Greene County Career Center
Five-Year Forecast
Fiscal Years 2024-2028

Forecast Provided By
Georgia Lewis
Treasurer/CFO
Board Approval: May 8, 2024

Greene County Career Center

GREENE

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2021, 2022 and 2023 Actual;
Forecasted Fiscal Years Ending June 30, 2024 Through 2028

		Actual				Forecasted				
		Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Average Change	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
	Revenues									
1.010	General Property Tax (Real Estate)	$8,287,961	$8,708,327	$8,997,105	4.2%	10,198,873	$10,249,868	$10,301,117	$10,352,622	$10,404,386
1.020	Tangible Personal Property Tax									
1.030	Income Tax									
1.035	Unrestricted State Grants-in-Aid	3,725,449	4,371,110	5,455,630	21.1%	6,954,187	8,686,578	8,686,578	8,686,578	8,686,578
1.040	Restricted State Grants-in-Aid	1,711,124	2,177,769	2,564,049	22.5%	3,321,163	3,223,057	3,223,057	3,223,057	3,223,057
1.045	Restricted Federal Grants-in-Aid - SFSF									
1.050	State Share of Local Property Taxes	1,016,242	1,061,935	1,073,876	2.8%	1,207,136	1,207,136	1,207,136	1,207,136	1,207,136
1.060	All Other Revenues	855,774	338,254	750,442	30.7%	911,910	850,000	500,000	500,000	350,000
1.070	*Total Revenues*	15,596,550	16,657,395	18,841,102	10.0%	22,593,270	24,216,639	23,917,888	23,969,394	23,871,157
	Other Financing Sources									
2.010	Proceeds from Sale of Notes									
2.020	State Emergency Loans and Advancements (Approved)									
2.040	Operating Transfers-In		36,428							
2.050	Advances-In									
2.060	All Other Financing Sources	2,795	1,094	1,237	-23.9%	193	1,000	1,000	1,000	1,000
2.070	*Total Other Financing Sources*	2,795	37,522	1,237	572.9%	193	1,000	1,000	1,000	1,000
2.080	*Total Revenues and Other Financing Sources*	15,599,345	16,694,917	18,842,339	9.9%	22,593,462	24,217,639	23,918,888	23,970,394	23,872,157
	Expenditures									
3.010	Personal Services	7,998,605	8,675,644	9,403,876	8.4%	10,167,260	10,627,557	11,372,112	11,675,864	12,443,336
3.020	Employees' Retirement/Insurance Benefits	3,414,932	3,591,431	3,682,314	3.8%	4,283,597	4,343,083	4,702,083	5,016,455	5,418,645
3.030	Purchased Services	1,212,746	1,210,869	1,393,648	7.5%	1,942,654	2,088,353	2,244,980	2,413,353	2,594,354
3.040	Supplies and Materials	643,452	875,202	860,829	17.2%	1,437,501	1,545,313	1,661,212	1,744,272	1,831,486
3.050	Capital Outlay									
3.060	Intergovernmental									
	Debt Service:									
4.010	Principal-All (Historical Only)									
4.020	Principal-Notes									
4.030	Principal-State Loans									
4.040	Principal-State Advancements									
4.050	Principal-HB 264 Loans									
4.055	Principal-Other									
4.060	Interest and Fiscal Charges									
4.300	Other Objects	241,278	224,427	471,893	51.6%	604,119	634,325	666,041	699,343	734,310
4.500	*Total Expenditures*	13,511,013	14,577,573	15,812,560	8.2%	18,435,131	19,238,631	20,646,428	21,549,287	23,022,132
	Other Financing Uses									
5.010	Operating Transfers-Out		7,000,000	1,150,000		7,000,000	2,000,000	1,250,000		4,261,875
5.020	Advances-Out									
5.030	All Other Financing Uses									
5.040	*Total Other Financing Uses*		7,000,000	1,150,000		7,000,000	2,000,000	1,250,000		4,261,875
5.050	*Total Expenditures and Other Financing Uses*	13,511,013	21,577,573	16,962,560	19.2%	25,435,131	21,238,631	21,896,428	21,549,287	27,284,007
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	2,088,332	4,882,656-	1,879,779	-236.2%	2,841,669-	2,979,008	2,022,461	2,421,107	3,411,850-
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	12,829,415	14,917,747	10,035,091	-8.2%	11,914,870	9,073,201	12,052,209	14,074,670	16,495,777
7.020	*Cash Balance June 30*	14,917,747	10,035,091	11,914,870	-7.0%	9,073,201	12,052,209	14,074,670	16,495,777	13,083,927
8.010	*Estimated Encumbrances June 30*					5,000	5,000	5,000	5,000	5,000
	Reservation of Fund Balance									
9.010	Textbooks and Instructional Materials									
9.020	Capital Improvements									
9.030	Budget Reserve	496,191	496,191	496,191		496,191	496,191	496,191	496,191	496,191
9.040	DPIA									
9.045	Fiscal Stabilization									
9.050	Debt Service									
9.060	Property Tax Advances									
9.070	Bus Purchases									
9.080	*Subtotal*	496,191	496,191	496,191		496,191	496,191	496,191	496,191	496,191
10.010	*Fund Balance June 30 for Certification of*	14,421,556	9,538,900	11,418,679	-7.1%	8,572,010	11,551,018	13,573,479	15,994,586	12,582,736
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal									
11.020	Property Tax - Renewal or Replacement									
11.300	Cumulative Balance of Replacement/Renewal Levies									
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	14,421,556	9,538,900	11,418,679	-7.1%	8,572,010	11,551,018	13,573,479	15,994,586	12,582,736
	Revenue from New Levies									
13.010	Income Tax - New									
13.020	Property Tax - New									
13.030	Cumulative Balance of New Levies									
14.010	Revenue from Future State Advancements									
15.010	*Unreserved Fund Balance June 30*	14,421,556	9,538,900	11,418,679	-7.1%	8,572,010	11,551,018	13,573,479	15,994,586	12,582,736

