

GREENEVUE LOCAL SCHOOL DISTRICT - GREENE COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2022, 2023, and 2024 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2025, THROUGH JUNE 30, 2029



Forecast Provided By
Greeneview Local School District
Treasurer's Office
Inga Fisher, Treasurer
November 21, 2024

Greeneview Local School District – Greene County
Assumptions to the Five-Year Forecast
General Fund Only
November 21, 2024

Introduction to the Five-Year Forecast

A forecast is a snapshot of today. Based on historical trends, what we know and future assumptions. That snapshot, however, will be adjusted because the further into the future the forecast extends, the more likely it is that the projections will deviate from experience. Various events will ultimately impact the latter years of the forecast, such as state budgets (adopted every two years), tax levies (new/renewal/replacement), salary increases, enrollment variances, or businesses moving in or out of the district. The five-year forecast is a crucial management tool and must be updated periodically. The five-year forecast enables district management teams to examine future years' projections and identify when challenges will arise. This helps district management to be proactive in meeting those challenges. School districts are encouraged to update their forecasts with the Ohio Department of Education and Workforce (ODEW) when events materially change their forecast or, at a minimum, when required under the 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 of the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are fundamental to understanding the rationale of the numbers, particularly when a significant increase or decrease is reflected.

Since the preparation of a meaningful five-year forecast is as much an art as it is a science and entails many intricacies, it is recommended that you contact the Treasurer of the school district with any questions you may have. The Treasurer submits the forecast, but the Board of Education is recognized as the official owner of the forecast.

Here are three essential 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 Ohio Department of Education and Workforce and the 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, and May 31, each fiscal year (July 1 to June 30). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The first year of the fiscal forecast is considered the baseline year. Our forecast is updated to reflect the most current economic data available for the November, 2024 filing.

Economic Outlook

The current economic recovery began in the fall of 2020 and remains robust through this forecast date. However, recent Federal Reserve Bank interest rate cuts foretell of a possible recession in the next six to twelve months from this forecast. The persistently high inflation that has impacted our state, country, and broader globalized economy has slowed to an annualized rate of 2.53% in August, 2024 that is down from the 40 year high of 9.1% annualized rate posted in June, 2022. Costs for goods and services in FY23 and FY24 were notably impacted in areas such as capital and durable goods, diesel fuel for buses, electric, natural gas, and building materials for facility maintenance and repair. Inflation affecting district costs is expected to continue in FY25. There is some good news though; the Federal Reserve is projecting inflation to be closer to their target rate of 2% by calendar

year-end 2024 or early in 2025. It remains to be seen if the cumulative cost increases over the past two years are transitory in goods and services or will last over the forecast period.

The Federal Reserve Bank cut Federal Fund rates in September, 2024 by 50 basis points (.5%) which indicates slowing inflation and a slowing economy. Employment levels have begun to fall. The unemployment rate was 3.8% in September, 2023 and rose to 4.2% in September, 2024. A survey of prominent leading economists predicts there is roughly a 50% chance of a mild recession in calendar year 2025. How this news impacts the state of Ohio's FY26 and FY27 biennium budget deliberations and actions in late spring 2025 is unknown as this forecast is filed.

The State of Ohio has enjoyed economic growth over the past three years, and the state's Rainy Day Fund balance is at \$3.7 billion. The new state funding formula is in the fourth year of a projected six-year phase-in. While increased inflation has impacted costs across Ohio, 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 finalize the last two years of the phase-in of the new funding formula in FY26 and FY27 even if a cyclical recession occurs. Regardless of a recession, the state is well-positioned to continue state aid payments to Ohio's school districts.

Since 2020, all school districts were being aided in varying degrees by three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER). The most recent allocation of ESSER funds must be encumbered by September 30, 2024. The loss of these funds in FY25 and future years may create a "fiscal cliff" as any ongoing costs will likely be absorbed back into the district's General Fund.

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 how they may affect our forecast in the long term:

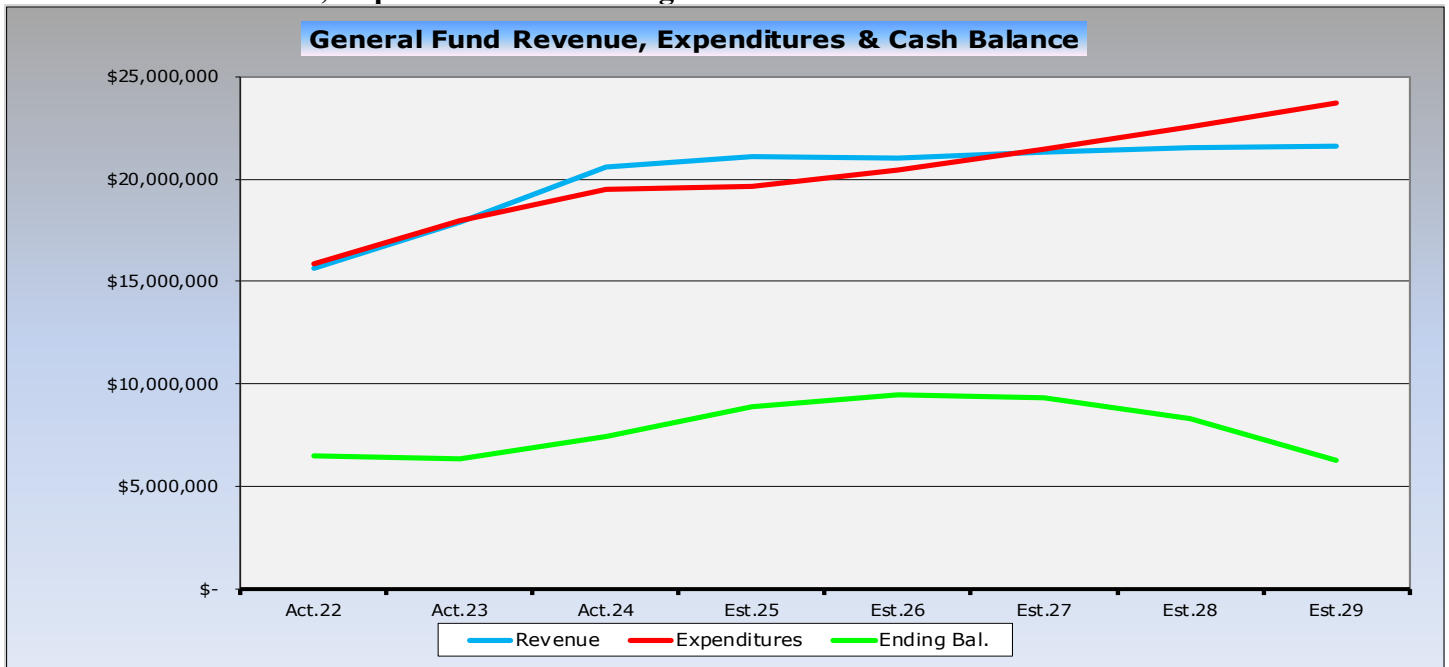
- I. Fayette County experienced a reappraisal update in 2021 for collection in 2022 for an increase in residential/agriculture values of 0.42% with no increase in commercial/industrial values. Greene County experienced a triennial update and Clinton County experienced sexennial reappraisal in 2023 for collection in 2024. Together the reappraisal cycle increased the residential/agriculture values by 41.44% and the commercial/industrial values by 10.11%. 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. Due to historic property value increases in reappraisal and update years, the Ohio Legislature has considered various proposals since 2023 to help reduce non-voted tax increases on taxpayers. Currently the senate has proposed SB271 that seeks to limit growth through refund or reduction taxes to ensure annual tax growth to no more than 5% in a year. If passed by the General Assembly, this will result in lowering tax increases for our residents who qualify. We are watching this legislation closely.

