YELLOW SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT-GREENECOUNTY

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS ENDED JUNE 30, 2022, 2023 and 2024 ACTUAL FORECASTED FISCAL YEARS ENDING JUNE 30, 2025, THROUGH JUNE 30, 2029

Forecast Provided By
Yellow Springs Exempted Village School District
Treasurer's Office
Jacob McGrath, Treasurer/CFO
November 14, 2024

Yellow Springs Exempted Village

Greene County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2022, 2023 and 2024 Actual;
Forecasted Fiscal Years Ending June 30, 2025 Through 2029

		Actual				Forecasted				
		Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Average Change	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
	Revenues									
1.010	General Property Tax (Real Estate)	$4,782,966	$4,976,752	$5,410,636	6.4%	$5,781,454	$5,772,424	$5,979,542	$6,130,445	$6,170,377
1.020	Public Utility Personal Property Tax	$432,935	$193,762	$152,903	-38.2%	$174,070	$215,017	$222,889	$230,790	$239,718
1.030	Income Tax	$1,701,942	$1,928,584	$1,948,651	7.2%	$4,831,851	$3,627,662	$3,700,215	$3,774,220	$3,849,704
1.035	Unrestricted State Grants-in-Aid	$2,177,724	$2,475,744	$2,673,931	10.8%	$2,700,241	$2,700,848	$2,701,464	$2,702,090	$2,702,725
1.040	Restricted State Grants-in-Aid	$46,804	$227,713	$244,566	197.0%	$211,365	$211,279	$211,279	$211,279	$211,279
1.045	Restricted Federal Grants In Aid	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
1.050	Property Tax Allocation	$649,356	$630,481	$664,710	1.3%	$693,119	$678,715	$702,593	$725,214	$729,311
1.060	All Other Revenues	$873,122	$409,249	$2,027,916	171.2%	$520,104	$516,504	$512,988	$509,554	$506,202
1.070	*Total Revenues*	$10,664,849	$10,842,286	$13,123,313	11.4%	$14,912,204	$13,722,448	$14,030,970	$14,283,591	$14,409,315
	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	$129,560	$174,442	$432,000	91.1%	$300,715	$150,000	$150,000	$150,000	$150,000
2.060	All Other Financing Sources	$66,353	($34,565)	$7,622	-137.1%	$7,622	$7,622	$7,622	$7,622	$7,622
2.070	*Total Other Financing Sources*	$195,913	$139,877	$439,622	92.8%	$308,337	$157,622	$157,622	$157,622	$157,622
2.080	*Total Revenues and Other Financing Sources*	$10,860,762	$10,982,163	$13,562,935	12.3%	$15,220,541	$13,880,070	$14,188,592	$14,441,213	$14,566,937
	Expenditures									
3.010	Personnel Services	$5,534,609	$6,196,873	$6,494,456	8.4%	$6,778,407	$7,036,677	$7,296,101	$7,565,515	$7,845,332
3.020	Employees' Retirement/Insurance Benefits	$2,309,656	$2,094,044	$2,338,282	1.2%	$2,436,611	$2,584,780	$2,738,320	$2,902,091	$3,077,014
3.030	Purchased Services	$1,291,555	$1,458,051	$1,517,411	8.5%	$1,560,107	$1,522,512	$1,608,412	$1,672,749	$1,739,659
3.040	Supplies and Materials	$191,514	$276,188	$249,193	17.2%	$286,669	$295,269	$304,127	$313,251	$322,648
3.050	Capital Outlay	$89,923	$96,300	$122,107	16.9%	$100,000	$100,000	$100,000	$100,000	$100,000
3.060	Intergovernmental	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
	Debt Service:				0.0%					
4.010	Principal-All (Historical Only)	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.020	Principal-Notes	$0	$0	$0	0.0%	$1,775,000	$945,000	$445,000	$465,000	$490,000
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	$0	$0	$293,283	0.0%	$1,422,038	$1,354,038	$1,319,288	$1,296,538	$1,272,663
4.300	Other Objects	$150,834	$125,227	$188,412	16.7%	$210,671	$215,571	$220,589	$225,728	$230,992
4.500	*Total Expenditures*	$9,568,091	$10,246,683	$11,203,144	8.2%	$14,569,503	$14,053,845	$14,031,836	$14,540,871	$15,078,307
	Other Financing Uses									
5.010	Operating Transfers-Out	$0	$0	$0	0.0%	$10,000	$10,000	$10,000	$10,000	$10,000
5.020	Advances-Out	$174,442	$432,000	$300,715	58.6%	$150,000	$150,000	$150,000	$150,000	$150,000
5.030	All Other Financing Uses	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
5.040	*Total Other Financing Uses*	$174,442	$432,000	$300,715	58.6%	$160,000	$160,000	$160,000	$160,000	$160,000
5.050	*Total Expenditures and Other Financing Uses*	$9,742,533	$10,678,683	$11,503,859	8.7%	$14,729,503	$14,213,845	$14,191,836	$14,700,871	$15,238,307
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	$1,118,229	$303,479	$2,059,076	252.8%	$491,038	($333,775)	($3,245)	($259,657)	($671,370)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	$5,219,489	$6,337,718	$6,641,197	13.1%	$8,700,273	$9,191,311	$8,857,537	$8,854,292	$8,594,635
7.020	*Cash Balance June 30*	$6,337,718	$6,641,197	$8,700,273	17.9%	$9,191,311	$8,857,537	$8,854,292	$8,594,635	$7,923,264
8.010	*Estimated Encumbrances June 30*	$0	$0	$0	0.0%	$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*	$6,337,718	$6,641,197	$8,700,273	17.9%	$8,717,230	$8,383,456	$8,380,211	$8,120,554	$7,449,183

Yellow Springs Exempted Village

Greene County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2022, 2023 and 2024 Actual;
Forecasted Fiscal Years Ending June 30, 2025 Through 2029

		Actual				Forecasted				
		Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Average Change	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
11.020	Property Tax - Renewal or Replacement	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
11.300	Cumulative Balance of Replacement/Renewal Levies	$0			0.0%	$0	$0	$0	$0	$0
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	$6,337,718	$6,641,197	$8,700,273	17.9%	$8,717,230	$8,383,456	$8,380,211	$8,120,554	$7,449,183
	Revenue from New Levies									
13.010	Income Tax - New	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
13.020	Property Tax - New	$0	$0	$0	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*	$6,337,718	$6,641,197	$8,700,273	17.9%	$8,717,230	$8,383,456	$8,380,211	$8,120,554	$7,449,183
	ADM Forecasts									
20.010	Kindergarten -ADM count	41	32	36	-4.7%	32	32	33	38	38
20.015	Grades -ADM count	649	621	611	-3.0%	602	577	557	538	513

Yellow Springs Exempted Village School District – Greene County
Notes to the Five Year Forecast
General Fund Only
November 14, 2024

Introduction to the Five-Year Forecast

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

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

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

Here are three essential purposes or objectives of the five-year forecast:

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

O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five-year financial forecast by November 30, and May 31, each fiscal year (July 1 to June 30). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The first year of the fiscal forecast is considered the baseline year. Our forecast is updated to reflect the most current economic data available for the November 2024 filing.

