YELLOW SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT- GREENECOUNTY

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS ENDED JUNE 30, 2020, 2021 and 2022 ACTUAL FORECASTED FISCAL YEARS ENDING JUNE 30, 2023 THROUGH JUNE 30, 2027

Forecast Provided By
Yellow Springs Exempted Village School District
Treasurer's Office
Jacob McGrath, Treasurer/CFO
May 22, 2023

Yellow Springs Exempted Village

Greene County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2020, 2021 and 2022 Actual;
Forecasted Fiscal Years Ending June 30, 2023 Through 2027

		Actual				Forecasted				
		Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Average Change	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
	Revenues									
1.010	General Property Tax (Real Estate)	$4,321,481	$4,618,444	$4,782,966	5.2%	$4,976,752	$4,853,075	$4,970,158	$3,991,819	$3,358,379
1.020	Public Utility Personal Property Tax	$129,328	$135,204	$432,935	112.4%	$185,269	$194,537	$202,713	$193,667	$183,949
1.030	Income Tax	$1,634,528	$1,554,907	$1,701,942	2.3%	$1,935,301	$1,993,360	$2,033,227	$2,073,892	$2,115,369
1.035	Unrestricted State Grants-in-Aid	$1,274,741	$1,374,622	$2,177,724	33.1%	$2,448,374	$2,448,074	$2,448,933	$2,449,809	$2,450,702
1.040	Restricted State Grants-in-Aid	$27,530	$27,530	$46,804	35.0%	$227,879	$227,879	$227,879	$227,879	$227,879
1.045	Restricted Federal Grants In Aid	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
1.050	Property Tax Allocation	$610,843	$629,769	$649,356	3.1%	$630,887	$664,929	$686,019	$570,121	$461,227
1.060	All Other Revenues	$1,514,531	$1,476,228	$873,122	-21.7%	$289,052	$288,086	$288,554	$289,026	$289,503
1.070	*Total Revenues*	$9,512,982	$9,816,704	$10,664,849	5.9%	$10,693,514	$10,669,940	$10,857,481	$9,796,213	$9,087,008
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
2.020	State Emergency Loans and Advancements (Approved)	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
2.040	Operating Transfers-In	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
2.050	Advances-In	$136,000	$51,700	$129,560	44.3%	$174,442	$100,000	$100,000	$100,000	$100,000
2.060	All Other Financing Sources	$107,325	$149,437	$66,353	-8.2%	$66,353	$66,353	$66,353	$66,353	$66,353
2.070	*Total Other Financing Sources*	$243,325	$201,137	$195,913	-10.0%	$240,795	$166,353	$166,353	$166,353	$166,353
2.080	*Total Revenues and Other Financing Sources*	$9,756,307	$10,017,841	$10,860,762	5.5%	$10,934,309	$10,836,293	$11,023,834	$9,962,566	$9,253,361
	Expenditures									
3.010	Personnel Services	$5,440,525	$5,575,775	$5,534,609	0.9%	$6,223,867	$6,421,885	$6,664,488	$6,909,703	$7,164,205
3.020	Employees' Retirement/Insurance Benefits	$2,189,012	$2,150,126	$2,309,656	2.8%	$2,355,246	$2,492,408	$2,635,428	$2,786,173	$2,946,483
3.030	Purchased Services	$1,468,727	$1,405,820	$1,291,555	-6.2%	$1,575,797	$1,348,829	$1,434,782	$1,492,173	$1,551,860
3.040	Supplies and Materials	$169,496	$230,163	$191,514	9.5%	$217,373	$274,357	$262,588	$270,466	$278,580
3.050	Capital Outlay	$103,978	$99,447	$89,923	-7.0%	$213,750	$133,500	$133,500	$133,500	$133,500
3.060	Intergovernmental	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
	Debt Service:				0.0%					
4.010	Principal-All (Historical Only)	$75,900	$75,900	$0	-50.0%					
4.020	Principal-Notes	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.030	Principal-State Loans	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.040	Principal-State Advancements	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.050	Principal-HB 264 Loans	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.055	Principal-Other	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.060	Interest and Fiscal Charges	$2,119	$284	$0	-93.3%	$0	$0	$0	$0	$0
4.300	Other Objects	$121,571	$148,191	$150,834	11.8%	$154,341	$158,189	$162,136	$166,186	$170,340
4.500	*Total Expenditures*	$9,571,328	$9,685,706	$9,568,091	0.0%	$10,740,374	$10,829,168	$11,292,922	$11,758,201	$12,244,968
	Other Financing Uses									
5.010	Operating Transfers-Out	$130,956	$383	$0	-99.9%	$10,000	$10,000	$10,000	$10,000	$10,000
5.020	Advances-Out	$51,700	$129,560	$174,442	92.6%	$100,000	$100,000	$100,000	$100,000	$100,000
5.030	All Other Financing Uses	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
5.040	*Total Other Financing Uses*	$182,656	$129,943	$174,442	2.7%	$110,000	$110,000	$110,000	$110,000	$110,000
5.050	*Total Expenditures and Other Financing Uses*	$9,753,984	$9,815,649	$9,742,533	-0.1%	$10,850,374	$10,939,168	$11,402,922	$11,868,201	$12,354,968
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	$2,323	$202,192	$1,118,229	4528.5%	$83,935	($102,875)	($379,088)	($1,905,635)	($3,101,607)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	$5,014,974	$5,017,297	$5,219,489	2.0%	$6,337,718	$6,421,653	$6,318,778	$5,939,690	$4,034,055
7.020	*Cash Balance June 30*	$5,017,297	$5,219,489	$6,337,718	12.7%	$6,421,653	$6,318,778	$5,939,690	$4,034,055	$932,448
8.010	*Estimated Encumbrances June 30*	$159,299	$59,714	$0	-81.3%	$120,000	$120,000	$120,000	$120,000	$120,000
`	**Reservation of Fund Balance**									
9.010	Textbooks and Instructional Materials	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
9.020	Capital Improvements	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
9.030	Budget Reserve	$0	$0	$0	0.0%	$354,081	$354,081	$354,081	$354,081	$354,081
9.040	DPIA	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
9.045	Fiscal Stabilization	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
9.050	Debt Service	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
9.060	Property Tax Advances	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
9.070	Bus Purchases	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
9.080	*Subtotal*	$0	$0	$0	0.0%	$354,081	$354,081	$354,081	$354,081	$354,081
10.010	*Fund Balance June 30 for Certification of Appropriations*	$4,857,998	$5,159,775	$6,337,718	14.5%	$5,947,572	$5,844,697	$5,465,609	$3,559,974	$458,367
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal	$0			0.0%	$0	$0	$0	$0	$0

Yellow Springs Exempted Village

Greene County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2020, 2021 and 2022 Actual;
Forecasted Fiscal Years Ending June 30, 2023 Through 2027

		Actual				**Forecasted**				
		Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Average Change	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
11.020	Property Tax - Renewal or Replacement	$0			0.0%	$0	$0	$0	$1,110,732	$1,935,500
11.300	Cumulative Balance of Replacement/Renewal Levies	$0			0.0%	$0	$0	$0	$1,110,732	$3,046,232
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	$4,857,998	$5,159,775	$6,337,718	14.5%	$5,947,572	$5,844,697	$5,465,609	$4,670,707	$3,504,600
	Revenue from New Levies									
13.010	Income Tax - New				0.0%	$0	$0	$0	$0	$0
13.020	Property Tax - New				0.0%	$0	$0	$0	$0	$0
13.030	Cumulative Balance of New Levies	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
15.010	*Unreserved Fund Balance June 30*	$4,857,998	$5,159,775	$6,337,718	14.5%	$5,947,572	$5,844,697	$5,465,609	$4,670,707	$3,504,600

Yellow Springs Exempted Village School District – Greene County
Notes to the Five Year Forecast
General Fund Only
May 22, 2023

Introduction to the Five Year Forecast
The five-year forecast is viewed as a key management tool and must be updated periodically. In Ohio, most school districts understand how they will manage their finances in the current year. The five-year forecast encourages district management teams to examine future years' projections and identify when challenges will arise. This then helps district management to be proactive in meeting those challenges. School districts are encouraged to update their forecasts with Ohio Department of Education when events take place that will significantly change their forecast or, at a minimum, when required under statute.

In a financial forecast, the numbers only tell a small part of the story. For the numbers to be meaningful, the reader must review and consider the Assumptions to the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are especially important to understanding the rationale of the numbers, particularly when a significant increase or decrease is reflected.

