



GREENON LOCAL SCHOOL DISTRICT -
- CLARK COUNTY

Five Year Forecast Financial Report

October, 2016

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Forecast Purpose/Objectives

Ohio Department of Education's purposes/objectives for the five-year forecast are:

1. To engage the local board of education and the community in the long range planning and discussions of financial issues facing the school district.
2. To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate."
3. To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems.

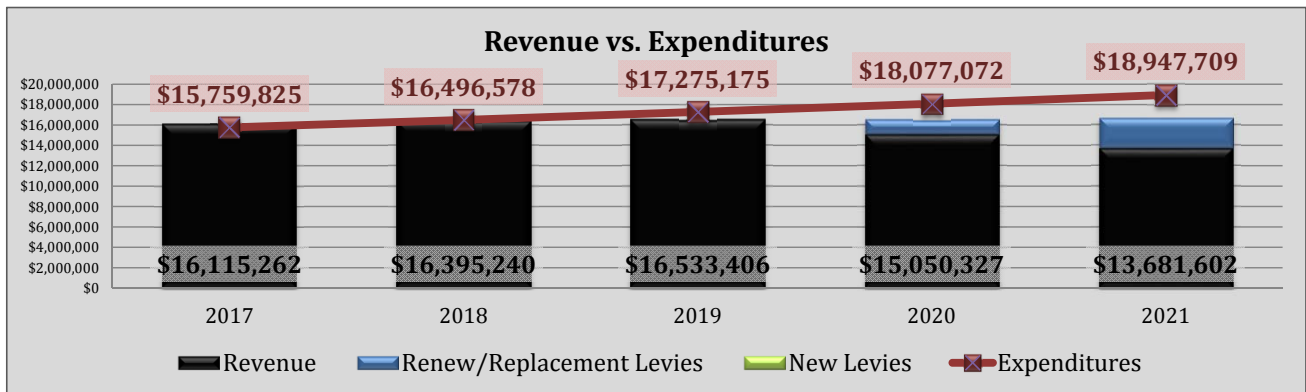
Five Year Forecast - Simplified Statement

	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Beginning Balance	4,502,755	4,858,191	4,756,854	4,015,085	2,469,144
+ Revenue	16,115,262	16,395,240	16,533,406	15,050,327	13,681,602
+ Proposed Renew/Replacement Levies	-	-	-	1,480,804	2,961,709
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(15,759,825)	(16,496,578)	(17,275,175)	(18,077,072)	(18,947,709)
= Revenue Surplus or Deficit	355,437	(101,337)	(741,770)	(1,545,941)	(2,304,398)
Ending Balance	4,858,191	4,756,854	4,015,085	2,469,144	164,746
Revenue Surplus or Deficit w/o Levies	355,437	(101,337)	(741,770)	(3,026,745)	(5,266,107)
Ending Balance w/o Levies	4,858,191	4,756,854	4,015,085	988,340	(4,277,767)

Summary:

This forecast is intended to assist the school district in the financial management of its resources. The forecast will provide trend information to help in the determination of local tax levy needs, union negotiations, program resource allocations, and overall effort to balance the district's budget. The forecast is also intended to provide insight into the future, rather than reaction to the past.

This report includes information regarding key revenue and expenditure assumptions as well as the resulting implications. Particular attention should be given to not only the relationship of expenditures to revenue, but the rate of any adverse trend (expenditures exceeding revenue). Cash balance reserves should be recognized as the stabilizing resource that they are, rather than as a revenue source to support ongoing operations.

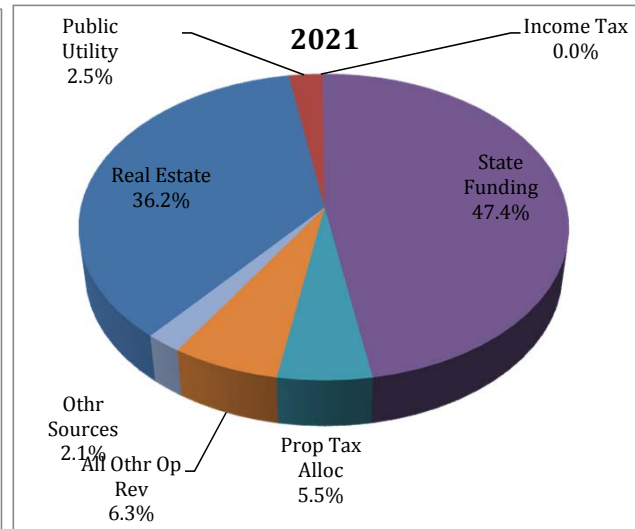
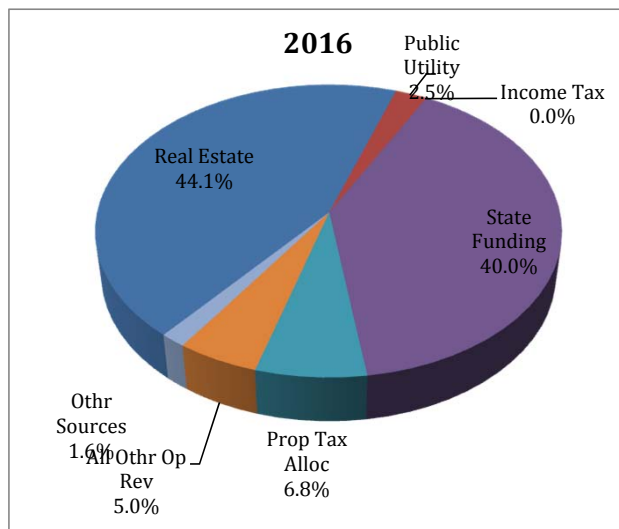


Revenue Overview

	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	
Revenue:							
1.010-Real Estate	5.34%	-1.68%	2.94%	0.39%	0.26%	0.39%	0.46%
1.020-Public Utility	6.00%	-0.03%	4.64%	3.78%	3.55%	3.58%	3.10%
1.030-Income Tax	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.035-State Funding	0.81%	-2.64%	0.05%	1.43%	-0.75%	0.88%	-0.20%
1.040-Restricted Aid	5.01%	12.08%	-4.45%	-0.37%	-0.34%	-0.59%	1.27%
1.045-Restr Federal SFSF	-100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.050-Property Tax Alloc	-4.39%	-0.13%	0.99%	0.02%	0.51%	0.53%	0.38%
1.060-All Other Operating	2.08%	0.44%	1.00%	1.00%	1.00%	1.00%	0.89%
1.070-Total Revenue	1.69%	-1.70%	1.54%	0.89%	0.01%	0.70%	0.29%
2.070-Total Other Sources	82.04%	0.32%	13.87%	-1.49%	-1.10%	-0.73%	2.17%
2.080-Total Rev & Other Srcs	1.98%	-1.67%	1.74%	0.84%	-0.01%	0.68%	0.32%

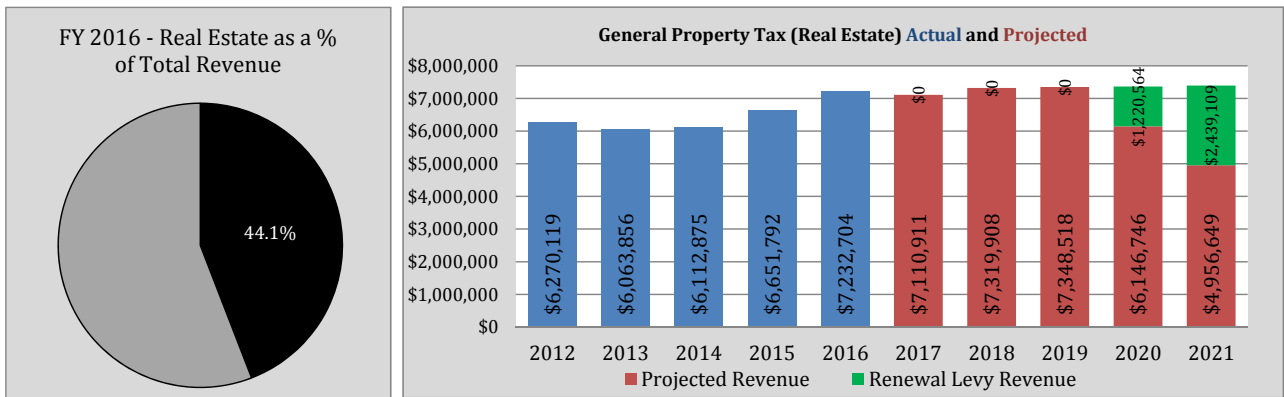
State Funding is currently 40% of Greenon's current budget. What is causing the gradual decline in state funding throughout the years of the forecast is projected enrollment declines. State funding for FY18-FY20 are based on the current formula. Greenon is currently on the Guarantee and there is a conservative assumption that the Guarantee decreases 2% from FY18-FY21. As has occurred in the past, it is very likely that the State Legislature will make State Funding change for FY18 and forward.

Real Estate and Property Tax Allocation is around 51% of our revenue. Greenon's Ag value is currently right at the 10% of our current property value threshold for the current formula, thus effecting the funding formula very little at this time.



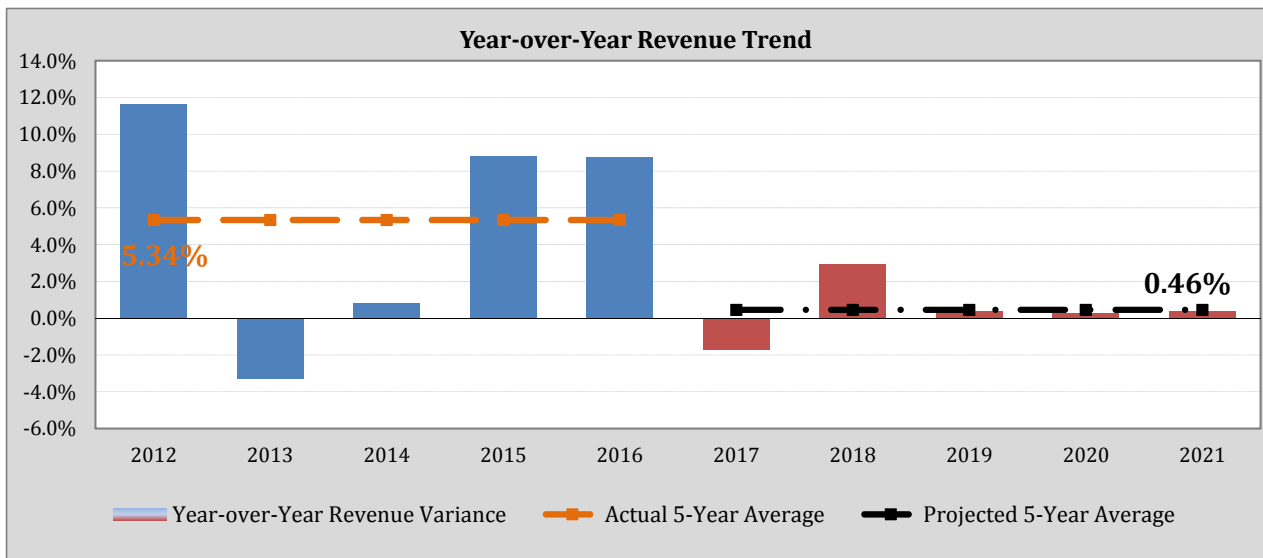
1.010 - General Property Tax (Real Estate)

Revenue collected from taxes levied by a school district by the assessed valuation of real property using effective tax rates for class I (residential/agricultural) and class II (business).



Clark County Auditor sets Real Estate values December of 2015 (Collected in calendar year 2016) is the last available property values. Greenon’s last reappraisal was completed in 2013 and we are to receive a scheduled property value update in 2016. The next reappraisal is to be completed in 2019.

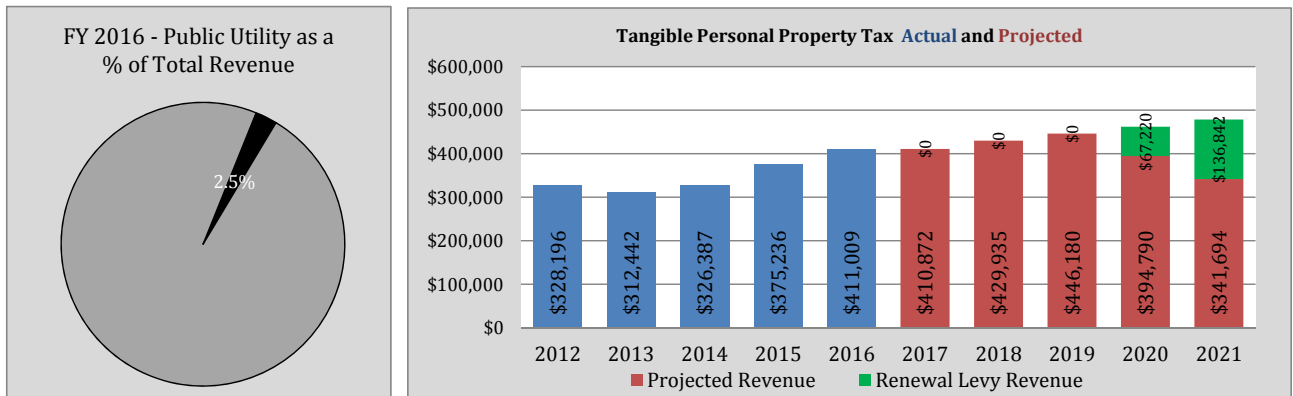
Greenon’s current taxes collection rate is around 97.7% including delinquent collections. That being said, the reason for the dip in Real Estate collections in FY20 is that the emergency levy is on line 11.02.