Economic Outlook

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

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

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

The state of Ohio has enjoyed economic growth over the past three years, and the state's Rainy Day Fund balance is at $3.7 Billion. The new state funding formula is in the fourth year of a projected six-year phase-in. While increased inflation has impacted costs across Ohio, the state's economy has grown, and many school districts received new funding in HB33 for FY24 and FY25. The ongoing growth in Ohio's economy should enable the state to finalize the last two years of the phase-in of the new funding formula in FY26 and FY27 even if a cyclical recession occurs. Regardless of a recession, the state is well-positioned to continue state aid payments to Ohio's school districts.

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

Data and assumptions noted in this forecast are based on the best and most reliable data available to us as of the date of this forecast.

Forecast Risks and Uncertainty:
A five-year financial forecast has risks and uncertainty not only due to economic delays noted above but also due to state legislative changes that will occur in the spring of 2025 and 2027 due to deliberation of the following two (2) state biennium budgets for FY26-27 and FY28-29, both of which affect this five-year forecast. We have estimated revenues and expenses based on the best data available and the laws currently in effect. The items below give a short description of the current issues and how they may affect our forecast in the long term:

1) Property tax collections are the largest single revenue source for the school system. The housing market in our district is stable and growing. We project growth in appraised values every three (3) years and new construction growth with modest increases in local taxes as the pandemic ends and the economy continues its recovery as anticipated. Total local revenues, which are predominately local taxes, equate to 41.43% of the district's resources. We believe there is a low risk that local collections will fall below projections throughout the forecast.

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 was in 2023 tax year collected in 2024 and Clark County experienced a reappraisal for the 2022 tax year collected in 2023.

3) Due to historic property value increases in reappraisal and update years the Ohio Legislature has considered various proposals since 2023 to help reduce non voted tax increases on taxpayers. Currently the senate has proposed SB271 that seeks to limit growth through refund or reduction taxes to ensure annual tax growth to no more than 5% in a year. If passed by the General Assembly this will result in lowering tax increases for our residents who qualify. We are watching this legislation closely.

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

4) 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.

5) The state budget represents 24.17% of district revenues, which means it is a significant risk to the revenue. The future risk comes in FY26 and beyond if the state economy stalls due to high inflation or the Fair School Funding Plan is not funded in future state budgets due to an economic recession. In this forecast, two forthcoming State Biennium Budgets cover FY26-27 and FY28-29. Future uncertainty in the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long-range through FY28. We have projected our state funding in FY25 based on the additional phase-in of HB33 (the Fair School Funding Plan). This forecast reflects state revenue to align with the FY25 funding levels through FY28, which we feel is conservative and should be close to what the state approves for the FY26-FY29 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.

6) HB33, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY24 and FY25. FY25 will result in 66.66% funding of (FSFP), however, the final two years of the phase-in are not guaranteed. The FSFP has made many significant changes to how foundation revenues are calculated for school districts and how expenses are charged off. State foundation basic aid will be calculated on a base cost methodology with funding paid to the district where a student is enrolled to be educated. We have used the October payment report published by the Department of Education and Workforce for our forecasted revenues in FY25.

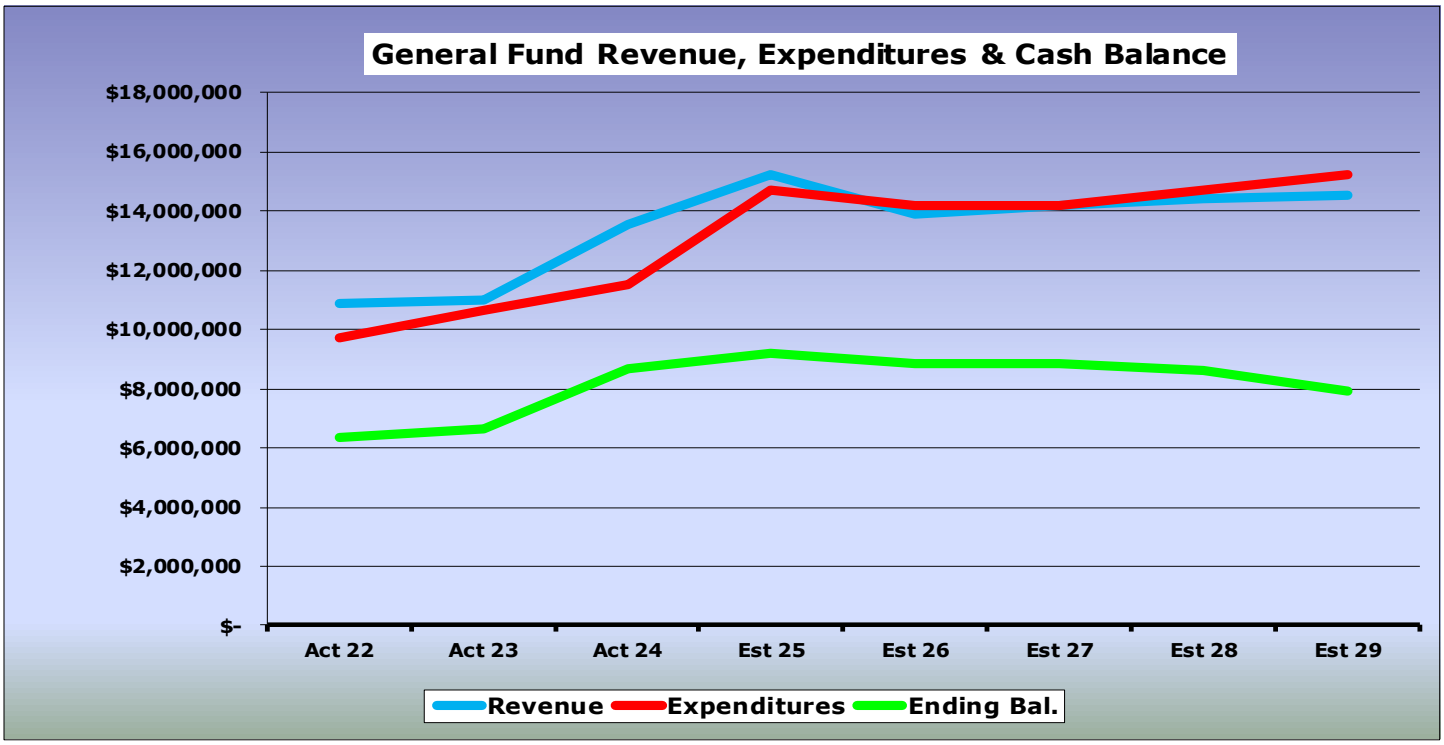
7) HB33 directly pays costs associated with open enrollment, community and STEM schools, and all scholarships, including EdChoice Scholarships. These costs are no longer deducted from our state aid. However, education option programs such as College Credit Plus continue to be removed from state aid, increasing costs to the district. Expansion or creation of programs not directly paid for by the state of Ohio can expose the district to new expenditures currently outside the forecast. We closely monitor any new threats to our state aid and increased costs as new proposed laws are introduced in the legislature.