Here are at least three purposes or objectives of the five-year forecast:
(1) To engage the local board of education and the community in long range planning and discussions of financial issues facing the school district
(2) To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate"
(3) To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems

O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five (5) year financial forecast by November 30, 2022, and May 31, 2023, for the fiscal year 2023 (July 1, 2022, to June 30, 2023). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The fiscal year 2023 (July 1, 2022-June 30, 2023) is the first year of the five-year forecast and is considered the baseline year. Our forecast is updated to reflect the most current economic data available for the May 2023 filing. Data and assumptions noted in this forecast are based on the best and most reliable data available to us as of the date of this forecast.

May 2023 Updates:

<u>Revenues FY23</u>
The overview of revenues shows that we are substantially on target with original estimates at this point in the year. Total General Fund revenues (line 1.07) are estimated to be $10.69 million or 0.61% lower than the November forecasted amount of $10.76 million. This indicates the November forecast was 99.39% accurate.

Line 1.01 and 1.02 - Property tax revenues represent our largest source of revenues at 69.07% and are estimated to be $5.16 million, which is $29 thousand lower for FY23 than the original November estimate of $5.19 million. Our estimates are 99.99% accurate for FY23 and should mean future projections are on target as well.

Line 1.03 – Income Tax receipts are increasing from losses due to the pandemic; they represent 18.1% of our total revenues and are estimated to be .79% less than the original estimate in November of $1.95 million.

Line 1.035 and 1.04 - State Aid continues the implementation of the Fair School Funding Plan (FSFP), which has caused significant changes to the way our state revenues are calculated. We are estimating our state aid to be $2.68 million, which is $5 thousand lower than the original estimate for FY23. We are pleased that we were able to be 99.99% accurate for FY23. We are currently on the formula and are expected to remain as a formula district for FY24 through FY27.

All areas of revenue are tracking as anticipated for FY23 based on our best information at this time.

Expenditures FY23

Total General Fund expenditures (line 4.5) are estimated to be $10.7 million for FY23, which is on target with than the original estimate the November forecast.

Unreserved Ending Cash Balance

With revenues and expenditures ending on target from estimates, our ending unreserved cash balance June 30, 2023, is anticipated to be roughly $5.95 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2027 if assumptions we have made for property tax collections, state aid in future state budgets, and expenditure assumptions remain close to our estimates.

Forecast Risks and Uncertainty:

A five year financial forecast has risks and uncertainty not only due to economic uncertainties noted above but also due to state legislative changes that will occur in the spring of 2023 and 2025 due to deliberation of the next two (2) state biennium budgets for FY24-25 and FY26-27, both of which affect this five year forecast. We have estimated revenues and expenses based on the best data available to us and the laws in effect at this time. The items below give a short description of the current issues and how they may affect our forecast long term:

1) Property tax collections are a significant revenue source for the school system. The housing market in our district is stable and growing. We project continued growth in appraised values every three (3) years and new construction growth with continued modest increases in local taxes. Total local revenues which are predominately local taxes equate to 69.07% of the district's resources.

2) Being in two different counties can pose many challenges in determining the increases or decreases in values, especially in that the reappraisals are not in the same year. The Greene County reappraisal update was in 2020 tax year collected in 2021 and Clark County experienced a reappraisal for the 2022 tax year collected in 2023. The amount of the Clark County reappraisal is 0.38%. We are anticipating increases for the next reappraisal for Clark County in 2025 for collection in 2026 and for Green County in 2023 for collection in 2024.

3) Income tax collections are dependent upon the economy. As unemployment decreases the amount of funding increases for the district. We have seen an increase in the payments as employment has recovered from the decrease that was experienced with the pandemic. There is a risk that we could see decreases in the future but at this time, we are not anticipating any for future years of the forecast.

4) The State Budget represents 30.93% of district revenues and is an area of risk to revenue. The future risk comes in FY24 and beyond if the state economy stalls or worsens and the fair school funding plan is not funded in future state budgets or if an economic downturn results in a reduction in state aid. There are two future State Biennium Budgets covering the period from FY24-25 and FY26-27 in this forecast. Future uncertainty in both the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long range through FY27. We have projected our state funding to be in line with the FY23 funding levels through FY27, which we feel is conservative and should be close to whatever the state approves for the FY24-FY27 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.

5) HB110, the current state budget implements that is being referred to as the Fair School Funding Plan (FSFP) for FY22 and FY23. The full release of the new Fair School Funding Plan formula calculations was delayed until March 2022. The FSFP has many significant changes to the way foundation revenues are calculated for school districts and how expenses are charged off. State foundation basic aid will be calculated on a base cost methodology with funding paid to the district where a student is enrolled to be educated. Beginning in FY22, open enrollment payments will no longer be paid separately to a district as those payments are included with basic aid. A change in expenditures beginning in FY22 also occurred, in that there will no longer be deductions for students that attend elsewhere for open enrollment, community schools, STEM schools and scholarship recipients as these payments will be paid directly to those districts from the state. The initial impact of these changes on the forecast will be noticed in that the historic actual costs for FY20 through FY21 potentially reflecting different trends on Lines 1.035, 1.04, 1.06 and 3.03 beginning in FY22. In June 2022 the legislature passed HB583 to resolves issues and possible unintended consequences in the new funding formula. Some of these changes impacted FY22 and future years funding. Our state aid projections have been based on the best information on the new HB110 formula as amended by HB583 that are available as of this forecast.

6) HB110 direct pays costs associated with open enrollment, community and STEM schools, and for all scholarships including EdChoice Scholarships. These costs will no longer be deducted from our state aid. However, there still are education option programs such as College Credit Plus which continue to be deducted from state aid which will increase costs to the district. Expansion or creation of programs that are not directly paid by the state of Ohio can exposes the district to new expenditures that are not currently in the forecast. We are monitoring closely any new threats to our state aid and increased costs as any new proposed laws are introduced in the legislature.

7) The current proposed state budget for FY24-25, HB33 was introduced on Feb. 15, 2023 and proposes to continue the implementation of the Fair School Funding Plan (FSFP). In the initial proposal of HB33, the base cost statewide factors are the area of most significance and remain at FY18 levels. Formula districts would benefit from the continued phase-in of the FSFP, while ensuring districts would not receive less than FY21 foundation funding. Certainty surrounding these and other significant funding components will not likely be known until late June 2023, after the filing of this forecast. We will be closely monitoring the progress of HB33 as it works its way through the legislative process.

8) The legislature has introduced House Bill 1 (HB1), which proposes to modify the law regarding property taxation and Ohio income tax rates. Proposed changes to existing law include applying a single income tax rate of 2.75%, eliminating the 10% property tax rollback reimbursement, revising the 2.5% owner-occupied property tax rollback to be a flat $125 credit, indexing the homestead exemption amounts to inflation, and reducing the property tax assessment percentage for Class I and II property from 35% to 31.5% to offset the 10% rollback which would be paid by local taxpayers. HB1 as currently written would increase the effective rates for local property owners through HB920 due to the reduction in the assessed valuation for Class I and II property. HB920, enacted in 1976, states that voted school district levies collect the amount of tax revenues stated on the ballot at the time of passage and no more. As property values grow, the “effective” millage rate on voted levies will decrease. If HB1 causes the assessed property values to decrease by changing the taxable values from 35% to 31.5%, this would cause “effective” millage rates to increase and would increase local taxpayers’ property tax liability in nearly all cases. Taxpayers would, however, see a reduction in their tax liability on inside millage, which local governments are granted by the Ohio Constitution, and would also be a direct loss of revenue for our district. The House Ways and Means Committee had its fifth hearing in regard to HB1 on Mar. 28, 2023. As this bill is facing opposition from various entities due to the significant implications to the taxable valuation of property statewide, it will