*Projected % trends include renewal levies

1.020 - Public Utility Personal Property

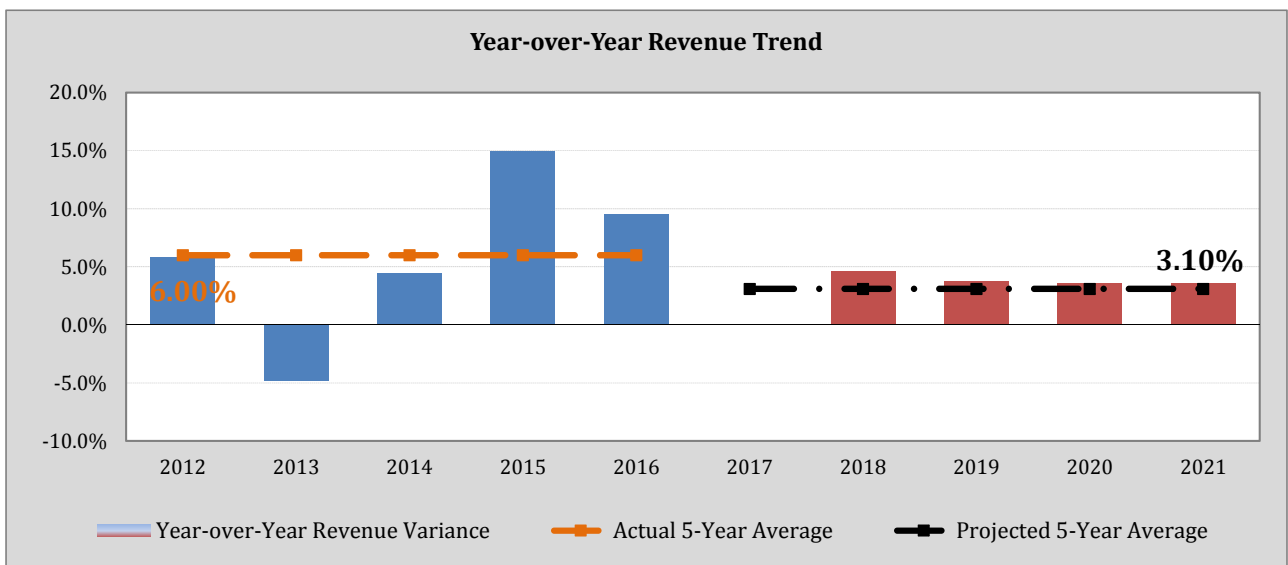
Revenue generated from public utility personal property valuations multiplied by the district's full voted tax rate.



Property tax is a very small percentage of Greenon's revenue (2.5%).

Public utility personal property are the only taxes collected in this line item.

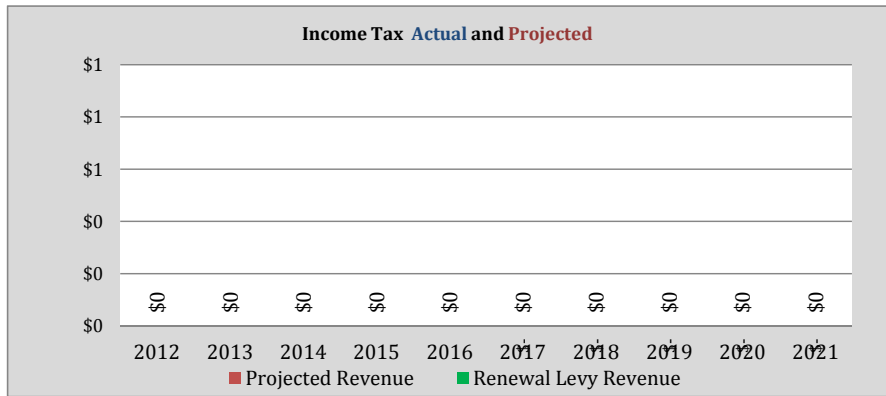
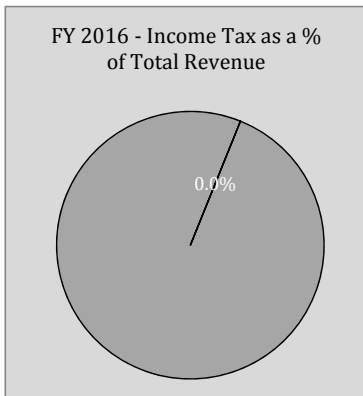
It is assumed that future revenues from the line item will gradually increase over time.



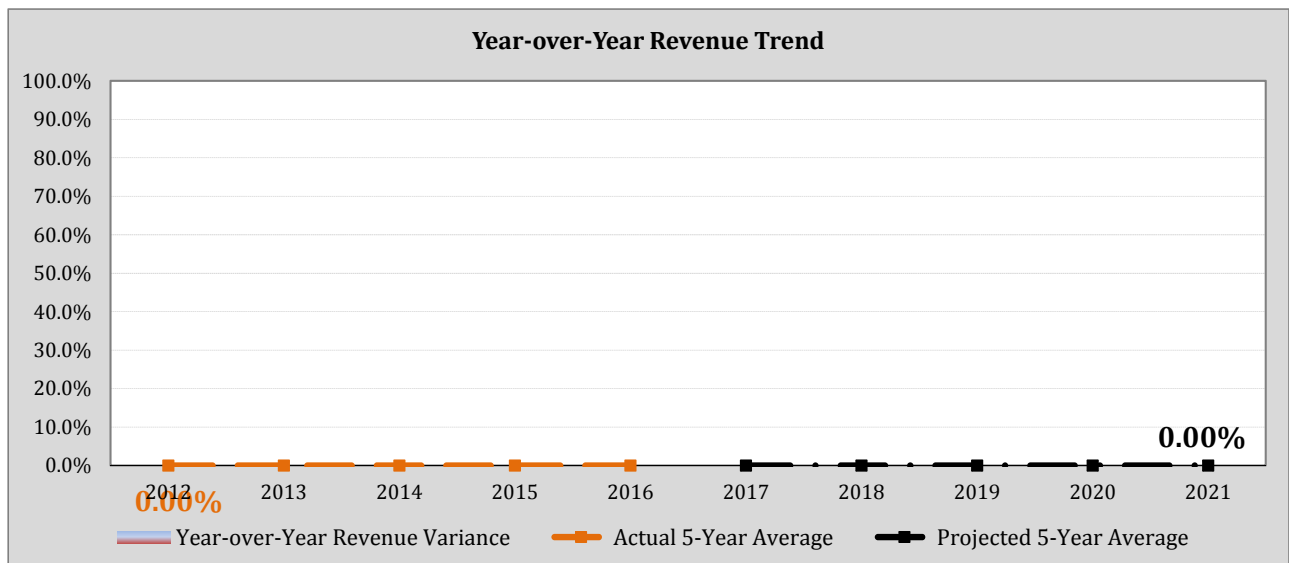
*Projected % trends include renewal levies

1.030 - Income Tax

Revenue collected from income tax earmarked specifically to support schools with a voter approved tax by residents of the school district; separate from federal, state and municipal income taxes.



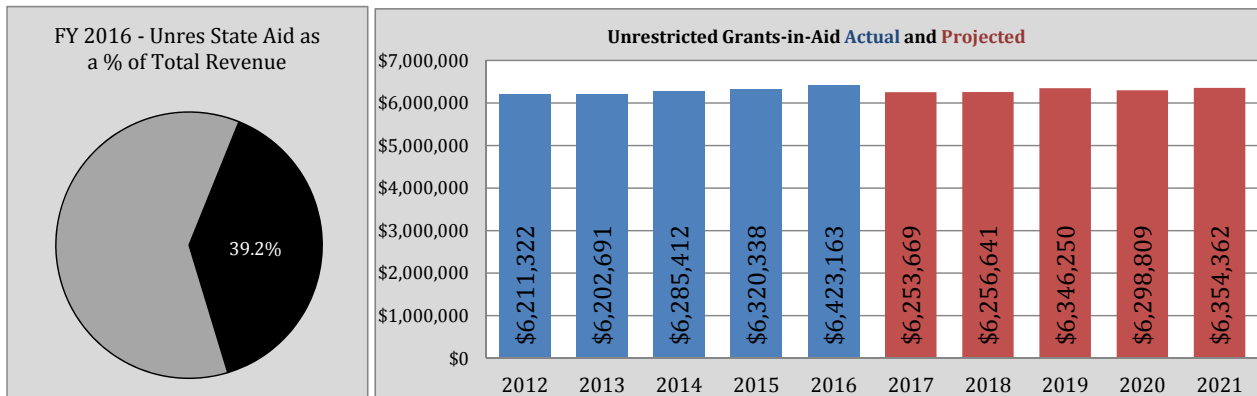
No funds collected by this line item



*Projected % trends include renewal levies

1.035 - Unrestricted Grants-in-Aid

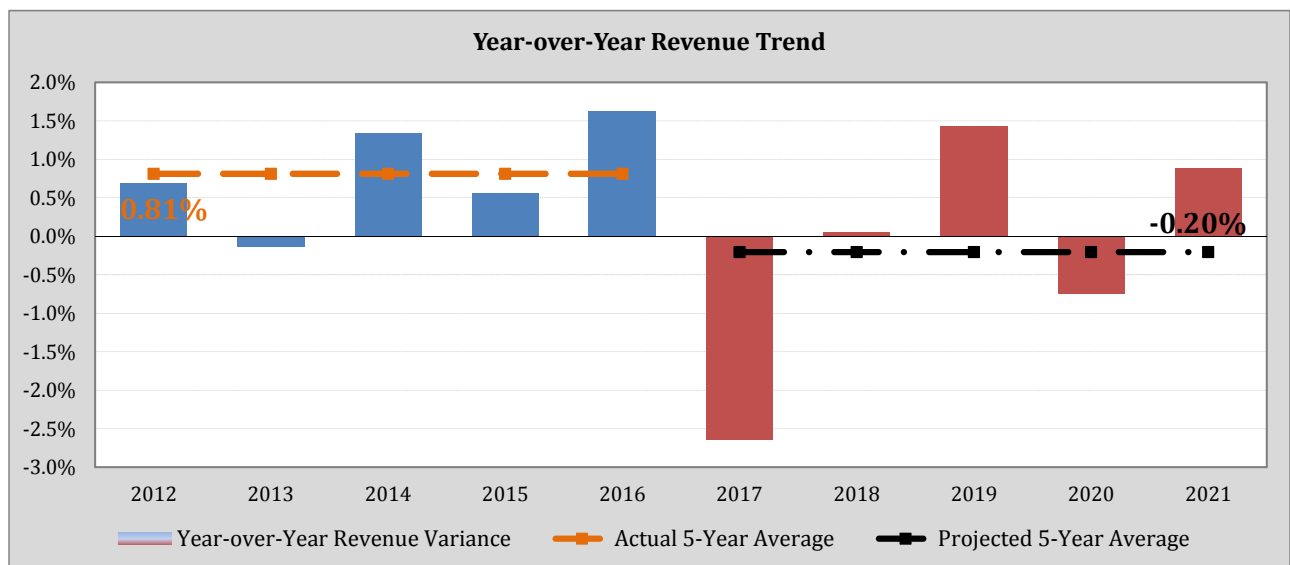
Funds received through the State Foundation Program with no restriction.



Unrestricted grants-in-aid are revenue received from the state Foundation program. This unrestricted revenue can be used for any legal purpose without restrictions. This revenue stream currently accounts for 40% of Greenon’s general fund revenue.

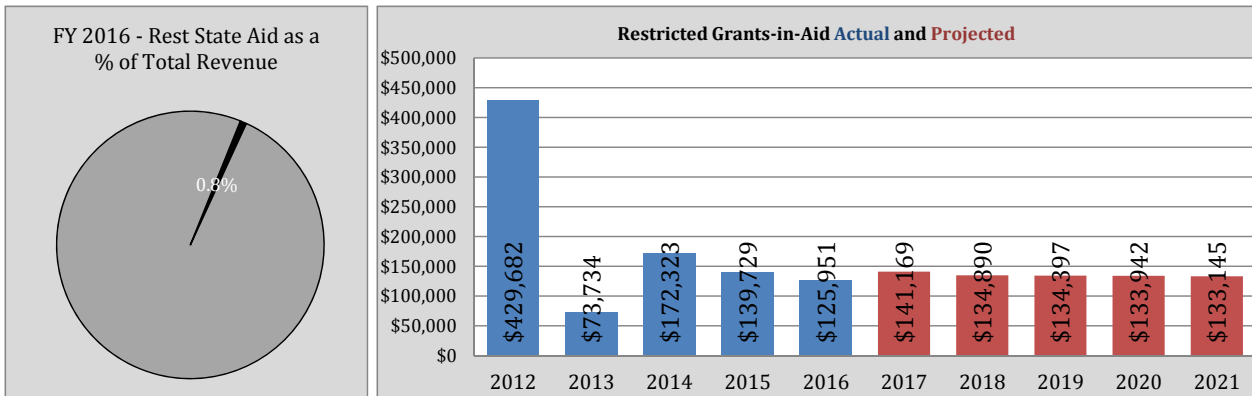
The current year’s formula is the second year of the State of Ohio’s current biennial budget. Throughout the forecast it projects the current funding formula.

Foundation funding is driven by student enrollment and this forecast is based on enrollment as of September 2016. Student counts will be adjusted by ODE throughout the year so there will be some fluctuations.