8) 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.

9) Aging Facilities will continue impact the predictability of the forecast as we work through the process of updating our facilities through calendar year 2026.

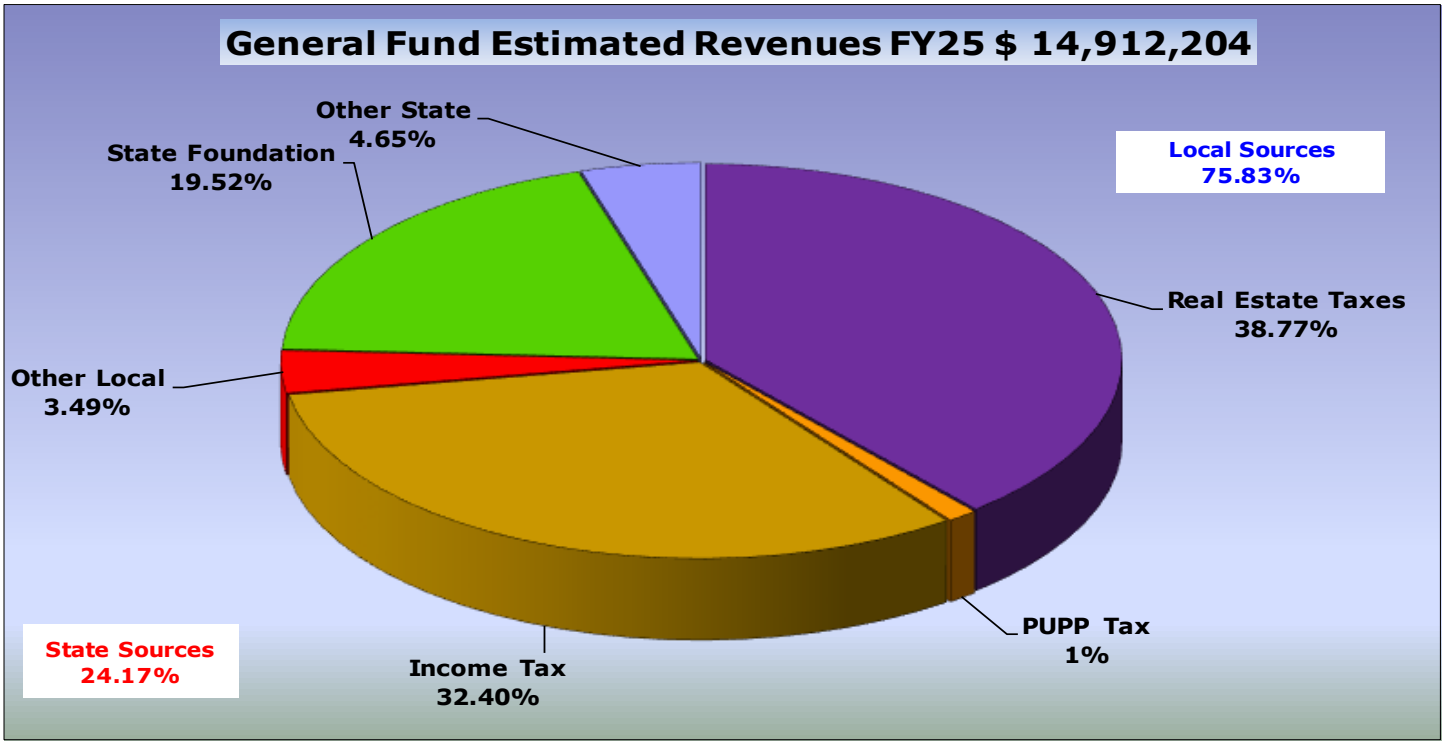
The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast 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 FY22-24 and Estimated FY25-29
The graph below captures in one snapshot the operating scenario facing the district over the next few years.



Revenue Assumptions

All Revenue Sources General Fund FY25



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. Our district resides within 2 counties, each county reappraisal cycle is in different years and each county three-year cycle can be either a sexennial reappraisal or the triennial update. Greene County is our main county which had the sexennial reappraisal in 2023 for collection in 2024 with a 26.32% or $40.30 million increase for Residential/Agriculture (Class I) values and an increase of 8.50% or $1.61 million for Commercial/Industrial (Class II). Clark County sexennial 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%.

A triennial update will occur in 2025 for collection in FY26 for Clark County, for which we are estimating a 0.50% increase in residential and a 0.03% increase for commercial/industrial property. The Greene County triennial update will occur in 2026 for collection in 2027, for which we are estimating a 8.00% increase in residential and a 2.00% increase for commercial/industrial property.

Public Utility Personal Property (PUPP) values change annually as the values are not included in the reappraisal or update years, which make them very difficult to forecast. The values for PUPP are noted in the table below, which was $3.31 million in assessed values in 2023 and is collected at the district's total voted millage rate. PUPP values increased by $295,770 in Tax Year 2023. We expect our values to continue to grow by $150,000 each year of the forecast.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Estimated TAX YEAR2024 COLLECT 2025	Estimated TAX YEAR 2025 COLLECT 2026	Estimated TAX YEAR 2026 COLLECT 2027	Estimated TAX YEAR 2027 COLLECT 2028	Estimated TAX YEAR 2028 COLLECT 2029
Res./Ag.	195,209,230	197,165,276	213,893,498	214,848,498	216,662,892
Comm./Ind.	21,152,310	21,460,767	22,134,982	22,379,982	22,692,122
Public Utility (PUPP)	3,462,980	3,612,980	3,762,980	3,912,980	4,062,980
Total Assessed Value	219,824,520	222,239,023	239,791,461	241,141,461	243,417,994

Tax Rate Assumptions
The county auditor sets tax rates for each levy voted on to provide tax revenues for the school district. Ohio law provides for "reduction factors" of all voted property tax levies to adjust the millage rates lower for the levy to not increase from inflation of property values for the taxes received by a district to that of the actual amount of the levy at the time of the election. The reduction factors are applied separately to Residential/Agriculture (Class I) and Commercial/Industrial (Class II) resulting in different effective millage rates. The district-voted rate for all general fund operating levies is 51.8 mills while the Class I effective millage rate is 20.000016 mills, and the Class II effective millage rate is 20.334037 mills. The Ohio law has a provision that the reduction factors cannot lower the total millage rate for each class less than 20 mills (excluding emergency and substitute emergency levies), which includes both the voted and the non-voted millage rates; this is called the "20-Mill Floor". Currently, our district is on the floor Class I only. Any emergency or substitute emergency levy that is voted on is not included in the 20-mill floor; the district has one substitute levy for 9.0 mills that was voted on for an annual amount of $1,975,000 of taxes.