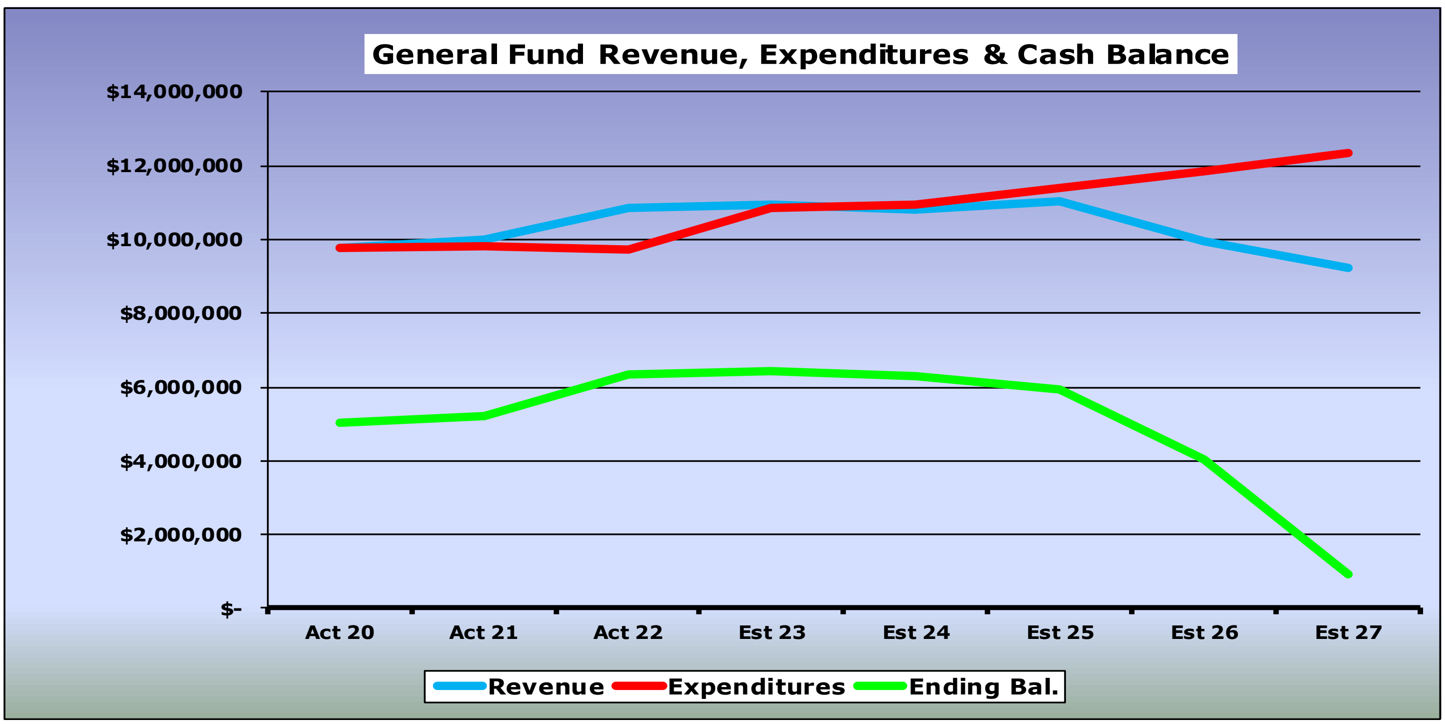
remain an area of increased risk and uncertainty and will be closely monitored to determine who the outcome will be.

9) Labor relations in the district have been 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 good working relationship will continue.

10) Aging Facilities and how/when they are addressed will also impact the predictability of the forecast. Ongoing maintenance cost of the aging systems in our facilities becomes less predictable as larger unforeseen repairs are made to keep our buildings operational. Funding options for a facility solution that include income tax may be able to use excess revenues in our operating budget that would further extend our anticipated need for more operating money.

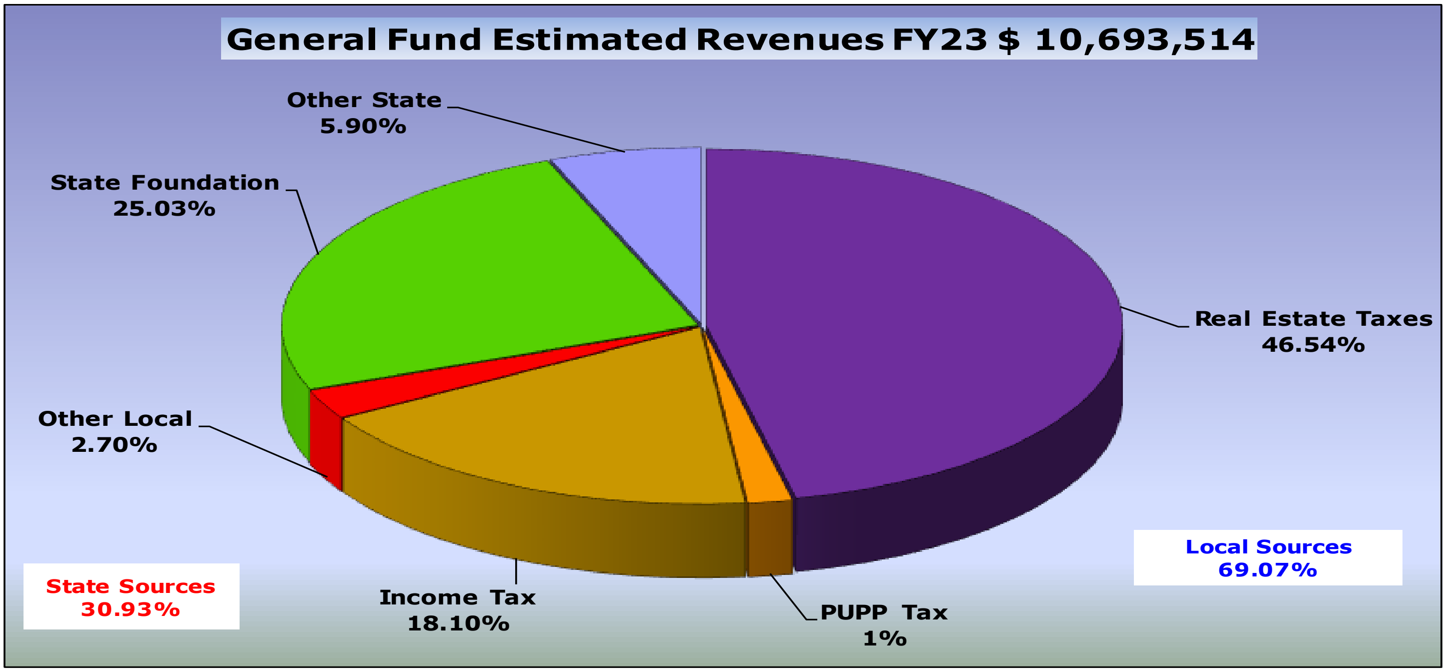
The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information please feel free to contact Jacob McGrath, Treasurer/CFO.

General Fund Revenue, Expenditure and Ending Cash Balance Actual FY20-22 and Estimated FY23-27
The graph captures in one snapshot the operating scenario facing the district over the next few years.



Revenue Assumptions

All Revenue Sources General Fund FY23



Real Estate Value Assumptions – Line # 1.010

Property Values are established each year by the Greene and Clark County Auditors based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. Greene County is our main county which had their triennial update in 2020 for collection in 2021 with a 17.4% or $22.04 million increase for Residential/Agriculture (Class I) values and an increase of 9.92% or $1.522 million for Commercial/Industrial (Class II) values and will undergo a reappraisal in 2023 to collect in 2024 which we expect an increase of 8% increase for Class I and a 3% increase in Class II. Clark County reappraisal cycle is the year before Greene County with the update in 2022 for collection in 2023 with an increase in Class I values of 0.38% and Class II decrease of 0.05%.

HB920 allows millage rates to be lowered based on the tax amounts that were voted at the time, until the millage rates are only 20 mills for all combined operating millage rates. Once the millage rate is at 20 mills they cannot go any lower, which is called the 20 mill floor. The district is very close to the 20 mill floor for Class I in 2022 for collection in 2023 due to continued increases in new construction and from the previous updates in values. We anticipate being on the 20 mill floor with the reappraisal in Greene County in 2023 collection in 2024. Being on the 20 mill floor the district will experience growth in tax revenue as the millage can no longer be decreased when the valuation increases.

Public Utility Personal Property (PUPP) values are subject to change each year, as they are not included in the every three year appraisal cycle. We are anticipating annual increases of $150,000 each year of the forecast.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Actual TAX YEAR2022 COLLECT 2023	Estimated TAX YEAR2023 COLLECT 2024	Estimated TAX YEAR2024 COLLECT 2025	Estimated TAX YEAR 2025 COLLECT 2026	Estimated TAX YEAR 2026 COLLECT 2027
Res./Ag.	153,127,750	166,357,970	167,282,970	168,329,883	174,334,780
Comm./Ind.	19,000,430	19,815,443	20,060,443	20,907,256	21,570,401
Public Utility (PUPP)	3,026,140	3,176,140	3,326,140	3,476,140	3,626,140
Total Assessed Value	175,154,320	189,349,553	190,669,553	192,713,279	199,531,321

Property tax levies are estimated to be collected at 95% of the annual amount. Technically 100% of taxes will be settled on property due to Ohio's property tax laws but due to delinquencies we are calculating the taxes at a lower collection rate. In general, 57.39% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 42.61% collected in the August tax settlement.