OFFICIAL NOTES FOR THE FIVE-YEAR FORECAST

The Greene County Vocational School District, commonly referred to as the Greene County Career Center (GCCC), operates under a 7-member Board of Education. Each board member represents one of the Greene County School Districts, including Beavercreek City Schools, Bellbrook-Sugarcreek School District, Cedar Cliff Local Schools, Fairborn City Schools, Greeneview Local School District, Yellow Springs Exempted Village School District, and Xenia Community Schools.

GCCC currently educates 891 juniors and seniors on campus this year. GCCC extends its services through satellite programs within each of the districts mentioned above, serving students within their respective home districts. Last academic year, these satellite programs served a total of 3,094 students.

At present, the sole full-time adult education program offered by GCCC is the Peace Officer Basic Training. This program operates on a self-funding basis and is not included in the general fund. As a result, the forecast does not reflect any revenues or expenditures associated with it.

May 2024 Updates:

Revenues FY24:

The revenue overview indicates that we are largely meeting our original estimates at this stage of the year. Total General Fund revenues (Line #1.070) are forecasted to reach $22,593,270

Property taxes (Line #1.010 and 1.020) account for 45% of our projected revenue and are expected to amount to $10,198,873 for FY24. This figure surpasses the original estimate by $417,086, which was $9,781,787.

State Aid (Line #1.035 and 1.040) constitutes our largest revenue source at 51%. It is currently projected to total $10,275,350 for FY24, surpassing the November projection by $308,580. For FY25, the current ADM was utilized to estimate the amount of state funding to be received.

Although other revenues (Line #1.060) have declined by $1,368,404 due to lower interest income and tuition payments, it's worth noting that this year has been one of the highest-earning years for interest. Interest income alone is expected to reach $698,629 for the General Fund.

All revenue categories are aligning with expectations for FY24 based on the information available to us at this time.

Expenditures FY24:

Total General Fund expenditures (Line #4.5) for FY24 are projected to be $18,435,131, exceeding the original estimate of $18,223,232 in the November forecast by $211,899. However, all other areas of expenses are anticipated to remain in line with the original projections for the year.