ESTIMATED REAL ESTATE TAX - Line #1.010
Property tax levies are estimated to be collected at 99% 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, 57.20% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 42.80% collected in the August tax settlement.

ESTIMATED REAL ESTATE TAX - Line #1.010

Source	FY 25	FY 26	FY 27	FY 28	FY 29
Est. Property Taxes Line #1.010	$5,781,454	$5,772,424	$5,979,542	$6,130,445	$6,170,377

Estimated Tangible Personal Tax & PUPP Taxes – Line#1.020

The amounts below are public utility personal property (PUPP) tax payments from public utilities. Collections are typically 50% in March and 50% in August, along with the real estate settlements from the county auditor. The taxes received in the February settlement is less than 50% of the collection, due to late payments from a utility company, these taxes should be received in future tax settlements. There was a shortage in the August payment for PUPP of $79.474, we expect that the amount will be paid in the February settlement but will not include that amount until it is received.

ESTIMATED PUBLIC UTILITY PERSONAL TAX – Line 1.020

Source	FY 25	FY 26	FY 27	FY 28	FY 29
Public Utility Personal Property Taxes	$174,070	$215,017	$222,889	$230,790	$239,718

Renewal and Replacement Levies – Line #11.020

The district will need to renew substitute levy by December 31, 2034, during FY35. WE will not include the levy for renewal until FY35 is included in the forecast.

School District Income Tax – Line #1.03

The district passed an income tax (SDIT) of 1.0% effective in 1991. In FY25 to date, income tax collection statewide has risen by around 8.7%. The increase is based on the July 2024 payment which includes the April 15th tax returns and the October 2024 payment. We will assume an annual growth rate of 2% for FY26-FY28 as the concerns over inflation may slow growth in this area.

Income taxes are the most challenging piece of our forecast to predict. With the passage of an additional 1% income tax, we were estimating an increase of 70% from prior year collections in FY25 collections with full collections in FY26 and accounting for growth for future years. In our first collection of tax year 2024 received in April 2024, we saw less growth than anticipated. The catchup of this shortfall occurred in July payment for FY25. The October receipt for FY25 was greater than anticipated, due to taxpayer prior year adjustments, we received payment of additional $900,000 from prior years. This prior year's adjustment has positively impacted our forecast, changing our anticipated cash balance loss into a cash balance gain in fiscal year 2025. However, we also know that this prior year adjustment is a onetime event. This explains why income tax revenues are up to roughly $4.6 million in FY25 and dropping back down to roughly $3.6 million in FY26 with the regular growth of 2% in the remainder years of the forecast.

Source	FY 25	FY 26	FY 27	FY 28	FY 29
SDIT Collection	$1,948,651	$4,831,851	$3,627,662	$3,700,215	$3,774,220
Adjustments	$2,883,200	-$1,204,189	$72,553	$74,004	$75,484
Total to Line #1.030	$4,831,851	$3,627,662	$3,700,215	$3,774,220	$3,849,704

State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045
Current State Funding Model per HB33 through June 30, 2025

Unrestricted State Foundation Revenue – Line #1.035
HB33, the current state budget, continued the Fair School Funding Plan for FY24 and FY25, which funds students where they are educated rather than where they live. We have projected FY25 funding based on the October 2024 foundation settlement and funding factors.

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

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

State Funding Phase-In FY25 and Guarantees
The Fair School Funding Plan was presented as a six (6) year phase-in plan, the state legislature approved the first two (2) years of the funding plan in HB110 and extended the plan in HB33 for FY24 and FY25. The FSFP does not include caps on funding; instead, it consists of a general phase-in percentage for most components of 66.67% in FY25.

The funding formula includes three (3) guarantees: 1) "Formula Transition Aid," 2) Supplemental Targeted Assistance, and 3) Formula Transition Supplement. The three (3) guarantees in both temporary and permanent law ensure that no district will get fewer funds in FY24 and FY25 than they received in FY21.

Future State Budgets Projections beyond FY25
Our funding status for FY26-29 will depend on unknown two (2) new state budgets. There is no guarantee that the current Fair School Funding Plan will be funded or continued beyond FY25; therefore, our state funding estimates are reasonable, and we will adjust the forecast when we have authoritative data to work with. For this reason, funding is held constant in the forecast for FY26 through FY29

Casino Revenue
On November 3, 2009, Ohio voters passed the Ohio casino ballot issue. This issue allowed four (4) casinos to open 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% of 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, beginning for the first time on January 31, 2013.

The casino revenue has recovered from the pandemic from closing the casinos in 2020. Total funding in FY23 was $113.1 million or $64.90 per pupil. In FY24, the funding totaled $114.18 million or $65.44 per pupil. We expect the Casino revenues to have resumed their historical growth rate and are assuming a 1.5% annual growth rate for the remainder of the forecast.

Unrestricted State Foundation Revenue – Line #1.035

Source	FY 25	FY 26	FY 27	FY 28	FY 29
Basic Aid-Unrestricted	$2,631,599	$2,631,599	$2,631,599	$2,631,599	$2,631,599
Additional Aid Items	$28,175	$28,175	$28,175	$28,175	$28,175
Basic Aid-Unrestricted Subtotal	$2,659,774	$2,659,774	$2,659,774	$2,659,774	$2,659,774
Ohio Casino Commission ODT	$40,467	$41,074	$41,691	$42,316	$42,951
Total Unrestricted State Aid Line #1.035	$2,700,241	$2,700,848	$2,701,464	$2,702,090	$2,702,725

Restricted State Revenues – Line #1.040

HB33 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding) and Career Technical funding. In addition, new restricted funds have been added under "Restricted Categorical Aid" for Gifted, English Learners (ESL), and Student Wellness. We have estimated revenues for these new restricted funding lines using current October funding factors. The amount of DPIA is limited to a 66.67% in FY25. We have flat-lined funding at FY25 levels for FY26-FY29 due to uncertainty on continued funding of the current funding formula.

The district received additional High Quality Instructional Material payment in FY25 of $86 which is due to the state redirecting funds that were not used by other districts.

