 per year for the remainder of the forecast.

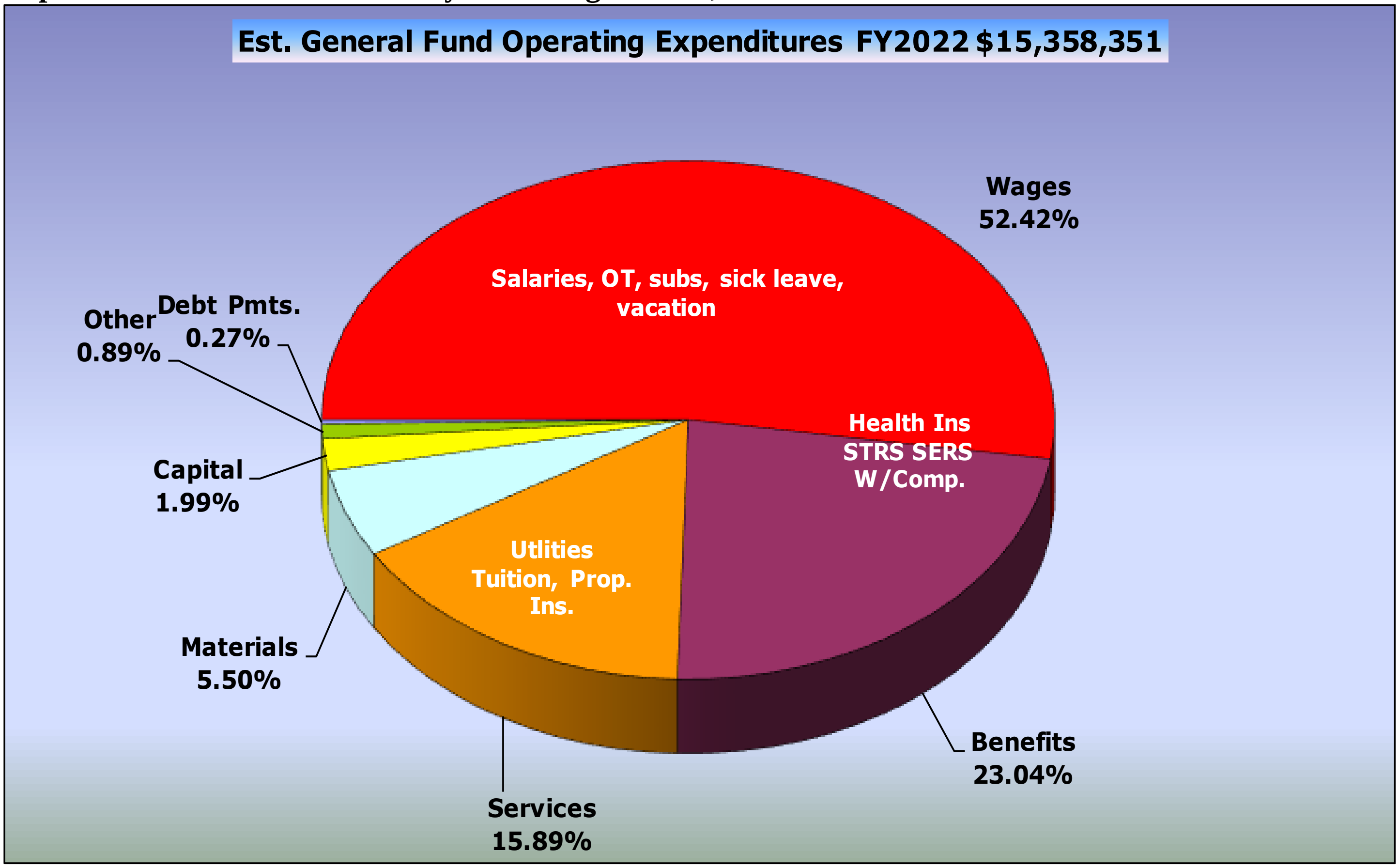
Category	FY22	FY23	FY24	FY25	FY26
Transfers In - Line #2.040	$0	$0	$0	$0	$0
Advance Returns - Line #2.050	$115,309	$100,000	$50,000	$50,000	$50,000
Total Transfer & Advances In	$115,309	$100,000	$50,000	$50,000	$50,000

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 FY22-FY26.