Unreserved Ending Cash Balance:

With revenues and expenditures largely meeting expectations, we anticipate our ending unreserved cash balance on June 30, 2024, to be approximately $8,572,010. The ending unreserved cash balance on Line #15.010 of the forecast is expected to maintain a positive cumulative balance through 2028 if the assumptions we have made for property tax collections, state aid in future state budgets, and expenditure projections remain consistent with our estimates.

BUILDING INITIATIVES
In November 2018, voters approved a bond initiative enabling the District to construct a new facility. By the beginning of the 2020-2021 school year, the District had relocated to a new main campus, which boasts a 27% increase in size compared to the former facility and offers expanded programming.

Additionally, construction was finalized at the Greene County Airport to build a 7500 square foot airplane hangar for an Aviation Maintenance Technician program. The introduction of these two facilities led to a budgetary increase to accommodate extra staff, heightened utility usage, additional supplies, moving expenses, and related expenditures. The district had maintained ownership of the former campus until late in Fiscal Year 2021, incurring associated carrying costs. Furthermore, the district sold the Brush Row Road Property in late Fiscal Year 2021, which previously housed the equine program that the district has since disinvested from.

Further developments include the installation of an additional parking lot in Fiscal Year 2023, along with the completion of the greenhouse at the onset of this Fiscal Year to bolster the Natural Resources program. These additions are expected to have minimal impact on the five-year forecast, with only marginal increases in utility and maintenance costs.

During Fiscal Year 2025, the construction of a new HVAC lab will reach completion. Despite the typical expenses associated with such a project, two grants awarded to GCCC will offset many of these costs. Nevertheless, a slight budgetary increase will be necessary to accommodate an additional staff member and procure extra supplies.

Revenue Assumptions

REAL ESTATE TAXES
The Greene County Career Center receives property tax revenues from several counties: Greene, Montgomery, Clark, Clinton, Warren, and Fayette. However, 98% of the property tax income is sourced from Greene County, and the property tax assumptions outlined in this forecast will primarily rely on data from Greene County. Greene County comprises a diverse mix of residential, agricultural, and commercial properties. Currently the district received 45% of its revenue from local property taxes.

Each year, property values are determined by the County Auditor. Estimates for property tax revenue hinge on historical growth patterns for new construction, updated appraisals, and current economic conditions. In 2023, the county underwent a triennial update. However, due to HB920, enacted in 1976, current homeowners typically don't experience an increase in school district tax on their real estate tax bill, unless the district has reached the "floor." For vocational school districts, this floor is set at 2 mills, meaning the district's effective tax rate cannot fall below this threshold. Consequently, the tax rate must be adjusted to ensure the collection of at least the minimum 2 mills.

Following the completion of the county reappraisal in 2023, the district anticipates a 13.4% increase in property tax revenue for fiscal year 2024, amounting to $417,086 higher than the forecast presented in November. For subsequent years, the forecast assumes a 0.5% annual increase in property tax revenue to accommodate new construction.

SCHOOL FOUNDATION & CASINO REVENUE
Foundation – State Funding
The State biennial budget, effective as of July of 2021, brought substantial modifications to the state funding received. Initially outlined as a six-year phase-in plan, the state legislature approved the first two years of the funding plan in HB110. This plan underwent further adjustments in June 2022 through HB583 and has now been extended through HB33 for FY24 and FY25. Notably, the Fair School Funding Plan (FSFP) does

not include caps on funding; rather it entails a general phase-in percentage for most components, set at 50% in FY24 and 66.67% in FY25. With this funding structure, it is ensured that no district will receive less funding in FY24 and FY25 than they did in FY21.

The forecast includes projected revenues for Fiscal Years 2024 and 2025. However, future years do not reflect any alterations, given the anticipation of a new biennial budget July 2025. There is no guarantee that the current FSFP will receive funding or be prolonged beyond FY25. Therefore, our state funding estimates are reasonable, and adjustments to the forecast will be made once additional data becomes available. Consequently, funding remains consistent in the forecast for FY26 through FY28.