Source	FY 25	FY 26	FY 27	FY 28	FY 29
DPIA	$26,294	$26,294	$26,294	$26,294	$26,294
Career Tech - Restricted	$9,301	$9,301	$9,301	$9,301	$9,301
Gifted	$40,872	$40,872	$40,872	$40,872	$40,872
ESL	$1,986	$1,986	$1,986	$1,986	$1,986
Student Wellness	$132,826	$132,826	$132,826	$132,826	$132,826
Other Restricted	$86	$0	$0	$0	$0
Total Restricted State Revenues Line #1.040	$211,365	$211,279	$211,279	$211,279	$211,279

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 25	FY 26	FY 27	FY 28	FY 29
Unrestricted Line # 1.035	$2,700,241	$2,700,848	$2,701,464	$2,702,090	$2,702,725
Restricted Line # 1.040	$211,365	$211,279	$211,279	$211,279	$211,279
Restricted Fed. Grants - Line #1.045	$0	$0	$0	$0	$0
Total State Foundation Revenue	$2,911,606	$2,912,127	$2,912,743	$2,913,368	$2,914,003

State Share of Local Property Taxes – Line #1.050

Rollback and Homestead Reimbursement

Rollback funds are reimbursements paid to the district from the State of Ohio for tax credits given to owner-occupied residences. Credits equal 12.5% of the gross property taxes charged to residential taxpayers on levies passed before September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013.

Homestead Exemptions are credits paid to the district from the state of Ohio for qualified elderly and disabled. In 2007, HB119 expanded the Homestead Exemption for all seniors 65 years or older or disabled, regardless of income. Effective September 29, 2013, HB59 changed the requirement for Homestead Exemptions. Individual taxpayers who still need to get their Homestead Exemption approved or those who did not get a new application approved for the tax year 2013 and who become eligible after that will only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who had their Homestead Exemption as of September 29, 2013, will not lose it and will not have to meet the new income qualification. This will generally reduce homestead reimbursements to the district over time, and as with the rollback reimbursements above, the state is increasing the tax burden on our local taxpayers.

Summary of State Share of Local Property Tax Reimbursement – Line #1.050

Source	FY 25	FY 26	FY 27	FY 28	FY 29
Rollback and Homestead Line #1.05	$693,119	$678,715	$702,593	$725,214	$729,311

Other Local Revenues – Line #1.060

All other local revenue encompasses any revenue that does not fit the above lines. The primary sources of revenue in this area have been open enrollment, interest on investments, tuition for court-placed students, student fees, Payment In Lieu of Taxes, and general rental fees.

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

Source	FY 25	FY 26	FY 27	FY 28	FY 29
Tuition	$280,104	$280,104	$280,104	$280,104	$280,104
Interest	$200,000	$196,000	$192,080	$188,238	$184,474
Other Miscellaneous Receipts	$40,000	$40,400	$40,804	$41,212	$41,624
Total Line #1.06	$520,104	$516,504	$512,988	$509,554	$506,202

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 anticipate annual advance repayments of $150,000 In FY25 through FY29.

Source	FY 25	FY 26	FY 27	FY 28	FY 29
Transfers In - Line 2.040	$0	$0	$0	$0	$0
Advance Returns - Line 2.050	$300,715	$150,000	$150,000	$150,000	$150,000
Total Transfer & Advances In	$300,715	$150,000	$150,000	$150,000	$150,000

All Other Financial Sources – Line #2.060

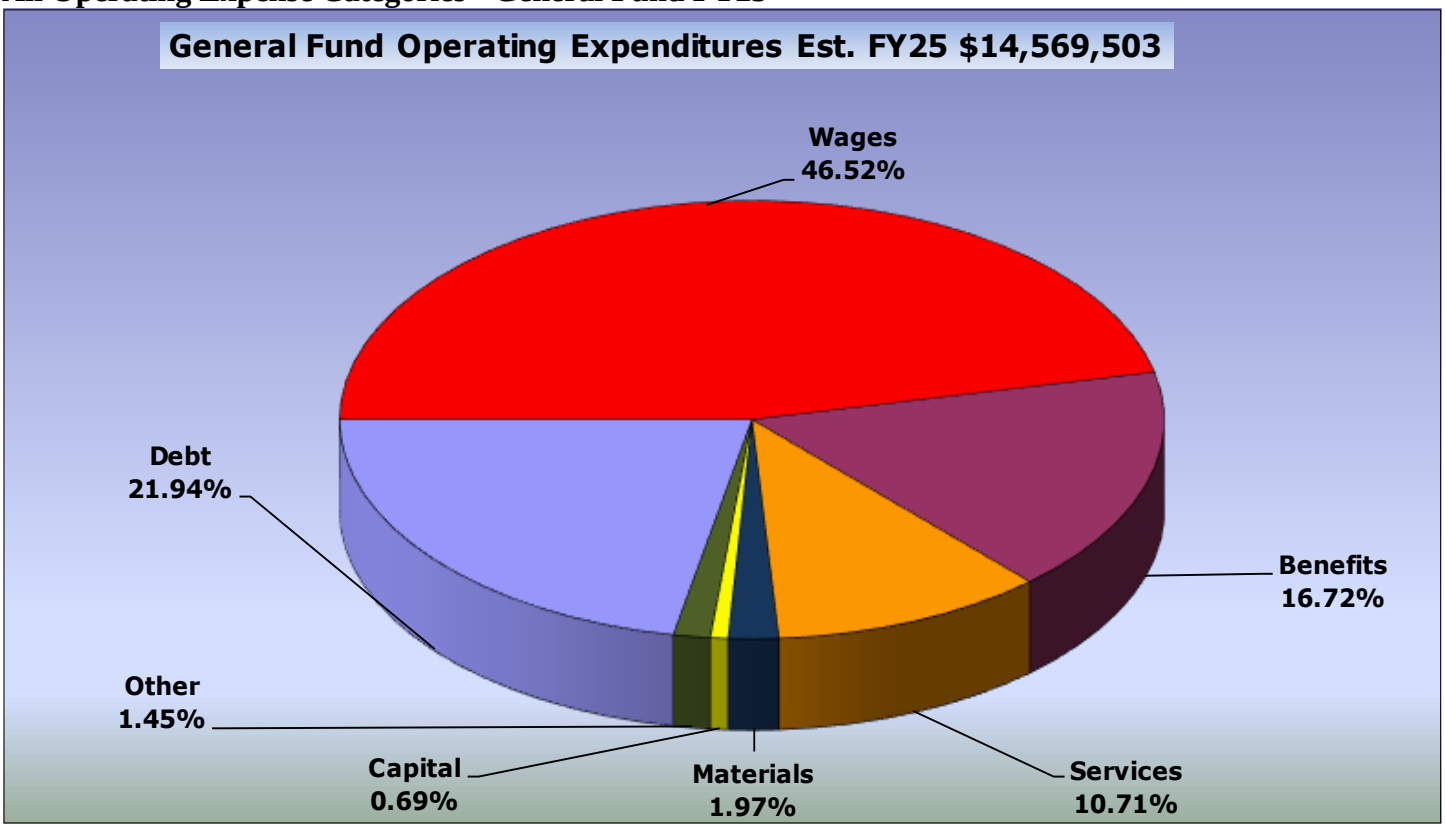
This funding source is typically a refund of prior year expenditures and one-time payments that are very unpredictable. These revenues are inconsistent year to year, and we are projecting the amount based on historical refunds of prior year expenditures.