In addition to SB271, the legislature developed a Joint Committee on Property Taxation and Reform in 2024 in response to the historic valuation increases. Their mission is to review Ohio's property tax system and to make recommendations to the General Assembly on property taxation. The committee must report to the General Assembly by December 31, 2024. We are following any actions of the committee closely to determine what impact, if any, proposals could mean for our district to limit tax growth or to reduce taxes.

- III. Income tax collections are dependent upon the economy. Previous years have seen both increases and decreases, which makes forecasting for income tax very difficult to do with the current economy. We will monitor the income tax revenue very closely for any positive or negative changes that may occur.
- IV. The state budget represents 44.35% 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 FY25 and FY26 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 FY29, which we feel is conservative and should be close to what the state approves for the FY26-FY29 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.
- V. HB33, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY25. 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 October payment report published by the Department of Education and Workforce for our forecasted revenues in FY25.
- VI. 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 for 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.
- VII. 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.

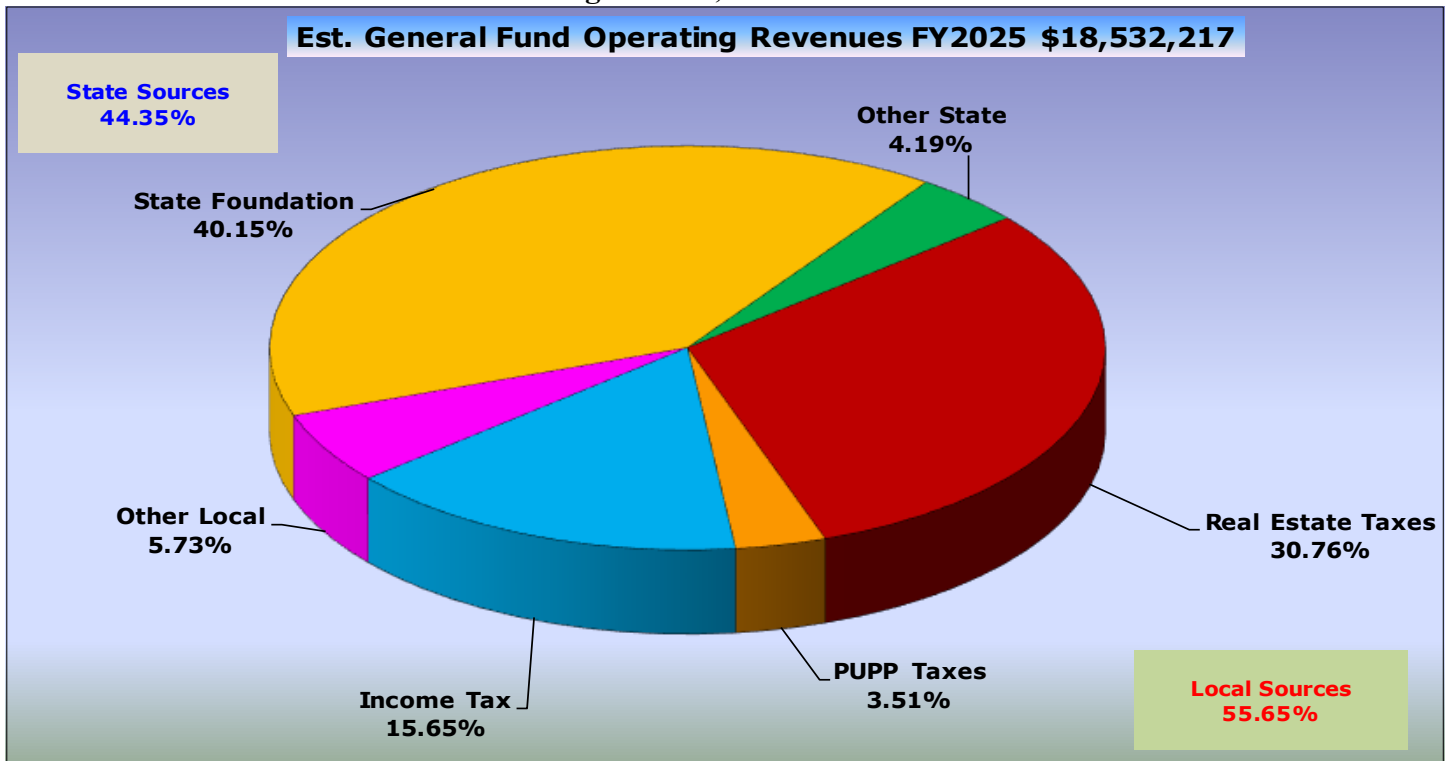
General Fund Revenue, Expenditure and Ending Cash Balance Actual FY22-24 and Estimated FY25-29