ESTIMATED REAL ESTATE TAX - Line #1.010

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Est. Property Taxes Line #1.010	$4,976,752	$4,853,075	$4,970,158	$3,991,819	$3,358,379

Estimated Tangible Personal Tax & PUPP Taxes – Line#1.020

There was a phase out of TPP taxes beginning in FY06 with HB66 that was adopted in June 2005. TPP tax assessments ended in FY11. The only amounts received after FY11 are from delinquent TPP taxes outstanding as of 2010.

The amounts on this line of the forecast consist of Public Utility Personal Property (PUPP) tax payments. The amounts noted below are tax payments from public utilities. These tax payments are collected at the district's gross voted millage rate and the values are not included in the every three year reappraisal cycle but change annually. Collections are typically 50% in February and 50% in August along with the real estate settlements from the county auditor.

ESTIMATED PUBLIC UTILITY PERSONAL TAX – Line 1.020

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Public Utility Personal Property Taxes	$185,269	$194,537	$202,713	$193,667	$183,949

Renewal and Replacement Levies – Line #11.020

The district will need to renew both emergency levies by December 31, 2025 during FY26. A district cannot include tax amounts for levies if they have not been voted upon for approval. Therefore, we are showing the two emergency levies on Line #11.020 until they are renewed by the voters.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Renew Emergency Levy $1,060,000	$0	$0	$0	$596,140	$1,038,800
Renew Emergency Levy $915,000	$0	$0	$0	$514,593	$896,700
Total Line # 11.020	$0	$0	$0	$1,110,732	$1,935,500

School District Income Tax – Line #1.03
The district passed an income tax (SDIT) of 1.5% effective in 1991.

Our income tax in FY22 was up 9.41% over FY21 which we feel was due to the increases from the pandemic. The final increase for FY23 is 13.76% over FY22, which is a greater increase than in previous years before the pandemic but we feel is due to the increases in salaries from the overall economy with wage increases caused by the pandemic. For future years we are anticipating a 3% increase in FY24 with a 2% increase each year for FY25 through FY27 as the concerns over a recession may slow growth in this area. We will monitor and adjust the amounts as more information is known to the district.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
SDIT Collection	$1,701,227	$1,935,301	$1,993,360	$2,033,227	$2,073,892
Adjustments	$234,073	$58,059	$39,867	$40,665	$41,478
Total to Line #1.030	$1,935,301	$1,993,360	$2,033,227	$2,073,892	$2,115,369

State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045

Current State Funding Model per HB110 through June 30, 2023
The full release of the new Fair School Funding Plan formula occurred in March 2022 and was amended in HB583 passed in June 2022. Full calculations of the new formula were not available for nearly all of last fiscal year. We have projected FY23 funding based on the April #1 foundation settlement and adjustments from FY22.

Our district is currently a formula district in FY23 and is expected to continue on the formula in FY24-FY27 on the new Fair School Funding Plan (FSFP). The state foundation funding formula has gone through many changes in recent years. The most recent funding formula began in FY14 and was dropped in FY19 after six (6) years, followed by no foundation formula for two (2) years in FY20 and FY21, and now HB110, as amended by HB583, implements the newest and possibly the most complicated funding formula in recent years for FY22 and FY23. The current formula introduces many changes to how state foundation is calculated and expenses deducted from state funding which will potentially make the actual five-year forecast look different with estimates FY23 through FY27 compared to actual data FY20 through FY21 on Lines 1.035, 1.04, 1.06 and 3.03 of the forecast.

Overview of Key Factors that Influence State Basic Aid in the Fair School Funding Plan

A. Student Population and Demographics
B. Property Valuation
C. Personal Income of District Residents
D. Historical Funding- CAPS and Guarantees from prior funding formulas

<u>Base Cost Approach- Unrestricted Basic Aid Foundation Funding</u>
The new funding formula uses FY18 statewide average district costs and developed a base cost approach that includes minimum service levels and student teacher ratios to calculate a unique base cost for each district that includes base funding for five (5) areas:

1. Teacher Base Cost (4 subcomponents)
2. Student Support (7 subcomponents-including a restricted Student Wellness component)
3. District Leadership & Accountability (7 subcomponents)
4. Building Leadership & Operations (3 subcomponents)
5. Athletic Co-curricular (contingent on participation)

State Share Percentage – Unrestricted Basic Aid Foundation Funding

Once the base cost is calculated, which is estimated to be as high as $7,202 per pupil when fully phased in, the FSFP calculates a state share percentage (SSP) calculation. The state share percentage in concept will be higher for districts with less capacity (lower local wealth) and be a lower state share percentage for districts with more capacity (higher local wealth). The higher the district's ability to raise taxes based on local wealth the lower the state share percentage. The state share percentage will be based on 60% property valuation of the district, 20% on federally adjusted gross income and 20% on federal median income, as follows:

1. 60% based on most recent three (3) year average assessed values or the most recent year, whichever is lower divided by base students enrolled.
2. 20% based on most recent three (3) year average federal adjusted gross income of district residents or the most recent year, whichever is lower divided by base students enrolled
3. 20% based on most recent year federal median income of district residents multiplied by number of returns in that year divided by base students enrolled
4. When the weighted values are calculated and Items 1 through 3 above added together, the total is then multiplied by a Local Share Multiplier Index ranging from 0% for low wealth districts to a maximum of 2.5% for wealthy districts.

When the unrestricted base cost is determined and multiplied by the state share percentage, the resulting amount is multiplied by the current year enrolled students (including open enrolled students being educated in each district), and finally multiplied by the local share multiplier index for each district. The result is the local per pupil capacity amount of the base per pupil funding amount.

Categorical State Aid

In addition to the base state foundation funding calculated above, the FSFP also has unrestricted categorical funding and new restricted funding beginning in FY22, some of which will have the state share percentage applied to these calculations as noted below:

Unrestricted Categorical State Aid

1. Targeted Assistance/Capacity Aid – Provides additional funding based on a wealth measure using 60% weighted on property value and 40% on income. Uses current year enrolled average daily membership (ADM). Also will provide supplemental targeted assistance to lower wealth districts whose enrolled ADM is less than 88% of their total FY19 ADM.
2. Special Education Additional Aid – Based on six (6) weighted funding categories of disability and moved to a weighted funding amount and not a specific amount. An amount of 10% will be reduced from all districts' calculation to be used toward the state appropriation for Catastrophic Cost reimbursement.
3. Transportation Aid – Funding based on all resident students who ride including preschool students and those living within 1 mile of school. Provides supplemental transportation for low density districts. Increases state minimum share to 29.17% in FY22 and 33.33% in FY23.

Restricted Categorical State Aid

1. Disadvantage Pupil Impact Aid (DPIA) - Formerly Economically Disadvantaged Funding, DPIA is based on number and concentration of economically disadvantaged students compared to state average and multiplied by $422 per pupil. Phase-in increases are limited to 0% for FY22 and 33.34% in FY23.
   English Learners – Based on funded categories based on time student enrolled in schools and multiplied by a weighted amount per pupil.
2. Gifted Funds –Based on average daily membership multiplied by a weighted amount per pupil.
3. Career-Technical Education Funds – Based on career technical average daily membership and five (5) weighted funding categories students enrolled in.

4. Student Wellness & Success Funding – moved into DPIA funding, is restricted funding and will be spent on same initiatives and requirements that were previously designated under the stand alone fund.

State Funding Phase-In FY22 and FY23 and Guarantees
While the FSFP was presented as a six (6) year phase-in plan, the state legislature approved the first two (2) years of the funding plan in HB110, which was amended in HB583 in June 2022. The FSFP does not include caps on funding, rather it will include a general phase-in percentage for most components in the amount of 16.67% in FY22 and 33.33% in FY23. DPIA funding was phased in at 0% in FY22 but has now been included in the overall phase in at 33.33% in FY23. Transportation categorical funds will not be subject to phase-in.