Source	FY 25	FY 26	FY 27	FY 28	FY 29
All Other Sources	$7,622	$7,622	$7,622	$7,622	$7,622

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 FY25



Wages – Line #3.010

The district negotiated salary increases 1.5% in FY25. For planning purposes, a 2% base increase is being used in FY26 through FY29. Steps and training are projected at 1.64% each year based on historical trend. 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 in addition to adding an operations manager position.

The district is expecting changes in staffing for FY25 of the addition of the Operations Manager, the return of two positions from grants, reduction of the Psychologist to the ESC and one resignation that will be replaced.

Summary of Personnel Services – Line #3.010

Source	FY 25	FY 26	FY 27	FY 28	FY 29
Base Wages	$6,090,803	$6,378,304	$6,619,224	$6,860,164	$7,109,874
Base Rate Increases	$91,362	$127,566	$132,384	$137,203	$142,197
Steps & Training	$99,889	$104,604	$108,555	$112,507	$116,602
Staff Growth & Replacements	$186,667	$24,333	$0	$0	$0
Staff Reductions (Retire/Resignation)	-$90,417	-$15,583	$0	$0	$0
Substitutes	$164,121	$177,251	$191,431	$206,745	$223,285
Supplemental	$210,982	$215,202	$219,506	$223,896	$228,374
Severance	$25,000	$25,000	$25,000	$25,000	$25,000
Other	$0	$0	$0	$0	$0
Total Wages Line #3.010	$6,778,407	$7,036,677	$7,296,101	$7,565,515	$7,845,332

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 8.25% in FY25 and 8%in FY26 through FY29.

C) Workers Compensation & Unemployment Compensation

Workers Compensation is based on the district's rate of .2345% 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 25	FY 26	FY 27	FY 28	FY 29
STRS/SERS	$1,061,202	$1,102,823	$1,143,719	$1,186,015	$1,229,934
Insurance's	$1,251,226	$1,353,424	$1,461,698	$1,578,634	$1,704,925
Workers Comp/Unemployment	$15,895	$16,501	$17,109	$17,741	$18,397
Medicare	$98,287	$102,032	$105,793	$109,700	$113,757
Tuition and Other Benefits	$10,000	$10,000	$10,000	$10,000	$10,000
Total Fringe Benefits Line #3.020	$2,436,611	$2,584,780	$2,738,320	$2,902,091	$3,077,014

Purchased Services – Line #3.030
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.

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. The district expects additional repairs for the older building in FY25 for $25,000 and boiler repairs of $20,000 and expects costs to be less in FY26 of $100,000 with the new buildings.

Utilities are expected to increase in FY25 for the modular building by $15,000 and then again in FY27 by $25,000 for cost associated with the new buildings.

Source	FY 25	FY 26	FY 27	FY 28	FY 29
Professional & Technical Services, ESC	$676,914	$703,991	$732,151	$761,437	$791,894
Maintenance, Insurance & Garbage Removal	$236,914	$146,391	$152,246	$158,336	$164,670
Professional Development	$77,314	$80,406	$83,622	$86,967	$90,446
Communications, Postage, & Telephone	$48,296	$50,227	$52,236	$54,326	$56,499
Utilities	$163,743	$170,293	$202,104	$210,188	$218,596
Tuition, & Excess Costs	$328,878	$342,033	$355,715	$369,943	$384,741
College Credit Plus	$15,826	$16,459	$17,117	$17,802	$18,514
Miscellaneous Purchased Services	$12,223	$12,712	$13,221	$13,749	$14,299
Total Purchased Services Line #3.030	$1,560,107	$1,522,512	$1,608,412	$1,672,749	$1,739,659

Supplies and Materials – Line #3.040
On average an inflation rate of 3% is being estimated for this category of expenses which are characterized by classroom supplies, textbooks, copy paper, maintenance, and transportation supplies each year of the forecast. ESSER funding of $30,000 has been used to offset costs for supplies in previous years, we will increase the supply line by 3% plus the amount that had been purchased from the ESSER funds.

Source	FY 25	FY 26	FY 27	FY 28	FY 29
General & Instructional Supplies	$172,303	$177,472	$182,796	$188,280	$193,928
Textbooks, Library & Periodicals	$42,383	$43,655	$44,965	$46,314	$47,703
Facility Supplies & Materials	$40,444	$41,657	$42,907	$44,194	$45,520
Transportation Fuel & Supplies	$29,859	$30,754	$31,677	$32,627	$33,606
Other & adjustments SWSF, CARES, Etc.	$1,680	$1,730	$1,782	$1,836	$1,891
Total Supplies Line #3.040	$286,669	$295,269	$304,127	$313,251	$322,648

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 and miscellaneous equipment needed throughout the district.

Source	FY 25	FY 26	FY 27	FY 28	FY 29
Capital Outlay	$100,000	$100,000	$100,000	$100,000	$100,000
Technology	$0	$0	$0	$0	$0
Facility Upkeep	$0	$0	$0	$0	$0
Replacement Bus Purchases	$0	$0	$0	$0	$0
Total Equipment Line #3.050	$100,000	$100,000	$100,000	$100,000	$100,000

Principal and Interest Payment – Lines #4.020 through #4.060

We are using the actual net debt service payment schedule for each year of the forecast from the sale of COPS for the school facility project.