The previously mentioned increase in property tax will impact the foundation rate, given that Property Valuation plays a role in the calculation. Notably, starting in Fiscal Year 2022, the amount allocated for Open Enrollment students, per the budget, has been moved from line 1.060 to line 1.035. Additionally, the District receives Student Wellness and Success Funds from the state. Although these funds were excluded from the Five-Year Forecast in Fiscal Years 2020 and 2021, they were utilized to cover expenses typically funded by the general fund. The availability and utilization of these funds have led to a reduction in general fund costs. These funds were not fully expended until Fiscal Year 2022. From 2023 onwards, all expenses previously covered by these funds outside of the Five-Year Forecast are once again integrated into the forecast.

Casino Revenue

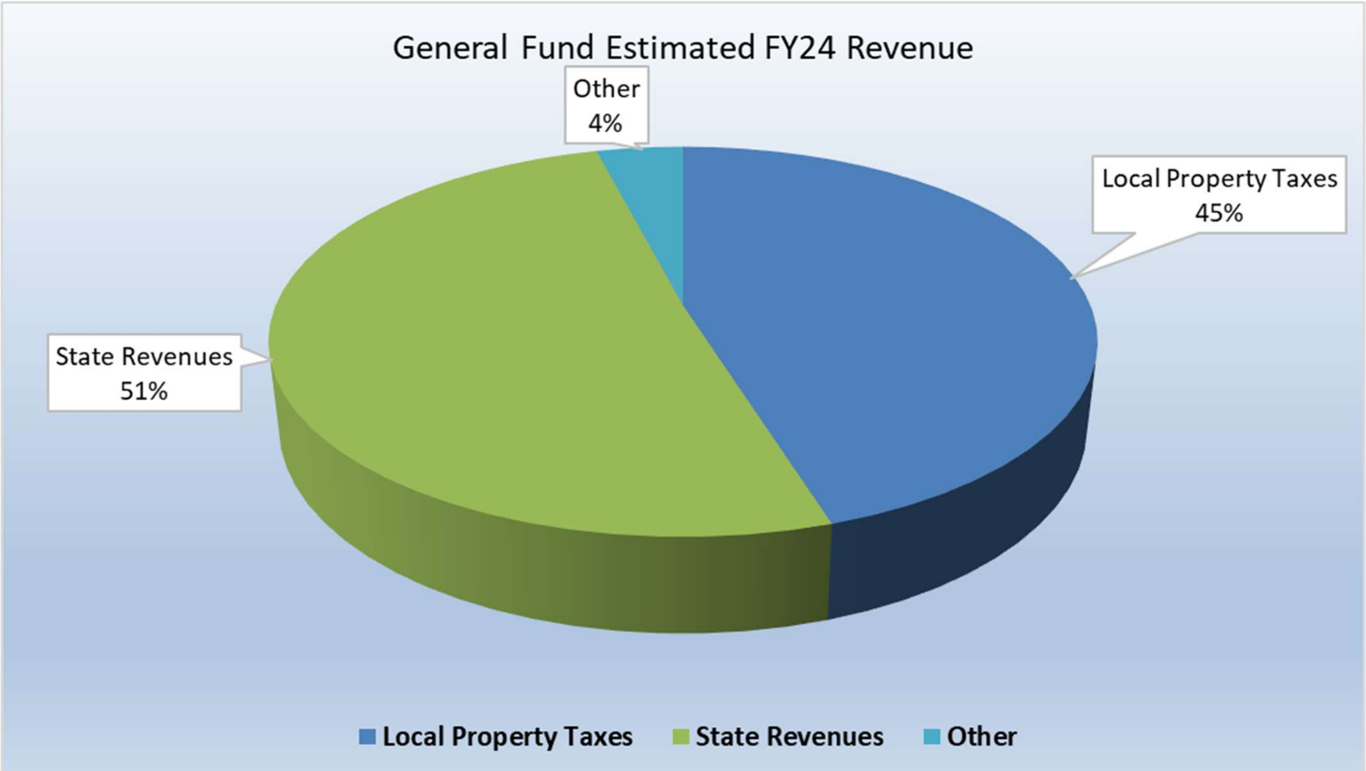
Thirty-three percent of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% GCR that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31st of January and August of each year.