Category	FY22	FY23	FY24	FY25	FY26
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, 2022



Wages – Line #3.010

The district has step increases of 2% each year. There is not any base increase for certified or classified staff in FY21. The classified staff have negotiated for a base increase of 2% in FY22. Therefore, the district is including a 1% increase overall to base salaries in FY22. The district has completed certified negotiations that include base wage increases of 2.25% in FY23 and FY24 and 2% in FY25 with no increase in FY26. There is a 2% increase for Substitutes and Supplemental contracts in each year of the forecast. The district is forecasting severance costs to be $30,000 in FY22 through FY26. The district's attendance bonus is expected to have a 2% increase in FY22 with no increase in the amount in FY23-FY26.

Category	FY22	FY23	FY24	FY25	FY26
Base Wages	$7,379,193	$7,600,569	$7,748,153	$7,900,164	$8,055,127
Base increase	$73,792	$0	$0	$0	$0
Steps & Training	$147,584	$147,584	$152,011	$154,963	$158,003
Staff Increases	$0	$0	$0	$0	$0
Staff Decreases	$0	$0	$0	$0	$0
Supplemental Contracts	$210,779	$214,995	$219,295	$223,681	$228,155
Attendance Incent	$40,550	$40,550	$40,550	$40,550	$40,550
Subs/OT/Board	$168,762	$172,137	$175,580	$179,092	$182,674
Severance - Retire Incent	$30,000	$30,000	$30,000	$30,000	$30,000
Total Wages Line #3.010	$8,050,660	$8,205,835	$8,365,589	$8,528,450	$8,694,509

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. The district received a 5.5% increase for FY22. EPC, the insurance consortium, has advised the district that premiums will probably increase by 10% for FY23 through FY26. The district will contribute $100,000 in FY22 for the employees' HSA accounts.

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 FY22-FY26. 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.

Summary of Fringe Benefits – Line #3.020

Category	FY22	FY23	FY24	FY25	FY26
STRS/SERS	$1,274,677	$1,300,828	$1,326,145	$1,351,986	$1,378,333
Insurances	$2,076,295	$2,173,925	$2,391,318	$2,630,450	$2,893,495
Workers Comp/Unemployment	$34,313	$34,965	$35,635	$36,319	$37,017
Medicare	$116,734	$118,984	$121,301	$123,662	$126,070
Other/Tuition Reimb	$36,733	$36,733	$36,733	$36,733	$36,733
Total Line #3.020	$3,538,752	$3,665,435	$3,911,132	$4,179,150	$4,471,648

Purchased Services – Line #3.030
Expenditures in this line include services received from the ESC, utilities, repairs and maintenance and tuition to other districts. We are using an inflation rate between 1% and 4% for the costs within this area for FY22-FY26.

HB110, the new state budget, will impact Purchased Services beginning in FY22 as the Ohio Department of Education will begin to direct 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 FY22-FY26 Line 3.03 costs and historical FY19 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.

Tuition, ESC expenses and CTE services have increased by more than originally anticipated in November.

We have returned $261,058 back to the General Fund in FY22 for SWSF expenditures since that funding is now included in the state aid.

Category	FY22	FY23	FY24	FY25	FY26
Instructional Services	$419,160	$423,352	$427,586	$431,862	$436,181
Open Enrollment Deduction	$0	$0	$0	$0	$0
Community School Deductions	$0	$0	$0	$0	$0
Business Support Services	$514,526	$524,817	$535,313	$546,019	$556,939
Utilities/Telephone/Internet	$269,827	$280,620	$291,845	$303,519	$315,660
Tuition and ESC Services	$1,237,242	$1,249,615	$1,262,111	$1,274,732	$1,287,479
Total Line #3.030	$2,440,755	$2,478,404	$2,516,855	$2,556,132	$2,596,259

Supplies and Materials – Line #3.040
An overall inflation of 5% is being used for FY22 – FY26.

Category	FY22	FY23	FY24	FY25	FY26
Supplies	$579,135	$590,718	$602,532	$614,583	$626,875
Maintenance/Transportation	$265,368	$270,675	$276,089	$281,611	$287,243
Total Line #3.040	$844,503	$861,393	$878,621	$896,194	$914,118

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 each year for FY22 through FY26. Other equipment is for technology equipment or other expenditures that are needed during the year.

Category	FY22	FY23	FY24	FY25	FY26
Bus /Van Purchases	$186,000	$190,000	$194,000	$194,000	$194,000
Other	$119,493	$119,493	$119,493	$119,493	$119,493
Total Line #3.050	$305,493	$309,493	$313,493	$313,493	$313,493

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	FY22	FY23	FY24	FY25	FY26
HB 264 Principal Line #4.050	$34,000	$30,000	$30,000	$30,000	$30,000
Interest on HB 264 Total Line #4.060	$7,808	$6,720	$5,760	$4,800	$3,840

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	FY22	FY23	FY24	FY25	FY26
Co. Auditor & Treasurer /IT collection Fees	$88,113	$88,994	$89,884	$90,783	$91,691
County BOE	$16,168	$16,330	$16,493	$16,658	$16,825
Audit/bank fees	$24,702	$24,949	$25,198	$25,450	$25,705
Memberships, Liability Ins. & Other	$7,396	$7,470	$7,545	$7,620	$7,697
Total Line #4.300	$136,379	$137,743	$139,120	$140,511	$141,918

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.