Source	FY 25	FY 26	FY 27	FY 28	FY 29
Principal COPS Line 4.020	$1,775,000	$945,000	$445,000	$465,000	$490,000
Interest Total Line 4.060	$1,422,038	$1,354,038	$1,319,288	$1,296,538	$1,272,663

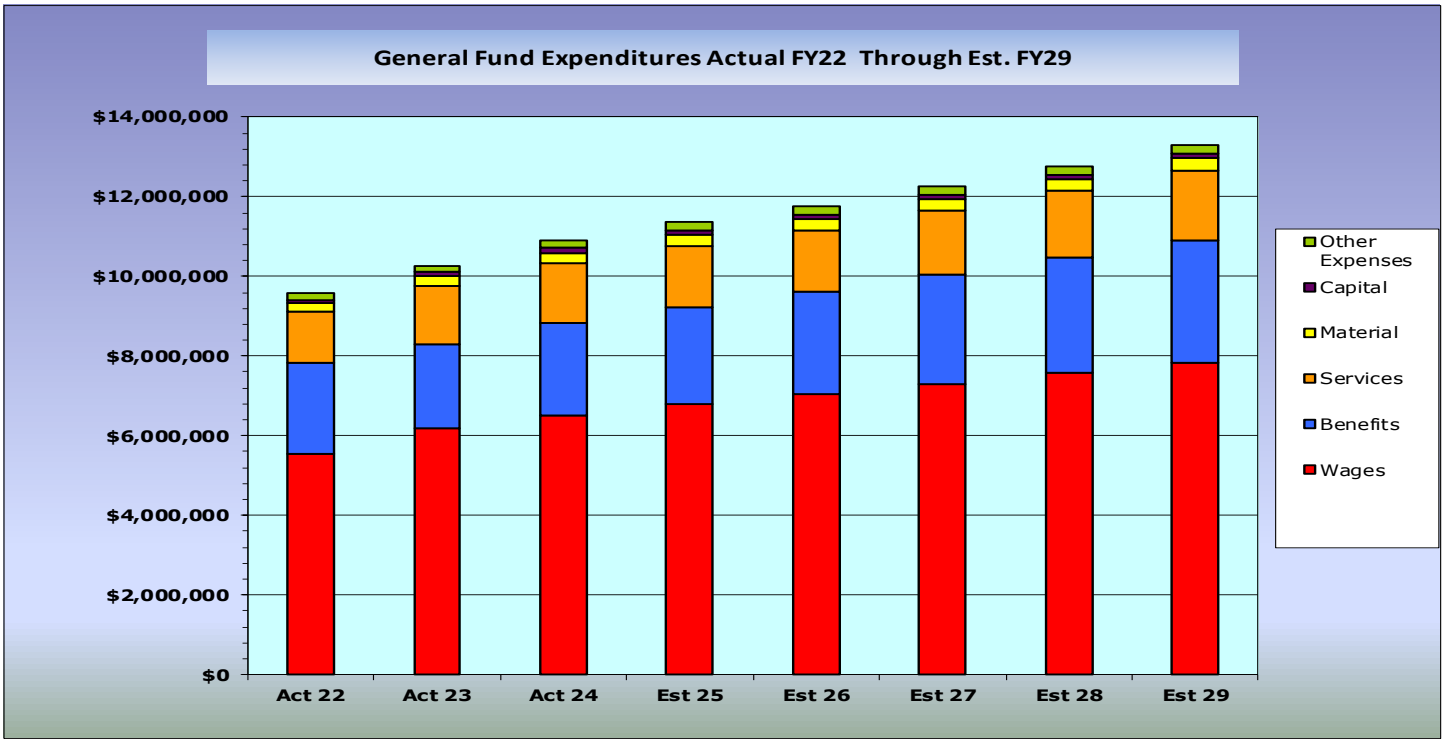
Other Expenses – Line #4.300

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. The district will have additional SDIT Fees beginning in FY25 that we are estimating will be $18,000.

Source	FY 25	FY 26	FY 27	FY 28	FY 29
Auditor & Treasurer Fees & SDIT Fees	$68,586	$70,644	$72,763	$74,946	$77,195
ESC	$23,675	$24,149	$24,632	$25,124	$25,627
Other expenses	$118,410	$120,778	$123,194	$125,657	$128,171
Total Other Expenses Line #4.300	$210,671	$215,571	$220,589	$225,728	$230,992

Operating Expenditures Actual FY22 through FY24 and Estimated FY25 through FY29

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



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 anticipates transferring 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 25	FY 26	FY 27	FY 28	FY 29
Operating Transfers Out Line #5.010	$10,000	$10,000	$10,000	$10,000	$10,000
Advances Out Line #5.020	$150,000	$150,000	$150,000	$150,000	$150,000
Total Transfer & Advances Out	$160,000	$160,000	$160,000	$160,000	$160,000

Encumbrances –Line #8.010

Encumbrances represent purchase authorizations and contracts for goods or services that are pending vendor performance and those purchase commitments, which have been performed, are awaiting invoicing and payment. Encumbrances, on a budget basis of accounting, are treated as the equivalent of expenditure at the time authorization is made to maintain compliance with spending restrictions established by Ohio law. For presentation in the forecast, outstanding encumbrances are presented as a reduction of the general fund cash balance.

Source	FY 25	FY 26	FY 27	FY 28	FY 29
Estimated Encumbrances	$120,000	$120,000	$120,000	$120,000	$120,000

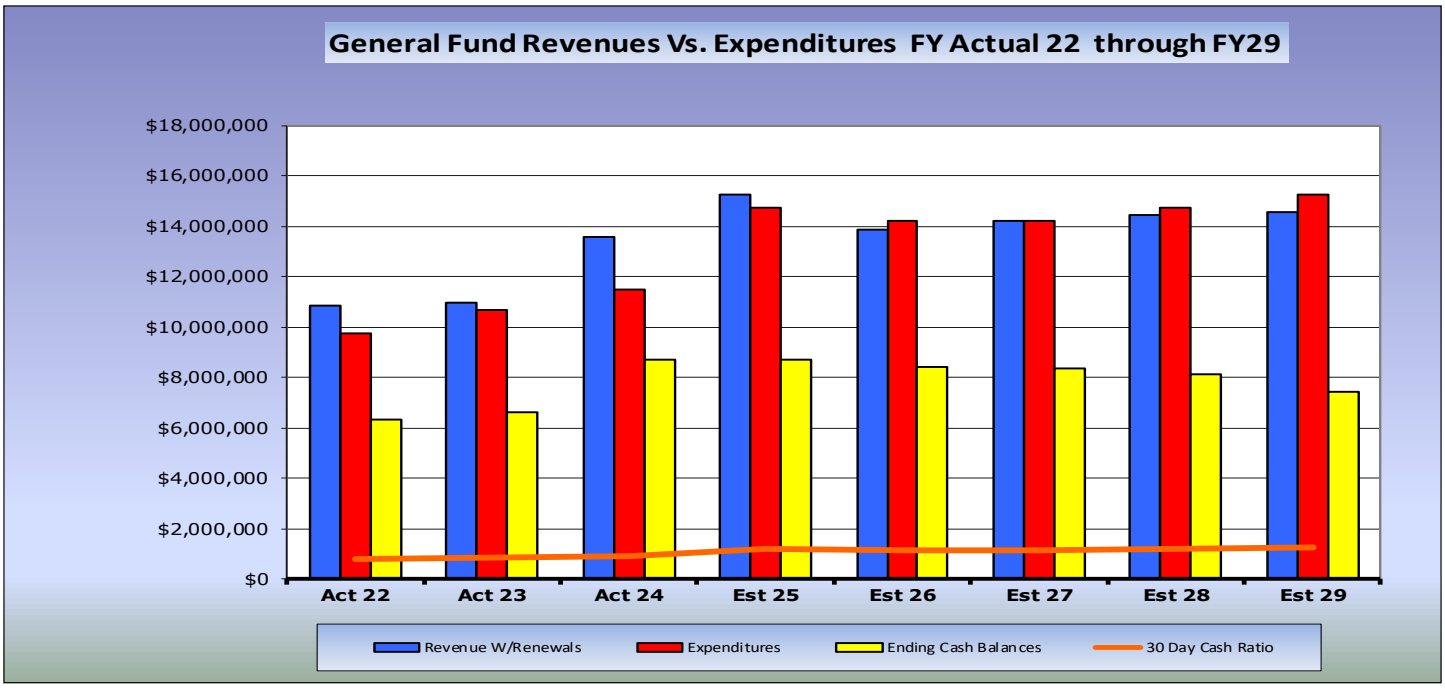
Reservations of Fund Balance – Line #9.080