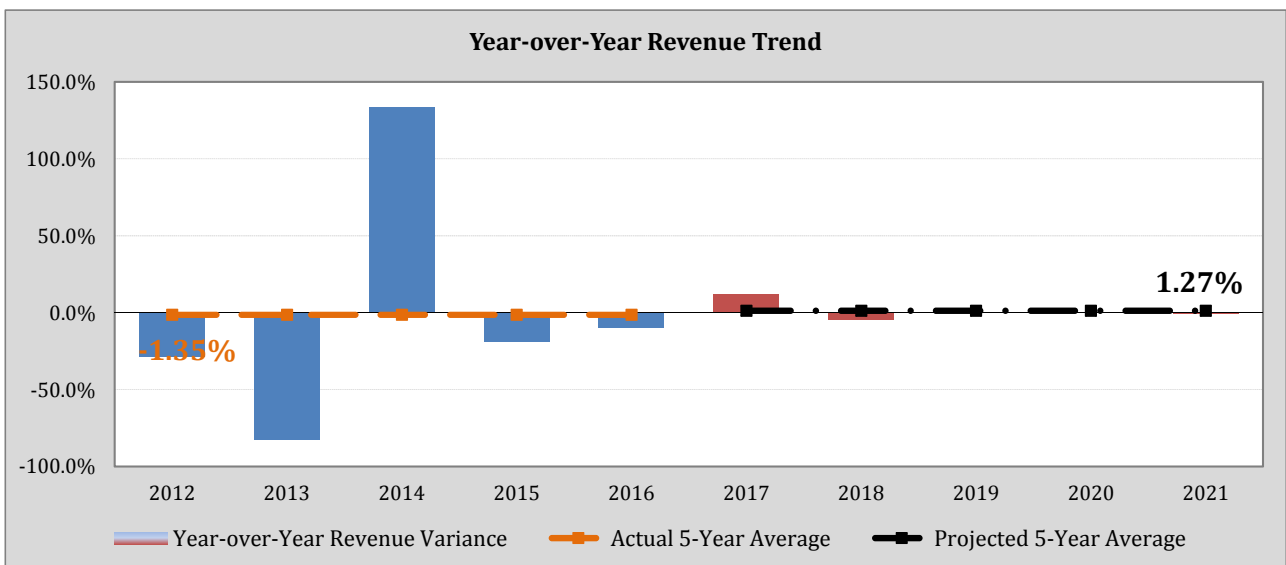


1.040 & 1.045 - Restricted Grants-in-Aid

Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.

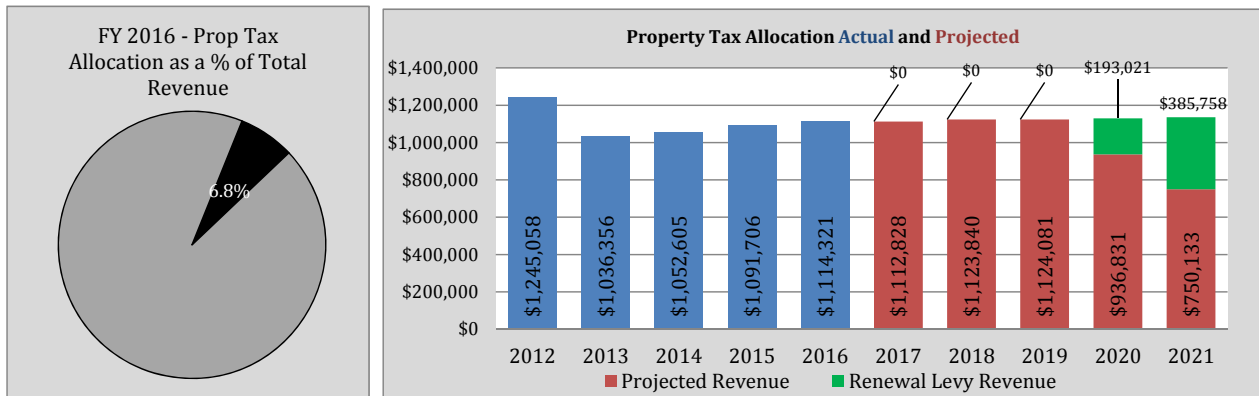


Restricted grants-in-aid are revenue received directly from the state that must be used for a specific purpose. Examples are Career Tech (PLTW, FFA and FCCLA) and Economic Disadvantaged Funding.

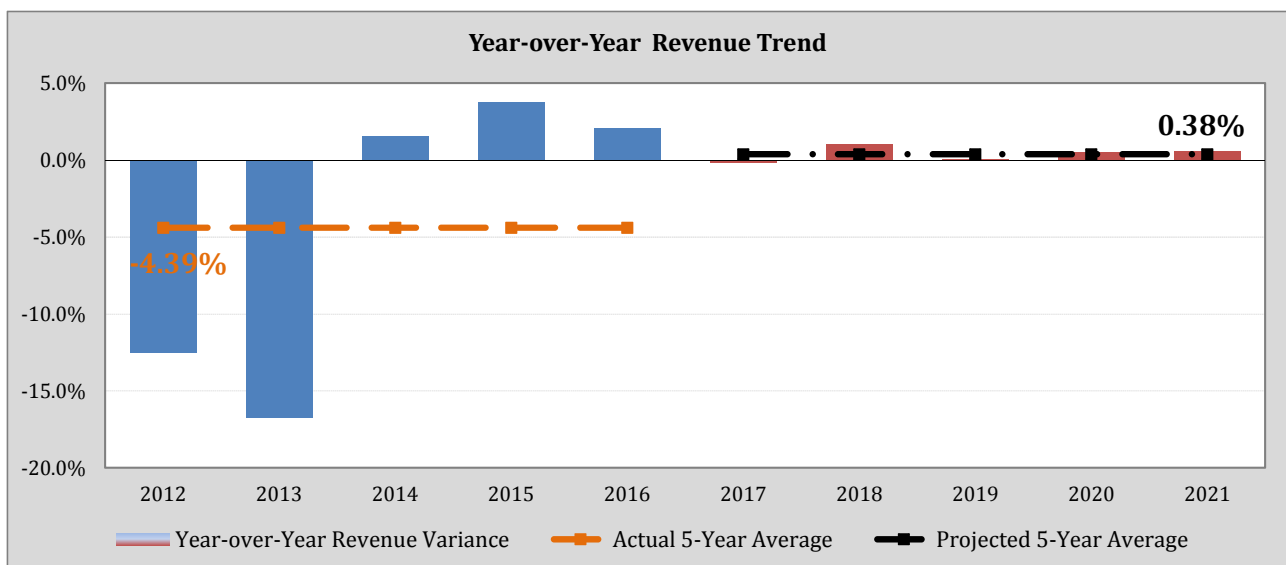


1.050 - Property Tax Allocation

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



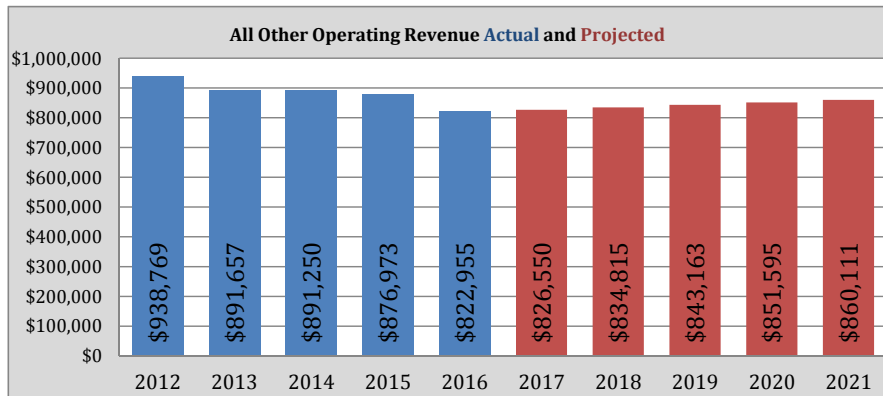
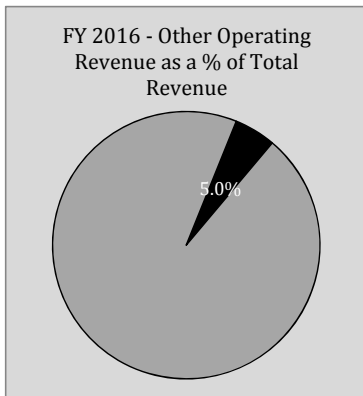
Funds received by the district as a result of homestead exemption and property tax rollback legislation are posted under property tax allocation. The homestead exemption permits senior citizens or permanently disabled to pay a reduced property tax rate, based on their income and age. Property tax rollback is the result of legislation granting the owners of real estate to enjoy a 10% reduction in their property taxes. If the real estate is owner-occupied, the owner is granted an additional 2 ½% reduction if applied for.



*Projected % trends include renewal levies

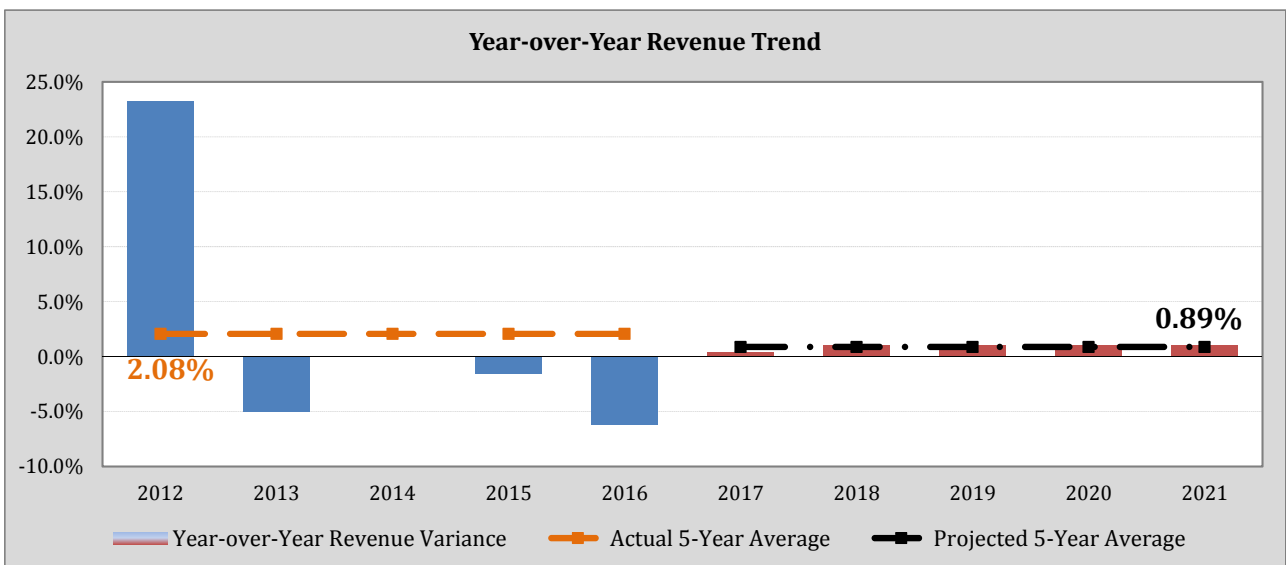
1.060 - All Other Operating Revenues

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



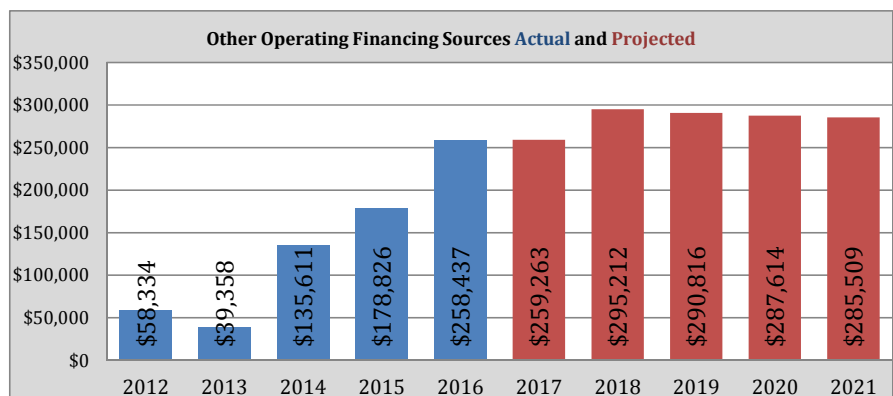
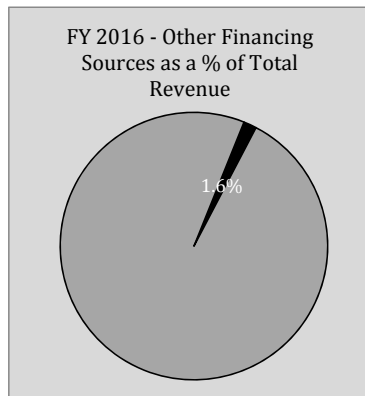
The major sources of revenue in this line item are tuition received from other District's and open enrollment.

Open enrollment tends to fluctuate from year to year. Special Ed reimbursement also is reimbursed at times are difficult to predict, thus timing varies.