This amount fluctuates based on the casino tax revenue received by the state and our student headcount. Revenue projections are based on actual past amounts received. Following a notable decline in Fiscal Year 2021 due to the pandemic, this revenue has since rebounded.

<u>ALL OTHER REVENUES</u>

Other Local Revenues encompasses building and grounds rentals, student/class fees, and interest on investments. Interest has emerged as a significant source of income. However, projections indicate a deceleration in growth, particularly in Fiscal Year 2025 and further in Fiscal Year 2026.

As noted earlier, Open Enrollment was previously classified within this category, but with budget adjustments, these funds have been transferred to Unrestricted State Grants-in-Aid, starting from Fiscal Year 2022.



ALL FINANCING SOURCES

On line 2.040 a transfer-in of $36,428 is shown for Fiscal Year 2022 as stale accounts were closed and transferred to the General Fund. Other amounts shown in line 2.060 are for a refund of a prior year's expense.

Expenditure Assumptions

SALARIES

Salaries are computed based on salary schedule step increments, negotiated raises, and projected staffing levels. Collective bargaining agreements have been established with both Certified and Classified staff, as well as administrative and classified exempt staff salary schedules, extending through Fiscal Year 2025. Step advancements and raises are factored in as follows: a 2.75% raise for Fiscal Year 2024 and a 2.5% raise for Fiscal Year 2025. Fiscal Years 2026 through 2028 anticipate step advancements exclusively.

Staff are currently paid on a biweekly basis, with typically 26 pay dates in each fiscal year. However, Fiscal Year 2023 included twenty-seven pay dates, Fiscal Year 2025 had 25 and Fiscal Year 2028 had 27 pay dates. The remaining years maintain the standard 26 pay dates.

During Fiscal Year 2024, the district incorporated five new teaching positions and one new classified position was added. Additionally, one administrative position was introduced. Fiscal Year 2024 witnessed an unparalleled surge in enrollment, almost reaching campus capacity. To accommodate new programs and the rising enrollment, an extra seven teaching positions and two administrative roles are slated to commence in the 2024-2025 school year.

BENEFITS

This section of the forecast encompasses all expenses associated with benefits and retirement costs, with the exception of health insurance, which are directly tied to employee wages. The primary expenditure in employee benefits is employer contributions to the State Teachers Retirement System (STRS) or the School

Employees Retirement System (SERS). Employer contributions amount to 14% of each dollar paid in wages for both STRS and SERS, with an additional 1.5% surcharge to SERS for employees earning less than $30,000.

Employees hired by the District after April 1, 1986, are mandated to pay Medicare taxes. The District is obligated to match this contribution at a rate of 1.45% on all salaries and wages for these employees.

Insurance costs (Medical, Dental, and Vision) remain a constant concern. The insurance year begins on January 1. In Calendar Year 2024, Medical costs increased by 5.5%, while Dental and Vision costs increased by 1.5%. Bargained agreements restrict the Board's contribution increase to 10%. Hence, the projections allocate 10% for health insurance and 5% for dental and vision for Fiscal Years 2025-2028. Life insurance experienced a mid-year increase of 5.3% in Fiscal Year 2023, marking the first increase in several years. Future increases in subsequent years pertain only to additional staff in the projections.

The District maintains a termination benefits fund to cover severance costs and a worker's compensation fund to cover premiums. A 1% deduction from payroll is allocated to the termination fund on a monthly basis. Prior to Fiscal Year 2015, the Worker's Compensation Fund was funded similarly. However, starting that year, the fund balance was deemed sufficient to cease the transfer. Consequently, since then, the District has continued to receive refunds of Worker's Compensation premiums, ensuring the fund remains adequate to cover premiums throughout the forecast.