The district has established a budget reserve for each year of the forecast that can only be used by board approval.

Source	FY 25	FY 26	FY 27	FY 28	FY 29
Budget Reserve - Line 9.030	354,081	354,081	354,081	354,081	354,081
Total Reservations of Balance- Line #9.080	354,081	354,081	354,081	354,081	354,081

Revenue vs Expenditures with Deficit Spending

The graph below includes the renewal of the two emergency levies which does show that the district is deficit spending beginning in FY25. By deficit spending the district is decreasing the ending cash balance but is still able to maintain 30 days of cash each year of the forecast with the renewal of the two emergency levies.



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 emergency levies. The millage equivalent is based on the excess of revenues over/under expenditures and the property valuation in that tax year.

	FY 25	FY 26	FY 27	FY 28	FY 29
Excess Revenues over/(under) Expenditures	$491,038	($333,775)	($3,245)	($259,657)	($671,370)
Millage equivalent for deficit spending	0.00	1.52	0.01	1.08	2.78

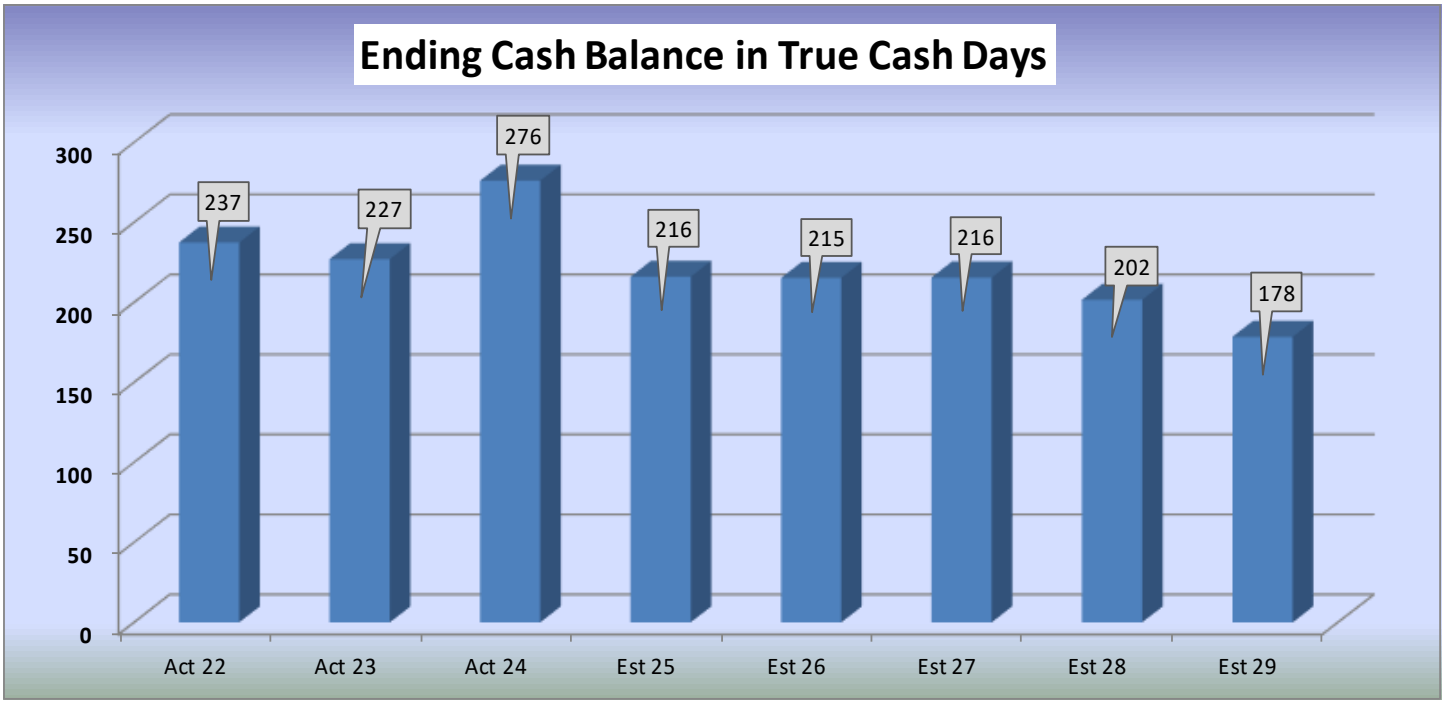
Ending Unreserved Cash Balance – Line#15.010

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 and which results in a negative unencumbered cash balance, is a violation of O.R.C. §5705.412, which is punishable by personal liability of $10,000; unless an alternative 412 certificate, as permitted by HB153, effective September 30, 2011, could be issued.

Source	FY 25	FY 26	FY 27	FY 28	FY 29
Ending Cash Balance	$8,717,230	$8,383,456	$8,380,211	$8,120,554	$7,449,183

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) = the number of days the district could operate without additional resources or a severe resource interruption. The Government Finance Officers Association (GFOA) recommends that no fewer than two (2) months or 60 days of cash is on hand at year-end. Still, it could be more dependent on each district's complexity and risk factors for revenue collection. This is calculated, including transfers, as this is a predictable funding source for other funds such as capital, athletics, and severance reserves.



CONCLUSION

Yellow Springs Exempted Village Schools receives 24.17% of its funding for the district from state dollars which is very beneficial to the overall operations for the education of our students.

The district administration is grateful for the changes in the current state budget HB33 as it has reduced the amount that was deducted for programs that were not within the district's control. However, future state budgets funding will need to be watched since the full amount of the Fair School Funding Plan was not totally implemented with this budget and there is no guarantee for future increases in state budgets for FY26-FY28.

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

As you read through the notes and review the forecast, remember that the forecast is based on the best information that is available to us at the time the forecast is prepared.