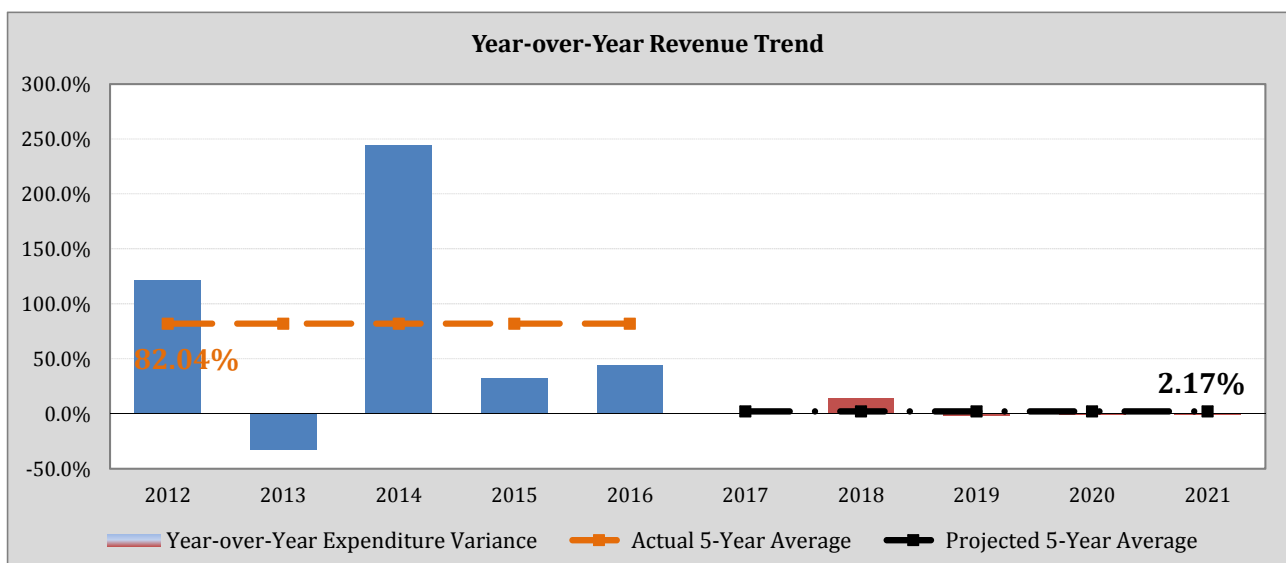
2.070 - Total Other Financing Sources

Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.



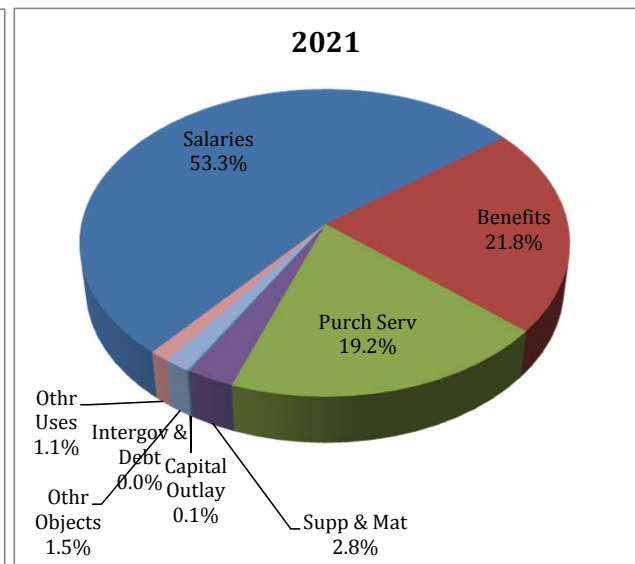
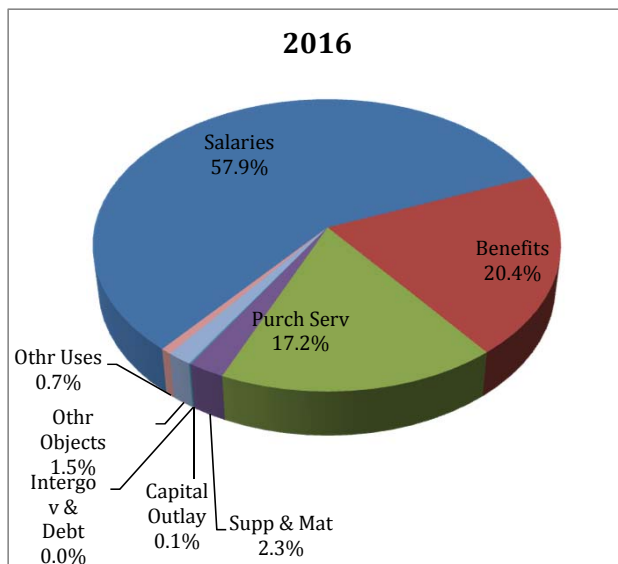
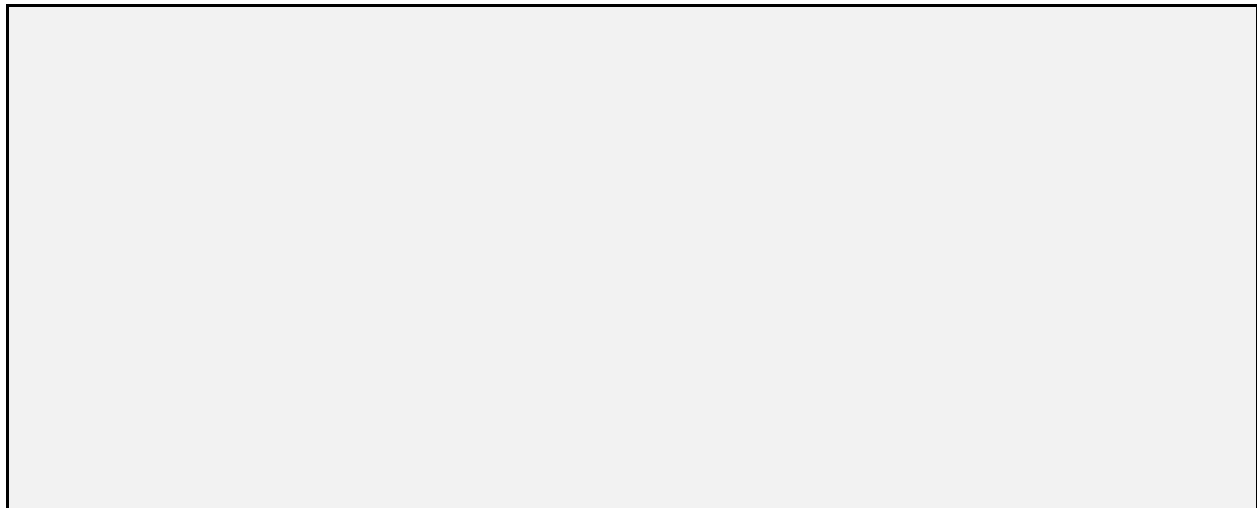
Money received by the General Fund, as a result of an advance from another fund, in anticipation of future revenue. An advance is a temporary reallocation of money. In FY17, Greenon received \$113K for Special Ed reimbursed for catastrophic cost.

Assume replacement of advances out in previous year.



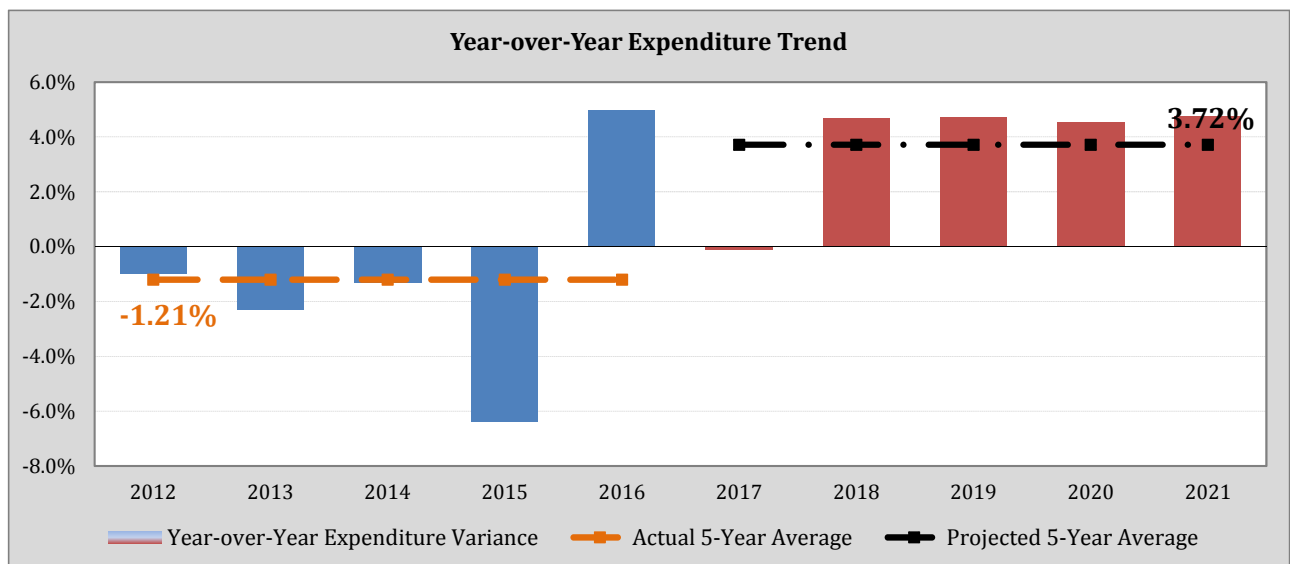
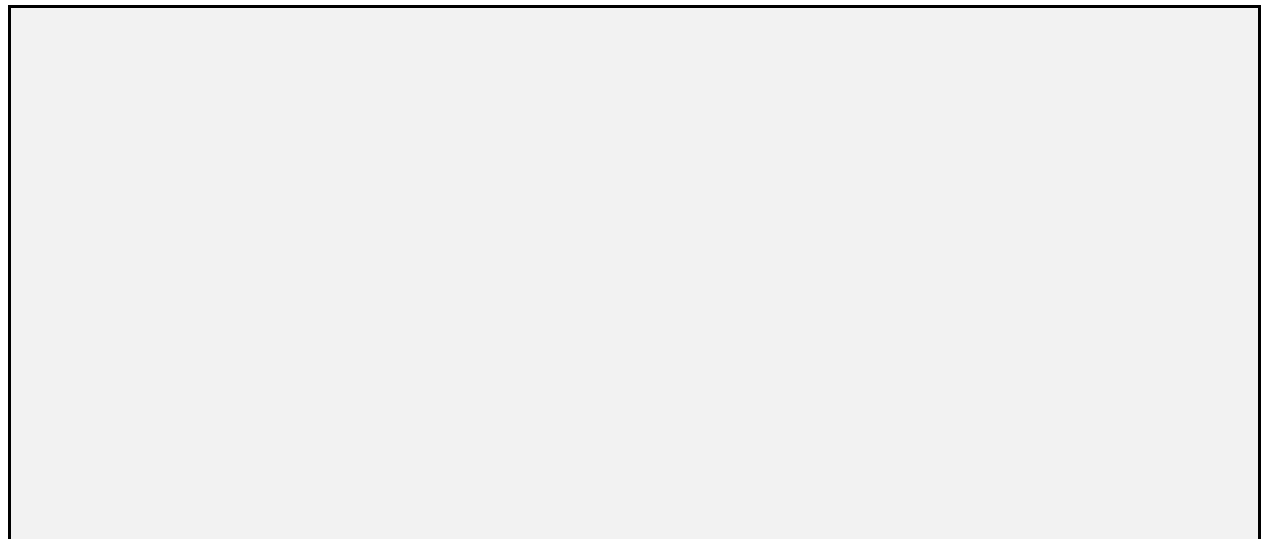
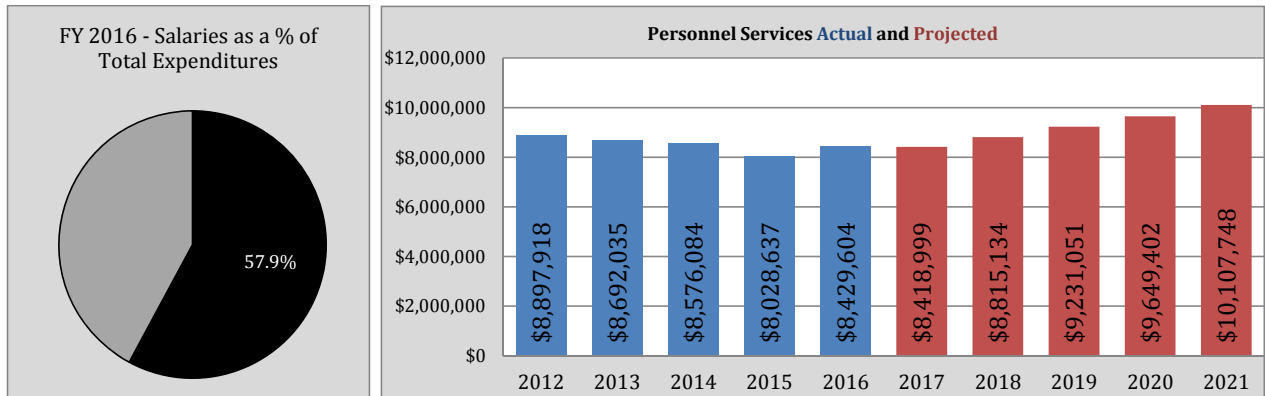
Expenditures Overview