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

Revenue Assumptions

Estimated Revenues for Fiscal Year Ending June 30, 2025



Property Valuation Assumptions

Property values are established annually by the Greene, Clinton and Fayette County Auditors based on the type of property either residential/agriculture or commercial/industrial, which the values are defined even further based on new construction, demolitions, BOR/BTA activity, and complete reappraisal or updated values. Our district resides within three counties. Each county’s reappraisal cycle can be in different years and each county’s three-year cycle can be either a sexennial reappraisal or the triennial update. Fayette County experienced a triennial update for the 2021 tax year to be collected in 2022. Residential/agricultural (Class I) values increased 0.42 % or \$871 thousand and had no change for commercial/industrial (Class II) values. Greene County had a triennial update and Clinton County had a sexennial reappraisal in 2023 for collection in 2024. Class I values increased by 41.44% or \$88.43 million and Class II values increased by 10.11% or \$1.27 million. Overall values increased in 2023 by \$91.81 million or 40.63%, which includes new construction for all classes of property.

A sexennial reappraisal will occur in 2024 for collection in 2025 for Fayette County, for which we are estimating a 0.40% increase in Class I and no change for commercial/industrial property. The next reappraisal cycle for Greene and Clinton will occur in 2026 for collection in 2027, which we are estimating a 5.00% increase in Class I and a 2% increase in Class II values.

Public Utility Personal Property (PUPP) values change annually as the values are not included in the reappraisal or update years, which make them very difficult to forecast. PUPP values increased by \$1.07 million in Tax Year 2023, which is the largest increase in the past five years. 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	Estimated	Estimated	Estimated	Estimated
	TAX YEAR 2024 COLLECT 2025	TAX YEAR 2025 COLLECT 2026	TAX YEAR 2026 COLLECT 2027	TAX YEAR 2027 COLLECT 2028	TAX YEAR 2028 COLLECT 2029
Res./Ag.	\$305,449,827	\$306,239,827	\$322,341,818	\$324,421,185	\$325,211,185
Comm./Ind.	\$13,934,620	\$14,004,620	\$14,354,712	\$14,424,712	\$14,494,712
Public Utility (PUPP)	\$18,693,270	\$19,093,270	\$19,493,270	\$19,893,270	\$20,293,270
Total	<u>\$338,077,717</u>	<u>\$339,337,717</u>	<u>\$356,189,800</u>	<u>\$358,739,168</u>	<u>\$359,999,168</u>

Tax Rate Assumptions 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 20.000016 mills, and the Class II effective millage rate is 20.00011 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”. Currently, our district is very close to the floor for both Class I and Class II.

General Property Tax (Real Estate) – Line #1.010

Property tax levies are estimated to be collected at 99.0% 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 0.52% in August and 2.05% in February collections. Property taxes are estimated to be collected at 57.90% of the Res/Ag and Comm/Ind in the February tax settlements and 42.10% collected in the August tax settlements.

Estimated Real Estate Tax Collections - Line #1.010

<u>Category</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Real Estate Tax Line #1.010	\$5,701,237	\$5,726,076	\$5,904,254	\$6,048,386	\$6,073,372

Estimated Public Utility Personal Tax – Line #1.020

The amounts below are public utility personal property (PUPP) tax payments from public utilities. Collections are typically 52.97% in March and 47.03% in August, along with the real estate settlements from the county auditor. The district received the delinquent taxes from the February 2024 collection in August 2024, which increased the amount for FY25.

<u>Category</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Public Utility Personal Property Taxes (PUPP)	<u>\$650,276</u>	<u>\$524,618</u>	<u>\$535,718</u>	<u>\$546,818</u>	<u>\$557,918</u>

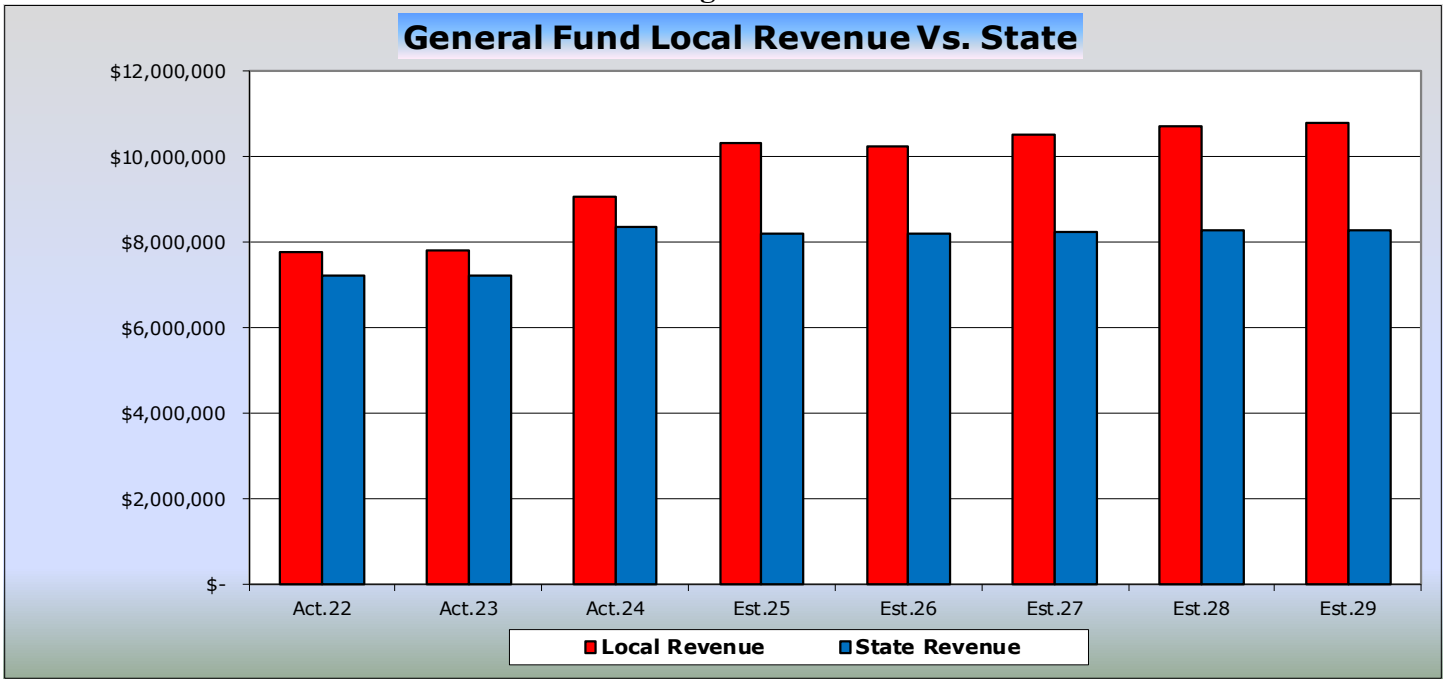
School District Income Tax Collections – Line #1.030

The district has two 0.5% continuous income tax levies that were approved in 1991 and 2021.