HB110 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 less funds in FY22 and FY23 than they received in FY21. The guarantee level of funding for FY22 is a calculated funding guarantee level based on full state funding cuts from May 2020 restored, net of transfers and deductions, plus Student Wellness and Success funds (based on FY21 SWSF amounts), enrollment growth supplement funds paid in FY21 and special education preschool and special education transportation additional aid items. It is estimated that nearly 420 districts are on one form of a guarantee in FY22 and in general the same number will occur in FY23, since state average costs were frozen at FY18 in the Base Cost calculations, while property values and Federal Adjusted Gross Income will be allowed to update and increase for FY23, which should push districts toward one of the three (3) guarantees.

Future State Budgets Projections beyond FY23
Our funding status for FY24-27 will depend on two new state budgets. The current proposed state budget for FY24-25, HB33, was introduced on February 15, 2023, and continues the implementation of the FSFP, with the following changes.

Unrestricted Basic Aid Foundation Funding

a) The statewide average base cost per pupil will remain at FY18 levels in FY24-25.
b) Increases the general phase-in percentage from 33.33% in FY23 to 50% in FY24 and 67% in FY25.
c) Extends payment of the temporary transitional aid and the formula transition supplement to ensure districts are guaranteed to be funded at FY21 levels, at a minimum through FY25.

Unrestricted Categorical State Aid

a) Transportation Aid - Increases the minimum state share percentage from 33.33% in FY23 to 37.5% in FY24 and 41.67% in FY25.

Restricted Categorical State Aid

a) Disadvantage Pupil Impact Aid (DPIA) - Increases phase-in percentage from 33.33% in FY23 to 50% in FY24 and 67% in FY25.
b) Gifted Funds - Increases per pupil funding for the gifted professional development component from $14 in FY23 to $21 in FY24 and $28 in FY25.
c) Student Wellness and Success Funds
    a. Expenditures for either physical or mental health-based initiatives, or a combination of both, must comprise at least 50% of these funds.
    b. Any SWSF funds received between FY20-23 must be expended by June 30, 2025, or the funds must be returned to the ODE.
    c. School resource officer funding will be allocated on a per building basis. Funds are able to support existing SROs.

Additionally, there are two other funding components in HB33 which provide additional support for districts. The first is the sports gaming profits education fund, which is projected to appropriate $30 million in each year of the biennium, of which $15 million is targeted toward eliminating or reducing pay to participate fees. The second component is information technology support for schools and districts, which is projected to appropriate $14.3 million over the course of the biennium for cybersecurity and building connectivity. We are still awaiting concrete information on how the funds will be allocated to schools.

With these still unknown changes to the state funding for FY24-25, we will continue to project our unrestricted and categorical state funding to be in line with the FY23 funding levels through the remainder of the forecast. The state budget for FY26-27 is unknown; however, we believe that our state funding estimates are reasonable, and we will adjust the forecast in the future when we have authoritative data to work with.

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% Gross Casino Revenue that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31st of January and August each year which began for the first time on January 31, 2013.

Casino revenue fell slightly in FY21 due to COVID-19 and casinos closing for a little over two months. We have increased the amount in FY22 back to pre-pandemic FY20 levels as casino revenues appear to have dipped largely due to their closure and not in response to the economic downturn. Prior to COVID-19 closure, casino revenues were growing modestly as the economy improved. Original projections for FY23-27 estimated a .4% decline in pupils to 1,778,441 and GCR increasing to $106.35 million or $59.80 per pupil, actual payments in FY23 were $64.88 per pupil. FY24-27 Casino revenues have resumed their historical growth rate and assume a 2% annual growth rate for the forecast period.

A) Unrestricted State Foundation Revenue – Line #1.035

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Basic Aid-Unrestricted	$2,386,485	$2,385,341	$2,385,341	$2,385,341	$2,385,341
Additional Aid Items	$19,783	$19,783	$19,783	$19,783	$19,783
Basic Aid-Unrestricted Subtotal	$2,406,268	$2,405,124	$2,405,124	$2,405,124	$2,405,124
Ohio Casino Commission ODT	$42,106	$42,949	$43,808	$44,684	$45,578
Total Unrestricted State Aid Line #1.035	$2,448,374	$2,448,074	$2,448,933	$2,449,809	$2,450,702

B) Restricted State Revenues – Line # 1.040

HB110 has continued Disadvantaged Pupil Impact Aid (formerly Economically Disadvantaged Funding) and Career Technical funding. In addition, there have been new restricted funds added as noted above under "Restricted Categorical Aid" for Gifted, English Learners (ESL) and Student Wellness. Using current April funding factors, we have estimated revenues for these new restricted funding lines. The amount of DPIA is limited to 0% phase-in growth for FY22, 33.34% in FY23. We have flat lined funding at FY23 levels for FY24-27 due to uncertainty on continued funding of the current funding formula. The district has elected to also post Catastrophic Aid for special education as restrict revenues.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
DPIA	$22,717	$22,717	$22,717	$22,717	$22,717
Career Tech - Restricted	$27,923	$27,923	$27,923	$27,923	$27,923
Gifted	$41,323	$41,323	$41,323	$41,323	$41,323
ESL	$1,105	$1,105	$1,105	$1,105	$1,105
Student Wellness	$134,812	$134,812	$134,812	$134,812	$134,812
Catastrophic Aid & Other Restricted	$0	$0	$0	$0	$0
Total Restricted State Revenues Line #1.04	$227,879	$227,879	$227,879	$227,879	$227,879

C) Restricted Federal Grants in Aid – line #1.045

There are no federal restricted grants projected during this forecast.

Summary of State Foundation Revenues

SUMMARY	FY 23	FY 24	FY 25	FY 26	FY 27
Unrestricted Line # 1.035	$2,448,374	$2,448,074	$2,448,933	$2,449,809	$2,450,702
Restricted Line # 1.040	$227,879	$227,879	$227,879	$227,879	$227,879
Restricted Fed. Grants - Line #1.045	$0	$0	$0	$0	$0
Total State Foundation Revenue	$2,676,253	$2,675,952	$2,676,811	$2,677,688	$2,678,581

State Taxes Reimbursement/Property Tax Allocation
Rollback and Homestead Reimbursement

Rollback funds are reimbursements paid to the district from Ohio for tax credits given owner occupied residences equaling 12.5% of the gross property taxes charged residential taxpayers on tax levies passed prior to September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013 which is the effective date of HB59. HB66 the FY06-07 budget bill previously eliminated 10% rollback on Class II (commercial and industrial) property.

Homestead Exemptions are also 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 over age 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 did not currently have their Homestead Exemption approved or those who did not get a new application approved for tax year 2013, and who become eligible thereafter only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who had their Homestead Exemption as of September 29, 2013 did not lose it going forward and did not have to meet the new income qualification. This will generally reduce homestead reimbursements to the district over time, and as with the rollback reimbursements above, the state is increasing the tax burden on our local taxpayers.

Summary of State Tax Reimbursement – Line #1.050

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Rollback and Homestead Line #1.05	$630,887	$664,929	$686,019	$570,121	$461,227

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 are excess cost, tuition for court placed students, student fees, and general rental fees.

HB110, the current state budget, no longer pays a district directly for open enrollment students as part of other local revenue. This is projected below as zeros to help show the difference between projected FY23-FY27 Line 1.06 revenues and historical FY20 through FY21 revenues on the five year forecast. Open enrolled students will be counted in the enrolled student base at the school district where they are being educated and state aid will follow the students. Open enrolled student revenues will be included in Line 1.035 as state basic aid. All other revenues are expected to continue on historic trends.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Tuition	$229,020	$227,591	$227,591	$227,591	$227,591
Open Enrollment	$0	$0	$0	$0	$0
Interest	$13,713	$13,713	$13,713	$13,713	$13,713
Other Miscellaneous Receipts	$46,319	$46,782	$47,250	$47,722	$48,199
Total Line #1.06	$289,052	$288,086	$288,554	$289,026	$289,503

Short-Term Borrowing – Lines #2.010 & Line #2.020
There is no short-term borrowing projected in this forecast.