	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	
Expenditures:							
3.010-Salaries	-1.21%	-0.13%	4.71%	4.72%	4.53%	4.75%	3.72%
3.020-Benefits	-1.23%	6.51%	6.81%	6.92%	6.94%	7.13%	6.86%
3.030-Purchased Services	7.89%	29.08%	3.00%	3.00%	3.00%	3.00%	8.22%
3.040-Supplies & Materials	-3.23%	43.65%	3.00%	3.00%	3.00%	3.00%	11.13%
3.050-Capital Outlay	1.14%	25.00%	3.00%	3.00%	3.00%	3.00%	7.40%
3.060-Intergov	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.010-4.060-Debt	-20.00%	n/a	n/a	n/a	n/a	n/a	n/a
4.300-Other Objects	0.09%	16.00%	3.00%	3.00%	3.00%	3.00%	5.60%
4.500-Total Expenditures	-0.17%	7.57%	4.70%	4.74%	4.66%	4.84%	5.30%
5.040-Total Other Uses	54.21%	101.51%	3.00%	3.00%	3.00%	3.00%	22.70%
5.050-Total Exp & Other Uses	-0.09%	8.19%	4.67%	4.72%	4.64%	4.82%	5.41%



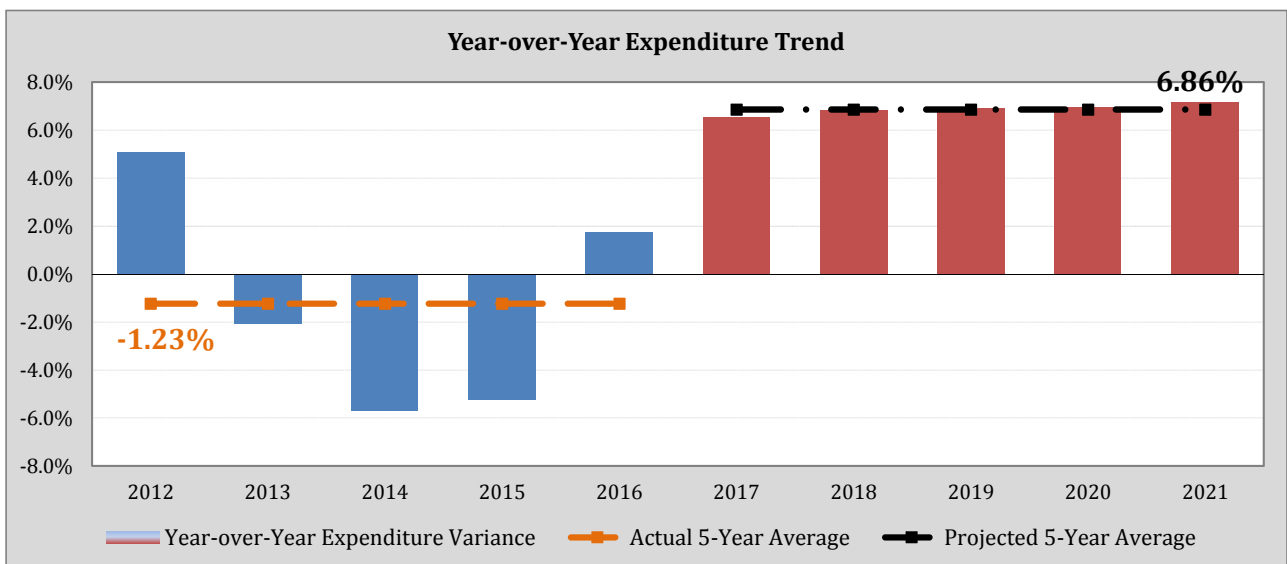
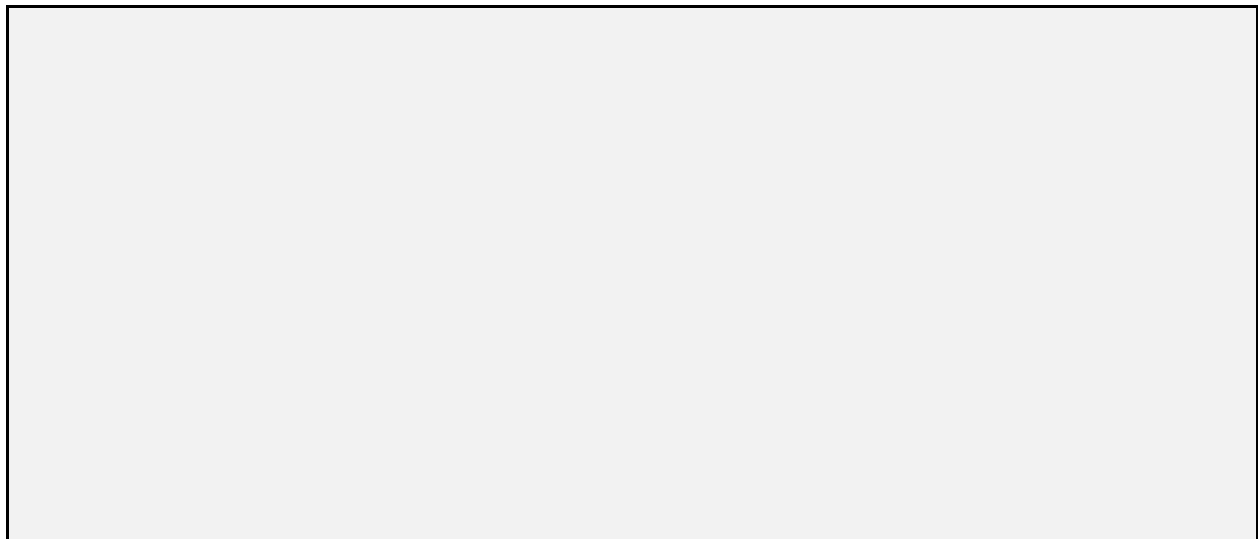
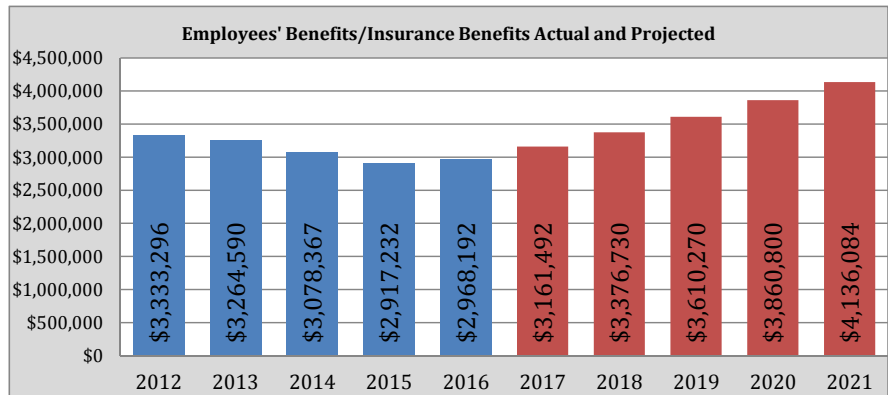
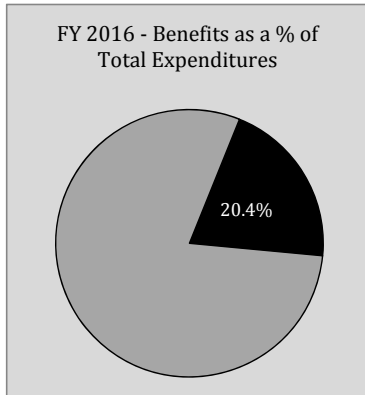
3.010 - Personnel Services

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



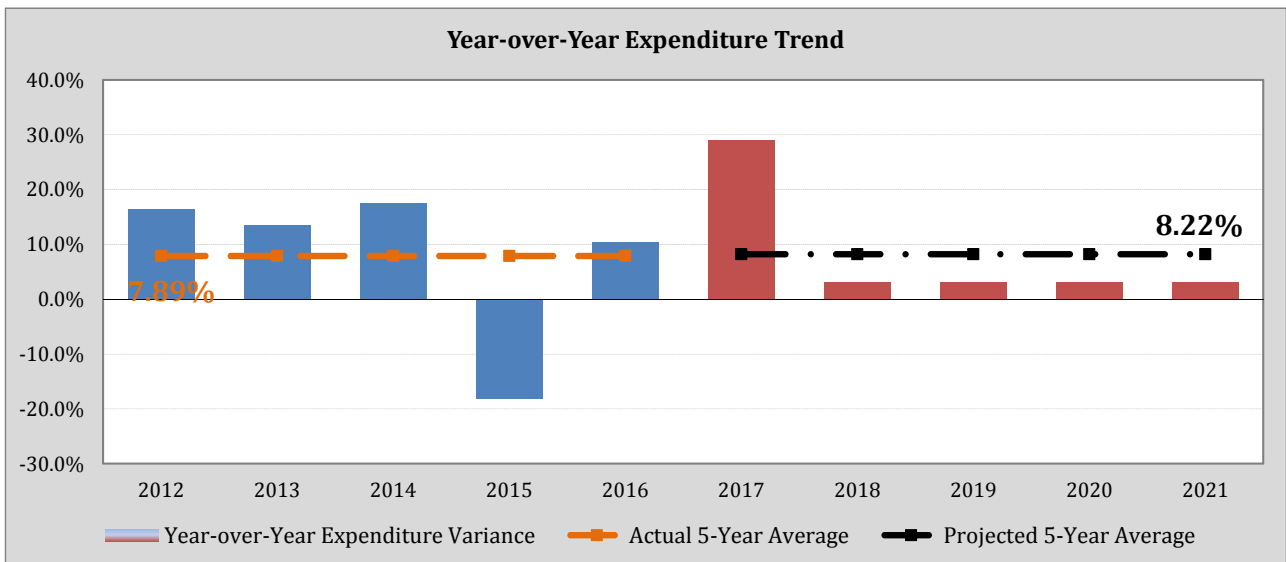
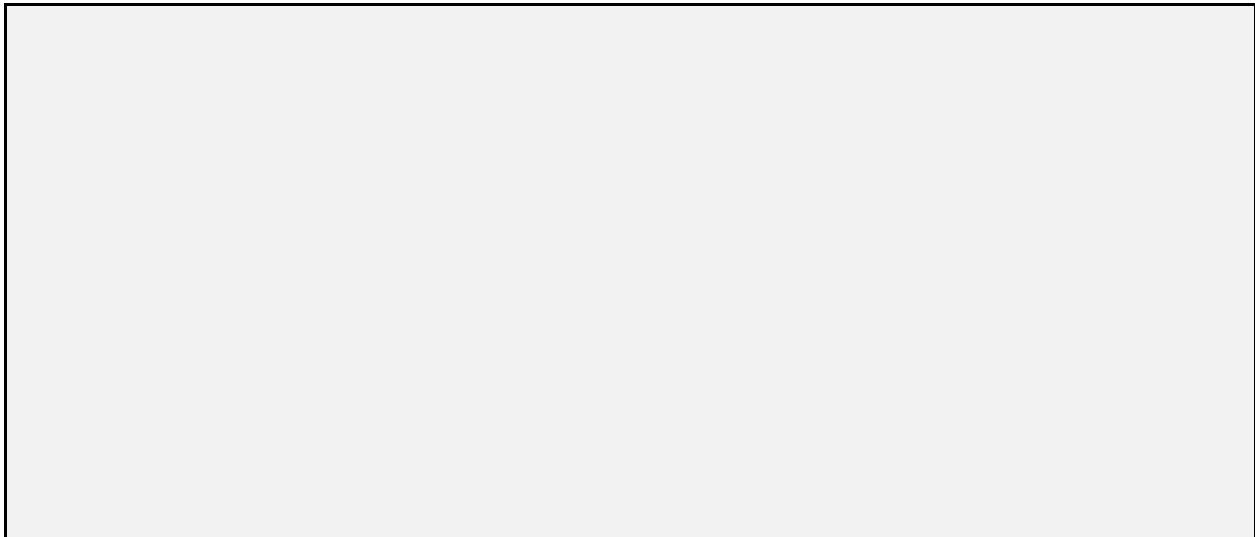
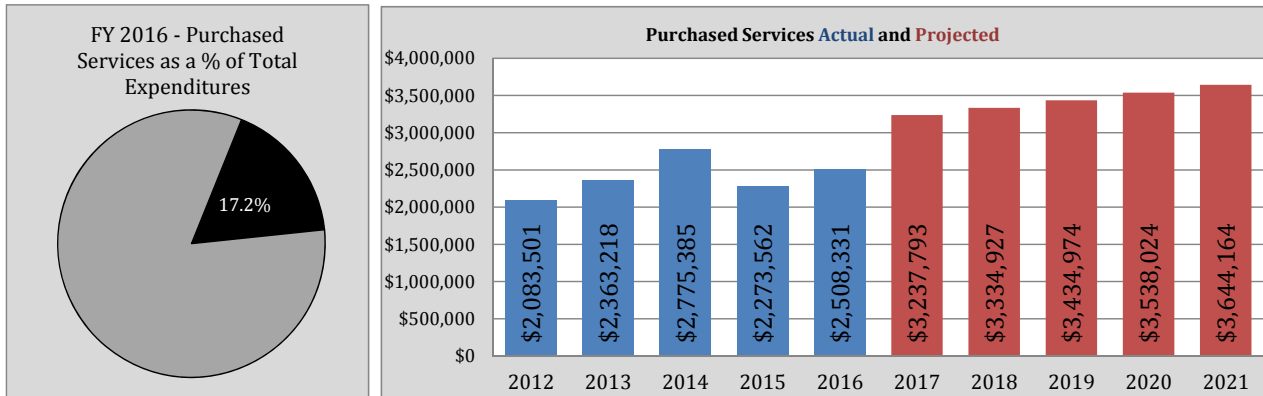
3.020 - Employees' Benefits