In FY25 to date, income tax collection statewide, has risen by around 8.7%. The increase is based on the July 2024 payment which includes the April 15th tax returns and the October 2024 payment. Our district had a similar increase for the first part of FY25. We will assume that income from withholdings will continue to increase in future collections. We will assume an annual growth rate of 2.0% for the remainder of FY25 through FY29 as the concerns over inflation may slow growth in this area.

<u>Category</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
SDIT Collection	\$2,644,169	\$2,900,916	\$2,958,934	\$3,018,112	\$3,078,475
Adjustments	<u>\$256,747</u>	<u>\$58,018</u>	<u>\$59,178</u>	<u>\$60,363</u>	<u>\$61,570</u>
Total Line #1.030	<u>\$2,900,916</u>	<u>\$2,958,934</u>	<u>\$3,018,112</u>	<u>\$3,078,475</u>	<u>\$3,140,045</u>

Revenue Sources for the General Fund FY22 through Estimated FY29



**State Foundation Revenue Estimates – Line #1.035, #1.040, and #1.045
Current State Funding Model per HB110 through June 30, 2025**

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

HB33, the current state budget, continued the Fair School Funding Plan for FY24 and FY25, which funds students where they are educated rather than where they live. We have projected FY25 funding based on the October 2024 foundation settlement and funding factors.

Our district is currently a formula district in FY25 and is expected to continue to be on the formula in FY26-FY29 on the new Fair School Funding Plan (FSFP).

For a detailed overview of how foundation funding is calculated please visit the Ohio Department of Education and Workforce at: <https://education.ohio.gov/Topics/Finance-and-Funding/Overview-of-School-Funding>

State Funding Phase-In FY25 and Guarantees

The Fair School Funding Plan 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 and extended the plan in HB33 for FY24 and FY25. The FSFP does not include caps on funding; instead, it consists of a general phase-in percentage for most components of 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 FY26-29 will depend on unknown two (2) new state budgets. There is no guarantee that the current Fair School Funding Plan 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 FY29.

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 FY23 was \$113.1 million or \$64.90 per pupil. In FY24, the funding totaled \$114.18 million or \$65.44 per pupil. We expect the Casino revenues to have resumed their historical growth rate and are assuming a 1.5% annual growth rate for the remainder of the forecast.

Category	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Basic Aid-Unrestricted	\$6,681,648	\$6,681,648	\$6,681,648	\$6,681,648	\$6,681,648
Additional Aid Items	<u>\$271,238</u>	<u>\$271,238</u>	<u>\$271,238</u>	<u>\$271,238</u>	<u>\$271,238</u>
Basic Aid-Unrestricted Subtotal	\$6,952,886	\$6,952,886	\$6,952,886	\$6,952,886	\$6,952,886
Career Tech Credentials/Other Unrestricted	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Ohio Casino Commission ODT	<u>\$91,828</u>	<u>\$93,206</u>	<u>\$94,604</u>	<u>\$96,023</u>	<u>\$97,463</u>
Total Unrestricted State Aid Line #1.035	<u>\$7,045,714</u>	<u>\$7,047,092</u>	<u>\$7,048,490</u>	<u>\$7,049,909</u>	<u>\$7,051,349</u>

B) Restricted State Revenues – Line #1.040

HB33 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding) and Career Technical funding. In addition, new restricted funds have been added 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. The amount of DPIA is limited to a 66.67% in FY25. We have flat-lined funding at FY25 levels for FY26-FY29 due to uncertainty on continued funding of the current funding formula. The district received additional High-Quality Instructional Material payment in FY25 of \$891 which is due to the state redirecting funds that were not used by other districts.

Category	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Disadvantage Pupil Impact Aid-(DPIA)	\$80,181	\$80,181	\$80,181	\$80,181	\$80,181
Career Technical	\$48,085	\$48,085	\$48,085	\$48,085	\$48,085
Gifted	\$66,233	\$66,233	\$66,233	\$66,233	\$66,233
English Learner	\$1,095	\$1,095	\$1,095	\$1,095	\$1,095
Student Wellness and Success	\$198,759	\$198,759	\$198,759	\$198,759	\$198,759
Other Restricted	<u>\$891</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Restricted State Revenues Line #1.040	<u>\$395,244</u>	<u>\$394,353</u>	<u>\$394,353</u>	<u>\$394,353</u>	<u>\$394,353</u>

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	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
a) Unrestricted Line #1.035	\$7,045,714	\$7,047,092	\$7,048,490	\$7,049,909	\$7,051,349
b) Restricted Line #1.040	\$395,244	\$394,353	\$394,353	\$394,353	\$394,353
c) Rest. Fed. Grants #1.045	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total State Foundation Revenue	<u>\$7,440,958</u>	<u>\$7,441,445</u>	<u>\$7,442,843</u>	<u>\$7,444,262</u>	<u>\$7,445,702</u>

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 to 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	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Rollback and Homestead	<u>\$777,387</u>	<u>\$779,904</u>	<u>\$801,442</u>	<u>\$824,623</u>	<u>\$828,281</u>
Total Tax Reimb./Prop. Tax Allocations #1.050	<u>\$777,387</u>	<u>\$779,904</u>	<u>\$801,442</u>	<u>\$824,623</u>	<u>\$828,281</u>

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.

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's cash balances and increased interest rates due to the Federal Reserve raising rates to curb inflation. The Federal Reserve Bank cut interest rates by 50 basis point in September 2024. While interest income in FY25 should remain steady due to laddered investment strategies, the rate cuts will begin to have an impact on earnings in FY26 and future years. We will continue to monitor the investments for the district.