Transfers In / Return of Advances – Line #2.040 & Line #2.050
These are non-operating revenues which are the repayment of short term loans (advances) to other funds over the previous fiscal year and reimbursements for expenses received for a previous fiscal year in the current fiscal year. The district does anticipates annual advance repayments of $174,442 from FY22 in FY23 then $100,000 in each year for the remainder of the forecast.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Transfers In - Line 2.040	$0	$0	$0	$0	$0
Advance Returns - Line 2.050	$174,442	$100,000	$100,000	$100,000	$100,000
Total Transfer & Advances In	$174,442	$100,000	$100,000	$100,000	$100,000

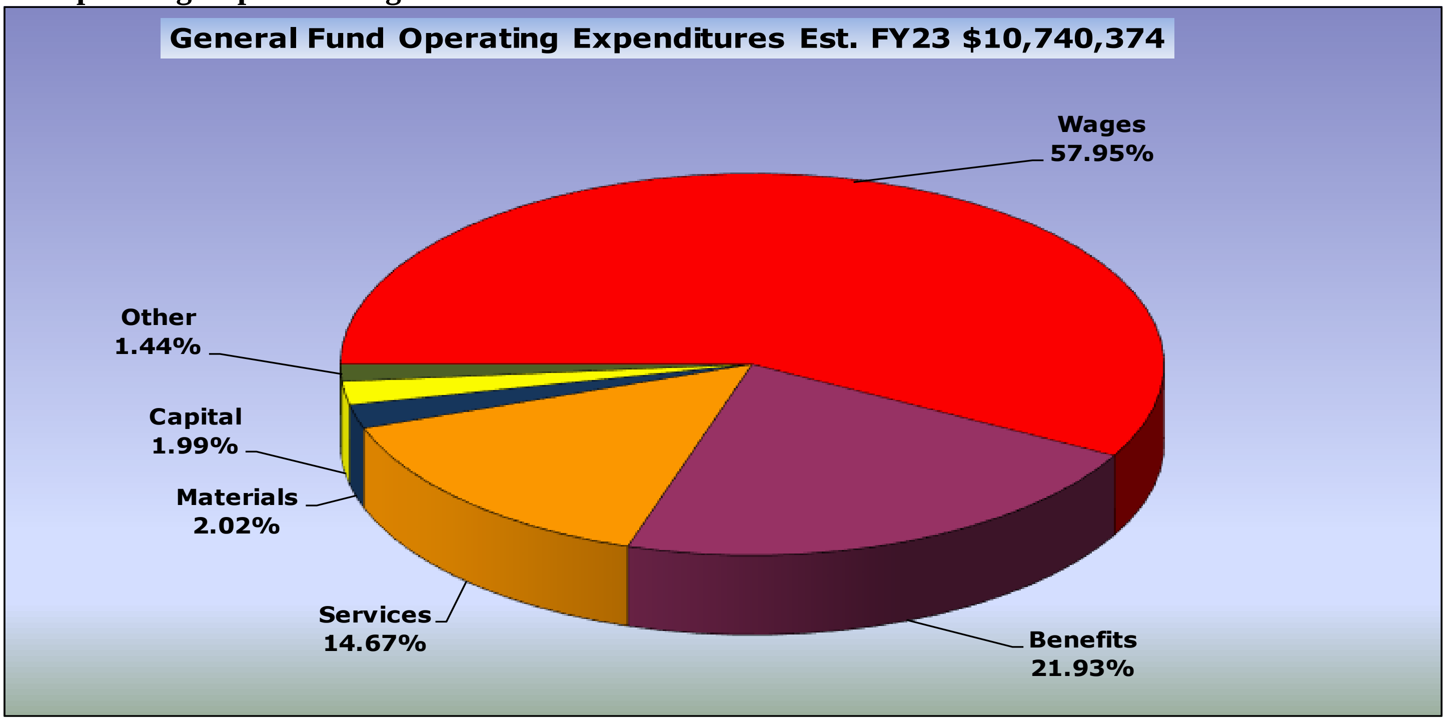
All Other Financial Sources – Line #2.060
This funding source is typically a refund of prior year expenditures and one-time payments that are very unpredictable. These revenues are inconsistent year to year and we are projecting the amount based on historical refunds of prior year expenditures.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
All Other Sources	$66,353	$66,353	$66,353	$66,353	$66,353

Expenditures Assumptions

The district's leadership team is always looking at ways to improve the education of the students whether with changes in curriculum or new technology needs. As the administration of the district constantly reviews expenditures the education of our students is at the forefront of decision making.

All Operating Expense Categories - General Fund FY23



Wages – Line #3.010

The district negotiated salary increases for FY23 is 7% and then a 1.5% in FY24 and FY25. For planning purposes a 2% base increase is being used in FY26 through FY27. Steps and training are projected at 1.6% each year based on historical trend. The district increased staff in FY23, for either new hires or hired the staff instead of paying for their services through the ESC of a communications specialist, maintenance worker, student advocate and a school psychologist. ESSER funding of $38,000 has been used for part of a counselor's salary and summer school salaries with returning those costs to the forecast in FY25.

Summary of Personnel Services – Line #3.010

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Base Wages	$5,248,851	$5,922,352	$6,108,314	$6,338,115	$6,568,822
Base Rate Increases	$367,420	$88,835	$91,625	$126,762	$131,376
Steps & Training	$86,081	$97,127	$100,176	$103,945	$107,729
Staff Growth & Replacements	$220,000	$0	$38,000	$0	$0
Staff Reductions (Retire/Resignation)	$0	$0	$0	$0	$0
Substitutes	$125,558	$134,975	$145,098	$155,980	$167,679
Supplemental	$175,957	$178,597	$181,276	$184,901	$188,599
Severance	$0	$0	$0	$0	$0
Other	$0	$0	$0	$0	$0
Total Wages Line #3.010	$6,223,867	$6,421,885	$6,664,488	$6,909,703	$7,164,205

Fringe Benefits Estimates – Line #3.020

A) STRS/SERS will increase as Wages Increase

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

Insurance Trend is adjusted upward by a composite rate for all coverage's and to allow for potential added costs of the Affordable Care Act of 3.5% in FY23 and 7.5% in FY24 through FY27.

The Further Consolidated Appropriations Act of 2020, included a full repeal of three taxes originally imposed by the Affordable Care Act (ACA): the 40% Excise Tax on employer-sponsored coverage (a.k.a. "Cadillac Tax"), the Health Insurance Industry Fee (a.k.a. the Health Insurer Tax), and the Medical Device Tax. These added costs are no longer an uncertainty factor for our health care costs in the forecast.

C) Workers Compensation & Unemployment Compensation

Workers Compensation is based on the district's rate of .2645% of the total salaries paid for each year of the forecast. The district for the past two years has had nominal claims for Unemployment, therefore, is not forecasting any expenditure during the forecast since we are a direct reimbursement employer. By being a direct reimbursement employer unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment.

D) Medicare

Medicare will continue to increase at the rate of increases in wages and as new employees are hired. 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) Tuition and Other Benefits

The district reimburses staff for tuition in order to renew their licenses per the negotiated agreement.

Summary of Fringe Benefits – Line #3.020

Source	FY 23	FY 24	FY 25	FY 26	FY 27
STRS/SERS	$990,737	$1,031,256	$1,068,753	$1,107,450	$1,147,463
Insurance's	$1,243,316	$1,336,565	$1,437,927	$1,545,772	$1,661,704
Workers Comp/Unemployment	$17,947	$18,471	$19,113	$19,761	$20,434
Medicare	$90,246	$93,117	$96,635	$100,191	$103,881
Tuition and Other Benefits	$13,000	$13,000	$13,000	$13,000	$13,000
Total Fringe Benefits Line #3.020	$2,355,246	$2,492,408	$2,635,428	$2,786,173	$2,946,483

Purchased Services – Line #3.030

HB110, the current state budget, will impact Purchased Services as the Ohio Department of Education will directly pay these costs to the educating districts for open enrollment, community and STEM schools as opposed to deducting these amounts from our state foundation funding and shown below as expenses. We have continued to show these amounts below as zeros to help reflect the difference between projected FY23-FY27 Line 3.03 costs and historical FY20 through FY21 costs on the five year forecast. College Credit Pus, excess costs and other tuition costs will continue to draw funds away from the district, which will continue in this area and have been adjusted based on historical trend.

All lines will see a 4% increase in each year of the forecast. Additionally, the district has hired the school psychologist as an employee and is deducting those charges from the ESC amount by $100,000; increased the ESC contract by $314,000 for other services in FY23 with $290,000 of those services only for the current year and will be reduced in FY24. The district will increase facilities repair in FY23 by $50,000 which will continue throughout the forecast.