PURCHASED SERVICES

This category encompasses utilities, consultants, rentals, leases (such as for postage machines and gas cylinders), data processing services, trash collection, equipment repairs, legal costs, transportation, substitute teachers, College Credit Plus tuition, professional meeting expenses, and more. Projections in this line factor in an inflationary impact and increased enrollment for the current year. Fiscal Years 2025 and 2026 reflect a 7.5% increase, while the remaining years show a 5% increase.

SUPPLIES & MATERIALS

This category includes all consumable supplies necessary for the operation of the school district. Examples of purchases within this category include textbooks, paper, software, instructional supplies, periodicals, magazines, cleaning/custodial supplies, building supplies for repair and maintenance, fuel, tires, parts, and supplies for district vehicles, among others. A notable increase is indicated in Fiscal Year 2024 to account for inflation and enrollment increases. Fiscal Years 2025 and 2026 reflect a 7.5% increase, while the remaining years show a 5% increase.

CAPITAL OUTLAY

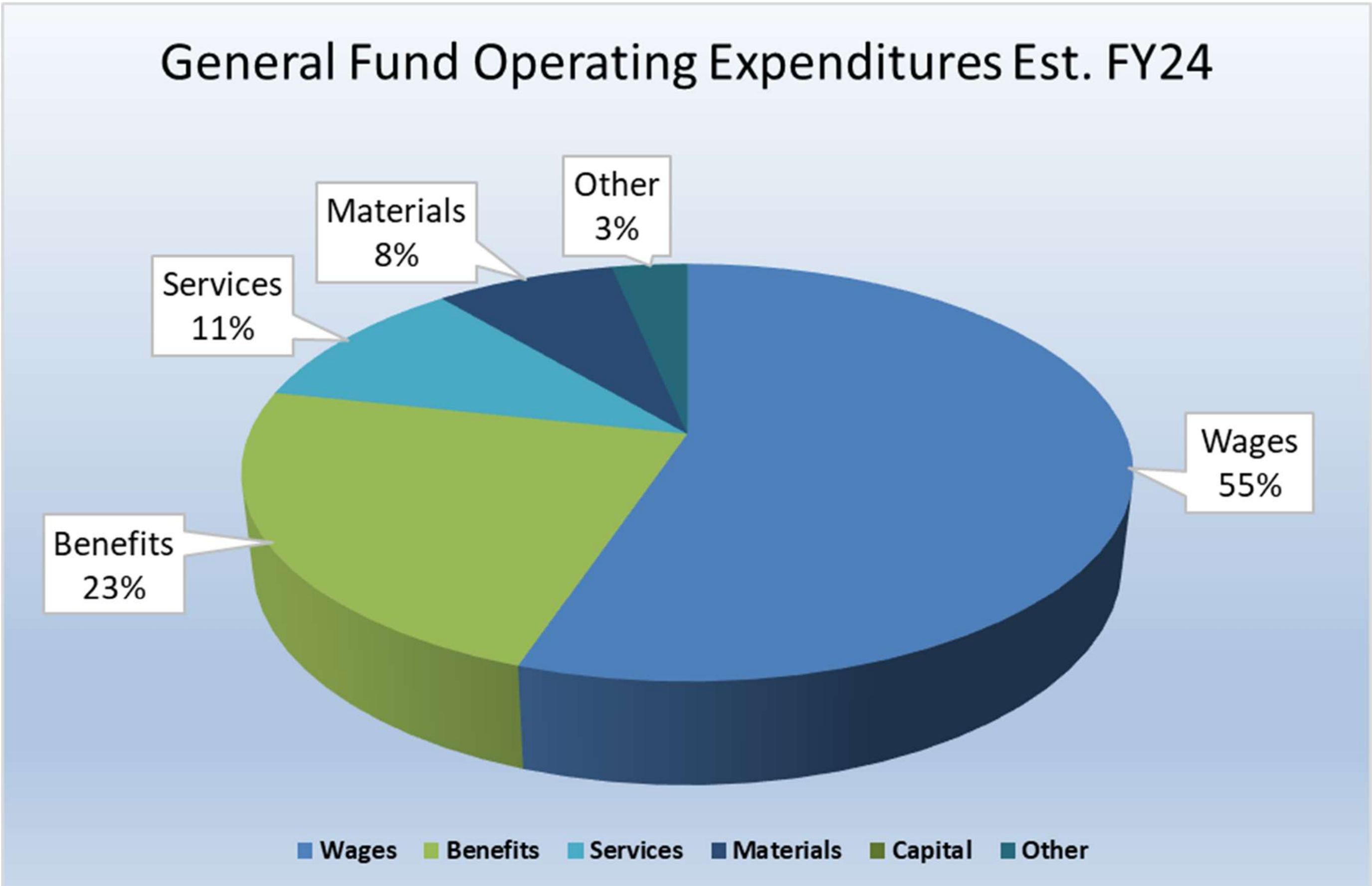
Currently all capital purchases are made out of the Permanent Improvement fund, and are therefore not included in this forecast.