The district will receive a donation from Jamestown Area Foundation of \$100,000 annually for a librarian/digital media coordinator beginning in FY25.

Category	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Interest	\$429,273	\$420,688	\$412,274	\$404,029	\$395,948
Class/ Student/PTP Fees	\$75,294	\$75,294	\$75,294	\$75,294	\$75,294
Tuition SF-14 & SF-14H/Preschool	\$355,428	\$355,428	\$355,428	\$355,428	\$355,428
Other & Miscellaneous Local Revenue	<u>\$201,448</u>	<u>\$203,462</u>	<u>\$205,497</u>	<u>\$207,552</u>	<u>\$209,628</u>
Total Line #1.060	<u>\$1,061,443</u>	<u>\$1,054,872</u>	<u>\$1,048,493</u>	<u>\$1,042,303</u>	<u>\$1,036,298</u>

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 order to not have negative balances in federal grants the district will advance funds each month for accounting purposes.

Category	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Transfers In - Line #2.040	\$0	\$0	\$0	\$0	\$0
Advance Returns - Line #2.050	<u>\$2,500,000</u>	<u>\$2,500,000</u>	<u>\$2,500,000</u>	<u>\$2,500,000</u>	<u>\$2,500,000</u>
Total Transfer & Advances In	<u>\$2,500,000</u>	<u>\$2,500,000</u>	<u>\$2,500,000</u>	<u>\$2,500,000</u>	<u>\$2,500,000</u>

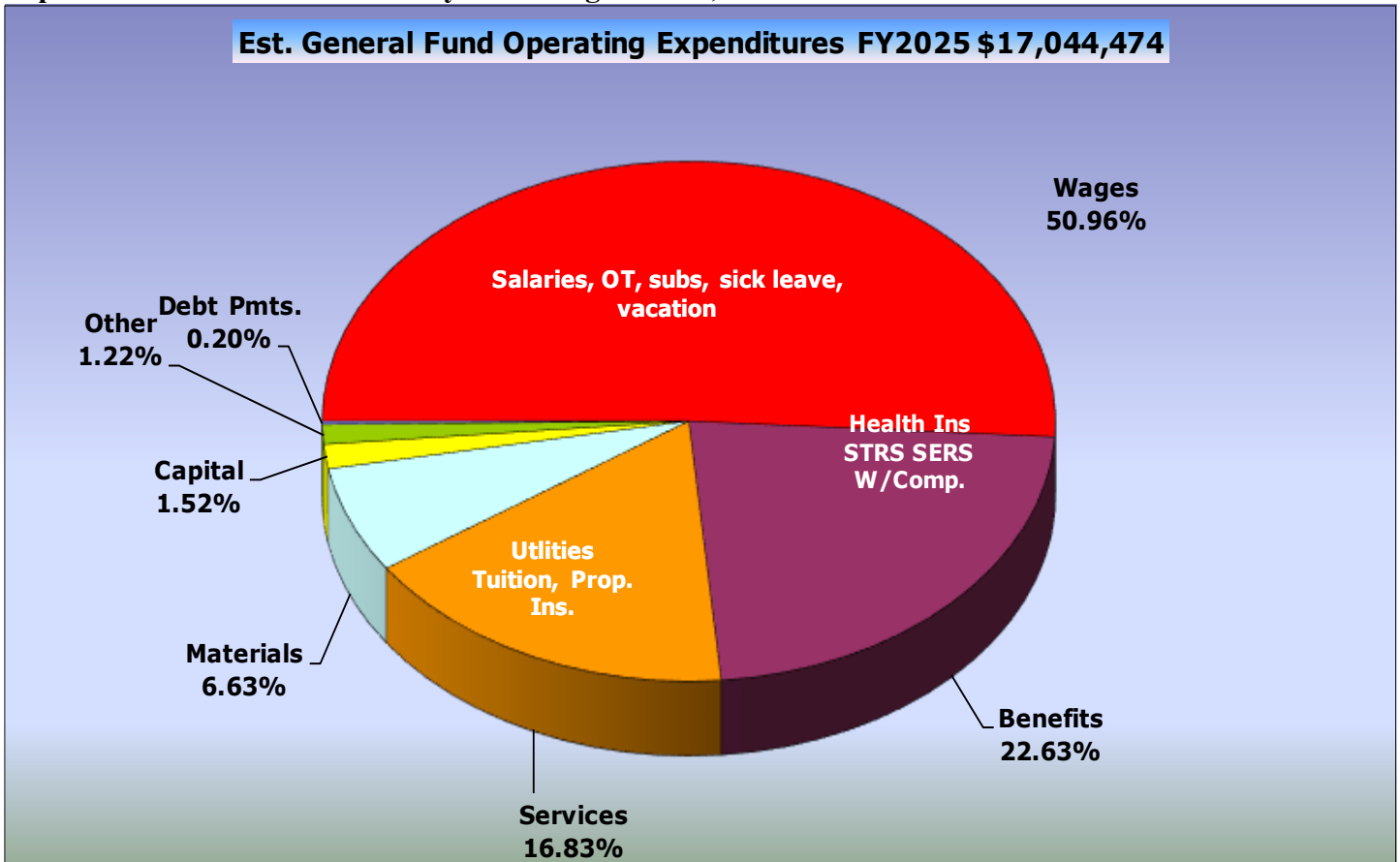
All Other Financial Sources – Line #2.060

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 FY25-FY29.

Category	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Refund of prior years exp., sale of assets	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000

Expenditures Assumptions

Expenditure Estimates for Fiscal year ending June 30, 2025



Wages – Line #3.010

The district has step increases of 3% 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 4% increase in FY26 through FY29 for forecasting purposes only. There is a 2% increase for Substitutes and Supplemental contracts in each year of the forecast. The district is forecasting severance costs to be \$24,000 in FY25 and \$10,000 in FY26-FY29. The districts attendance incentive is expected to have no increase in the amount in FY25-FY29.

The district will have staffing changes in FY25 of the addition of librarian/media coordinator, an additional middle school teacher, an additional intervention specialist and an additional chemistry teacher, the resignation or retirement and the replacement of 3 administrators, 24 certified positions and 13 classified positions. In FY26 the district is anticipating 2 certified staff members will retire and those positions will be replaced.