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



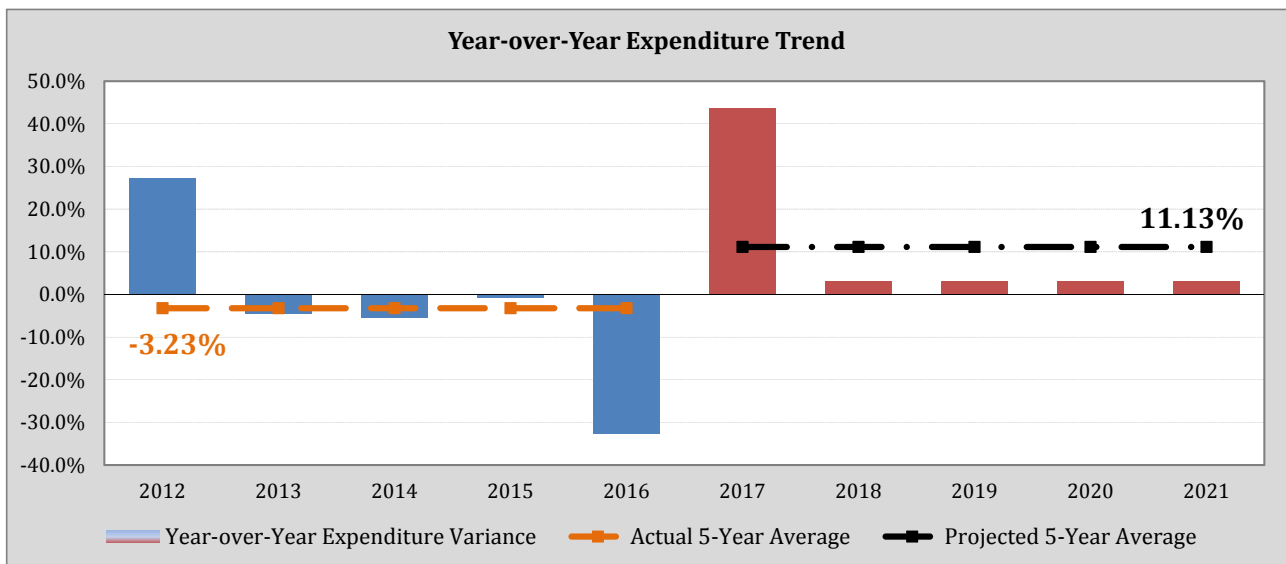
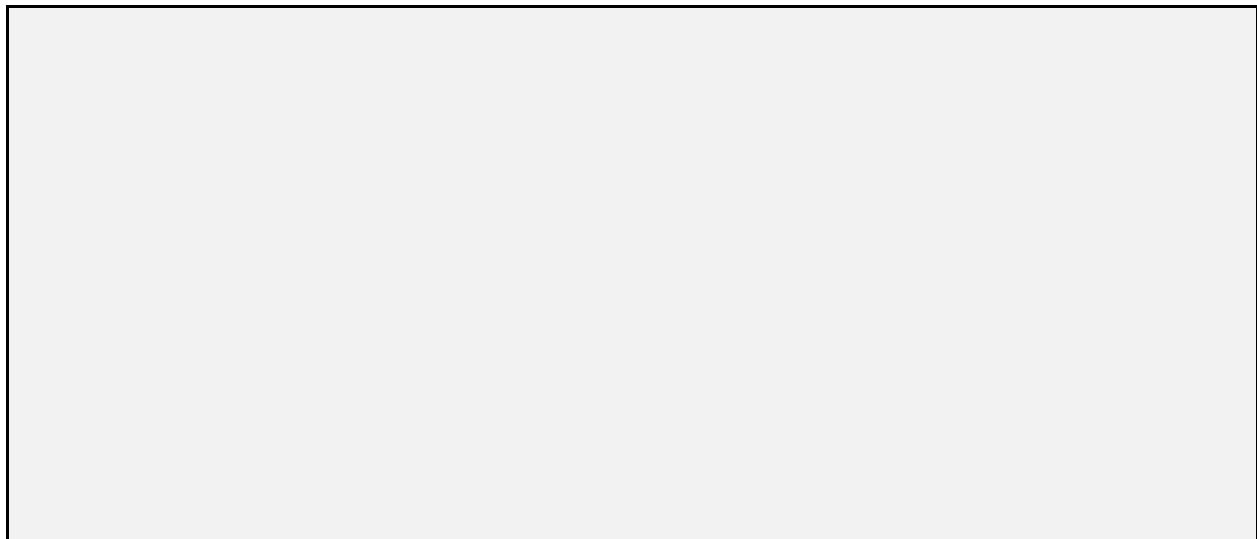
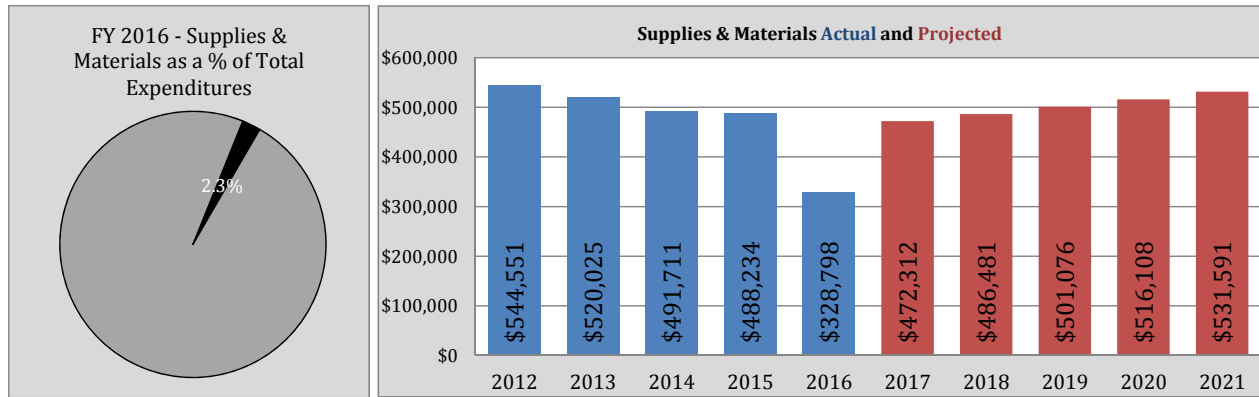
3.030 - Purchased Services

Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, and other services which the school district may purchase.



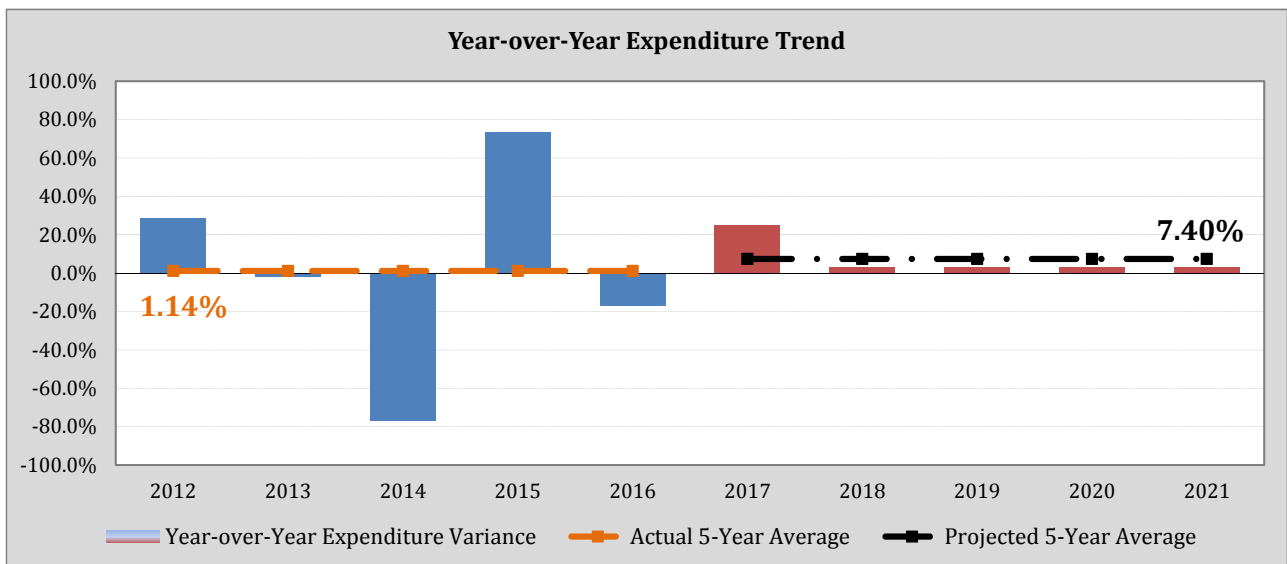
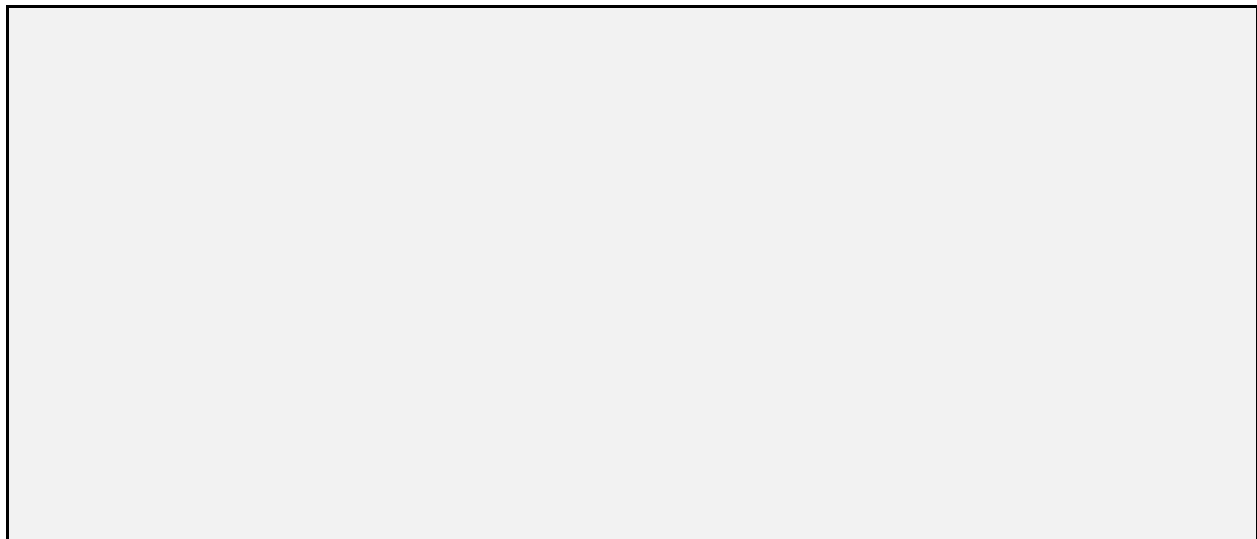
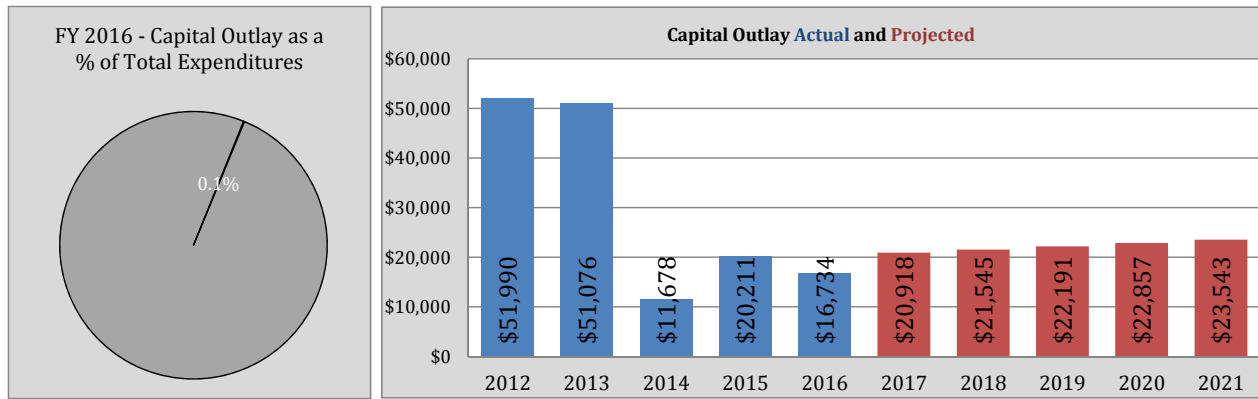
3.040 - Supplies & Materials

Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



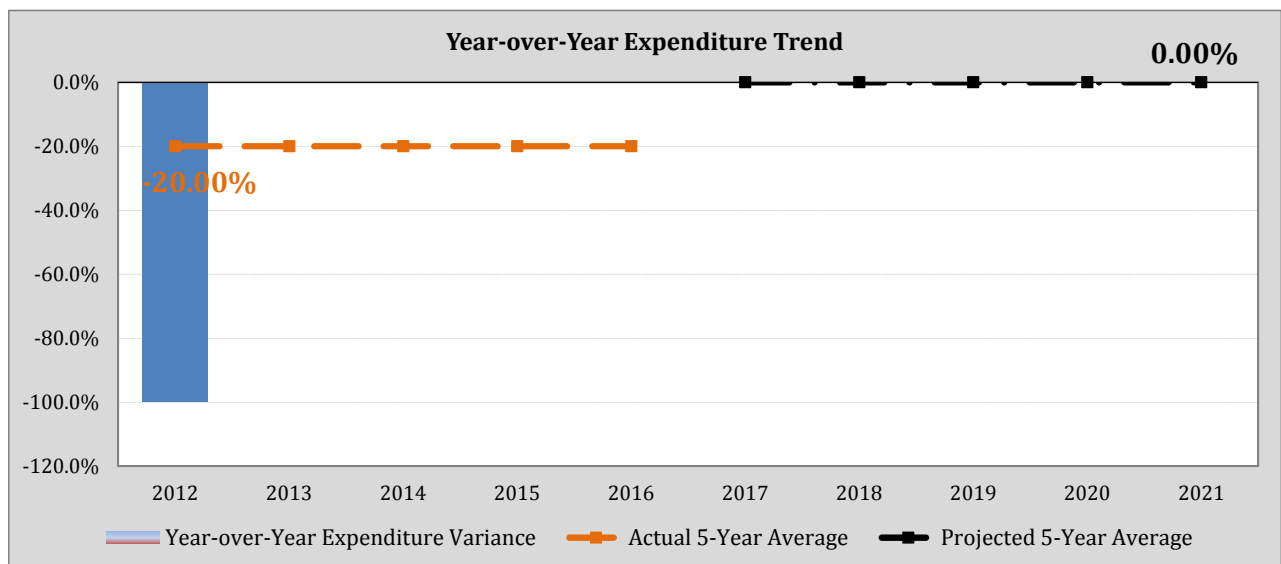
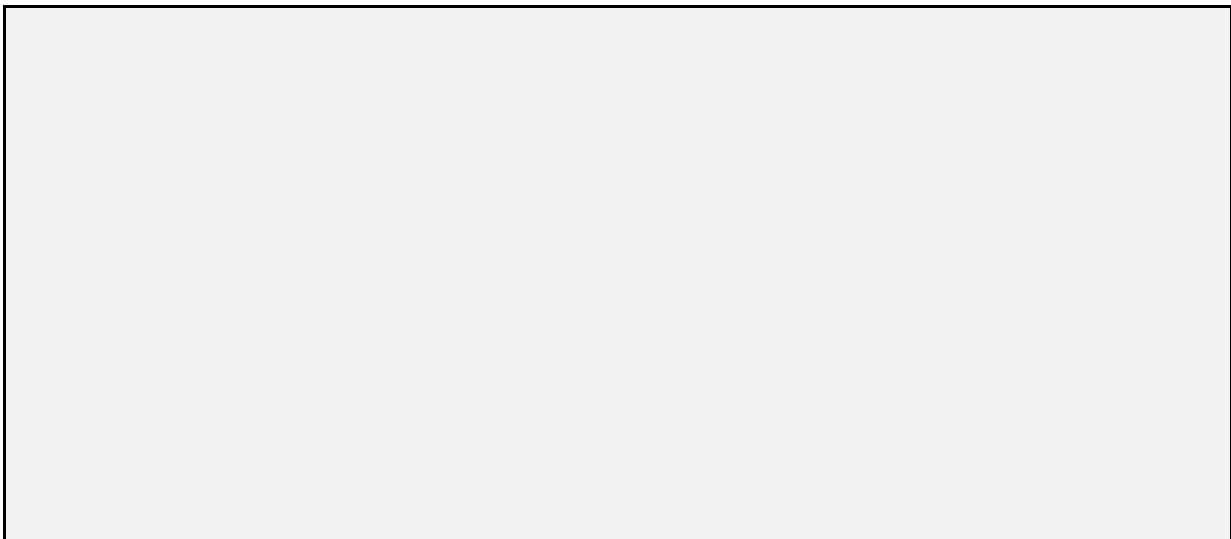
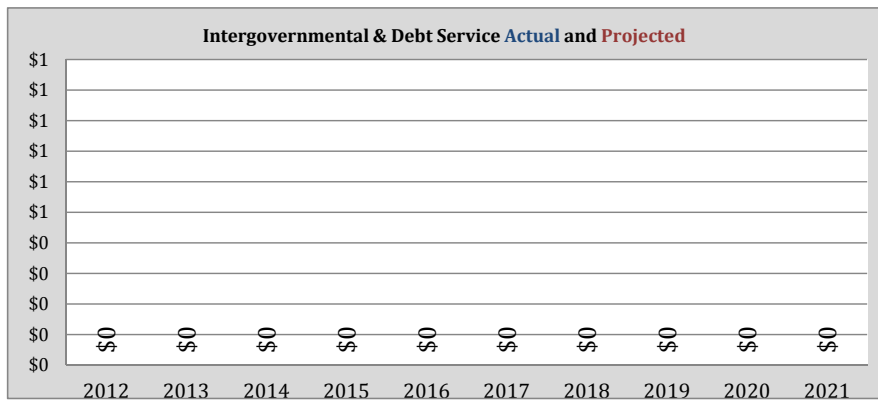
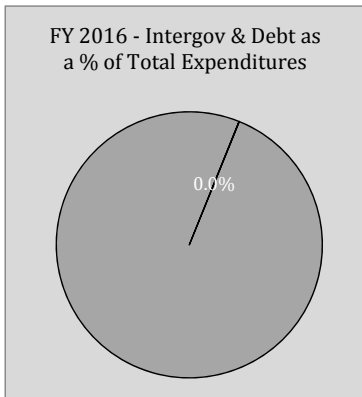
3.050 - Capital Outlay

This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



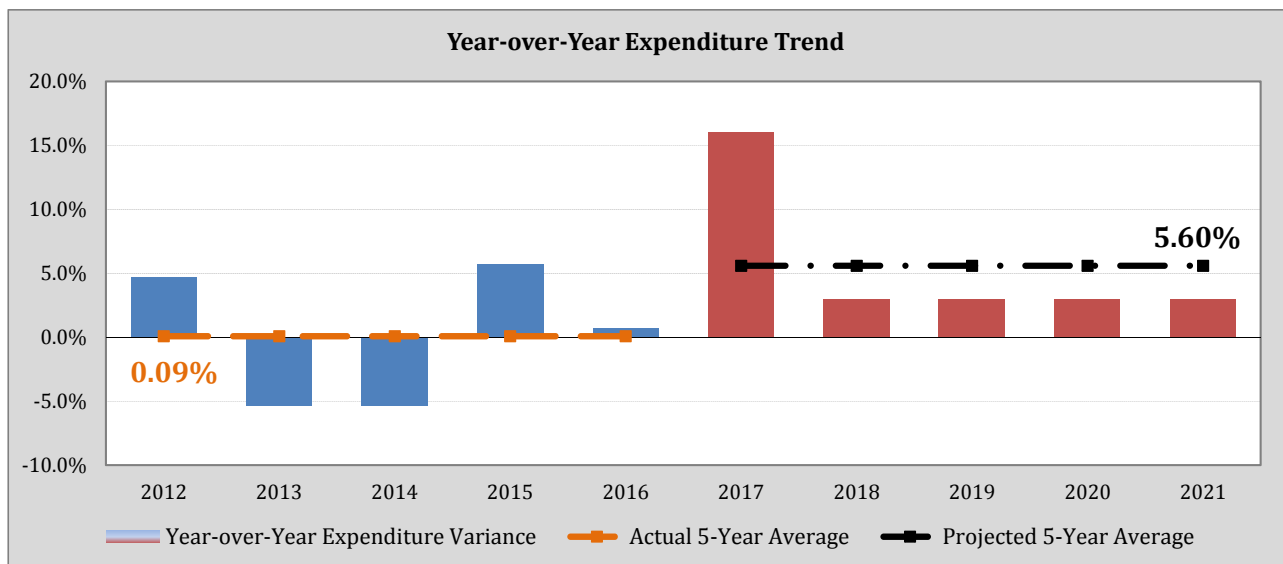
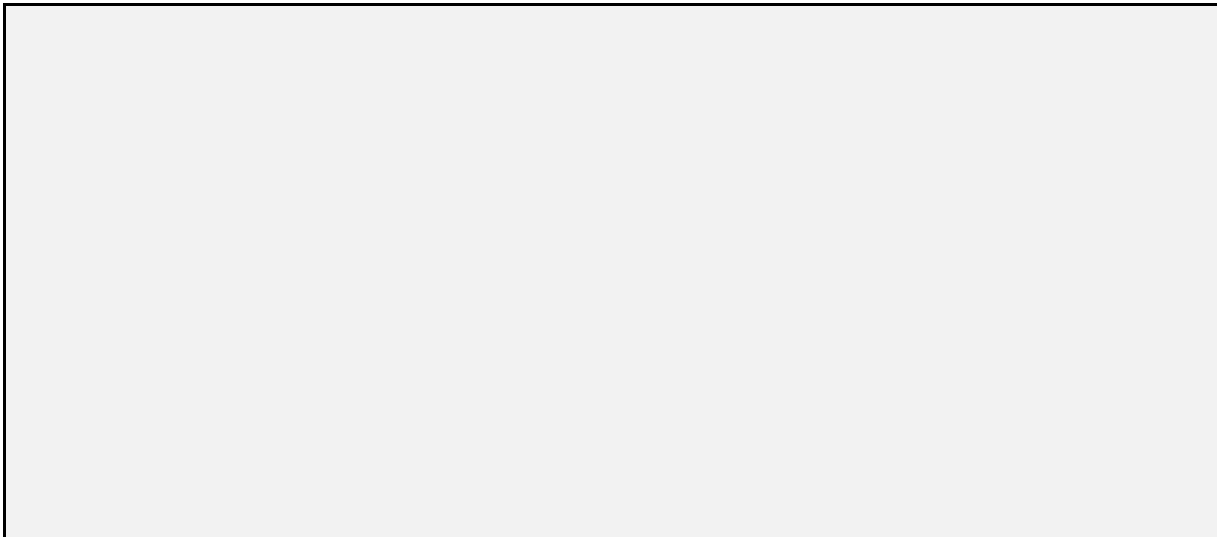
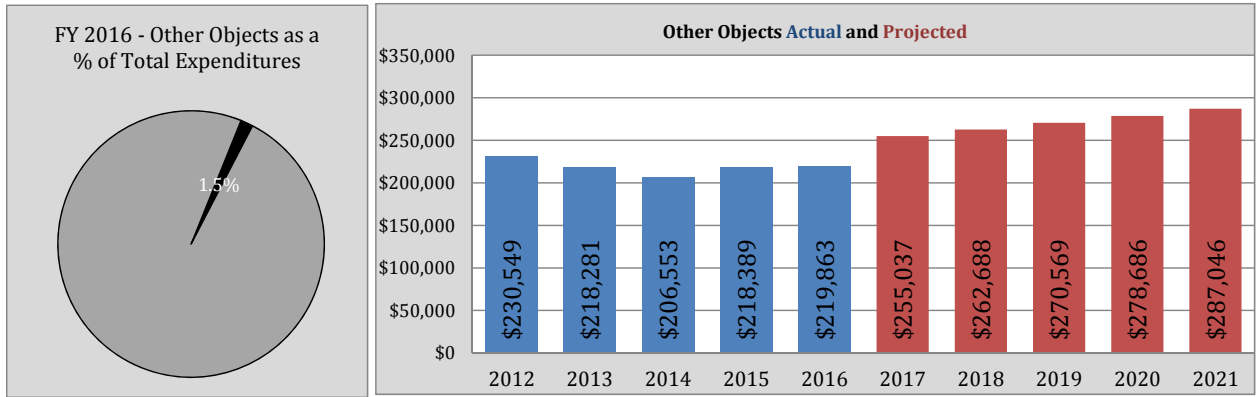
3.060-4.060 - Intergovernmental & Debt

These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.