The district used $32,000 of the ESSER funding to offset some of the costs for professional services in FY23 and FY24 and will return those expenditures to the forecast in FY25.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Professional & Technical Services, ESC	$808,950	$551,308	$605,360	$629,574	$654,757
Maintenance, Insurance & Garbage Remov	$206,276	$214,527	$223,108	$232,032	$241,313
Professional Development	$21,640	$22,506	$23,406	$24,342	$25,316
Communications, Postage, & Telephone	$65,347	$67,961	$70,680	$73,507	$76,447
Utilities	$164,127	$170,692	$177,519	$184,620	$192,005
Tuition, & Excess Costs	$264,272	$274,843	$285,837	$297,270	$309,161
Open Enrollment & Community School Co:	$0	$0	$0	$0	$0
College Credit Plus	$38,703	$40,251	$41,861	$43,535	$45,277
Other Adjustments SWSF, CARES, Etc.	$0	$0	$0	$0	$0
Miscellaneous Purchased Services	$6,482	$6,742	$7,011	$7,292	$7,583
Total Purchased Services Line #3.030	$1,575,797	$1,348,829	$1,434,782	$1,492,173	$1,551,860

Supplies and Materials – Line #3.040

On average an inflation rate of 4% is being estimated for this category of expenses which are characterized by classroom supplies, textbooks, copy paper, maintenance supplies, and materials each year of the forecast. Instruction supplies and textbooks are increasing greater than the 4% for inflation which the district is adding an additional $8,830 for those costs. The district is increasing the transportation fuel and supplies by 5% in FY23 and FY24 and then lowering it to 3% in FY25 through FY27. The district expects to purchase math textbooks in FY24 for an additional $50,000 in that year only. ESSER funding of $30,000 has been used to offset costs in the forecast, with these costs being returned in FY25 for instructional supplies.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
General & Instructional Supplies	$79,443	$81,826	$114,281	$117,709	$121,241
Textbooks, Library & Periodicals	$81,400	$133,842	$87,857	$90,493	$93,208
Facility Supplies & Materials	$33,367	$34,368	$35,399	$36,461	$37,555
Transportation Fuel & Supplies	$23,163	$24,321	$25,051	$25,802	$26,576
Other & adjustments SWSF, CARES, Etc	$0	$0	$0	$0	$0
Total Supplies Line #3.040	$217,373	$274,357	$262,588	$270,466	$278,580

Equipment – Line # 3.050

The district uses the Permanent Improvement for many of the equipment needs of the district. The amounts included are for facility upkeep in FY23 and miscellaneous equipment needed throughout the district.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Capital Outlay	$113,750	$133,500	$133,500	$133,500	$133,500
Technology	$0	$0	$0	$0	$0
Facility Upkeep	$100,000	$0	$0	$0	$0
Replacement Bus Purchases	$0	$0	$0	$0	$0
Total Equipment Line #3.050	$213,750	$133,500	$133,500	$133,500	$133,500

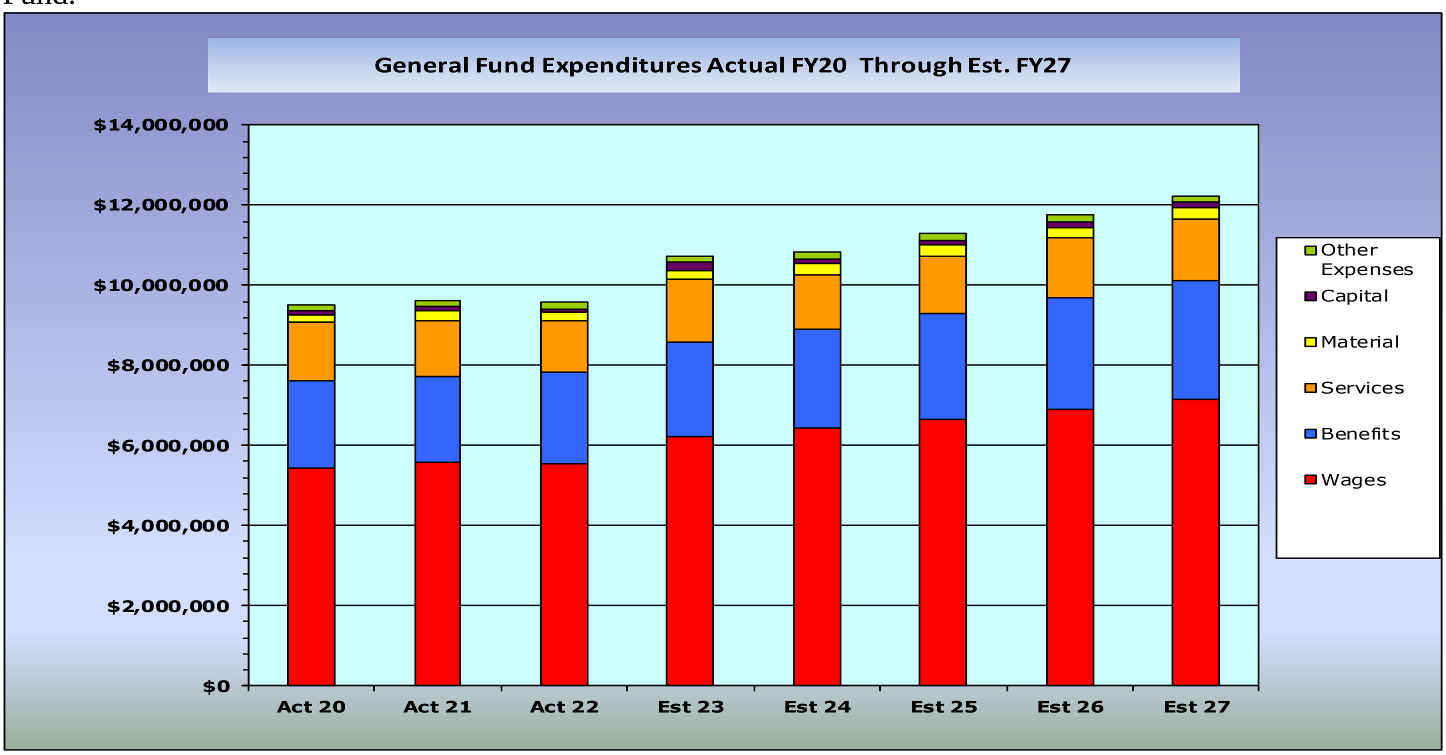
Other Expenses – Line #4.300

The category of Other Expenses consists primarily of Auditor & Treasurer fees, SDIT collection fees and our annual audit and other miscellaneous expenses. The district uses an average increase of 2.5% for the annual increase for this area.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Auditor & Treasurer Fees & SDIT Fees	$76,058	$78,340	$80,690	$83,111	$85,604
ESC	$29,986	$30,586	$31,197	$31,821	$32,458
Other expenses	$48,297	$49,263	$50,248	$51,253	$52,278
Total Other Expenses Line #4.300	$154,341	$158,189	$162,136	$166,186	$170,340

Operating Expenditures Actual FY20 through FY22 and Estimated FY23 through FY27

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



Transfers Out/Advances Out – Line #5.010

This account group covers fund to fund transfer and end of year short term loans (advances) from the General Fund to other funds until they have received reimbursements and can repay the General Fund. The district transfers funds to the cafeteria fund each year of the forecast. The advances are to cover the federal funds that have not been received at the end of the fiscal year which will be repaid in the following fiscal year.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Operating Transfers Out Line #5.010	$10,000	$10,000	$10,000	$10,000	$10,000
Advances Out Line #5.020	$100,000	$100,000	$100,000	$100,000	$100,000
Total Transfer & Advances Out	$110,000	$110,000	$110,000	$110,000	$110,000

Encumbrances –Line #8.010
These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Estimated Encumbrances	$120,000	$120,000	$120,000	$120,000	$120,000