Category	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Base Wages	\$7,919,751	\$8,137,764	\$8,636,106	\$9,202,010	\$9,806,537
Base increase	\$178,194	\$316,790	\$325,511	\$345,444	\$368,080
Steps & Training	\$237,593	\$237,593	\$244,133	\$259,083	\$276,060
Staff Increases	\$1,486,369	\$307,217	\$14,960	\$0	\$0
Staff Decreases	(\$1,684,143)	(\$363,258)	(\$18,700)	\$0	\$0
Supplemental Contracts	\$250,544	\$255,555	\$260,666	\$265,879	\$271,197
Attendance Incentive	\$40,550	\$40,550	\$40,550	\$40,550	\$40,550
Subs/OT/Board	\$233,124	\$237,786	\$242,542	\$247,393	\$252,341
Severance - Retire Incent	<u>\$24,000</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>
Total Wages Line #3.010	<u>\$8,685,982</u>	<u>\$9,179,997</u>	<u>\$9,755,768</u>	<u>\$10,370,359</u>	<u>\$11,024,765</u>

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

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 the HSA for each employee. EPC, the insurance consortium, has advised the district that premiums will increase by 7% in FY25 and are anticipating increases of 10% each year from FY26 through FY29. The district contributes each year for the employees to HSA accounts, and no increase is expected throughout the remainder of the forecast.

C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to remain at about .42% of wages in FY25-FY29. 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 to 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	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
STRS/SERS	\$1,382,352	\$1,456,093	\$1,547,166	\$1,645,093	\$1,749,404
Insurances	\$2,298,860	\$2,476,032	\$2,708,406	\$2,964,391	\$3,245,974
Workers Comp/Unemployment	\$36,981	\$39,056	\$41,474	\$44,056	\$46,804
Medicare	\$125,946	\$133,110	\$141,459	\$150,370	\$159,859
Other/Tuition Reimb	<u>\$12,750</u>	<u>\$12,750</u>	<u>\$12,750</u>	<u>\$12,750</u>	<u>\$12,750</u>
Total Line #3.020	<u>\$3,856,889</u>	<u>\$4,117,041</u>	<u>\$4,451,255</u>	<u>\$4,816,660</u>	<u>\$5,214,791</u>

Purchased Services – Line #3.030

Expenditures in this line include services received from the ESC, utilities, repairs and maintenance and tuition to other districts.

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 4% annually in FY25 through FY29 with an increase in FY25 of \$15,000 for the School Resource Officer. The utilities are experiencing large increases, which we are anticipating being 5% in FY25 through FY29. In FY26 there will be a new electric Capacity Charge that will be assessed on all electric bills to help expand Ohio’s electric generating ability. This charge will begin June 2025 and end June 2026. It is anticipated it will increase electric costs by 20% annually for just that twelve (12) month period. We have increased utilities in FY26 for the additional charge and decreased FY27 to the normal inflationary increase.

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 will increase in FY25 for vision impairment services by \$50,000; for gifted teacher services of \$36,000 and \$8,000 of English Language Services from the ESC.

Category	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Instructional Services	\$1,511,841	\$1,526,959	\$1,542,229	\$1,557,651	\$1,573,228
Business Support Services	\$556,243	\$578,493	\$601,633	\$625,698	\$650,726
Utilities/Telephone/Internet	\$317,574	\$371,562	\$352,984	\$370,633	\$389,165
Tuition and ESC Services	<u>\$483,756</u>	<u>\$495,850</u>	<u>\$508,246</u>	<u>\$520,952</u>	<u>\$533,976</u>
Total Line #3.030	<u>\$2,869,414</u>	<u>\$2,972,864</u>	<u>\$3,005,092</u>	<u>\$3,074,934</u>	<u>\$3,147,095</u>

Supplies and Materials – Line #3.040

Supplies are experiencing an overall inflation of 3% in FY25 – FY29. The district utilized the ESSER funds for purchases and is returning those funds in FY25 by \$100,000 for multiple year software agreement that will be renewed in FY27 for \$50,000. The district is also increasing curriculum supplies in FY25 by \$150,000 that will be continued throughout the forecast.

Due to rising costs for maintenance supplies, bus fuel and supplies we are forecasting a 5% increase for these costs in FY25 through FY29.

Category	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Supplies	\$787,483	\$711,107	\$782,440	\$755,913	\$778,590
Maintenance/Transportation	<u>\$342,797</u>	<u>\$359,937</u>	<u>\$377,934</u>	<u>\$396,831</u>	<u>\$416,673</u>
Total Line #3.040	<u>\$1,130,280</u>	<u>\$1,071,044</u>	<u>\$1,160,374</u>	<u>\$1,152,744</u>	<u>\$1,195,263</u>

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 district is planning on purchasing one bus each year of the forecast. Other equipment is for technology equipment or other expenditures that are needed during the year with no increase throughout the forecast.

Category	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Bus /Van Purchases	\$135,000	\$141,750	\$148,838	\$156,279	\$164,093
Other	<u>\$123,589</u>	<u>\$123,589</u>	<u>\$123,589</u>	<u>\$123,589</u>	<u>\$123,589</u>
Total Line #3.050	<u>\$258,589</u>	<u>\$265,339</u>	<u>\$272,427</u>	<u>\$279,868</u>	<u>\$287,682</u>

HB264 Energy Conservation Note – Line #4.050 & #4.060

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

Category	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
HB 264 Principal Line #4.050	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Interest on HB 264 Total Line #4.060	\$4,800	\$3,840	\$2,880	\$1,920	\$960