Category	FY22	FY23	FY24	FY25	FY26
Operating Transfers Out Line #5.010	$79,515	$79,515	$79,515	$79,515	$79,515
Advances Out Line #5.020	$100,000	$50,000	$50,000	$50,000	$50,000
All Other Financing Uses - Line #5.030	$0	$0	$0	$0	$0
Total Line #5.040	$179,515	$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	FY22	FY23	FY24	FY25	FY26
Estimated Encumbrances	$815,974	$815,974	$815,974	$815,974	$815,974

Reservations of Fund Balance – Line #9.010 to **#9.080**

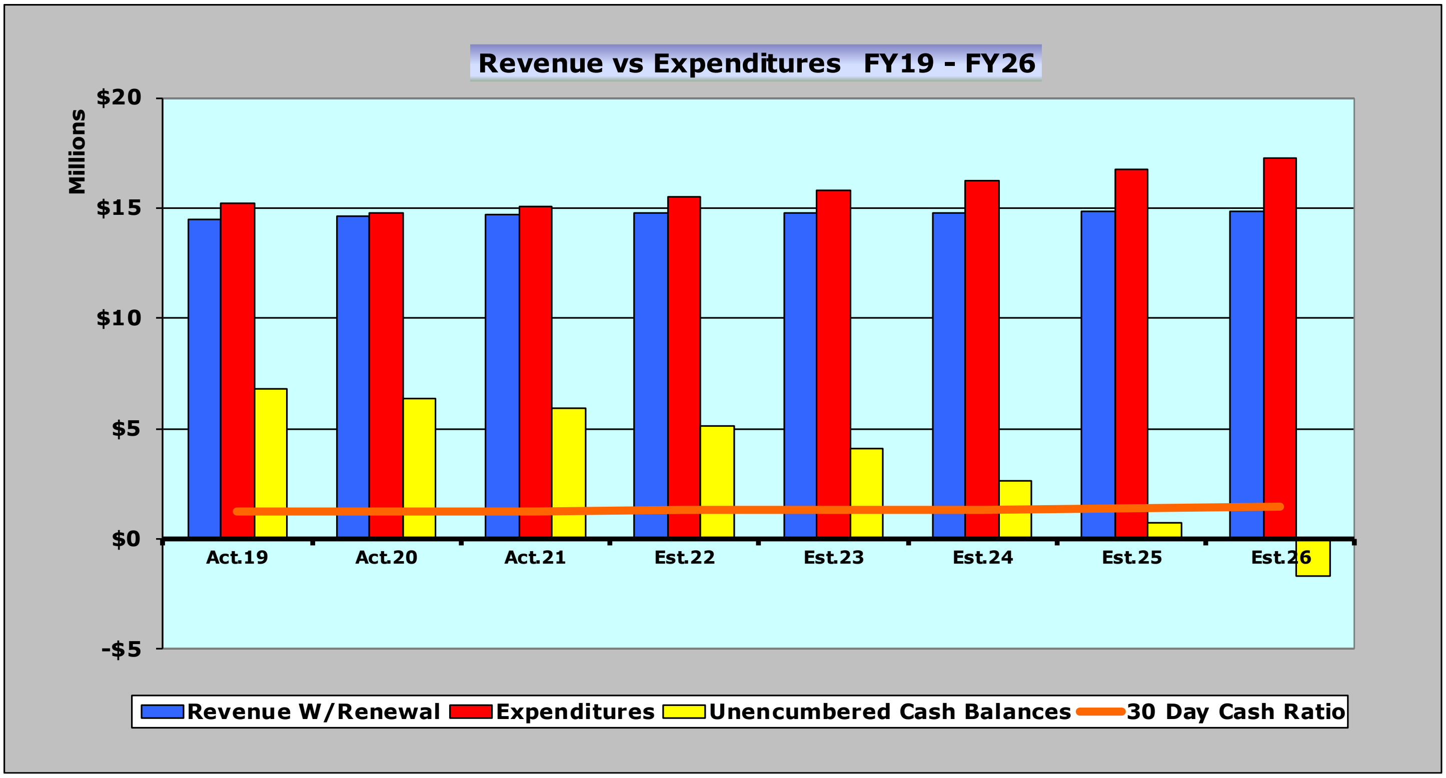
The board has established a Budget Reserve of $210,585; this amount may be released for operational expenditures with board action only.