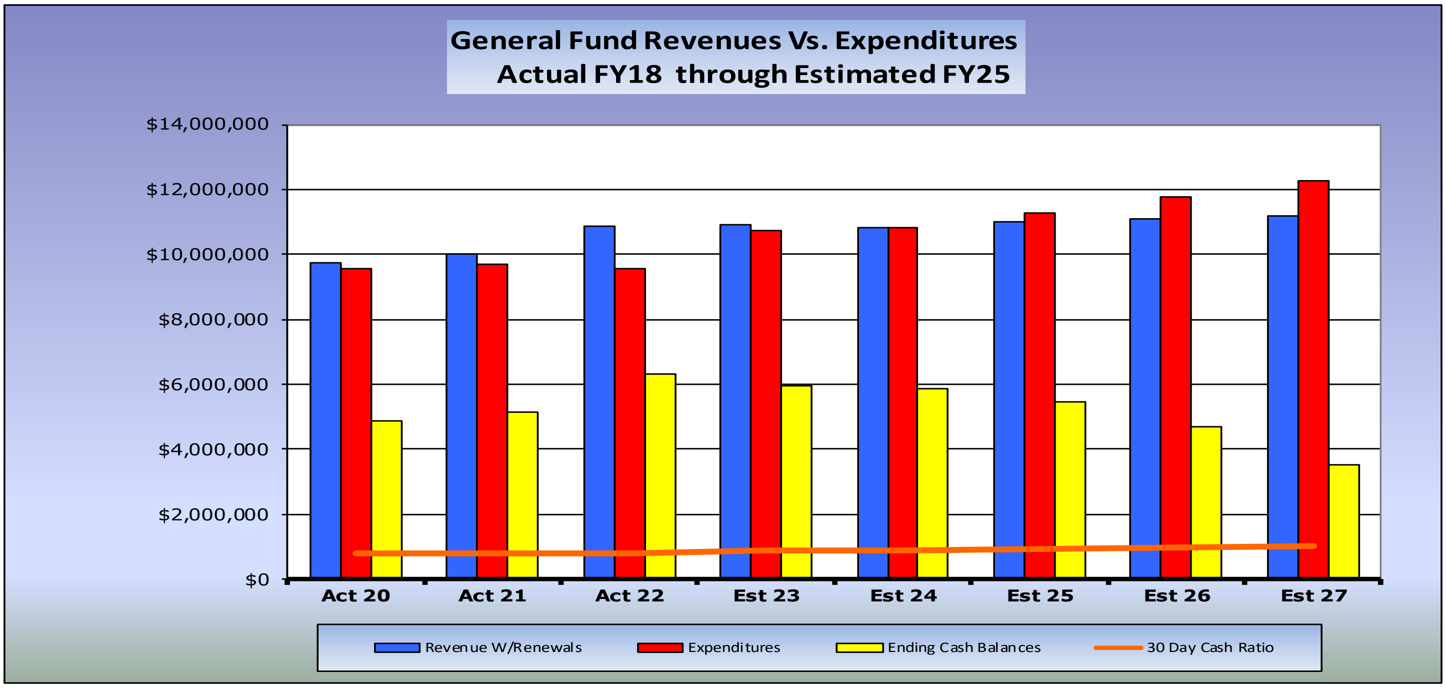
Reservations of Fund Balance – Line #9.080
The district has established a budget reserve for each year of the forecast that can only be used by board approval.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Textbooks & Materials- Line 9.010	$0	$0	$0	$0	$0
Capital Improvements- Line 9.020	$0	$0	$0	$0	$0
Budget Reserve - Line 9.030	$354,081	$354,081	$354,081	$354,081	$354,081
DPIA - Line 9.040	$0	$0	$0	$0	$0
Fiscal Stabilization - Line 9.045	$0	$0	$0	$0	$0
Debt Service - Line 9.05	$0	$0	$0	$0	$0
Property Tax Advances Future Year- Line	$0	$0	$0	$0	$0
State Bus Purchases- Line 9.070	$0	$0	$0	$0	$0
Total Reservations of Balance- Line #9.08(	$354,081	$354,081	$354,081	$354,081	$354,081

Ending Unreserved Cash Balance – 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.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Ending Cash Balance	$5,947,572	$5,844,697	$5,465,609	$4,670,707	$3,504,600

Revenue vs Expenditures with Deficit Spending
The graph below includes the renewal of the two emergency levies and shows that the district is deficit spending beginning in FY25. By deficit spending the district is decreasing the ending cash balance and is still able to maintain 30 days of cash each year of the forecast.

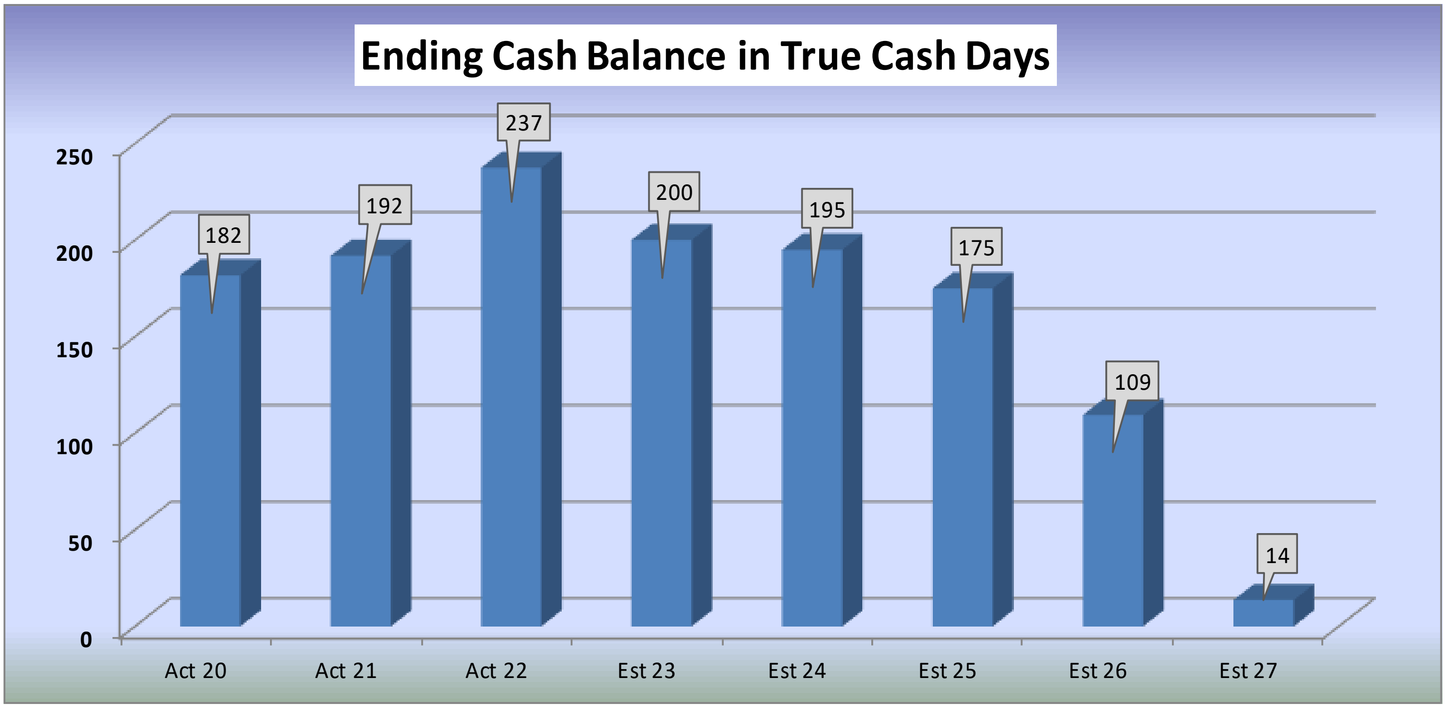


The chart below explains Line 6.010 Excess of Revenues and Other Financing sources that are over/ (under) expenditures and the equivalent millage that it would take to reduce the deficit to zero, which does not include the renewal of the substitute emergency levy. The millage equivalent is based on the excess of revenues over/under expenditures and the property valuation in that tax year.

	FY 23	FY 24	FY 25	FY 26	FY 27
Excess Revenues over/(under) Expenditure	$83,935	($102,875)	($379,088)	($1,905,635)	($3,101,607)
Millage equivalent for deficit spending	0.00	0.60	2.16	10.06	16.27

True Cash Days

Another way to look at ending cash is to state it in 'True Cash Days". In other words, how many days could the district 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. The chart below does not include the renewal of the levies.



CONCLUSION

Yellow Springs Exempted Village Schools receives 30.93% of it's funding for the district from state dollars which is very beneficial to the overall operations for the education of our students.

The district administration is grateful for the changes in the current state budget HB110 as it has reduced the amount that was deducted for programs that were not within the district's control. However, the next state funding will be closely monitored as HB33 moves through the legislative process for FY24-25. Furthermore, future state budgets funding will need to be watched since, the full amount of the Fair School Funding Plan was not totally implemented with this budget and there is no guarantee for future increases in state budgets for FY26-FY27.

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

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.