Other Expenses – Line #4.300

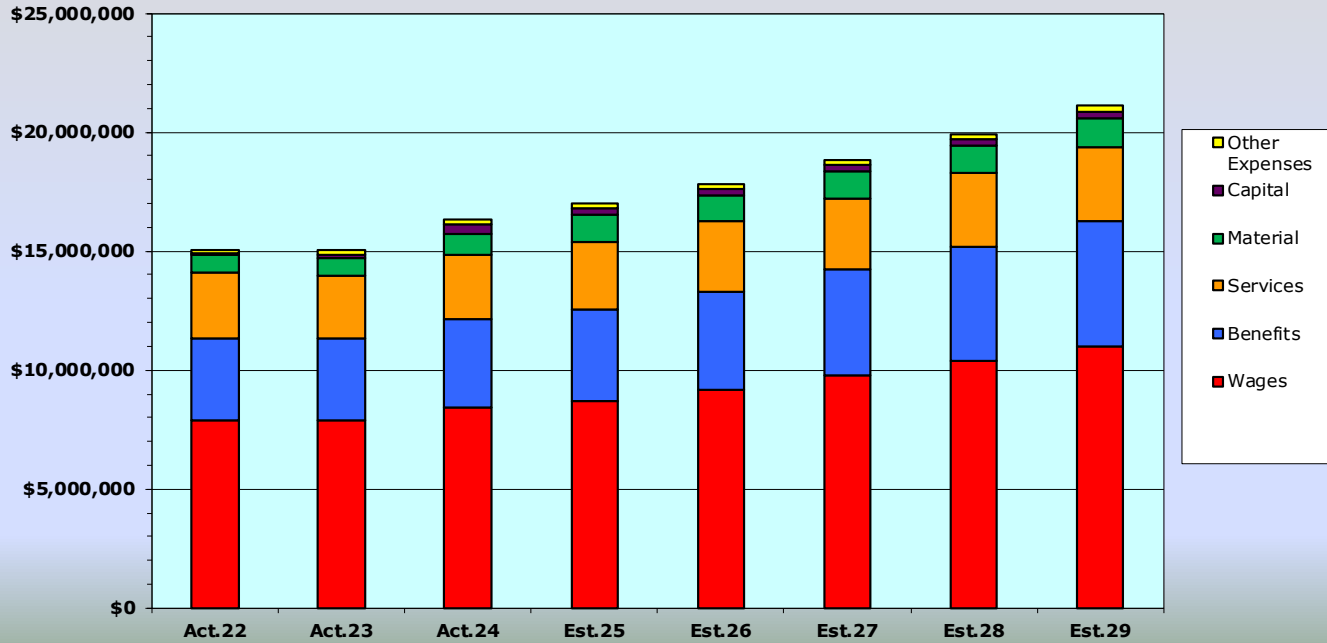
The category of Other Expenses consists primarily of bank fees, County Auditor/Treasurer fees and liability insurance. The district expects increases from 1% to 2.5% for the different lines in this area each year of the forecast.

Category	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Co. Auditor & Treasurer /IT collection Fees	\$92,488	\$93,875	\$95,283	\$96,712	\$98,163
County ESC	\$15,077	\$15,228	\$15,380	\$15,534	\$15,689
Audit/bank fees	\$24,708	\$24,955	\$25,205	\$25,457	\$25,712
Memberships, Liability Ins. & Other	<u>\$76,247</u>	<u>\$78,153</u>	<u>\$80,107</u>	<u>\$82,109</u>	<u>\$84,162</u>
Total Line #4.300	<u>\$208,520</u>	<u>\$212,211</u>	<u>\$215,975</u>	<u>\$219,812</u>	<u>\$223,726</u>

Operating Expenditures Actual FY22 through FY24 and Estimated FY25 through FY29

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

General Fund Expenditures Act. FY22 Through Est. FY29



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, and for month end advances that have been done throughout the year that are repaid in the following month.

Category	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Operating Transfers Out Line #5.010	\$79,515	\$79,515	\$79,515	\$79,515	\$79,515
Advances Out Line #5.020	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000
All Other Financing Uses - Line #5.030	\$0	\$0	\$0	\$0	\$0
Total Line #5.040	<u>\$2,579,515</u>	<u>\$2,579,515</u>	<u>\$2,579,515</u>	<u>\$2,579,515</u>	<u>\$2,579,515</u>

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	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Estimated Encumbrances	<u>\$357,338</u>	<u>\$357,338</u>	<u>\$357,338</u>	<u>\$357,338</u>	<u>\$357,338</u>

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	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Budget Reserve - Line 9.030	\$210,585	\$210,585	\$210,585	\$210,585	\$210,585
Total Reservations of Balance- Line #9.080	<u>\$210,585</u>	<u>\$210,585</u>	<u>\$210,585</u>	<u>\$210,585</u>	<u>\$210,585</u>

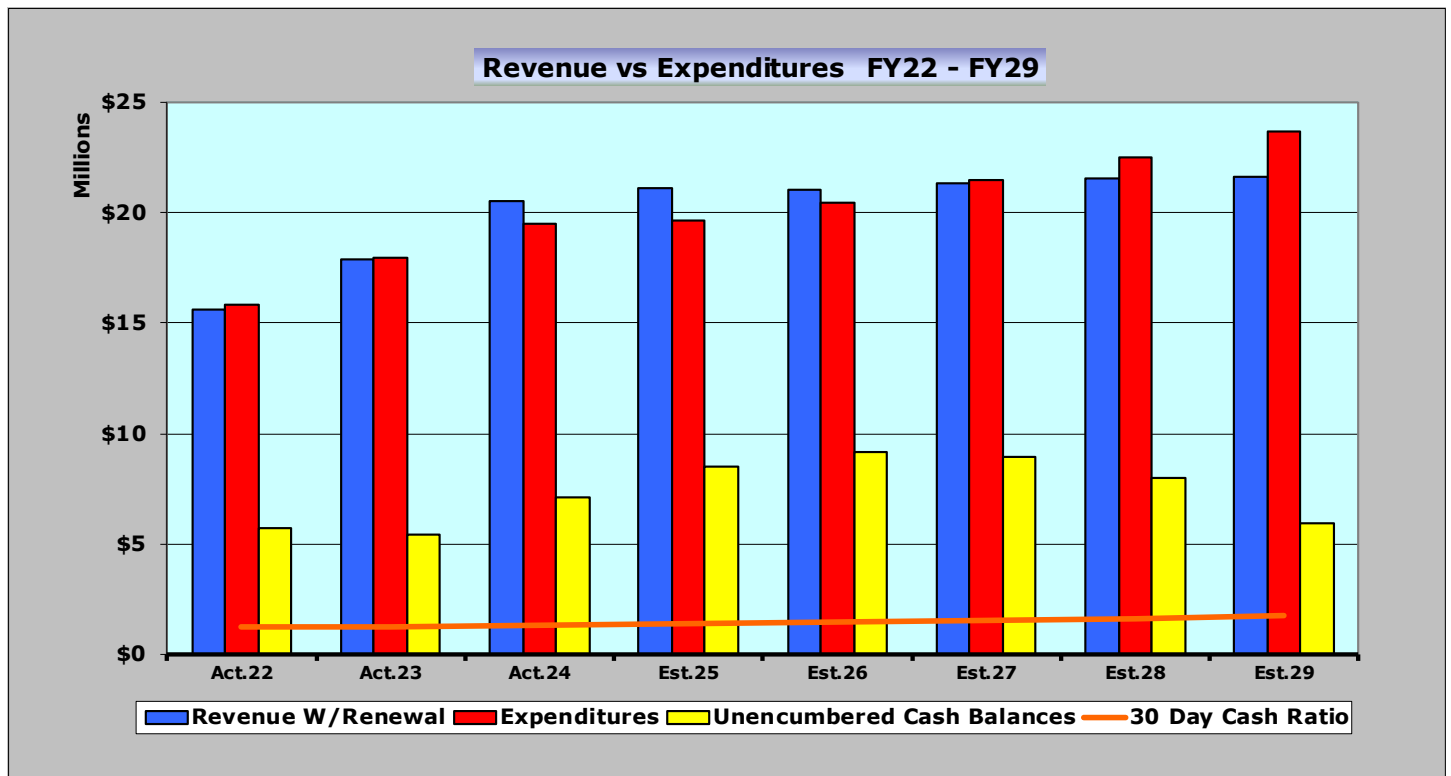
Ending Unreserved Cash Balance “The Bottom Line” – Line#15.010