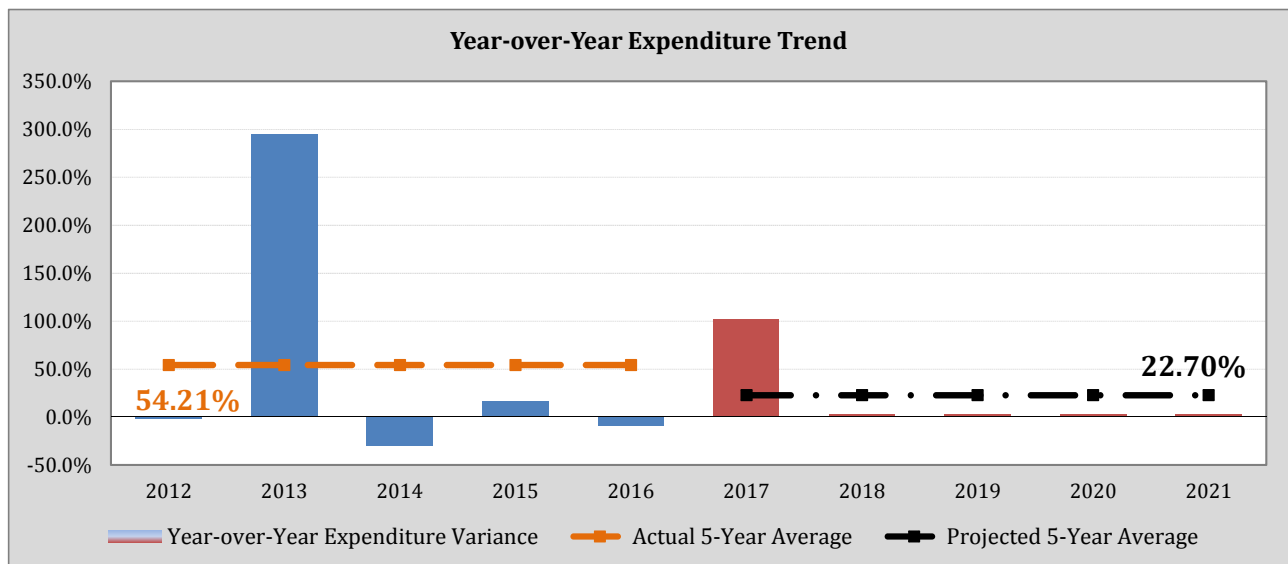
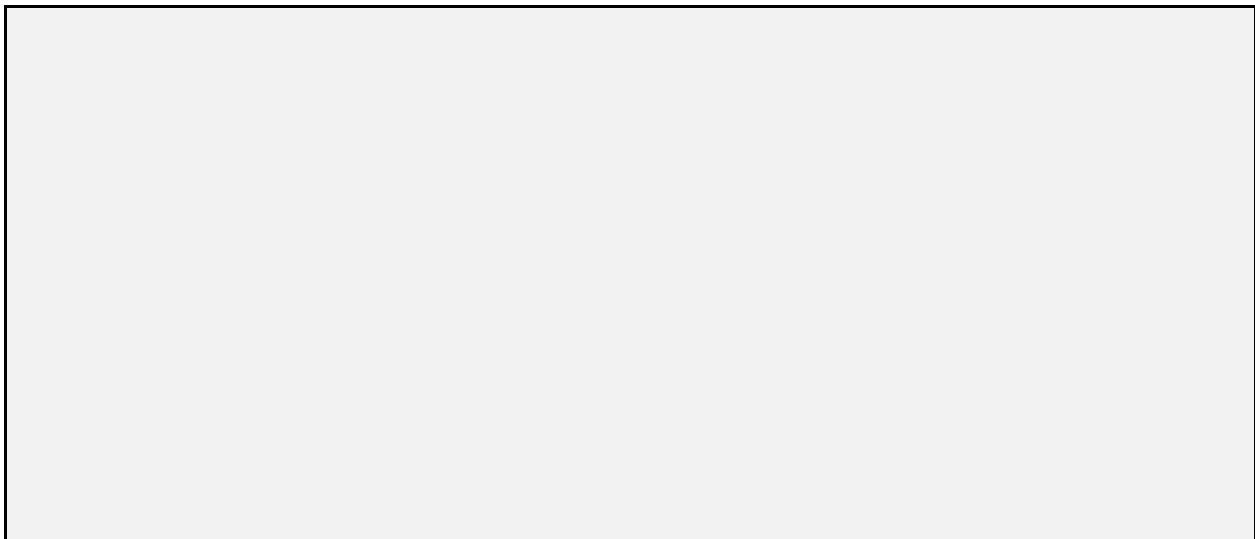
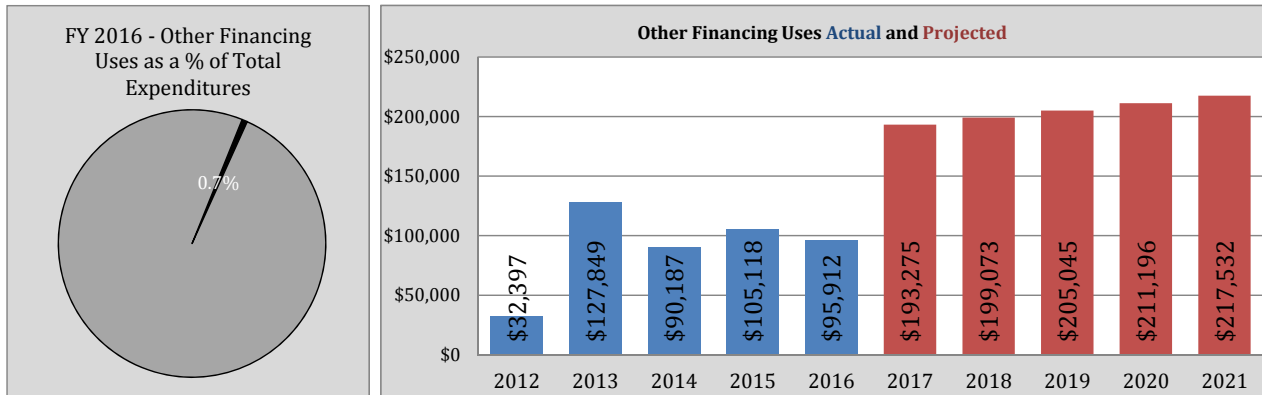
4.300 - Other Objects

Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



5.040 - Total Other Financing Uses

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

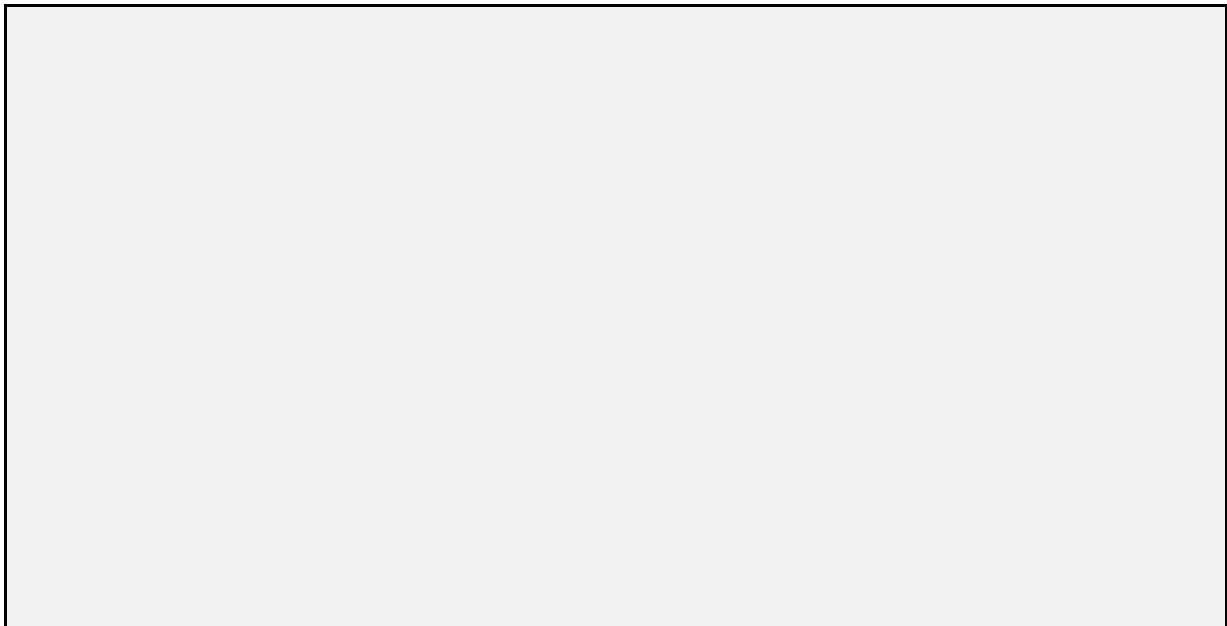


Forecast Compare

Comparison of Previous Forecast Amounts to Current Forecasted Numbers
F.Y. 2017

		Column A	Column B	Column C	Column D
		Previous	Current	Dollar	Percent
		Forecast	Forecast	Difference	Difference
		Amounts For	Amounts For	Between	Between
		F.Y. 2017	F.Y. 2017	Previous	Previous
		Prepared on:	Prepared on:	and	and
		05/31/2016	10/20/2016	Current	Current
Revenue:					
1	Real Estate & Property Allocation	\$8,383,438	\$8,223,739	-\$159,699	-1.9%
2	Public Utility Personal Property	\$407,193	\$410,872	\$3,679	0.9%
3	Income Tax	\$0	\$0	\$0	n/a
4	State Foundation Restricted & Unrestricted	\$6,333,349	\$6,394,838	\$61,489	1.0%
5	Other Revenue	\$948,460	\$826,550	-\$121,910	-12.9%
6	Other Non Operating Revenue	\$146,000	\$259,263	\$113,263	77.6%
7	Total Revenue	\$16,218,440	\$16,115,262	-\$103,178	-0.6%
Expenditures:					
8	Salaries	\$9,154,624	\$8,418,999	-\$735,625	-8.0%
9	Fringe Benefits	\$3,270,555	\$3,161,492	-\$109,063	-3.3%
10	Purchased Services	\$2,710,080	\$3,237,793	\$527,713	19.5%
11	Supplies, Debt, Capital Outlay & Other	\$621,012	\$748,266	\$127,254	20.5%
12	Other Non Operating Expenditures	\$130,000	\$193,275	\$63,275	48.7%
13	Total Expenditures	\$15,886,271	\$15,759,825	-\$126,446	-0.8%
14	Revenue Over/(Under) Expenditures	\$332,169	\$355,437	\$23,268	0.1%*
15	Ending Cash Balance	\$4,545,276	\$4,858,191	\$312,915	2%*

*Percentage expressed in terms of total expenditures



GREENON LOCAL SCHOOL DISTRICT - - CLARK COUNTY

Fiscal Year:	Actual	FORECASTED				
	2016	2017	2018	2019	2020	2021
Revenue:						
1.010 - General Property Tax (Real Estate)	7,232,704	7,110,911	7,319,908	7,348,518	6,146,746	4,956,649
1.020 - Public Utility Personal Property	411,009	410,872	429,935	446,180	394,790	341,694
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	6,423,163	6,253,669	6,256,641	6,346,250	6,298,809	6,354,362
1.040 - Restricted Grants-in-Aid	125,951	141,169	134,890	134,397	133,942	133,145
1.045 - Restricted Federal Grants - SFSF	-	-	-	-	-	-
1.050 - Property Tax Allocation	1,114,321	1,112,828	1,123,840	1,124,081	936,831	750,133
1.060 - All Other Operating Revenues	822,955	826,550	834,815	843,163	851,595	860,111
1.070 - Total Revenue	16,130,103	15,855,999	16,100,029	16,242,589	14,762,713	13,396,094
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-
2.050 - Advances-In	105,118	146,000	193,275	199,073	205,045	211,196
2.060 - All Other Financing Sources	153,319	113,263	101,937	91,743	82,569	74,312
2.070 - Total Other Financing Sources	258,437	259,263	295,212	290,816	287,614	285,509
2.080 - Total Rev & Other Sources	16,388,540	16,115,262	16,395,240	16,533,406	15,050,327	13,681,602
Expenditures:						
3.010 - Personnel Services	8,429,604	8,418,999	8,815,134	9,231,051	9,649,402	10,107,748
3.020 - Employee Benefits	2,968,192	3,161,492	3,376,730	3,610,270	3,860,800	4,136,084
3.030 - Purchased Services	2,508,331	3,237,793	3,334,927	3,434,974	3,538,024	3,644,164
3.040 - Supplies and Materials	328,798	472,312	486,481	501,076	516,108	531,591
3.050 - Capital Outlay	16,734	20,918	21,545	22,191	22,857	23,543
3.060 - Intergovernmental	-	-	-	-	-	-
Debt Service:						
4.010 - Principal-All Years	-	-	-	-	-	-
4.020 - Principal - Notes	-	-	-	-	-	-
4.030 - Principal - State Loans	-	-	-	-	-	-
4.040 - Principal - State Advances	-	-	-	-	-	-
4.050 - Principal - HB264 Loan	-	-	-	-	-	-
4.055 - Principal - Other	-	-	-	-	-	-
4.060 - Interest and Fiscal Charges	-	-	-	-	-	-
4.300 - Other Objects	219,863	255,037	262,688	270,569	278,686	287,046
4.500 - Total Expenditures	14,471,522	15,566,550	16,297,505	17,070,130	17,865,876	18,730,177
Other Financing Uses						
5.010 - Operating Transfers-Out	-	-	-	-	-	-
5.020 - Advances-Out	146,000	193,275	199,073	205,045	211,196	217,532
5.030 - All Other Financing Uses	(50,088)	-	-	-	-	-
5.040 - Total Other Financing Uses	95,912	193,275	199,073	205,045	211,196	217,532
5.050 - Total Exp and Other Financing Uses	14,567,434	15,759,825	16,496,578	17,275,175	18,077,072	18,947,709
6.010 - Excess of Rev Over/(Under) Exp	1,821,106	355,437	(101,337)	(741,770)	(3,026,745)	(5,266,107)
7.010 - Cash Balance July 1 (No Levies)	2,681,649	4,502,755	4,858,191	4,756,854	4,015,085	988,340
7.020 - Cash Balance June 30 (No Levies)	4,502,755	4,858,191	4,756,854	4,015,085	988,340	(4,277,767)
8.010 - Estimated Encumbrances June 30	45,194	46,550	47,947	49,385	50,867	53,410
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	4,457,560	4,811,641	4,708,907	3,965,699	937,473	(4,331,177)
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Income & Property Tax-Renewal	-	-	-	-	1,480,804	2,961,709
11.030 - Cumulative Balance of Levies	-	-	-	-	1,480,804	4,442,513
12.010 - Fund Bal June 30 for Cert of Obligations	4,457,560	4,811,641	4,708,907	3,965,699	2,418,277	111,336
Revenue from New Levies						
13.010 & 13.020 - Income & Property Tax-New	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	4,457,560	4,811,641	4,708,907	3,965,699	2,418,277	111,336