OTHER EXPENDITURES

Miscellaneous expenditures encompass items not included in previously mentioned categories. These expenditures include fees for County Auditor and Treasurer for tax collections, organization dues and memberships, audit costs, bank charges, and property and liability insurance.

Starting from Fiscal Year 2018, the Board began covering some state-recognized credentials for all secondary students. However, as of Fiscal Year 2020, schools are mandated to cover all credential attempts, with partial state reimbursement available for successful completions. Prior to this requirement, the cost accounted for just over 11% of this line item. Following the implementation of this mandate, the portion allocated to credentials has fluctuated between 13% and 22% of the total for this line item, with a projection of 18% for Fiscal Year 2024.

Property and Liability insurance expenses have increased due to the new main campus, the addition of the airport facility, and additional equipment and programs. Expenses for Social Work services, previously drawn from Student Wellness & Success Funds and excluded from the Five-Year Forecast, have been reinstated starting from Fiscal Year 2023. Additional Social Work services have been contracted, further increasing this line item. All other items assume an inflationary growth rate of 5% for planning purposes.



TRANSFERS/ADVANCES OUT

Transfers out represent funds permanently disbursed from the General Fund. Historically, transfers were necessary to offset deficit balances in the Food Service, Consumer Activity, and Adult Education funds. However, since 2016, no transfers have been required to cover deficits. Transfers totaling five million dollars were allocated to the Capital Improvement Fund (070) in Fiscal Years 2018 and 2022 to support the district's capital endeavors. An additional transfer of five million dollars to the Capital Improvement Fund is projected for Fiscal Year 2024.

The transfer out line also encompasses funds directed to the "Bond pay-off" fund established by the Board. The District has devised a plan to retire the bond debt for the Bond Levy due in 2028. This plan is expected to save property taxpayers in Greene County over $8.6 million in interest. These transfers include: two million dollars in Fiscal Year 2022; one million, one hundred fifty thousand dollars in Fiscal Year 2023; two million dollars in Fiscal Years 2024 and 2025; and one million, two hundred fifty thousand dollars in Fiscal Year 2026.

The transfer in Fiscal Year 2028 will be directed to the bond debt retirement fund. This transfer enables the property tax assessed to county property owners for the bond levy to cease one year prior to the bond call, thereby halting collections on this levy.

RESERVATION OF FUND BALANCE

Budget Reserve – Line #9.030

Line 9.030 includes a budget reserve of $496,191. This amount has been static and in place for over 10 years.

ENDING UNENCUMBERED CASH BALANCE – Line #15.010

This amount must not go below $-0- or the district General Fund will violate Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of Ohio Revised Code section 5705.412, punishable by personal liability of $10,000, unless an alternative "412" certificate can be issued pursuant to House Bill 153 effective September 30, 2011.

Another way to look at ending cash is to state it in "True Cash Days." This allows the district to know how many days it could operate at year end if no additional revenues were received. This is the Current Years Ending Cash Balance divided by (Current Years Expenditures/365 days) = number of days the district could operate without additional resources or a severe resource interruption. The government finance officers' association recommends no less than two (2) months or 60 days cash is on hand at year end but could be more depending on each district's complexity and risk factors for revenue collection. Expenditures are calculated including transfers as this is a predictable funding source when used in the forecast.