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.

	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Ending Unreserved Cash Balance- Line #15.010	<u>\$8,333,360</u>	<u>\$8,937,358</u>	<u>\$8,764,935</u>	<u>\$7,773,990</u>	<u>\$5,701,809</u>

Revenue vs Expenditures with Deficit Spending

The chart below shows that the district is in deficit spending beginning in FY27 for the remainder of the forecast.

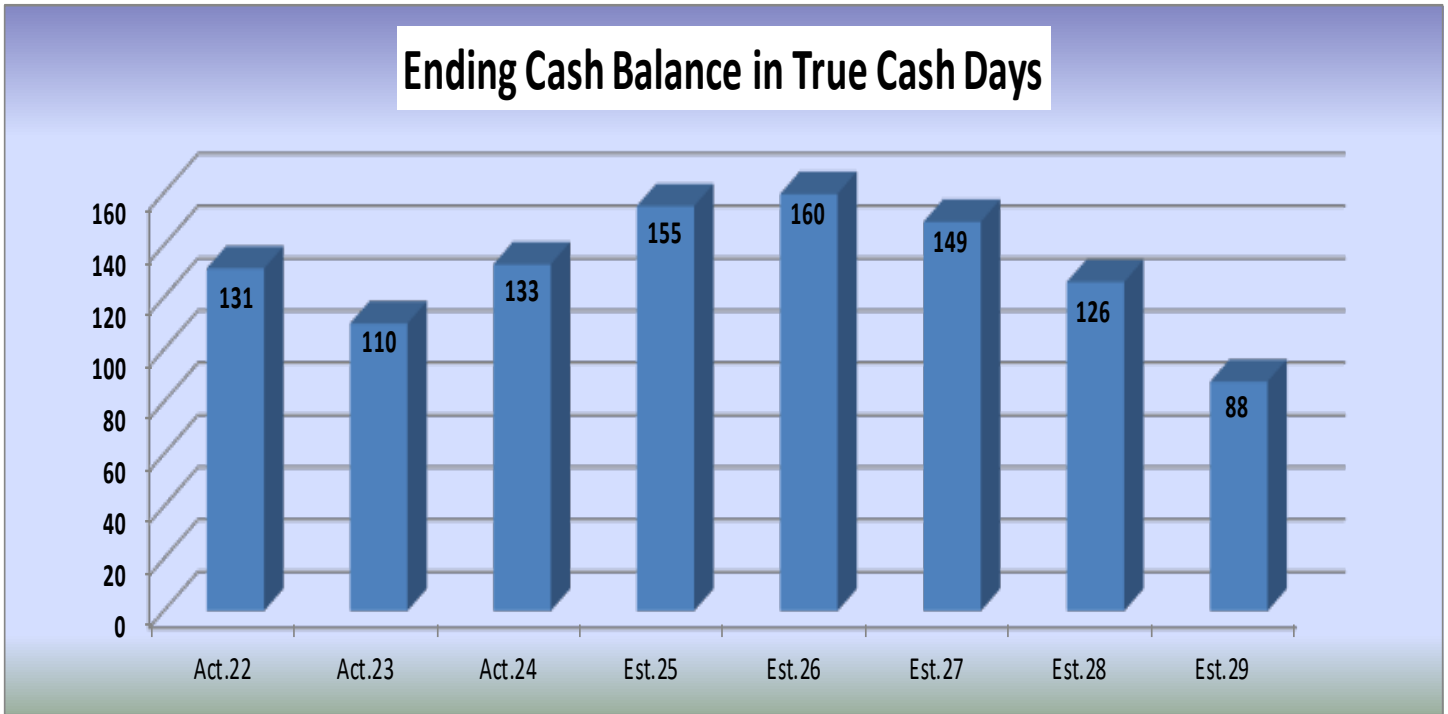


Deficit spending affects the amount of carryover that the district has to plan for the future. When reviewing the needs of the district, we review the amount of spending and what would be needed to remove any deficit spending in order to have positive cash balances on the forecast. The chart below shows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

Category	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Excess Revenues over/(under) of Expenditures	\$1,458,228	\$603,998	(\$172,422)	(\$990,946)	(\$2,072,181)
Millage equivalent for deficit spending	0.00	0.00	0.51	2.78	5.78

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 more than 60 days true cash at the end of FY29.



Conclusion

Greeneview Local School District receives 44.35% of its 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-FY29.

In planning for the future, the administration will need to make sure that the district is able to obtain a positive cash balance throughout the forecast. They will need to review current expenditures based on the current revenues 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.