Category	FY22	FY23	FY24	FY25	FY26
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 Unencumbered Cash Balance "The Bottom Line" – Line#15.010

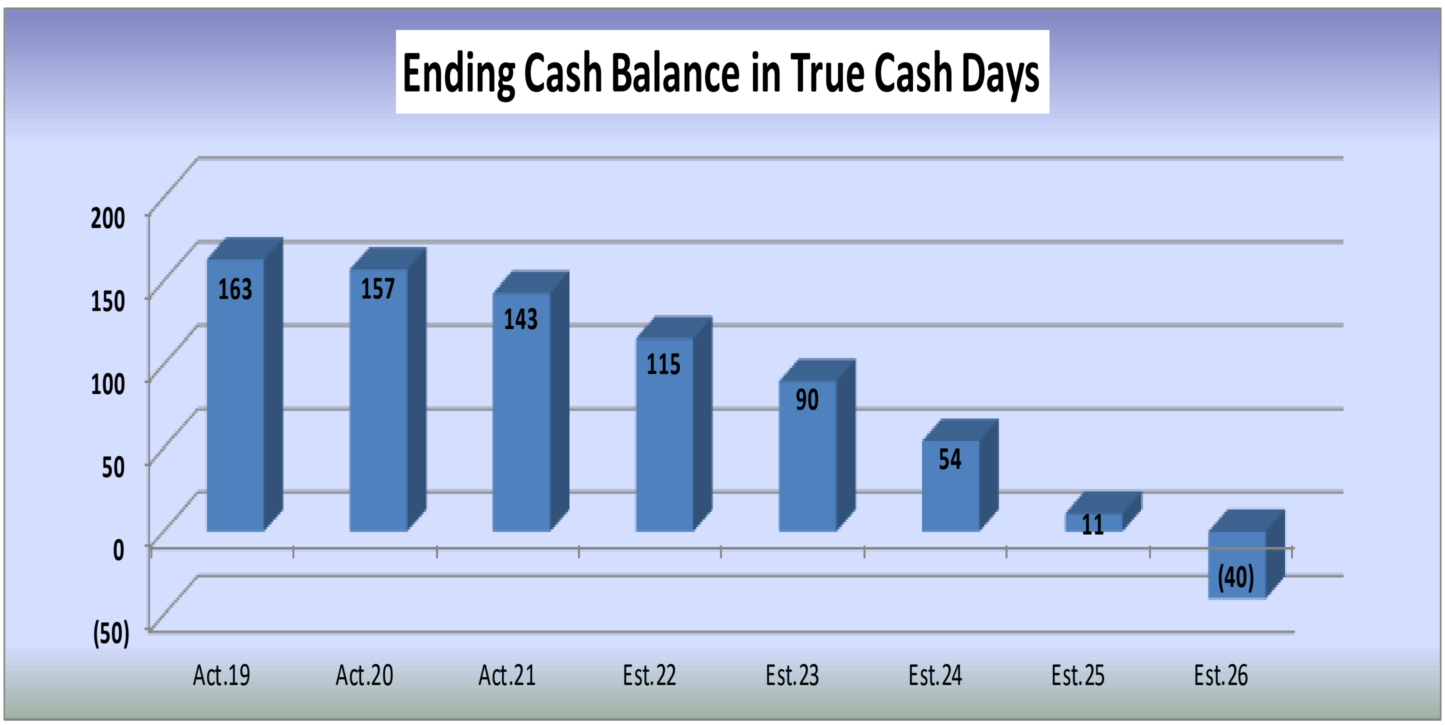
This amount must not go below $-0- or the district general fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of $10,000; unless an alternative 412 certificate, as permitted by HB153 effective September 30, 2011, could be issued**.**

	FY22	FY23	FY24	FY25	FY26
Ending Unencumbered Cash Balance - Line #15.010	$4,913,961	$3,897,209	$2,414,269	$491,174	($1,905,042)



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 district projects to not have approximately 60 days true cash at the end of FY25.



Conclusion

Greeneview Local School District receives 48.66% 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 current state budget, HB110, has now been updated for the May forecast using the Fair School Funding Plan. Simulations used for the November forecast projected more state aid than what was actually received due to changes in actual data for enrollment, property tax valuations and income factors. 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 FY24-FY26.

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.